



1Q14 Operating Results

May 14, 2014

Financial Review

1Q14 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	1Q14		4Q13		QoQ % Change	1Q13		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	7,182	100.0	7,953	100.0	(9.7)	7,223	100.0	(0.6)
Cost of Goods Sold - Product	5,229	72.8	5,907	74.3	(11.5)	5,200	72.0	0.6
Gross Profit 1	1,953	27.2	2,046	25.7	(4.5)	2,023	28.0	(3.5)
Inventory Related Gain/(Loss)	70	1.0	(35)	(0.4)	N.A.	(59)	(0.8)	N.A.
Gross Profit 2	2,023	28.2	2,011	25.3	0.6	1,964	27.2	2.9
Operating Expenses	1,937	27.0	1,852	23.3	4.6	1,829	25.3	5.9
Operating Income	86	1.2	159	2.0	(46.1)	136	1.9	(36.7)
Total Non-Op. Inc. (Loss)	44	0.6	111	1.4	(60.3)	47	0.6	(6.1)
Income Before Tax	130	1.8	270	3.4	(51.9)	183	2.5	(28.8)
Tax (Exp.) / Income	(45)	(0.6)	44	0.6	N.A.	(52)	(0.7)	(13.9)
Net Income	85	1.2	314	4.0	(72.9)	131	1.8	(35.1)
Minority Interest	(5)	(0.1)	(13)	(0.2)	(61.8)	(7)	(0.1)	(32.5)
Consolidated Income	81	1.1	301	3.8	(73.3)	124	1.7	(34.8)
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,088M	0.13		0.49		(73.5)	0.20		(35.0)

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

1Q14 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	1Q14	4Q13	QoQ % Change
Investment Income	22	177	(87)
Sub./Aff.	20	110	(82)
Capital Gain	2	67	(97)
FX Gain/(Loss)	5	(76)	N.A.
Fin. Income/(Exp.) & Other	17	10	0.7
Total Non-op Income/Loss	44	111	(60)

* The numbers are consolidated and the net income is audited/reviewed.

3/31/2014 Balance Sheet & QoQ Comparison

Unit: NT\$ million	3/31/14 AMT	%	12/31/13 AMT	%	QoQ % Change
Cash & S-T Investment	3,136	13	3,355	14	(6.5)
Account Receivable	6,546	27	6,740	28	(2.9)
Inventory	6,164	25	6,046	25	2.0
Long-term Investments	4,616	19	4,532	19	1.9
Total Assets	24,285	100	24,458	100	(0.7)
Accounts Payable	5,481	23	5,958	24	(8.0)
Current Liabilities	9,404	39	9,227	38	1.9
Common Stock	6,476	27	6,476	26	-
Stockholders' Equity	13,688	56	13,347	55	2.6

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

Key Financial Ratios

Unit: % , days	1Q14	4Q13	3Q13	2Q13	1Q13
**Days A/R	76	76	77	75	69
**Days Inventory	98	101	111	111	106
**Days A/P	85	93	101	103	90
Cash Cycle	89	84	88	83	85
Current Ratio	1.82	1.88	1.83	1.76	2.03
Debt/Equity Ratio	0.76	0.81	0.96	1.00	0.77
***Net Debt/Equity Ratio	0.53	0.56	0.69	0.69	0.48
ROE	2	9	10	-3	4

The numbers are based on consolidated numbers and the net income is audited.

