



**Financial Results for the 1st Half
Ended March 31, 2008
SK-Electronics CO., LTD.**

2008 May

JASDAQ 6677

**Results for the 1st Half Ended
March 31, 2008**

**Forecasts for the Full Year
Ending September 30, 2008**

Summary for the 1st Half Ended March 31, 2008

1Q (2007.Oct~Dec)

- ◆ Decrease of demands for photomasks to be used in new model development caused by full production condition by panel manufactures
- ◆ Price down pressure continued
- ◆ Overseas Sales: Korea: as expected, Taiwan: lower than expected

2Q (2008.Jan~Mar)

- ◆ Decrease of domestic med-small size photomask sales continued
- ◆ Multi-tone photomasks rose as a component of Net sales.

Results of the 1st Half ended March 31, 2008

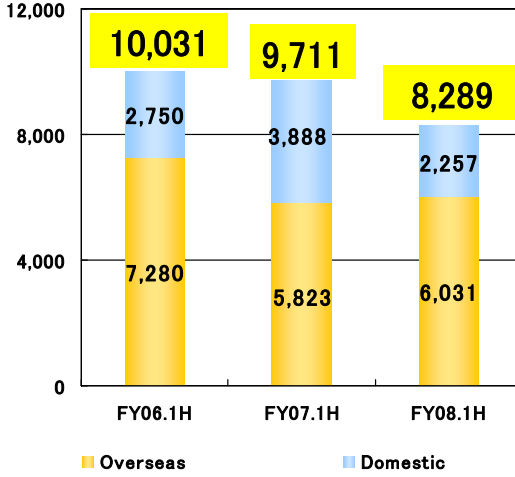
(Unit:¥1million)

	FY07 1H	Break down	FY08 1H	Break down	Y on Y(%)
Net Sales	9,761	100.0	8,289	100.0	- 15.1
Gross profit	1,112	11.4	1,602	19.3	44.1
Operating Income	128	1.3	469	5.7	264.6
Ordinary Income	133	1.4	343	4.1	156.7
Net Income	91	0.9	163	2.0	79.6

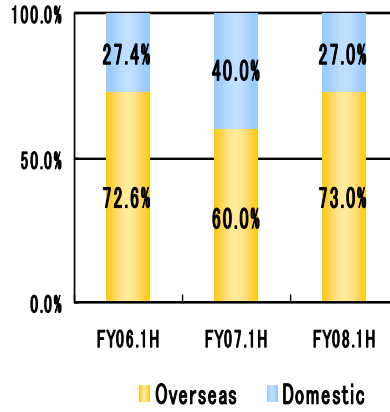
Comprehensive Large Format Photomask

Change in Photomask sales by Geographical Segment (YonY)

(Unit: ¥1million)



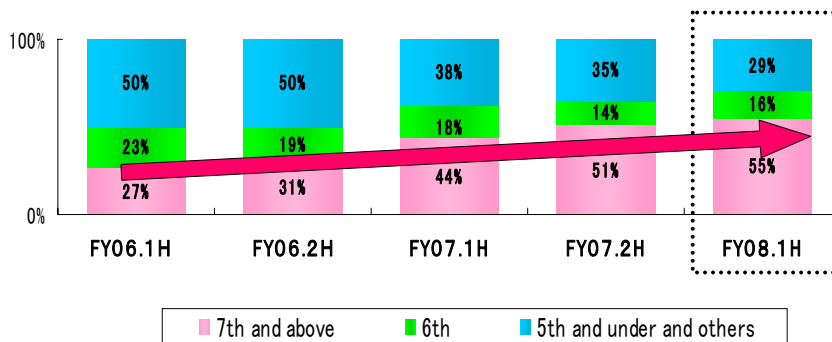
Proportion of Photomask sales by Geographical Segment (YonY)



