

D-Link[®]
Building Networks for People



***CSFB Asian
Investor Conference***

Hong Kong, March 28, 2006

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.

Agenda

- **Industry Outlook**
- **Global Position**
- **FY 2005 Financials**
- **Business Updates**

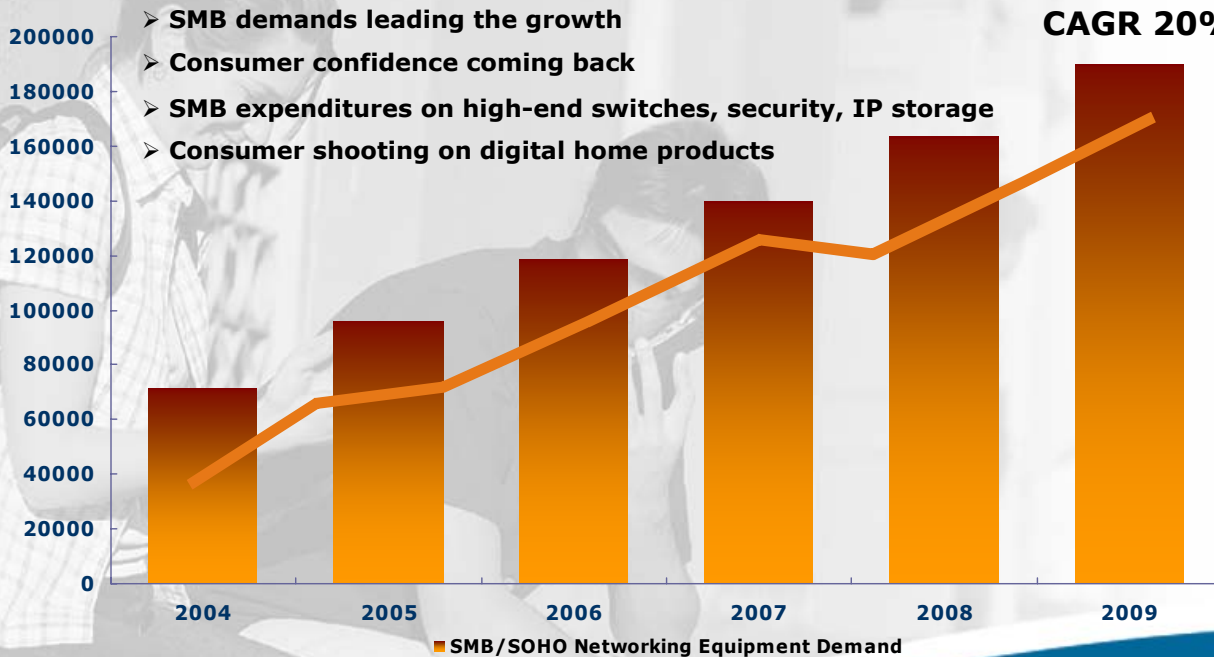
All numbers consolidated except otherwise specified.
FY 2005 numbers are pro forma .



