

EVA AIRWAYS CORP.
Balance Sheets
September 30, 2010 and 2009
(Reviewed, not Audited)
(In Thousands)

	2010	2009		2010	2009
Assets	NT dollars	NT dollars	Liabilities and Stockholders' Equity	NT dollars	NT dollars
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 10,112,889	6,735,239	Short-term borrowings	\$ -	5,068,210
Financial assets at fair value through profit or loss - current	-	66	Financial liabilities at fair value through profit or loss - current	-	1,410,508
Available-for-sale financial assets - current	1,392,245	4,495,434	Derivative financial liabilities for hedge purposes - current	-	1,906,769
Derivative financial assets for hedge purposes - current	32,910	-	Accounts payable	815,789	826,832
Notes receivable	246,030	229,166	Accounts payable - related parties	2,349,113	855,324
Accounts receivable, net	7,838,084	5,803,260	Accrued expenses	6,665,544	5,363,594
Accounts receivable - related parties	177,206	124,575	Other payables - related parties	172,780	8,096,692
Other receivables	180,139	120,272	Other payables	3,555,414	2,706,739
Other receivables - related parties	838,512	45,706	Unearned revenue	5,639,945	5,000,641
Inventories	8,319,872	8,476,743	Current portion of long-term liabilities	12,770,908	13,036,308
Prepaid expenses	684,115	602,855	Other current liabilities	2,982,683	2,864,126
Deferred income tax assets - current	774,883	328,172	Total current liabilities	<u>34,952,176</u>	<u>47,135,743</u>
Other current assets	167,060	69,296			
Total current assets	<u>30,763,945</u>	<u>27,030,784</u>	Long-term liabilities:		
Funds and investments:			Bonds payable	5,000,000	4,000,000
Available-for-sale financial assets - noncurrent	853,122	554,246	Long-term borrowings	40,269,320	44,246,825
Financial assets carried at cost - noncurrent	2,251,437	2,252,588	Aircraft payable	12,299,383	7,978,544
Long-term equity investments under equity method	8,647,075	7,872,963	Lease liability	10,996,975	12,591,734
Total funds and investments	<u>11,751,634</u>	<u>10,679,797</u>	Total long-term liabilities	<u>68,565,678</u>	<u>68,817,103</u>
Property, plant and equipment:			Other liabilities:		
Land	1,869,572	1,869,784	Accrued employee retirement liabilities	160,813	82,882
Buildings	4,543,278	4,543,278	Other liabilities	1,593,532	1,866,991
Machinery and equipment	6,880,920	6,744,555	Total other liabilities	<u>1,754,345</u>	<u>1,949,873</u>
Aircraft	99,339,061	101,492,909	Total liabilities	<u>105,272,199</u>	<u>117,902,719</u>
Leased assets	15,845,730	16,284,345			
	128,478,561	130,934,871	Stockholders' equity:		
Less: accumulated depreciation	(47,593,298)	(41,825,410)	Common stock	29,626,772	29,626,772
Advances for purchases of equipment	14,469,117	9,093,569	Capital surplus	2,649,436	5,568,860
Net property, plant and equipment	<u>95,354,380</u>	<u>98,203,030</u>	Retained earnings (accumulated deficit)	11,046,562	(3,971,831)
Intangible assets:			Other stockholders' equity adjustments:		
Deferred pension cost	238,093	81,888	Cumulative translation adjustments	(475,833)	692,231
Other assets:			Net loss not yet recognized as net pension cost	(163,314)	(130,014)
Refundable deposits	1,706,954	3,144,251	Unrealized gains on financial instruments	284,192	(1,399,365)
Deferred charges	4,549,997	4,133,677	Total other stockholders' equity adjustments	<u>(354,955)</u>	<u>(837,148)</u>
Deferred income tax assets - noncurrent	3,061,317	3,623,512	Total stockholders' equity	<u>42,967,815</u>	<u>30,386,653</u>
Other assets	813,694	1,392,433	Commitments and contingencies		
Total other assets	<u>10,131,962</u>	<u>12,293,873</u>			
Total assets	<u>\$ 148,240,014</u>	<u>148,289,372</u>	Total liabilities and stockholders' equity	<u>\$ 148,240,014</u>	<u>148,289,372</u>

EVA AIRWAYS CORP.**Statements of Operations****For the Nine Months ended September 30, 2010 and 2009****(Reviewed, not Audited)****(In Thousands, Except Earnings Per Share)**

	2010	2009
	NT dollars	NT dollars
Operating revenue	\$ 78,711,278	51,265,194
Operating cost	<u>(62,757,529)</u>	<u>(50,527,205)</u>
Gross profit from operations	15,953,749	737,989
Operating expenses	<u>(4,856,686)</u>	<u>(4,471,592)</u>
Operating income (loss)	<u>11,097,063</u>	<u>(3,733,603)</u>
Non-operating income and gains:		
Interest income	54,148	26,300
Investment income	1,018,949	14,895
Gains on disposal of property, plant and equipment	20,504	33,755
Gains on valuation of financial liabilities	-	320,131
Other income	<u>287,229</u>	<u>157,534</u>
	<u>1,380,830</u>	<u>552,615</u>
Non-operating expenses and losses:		
Interest expenses	(1,337,925)	(1,533,989)
Exchange losses, net	(55)	(48,219)
Losses on valuation of financial liabilities	(57,288)	-
Other losses	<u>(14,750)</u>	<u>(23,994)</u>
	<u>(1,410,018)</u>	<u>(1,606,202)</u>
Income (loss) before income tax	11,067,875	(4,787,190)
Income tax benefit(expenses)	<u>(21,313)</u>	<u>886,179</u>
Net income(loss)	<u>\$ 11,046,562</u>	<u>(3,901,011)</u>

