



4Q14 Operating Results

March 13, 2015

Financial Review

4Q14 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	4Q14		3Q14		QoQ % Change	4Q13		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	8,375	100.0	7,564	100.0	10.7	7,953	100.0	5.3
Cost of Goods Sold - Product	6,088	72.7	5,401	71.4	12.7	5,907	74.3	3.1
Gross Profit 1	2,287	27.3	2,163	28.6	5.7	2,046	25.7	11.8
Inventory Related Gain/(Loss)	(37)	(0.4)	(160)	(2.1)	(76.8)	(35)	(0.4)	(5.7)
Gross Profit 2	2,250	26.9	2,003	26.5	12.3	2,011	25.3	11.9
Operating Expenses	2,107	25.2	1,955	25.8	7.8	1,852	23.3	13.8
Operating Income	143	1.7	48	0.6	198	159	2.0	(10.1)
Total Non-Op. Inc. (Loss)	(143)	(1.7)	(151)	(2.0)	(5.3)	111	1.4	N.A.
Income Before Tax	0	0.0	(103)	(1.4)	N.A.	270	3.4	N.A.
Tax (Exp.) / Income	68	0.8	(13)	(0.2)	N.A.	44	0.6	54.5
Net Income	68	0.8	(116)	(1.6)	N.A.	314	4.0	(78.3)
Minority Interest	(21)	(0.2)	(13)	(0.2)	(61.5)	(13)	(0.2)	(61.5)
Consolidated Income	47	0.6	(129)	(1.7)	N.A.	301	3.8	(84.4)
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,209M	0.08		(0.21)			0.49		

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

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

4Q14 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	4Q14	3Q14	QoQ % Change
Investment Income	115	35	228
Sub./Aff.	50	31	61.3
Capital Gain	65	4	1525
FX Gain/(Loss)	(288)	(240)	(20.0)
Fin. Income/(Exp.) & Other	<u>30</u>	<u>54</u>	<u>(44.4)</u>
Total Non-op Income/Loss	(143)	(151)	(5.3)

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

2014 Income Statement & YoY Comparison

Unit: NT\$ million	2014		2013		YoY % Change
	AMT	%	AMT	%	
Net Sales	30,306	100.0	30,558	100.0	(0.8)
Cost of Goods Sold - Product	21,870	72.2	22,273	72.9	(0.2)
Gross Profit 1	8,436	27.8	8,285	27.1	1.8
Inventory Related Gain/(Loss)	(162)	(0.5)	(217)	(0.7)	(25.3)
Gross Profit 2	8,274	27.3	8,068	26.4	2.6
Operating Expenses	7,967	26.3	7,670	25.1	3.9
Operating Income	307	1.0	398	1.3	(22.8)
Total Non-Op. Inc. (Loss)	(164)	(0.5)	348	1.1	N.A.
Income Before Tax	143	0.5	746	2.4	(80.8)
Tax (Exp.) / Income	(32)	(0.1)	(70)	(0.2)	(54.3)
Net Income	111	0.4	676	2.2	(83.6)
Minority Interest	(50)	(0.2)	(28)	(0.1)	(78.6)
Consolidated Income	62	0.2	648	2.1	(90.4)
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,209M	0.1		1.06		

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

12/31/2014 Balance Sheet & QoQ Comparison

Unit: NT\$ million	12/31/14 AMT	%	9/30/14 AMT	%	QoQ % Change
Cash & S-T Investment	3,680	14	2,858	12	28.7
Account Receivable	6,646	26	6,545	27	1.5
Inventory	6,663	26	6,469	27	3.0
Long-term Investments	4,265	17	4,222	17	1.0
Total Assets	25,532	100	24,290	100	5.1
Accounts Payable	6,026	24	6,016	25	0.2
Current Liabilities	11,618	46	10,430	43	11.4
Common Stock	6,478	25	6,478	27	0.0
Stockholders' Equity	12,829	50	12,597	52	1.8

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

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

Key Financial Ratios

Unit: % , days	4Q14	3Q14	2Q14	1Q14	4Q13
**Days A/R	81	82	76	76	76
**Days Inventory	105	109	109	98	101
**Days A/P	99	102	103	85	93
Cash Cycle	87	88	82	89	84
Current Ratio	1.57	1.65	1.67	1.82	1.88
Debt/Equity Ratio	0.96	0.90	0.89	0.76	0.81
***Net Debt/Equity Ratio	0.68	0.68	0.64	0.53	0.56
ROE	1.5	-4	2	2	9

