



D-Link[®]
Building Networks for People

Unaudited 1Q09 Earnings Release

April 29, 2009

Agenda

- **Operation Review & Updates** A.P. Chen
- **Q&A** Tony Tsao & A.P. Chen

All numbers are consolidated and unaudited, except otherwise specified.

Operation Review & Updates

1Q09 Income Statement & QoQ Comparison

Unit: NT\$ million	1Q09		4Q08		QoQ % Change
	AMT	%	AMT	%	
Net Sales	6,805	100.0	7,364	100.0	(7.6)
Cost of Goods Sold - Product	4,921	72.3	5,192	70.5	(5.2)
Gross Profit 1	1,884	27.7	2,172	29.5	(13.2)
Inventory Related Gain/Loss	(213)	(3.1)	(105)	(1.4)	102.9
Gross Profit 2	1,671	24.6	2,067	28.1	(19.1)
Operating Expenses	2,109	31.0	2,295	31.2	(8.1)
Operating Income	(438)	(6.4)	(228)	(3.1)	(92.1)
Total Non-Op. Inc. (Loss)	174	2.5	194	2.6	(10.3)
Income Before Tax	(264)	(3.9)	(34)	(0.5)	(676.5)
Tax (Exp.) / Income	(63)	(0.9)	60	0.8	205.0
Net Income	(327)	(4.8)	26	0.3	(1357.7)
Minority Interest	3	0.0	0	0.0	100.0
Consolidated Income	(324)	(4.8)	26	0.3	(1346.2)
EPS (NT\$)-Per Fully Diluted Capital of NT\$5,652M	(0.57)		0.05		(1346.2)

* The numbers are unaudited.

1Q09 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ mln	1Q09	4Q08	QoQ % Change
Investment Income	115	127	(9.4)
Sub./Aff.	115	127	(9.4)
Capital Gain	0	0	0.0
FX Gain/(Loss)	31	(22)	240.9
Fin. Income/(Exp.) & Oth.	28	89	(68.5)
Total	174	194	(10.3)

1Q09 Income Statement & YoY Comparison

Unit: NT\$ million	1Q09		1Q08		YoY % Change
	AMT	%	AMT	%	
Net Sales	6,805	100.0	8,493	100.0	(19.9)
Cost of Goods Sold - Product	4,921	72.3	5,629	66.3	(12.6)
Gross Profit 1	1,884	27.7	2,864	33.7	(34.2)
Inventory Related Gain/Loss	(213)	(3.1)	(148)	(1.7)	43.9
Gross Profit 2	1,671	24.6	2,716	32.0	(38.4)
Operating Expenses	2,109	31.0	2,384	28.1	(11.5)
Operating Income	(438)	(6.4)	332	3.9	(231.9)
Total Non-Op. Inc. (Loss)	174	2.5	99	1.2	75.7
Income Before Tax	(264)	(3.9)	431	5.1	(161.3)
Tax (Exp.) / Income	(63)	(0.9)	(60)	(0.7)	5.0
Net Income	(327)	(4.8)	371	4.4	(188.1)
Minority Interest	3	0.0	0	0.0	100.0
Consolidated Income	(324)	(4.8)	371	4.4	(187.3)
EPS (NT\$)-Per Fully Diluted Capital of NT\$5,652M	(0.57)		0.66		(187.3)

* The numbers are unaudited.

03/31/2009 Balance Sheet & QoQ Comparison

Unit: NT\$ mln	03/31/09		12/31/08		QoQ %
	AMT	%	AMT	%	Change
Cash	1,681	8	2,595	11	(35.2)
S-T Investment	551	2	286	1	92.7
Account Receivable	5,935	27	5,985	25	(0.8)
Inventory	5,476	25	7,472	31	(26.7)
Long-term Investments	5,460	24	5,133	21	6.4
Total Assets	22,338	100	24,420	100	(8.5)
Accounts Payable	3,417	15	5,725	23	(40.3)
Current Liabilities	7,574	34	9,180	38	(17.5)
Common Stock	5,652	25	5,652	23	0.0
Stockholders' Equity	13,725	61	13,692	56	(0.2)

Key Financial Ratios

Unit: % , days	03/31/09	12/31/08	09/30/08	06/30/08	03/31/08
Days A/R	80 [*]	74 [*]	74 [*]	75 [*]	63 [*]
Days Inventory	115 [*]	131 [*]	125 [*]	84 [*]	82 [*]
Days A/P	81 [*]	101 [*]	141 [*]	105 [*]	75 [*]
Cash Cycle	114	104	57	53	70
Current Ratio	2.01	1.91	1.58	1.59	1.96
Debt/Equity Ratio	0.63	0.79	0.95	0.89	0.57
Net Debt/Equity Ratio	0.44 ^{**}	0.57 ^{**}	0.67 ^{**}	0.51 ^{**}	0.29 ^{**}
ROE	-2 [*]	9 [*]	13 [*]	16 [*]	17 [*]

