



*Connecting People.  
Around the House. Around the Office.  
Around the World.*

# Investor Conference

April 29, 2008

**D-Link**<sup>®</sup>  
Building Networks for People



## Agenda

### ➤ **Operation Review & Updates**

A.P. Chen

John Lee, JC Liao, & AP Chen

### ➤ **Q&A**

**All numbers are brand consolidated and pro forma, except otherwise specified.**

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# Operation Review & Updates

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# 1Q08 Income Statement & QoQ Comparison

Unit: NT\$ million	1Q08		4Q07		QoQ % Change
	AMT	%	AMT	%	
Net Sales	8,493	100.0	8,886	100.0	(4.4)
Cost of Goods Sold	5,629	66.3	5,989	67.4	(6.0)
Gross Profit	2,864	33.7	2,897	32.6	(1.1)
Operating Expenses	2,384	28.1	2,472	27.8	(3.6)
Operating Income	480	5.6	425	4.8	12.9
Total Non-Op. Inc. (Loss)	(49)	(0.5)	296	3.3	(116.6)
Income Before Tax	431	5.1	721	8.1	(40.2)
Tax (Exp.) / Income	(60)	(0.7)	(134)	(1.5)	(55.2)
Net Income	371	4.4	587	6.6	(36.8)
Minority Interest	0	0.0	23	0.3	(100.0)
Consolidated Income	371	4.4	610	6.9	(39.2)
EPS (NT\$)-Per yr-end Capital	0.68		1.11		(39.2)

\* The numbers are pro forma  
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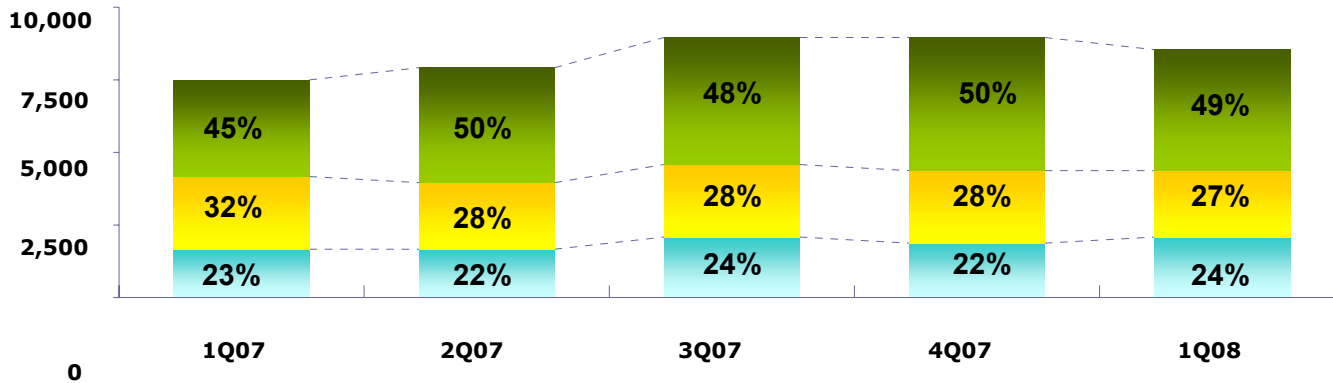
# Quarterly Revenue by Regions

## Brand Only

1Q08 revenue up 13.0% YoY, down 4.4% QoQ

- N.A. increased 16.2% YoY or up 5.5% QoQ
- Europe dropped 3.9% YoY or down 6.8% QoQ
- Emerging markets & AsiaPac jumped 23.3% YoY, decreased 7.4% QoQ

NT\$ mln



Proprietary and Confidential | North America | Europe | Emerging Markets & AsiaPac





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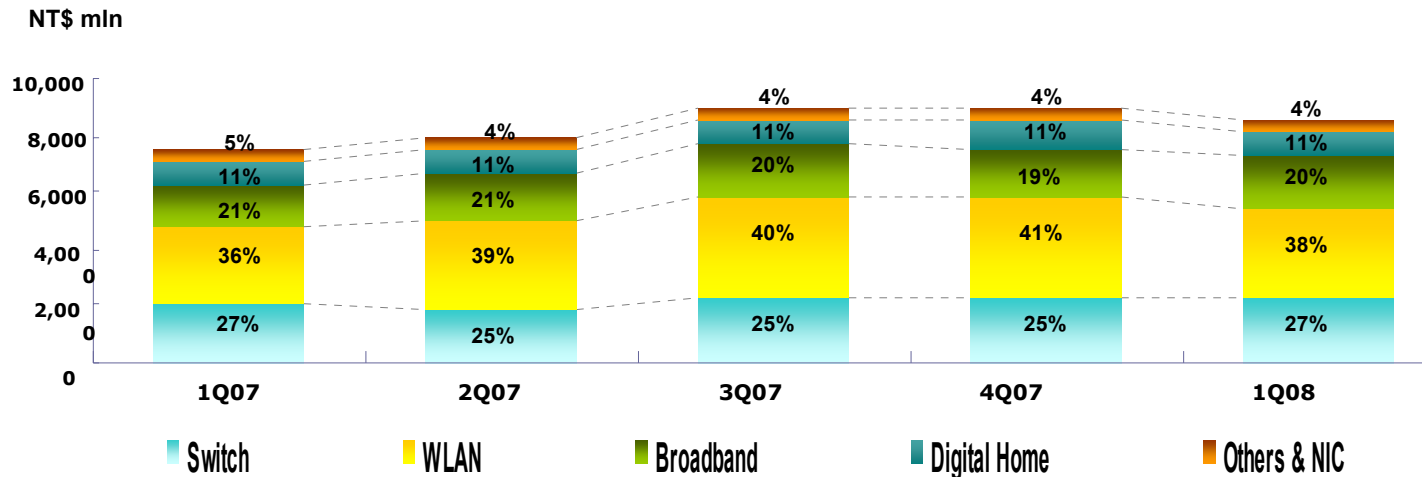




