

D-LINK CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheet (Unaudited)

June 30 2009

(In thousands of New Taiwan dollars)

	Amount	%		Amount	%
Assets			Liabilities and Stockholders' Equity		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 3,170,155	13	Short-term borrowings	\$ 408,066	1
Financial assets at fair value through profit or loss	79,987	1	Financial liabilities at fair value through profit or loss - current	33,648	-
Notes and accounts receivable, net	5,740,219	24	Notes and accounts payable	1,107,160	5
Receivables from related parties	159,808	1	Payables to related parties	4,017,903	17
Other financial assets-current	32,943	-	Accrued expenses and other current liabilities	<u>3,263,760</u>	<u>14</u>
Inventories, net	5,558,061	24		<u>8,830,537</u>	<u>37</u>
Prepaid expenses and other current assets	<u>1,487,014</u>	<u>6</u>			
	<u>16,228,187</u>	<u>69</u>	Other liabilities:		
Funds and investments:			Long-term debts	500,000	2
Available-for-sale financial asset- noncurrent	956,428	4	Deferred income tax liability and others	<u>418,670</u>	<u>2</u>
Financial asset carried at cost- noncurrent	354,450	2		<u>918,670</u>	<u>4</u>
Long-term investments under equity method	4,157,269	18	Total liabilities	<u>9,749,207</u>	<u>41</u>
Prepayment for Long-Term Investment	<u>164,715</u>	<u>1</u>			
	<u>5,632,862</u>	<u>25</u>	Stockholders' equity:		
Property, plant and equipment:			Common stock	5,652,180	24
Land	531,453	2	Stock Dividend to be Distributed	<u>823,623</u>	<u>4</u>
Buildings and improvements	541,016	2	Capital surplus	<u>1,977,178</u>	<u>8</u>
Other equipment	<u>1,199,639</u>	<u>5</u>	Retained earnings:		
	2,272,108	9	Legal reserve	1,888,004	8
Less: accumulated depreciation	994,512	4	Unappropriated earnings	<u>3,002,400</u>	<u>13</u>
Prepayment for purchase of equipment	<u>-</u>	<u>-</u>		<u>4,890,404</u>	<u>21</u>
	<u>1,277,596</u>	<u>5</u>	Unrealized gain on available-for-sale financial assets	(11,345)	-
Intangibles and other assets:			Accumulated translation adjustment	<u>388,424</u>	<u>2</u>
Assets held for lease and idle assets	37,331	-		<u>377,079</u>	<u>2</u>
Deferred expenses and others	<u>326,079</u>	<u>1</u>	Total parent company stockholders' equity	<u>13,720,464</u>	<u>59</u>
	<u>363,410</u>	<u>1</u>	Minority interest	<u>32,384</u>	<u>-</u>
			Total stockholders' equity	<u>13,752,848</u>	<u>59</u>
Total assets	<u>\$ 23,502,055</u>	<u>100</u>	Total liabilities and stockholders' equity	<u>\$ 23,502,055</u>	<u>100</u>

D-LINK CORPORATION AND SUBSIDIARIES

Consolidated Statement of Income (Unaudited)

Years ended June 30 2009

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

	Amount	%
Net sales	\$ 13,830,332	100
Cost of goods sold	<u>9,800,352</u>	<u>71</u>
Gross profit	<u>4,029,980</u>	<u>29</u>
Operating expenses:		
Selling	2,947,008	21
Administrative	1,090,597	8
Research and development	<u>292,078</u>	<u>2</u>
	<u>4,329,683</u>	<u>31</u>
Operating loss	<u>(299,703)</u>	<u>(2)</u>
Non-operating income and gains:		
Interest income	24,400	-
Exchange gain, net	79,789	1
Valuation gain from financial instruments	13,955	-
Gain on disposal of investments	-	-
Investment income under equity method, net	70,820	-
Other income, net	<u>73,775</u>	<u>-</u>
	<u>262,739</u>	<u>1</u>
Non-operating expenses and losses:		
Interest expenses	7,056	-
Investment loss on long-term investments under cost method, net	5,000	-
Other expense, net	<u>28,459</u>	<u>-</u>
	<u>40,515</u>	<u>-</u>
Loss before income taxes	(77,479)	(1)
Income tax expenses	<u>35,688</u>	<u>-</u>
Consolidated net loss	<u>(\$ 113,167)</u>	<u>(1)</u>
Net loss attributed to:		
Parent company stockholders	(\$ 105,875)	(1)
Minority interest	<u>(7,292)</u>	<u>-</u>
	<u>(\$ 113,167)</u>	<u>(1)</u>
Net loss per common share:	<u><u>(\$0.16)</u></u>	