

D-LINK CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheet

June 30 2010

(In thousands of New Taiwan dollars)

	Amount	%		Amount	%
Assets			Liabilities and Stockholders' Equity		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 6,331,122	22	Short-term borrowings	\$ 214,003	1
Financial assets at fair value through profit or loss-current	1,499,937	5	Financial liabilities at fair value through profit or loss-current	5,999	-
Notes and accounts receivable, net	5,866,155	21	Notes and accounts payable	1,595,679	6
Account receivables-related parties	99,302	-	Account payables-related parties	5,946,851	21
Other financial assets-current	453,205	3	Accrued expenses and other current liabilities	3,559,090	12
Inventories, net	5,923,472	21		11,321,622	40
Prepaid expenses and other current assets	1,059,558	4	Other liabilities:		
	21,232,751	75	Long-term debts	92,260	-
Funds and investments:			Bonds Payable	1,850,978	6
Available-for-sale financial asset-noncurrent	1,308,129	4	Deferred income tax liability and others	439,414	2
Financial asset carried at cost-noncurrent	481,908	2		2,382,652	8
Long-term investments under equity method	3,406,221	12	Total liabilities	13,704,274	48
	5,196,258	18	Stockholders' equity:		
Property, plant and equipment:			Common stock	6,475,803	23
Land	531,453	2	Capital surplus	2,158,580	7
Buildings and improvements	578,809	2	Retained earnings:		
Other equipment	1,174,384	4	Legal reserve	1,928,505	7
	2,284,646	8	Special reserve	-	-
Less: accumulated depreciation	(1,066,270)	(4)	Unappropriated earnings	3,431,183	12
Prepayment for purchase of equipment	2,567	-		5,359,688	19
	1,220,943	4	Accumulated translation adjustment	178,463	1
Intangibles and other assets:			Unrealized gain on available-for-sale financial assets	345,662	1
Assets held for lease and idle assets	36,655	-		524,125	2
Other Assets	765,656	3	Total parent company stockholders' equity	14,518,196	51
	802,311	3	Minority interest	229,793	1
Total assets	\$ 28,452,263	100	Total stockholders' equity	14,747,989	52
			Total liabilities and stockholders' equity	\$ 28,452,263	100

D-LINK CORPORATION AND SUBSIDIARIES

Consolidated Statement of Income

Year ended June 30 2010

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

	Amount	%
Net operating income	\$ 16,124,489	100
Cost of goods sold	10,915,987	68
Gross profit	<u>5,208,502</u>	<u>32</u>
Operating expenses:		
Selling	3,306,354	21
Administrative	1,054,095	6
Research and development	415,509	3
	<u>4,775,958</u>	<u>30</u>
Operating income	<u>432,544</u>	<u>2</u>
Non-operating income and gains:		
Interest income	19,984	-
Investment income under equity method, net	143,159	1
Gain on disposal of investments	77,651	-
Other income, net	121,176	1
	<u>361,970</u>	<u>2</u>
Non-operating expenses and losses:		
Interest expenses	17,456	-
Exchange loss, net	59,480	-
Valuation loss from financial instruments	6,894	-
Other expense, net	55,870	-
	<u>139,700</u>	<u>-</u>
Income before income taxes	654,814	4
Income tax expenses	153,863	1
Consolidated net income	<u>\$ 500,951</u>	<u>3</u>
Net income attributed to:		
Parent company stockholders	\$ 500,031	3
Minority interest	920	-
	<u>\$ 500,951</u>	<u>3</u>
Net income per common share:	<u>\$0.77</u>	