D-LINK CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheet

March 31 2008 (In thousands of New Taiwan dollars)

Assets	%
Current assets	
Cash and cash equivalents \$3,583,270	15
Short-term investments 630,413	3
Notes and accounts receivable, net 5,725,292	24
Receivables from related parties 93,188	-
Other financial assets-current	-
Inventories 5,031,154	21
Other current assets 891,250	4
Total current assets 15,954,567	67
Funds and long-term investments	
Long-term financial asset-available-for-sales securities 1,241,408	5
Long-term financial asset under cost method-non-curre 636,179	3
Long-term investments under equity method 4,287,007	18
Other financial assets-noncurrent	-
6,164,595	26
Property, plant and equipment	
Land 541,946	2
Buildings and improvements 695,121	4
Machinery and equipment 361,749	2
Other equipment 580,633	2
2,179,447	10
Less:accumulated depreciation 816,210	3
Construction in progress and prepayment for	
purchases of machinery and equipment 2,040	-
Net property, plant and equipment 1,365,278	6
Other assets:	
Assets held for lease and idle assets 38,176	0
Deferred expenses and others 220,348	-
Total other assets258,524	1
Total assets 23,742,964	100

Liabilities and Stockholders' Equity		%
Current liabilities:		
Short-term borrowings	\$615,270	3
Notes and accounts payable	1,044,459	4
Payables to related parties	3,553,240	15
Current portion of long-term debts		-
Income tax payable	530,985	2
Accrued expenses	2,403,177	11
Other current liabilities		0
Total current liabilities	8,147,130	35
Long-term liabilities		
Long-term debts and lease obligations payable,		
excluding current installments	6,476	_
Other liabilities		
Deferred income tax liability and others	461,106	2
Total liabilities	8,614,712	37
Stockholders' equity		
Common stock	5,470,765	23
Capital surplus	2,036,181	9
Retained earnings:		
Legal reserve	1,652,559	7
Unappropriated earnings	5,299,402	22
	6,951,961	29
Unrealized valuation gain on financial assets	561,675	2
Accumulated translation adjustment	82,835	0
Total parent company stockholders' equity	15,103,416	64
Minority interest	24,835	-
Total stockholders' equity	15,128,251	64
Total liabilities and stockholders' equity	23,742,964	100

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 $2,863,930$ 34 Operating expenses $2,863,930$ 34 Selling $2,108,737$ 24 Administrative $108,826$ 1 Research and development $26,863,930$ 34 Operating income $479,451$ 6 Non-operating income $479,451$ 6 Non-operating 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 $13,894$ Other income, net $13,894$ - Interest expenses $11,136$ - Exchange loss, net $60,228$ - Investment loss on long-term investments under cost method, net $1,022$ 0 Loss on inventory obsolescence and devaluation $147,842$ 2 Other expenses, net $60,228$ <td< th=""><th></th><th></th><th>%</th></td<>			%
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Operating expenses $2,863,930$ 34 Selling $2,108,737$ 24 Administrative $108,826$ 1 Research and development $166,916$ 2 Qperating income $479,451$ 6 Non-operating income: $43,081$ $-$ 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 $7,246$ 0 Investment income from long-term investments under equity $174,509$ 4 Non-operating 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 expenses, net $223,090$ 3 11 Income before income taxes $430,870$ 11 Income before cumulative effect of changes in accounting principle: $370,642$ 4 Net income attributed to: $370,642$ 4 Minority interest $370,642$ 4	Cost of goods sold	5,628,677	66
Operating expenses $-$ Selling2,108,73724Administrative108,8261Research and development166,91622,384,4792828Operating income479,4516Non-operating income:43,081-Interest income43,081-Exchange gain, net25,190-Gain on disposal of investments7,2460Investment income from long-term investments under equitymethod, net13,894Oher income, net13,894Interest expenses11,136Exchange loss, net63,08911Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,090311Income before income taxes430,87011Income before cumulative effect of changes in accounting principle:370,6424Net income attributed to:370,6424Parent company stockholders370,6424Minority interest(179)-370,6424	Gross profit	2,863,930	34
