



**D-Link**

# **Investor Conference**

**April 29, 2004**



# Safe Harbor Statement

**Except for statements in respect of historical matters, the statements contained in this release are "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of D-Link Corporation to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.**



# FY2003 YoY Consolidated Income Statement Comparison

	FY2003		FY2002		YoY % Change
<b>Amount: NT\$ million</b>					
Net Sales	<b>25,016</b>	<b>100%</b>	<b>20,203</b>	<b>100%</b>	<b>24%</b>
Cost of Goods Sold	<b>17,201</b>	<b>69%</b>	<b>14,907</b>	<b>74%</b>	<b>15%</b>
Gross Profit	<b>7,815</b>	<b>31%</b>	<b>5,296</b>	<b>26%</b>	<b>48%</b>
Operating Expenses	<b>6,212</b>	<b>25%</b>	<b>4,647</b>	<b>23%</b>	<b>34%</b>
Operating Income	<b>1,603</b>	<b>6%</b>	<b>649</b>	<b>3%</b>	<b>147%</b>
Total Non-Op. Inc. (Loss)	<b>(48)</b>	<b>-</b>	<b>346</b>	<b>2%</b>	<b>(114)%</b>
Investment Income (Loss)	<b>334</b>	<b>1%</b>	<b>286</b>	<b>1%</b>	<b>17%</b>
Income Before Tax	<b>1,555</b>	<b>6%</b>	<b>995</b>	<b>5%</b>	<b>56%</b>
Income Tax Expense	<b>173</b>	<b>1%</b>	<b>123</b>	<b>1%</b>	<b>41%</b>
Net Income	<b>1,382</b>	<b>5%</b>	<b>872</b>	<b>4%</b>	<b>58%</b>
Minority	<b>(8)</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>100%</b>
Consolidate Income	<b>1,374</b>	<b>5%</b>	<b>868</b>	<b>4%</b>	<b>58%</b>
Earnings Per Share (NT\$)	<b>2.75</b>		<b>1.69</b>		<b>63%</b>



# 4Q/03 QoQ Consolidated Income Statement Comparison

Amount: NT\$ million	4Q/03 Actual		3Q/03 Actual		YoY % Change
Net Sales	7,009	100%	6,734	100%	4%
Cost of Goods Sold	4,982	71%	4,561	68%	9%
Gross Profit	2,027	29%	2,173	32%	(7)%
Operating Expenses	1,480	21%	1,768	26%	(16)%
Operating Income	547	8%	405	6%	35%
Total Non-Op. Inc. (Loss)	(156)	(2)%	(16)	-	875%
Investment Income (Loss)	30	-	221	3%	(86)%
Income Before Tax	391	6%	389	6%	1%
Income Tax Expense	35	-	79	1%	(56)%
Net Income	356	5%	310	5%	15%
Minority	11	-	(12)	-	
Consolidate Income	367	5%	298	4%	23%
Earnings Per Share (NT\$)	0.72		0.58		



# 1Q/04 QoQ Consolidated Income Statement Comparison

Amount: NT\$ million	1Q/04 Actual		4Q/03 Actual		QoQ % Change
Net Sales	7,814	100%	7,009	100%	11%
Cost of Goods Sold	5,357	69%	4,982	71%	8%
Gross Profit	2,457	31%	2,027	29%	21%
Operating Expenses	1,790	23%	1,480	21%	21%
Operating Income	667	8%	547	8%	22%
Total Non-Op. Inc. (Loss)	715	9%	(156)	(2)%	(558)%
Investment Income (Loss)	852	11%	30	-	2734%
Income Before Tax	1,382	17%	391	6%	253%
Income Tax Expense	95	1%	35	-	171%
Net Income	1,287	16%	356	5%	262%
Minority Interests	(44)	-	11	-	-
Consolidate Income	1,243	16%	367	5%	239%
Earnings Per Share (NT\$)	2.45		0.72		