# Quarterly Revenue by Products Brand Only

## 1Q08 revenue comparison:

- Switch leaped 13.6% YoY, up 2.6% QoQ
- WLAN jumped 17.9% YoY, down 11.5% QoQ
- B.B. increased 9.5% YoY, up 1.3% QoQ
- D.H. up 16.9% YoY, down 6.4% QoQ



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	AMT	%	AMT	%	
Net Sales	8,493	100.0	8,886	100.0	(4.4)
Cost of Goods Sold	5,629	66.3	5,989	67.4	(6.0)
Gross Profit	2,864	33.7	2,897	32.6	(1.1)
Operating Expenses	2,384	28.1	2,472	27.8	(3.6)
Operating Income	480	5.6	425	4.8	12.9
Total Non-Op. Inc. (Loss)	(49)	(0.5)	296	3.3	(116.6)
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## 1Q08 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ mln	1Q08	4Q07	QoQ % Change
<b>Investment Income</b>	91	251	(63.7)
<b>Sub./Aff.</b>	91	231	(60.6)
<b>Capital Gain</b>	0	20	(100.0)
<b>FX Gain/(Loss)</b>	(38)	90	(142.2)
<b>Inventory Loss</b>	(148)	(62)	138.7
<b>Fin. Income/(Exp.) &amp; Oth.</b>	46	17	170.6
<b>Total</b>	(49)	296	(116.6)

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# 1Q08 Income Statement & QoQ Comparison

Unit: NT\$ million	1Q08		4Q07		QoQ % Change
	AMT	%	AMT	%	
Net Sales	<b>8,493</b>	100.0	<b>8,886</b>	100.0	(4.4)
Cost of Goods Sold	<b>5,629</b>	66.3	<b>5,989</b>	67.4	(6.0)
Gross Profit	<b>2,864</b>	33.7	<b>2,897</b>	32.6	(1.1)
Operating Expenses	<b>2,384</b>	28.1	<b>2,472</b>	27.8	(3.6)
Operating Income	<b>480</b>	5.6	<b>425</b>	4.8	12.9
Total Non-Op. Inc. (Loss)	<b>(49)</b>	(0.5)	<b>296</b>	3.3	(116.6)
Income Before Tax	<b>431</b>	5.1	<b>721</b>	8.1	(40.2)
Tax (Exp.) / Income	<b>(60)</b>	(0.7)	<b>(134)</b>	(1.5)	(55.2)
Net Income	<b>371</b>	4.4	<b>587</b>	6.6	(36.8)
Minority Interest	<b>0</b>	0.0	<b>23</b>	0.3	(100.0)
Consolidated Income	<b>371</b>	4.4	<b>610</b>	6.9	(39.2)
EPS (NT\$)-Per yr-end Capital	<b>0.68</b>		<b>1.11</b>		(39.2)

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# 1Q08 Income Statement & YoY Comparison

Unit: NT\$ million	1Q08		1Q07		YoY % Change
	AMT	%	AMT	%	
Net Sales	<b>8,493</b>	100.0	<b>7,513</b>	100.0	13.0
Cost of Goods Sold	<b>5,629</b>	66.3	<b>4,884</b>	65.0	15.2
Gross Profit	<b>2,864</b>	33.7	<b>2,629</b>	35.0	8.9
Operating Expenses	<b>2,384</b>	28.1	<b>2,043</b>	27.2	16.7
Operating Income	<b>480</b>	5.6	<b>586</b>	7.8	(18.1)
Total Non-Op. Inc. (Loss)	<b>(49)</b>	(0.5)	<b>620</b>	8.2	(107.9)
Income Before Tax	<b>431</b>	5.1	<b>1,206</b>	16.0	(64.3)
Tax (Exp.) / Income	<b>(60)</b>	(0.7)	<b>(50)</b>	(0.7)	20.0
Net Income	<b>371</b>	4.4	<b>1,156</b>	15.3	(67.9)
Minority Interest	<b>0</b>	0.0	<b>9</b>	0.1	(100.0)
Consolidated Income	<b>371</b>	4.4	<b>1,147</b>	15.2	(67.6)
EPS (NT\$)-Per yr-end Capital	<b>0.68</b>		<b>2.10</b>		(67.6)

