

**ACER INCORPORATED AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**For the three-month period ended March 31, 2009 and 2008**  
**(Expressed in thousands of New Taiwan dollars)**

Unaudited

|                  |   | 2009.3.31             |            | 2008.3.31             |            |                                      |   | 2009.3.31             |            | 2008.3.31            |            |
|------------------|---|-----------------------|------------|-----------------------|------------|--------------------------------------|---|-----------------------|------------|----------------------|------------|
| Current assets : |   | NT \$                 | %          | NT \$                 | %          | Liabilities and Stockholders' Equity |   | NT \$                 | %          | NT \$                | %          |
| 1100             | Cash and cash equivalents   | \$ 53,913,648         | 21         | \$ 32,904,302         | 14         | 2100                                 | Short-term borrowings & Current installation of LT loan             | \$ 2,080,970          | 1          | \$ 1,481,361         | 1          |
| 1120-40          | Notes and accounts receivable, net of allowance for doubtful accounts of NT\$ 2,308,937 and 1,260,828 | 97,280,340            | 37         | 102,454,963           | 43         | 2120-40                              | Notes and accounts payable  | 73,264,679            | 28         | 76,570,823           | 32         |
| 1130-50          | Notes and accounts receivables from related parties   | 717,081               | 0          | 730,118               | 0          | 2130-50                              | Notes and accounts payable to related parties                       | 7,202,232             | 3          | 4,241,019            | 2          |
| 1180             | Other receivables from related parties  | 61,005                | 0          | 45,121                | 0          | 2183                                 | Financial liabilities at fair value through profit or loss— current | 911,987               | 0          | 1,396,244            | 1          |
| 1190             | Other receivables   | 10,831,838            | 4          | 8,803,016             | 4          | 2190                                 | Other payables to related parties                                   | 41,644                | 0          | 78,216               | 0          |
| 120-123          | Inventories   | 33,621,700            | 13         | 37,465,195            | 16         | 2200                                 | Hedging purpose derivative financial liabilities— current           | 442,374               | 0          | 724,112              | 0          |
| 1310             | Financial assets at fair value through profit or loss-current   | 136,620               | 0          | 21,678                | 0          | 2228                                 | Royalties payable   | 13,975,650            | 5          | 10,772,327           | 5          |
| 1320             | Available-for-sale Fin. Asset-Current   | 157,790               | 0          | 1,679,950             | 1          | 2170-2280                            | Accrued expenses and other current liabilities                      | 58,516,760            | 22         | 47,232,520           | 20         |
| 1340             | Hedging derivative Fin. Asset-Current   | 327,360               | 0          | 457,265               | 0          | 2272                                 | Current installation of LT loan                                     | 8,250,000             | 3          | 0                    | 0          |
| 1286             | Deferred income tax assets-current  | 2,624,868             | 1          | 1,613,026             | 1          | 2881                                 | Deferred intercompany profit  | 1,639                 | 0          | 0                    | 0          |
| 1250-80          | Prepaid expenses and other current assets   | 1,966,872             | 1          | 1,835,100             | 1          |                                      | <b>Total current liabilities</b>                                    | <b>164,687,935</b>    | <b>63</b>  | <b>142,496,622</b>   | <b>60</b>  |
| 1291             | Restricted deposits   | 101,736               | 0          | 83,313                | 0          |                                      | <b>Long-term liabilities:</b>                                       |                       |            |                      |            |
|                  | <b>Total current assets</b>   | <b>201,740,858</b>    | <b>77</b>  | <b>188,093,047</b>    | <b>79</b>  |                                      | Long-term debt, excluding current installments                      | <b>4,116,219</b>      | <b>2</b>   | <b>12,406,734</b>    | <b>5</b>   |
|                  | <b>Funds and investments:</b>   |                       |            |                       |            | 2421                                 | Other liabilities   | <b>975,039</b>        | <b>1</b>   | <b>439,281</b>       | <b>0</b>   |
| 1421             | Equity method investment  | 2,760,316             | 1          | 4,710,752             | 2          | 2800                                 | Deferred income tax liabilities— noncurrent                         | <b>6,457,060</b>      | <b>2</b>   | <b>5,855,777</b>     | <b>2</b>   |
| 1480             | Financial assets carried at cost  | 3,042,000             | 1          | 3,063,441             | 1          | 2861                                 | <b>Total long-term liabilities</b>                                  | <b>11,548,318</b>     | <b>4</b>   | <b>18,701,792</b>    | <b>8</b>   |