** Annualized

*** Net of Cash & S-T investment

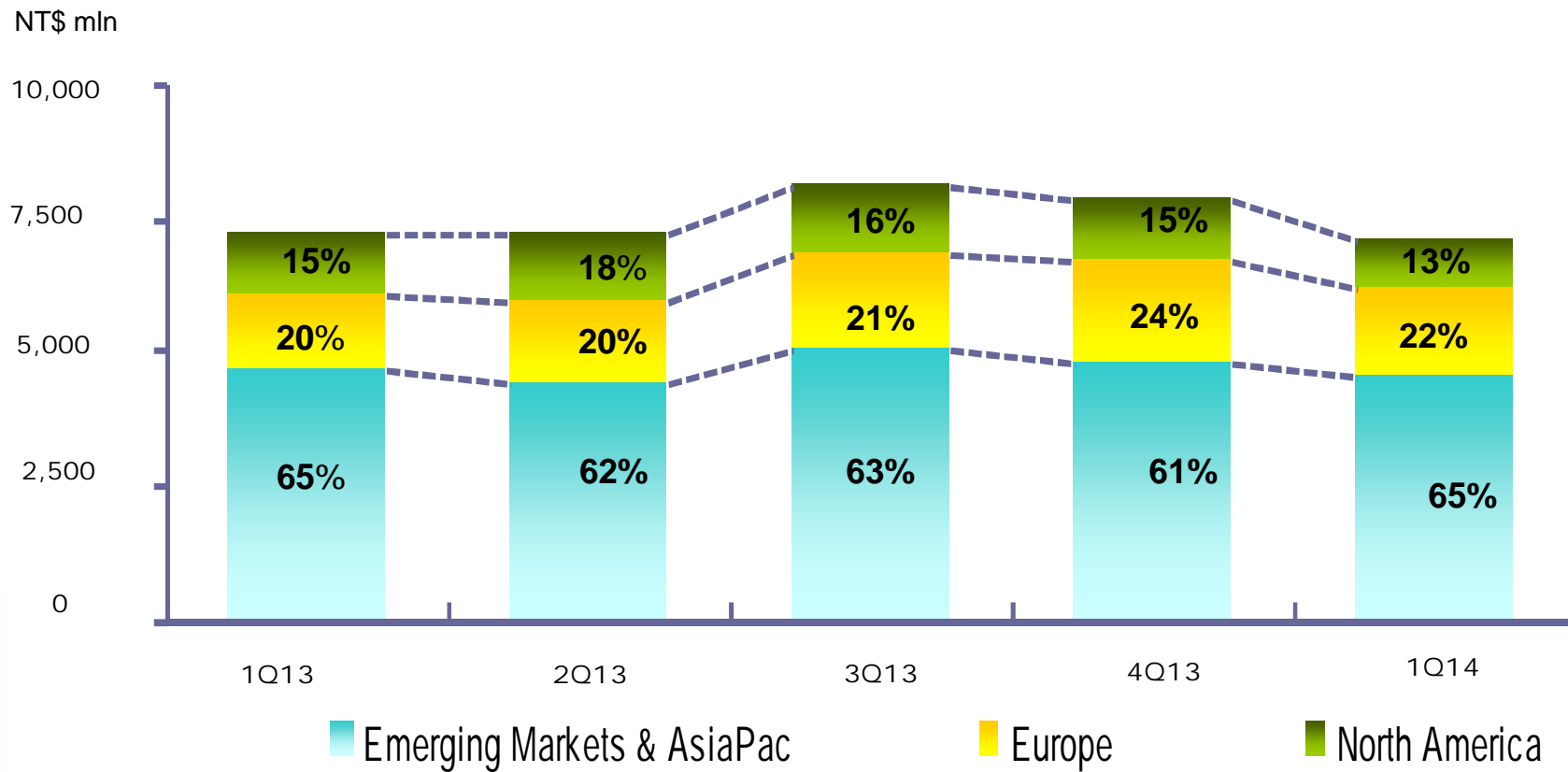
Quarterly Revenue by Region

In NT\$, down 9.7% QoQ, down 0.6% YoY

- N.A. down 17.2% QoQ, down 11.7% YoY
- Europe down 17.7% QoQ, up 9.9% YoY
- Emerging Mkts & APac down 4.8% QoQ, down 1.2% YoY

In US\$, down 11.8% QoQ, down 3.1% YoY

- N.A. down 19.1% QoQ, down 14% YoY
- Europe down 19.5% QoQ, up 7.1% YoY
- Emerging Mkts & APac down 7% QoQ, down 3.8% YoY



