



# 3Q15 Operating Results

November 12, 2015

# Financial Review

## 3Q15 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	3Q15		2Q15		QoQ % Change	3Q14		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	<b>6,940</b>	100.0	<b>6,401</b>	100.0	8.4	<b>7,564</b>	100.0	(8.2)
Cost of Goods Sold - Product	<b>5,152</b>	74.2	<b>4,808</b>	75.1	7.1	<b>5,401</b>	71.4	(4.6)
Gross Profit 1	<b>1,788</b>	25.8	<b>1,593</b>	24.9	12.2	<b>2,163</b>	28.6	(17.3)
Inventory Related Gain/(Loss)	<b>(31)</b>	(0.4)	<b>92</b>	1.4	N.A.	<b>(160)</b>	(2.1)	(80.6)
Gross Profit 2	<b>1,757</b>	25.3	<b>1,685</b>	26.3	(4.3)	<b>2,003</b>	26.5	(12.3)
Operating Expenses	<b>2,032</b>	29.3	<b>1,875</b>	29.3	8.4	<b>1,955</b>	25.8	3.9
Operating Income	<b>(275)</b>	(4.0)	<b>(190)</b>	(3.0)	44.7	<b>48</b>	0.6	N.A.
Total Non-Op. Inc. (Loss)	<b>(278)</b>	(4.0)	<b>84</b>	1.3	N.A.	<b>(151)</b>	(2.0)	84.1
Income Before Tax	<b>(552)</b>	(8.0)	<b>(106)</b>	(1.7)	421.0	<b>(103)</b>	(1.4)	435.9
Tax (Exp.) / Income	<b>39</b>	0.6	<b>(13)</b>	(0.2)	N.A.	<b>(13)</b>	(0.2)	N.A.
Net Income	<b>(513)</b>	(7.4)	<b>(119)</b>	(1.9)	331.0	<b>(116)</b>	(1.6)	342.2
Minority Interest	<b>(15)</b>	(0.2)	<b>(12)</b>	(0.2)	25.0	<b>(13)</b>	(0.2)	15.4
Consolidated Income	<b>(528)</b>	(7.6)	<b>(132)</b>	(2.1)	300.0	<b>(129)</b>	(1.7)	309.3
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,504M	<b>(0.81)</b>		<b>(0.22)</b>			<b>(0.21)</b>		

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

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

## 3Q15 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	3Q15	2Q15
Investment Income	(61)	46
Sub./Aff.	(61)	0
Capital Gain	0	46
FX Gain/(Loss)	(203)	26
Fin. Income/(Exp.) & Other	<u>(14)</u>	<u>12</u>
Total Non-op Income/Loss	(278)	84

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

## YT3Q15 Income Statement & YoY Comparison

Unit: NT\$ million	YT3Q15		YT3Q14		YoY % Change
	AMT	%	AMT	%	
Net Sales	<b>20,060</b>	100.0	<b>21,931</b>	100.0	(8.5)
Cost of Goods Sold - Product	<b>14,900</b>	74.3	<b>15,782</b>	71.9	(5.6)
Gross Profit 1	<b>5,160</b>	25.7	<b>6,149</b>	28.1	(16.1)
Inventory Related Gain/(Loss)	<b>60</b>	0.3	<b>(125)</b>	(0.6)	N.A.
Gross Profit 2	<b>5,220</b>	26.0	<b>6,024</b>	27.5	(13.3)
Operating Expenses	<b>5,833</b>	29.1	<b>5,860</b>	26.7	(0.5)
Operating Income	<b>(613)</b>	(3.1)	<b>164</b>	0.7	N.A.
Total Non-Op. Inc. (Loss)	<b>(238)</b>	(1.2)	<b>(21)</b>	(0.1)	1033.3
Income Before Tax	<b>(851)</b>	(4.2)	<b>143</b>	0.7	N.A.
Tax (Exp.) / Income	<b>(6)</b>	(0.0)	<b>(100)</b>	(0.5)	(94.0)
Net Income	<b>(857)</b>	(4.2)	<b>43</b>	0.2	N.A.
Minority Interest	<b>(35)</b>	(0.2)	<b>(29)</b>	(0.1)	20.7
Consolidated Income	<b>(892)</b>	(4.4)	<b>14</b>	0.1	N.A.
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,504M	<b>(1.37)</b>		<b>0.02</b>		