# 1Q/04 YoY Consolidated Income Statement Comparison

Amount: NT\$ million	1Q/04 Actual		1Q/03 Actual		QoQ % Change
Net Sales	7,814	100%	5,674	100%	38%
Cost of Goods Sold	5,357	69%	3,855	68%	39%
Gross Profit	2,457	31%	1,804	32%	36%
Operating Expenses	1,790	23%	1,412	25%	27%
Operating Income	667	8%	392	7%	70%
Total Non-Op. Inc. (Loss)	715	9%	77	1%	829%
Investment Income (Loss)	852	11%	49	1%	1641%
Income Before Tax	1,382	17%	469	8%	195%
Income Tax Expense	95	1%	65	1%	46%
Net Income	1,287	16%	404	7%	219%
Minority Interests	(44)	-	(5)	-	-
Consolidate Income	1,243	16%	399	7%	212%
Earnings Per Share (NT\$)	2.45		0.79		

# Investment Income Breakdown

Amount: NT\$ million

**1Q/04**

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Investment Income –	
Equity Method	<b>27</b>
Disposal Gain	
- Alpha	<b>754</b>
- Draytek	<b>32</b>
- Abocom	<b>23</b>
- Others	<b>16</b>
Total	<b><u>852</u></b>



# 12/31/2003 Consolidated Balance Sheet YoY Comparison

Amount: NT\$ million	12/31/03		12/31/02		YoY %
	Actual		Actual		Change
Cash	3,075	13%	2,006	11%	53%
S-T Investment	3,511	15%	3,350	18%	5%
Account Receivable	4,687	20%	3,727	20%	26%
Inventory	5,082	21%	3,697	20%	37%
Long-term Investments	2,218	9%	2,311	12%	(4)%
Total Assets	23,771	100%	18,823	100%	26%
Accounts Payable	5,413	23%	3,109	17%	74%
Current Liabilities	12,572	53%	5,900	31%	113%
Long-term Liabilities	223	1%	3,009	16%	(93)%
Common Stock	5,138	22%	5,163	27%	-
Stockholders' Equity	10,143	43%	9,607	51%	6%





# 03/31/2004 Consolidated Balance Sheet QoQ Comparison

Amount: NT\$ million	03/31/04		12/31/03		QoQ %
	Actual		Actual		Change
Cash	2,374	9%	3,075	13%	(23)%
S-T Investment	5,188	20%	3,511	15%	48%
Account Receivable	6,001	23%	4,687	20%	28%
Inventory	5,404	21%	5,082	21%	6%
Long-term Investments	2,326	9%	2,218	9%	5%
Total Assets	26,118	100%	23,771	100%	10%
Accounts Payable	5,468	21%	5,413	23%	1%
Current Liabilities	13,288	51%	12,572	53%	6%
Long-term Liabilities	40	-	223	1%	(82)%
Common Stock	5,252	20%	5,138	22%	2%
Stockholders' Equity	11,544	44%	10,143	43%	14%



# Consolidated Key Financial Ratios– Liquidity/Leverage

Unit: % , days

	1Q/04	FY2003	FY2002	FY2001
<b>Days A/R</b>	<b>62<sup>*</sup></b>	<b>61</b>	<b>61</b>	<b>63</b>
<b>Days Inventory</b>	<b>89<sup>*</sup></b>	<b>93</b>	<b>82</b>	<b>88</b>
<b>Days A/P</b>	<b>93<sup>*</sup></b>	<b>90</b>	<b>71</b>	<b>69</b>
<b>Cash Cycle</b>	<b>59</b>	<b>64</b>	<b>71</b>	<b>82</b>
<b>Current Ratio</b>	<b>1.64</b>	<b>1.46</b>	<b>2.66</b>	<b>2.30</b>
<b>Debt/Equity Ratio</b>	<b>1.26</b>	<b>1.34</b>	<b>1.24</b>	<b>0.90</b>
<b>Adjusted Debt/Equity Ratio</b>	<b>0.61<sup>**</sup></b>	<b>0.69<sup>**</sup></b>	<b>0.68<sup>**</sup></b>	<b>0.56<sup>**</sup></b>

