

2Q17 Operating Results

August 7, 2017



Financial Review

2Q17 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	2Q17		1Q17		QoQ % Change	2Q16		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	4,678	100.0	4,730	100.0	(1.1)	5,584	100.0	(16.2)
Cost of Goods Sold - Product	3,544	75.8	3,485	73.7	1.7	4,155	74.4	(14.7)
Gross Profit 1	1,134	24.2	1,245	26.3	(8.9)	1,429	25.6	(20.6)
Inventory Related Gain/(Loss)	23	0.5	(13)	(0.3)		(98)	(1.8)	
Gross Profit 2	1,157	24.7	1,232	26.0	(6.1)	1,331	23.8	(13.1)
Operating Expenses	1,373	29.3	1,425	30.1	(3.6)	1,837	32.9	(25.3)
Operating Income	(216)	(4.6)	(194)	(4.1)		(506)	(9.1)	
Total Non-Op. Inc. (Loss)	53	1.1	(2)	(0.0)		50	0.9	
Income Before Tax	(163)	(3.5)	(195)	(4.1)		(457)	(8.2)	
Tax (Exp.) / Income	34	0.7	(15)	(0.3)		(12)	(0.2)	
Net Income	(129)	(2.8)	(210)	(4.4)		(469)	(8.4)	
Non-controlling Interests	43	0.9	(6)	(0.1)		(4)	(0.1)	
Consolidated Income	(86)	1.8	(216)	(4.6)		(473)	(8.5)	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,420M	(0.13)		(0.34)			(0.75)		

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

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

2Q17 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	2Q17	1Q17
Investment Income	231	62
Sub./Aff.	54	61
Capital Gain	177	1
FX Gain/(Loss)	(80)	(72)
Fin. Income/(Exp.) & Other	(98)	8
Total Non-op Income/Loss	<u>53</u>	<u>(2)</u>

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

1H17 Income Statement & YoY Comparison

Unit: NT\$ million	1H17		1H16		YoY % Change
	AMT	%	AMT	%	
Net Sales	9,408	100.0	11,523	100.0	(18.4)
Cost of Goods Sold - Product	7,030	74.7	8,467	73.5	(17.0)
Gross Profit 1	2,378	25.3	3,056	26.5	(22.2)
Inventory Related Gain/(Loss)	10	0.1	(143)	(1.2)	
Gross Profit 2	2,388	25.4	2,913	25.3	(18.0)
Operating Expenses	2,798	29.7	3,607	31.3	(22.4)
Operating Income	(409)	(4.4)	(695)	(6.0)	
Total Non-Op. Inc. (Loss)	51	0.5	63	0.5	
Income Before Tax	(358)	(3.9)	(632)	(5.5)	
Tax (Exp.) / Income	19	0.2	(47)	(0.4)	
Net Income	(339)	(3.7)	(679)	(5.9)	
Minority Interest	37	0.4	(8)	(0.1)	
Consolidated Income	(302)	(3.2)	(687)	(6.0)	
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,420M	(0.47)		(1.09)		

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

6/30/2017 Balance Sheet & QoQ Comparison

Unit: NT\$ million	6/30/17 AMT	%	3/31/17 AMT	%	QoQ % Change
Cash & S-T Investment	3,130	17.9	3,354	19.0	(6.7)
Account Receivable	4,261	24.4	4,100	23.2	3.9
Inventory	3,590	20.5	2,869	16.3	25.1
Long-term Investments	2,916	16.7	3,695	20.9	(21.1)
Total Assets	17,470	100.0	17,642	100.0	(1.0)
Accounts Payable	4,184	23.9	3,561	20.2	17.5
Current Liabilities	7,878	45.1	7,764	44.0	1.5
Common Stock	6,520	37.3	6,520	36.9	0.0
Stockholders' Equity	8,855	50.7	9,114	51.7	(2.8)

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

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

Key Financial Ratios

Unit: % , days	2Q17	1Q17	4Q16	3Q16	2Q16
**Days A/R	80	78	77	76	76
**Days Inventory	89	79	83	89	95
**Days A/P	100	85	91	92	88
Cash Cycle	70	72	69	73	84
Current Ratio	1.49	1.43	1.43	1.39	1.44
Debt/Equity Ratio	0.93	0.89	1.00	0.99	0.95
***Net Debt/Equity Ratio	0.58	0.52	0.54	0.66	0.66
ROE	-3.9	-9.5	4.7	-16.2	-19.3