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

# 9/30/2015 Balance Sheet & QoQ Comparison

Unit: NT\$ million	<b>9/30/15 AMT</b>	<b>%</b>	<b>6/30/15 AMT</b>	<b>%</b>	<b>QoQ % Change</b>
Cash & S-T Investment	<b>2,898</b>	12.9	<b>2,519</b>	11.2	15.0
Account Receivable	<b>6,044</b>	26.9	<b>5,559</b>	24.7	8.7
Inventory	<b>5,577</b>	24.9	<b>6,093</b>	27.1	(8.5)
Long-term Investments	<b>3,590</b>	16.0	<b>3,787</b>	16.8	(5.2)
Total Assets	<b>22,421</b>	100.0	<b>22,483</b>	100.0	(0.3)
Accounts Payable	<b>4,640</b>	20.7	<b>4,981</b>	22.2	(6.8)
Current Liabilities	<b>8,798</b>	39.2	<b>8,449</b>	37.6	4.0
Common Stock	<b>6,788</b>	30.3	<b>6,788</b>	30.2	0.0
Stockholders' Equity	<b>11,426</b>	50.9	<b>11,787</b>	52.4	(3.1)

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

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

# Key Financial Ratios

Unit: % , days	3Q15	2Q15	1Q15	4Q14	3Q14
**Days A/R	81	74	75	81	82
**Days Inventory	105	108	101	105	109
**Days A/P	93	93	84	99	102
Cash Cycle	93	90	91	87	88
Current Ratio	1.77	1.86	1.63	1.57	1.65
Debt/Equity Ratio	0.93	0.88	0.82	0.96	0.90
***Net Debt/Equity Ratio	0.68	0.66	0.65	0.68	0.68
ROE	-18.5	-4.5	-7.7	1.5	-4