| 1451             | Available-for-sale financial assets— noncurrent   | 1,643,267             | 1          | 2,616,584             | 1          |                                      | <b>Total liabilities</b>  | <b>176,236,253</b>    | <b>67</b>  | <b>161,198,414</b>   | <b>68</b>  |
|                  | <b>Total Funds and investments</b>  | <b>7,445,583</b>      | <b>3</b>   | <b>10,390,777</b>     | <b>4</b>   |                                      | <b>Stockholders' equity:</b>  |                       |            |                      |            |
|                  | <b>Property, plant and equipment:</b>   |                       |            |                       |            |                                      | Common stock  | 26,428,560            | 10         | 24,054,904           | 10         |
| 1501             | Land  | 2,677,144             | 1          | 1,583,131             | 1          | 3110                                 | Capital surplus   | 37,203,104            | 14         | 29,891,872           | 13         |
| 1521             | Buildings and improvements  | 5,290,717             | 2          | 3,974,201             | 2          | 3200                                 | Retained earnings:  |                       |            |                      |            |
| 1531             | Computer equipment and machinery  | 3,386,992             | 2          | 4,980,103             | 2          |                                      | Legal reserve   | 8,786,583             | 3          | 7,490,689            | 3          |
| 1551             | Transportation equipment  | 122,659               | 0          | 115,998               | 0          | 3310                                 | Unappropriated earnings   | 16,011,048            | 6          | 16,502,813           | 7          |
| 1561             | Office equipment  | 1,049,994             | 0          | 1,112,433             | 0          | 3350                                 | Other stockholders' equity components:                              |                       |            |                      |            |
| 1631             | Leasehold improvement   | 830,835               | 0          | 744,125               | 0          |                                      | Foreign currency translation adjustment                             | 1,844,113             | 1          | 728,503              | 0          |
| 1681             | Other equipment   | 1,110,178             | 1          | 773,314               | 0          | 3420                                 | Minimum pension liability adjustment                                | (283)                 | 0          | (169,766)            | 0          |
| 1670             | Construction in progress and advance payments for purchases of property and equipment                 | 63,228                | 0          | 732,411               | 0          | 3430                                 | Hedging reserve   | (128,900)             | 0          | (598,305)            | 0          |
|                  |   | 14,531,747            | 6          | 14,015,716            | 6          | 3452                                 | Unrealized gain on available-for-sale financial assets              | (956,679)             | 0          | 783,734              | 0          |
| 15X9             | Less: accumulated depreciation  | (4,993,427)           | (2)        | (4,986,941)           | (2)        | 3451                                 | Treasury stock  | (3,522,598)           | (1)        | (3,270,920)          | (1)        |
| 1599             | Less: accumulated impairment  | (276,254)             | (0)        | (1,309,713)           | (1)        | 3510                                 | <b>Total stockholders' equity</b>                                   | <b>85,664,948</b>     | <b>33</b>  | <b>75,413,524</b>    | <b>32</b>  |
|                  | <b>Net property, plant and equipment</b>  | <b>9,262,067</b>      | <b>4</b>   | <b>7,719,062</b>      | <b>3</b>   |                                      | <b>Minority interest</b>  | <b>577,134</b>        | <b>0</b>   | <b>977,051</b>       | <b>0</b>   |
| 1700             | <b>Intangible assets</b>  | <b>37,656,421</b>     | <b>14</b>  | <b>25,389,337</b>     | <b>11</b>  | 3610                                 | <b>Total stockholders' equity and minority interest</b>             | <b>86,242,082</b>     | <b>33</b>  | <b>76,390,575</b>    | <b>32</b>  |
| 1810             | <b>Property not used in operations</b>  | <b>2,990,463</b>      | <b>1</b>   | <b>3,531,362</b>      | <b>1</b>   |                                      |   |                       |            |                      |            |
| 1820             | <b>Refundable deposits</b>  | <b>752,208</b>        | <b>0</b>   | <b>757,316</b>        | <b>0</b>   |                                      |   |                       |            |                      |            |
| 1844             | <b>Long term receivable</b>   | <b>43,794</b>         | <b>0</b>   | <b>319,018</b>        | <b>0</b>   |                                      |   |                       |            |                      |            |
| 1830-80          | <b>Deferred charges and other assets</b>  | <b>2,586,941</b>      | <b>1</b>   | <b>1,389,070</b>      | <b>1</b>   |                                      |   |                       |            |                      |            |
|                  | <b>Total assets</b>   | <b>\$ 262,478,335</b> | <b>100</b> | <b>\$ 237,588,989</b> | <b>100</b> |                                      | <b>Total Liabilities and Stockholders' equity</b>                   | <b>\$ 262,478,335</b> | <b>100</b> | <b>\$237,588,989</b> | <b>100</b> |

