

**Deutsche Securities
Taiwan Corporate Day**

November 26, 2004, Hong Kong

Safe Harbor Statement

All numbers are consolidated. 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.

Differentiation



Differentiation

A True Global Player

Expertise in Switch, WLAN, and Broadband

Dominance in Global Consumer Connectivity

Unique Brand Equity and Well-Established Channels

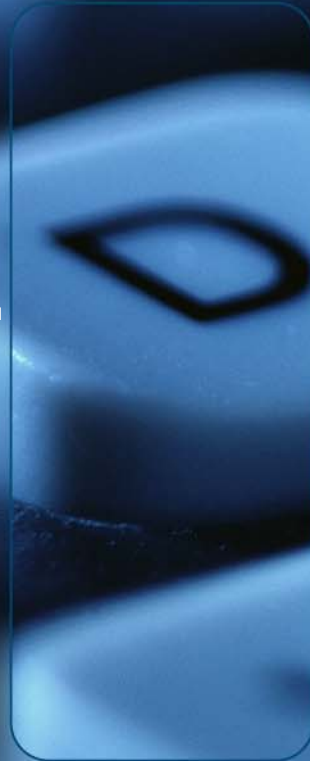
Strong Earnings Capability

RBU Sell-through & Non-Op. Net Income

Well-Contained Debt/Equity Ratio and Inventory Level

Solid Balance Sheet, High Dividend Payout, and Improved ROE

A True Global Player



A True Global Brand Player

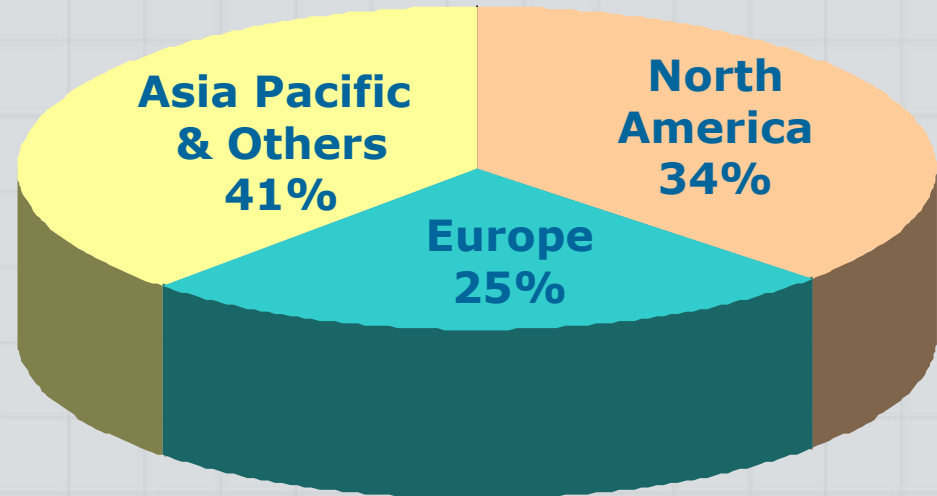
YTSep./04 Sales by Region

Evenly derives sales from 3 main territories

In-country operations with 1,200 employees WW.

Product developments in US, Taiwan, and India.

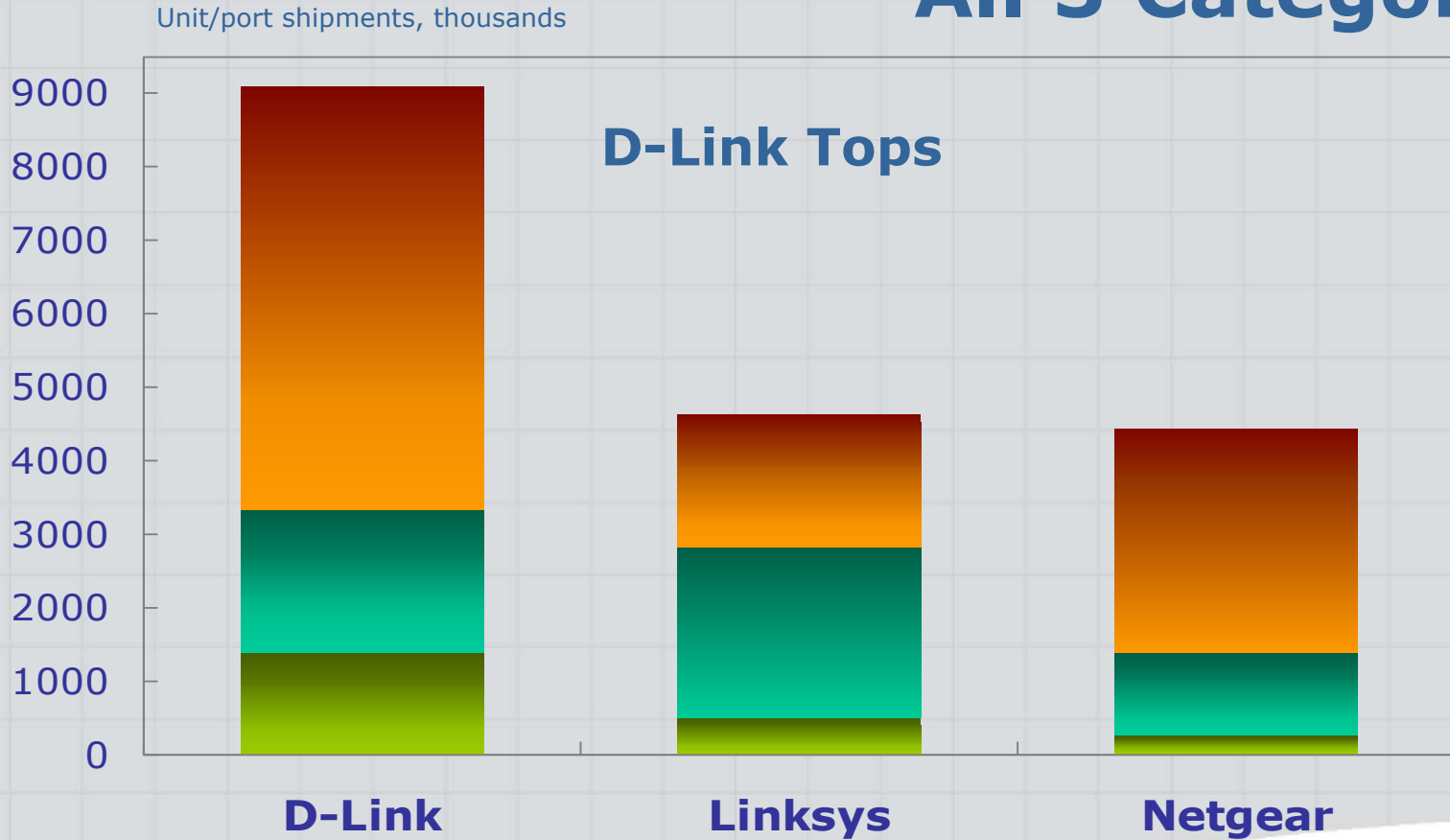
Sales from AsiaPac has been explosive since Q4 2003.