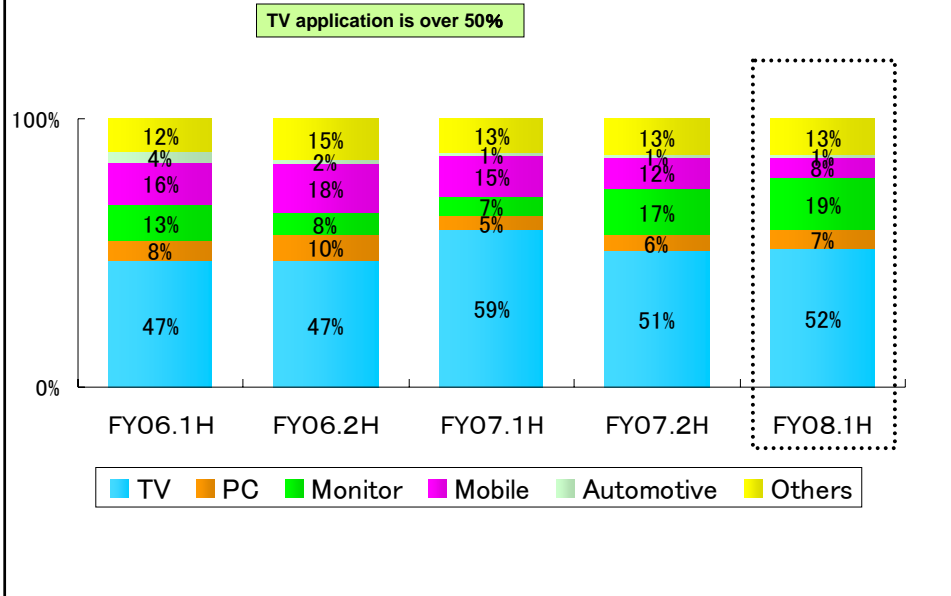
Note: Overseas sales includes indirect export sales.

Comprehensive Large Format Photomask

Change in Photomask sales by generations (HonH)



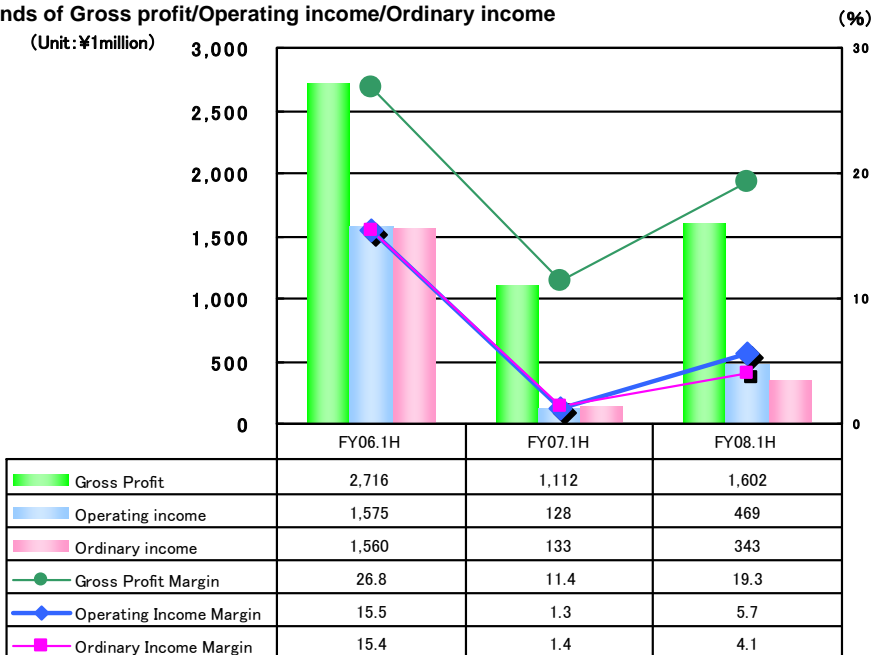
Comprehensive Large Format Photomask Change in Photomask sales by applications (HonH)



Income trend (Consolidated)

Trends of Gross profit/Operating income/Ordinary income

(Unit: ¥1million)



Consolidated Balance Sheet

(Unit:¥1million)			
	31-Sep-07	31-Mar-08	Changes
Total assets	25,376	25,956	580
Current assets	9,657	9,284	▲ 373
Cash on hand and in banks	1,599	1,908	309
Trade notes and account receivable	4,818	4,028	▲ 790
Inventories	2,327	2,534	207
Other current assets	944	819	▲ 125
Allowance for doubtful accounts	▲ 31	▲ 6	25
Fixed assets	15,719	16,671	952
Property, plant and equipment	15,186	15,944	758
Intangible fixed assets	86	333	247
Investments and other assets	445	393	▲ 52
Total liabilities	12,149	13,009	860
Current liabilities	7,290	6,746	▲ 544
Trade notes and account payable	3,843	3,498	▲ 345
Short-term borrowings	502	-	▲ 502
Current portion of long-term debt	1,844	1,809	▲ 35
Current portion of bonds	139	121	▲ 18
Account liabilities	257	308	51
Income taxes payable	-	210	210
Current portion of accrued long-term liabilities on equipment	338	342	4
Other current liabilities	365	456	91
Long-term Liabilities	4,859	6,262	1,403
Long-term debt	4,196	5,781	1,585
Accrued long-term liabilities on equipment	595	423	▲ 172
Other long-term liabilities	60	57	▲ 3
Net assets	13,226	12,946	▲ 280
Interest-bearing debt	7,476	8,356	+880
Capital adequacy ratio	44.4%	42.8%	-1.6

