



1Q13 Operating Results

May 15, 2013

Agenda

- Financial Review
- Business Update & Outlook
- Q&A

All numbers are consolidated and audited unless otherwise specified.
Complying to new IFRS reporting, certain historical numbers were adjusted to provide comparison consistency.

Financial Review

1Q13 Income Statement & QoQ Comparison

Unit: NT\$ million	1Q13(*)		4Q12(*)		QoQ % Change
	AMT	%	AMT	%	
Net Sales	7,223	100.0	8,156	100.0	(11.4)
Cost of Goods Sold - Product	5,200	72.0	5,954	73.0	(12.7)
Gross Profit 1	2,023	28.0	2,202	27.0	(8.1)
Inventory Related Gain/(Loss)	(59)	(0.8)	119	1.5	N.A.
Gross Profit 2	1,964	27.2	2,322	28.5	(15.4)
Operating Expenses	1,829	25.3	2,051	25.1	(10.8)
Operating Income	136	1.9	271	3.4	(49.8)
Total Non-Op. Inc. (Loss)	47	0.6	143	1.7	(67.1)
Income Before Tax	183	2.5	414	5.1	(55.8)
Tax (Exp.) / Income	(52)	(0.7)	(134)	(1.7)	61.2
Net Income	131	1.8	280	3.4	(53.2)
Minority Interest	(7)	(0.1)	(10)	(0.1)	(30.0)
Consolidated Income	124	1.7	270	3.3	(54.1)
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,160M	0.20		0.43		(53.5)

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

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

***RMA expenses included in operating expenses has been reclassified to cost of goods sold in accordance to the new IFRS.

1Q13 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	1Q13	4Q12	QoQ % Change
Investment Income	48	116	(58.6)
Sub./Aff.	23	87	(73.6)
Capital Gain	25	29	(13.8)
FX Gain/(Loss)	(8)	(8)	0.0
Fin. Income/(Exp.) & Other	7	35	(80.0)
Total Non-op Income/Loss	<u>47</u>	<u>143</u>	<u>(67.1)</u>

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

1Q13 Income Statement & YoY Comparison

Unit: NT\$ million	1Q13		1Q12		YoY % Change
	AMT	%	AMT	%	
Net Sales	7,223	100.0	8,223	100.0	(12.0)
Cost of Goods Sold - Product	5,200	72.0	5,972	72.8	(12.9)
Gross Profit 1	2,023	28.0	2,251	27.2	(10.1)
Inventory Related Gain/(Loss)	(59)	(0.8)	6	0.0	NA
Gross Profit 2	1,964	27.2	2,258	27.3	(13.0)
Operating Expenses	1,829	25.3	2,018	24.4	(9.4)
Operating Income	136	1.9	240	2.9	(43.3)
Total Non-Op. Inc. (Loss)	47	0.6	76	0.9	(38.2)
Income Before Tax	183	2.5	316	3.8	(42.1)
Tax (Exp.) / Income	(52)	(0.7)	(66)	(0.8)	21.2
Net Income	131	1.8	250	3.0	(47.6)
Minority Interest	(7)	(0.1)	(5)	(0.0)	40.0
Consolidated Income	124	1.7	245	3.0	(49.4)
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,160M	0.20		0.39		(48.7)

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

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

***RMA expenses included in operating expenses has been reclassified to cost of goods sold in accordance to the new IFRS.

03/31/2013 Balance Sheet & QoQ Comparison

Unit: NT\$ million	3/31/13 AMT	%	12/31/12 AMT	%	QoQ % Change
Cash	3,869	16	4,070	16	(4.9)
S-T Investment	41	0	11	0	273
Account Receivable	6,104	25	5,929	24	3.0
Inventory	5,904	24	6,452	26	(8.5)
Long-term Investments	4,880	20	4,749	19	2.8
Total Assets	24,296	100	24,829	100	(2.1)
Accounts Payable	4,978	20	5,466	22	(8.9)
Current Liabilities	8,336	34	9,153	37	(8.9)
Common Stock	6,476	27	6,476	26	0.0
Stockholders' Equity	13,556	56	13,423	54	1.0