**Expertise in Switches ,
WLAN and Broadband**



Leading Positions in All 3 Categories

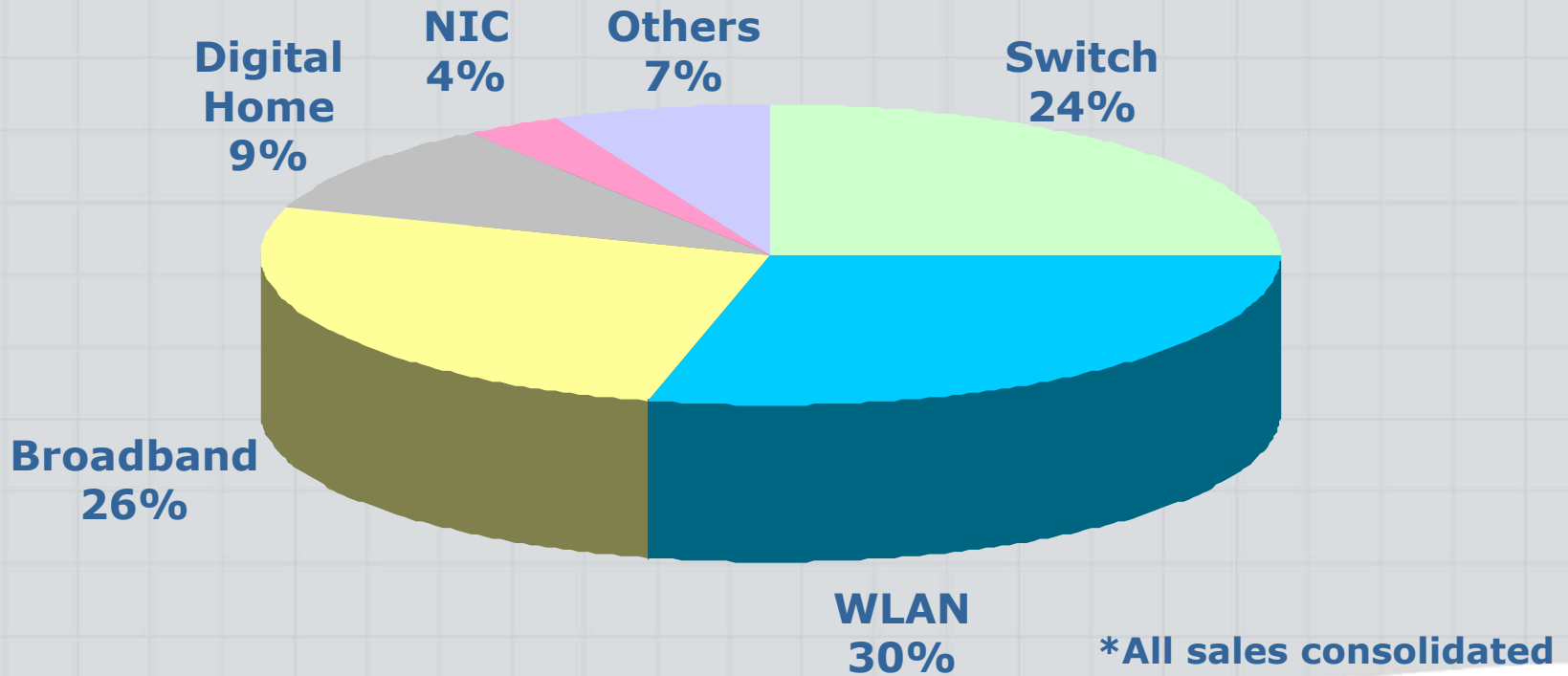


Source: Synergy Research Group, Q2 2004

■ Broadband ■ WLAN ■ SWITCH

Sales by Products

YTSept./04



Unique Brand Equity and Well-established Channels



Extensive Channels



87 sales offices and 10 regional warehouses in 44 countries

Versatile sales channels including retailers, distys, and SIs

- ① D-Link Headquarters: Taipei, Taiwan
- ② D-Link North America: Fountain Valley, U.S.A.
- ③ D-Link Europe: London, U.K.
- ④ D-Link International: The Synergy, Singapore
- ⑤ D-Link Greater China: Beijing, China

Strong Earnings Capability

Gross Margin Breakdown by Region

Unit: %

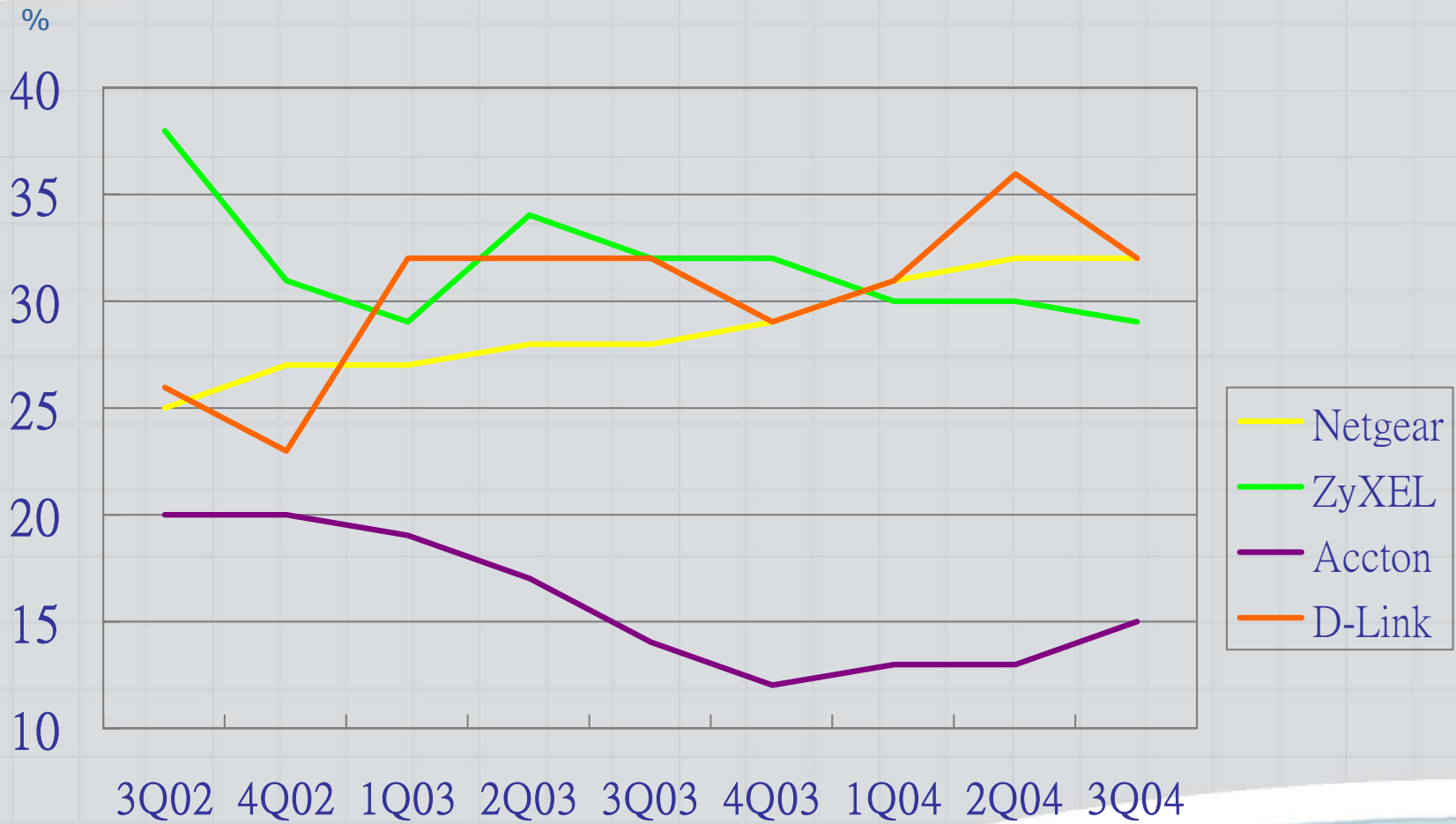
	1Q04	2Q04	3Q04
North America	31	36	32
Europe	44	41	38
Great China	28	32	22
Emerging Markets	39	33	33