	<u>Income before income tax</u>	<u>Net income</u>	<u>Loss before income tax</u>	<u>Net loss</u>
	<u>NT dollars</u>	<u>NT dollars</u>	<u>NT dollars</u>	<u>NT dollars</u>
Basic earnings per share(expressed in NT dollars)	<u>3.74</u>	<u>3.73</u>	<u>(2.05)</u>	<u>(1.67)</u>

EVA AIRWAYS CORP.
Statements of Cash Flows
For the Nine Months ended September 30, 2010 and 2009
(Reviewed, not Audited)
(In Thousands)

	2010	2009
	NT dollars	NT dollars
Cash flows from operating activities:		
Net income(loss)	\$ 11,046,562	(3,901,011)
Adjustments to reconcile net income(loss) to net cash flow provided by operating		
Depreciation	6,171,838	6,085,259
Amortization and maintenance expense	841,103	939,354
Investment income under equity method	(1,018,949)	(14,895)
Proceeds from cash dividends on long-term equity investments	365,038	113,915
Losses (gains) on disposal and obsolescence of property, plant and equipment	820	4,433
Deferred income tax (benefit) expenses	-	(901,698)
Amortization expense recorded as interest expenses	28,408	25,241
Amortization of other deferred gain	(51,220)	(121,193)
Gains on sale of investments	(1,823)	(5,335)
Employee stock option	-	282,100
Changes in operating assets and liabilities, net:		
Changes in operating assets, net:		
Financial assets at fair value through profit or loss - current	17,247	424,954
Notes receivable	43,170	(30,482)
Accounts receivable	(1,032,630)	5,965
Accounts receivable - related parties	(14,238)	(6,027)
Other receivables	(157,690)	(42,381)
Other receivables - related parties	(652,533)	48,256
Inventories	370,511	154,079
Other prepayments	(120,067)	(695,994)
Other current assets	(145,687)	(46,086)
Changes in operating liabilities, net:		
Financial liabilities at fair value through profit or loss	(685,797)	(4,376,176)
Accounts payable	(352,624)	(111,723)
Accounts payable - related parties	406,266	126,581
Accrued expenses	808,930	(416,366)
Other payables	(1,084,196)	(8,351,011)
Other payables - related parties	23,840	7,989,339
Unearned revenue	(340,270)	(1,511,591)
Other current liabilities	69,288	(484,918)
Accrued employee retirement liabilities	(108,148)	(112,380)
Other liabilities	(18,155)	(585,719)
Net cash provided by (used in) operating activities	<u>14,408,994</u>	<u>(5,515,510)</u>
Cash flows from investing activities:		
Decrease (increase) in available-for-sale financial assets - current	3,175,269	(3,357,073)
Withdrawal of financial assets carried at cost	1,151	-
Payments for purchase of long-term equity investments under equity method	-	(252,750)
Withdrawal of long-term investments	11,721	27,052
Payments for purchase of property, plant and equipment	(477,670)	(7,193,009)
Proceeds from disposal of property, plant and equipment	1,105	3,302
Decrease (increase) in refundable deposits	(35,083)	1,748,679
Increase in deferred charges	(573,307)	(311,057)
Decrease (increase) in other assets	175,740	(2,827)
Net cash provided by (used in) investing activities	<u>2,278,926</u>	<u>(9,337,683)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(979,994)	2,768,210
Redemption of bonds payable	(3,100,000)	(2,000,000)
Increase in long-term borrowings	8,985,000	13,515,472
Redemption of long-term borrowings	(14,610,512)	(10,273,830)
Redemption of lease liability	(1,088,273)	(1,051,849)
Cash subscription	-	7,420,000
Increase in long-term accounts payable to related parties	-	7,982,342
Net cash provided by (used in) financing activities	<u>(10,793,779)</u>	<u>18,360,345</u>
Net increase (decrease) in cash and cash equivalents	5,894,141	3,507,152
Cash and cash equivalents at beginning of year	4,218,748	3,228,087
Cash and cash equivalents at end of year	<u>\$ 10,112,889</u>	<u>6,735,239</u>
Additional disclosure of cash flow information:		
Interest paid	\$ 1,448,832	1,746,574
Less: capitalized interest	(167,358)	(107,288)
Interest paid(excluding capitalized interest)	<u>1,281,474</u>	<u>1,639,286</u>
Income tax paid	<u>\$ 27,691</u>	<u>17,177</u>
Supplemental schedule of noncash investing and financing activities:		
Current portion of long-term liabilities and bonds payable	\$ 12,770,908	13,036,308
Inventory transferred from fixed assets	\$ 13	18
Unrealized gains(losses) on financial instruments (including investee)	\$ 799,703	1,610,580
Translation adjustments (including investee)	\$ 899,666	(799,665)