Industry Outlook

WW SMB and SOHO Networking Market

US\$ Million

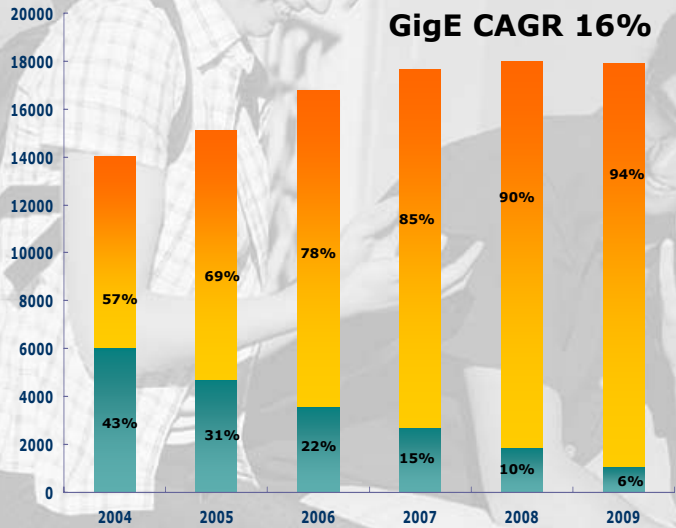


Source: IDC, FY2005

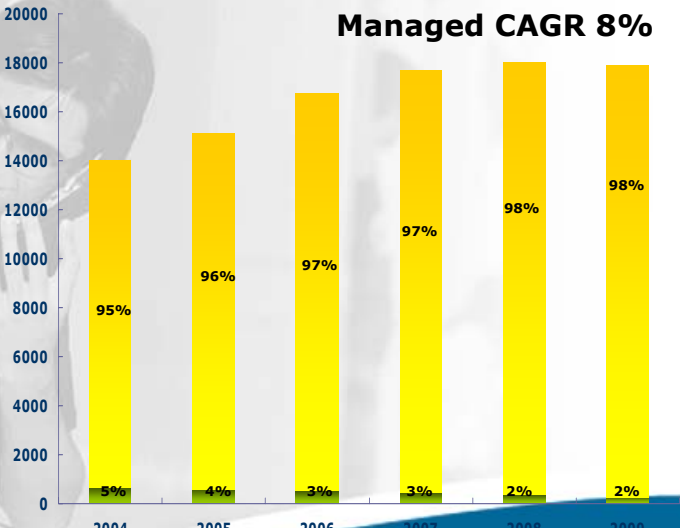
Switching

- GigE officially crosses FE
- Managed dominates Unmanaged
- Stackable Switches outgrows Chassis/Modular
- Pull-through for Security, IP Storage (SAN)
- More software efforts, higher profitability
- Wireless Switches initiate