◆Main reasons of changes
 <Assets>
 Property, plant and equipment
 ¥757million increase
 Cash on hand and in banks
 ¥309million increase
 <Liabilities/Capital>
 Liabilities
 ¥859million increase
 Interest-bearing debt ¥8,356million

Cash Flows and others (Consolidated)

(Unit:¥Million)			
	FY07.1H	FY08.1H	Changes
CF from Operating activities	1,204	2,011	807
CF from Investing activities	-2,821	-2,661	160
CF from Financing activities	2,453	996	-1,457
Effect of exchange rate changes on cash and cash equivalents	1	-36	-37
Net change in cash and cash equivalents	838	309	-529
Cash and cash equivalents at beginning of period	1,553	1,599	46
Cash and cash equivalents at end of period	2,392	1,908	-484

◆Main reasons of Changes

<CF from Operating activities>
 Decrease in depreciation expense and trade accounts receivable

<CF from Investing activities>
 Purchases of tangible fixed asset purchases

<CF from Financing activities>
 Net decrease in short-term debt
 Cash receipts related to Long-term debt
 Cash outlays for Long-term debt payment

(Unit:¥Million)			
	FY07.1H	FY08.1H	Changes
Capital expenditure	2,373	546	-1,827
Depreciation	1,709	1,301	-408
R&D expenditure	164	113	-51

◆Main Capital expenditure etc...

<Capital expenditure>
 Photomask manufacturing equipment

<Depreciation>
 Decrease in depreciation expense of present plant and equipment

<R&D Expenditure>
 High value-added photomask R&D
 New Business Development

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**Forecasts for the Full Year
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Forecasts for the 2nd Half Ending September 30, 2008

3Q (2008. April ~ June)

- Special demand of LCD TV for Beijing Olympics
- Shift from development condition to full production.

4Q (2008. July ~ September)

- Continuation of full production condition by panel manufactures
- Photomask demands by start-up of new manufacturing lines
- Photomask demands for development expecting Christmas sales
- Increase demand of LCD TV for the digitization of TV (North America)

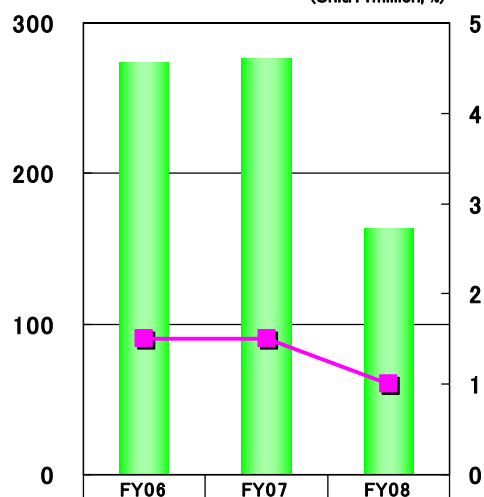
Forecast of FY08 Financial highlights

(Unit: ¥ 1million)

	FY07	FY08 Previous projection	FY08 Revised projection	Change (%) YonY
Net Sales	18,344	17,500	16,700	-9.0%
Gross profit	2,062	2,827	2,827	37.1 %
Operating Income	174	450	550	216.1 %
Ordinary Income	133	490	490	268.4 %
Net Income	52	250	250	380.8 %

R&D expense & its sales ratio

(Unit:¥1million, %)



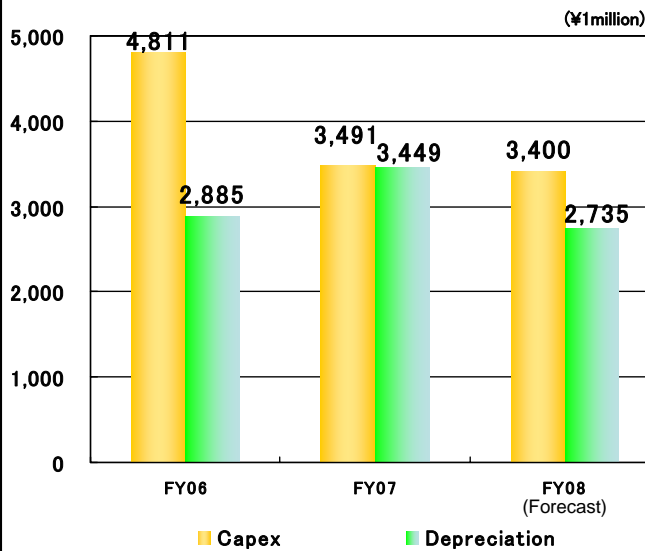
<R&D Expense>

In order to concentrate
Capex on Next generation factory,
Net sales to R&D expense ratio
will be 1%.

