

# D-LINK CORPORATION AND SUBSIDIARIES

## Consolidated Statement of Income (Unreviewed)

Year ended September 30 2009

(In thousands of New Taiwan dollars, except for net income per common share)

	Amount	%
<b>Net operating income</b>	\$ 22,164,116	100
<b>Cost of goods sold</b>	15,561,823	70
<b>Gross profit</b>	<u>6,602,293</u>	<u>30</u>
<b>Operating expenses:</b>		
Selling	4,634,245	21
Administrative	1,594,492	7
Research and development	482,618	2
	<u>6,711,355</u>	<u>30</u>
<b>Operating loss</b>	<u>(109,062)</u>	<u>-</u>
<b>Non-operating income and gains:</b>		
Interest income	31,859	-
Investment income under equity method, net	142,241	1
Gain on disposal of investments	451	-
Exchange gain, net	132,830	-
Valuation gain from financial instruments	17,785	-
Other income, net	116,032	-
	<u>441,198</u>	<u>1</u>
<b>Non-operating expenses and losses:</b>		
Interest expenses	10,085	-
Exchange loss, net	-	-
Impairment loss	5,000	-
Other expense, net	42,231	-
	<u>57,316</u>	<u>-</u>
<b>Income before income taxes</b>	274,820	1
Income tax expenses	120,627	-
<b>Consolidated net income</b>	<u>\$ 154,193</u>	<u>1</u>
<b>Net income attributed to:</b>		
Parent company stockholders	\$ 153,739	1
Minority interest	454	-
	<u>\$ 154,193</u>	<u>1</u>
<b>Net income per common share:</b>	<u>\$0.24</u>	

## D-LINK CORPORATION AND SUBSIDIARIES

### Consolidated Balance Sheet (Unreviewed)

September 30 2009

(In thousands of New Taiwan dollars)

	Amount	%		Amount	%
<b>Assets</b>			<b>Liabilities and Stockholders' Equity</b>		
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash and cash equivalents	\$ 3,975,441	16	Short-term borrowings	\$ 462,981	2
Financial assets at fair value through profit or loss	277,119	1	Financial liabilities at fair value through profit or loss - current	20,270	-
Notes and accounts receivable, net	6,356,857	26	Notes and accounts payable	1,422,305	6
Receivables from related parties	52,978	-	Payables to related parties	4,191,592	17
Other financial assets-current	122,521	1	Other financial liability-current	58,997	-
Inventories, net	5,288,326	22	Accrued expenses and other current liabilities	<u>2,805,020</u>	<u>12</u>
Prepaid expenses and other current assets	<u>886,694</u>	<u>4</u>		<u>8,961,165</u>	<u>37</u>
	<u>16,959,936</u>	<u>70</u>	<b>Other liabilities:</b>		
<b>Funds and investments:</b>			Long-term debts	500,000	2
Available-for-sale financial asset- noncurrent	1,176,608	5	Deferred income tax liability and others	<u>420,535</u>	<u>2</u>
Financial asset carried at cost- noncurrent	358,080	1		<u>920,535</u>	<u>4</u>
Long-term investments under equity method	<u>3,650,725</u>	<u>15</u>	<b>Total liabilities</b>	<u>9,881,700</u>	<u>41</u>
	<u>5,185,413</u>	<u>21</u>	<b>Stockholders' equity:</b>		
<b>Property, plant and equipment:</b>			Common stock	<u>6,475,803</u>	<u>27</u>
Land	531,453	2	Capital surplus	<u>1,975,901</u>	<u>8</u>
Buildings and improvements	525,611	2	Retained earnings:		
Other equipment	<u>1,273,674</u>	<u>6</u>	Legal reserve	1,877,349	8
	2,330,738	10	Special reserve	10,655	-
Less: accumulated depreciation	1,058,573	4	Unappropriated earnings	<u>3,261,441</u>	<u>13</u>
Prepayment for purchase of equipment	<u>371</u>	<u>-</u>		<u>5,149,445</u>	<u>21</u>
	<u>1,272,536</u>	<u>6</u>	Accumulated translation adjustment	294,038	1
<b>Intangibles and other assets:</b>			Unrealized gain on available-for-sale financial assets	<u>227,819</u>	<u>1</u>
Assets held for lease and idle assets	37,163	-		<u>521,857</u>	<u>2</u>
Other Assets	<u>762,804</u>	<u>3</u>	<b>Total parent company stockholders' equity</b>	<u>14,123,006</u>	<u>58</u>
	<u>799,967</u>	<u>3</u>	Minority interest	<u>213,146</u>	<u>1</u>
			<b>Total stockholders' equity</b>	<u>14,336,152</u>	<u>59</u>
<b>Total assets</b>	<u>\$ 24,217,852</u>	<u>100</u>	<b>Total liabilities and stockholders' equity</b>	<u>\$ 24,217,852</u>	<u>100</u>