**ACER INCORPORATED AND SUBSIDIARIES**  
**Consolidated Statements of Income**  
**For the three-month periods ended March 31, 2009 and 2008**  
(Expressed in thousands of New Taiwan dollars, except per share data)  
**Unaudited**

|   |  | <u>2009Q1</u>           |          | <u>2008Q1</u>           |          |
|---|--|-------------------------|----------|-------------------------|----------|
|   |  | <u>NT \$</u>            | <u>%</u> | <u>NT \$</u>            | <u>%</u> |
| 4000  | <b>Revenues</b>  | \$ 119,086,448          | 100      | \$ 127,376,081          | 100      |
| 5000  | <b>Cost of revenues</b>  | (107,168,081)           | (90)     | (113,911,266)           | (89)     |
| 5910  | <b>Gross profit</b>  | 11,918,367              | 10       | 13,464,815              | 11       |
| <b>Operating expenses:</b>                                |  |                         |          |                         |          |
| 6100  | Selling  | (7,645,353)             | (6)      | (9,872,275)             | (8)      |
| 6200  | General and administrative   | (1,511,076)             | (2)      | (737,129)               | (1)      |
| 6300  | Research and development   | (191,364)               | 0        | (117,222)               | 0        |
|   | <b>Total operating expenses</b>  | (9,347,793)             | (8)      | (10,726,626)            | (9)      |
| 6900  | <b>Operating income</b>  | 2,570,574               | 2        | 2,738,189               | 2        |
| <b>Non-operating income and gains:</b>                    |  |                         |          |                         |          |
| 7110  | Interest income  | 123,621                 | 0        | 385,888                 | 0        |
| 7120  | Investment gain recognized by equity method, net                                   | 78,684                  | 0        | 162,342                 | 0        |
| 7130  | Gain on disposal of property and equipment, net                                    | 0                       | 0        | 788,287                 | 1        |
| 7160-7310   | Foreign currency exchange gain and gain on valuation of financial                  | 204,068                 | 0        | 0                       | 0        |
| 7140  | Gain on disposal of investments, net   | 1,518                   | 0        | 990,037                 | 1        |
| 7480  | Other income   | 59,775                  | 0        | 100,486                 | 0        |
|   |  | 467,666                 | 0        | 2,427,040               | 2        |
| <b>Non-operating expenses and loss:</b>                   |  |                         |          |                         |          |
| 7510  | Interest expense   | (206,759)               | 0        | (300,557)               | 0        |
| 7561  | Foreign currency exchange loss and loss on valuation of financial instruments, net | 0                       | 0        | (188,792)               | 0        |
| 7588  | Restructuring cost   | 0                       | 0        | (1,223,617)             | (1)      |
| 7880  | Other loss   | (76,144)                | 0        | (149,455)               | 0        |
|   |  | (282,903)               | 0        | (1,862,421)             | (1)      |
| 7900  | <b>Income from continuing operations before income taxes</b>                       | 2,755,337               | 2        | 3,302,808               | 3        |
| 8110  | <b>Income tax expense</b>  | (729,666)               | 0        | (450,529)               | 0        |
| 8900  | <b>Income from continuing operations</b>   | 2,025,671               | 2        | 2,852,279               | 3        |
| 9100  | <b>Income from discontinued operations</b>   | 0                       | 0        | 100,000                 | 0        |
| 9600  | <b>Consolidated net income</b>   | <u>\$ 2,025,671</u>     | <u>2</u> | <u>\$ 2,952,279</u>     | <u>3</u> |
| <b>Net income attributable to:</b>                        |  |                         |          |                         |          |
| 9601  | Shareholders of parent company   | \$2,025,730             |          | \$2,951,789             |          |
| 9602  | Minority shareholders  | (59)                    |          | 490                     |          |
|   |  | <u>\$2,025,671</u>      |          | <u>\$2,952,279</u>      |          |
| <b>Earnings per common share (in New Taiwan dollars):</b> |  | <u>After Income Tax</u> |          | <u>After Income Tax</u> |          |
| 9750  | Basic earnings per common share-retroactively adjusted                             | <u>\$ 0.78</u>          |          | <u>\$ 1.21</u>          |          |
| 9850  | Diluted earnings per common share  | <u>\$ 0.77</u>          |          | <u>\$ 1.21</u>          |          |

