



D-Link announced Q1/02 Results

Taipei, Taiwan, April 30, 2002 - D-Link Corporation ("D-Link" or "the Company") (TAIEX 2332), announced its financial results for the first quarter of 2002. First quarter net sales reached NT\$ 4,035mm, representing a 9% YoY growth, with a pretax profit of NT\$ 414mm, demonstrating a handsome 35% growth when compared with the same period last year. The after tax profits was NT\$ 390mm, a 28% YoY growth or NT\$ 84mm up in absolute amount.

In terms of product breakdown, Office LAN represents 46% of Q1/02 revenue (including 24% from Switch), followed by Broadband (xDSL/Cable Modem) 27%, 11% from Wireless LAN, and 10% from Digital Home. The revenue by region was 43% from Asia (including 23% from Japan), 36% from North America and 18% from Europe.

Mr. A.P. Chen, the spokesperson and CFO of D-Link, noted "We are proud that D-Link shows significant improvements in cash cycle management, down to less than 70

days, by having stringent control over both the accounts receivable and inventory levels." "With the implementation of ERP system, increase in the percentage of outsourcing and aggressive write-offs, the inventory is at its record low in the past 3 years, evidenced by the shortened Days Inventory, from 79 days in 1999, to 45 days in 2001, and to 32 days as of March 31, 2002."

Mr. Chen also stated that this is the 4th consecutive quarter that D-Link has been able to generate positive cash flow. Thus the management is pleased to have reported and believes to have maintained a strong balance sheet, even in the wake of a very challenging economic environment. The result going forward will be driven by D-Link's ability to continue deliver solid execution over its brand business, by further increasing market share while trimming down the expenses, and its ability to derive better revenue from our new markets in ODM business.



Due to the change in product mix, gross margin improved significantly in 2001, and sequentially in Q1/02. Broadband access devices, Wireless LAN, and high-end Switching products are the key drivers for the brilliant Q1/02 results, and should continuously outperform in 2002. China (with best potential sequential growth in Q2, following the completion of channel restructuring), Japan (with continued outsourcing from ODM customers), and North America (continuing growth from WLAN in USA and ADSL in Canada) are the three regions with better visibility in Q2 of 2002.

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