

D-LINK CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheet

March 31 2008

(In thousands of New Taiwan dollars)

Assets	%	Liabilities and Stockholders' Equity	%		
Current assets		Current liabilities:			
Cash and cash equivalents	\$3,583,270	15	\$615,270	3	
Short-term investments	630,413	3	Notes and accounts payable	1,044,459	4
Notes and accounts receivable, net	5,725,292	24	Payables to related parties	3,553,240	15
Receivables from related parties	93,188	-	Current portion of long-term debts	-	-
Other financial assets-current	-	-	Income tax payable	530,985	2
Inventories	5,031,154	21	Accrued expenses	2,403,177	11
Other current assets	891,250	4	Other current liabilities	-	0
Total current assets	<u>15,954,567</u>	<u>67</u>	Total current liabilities	<u>8,147,130</u>	<u>35</u>
Funds and long-term investments		Long-term liabilities			
Long-term financial asset-available-for-sales securities	1,241,408	5	Long-term debts and lease obligations payable, excluding current installments	6,476	-
Long-term financial asset under cost method-non-curre	636,179	3			
Long-term investments under equity method	4,287,007	18	Other liabilities		
Other financial assets-noncurrent	-	-	Deferred income tax liability and others	461,106	2
	<u>6,164,595</u>	<u>26</u>	Total liabilities	<u>8,614,712</u>	<u>37</u>
Property, plant and equipment		Stockholders' equity			
Land	541,946	2	Common stock	5,470,765	23
Buildings and improvements	695,121	4	Capital surplus	2,036,181	9
Machinery and equipment	361,749	2	Retained earnings:		
Other equipment	580,633	2	Legal reserve	1,652,559	7
	<u>2,179,447</u>	<u>10</u>	Unappropriated earnings	5,299,402	22
Less: accumulated depreciation	816,210	3		<u>6,951,961</u>	<u>29</u>
Construction in progress and prepayment for purchases of machinery and equipment	2,040	-	Unrealized valuation gain on financial assets	561,675	2
Net property, plant and equipment	<u>1,365,278</u>	<u>6</u>	Accumulated translation adjustment	82,835	0
Other assets:		Total parent company stockholders' equity	<u>15,103,416</u>	<u>64</u>	
Assets held for lease and idle assets	38,176	0	Minority interest	24,835	-
Deferred expenses and others	220,348	-	Total stockholders' equity	<u>15,128,251</u>	<u>64</u>
Total other assets	<u>258,524</u>	<u>1</u>	Total liabilities and stockholders' equity	<u>23,742,964</u>	<u>100</u>
Total assets	<u>23,742,964</u>	<u>100</u>			

D-LINK CORPORATION AND SUBSIDIARIES

Consolidated Statement of Income

Years ended March 31 2008
(In thousands of New Taiwan dollars)

		%
Sales	\$8,492,607	100
Cost of goods sold	5,628,677	66
Gross profit	<u>2,863,930</u>	<u>34</u>
	<u>2,863,930</u>	<u>34</u>
Operating expenses		
Selling	2,108,737	24
Administrative	108,826	1
Research and development	166,916	2
	<u>2,384,479</u>	<u>28</u>
Operating income	<u>479,451</u>	<u>6</u>
Non-operating income:		
Interest income	43,081	-
Exchange gain, net	25,190	-
Gain on disposal of investments	7,246	0
Investment income from long-term investments under equity method, net	85,098	1
Other income, net	13,894	-
	<u>174,509</u>	<u>4</u>
Non-operating expenses:		
Interest expenses	11,136	-
Exchange loss, net	63,089	1
Investment loss on long-term investments under cost method, net	1,022	0
Loss on inventory obsolescence and devaluation	147,842	2
Other expense, net		
	<u>223,090</u>	<u>3</u>
Income before income taxes	430,870	11
Income tax expenses	60,228	-
Income before cumulative effect of changes in accounting principles	370,642	12
Cumulative effect of changes in accounting principles		
Consolidated net income	<u><u>370,642</u></u>	<u>4</u>
Net income attributed to:		
Parent company stockholders	370,822	4
Minority interest	(179)	-
	<u><u>370,642</u></u>	<u>4</u>
Earning per share	<u>0.68</u>	