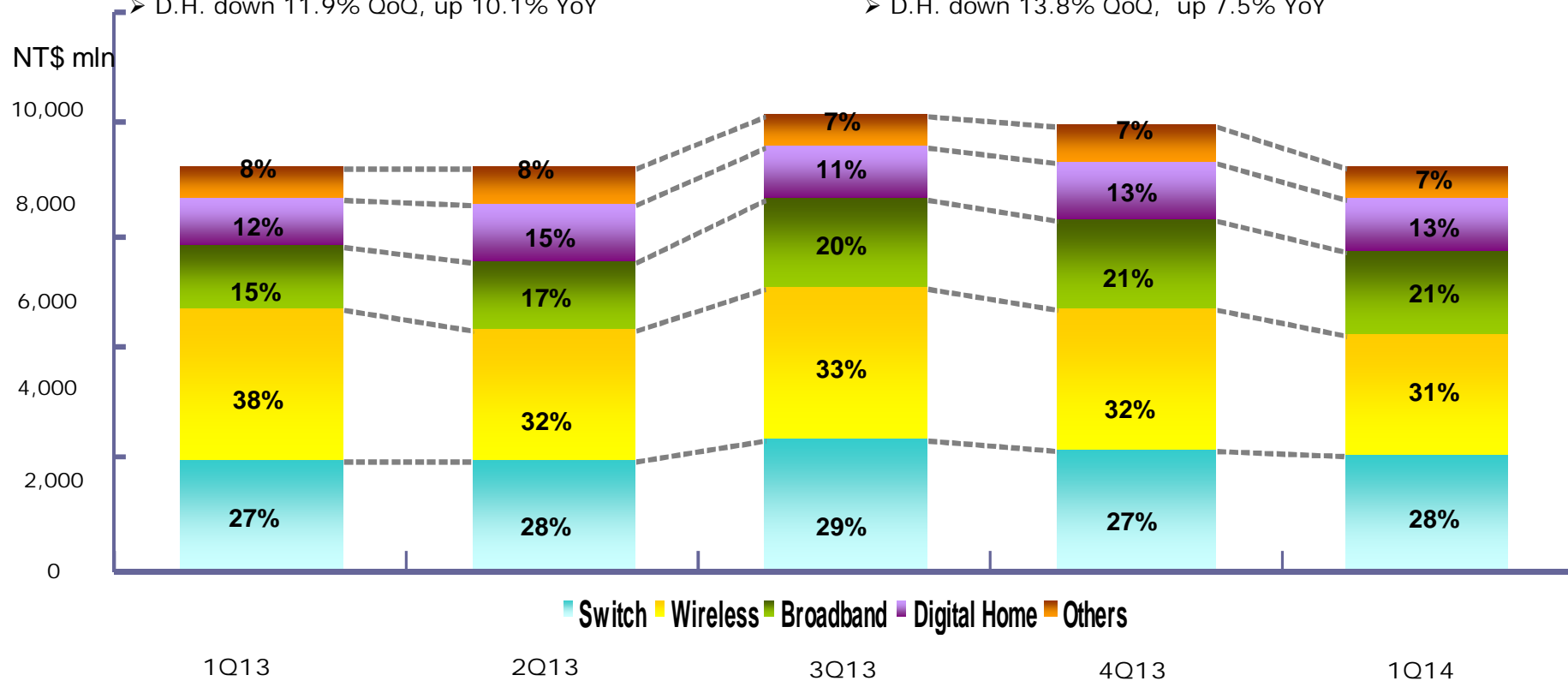
Quarterly Revenue by Product

In NT\$ terms:

- Switch down 5.1% QoQ, up 2.4% YoY
- Wireless down 11.6% QoQ, down 18.4% YoY
- B.B. down 9.9% QoQ, up 33.5% YoY
- D.H. down 11.9% QoQ, up 10.1% YoY

In US\$ terms:

- Switch down 7.2% QoQ, down 0.3% YoY
- Wireless down 13.5% QoQ, down 20.5% YoY
- B.B. down 12.1% QoQ, up 29.9% YoY
- D.H. down 13.8% QoQ, up 7.5% YoY



2Q14 Guidance

From QoQ Perspective:

- Revenue & Gross margin% remain flat

*For complete financial and
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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.