

1Q18 Operating Results

May 9, 2018



Financial Review

1Q18 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	1Q18		4Q17		QoQ %	1Q17		YoY %
	AMT	%	AMT	%	Change	AMT	%	Change
Net Sales	4,982	100.0	5,007	100.0	(0.5)	4,730	100.0	5.3
Cost of Goods Sold - Product	3,537	71.0	3,615	72.2	(2.2)	3,485	73.7	1.5
Gross Profit 1	1,446	29.0	1,392	27.8	3.9	1,245	26.3	16.1
Inventory Related Gain/(Loss)	(12)	(0.2)	29	0.6		(13)	(0.3)	
Gross Profit 2	1,434	28.8	1,421	28.4	0.9	1,232	26.0	16.4
Operating Expenses	1,373	27.6	1,407	28.1	(2.4)	1,425	30.1	(3.6)
Operating Income	61	1.2	14	0.3		(194)	(4.1)	
Total Non-Op. Inc. (Loss)	2	0.0	123	2.5		(2)	(0.0)	
Income Before Tax	63	1.2	137	2.8		(195)	(4.1)	
Tax (Exp.) / Income	(33)	(0.7)	(44)	(0.9)		(15)	(0.3)	
Net Income	30	0.5	93	1.9		(210)	(4.4)	
Non-controlling Interests	(17)	(0.3)	(20)	(0.4)		(6)	(0.1)	
Consolidated Income	13	0.3	73	1.5		(216)	(4.6)	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,420M	0.02		0.11			(0.34)		

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

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

1Q18 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	1Q18	4Q17
Investment Income	(28)	110
Sub./Aff.	(10)	45
Capital Gain	(18)	65
FX Gain/(Loss)	17	(4)
Fin. Income/(Exp.) & Other	13	17
Total Non-op Income/Loss	<u>2</u>	<u>123</u>

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

3/31/2018 Balance Sheet & QoQ Comparison

Unit: NT\$ million	3/31/18 AMT	%	12/31/17 AMT	%	QoQ % Change
Cash & S-T Investment	3,254	19.6	3,712	21.6	(12.3)
Account Receivable	4,453	26.9	4,198	24.4	6.1
Inventory	2,832	17.1	3,190	18.5	(11.2)
Long-term Investments	2,943	17.8	2,885	16.8	2.0
Total Assets	16,567	100.0	17,204	100.0	(3.7)
Accounts Payable	3,315	20.0	3,354	19.5	(1.2)
Current Liabilities	6,769	40.9	7,407	43.0	(8.6)
Common Stock	6,520	39.4	6,520	37.9	0.0
Stockholders' Equity	9,020	54.4	9,002	52.3	0.2

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

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

Key Financial Ratios

Unit: % , days	1Q18	4Q17	3Q17	2Q17	1Q17
**Days A/R	80	84	81	80	78
**Days Inventory	73	81	88	89	79
**Days A/P	89	93	95	100	85
Cash Cycle	65	72	74	70	72
Current Ratio	1.62	1.56	1.57	1.49	1.43
Debt/Equity Ratio	0.79	0.87	0.81	0.93	0.89
***Net Debt/Equity Ratio	0.43	0.45	0.53	0.58	0.52
ROE	0.6	3.2	1.6	-3.9	-9.5