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

\*\* Annualized

\*\*\* Net of Cash & S-T investment

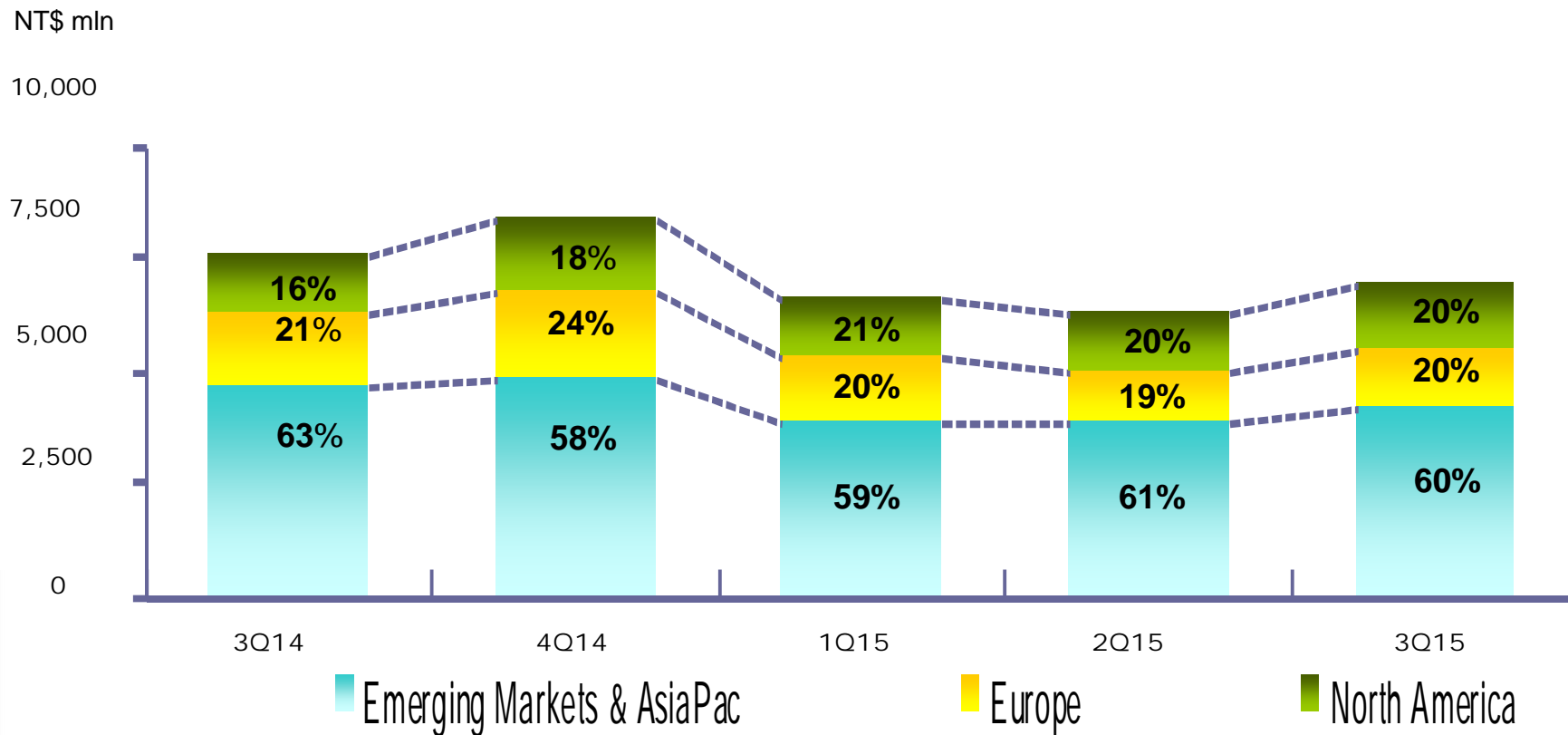
# Quarterly Revenue by Region

In NT\$, up 8.4% QoQ, down 8.3% YoY

- N.A. up 5.3% QoQ, up 14% YoY
- Europe up 16.3% QoQ, down 12.6% YoY
- Emerging Mkts & APac up 7% QoQ, down 12.4% YoY

In US\$, up 4.5% QoQ, down 14.2% YoY

- N.A. up 1.4% QoQ, up 6.5% YoY
- Europe up 11.9% QoQ, down 18.2% YoY
- Emerging Mkts & APac up 3.3% QoQ, down 18% YoY





# Quarterly Revenue by Product

In NT\$ terms:

- Switch up 12.3% QoQ, down 12.3% YoY
- Wireless up 15.5% QoQ, up 4.2% YoY
- B.B. up 0.7% QoQ, down 20.7% YoY
- D.H. up 7.2% QoQ, down 12% YoY

In US\$ terms:

- Switch up 8.1% QoQ, down 18.1% YoY
- Wireless up 11.2% QoQ, down 2.5% YoY
- B.B. down 2.4% QoQ, down 25.6% YoY
- D.H. up 3% QoQ, down 17.8% YoY

NT\$ mln

10,000

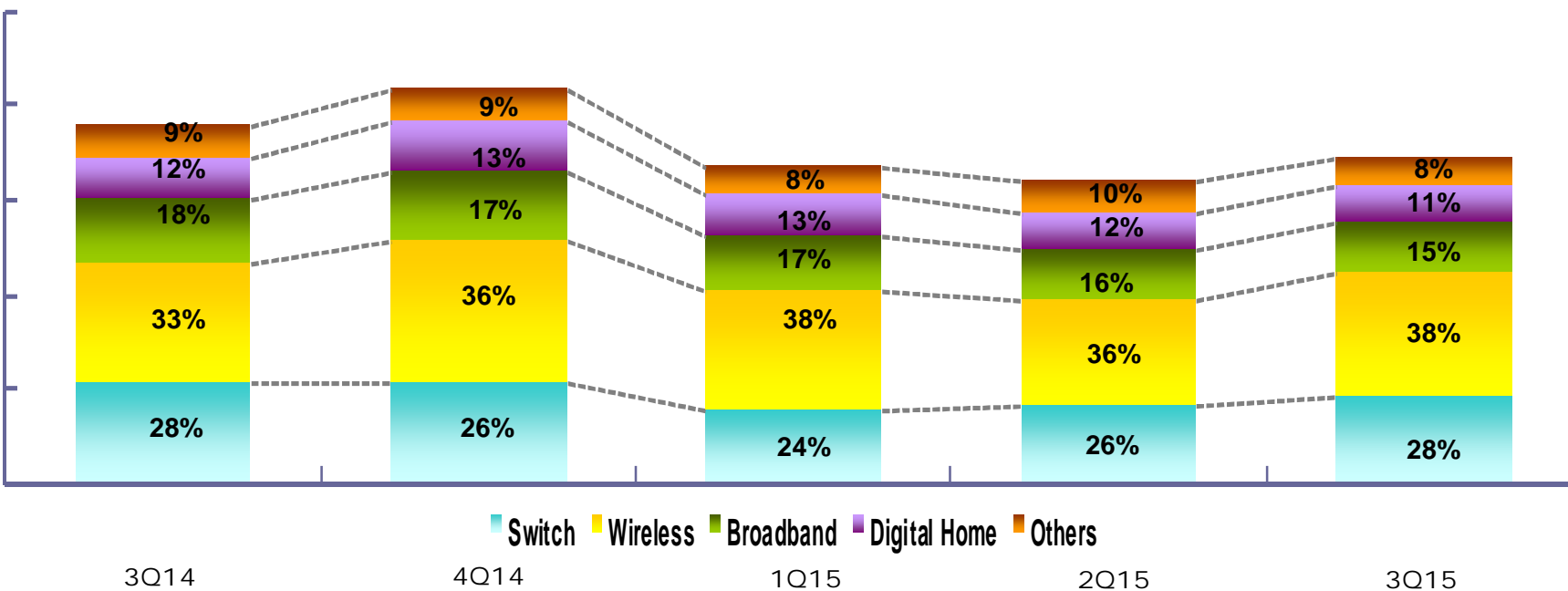
8,000

6,000

4,000

2,000

0



# 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.