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## 03/31/2008 Balance Sheet & QoQ Comparison

Unit: NT\$ mln	03/31/08		12/31/07		QoQ %
	AMT	%	AMT	%	Change
Cash	3,583	15	4,615	17	(22.4)
S-T Investment	630	3	1,064	4	(40.8)
Account Receivable	5,818	25	5,954	22	(2.3)
Inventory	5,031	21	6,643	24	(24.3)
Long-term Investments	6,165	26	6,502	24	(5.2)
Total Assets	23,743	100	27,342	100	(13.2)
Accounts Payable	4,598	19	6,584	24	(30.2)
Current Liabilities	8,147	34	11,313	41	(28.0)
Long-term Loans	6	0	5	0	20.0
Common Stock	5,471	23	5,471	20	0.0
Stockholders' Equity	15,128	64	15,481	57	(2.3)

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## Key Financial Ratios

Unit: % , days	03/31/08	12/31/07	9/30/07	06/30/07	03/31/07
Days A/R	63*	61*	67*	68*	69*
Days Inventory	82*	101*	112*	103*	102*
Days A/P	75*	100*	119*	107*	100*
Cash Cycle	70	62	61	64	71
Current Ratio	1.96	1.70	1.80	1.79	2.15
Debt/Equity Ratio	0.57	0.77	0.71	0.69	0.52
Adjusted Debt/ Equity Ratio	0.29**	0.40**	0.38**	0.32**	0.20**
ROE	17*	22*	22*	25*	29*

\* Annualized

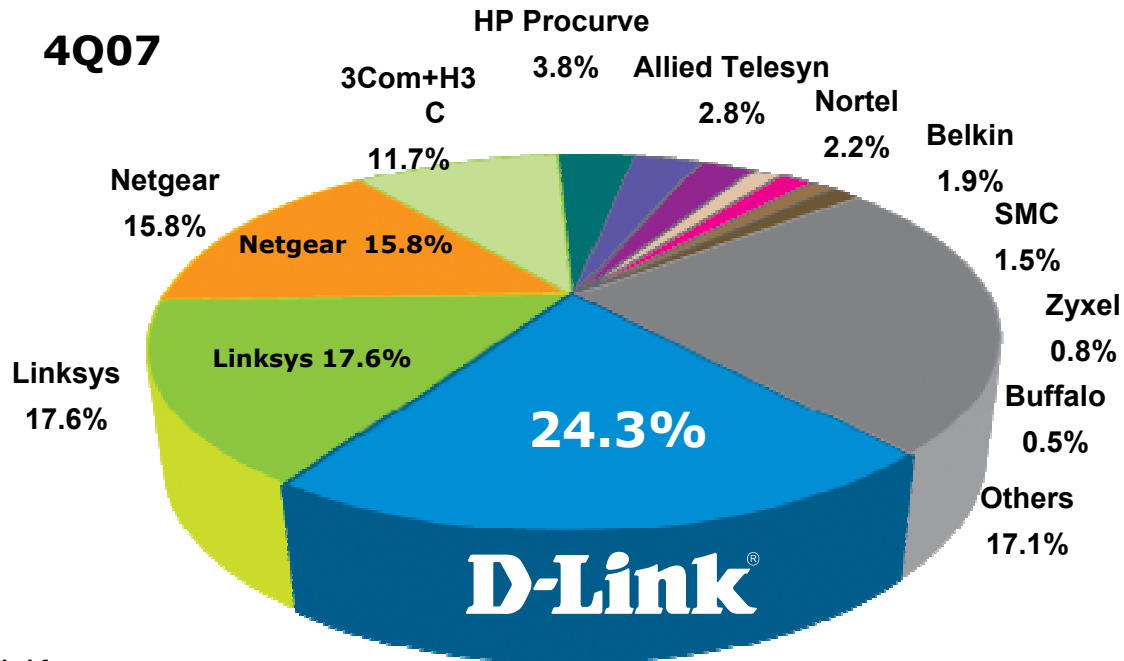
\*\*Adjust for Cash & S-T investment

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# #1 in SOHO/SMB Market



Source: Compiled from In-Stat and Euromonitor D-Link Corporation/D-Link Systems, Inc. All Rights Reserved  
In-Stat 4Q 2007 Wireless LAN Equipment Market Share Report





## 2Q08 Guidance & Div. Policy

- **2Q revenue flat QoQ**
- **Operating margin at par**
- **07 Div. Plan – Cash NT\$2.5/share  
Stock NT\$0.2/share**





## 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.

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# Q & A

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