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

** Annualized

*** Net of Cash & S-T investment

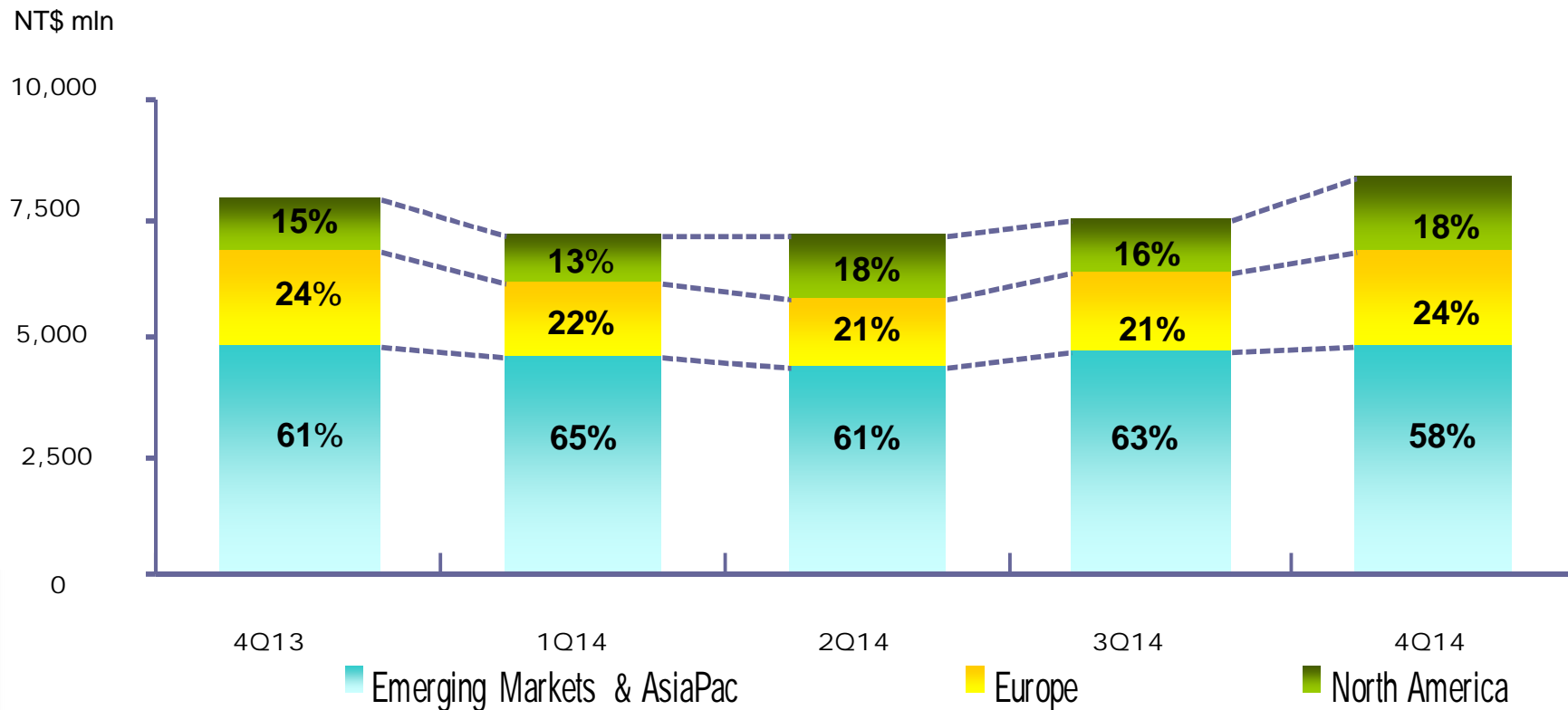
Quarterly Revenue by Region

In NT\$, up 10.7% QoQ, up 5.3% YoY

- N.A. up 26.9% QoQ, up 32.7% YoY
- Europe up 25.1% QoQ, up 3.5% YoY
- Emerging Mkts & APac up 1.8% QoQ, down 0.5% YoY