Gross Margin Breakdown by Product

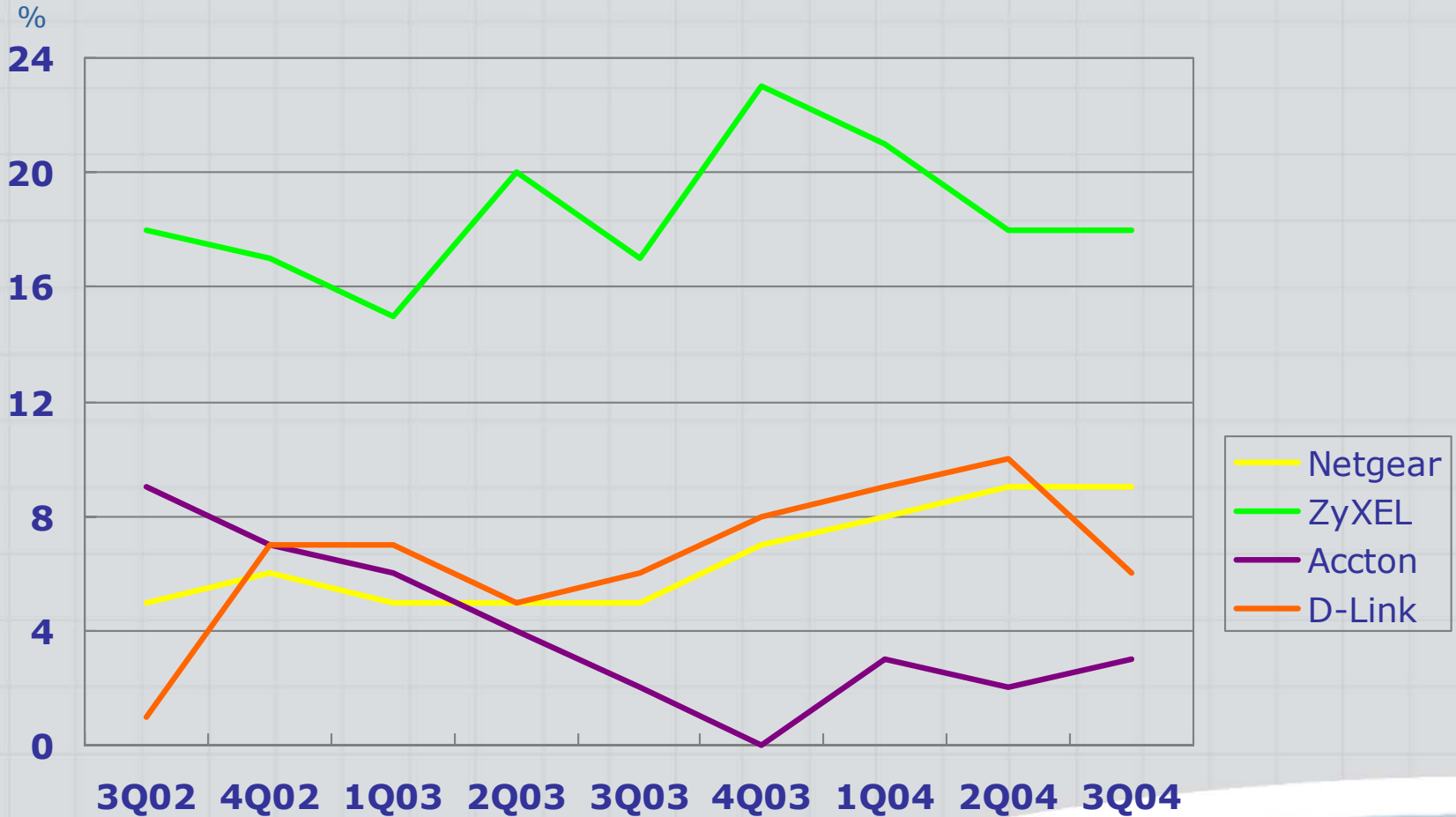
Unit: %

	1Q04	2Q04	3Q04
Broadband	21	25	20
Digital Home	31	33	33
NIC	33	33	33
Switch	50	53	50
Wireless	25	32	29
Others	30	30	30