**ACER INCORPORATED AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Stockholders' Equity**  
**For the three-month period ended March 31, 2009 and 2008**

(Expressed in thousands of New Taiwan dollars)

Unaudited

Retained earnings

|  | <u>Common<br/>Stock</u> | <u>Capital<br/>surplus</u> | <u>Legal<br/>reserve</u> | <u>Retained<br/>earnings</u> | <u>Foreign<br/>currency<br/>translation<br/>adjustment</u> | <u>Minimum<br/>pension<br/>liability<br/>adjustment</u> | <u>Unrealized gain<br/>on<br/>available-for-sale<br/>financial assets</u> | <u>Hedging<br/>reserve</u> | <u>Treasury<br/>stock</u> | <u>Minority<br/>interest</u> | <u>Total<br/>stockholders'<br/>equity</u> |
|--|-------------------------|----------------------------|--------------------------|------------------------------|--|---|---|----------------------------|---------------------------|------------------------------|---|
|  | NT \$                   | NT \$                      | NT \$                    | NT \$                        | NT \$  | NT \$   | NT \$   | NT \$                      | NT \$                     | NT \$                        | NT \$                                     |
| <b>Balance at January 1, 2008</b>  | <b>\$ 24,054,904</b>    | <b>29,898,983</b>          | <b>7,490,689</b>         | <b>13,551,024</b>            | <b>2,733,899</b>   | <b>(173,364)</b>  | <b>2,508,663</b>  | <b>15,836</b>              | <b>(3,270,920)</b>        | <b>599,280</b>               | <b>77,408,994</b>                         |
| 2008 net income  | -                       | -                          | -                        | 2,951,789                    | -  | -   | -   | -                          | -                         | 490                          | 2,952,279                                 |
| Foreign currency translation adjustment  | -                       | -                          | -                        | -                            | (2,005,396)  | -   | -   | -                          | -                         | -                            | (2,005,396)                               |
| Unrealized loss on available-for sale financial assets   | -                       | -                          | -                        | -                            | -  | -   | (1,724,929)   | -                          | -                         | -                            | (1,724,929)                               |
| Unrealized loss on qualifying cash flow hedge  | -                       | -                          | -                        | -                            | -  | -   | -   | (614,141)                  | -                         | -                            | (614,141)                                 |
| Decrease in capital surplus resulting from long-term equity investments accounted for by the equity method | -                       | (7,111)                    | -                        | -                            | -  | -   | -   | -                          | -                         | -                            | ((7,111))                                 |
| Minimum pension liability adjustment   | -                       | -                          | -                        | -                            | -  | 3,598   | -   | -                          | -                         | -                            | 3,598                                     |