In US\$, up 8% QoQ, up 1.3% YoY

- N.A. up 24% QoQ, up 27.8% YoY
- Europe up 22.2% QoQ, down 0.2% YoY
- Emerging Mkts & APac down 0.7% QoQ, down 4.4% YoY



Quarterly Revenue by Product

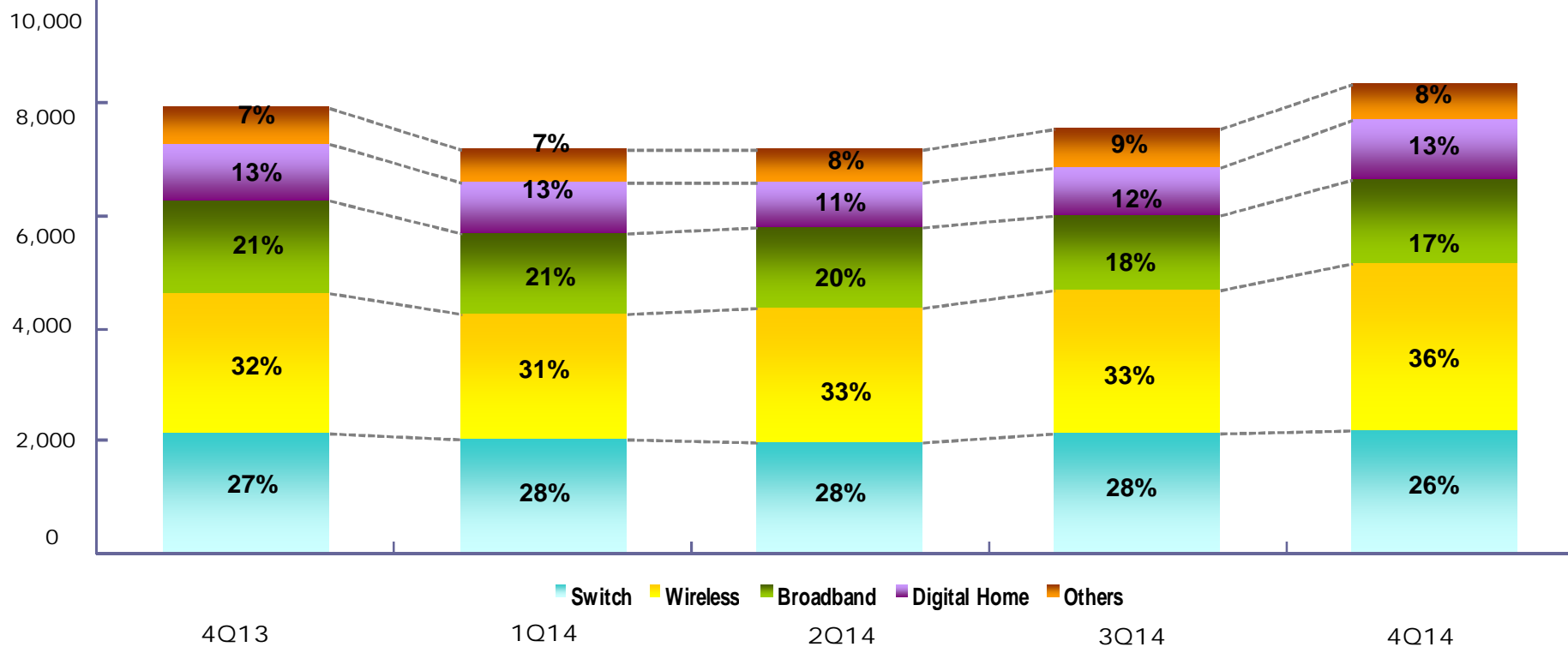
In NT\$ terms:

- Switch up 1.0% QoQ, up 2.1% YoY
- Wireless up 20.1% QoQ, up 20% YoY
- B.B. up 8.4% QoQ, down 11.5% YoY
- D.H. up 19.5% QoQ, up 3.4% YoY

In US\$ terms:

- Switch down 1.6% QoQ, down 1.9% YoY
- Wireless up 17.3% QoQ, up 15.5% YoY
- B.B. up 5.7% QoQ, down 15% YoY
- D.H. up 16.8% QoQ, down 0.3% YoY

