



**ALLIANCE FIBER OPTIC PRODUCTS, INC.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)  
(Unaudited)

	Dec. 31, 2007	Dec. 31, 2006
<b>ASSETS</b>		
Current assets:		
Cash and short-term investments	\$ 36,480	\$ 31,178
Accounts receivable, net	5,393	4,009
Inventories	5,003	4,465
Other current assets	481	601
Total current assets	<u>47,357</u>	<u>40,253</u>
Property and equipment, net	4,373	4,264
Other assets	226	176
Total assets	<u><u>\$ 51,956</u></u>	<u><u>\$ 44,693</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 4,523	\$ 2,950
Accrued expenses and other liabilities	3,519	2,909
Total current liabilities	<u>8,042</u>	<u>5,859</u>
Long-term liabilities	<u>1,007</u>	<u>930</u>
Total liabilities	9,049	6,789
Stockholders' equity	42,907	37,904
Total liabilities and stockholders' equity	<u><u>\$ 51,956</u></u>	<u><u>\$ 44,693</u></u>