



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

	Mar. 31 2008 <u>(Unaudited)</u>	Dec. 31, 2007 <u></u>
<b>ASSETS</b>		
Current assets:		
Cash and short-term investments	\$ 19,747	\$ 36,480
Accounts receivable	6,317	5,393
Inventories	5,108	5,003
Other current assets	560	481
Total current assets	<u>31,732</u>	<u>47,357</u>
Long-term investments	15,573	-
Property and equipment, net	4,518	4,373
Other assets	239	226
Total assets	<u><u>\$ 52,062</u></u>	<u><u>\$ 51,956</u></u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 4,682	\$ 4,523
Accrued expenses and other liabilities	2,872	3,520
Total current liabilities	<u>7,554</u>	<u>8,043</u>
Long-term liability	1,051	1,006
Total liabilities	<u>8,605</u>	<u>9,049</u>
Stockholders' equity	43,457	42,907
Total liabilities and stockholders' equity	<u><u>\$ 52,062</u></u>	<u><u>\$ 51,956</u></u>