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

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

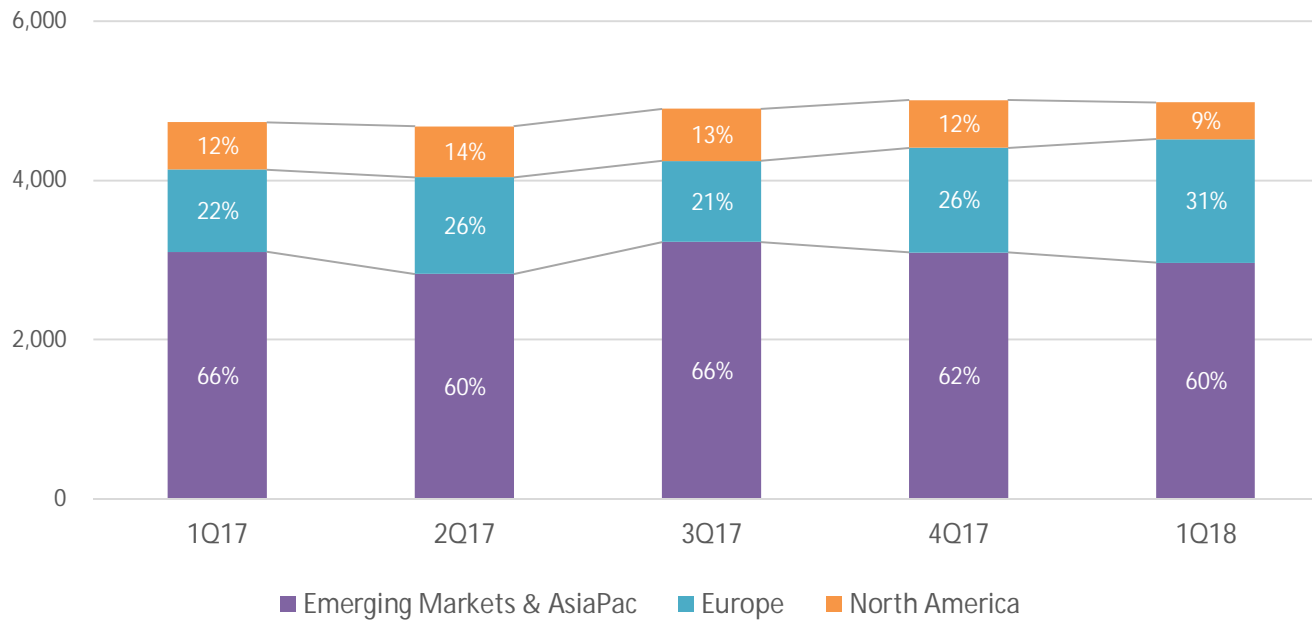
In NT\$, down 0.5% QoQ, up 5.3% YoY

- N.A. down 22.3% QoQ, down 21.9% YoY
- Europe up 18% QoQ, up 50% YoY
- Emerging Mkts & APac down 4.1% QoQ, down 4.3% YoY

In US\$, up 2.2% QoQ, up 11.8% YoY

- N.A. down 20.2% QoQ, down 16.8% YoY
- Europe up 21.6% QoQ, up 59.3% YoY
- Emerging Mkts & APac down 1.7% QoQ, up 1.5% YoY

NT\$ mln



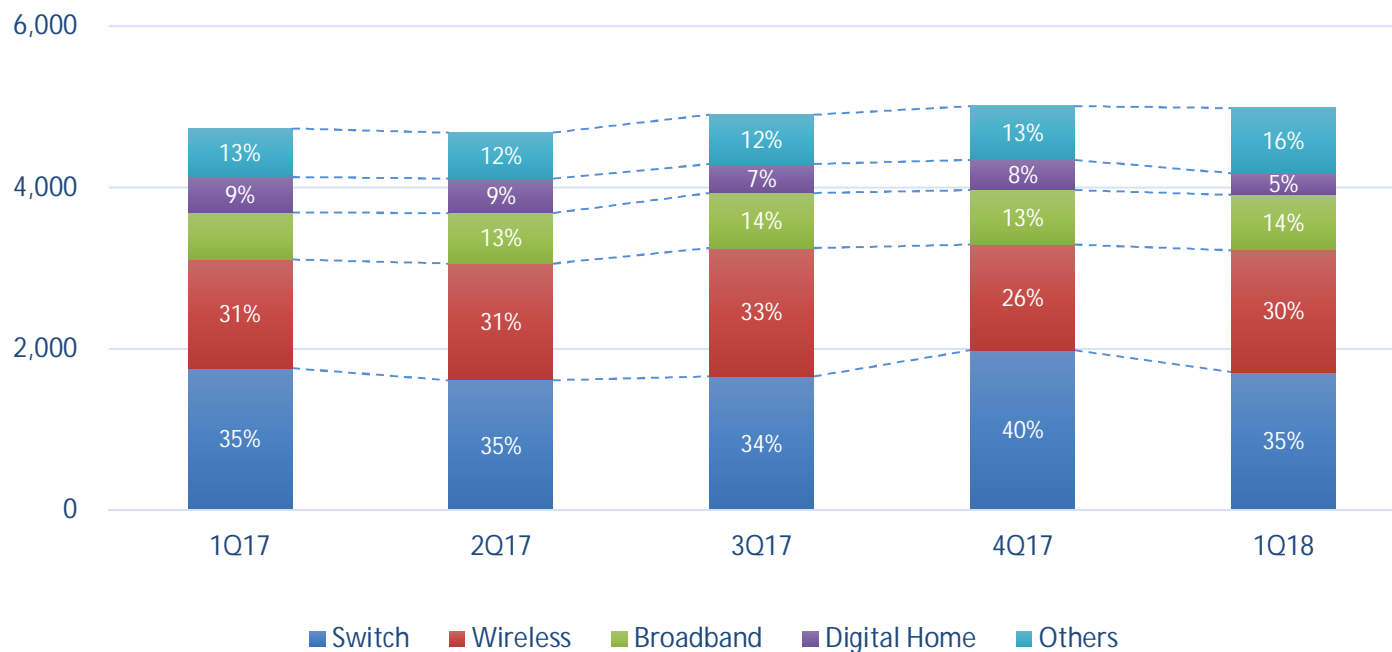
Quarterly Revenue by Product

In NT\$ terms:

- Switch down 13.5% QoQ, down 2.6% YoY
- Wireless up 15.1% QoQ, up 11.9% YoY
- B.B. up 1.6% QoQ, up 17.8% YoY
- D.H. down 28.8% QoQ, down 38.8% YoY

In US\$ terms:

- Switch down 11.1% QoQ, up 3.4% YoY
- Wireless up 18.4% QoQ, up 18.8% YoY
- B.B. up 4% QoQ, up 25.1% YoY
- D.H. down 25.8% QoQ, down 34.8% 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.