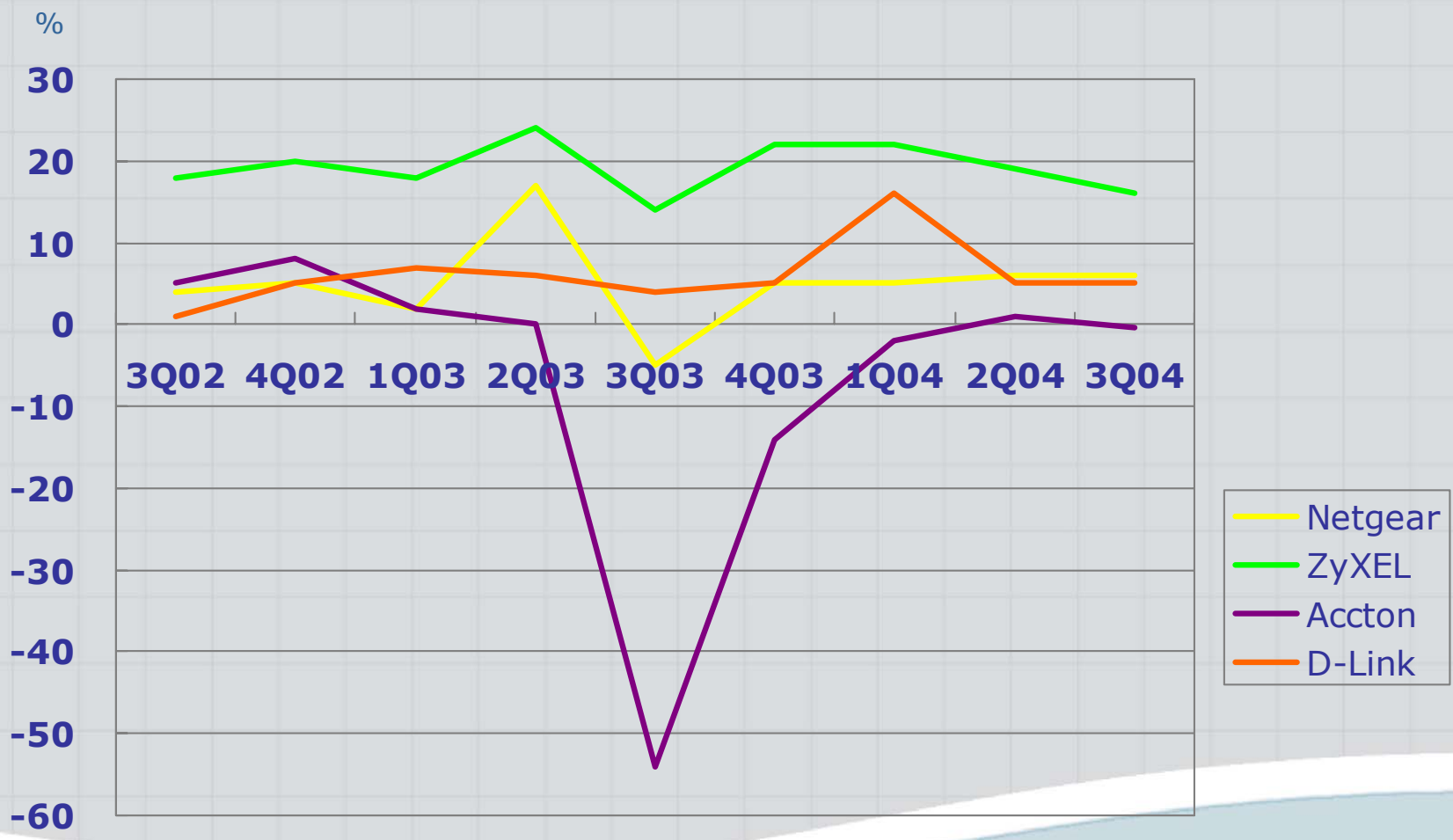
Gross Margin



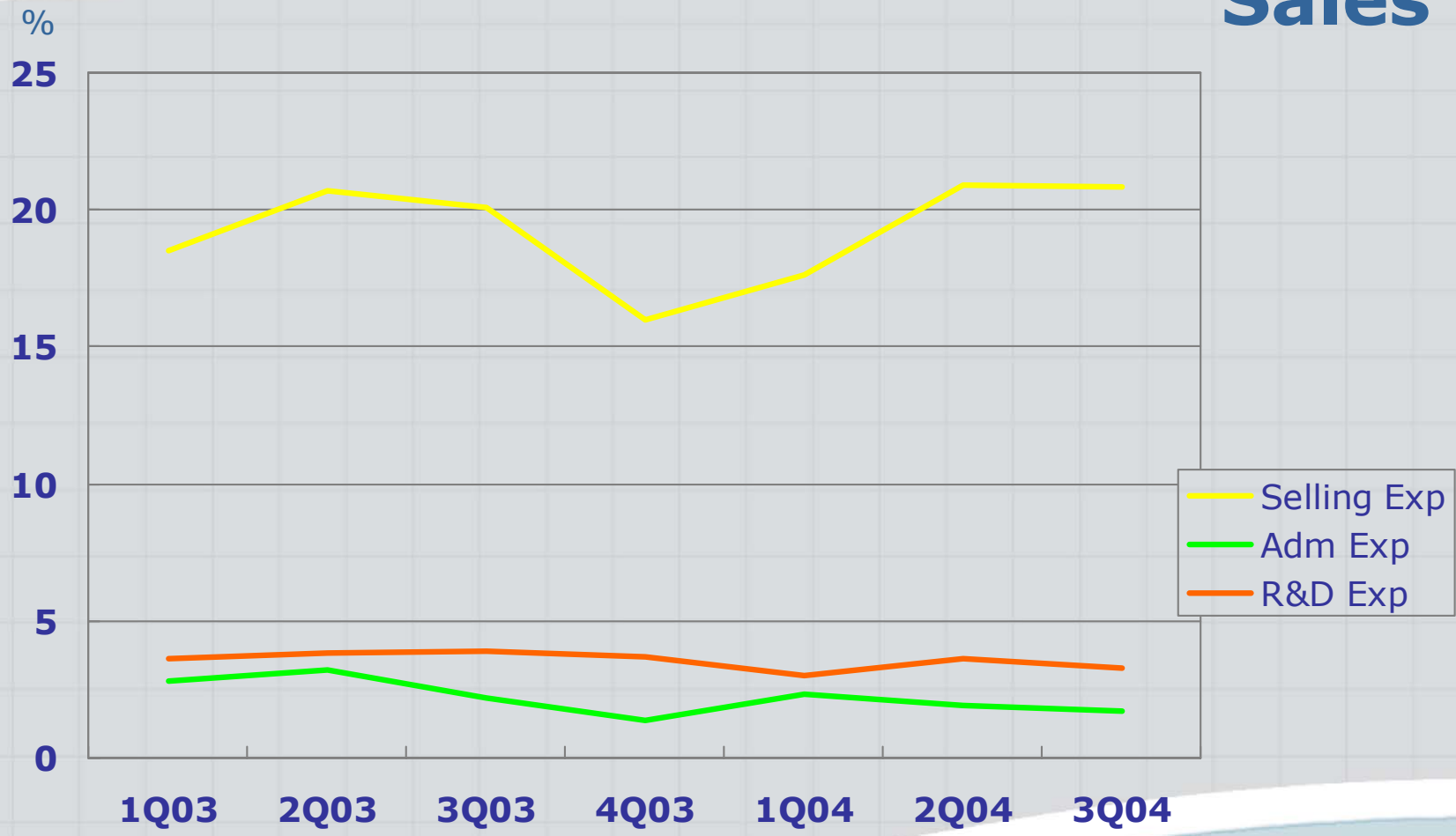
Operating Margin



Net Margin

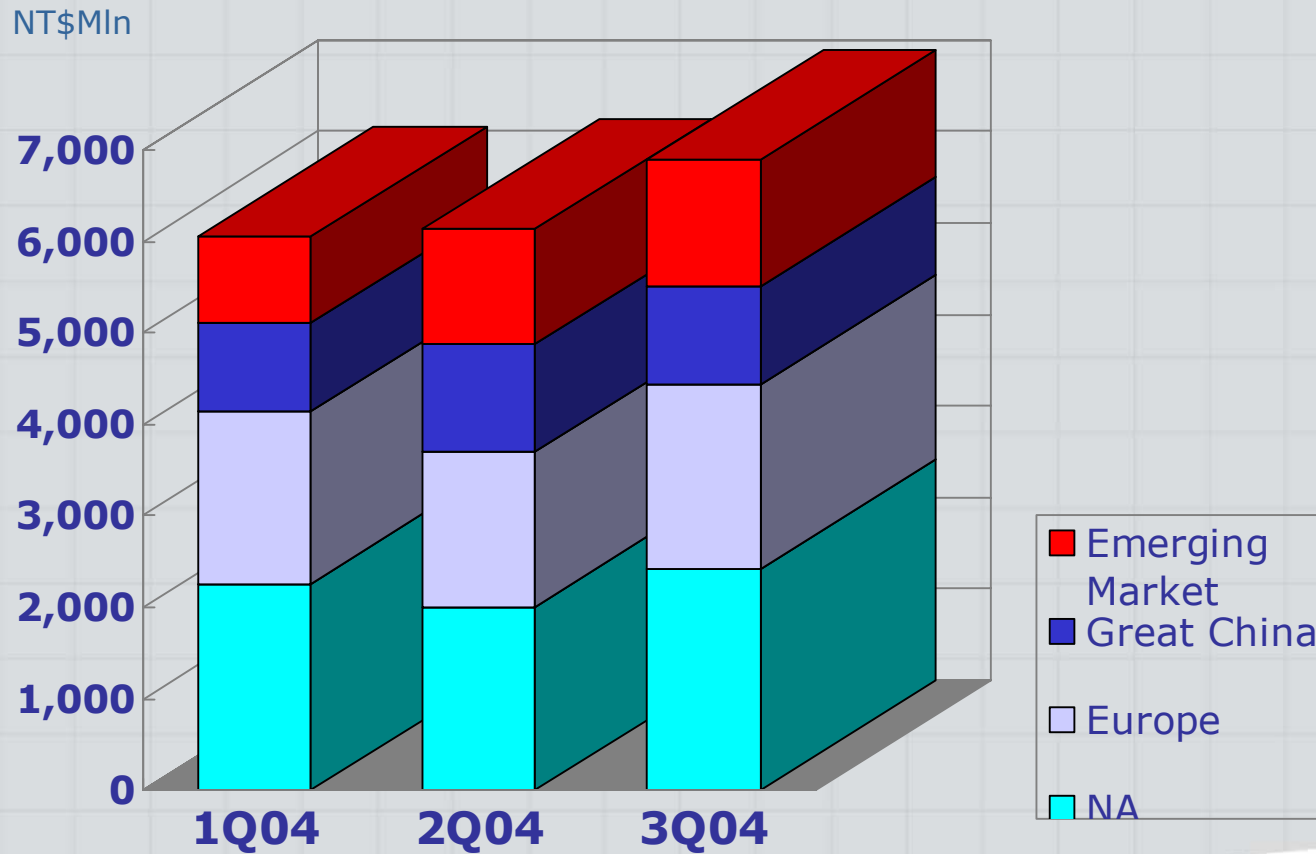


Op. Expense as % of Sales

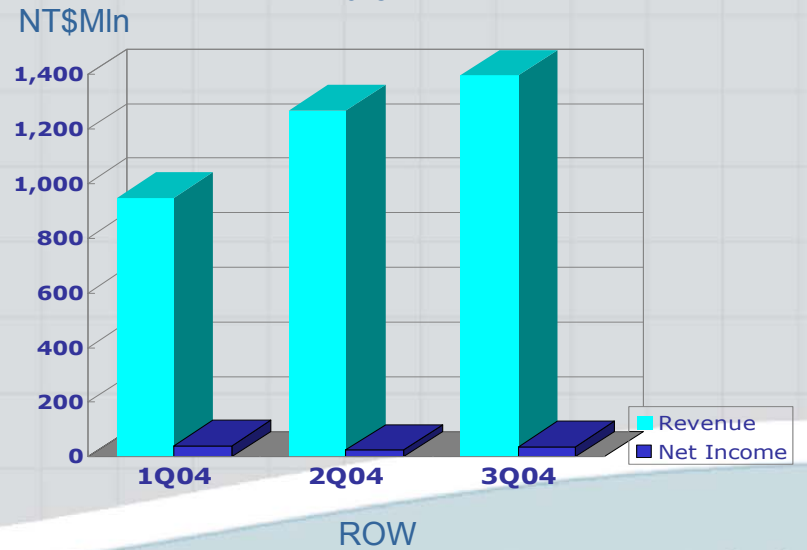
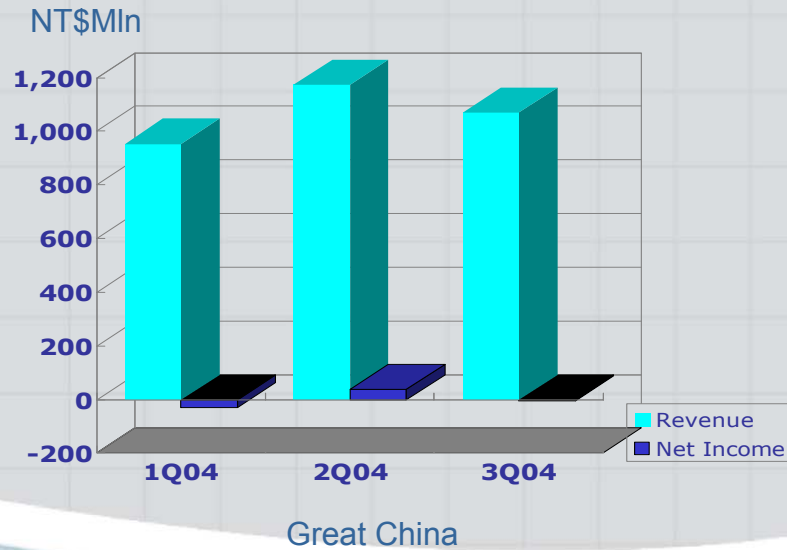
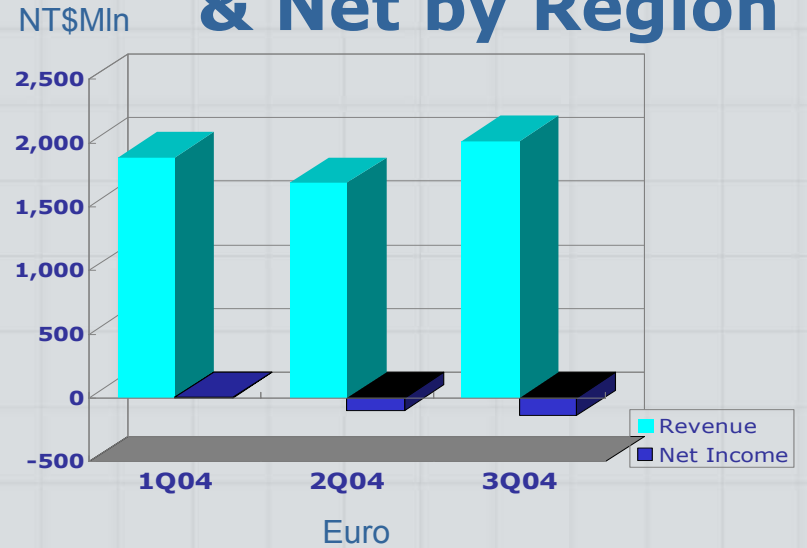
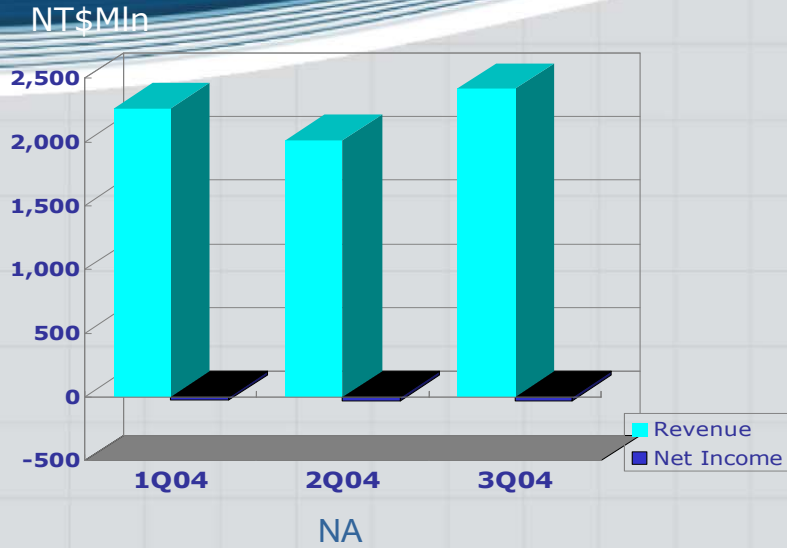