\*Annualized

\* \*Adjust for Cash & S-T investment

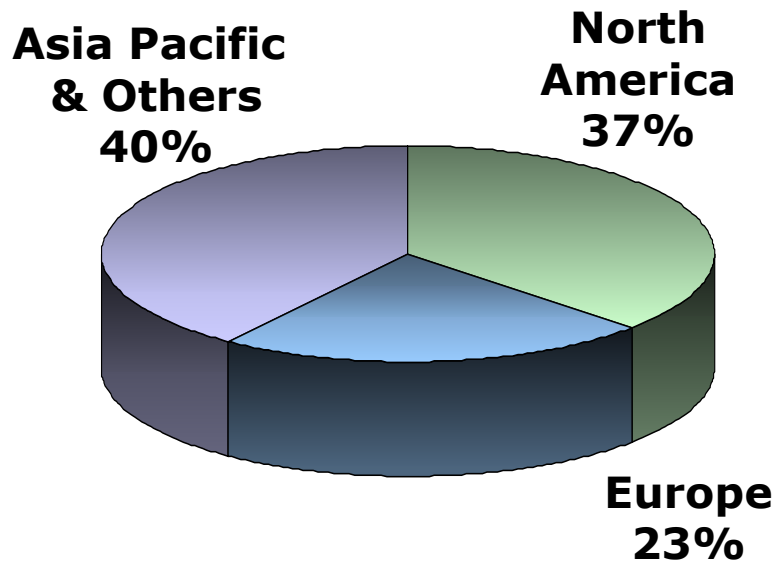


# Consolidated Key Financial Ratios – Profitability (%)

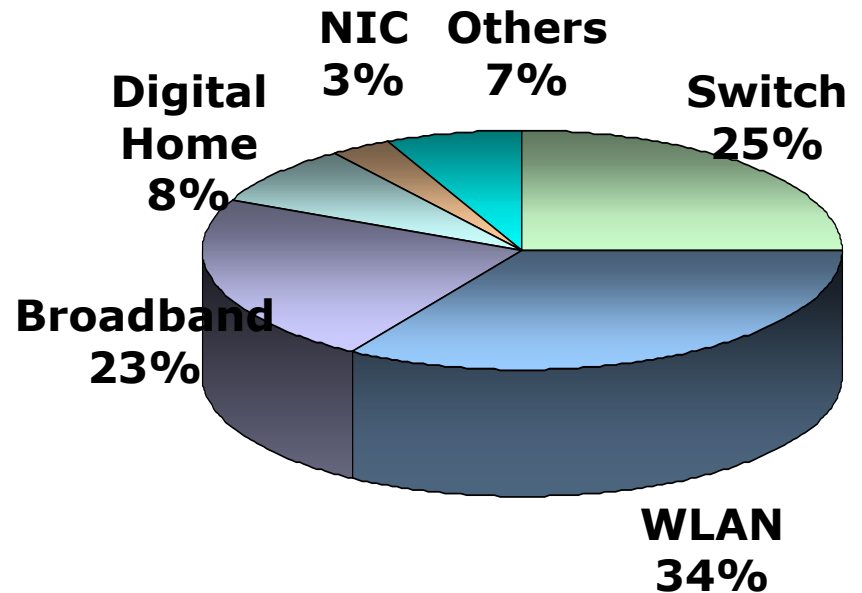
Unit: %	1Q/04	FY2003	FY2002	FY2001
Net Income/Sales	15.82	5.49	4.30	5.42
Net Income/Total Assets	4.73	5.78	4.61	5.41
Operating Profit/Sales	8.43	6.41	3.21	2.94
Return on Equity	11	14	9	10
EPS (NT\$)	2.45	2.75	1.69	2.15

# Q1 at a Glance

## Sales\* By Regions



## Sales\* By Products



\*All sales consolidated