

# D-LINK CORPORATION AND SUBSIDIARIES

## Unaudited Consolidated Balance Sheet

June 30 2008

(In thousands of New Taiwan dollars)

Assets	%	Liabilities and Stockholders' Equity	%		
<b>Current assets</b>		<b>Current liabilities:</b>			
Cash and cash equivalents	\$4,772,851	19	204,239	1	
Short-term investments	334,429	1	Notes and accounts payable	1,646,675	6
Notes and accounts receivable, net	6,295,596	25	Payables to related parties	4,879,858	19
Receivables from related parties	681,936	3	Current portion of long-term debts	-	-
Other financial assets-current	-	0	Income tax payable	467,927	2
Inventories	5,185,379	20	Accrued expenses	4,309,664	17
Other current assets	1,014,765	3	Other current liabilities	-	0
<b>Total current assets</b>	<u>18,284,956</u>	<u>71</u>	<b>Total current liabilities</b>	<u>11,508,363</u>	<u>45</u>
<b>Funds and long-term investments</b>		<b>Long-term liabilities</b>			
Long-term financial asset-available-for-sales securities	1,273,124	5	Long-term debts and lease obligations payable, excluding current installments	3,531	0
Long-term financial asset under cost method-non-current	403,749	2			
Long-term investments under equity method	3,941,435	15	<b>Other liabilities</b>		
Other financial assets-noncurrent	-	0	Deferred income tax liability and others	538,284	2
	<u>5,618,308</u>	<u>22</u>	<b>Total liabilities</b>	<u>12,050,178</u>	<u>47</u>
<b>Property, plant and equipment</b>		<b>Stockholders' equity</b>			
Land	531,453	2	Common stock	5,652,180	22
Buildings and improvements	691,819	3	Capital surplus	1,903,026	7
Machinery and equipment	374,947	1	Retained earnings:		
Other equipment	639,842	3	Legal reserve	1,757,308	7
	<u>2,238,061</u>	<u>9</u>	Unappropriated earnings	3,837,404	15
Less: accumulated depreciation	879,317	4		<u>5,594,712</u>	<u>22</u>
Construction in progress and prepayment for purchases of machinery and equipment	-	0	Unrealized valuation gain on financial assets	382,741	2
<b>Net property, plant and equipment</b>	<u>1,358,744</u>	<u>5</u>	Accumulated translation adjustment	(42,805)	(0)
<b>Other assets:</b>		<b>Total parent company stockholders' equity</b>	<u>13,489,854</u>	<u>53</u>	
Assets held for lease and idle assets	38,007	0	Minority interest	36,165	0
Deferred expenses and others	276,182	1	<b>Total stockholders' equity</b>	<u>13,526,019</u>	<u>53</u>
<b>Total other assets</b>	<u>314,189</u>	<u>1</u>			
<b>Total assets</b>	<u><u>25,576,197</u></u>	<u><u>100</u></u>	<b>Total liabilities and stockholders' equity</b>	<u><u>25,576,197</u></u>	<u><u>100</u></u>

# D-LINK CORPORATION AND SUBSIDIARIES

## Unaudited Consolidated Statement of Income

**Years ended June 30 2008**  
(In thousands of New Taiwan dollars)

		%
<b>Sales</b>	\$16,999,884	100
<b>Cost of goods sold</b>	11,283,688	66
<b>Gross profit</b>	<u>5,716,196</u>	<u>34</u>
	<u>5,716,196</u>	<u>34</u>
<b>Operating expenses</b>		
Selling	3,466,681	19
Administrative	1,046,873	6
Research and development	370,257	2
	<u>4,883,811</u>	<u>29</u>
<b>Operating income</b>	<u>832,385</u>	<u>5</u>
<b>Non-operating income:</b>		
Interest income	80,249	0
Exchange gain, net	1,112	0
Gain on disposal of investments	9,800	0
Investment income from long-term investments under equity method, net	166,997	1
Other income, net	37,956	0
	<u>296,114</u>	<u>2</u>
<b>Non-operating expenses:</b>		
Financial / Interest expenses	10,560	0
Exchange loss, net	63,295	0
Investment loss on long-term investments under cost method, net	1,022	0
Loss on inventory obsolescence and devaluation	231,664	1
Other expense, net		
	<u>306,541</u>	<u>2</u>
<b>Income before income taxes</b>	821,958	5
<b>Income tax expenses</b>	112,164	1
<b>Consolidated net income</b>	<u>709,794</u>	<u>4</u>
<b>Net income attributed to:</b>		
<b>Parent company stockholders</b>	709,786	4
<b>Minority interest</b>	8	0
	<u>709,794</u>	<u>4</u>
 Earning per share	 <u>1.26</u>	