| Change in minority interest  | -                       | -                          | -                        | -                            | -  | -   | -   | -                          | -                         | 377,281                      | 377,281                                   |
| <b>Balance at March 31, 2008</b>   | <b>\$ 24,054,904</b>    | <b>29,891,872</b>          | <b>7,490,689</b>         | <b>16,502,813</b>            | <b>728,503</b>   | <b>(169,766)</b>  | <b>783,734</b>  | <b>(598,305)</b>           | <b>(3,270,920)</b>        | <b>977,051</b>               | <b>76,390,575</b>                         |
| <b>Balance at January 1, 2009</b>  | <b>\$ 26,428,560</b>    | <b>37,129,952</b>          | <b>8,786,583</b>         | <b>13,985,318</b>            | <b>1,241,058</b>   | <b>(283)</b>  | <b>(1,456,066)</b>  | <b>(273,565)</b>           | <b>(3,522,598)</b>        | <b>558,656</b>               | <b>82,877,615</b>                         |
| 2009 net income  | -                       | -                          | -                        | 2,025,730                    | -  | -   | -   | -                          | -                         | (59)                         | 2,025,671                                 |
| Foreign currency translation adjustment  | -                       | -                          | -                        | -                            | 603,055  | -   | -   | -                          | -                         | -                            | 603,055                                   |
| Unrealized gain on qualifying cash flow hedge  | -                       | -                          | -                        | -                            | -  | -   | -   | 144,665                    | -                         | -                            | 144,665                                   |
| Increase in capital surplus resulting from long-term equity investments accounted for by the equity method | -                       | 269                        | -                        | -                            | -  | -   | -   | -                          | -                         | -                            | 269                                       |
| Unrealized loss on available-for sale financial assets   | -                       | -                          | -                        | -                            | -  | -   | 499,387   | -                          | -                         | -                            | 499,387                                   |
| Share-based payment transactions   | -                       | 72,883                     | -                        | -                            | -  | -   | -   | -                          | -                         | -                            | 72,883                                    |
| Change in minority interest  | -                       | -                          | -                        | -                            | -  | -   | -   | -                          | -                         | 18,537                       | 18,537                                    |
| <b>Balance at March 31, 2009</b>   | <b>\$ 26,428,560</b>    | <b>37,203,104</b>          | <b>8,786,583</b>         | <b>16,011,048</b>            | <b>1,844,113</b>   | <b>(283)</b>  | <b>(956,679)</b>  | <b>(128,900)</b>           | <b>(3,522,598)</b>        | <b>577,134</b>               | <b>86,242,082</b>                         |

**ACER INCORPORATED AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the three-month periods ended March 31, 2009 and 2008**  
**(Expressed in thousands of New Taiwan dollars)**  
**Unaudited**

