

# D-LINK CORPORATION AND SUBSIDIARIES

## Consolidated Balance Sheet

**September 30 2008**  
(In thousands of New Taiwan dollars)

	<b>Assets</b>	<b>%</b>		<b>Liabilities and Stockholders' Equity</b>	<b>%</b>
<b>Current assets</b>			<b>Current liabilities:</b>		
Cash and cash equivalents	\$3,837,068	14	Short-term borrowings	93,724	0
Financial assets at fair value through profit or loss	98,522	0	Notes and accounts payable	1,587,449	6
Notes and accounts receivable, net	6,713,979	25	Payables to related parties	7,404,001	27
Receivables from related parties	300,518	1	Current portion of long-term debts	3,612	-
Other financial assets-current	43,820	0	Income tax payable	518,281	2
Inventories	7,926,500	29	Accrued expenses	3,021,319	11
Other current assets	1,091,047	3	Other current liabilities	-	0
<b>Total current assets</b>	<b>20,011,454</b>	<b>74</b>	<b>Total current liabilities</b>	<b>12,628,386</b>	<b>47</b>
<b>Funds and long-term investments</b>			<b>Long-term liabilities</b>		
Long-term financial asset-available-for-sales securities	861,759	3	Long-term debts and lease obligations payable, excluding current installments	19,419	0
Long-term financial asset under cost method-non-curre	415,043	2			
Long-term investments under equity method	3,982,751	15	<b>Other liabilities</b>		
Other financial assets-noncurrent	-	0	Deferred income tax liability and others	480,359	2
	5,259,553	20	<b>Total liabilities</b>	13,128,164	49
<b>Property, plant and equipment</b>			<b>Stockholders' equity</b>		
Land	531,453	2	Common stock	5,652,180	21
Buildings and improvements	688,174	3	Capital surplus	1,920,853	7
Machinery and equipment	414,128	2	Retained earnings:		
Other equipment	641,174	2	Legal reserve	1,757,308	7
	2,274,929	8	Unappropriated earnings	4,295,902	16
Less:accumulated depreciation	940,487	4		6,053,210	22
Construction in progress and prepayment for purchases of machinery and equipment	2,448	0	Unrealized valuation gain on financial assets	(105,787)	1
<b>Net property, plant and equipment</b>	<b>1,336,890</b>	<b>5</b>	Accumulated translation adjustment	272,210	1
<b>Other assets:</b>					
Assets held for lease and idle assets	37,838	0	<b>Total parent company stockholders' equity</b>	13,792,666	51
Deferred expenses and others	313,532	1	Minority interest	38,437	0
<b>Total other assets</b>	<b>351,370</b>	<b>1</b>	<b>Total stockholders' equity</b>	<b>13,831,103</b>	<b>51</b>
<b>Total assets</b>	<b>26,959,267</b>	<b>100</b>	<b>Total liabilities and stockholders' equity</b>	<b>26,959,267</b>	<b>100</b>

# D-LINK CORPORATION AND SUBSIDIARIES

## Consolidated Statement of Income

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

		%
<b>Sales</b>	\$25,627,554	100
<b>Cost of goods sold</b>	17,091,354	67
<b>Gross profit</b>	<u>8,536,200</u>	<u>33</u>
	<u>8,536,200</u>	<u>33</u>
<b>Operating expenses</b>		
Selling	5,014,062	19
Administrative	1,612,548	6
Research and development	531,567	2
	<u>7,158,177</u>	<u>28</u>
<b>Operating income</b>	<u>1,378,023</u>	<u>5</u>
<b>Non-operating income:</b>		
Interest income	116,250	0
Exchange gain, net		0
Gain on disposal of investments	17,063	0
Investment income from long-term investments under equity method, net	337,089	1
Other income, net	101,932	0
	<u>572,334</u>	<u>2</u>
<b>Non-operating expenses:</b>		
Financial / Interest expenses	11,707	0
Exchange loss, net	173,765	1
Investment loss on long-term investments under cost method, net	1,022	0
Loss on inventory obsolescence and devaluation	320,088	1
Other expense, net		
	<u>506,582</u>	<u>2</u>
<b>Income before income taxes</b>	1,443,775	6
<b>Income tax expenses</b>	275,616	1
<b>Consolidated net income</b>	<u>1,168,159</u>	<u>5</u>
<b>Net income attributed to:</b>		
<b>Parent company stockholders</b>	1,168,424	5
<b>Minority interest</b>	(267)	(0)
	<u>1,168,157</u>	<u>5</u>
Earning per share	<u>2.07</u>	