



2Q14 Operating Results

August 13, 2014

Financial Review

2Q14 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	2Q14		1Q14		QoQ % Change	2Q13		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	7,185	100.0	7,182	100.0	0.0	7,224	100.0	(0.5)
Cost of Goods Sold - Product	5,152	71.7	5,229	72.8	(1.5)	5,277	73.0	(2.4)
Gross Profit 1	2,033	28.3	1,953	27.2	4.1	1,947	27.0	4.4
Inventory Related Gain/(Loss)	(34)	(0.5)	70	1.0	N.A.	(80)	(1.1)	(57)
Gross Profit 2	1,998	27.8	2,023	28.2	(1.2)	1,867	25.9	6.5
Operating Expenses	1,969	27.4	1,937	27.0	1.7	1,988	27.5	(1.0)
Operating Income	29	0.4	86	1.2	(66.3)	(121)	(1.6)	N.A.
Total Non-Op. Inc. (Loss)	87	1.2	44	0.6	97.7	24	0.3	262
Income Before Tax	116	1.6	130	1.8	(10.7)	(97)	(1.3)	N.A.
Tax (Exp.) / Income	(42)	(0.6)	(45)	(0.6)	(6.7)	19	0.3	N.A.
Net Income	74	1.0	85	1.2	(12.9)	(78)	(1.0)	N.A.
Minority Interest	(11)	(0.2)	(5)	(0.1)	(120)	(7)	(0.1)	(57.1)
Consolidated Income	63	0.9	81	1.1	(22.2)	(85)	(1.1)	N.A.
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,088M	0.11		0.13		(15.4)	(0.14)		N.A.

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

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

2Q14 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	2Q14	1Q14	QoQ % Change
Investment Income	45	22	105
Sub./Aff.	29	20	45
Capital Gain	16	2	700
FX Gain/(Loss)	56	5	1020
Fin. Income/(Exp.) & Other	<u>(14)</u>	<u>17</u>	<u>N.A.</u>
Total Non-op Income/Loss	87	44	97.7

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

1H14 Income Statement & YoY Comparison

Unit: NT\$ million	1H14		1H13		YoY % Change
	AMT	%	AMT	%	
Net Sales	14,367	100.0	14,447	100.0	(0.6)
Cost of Goods Sold - Product	10,382	72.3	10,477	72.5	(0.9)
Gross Profit 1	3,985	27.7	3,970	27.5	0.4
Inventory Related Gain/(Loss)	35	0.3	(139)	(1.0)	NA.
Gross Profit 2	4,021	28.0	3,831	26.5	5.0
Operating Expenses	3,905	27.2	3,817	26.4	2.3
Operating Income	115	0.8	14	0.1	721
Total Non-Op. Inc. (Loss)	131	0.9	71	0.5	84.5
Income Before Tax	246	1.7	85	0.6	189
Tax (Exp.) / Income	(87)	(0.6)	(32)	(0.2)	(172)
Net Income	159	1.1	53	0.4	200
Minority Interest	(16)	(0.1)	(14)	(0.1)	(14.3)
Consolidated Income	143	1.0	39	0.3	267
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,088M	0.24		0.06		300

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

6/30/2014 Balance Sheet & QoQ Comparison

Unit: NT\$ million	6/30/14 AMT	%	3/31/14 AMT	%	QoQ % Change
Cash & S-T Investment	3,151	13	3,136	13	0.5
Account Receivable	6,438	26	6,546	27	(1.6)
Inventory	6,365	26	6,164	25	3.1
Long-term Investments	4,270	17	4,616	19	(7.5)
Total Assets	24,702	100	24,285	100	1.7
Accounts Payable	5,868	24	5,481	23	7.1
Current Liabilities	10,534	43	9,404	39	12.0
Common Stock	6,476	26	6,476	27	-
Stockholders' Equity	12,905	52	13,688	56	(5.7)

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

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

Key Financial Ratios

Unit: % , days	2Q14	1Q14	4Q13	3Q13	2Q13
**Days A/R	77	76	76	77	75
**Days Inventory	107	98	101	111	111
**Days A/P	103	85	93	101	103
Cash Cycle	82	89	84	88	83
Current Ratio	1.67	1.82	1.88	1.83	1.76
Debt/Equity Ratio	0.89	0.76	0.81	0.96	1.00
***Net Debt/Equity Ratio	0.64	0.53	0.56	0.69	0.69
ROE	2	2	9	10	-3