|  | <u>2009Q1</u><br><u>NT \$</u> | <u>2008Q1</u><br><u>NT \$</u> |
|--|-------------------------------|-------------------------------|
| Cash flows from operating activities:  |                               |                               |
| Consolidated net income  | 2,025,671                     | 2,952,279                     |
| Adjustments to reconcile net income to cash provided by operating activities:                                      |                               |                               |
| Depreciation   | 213,654                       | 127,120                       |
| Amortization   | 446,393                       | 99,518                        |
| Stock-based compensation cost  | 70,411                        | 0                             |
| Gain on disposal of assets, net  | 432                           | (788,287)                     |
| Gain on disposal of investments, net   | 0                             | (990,036)                     |
| Net investment gain on long-term equity investments accounted for by equity method, net of cash dividends received | (89,120)                      | (180,316)                     |
| Restructure cost   | 0                             | 904,653                       |
| Deferred income tax expense  | (2,540,612)                   | (34,218)                      |
| Changes in operating assets and liabilities:   |                               |                               |
| Notes and accounts receivable  | 10,545,971                    | 5,743,706                     |
| Receivables from related parties   | 124,383                       | (230,411)                     |
| Inventories  | 6,373,419                     | (2,377,126)                   |
| Other financial assets, prepaid expenses and other current assets  | (2,686,768)                   | (406,589)                     |
| Noncurrent assets  | 43,885                        | (114,942)                     |
| Notes and accounts payable   | 8,899,063                     | (3,356,738)                   |
| Payables to related parties  | (696,308)                     | (1,180,577)                   |
| Royalties payable, accrued expenses and other current liabilities  | 6,503,993                     | (317,650)                     |
| Other liabilities  | 2,194,015                     | (713,859)                     |
| Cash used in operating activities  | 31,428,483                    | (863,472)                     |
| Cash flow from investing activities:   |                               |                               |
| Change in available-for-sale financial assets – current, net   | 446,297                       | 1,086,786                     |
| Proceeds from sales of long-term equity investments  | 3,638                         | 217,544                       |
| Proceeds from disposal of property, plant and equipment and property not used in operations                        | 0                             | 1,829,985                     |
| Additions to property, plant and equipment and property not used in operation                                      | (80,588)                      | (33,216)                      |
| Increase in long-term investments  | (16,635)                      | (65,292)                      |
| Return of capital from investees   | 0                             | 9,244                         |
| Increase in advances to related parties  | (15,833)                      | 0                             |
| Decrease in restricted assets – current  | 1,813,448                     | 1,958,585                     |
| Acquisition of business, net of cash acquired  | 0                             | (813,757)                     |
| Increase in intangible assets, refundable deposits, deferred charges and other assets                              | (2,437,358)                   | 0                             |
| Cash provided by investing activities  | (287,031)                     | 4,174,830                     |
| Cash flows from financing activities:  |                               |                               |
| Increase (Decrease) in short-term borrowings   | 994,119                       | (3,890,748)                   |
| Decrease in long-term debt   | (16,260)                      | (4,401,508)                   |
| Change in minority interests   | 0                             | 10,277                        |
| Cash used in financing activities  | 977,859                       | (8,281,979)                   |
| Net decrease in cash and cash equivalents  | 32,119,311                    | (4,970,621)                   |
| Effects of exchange rate changes   | (347,387)                     | (70,417)                      |
| Cash and cash equivalents at beginning of period   | 22,141,725                    | 37,945,339                    |
| Cash and cash equivalents at end of period   | \$53,913,648                  | \$32,904,300                  |
| Supplemental disclosures of cash flow information  |                               |                               |
| Interest paid  | \$304,497                     | \$379,209                     |
| Income taxes paid  | \$254,131                     | \$155,729                     |
| Supplementary schedules of non-cash investing and financing activities:  |                               |                               |
| Change in foreign currency translation adjustment  | (\$603,056)                   | \$2,005,395                   |
| Cash acquired from acquisition of Packard Bell B.V   |                               | PB                            |
| Purchase price (by cash)   |                               | \$ 2,546,084                  |
| Non-cash assets acquired   |                               | (6,169,466)                   |
| Liabilities assumed  |                               | 6,465,883                     |
| Goodwill   |                               | (1,301,618)                   |
| Cash acquired  |                               | \$ 1,540,882                  |