Operating expenses $-$ Selling2,108,73724Administrative108,8261Research and development166,91622,384,4792828Operating income479,4516Non-operating income:43,081-Interest income43,081-Exchange gain, net25,190-Gain on disposal of investments7,2460Investment income from long-term investments under equitymethod, net13,894Oher income, net13,894174,5094174,5094Non-operating expenses:11,136-Interest expenses11,136-Exchange loss, net63,0891Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,090311Income before income taxes430,87011Income before cumulative effect of changes in accounting principle:370,64212Cumulative effect of changes in accounting principle:370,6424Net income attributed to:370,6424Parent company stockholders370,6424Minority interest(179)-370,6424	_		
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Operating income $2,384,479$ 28 Non-operating income:479,4516Interest income43,081-Exchange gain, net25,190-Gain on disposal of investments7,2460Investment income from long-term investments under equity85,0981Other income, net13,894-Interest expenses:1174,5094Interest expenses63,0891Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,0903Income before income taxes430,87011Income before income taxes430,87011Income before income taxes370,6424Net income attributed to:370,6424Parent company stockholders370,6424Minority interest(179)-370,6424		-	
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Non-operating income:43,081Interest income43,081Exchange gain, net25,190Gain on disposal of investments7,246Investment income from long-term investments under equitymethod, netOther income, net13,894-174,5094Non-operating expenses:Interest expenses11,136Exchange loss, net10s on long-term investments under cost method, net1,022Loss on inventory obsolescence and devaluation147,842Other expenses10ther expenses10ther expenses10ther expenses10ther expenses1110come before income taxes430,870111111Income before cumulative effect of changes in accounting principle:370,6424Net income attributed to:Parent company stockholders370,6424Minority interest(179)-370,6424	-	2,384,479	
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Exchange gain, net $25,190$ -Gain on disposal of investments $7,246$ 0Investment income from long-term investments under equity method, net $85,098$ 1Other income, net $13,894$ -Interest expenses: $174,509$ 4Investment loss on long-term investments under cost method, net $1,022$ 0Loss on inventory obsolescence and devaluation $147,842$ 2Other expense, net $223,090$ 3 Income before income taxes $430,870$ 11Income before cumulative effect of changes in accounting principle: $370,642$ 4Net income attributed to: $370,642$ 4Minority interest (179) $ 370,642$ 4	Non-operating income:		
Gain on disposal of investments7,2460Investment income from long-term investments under equity method, net85,0981Other income, net13,894-Interest expenses:174,5094Interest expenses11,136-Exchange loss, net63,0891Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expenses, net223,0903Income before income taxes430,87011Income before cumulative effect of changes in accounting principle:370,64212Cumulative effect of changes in accounting principles370,6424Net income attributed to:370,6424Parent company stockholders370,8224Minority interest(179)-370,6424	Interest income	43,081	-
Investment income from long-term investments under equity method, net85,0981Other income, net13,894-Interest income, net174,5094Non-operating expenses:11,136-Interest expenses11,136-Exchange loss, net63,0891Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,0903Income before income taxes430,87011Income before cumulative effect of changes in accounting principle:370,64212Cumulative effect of changes in accounting principles370,6424Net income attributed to:370,8224Minority interest(179)-370,6424	Exchange gain, net	25,190	-
method, net $85,098$ 1Other income, net $13,894$ - $174,509$ 4 Non-operating expenses: $174,509$ 4 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 $223,090$ 3 Income before income taxes $430,870$ 11 Income before cumulative effect of changes in accounting principle: $370,642$ 12 Cumulative effect of changes in accounting principles $370,642$ 4 Net income attributed to: $370,642$ 4 Minority interest (179) $ 370,642$ 4	Gain on disposal of investments	7,246	0
Other income, net $13,894$ $174,509$ -Non-operating expenses: Interest expenses11,136-Exchange loss, net63,0891Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,0903Income before income taxes430,87011Income before cumulative effect of changes in accounting principle:370,64212Cumulative effect of changes in accounting principles Consolidated net income $370,642$ 4Net income attributed to: Parent company stockholders $370,642$ 4Minority interest (179) - $370,642$ 4	Investment income from long-term investments under equity		