RBU Sell-through & Non-op Net Income

RBU Sell-through



RBU Sell-through & Net by Region



Investment Income Breakdown

Unit : NT\$Mln

	1Q04	2Q04	3Q04
OBU	8	8	10
Sub./Aff.	19	28	(2)
Capital Gain	826	0	(5)
Others	<u>(1)</u>	<u>(56)</u>	<u>1</u>
Total	852	(20)	4

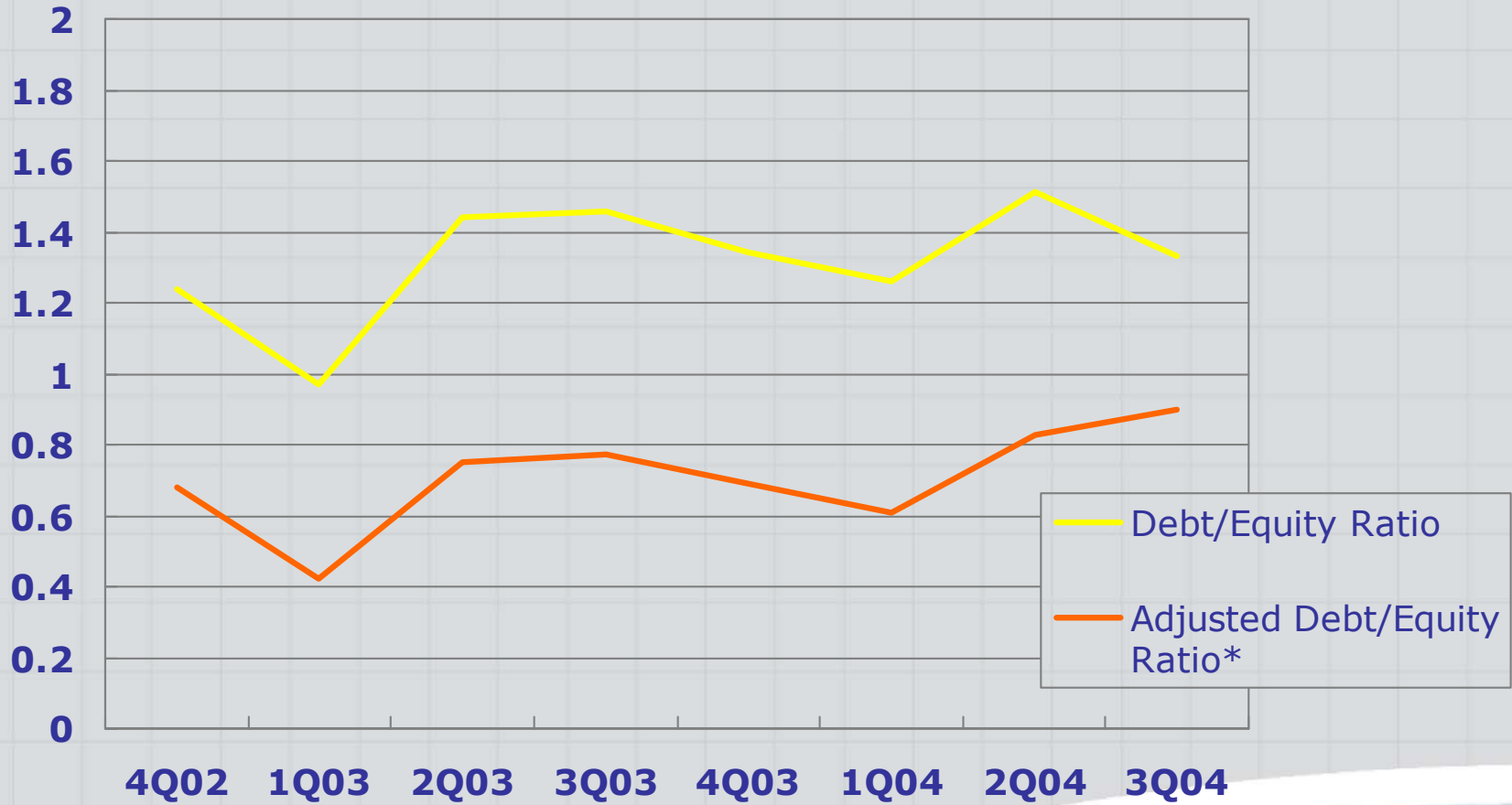
Non-op Income/Loss Breakdown

Unit : NT\$Mln

	1Q04	2Q04	3Q04
Investment Income/(Loss)	852	(20)	4
FX Gain/(Loss)	(69)	6	105
Inventory Gain/(Loss)	(57)	(125)	(39)
Financial Income/(Exp.) & Others	<u>(10)</u>	<u>(39)</u>	<u>28</u>
Total	716	(178)	98