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

** Annualized

*** Net of Cash & S-T investment

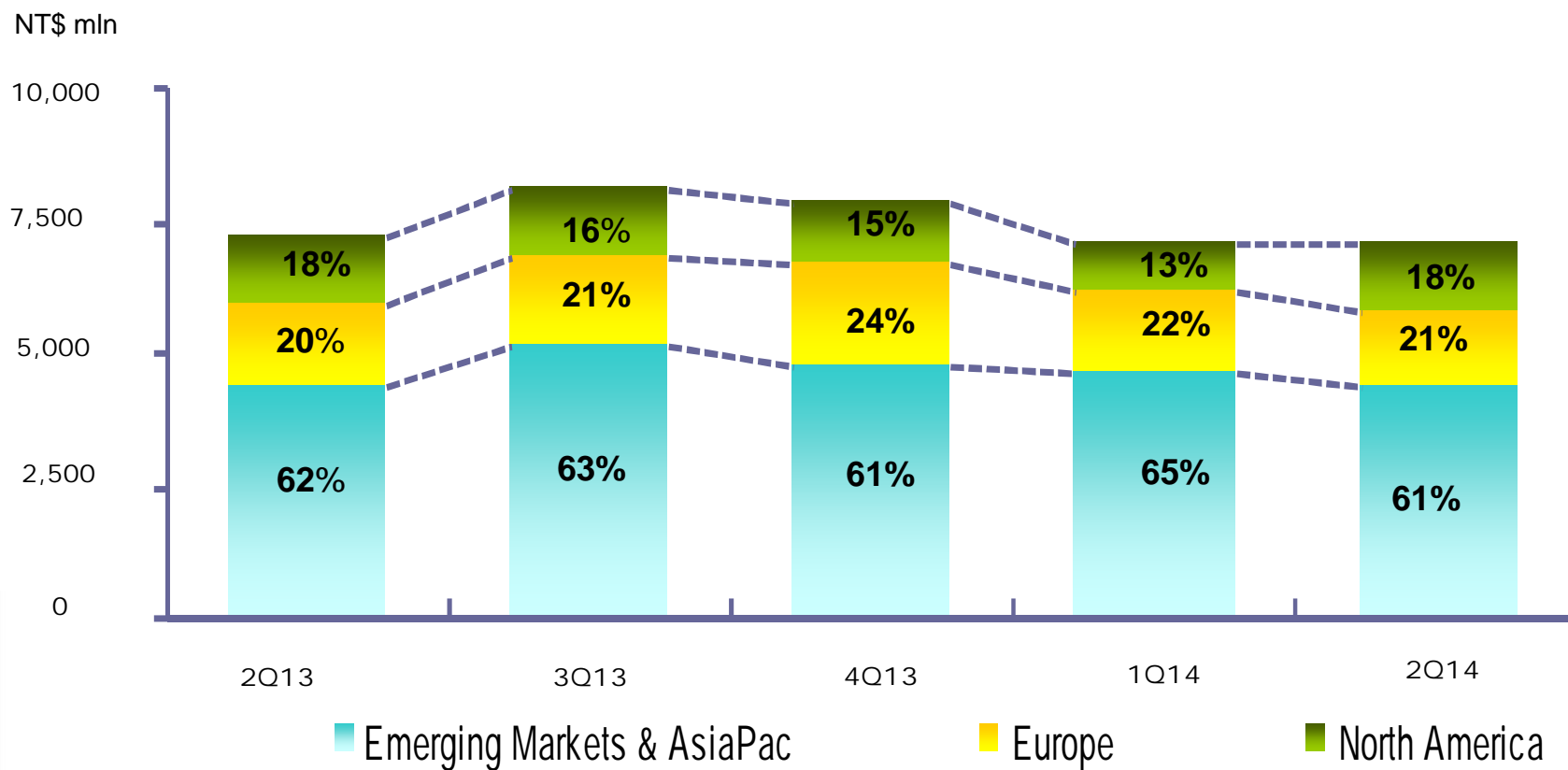
Quarterly Revenue by Region

In NT\$, up 0.1% QoQ, down 0.5% YoY

- N.A. up 35% QoQ, up 0.5% YoY
- Europe down 4.6% QoQ, up 3.0% YoY
- Emerging Mkts & APac down 5.5% QoQ, down 2.0% YoY