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Non-operating expenses:11,136Interest expenses11,136Exchange loss, net63,089Investment loss on long-term investments under cost method, net1,022Loss on inventory obsolescence and devaluation147,842Other expense, net223,090Income before income taxes430,870Income before income taxes60,228Income before cumulative effect of changes in accounting principle:370,642Cumulative effect of changes in accounting principle:370,642Net income attributed to:370,822Parent company stockholders370,642370,6424	Other income, net	13,894	-
Interest expenses11,136Exchange loss, net63,0891Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,0903Income before income taxes430,87011Income before cumulative effect of changes in accounting principle:370,64212Cumulative effect of changes in accounting principles370,6424Net income attributed to:370,6424Minority interest(179)-370,6424	-	174,509	4
Exchange loss, net63,0891Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,0903Income before income taxes430,87011Income tax expenses60,228-Income before cumulative effect of changes in accounting principle:370,64212Cumulative effect of changes in accounting principles370,6424Net income attributed to:370,8224Minority interest(179)-370,6424	– Non-operating expenses:		
Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,0903Income before income taxes430,87011Income tax expenses60,228-Income before cumulative effect of changes in accounting principles370,64212Cumulative effect of changes in accounting principles370,6424Net income attributed to:370,8224Parent company stockholders370,8224Minority interest(179)-370,6424	Interest expenses	11,136	-
Investment loss on long-term investments under cost method, net1,0220Loss on inventory obsolescence and devaluation147,8422Other expense, net223,0903Income before income taxes430,87011Income tax expenses60,228-Income before cumulative effect of changes in accounting principles370,64212Cumulative effect of changes in accounting principles370,6424Net income attributed to:370,8224Parent company stockholders370,8224Minority interest(179)-370,6424	Exchange loss, net	63,089	1
Loss on inventory obsolescence and devaluation147,8422Other expense, net223,0903Income before income taxes430,87011Income tax expenses60,228-Income before cumulative effect of changes in accounting principle:370,64212Cumulative effect of changes in accounting principles370,6424Net income attributed to:370,6424Minority interest(179)-370,6424	Investment loss on long-term investments under cost method, net	1,022	0
Other expense, net223,0903Income before income taxes430,87011Income tax expenses60,228-Income before cumulative effect of changes in accounting principles370,64212Cumulative effect of changes in accounting principles370,6424Net income attributed to:370,8224Minority interest(179)-370,6424	-	147,842	2
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Income tax expenses60,228-Income before cumulative effect of changes in accounting principles370,64212Cumulative effect of changes in accounting principlesConsolidated net income370,6424Net income attributed to:370,8224Minority interest(179)-370,6424	-	223,090	3
Income before cumulative effect of changes in accounting principles370,64212Cumulative effect of changes in accounting principles370,6424Consolidated net income370,6424Net income attributed to:370,8224Minority interest(179)-370,6424	– Income before income taxes		11
Income before cumulative effect of changes in accounting principles370,64212Cumulative effect of changes in accounting principles370,6424Consolidated net income370,6424Net income attributed to:370,8224Minority interest(179)-370,6424	Income tax expenses	60,228	-
Cumulative effect of changes in accounting principles Consolidated net income370,6424Net income attributed to: Parent company stockholders Minority interest370,8224(179)-370,6424	-	370,642	12
Consolidated net income370,6424Net income attributed to: Parent company stockholders370,8224Minority interest(179)-370,6424			
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Minority interest (179) - 370,642 4	= Net income attributed to:		
Minority interest (179) - 370,642 4	Parent company stockholders	370,822	4
370,642 4		-	-
Earning per share 0.68	-		4
Earning per share 0.68			
	Earning per share	0.68	