→Contents of R&D expense
Technological development for
Value-added multi-tone photomasks
New business development

(Forecast)

Capex & Depreciation



Main reasons for changes

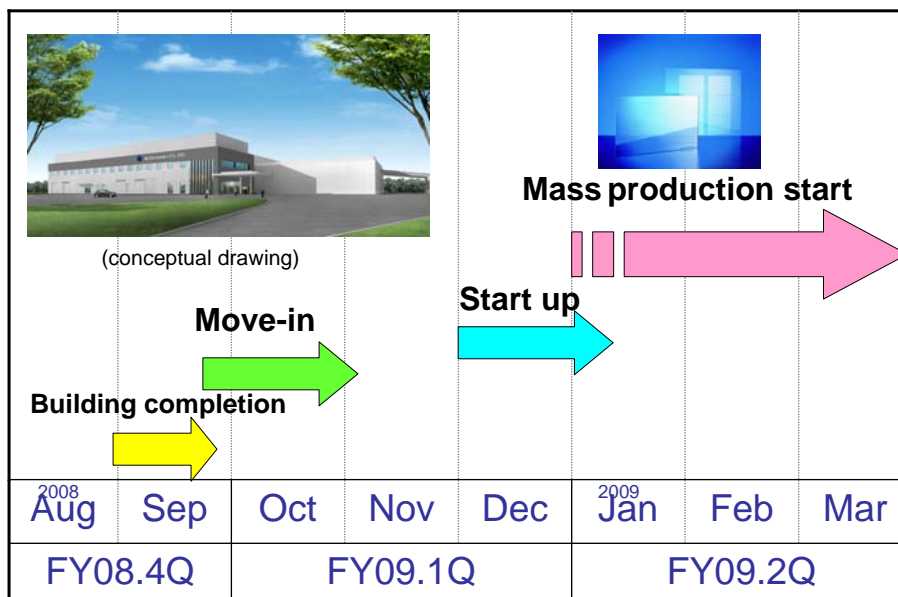
<Capex>

Building cost for next Generation factory & Renewal for conventional Manufacturing equipment

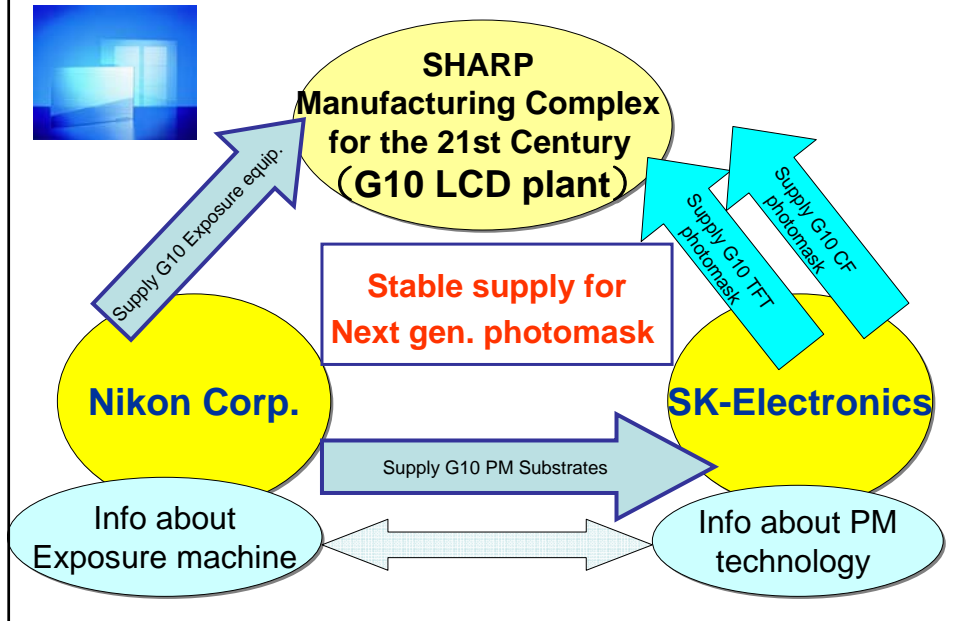
<Depreciation>

Decrease because Finex (subsidiary) 's Capex has settled for the previous FY.

TOPICS Schedule for New Shiga Plant



TOPICS Supply for Next gen. photomask system



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