In US\$, up 0.5% QoQ, down 1.3% YoY

- N.A. up 35.6% QoQ, down 0.5% YoY
- Europe down 4.2% QoQ, up 2.2% YoY
- Emerging Mkts & APac down 5% QoQ, down 2.7% YoY



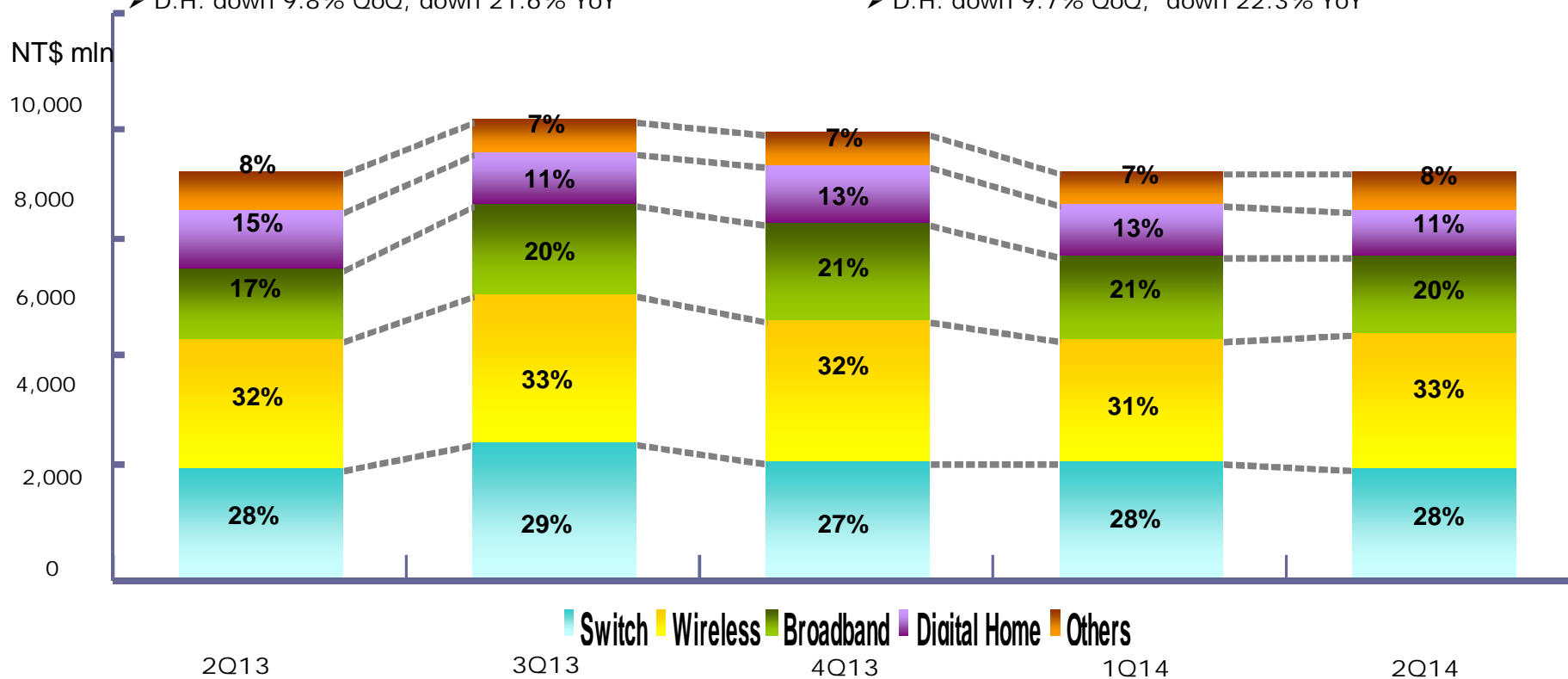
Quarterly Revenue by Product

In NT\$ terms:

- Switch down 0.8% QoQ, up 0.7% YoY
- Wireless up 6.8% QoQ, up 4.1% YoY
- B.B. down 5.2% QoQ, up 9.4% YoY
- D.H. down 9.8% QoQ, down 21.6% YoY

In US\$ terms:

- Switch down 0.3% QoQ, flat YoY
- Wireless up 7.3% QoQ, up 3.3% YoY
- B.B. down 4.7% QoQ, up 8.5% YoY
- D.H. down 9.7% QoQ, down 22.3% YoY



3Q14 Guidance

From QoQ Perspective:

- Revenue expected to grow in single digit range
- Gross margin% remains flat

*For complete financial and
press releases, please visit
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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.