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

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

Key Financial Ratios

Unit: % , days	*3/31/13	12/31/12	09/30/12	06/30/12	03/31/12
**Days A/R	69	69	67	67	66
**Days Inventory	106	109	115	116	114
**Days A/P	90	94	100	105	102
Cash Cycle	85	84	82	78	78
Current Ratio	2.03	1.96	1.78	1.71	1.78
Debt/Equity Ratio	0.77	0.78	0.76	0.82	0.75
***Net Debt/Equity Ratio	0.48	0.48	0.55	0.57	0.50
ROE	4	8	8	-0.2	7

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

* IFRS adoption in 2013; prior numbers not affected due to immeasurability

** Annualized

*** Adjust for Cash & S-T investment

Quarterly Revenue by Region

In NT\$, down 11.4% QoQ, down 12.2% YoY

➤ N.A. down 27.9% QoQ, up 0.2% YoY

➤ Europe down 13.0% QoQ, down 18.7% YoY

➤ Emerging Mkts & APac down 6.0% QoQ, down 12.5% YoY

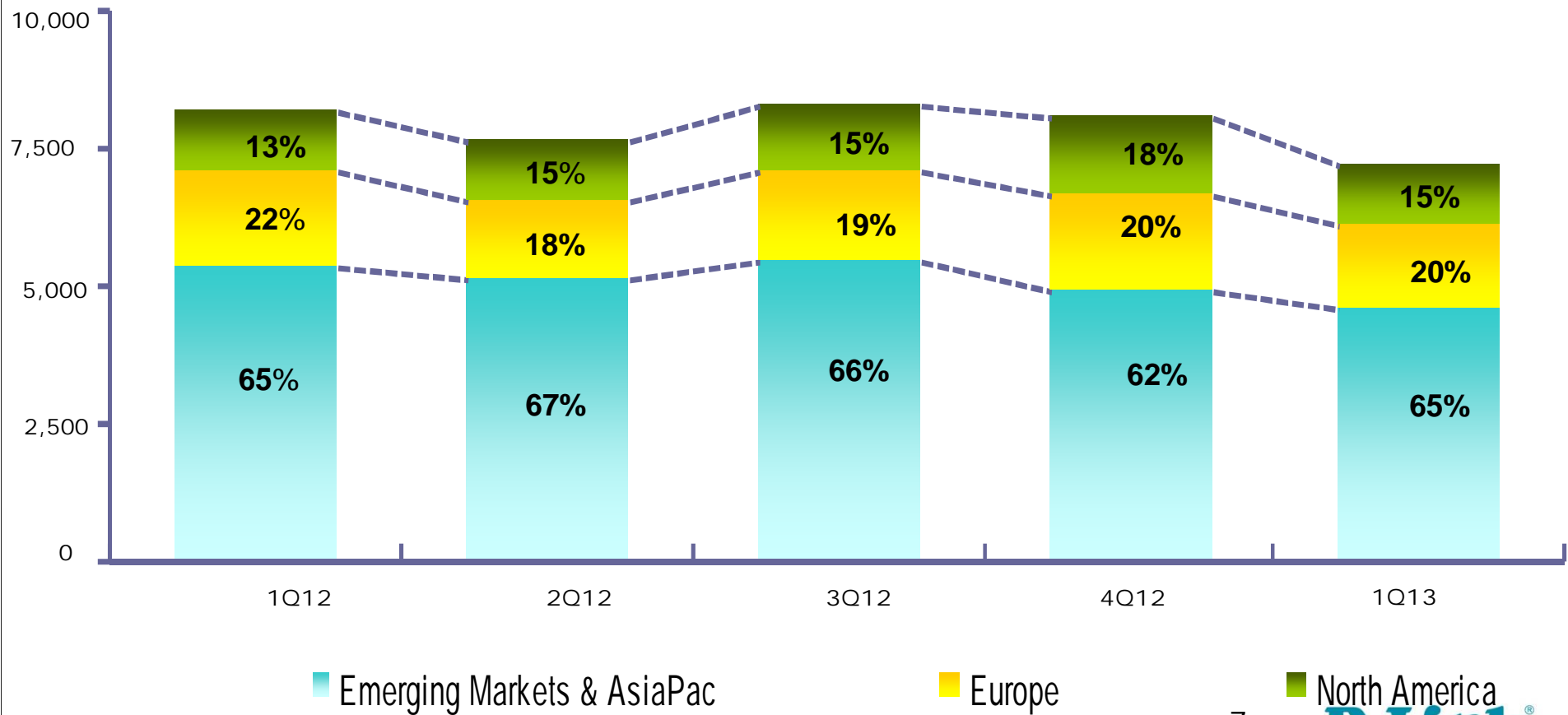
In US\$, down 12.4% QoQ, down 11.6% YoY

➤ N.A. down 28.4% QoQ, up 0.8% YoY

➤ Europe down 13.9% QoQ, down 18.2% YoY

➤ Emerging Mkts & APac down 7.1% QoQ, down 11.9% YoY

NT\$ mln



Quarterly Revenue by Product

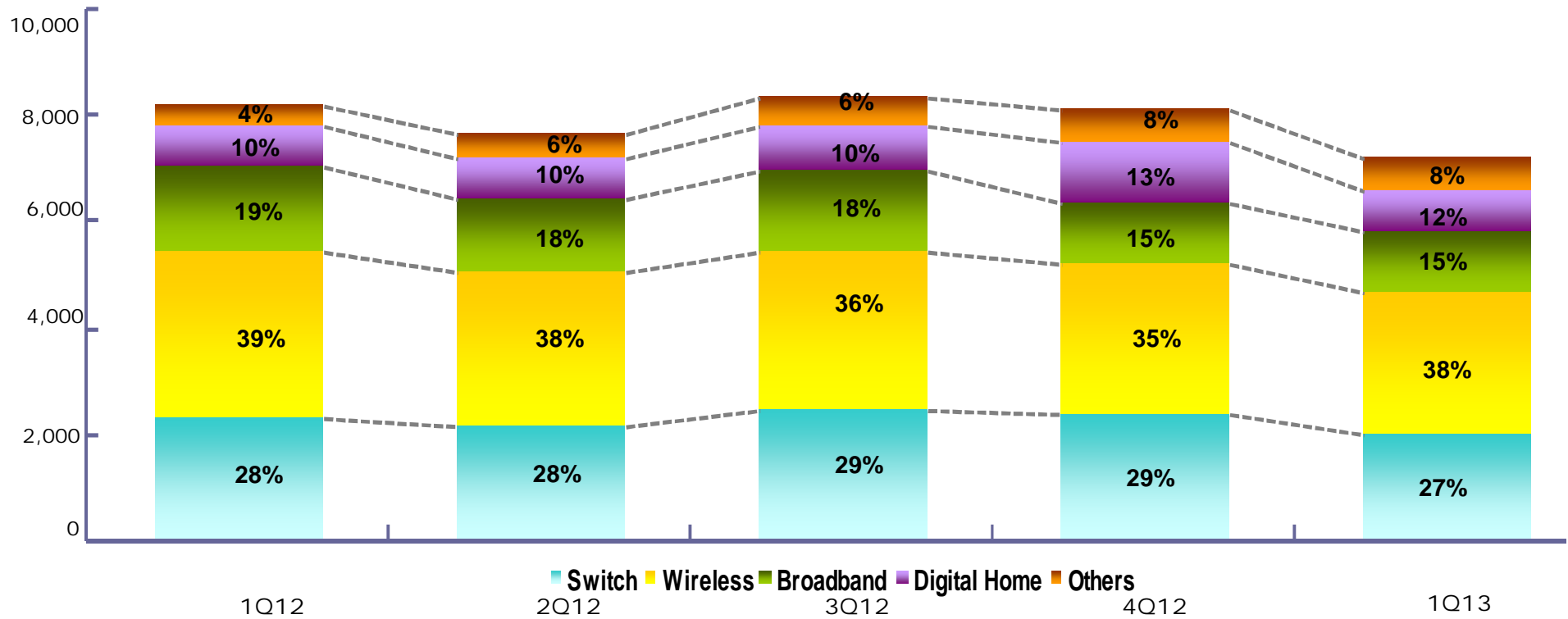
In NT\$ terms:

- Switch down 17.5% QoQ, down 13.9% YoY
- Wireless down 4.7% QoQ, down 14.1% YoY
- B.B. down 4.9% QoQ, down 29.6% YoY
- D.H. down 24.3% QoQ, up 2.2% YoY

In US\$ terms:

- Switch down 18.4% QoQ, down 13.3% YoY
- Wireless down 5.7% QoQ, down 13.5% YoY
- B.B. down 6.0% QoQ, down 29.2% YoY
- D.H. down 25.0% QoQ, up 2.6% YoY

NT\$ mln



2Q13 Guidance

From QoQ Perspective:

- Revenue flat and better second half expected
- Gross margin % remain flat

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.

Q & A

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