Well-Contained Debt/Equity Ratio and Inventory Level

Debt/Equity Ratio



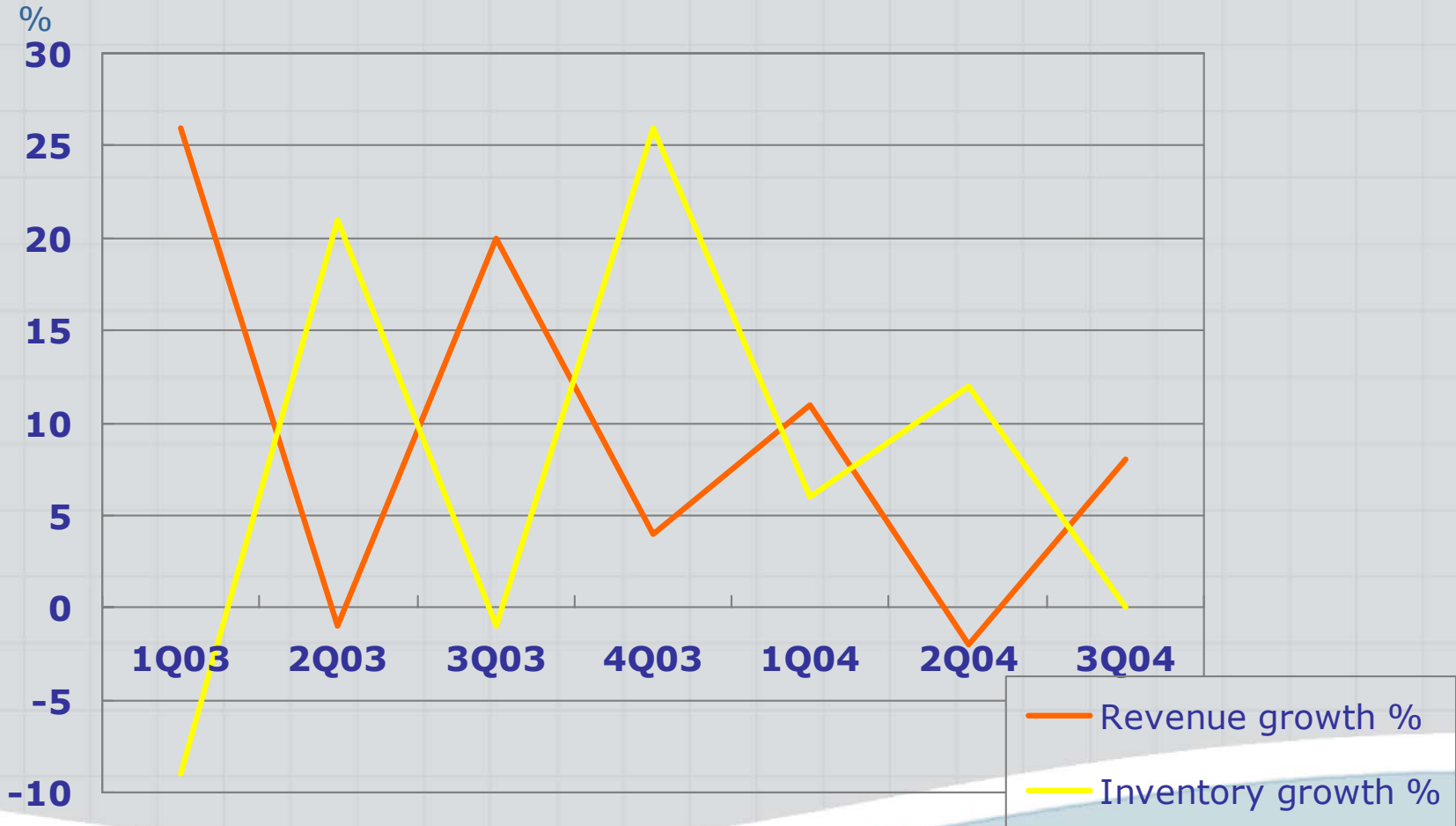
*Adjust for Cash & S.T. Investment

Inventory Breakdown by Region

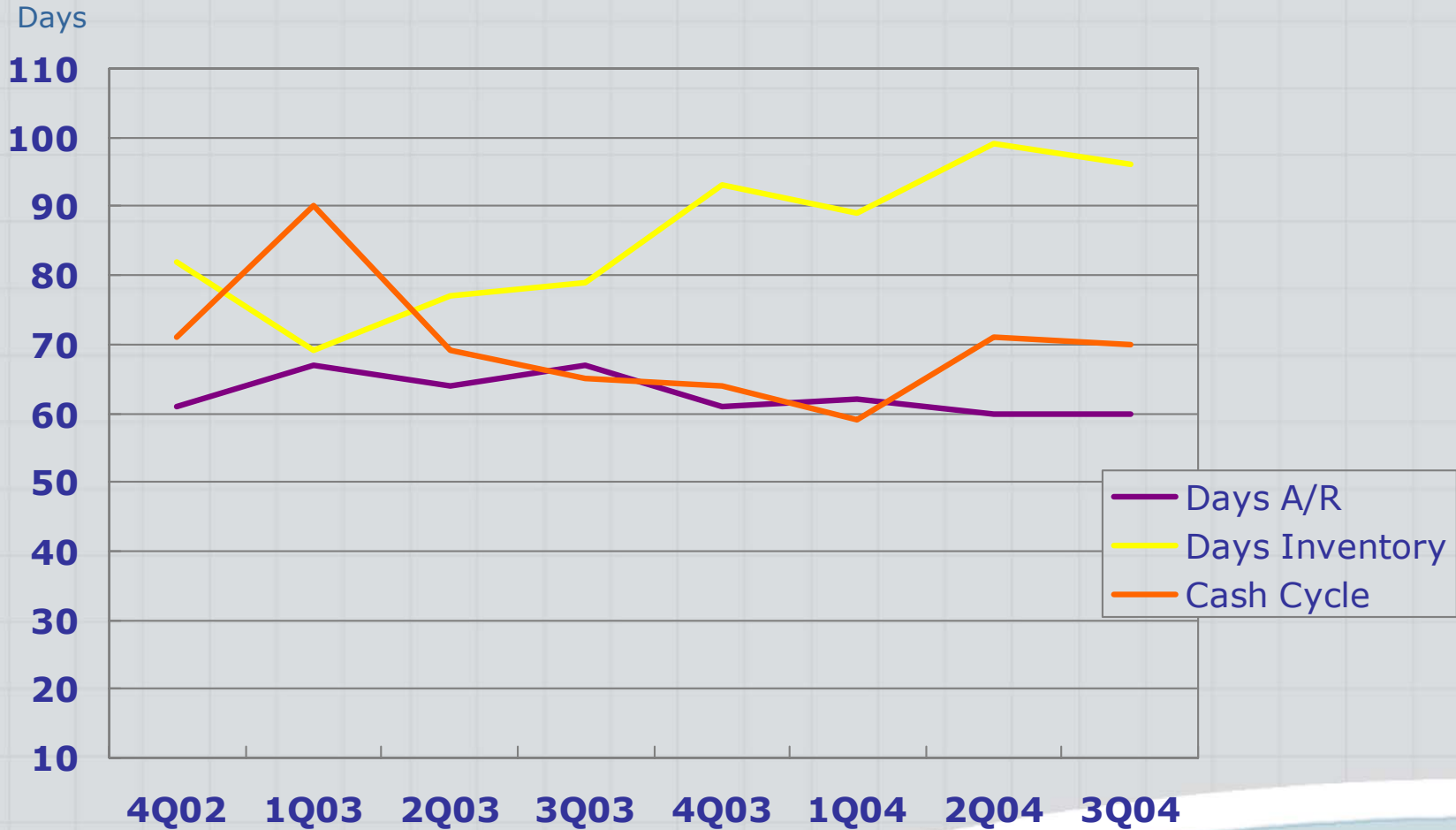
Unit :NT\$Mln

	1Q04	2Q04	3Q04
Alpha	2,102	1,531	1,467
North America	1,668	2,162	2,097
Europe	667	948	951
China	232	319	265
Others	<u>735</u>	<u>1,086</u>	<u>1,292</u>
Total	5,404	6,046	6,072