NT\$ mln



2014 Revenue by Region

2014 revenue YoY comparison:

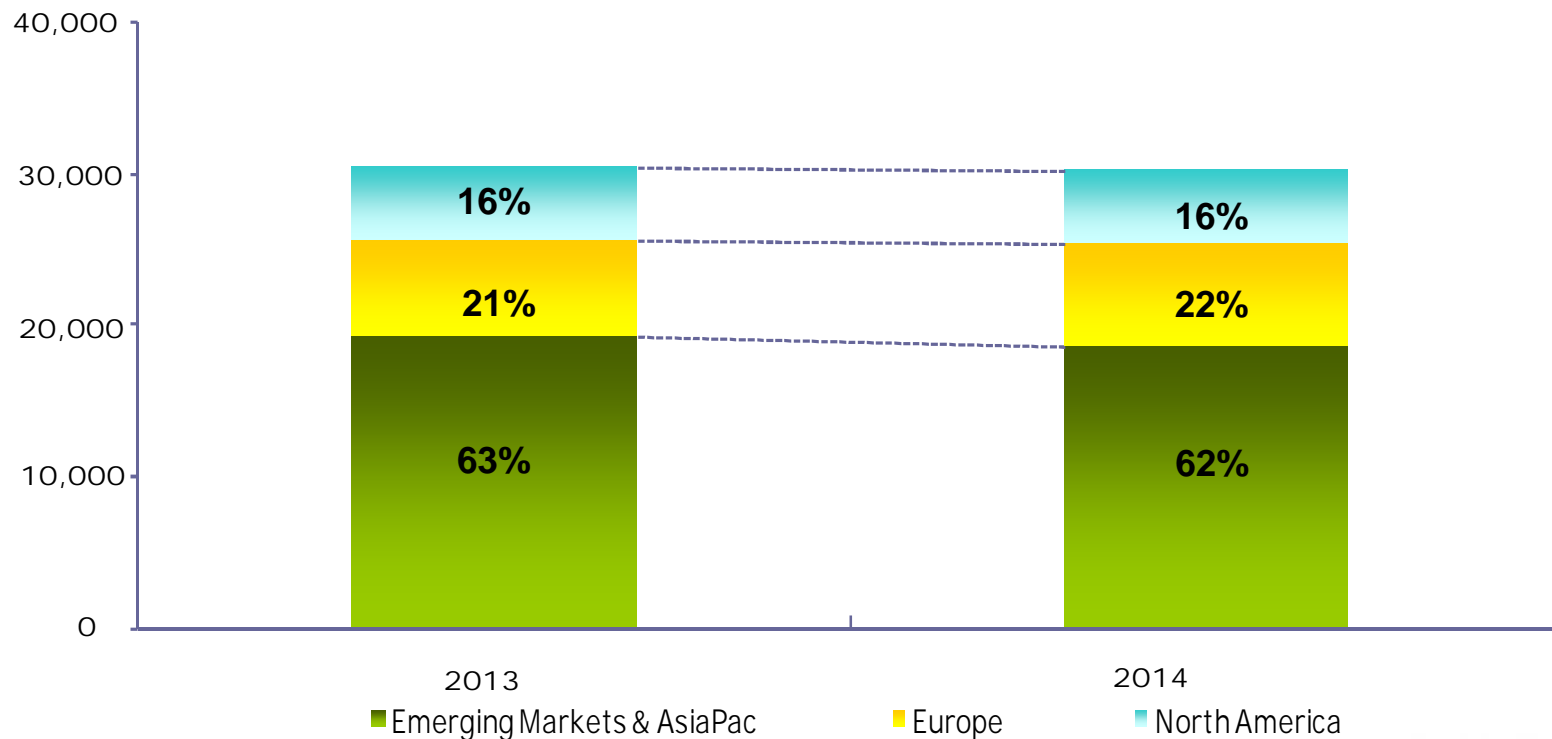
In NT\$ terms:

- 2014 down 0.8% YoY
- N.A. up 3.4% YoY
- Europe up 2.6% YoY
- Emerging Mkts & AsiaPac down 3% YoY

In US\$ terms:

- 2014 down 2.7% YoY
- N.A. up 1.4% YoY
- Europe up 0.6% YoY
- Emerging Mkts & AsiaPac down 4.9% YoY

NT\$ mln



2014 Revenue by Product

2014 revenue YoY comparison:

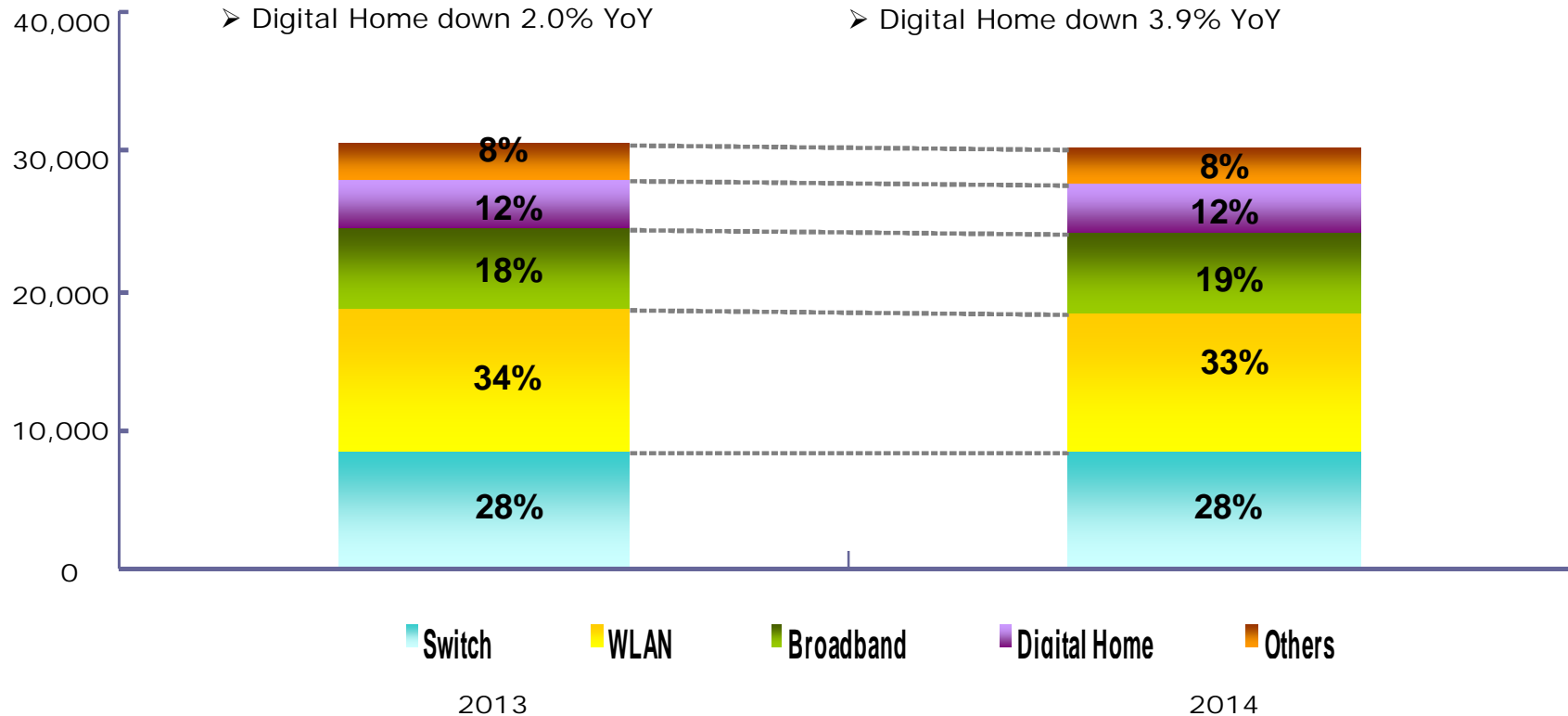
In NT\$ terms:

- Switch down 1.5% YoY
- Wireless down 1.3% YoY
- Broadband up 0.4% YoY
- Digital Home down 2.0% YoY

In US\$ terms:

- Switch down 3.3% YoY
- Wireless down 3.3% YoY
- Broadband down 1.6% YoY
- Digital Home down 3.9% YoY

NT\$ mln



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.