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

** Annualized

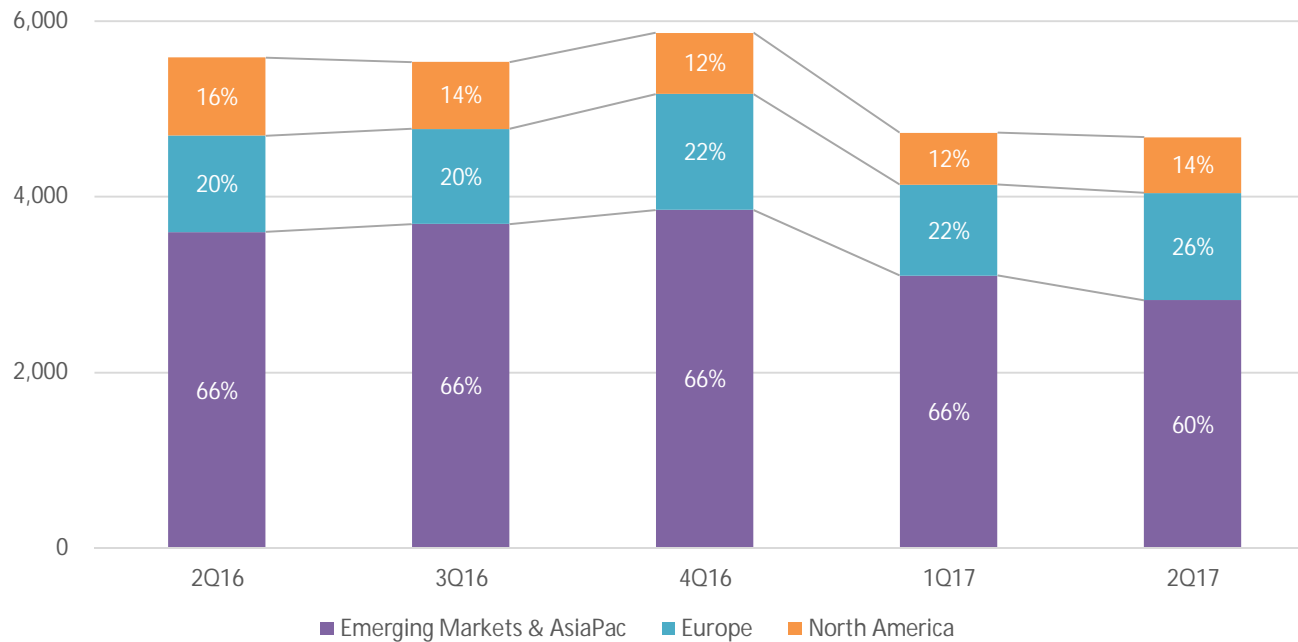
*** Net of Cash & S-T investment

Quarterly Revenue by Region

- In NT\$, down 1.1% QoQ, down 16.2% YoY
- N.A. up 7.3% QoQ, down 28.4% YoY
 - Europe up 17.8% QoQ, up 10.9% YoY
 - Emerging Mkts & APac down 9% QoQ, down 21.5% YoY

- In US\$, up 1.8% QoQ, down 10.3% YoY
- N.A. up 10.5% QoQ, down 23.4% YoY
 - Europe up 20.9% QoQ, up 18.4% YoY
 - Emerging Mkts & APac down 6.2% QoQ, down 15.9% YoY

NT\$ mln



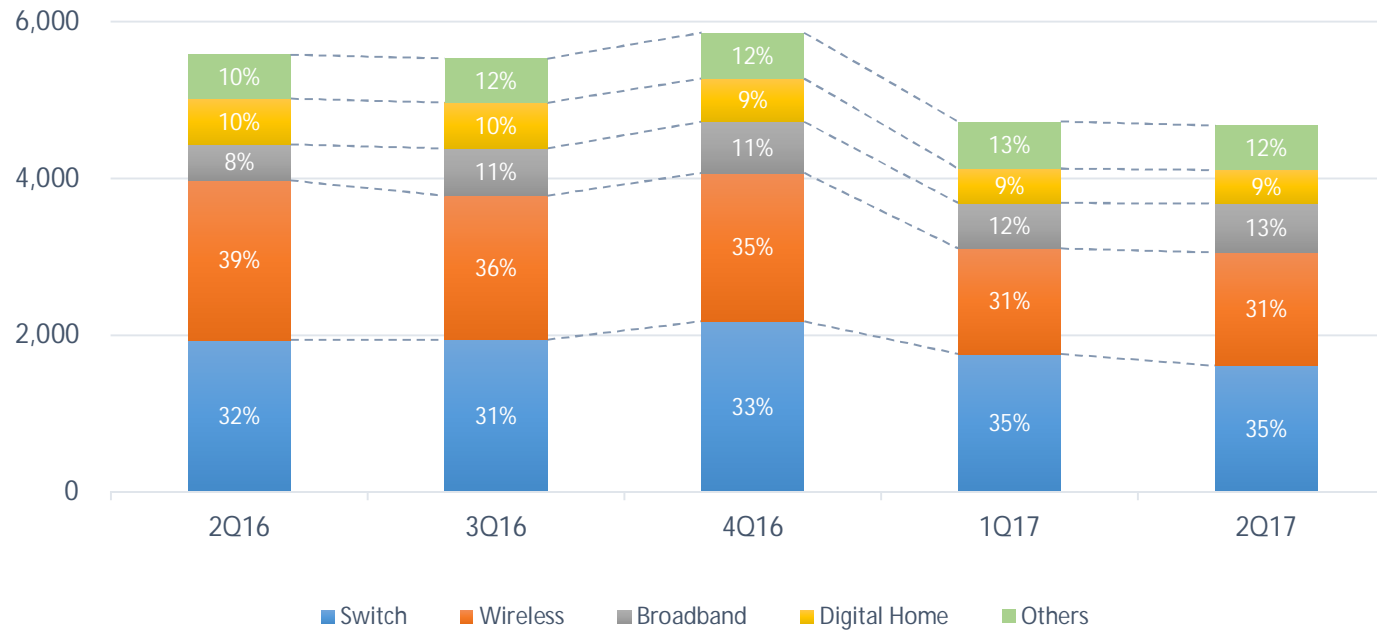
Quarterly Revenue by Product

In NT\$ terms:

- Switch down 8.5% QoQ, down 17% YoY
- Wireless up 7.3% QoQ, down 29% YoY
- B.B. up 7.4% QoQ, up 35.3% YoY
- D.H. down 2.6% QoQ, down 26.8% YoY

In US\$ terms:

- Switch down 5.9% QoQ, down 11.2% YoY
- Wireless up 10.3% QoQ, down 24.1% YoY
- B.B. up 10.7% QoQ, up 45% YoY
- D.H. up 0.1% QoQ, down 21.8% YoY



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.