QoQ Growth of Revenue vs. Inventory

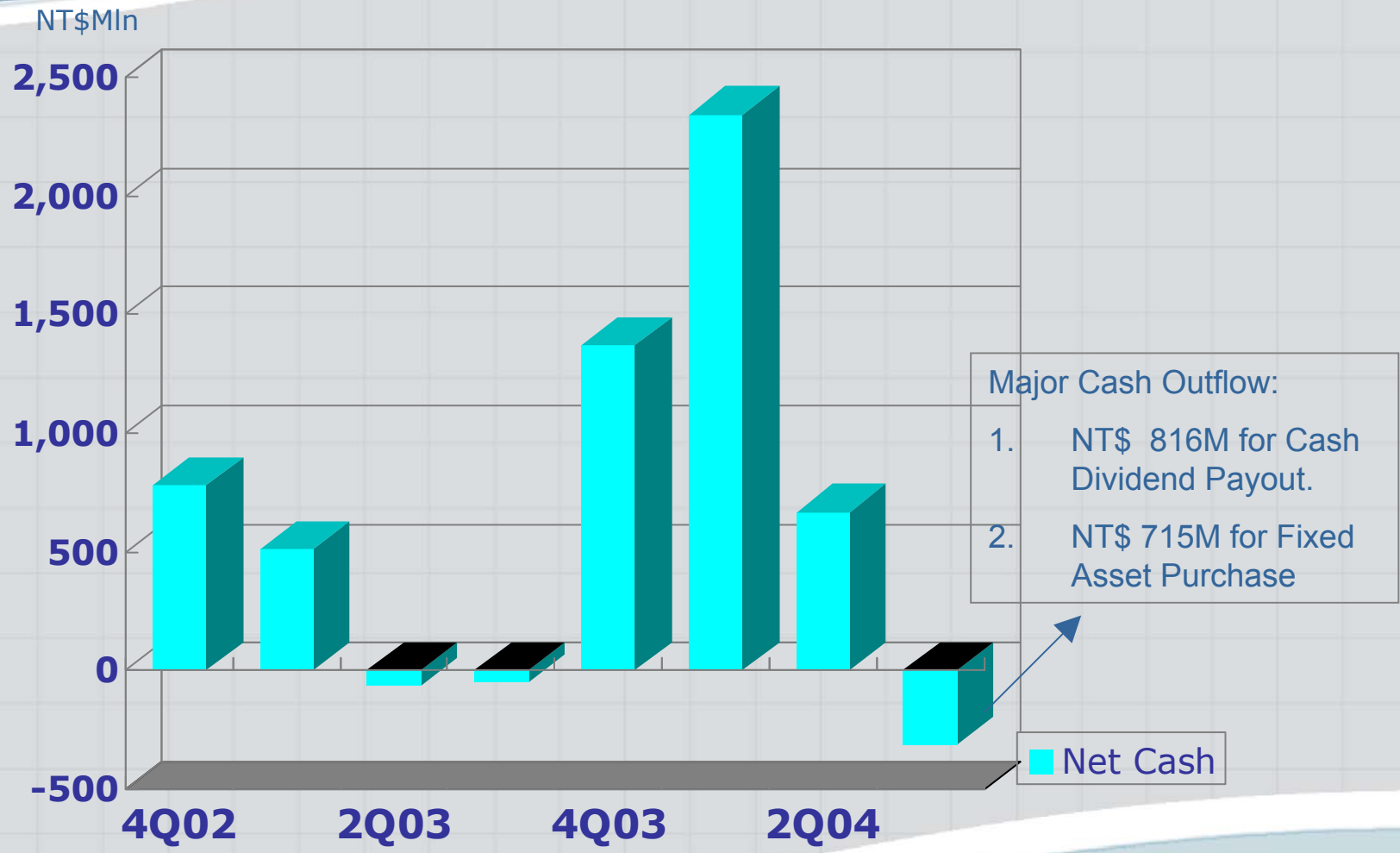


Cash Cycle



Solid Balance Sheet, High Dividend Payout, and Improved ROE

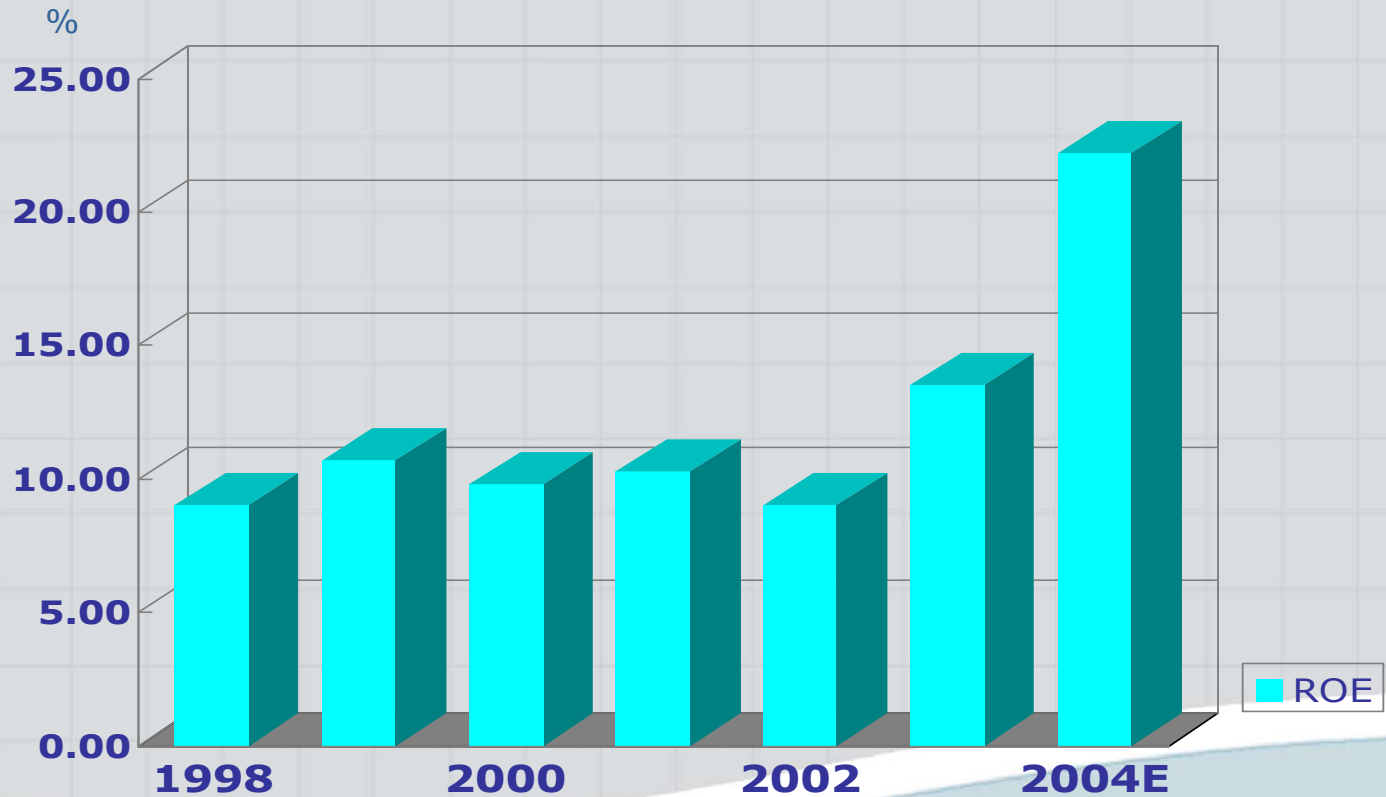
Net Cash Position



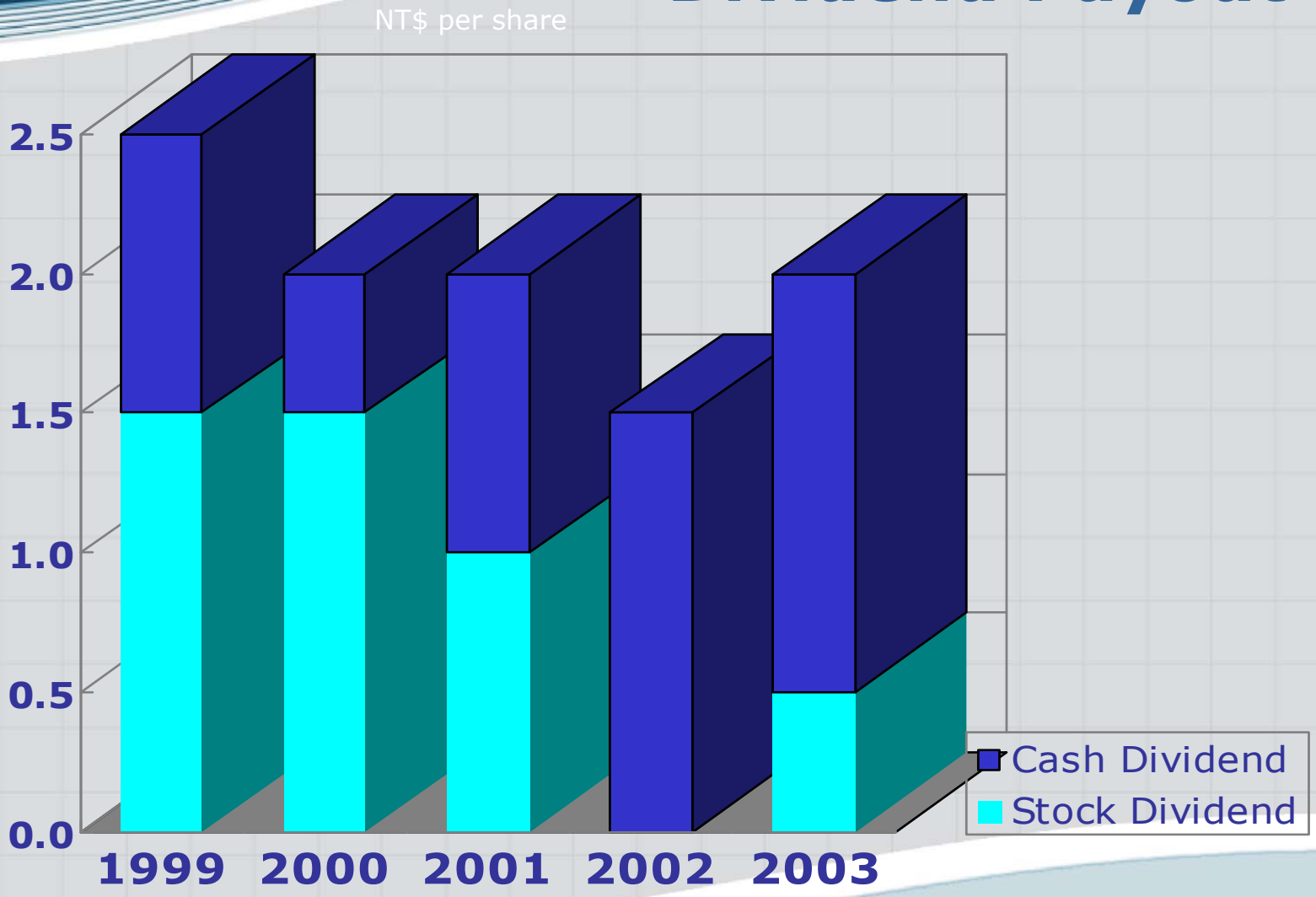
Return on Equity

Continued divesting non-core investments

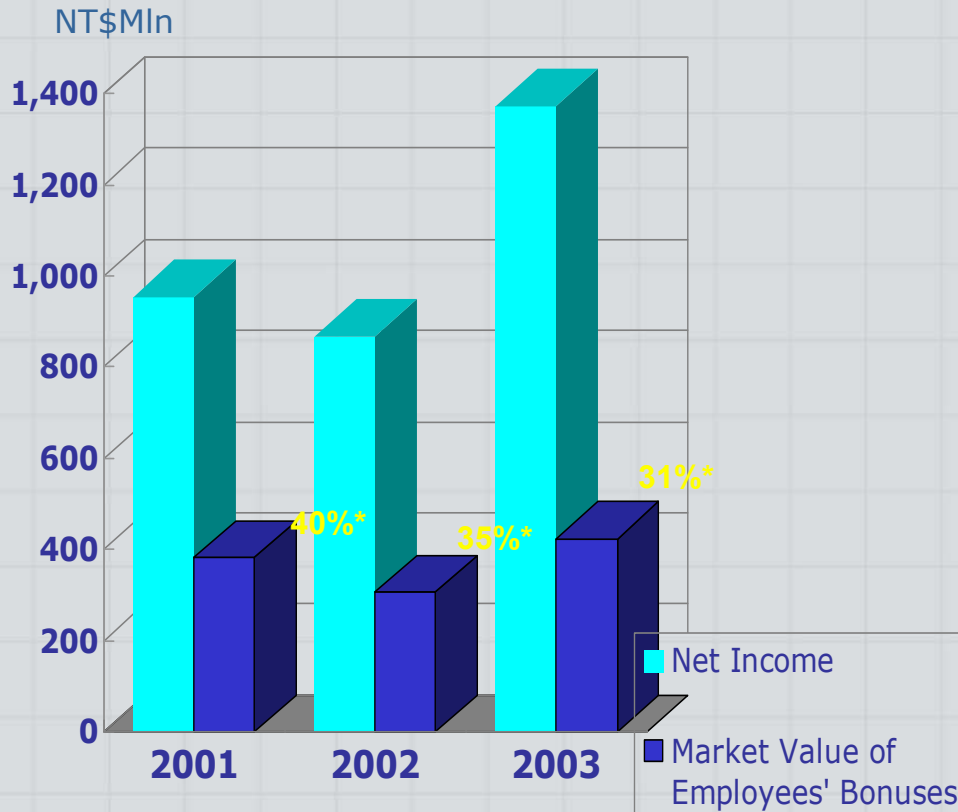
High cash dividend payout



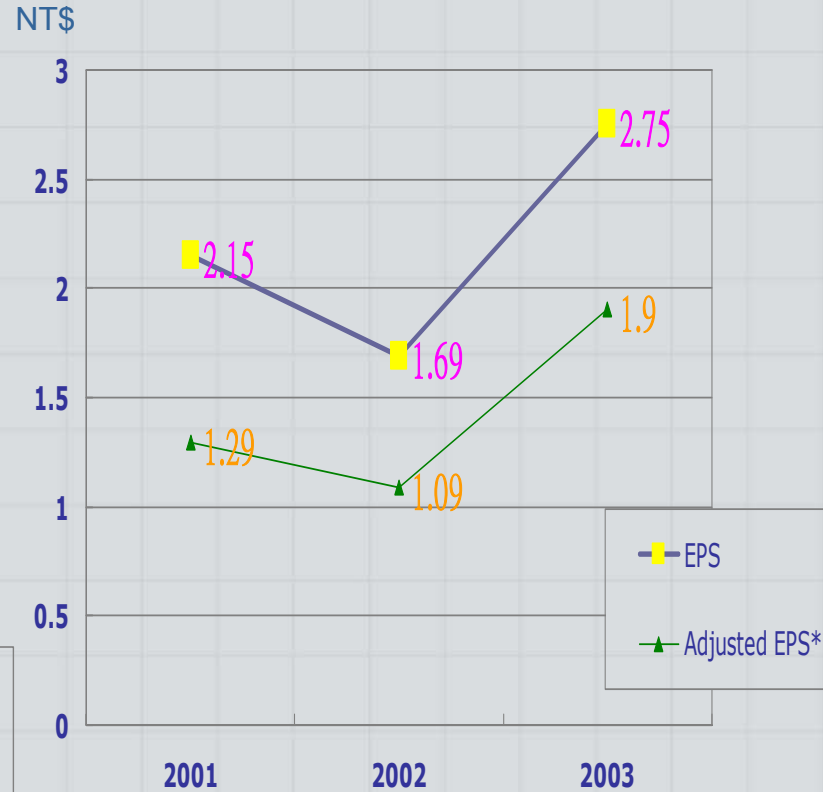
Dividend Payout



Employees' Bonus Impact on Net Income

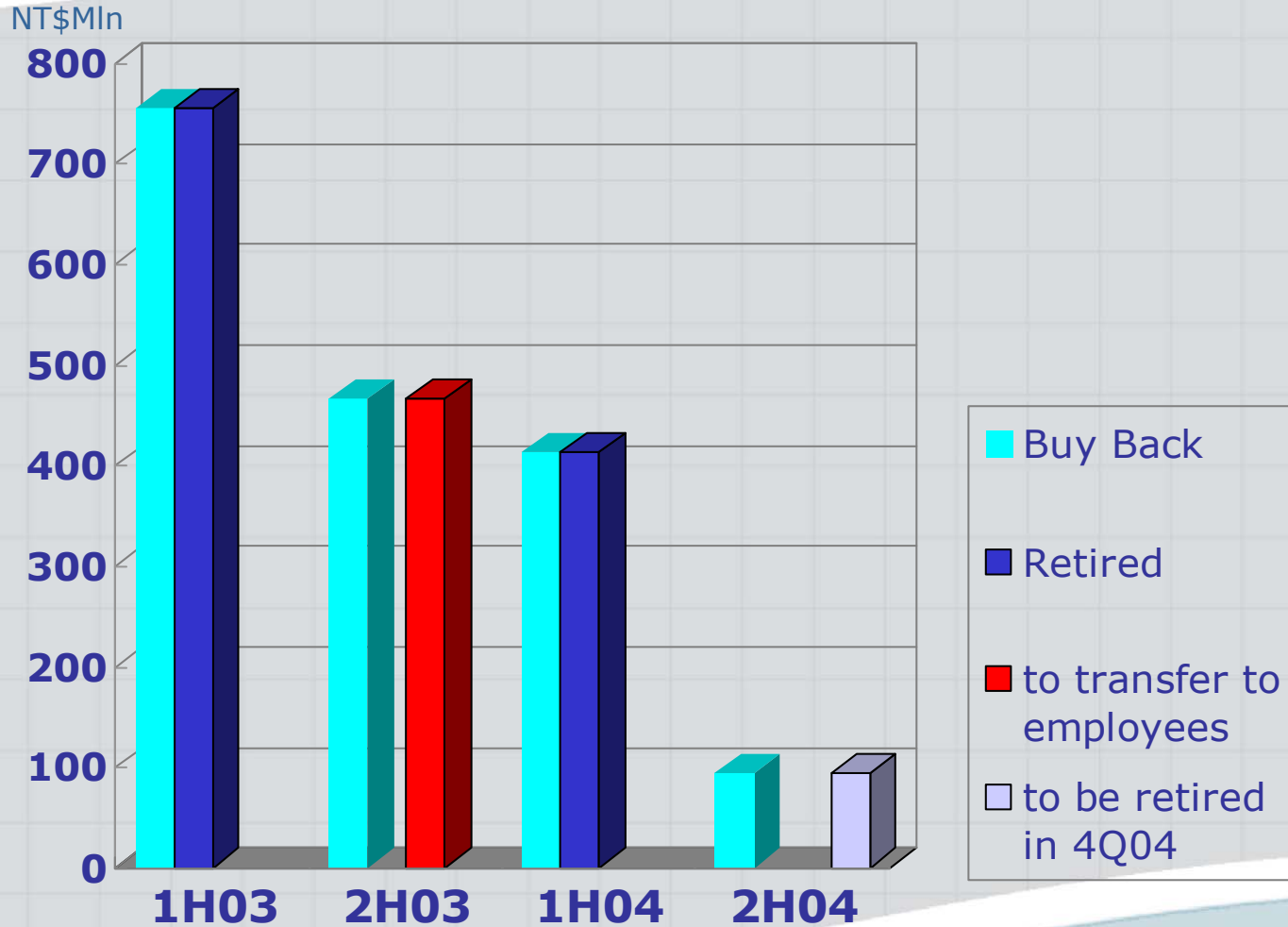


*% of Net Income



**Net Income after subtracting the market value of employees' bonuses

Shares Buy Back



Longer Term Business Model

	FY03	FY04E	Model
Sales (NT\$Mln)	25,016	31,210	30%
Gross Margin (%)	31%	33%	35%
Operating Margin (%)	6%	8%	8%
Tax Exp. (% of PBT)	11%	12%	15%
ROE (%)	14%	20%+	20%

What to Look for

Continued Market Share Gain

Business Adoption of WLAN and Broadband

Ramp up of Digital Home, GigE, Security and VoIP

Growth Lead by EMEA and EM

Strong Earnings, High Cash Payout for Better ROE



Q & A

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Thank You!



**Building Networks
for People**