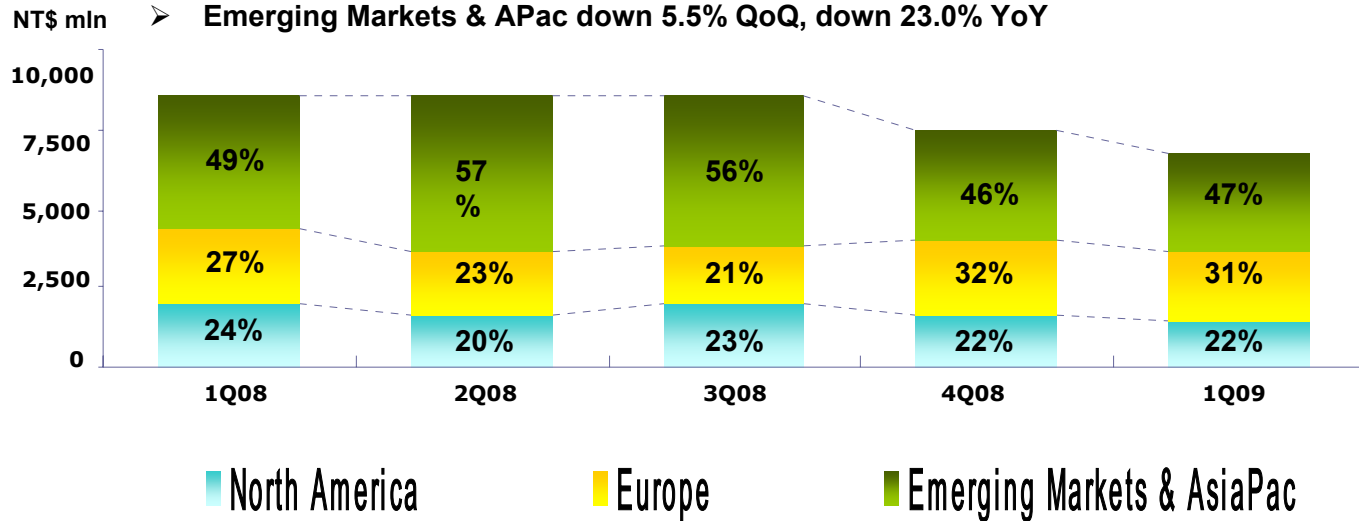
* Annualized

**Adjust for Cash & S-T investment

Quarterly Revenue by Regions

1Q09 revenue down 7.6% QoQ, down 19.9% YoY

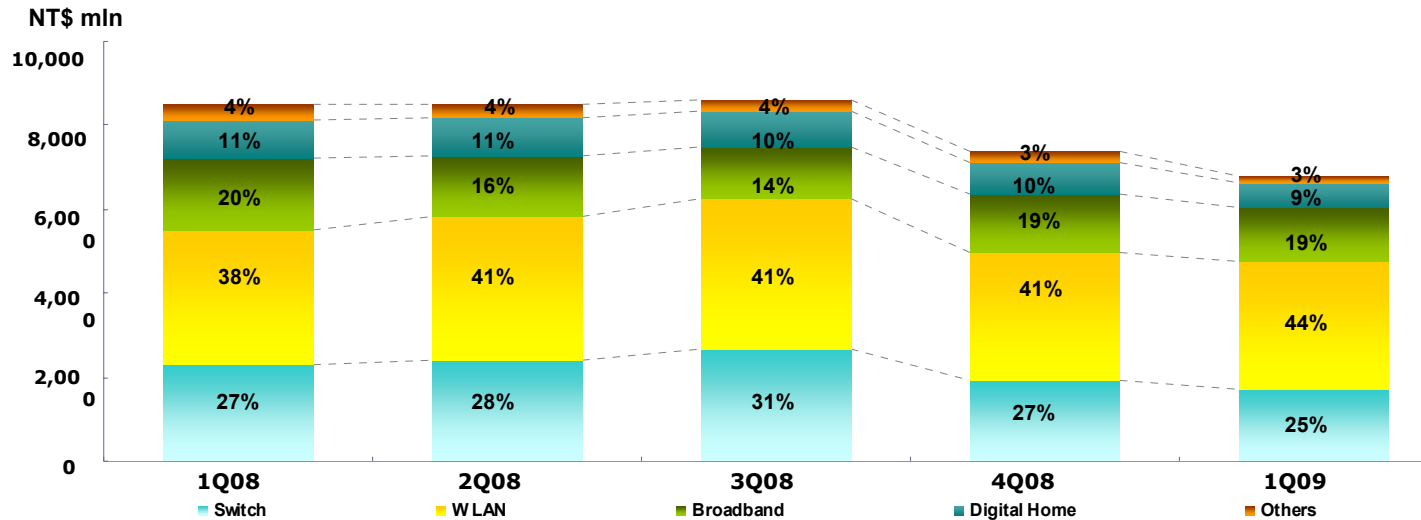
- N.A. down 9.9% QoQ, down 27.2% YoY
- Europe down 9.0% QoQ, down 7.5% YoY
- Emerging Markets & APac down 5.5% QoQ, down 23.0% YoY



Quarterly Revenue by Products

1Q09 revenue comparison:

- Switch down 11.2% QoQ, down 24.0% YoY
- WLAN down 0.9% QoQ, down 6.1% YoY
- B.B. down 5.8% QoQ, down 25.4% YoY
- D.H. down 19.3% QoQ, down 34.5% YoY
- Others



2Q09 Outlooks

- **Revenue high single digit up**
- **Margin yet to inch up gradually**
- **Improvement Plan**
 - **Cost containment on chip/system vendors**
 - **Expense cut**

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.

Q & A

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