US\$ Million



US\$ Million

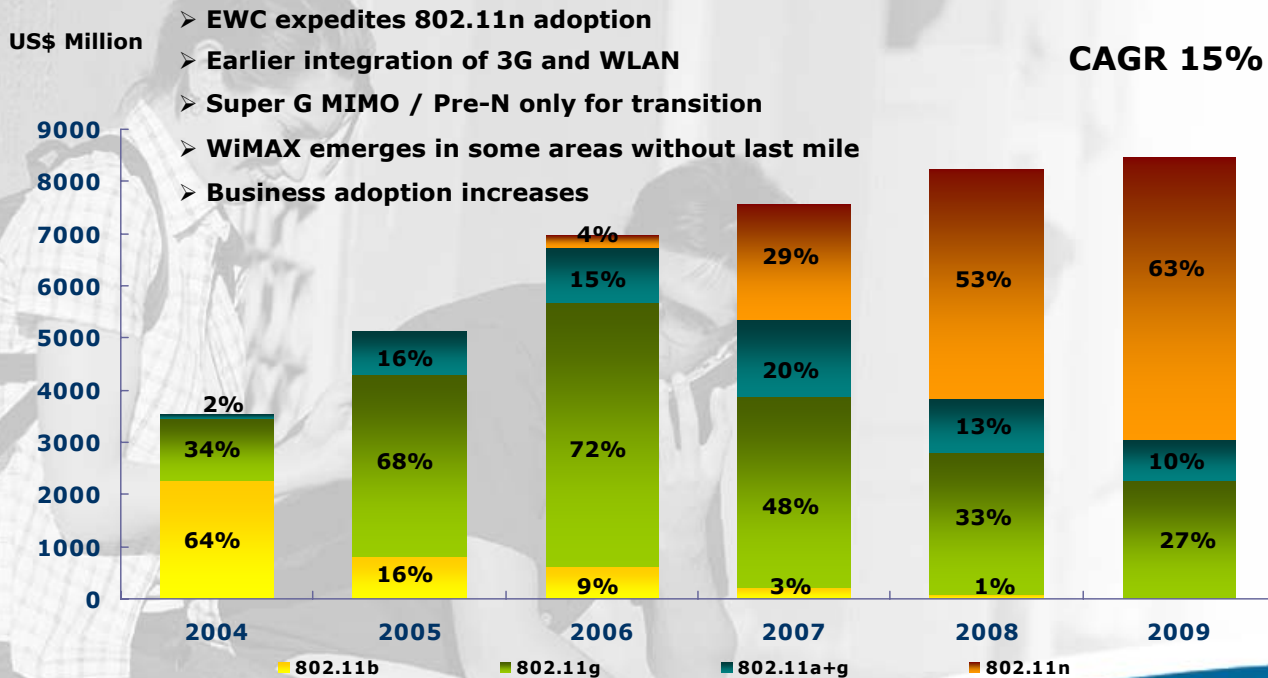


Source: IDC, FY2005

F.E. GigE

Unmanaged Managed

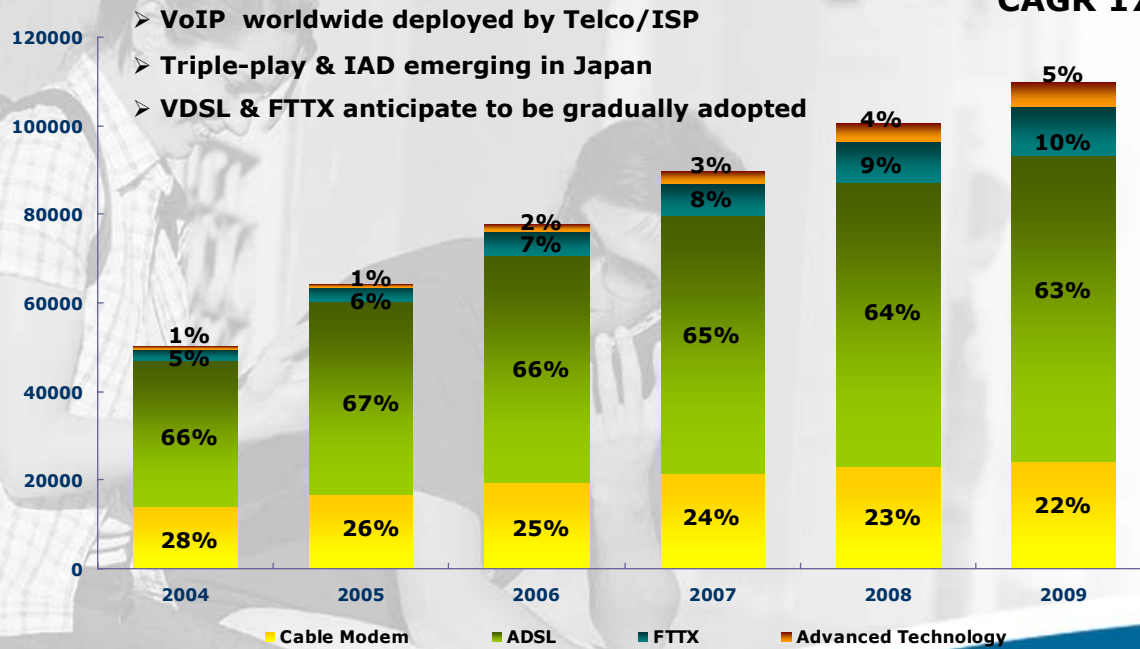
WLAN



Source: IDC, FY2005

Broadband

US\$ Million



Source: IDC, FY2005

2006 Outlook

- **Fateful year for emerging technologies**
 - **802.11n / WiMAX, VoIP, Digital Home**
- **Corporate spending up for networking**
- **Emerging market gap narrowing**
- **Industry convergence more obvious**
- **Growth slightly better than 2005**



Global Position

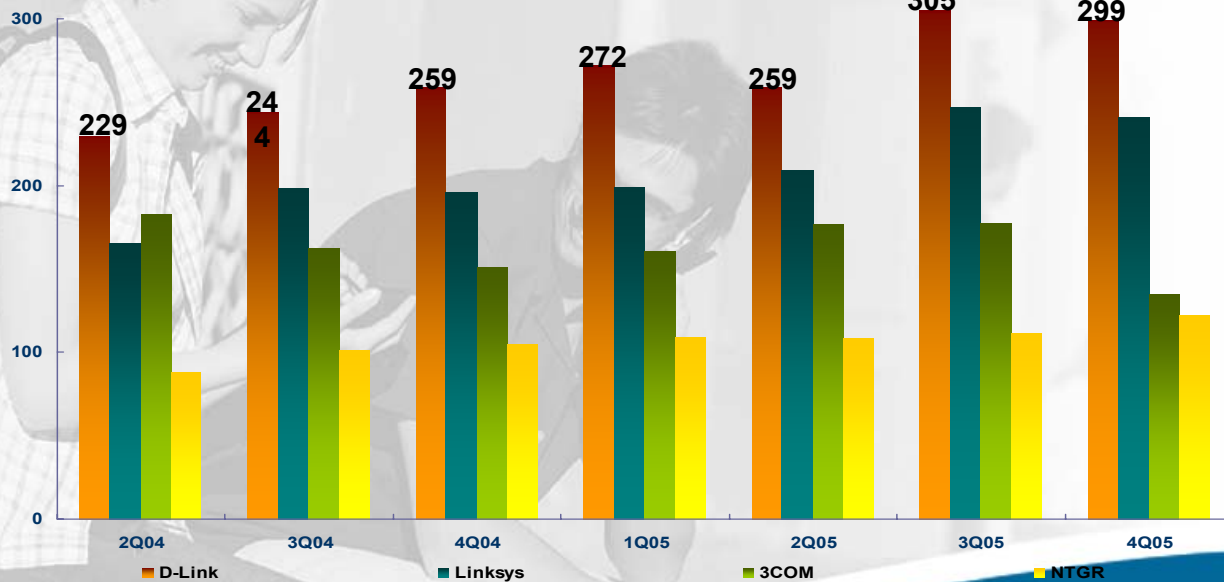
Extensive Channels



1 in Global Revenue

Qtrly Revenue

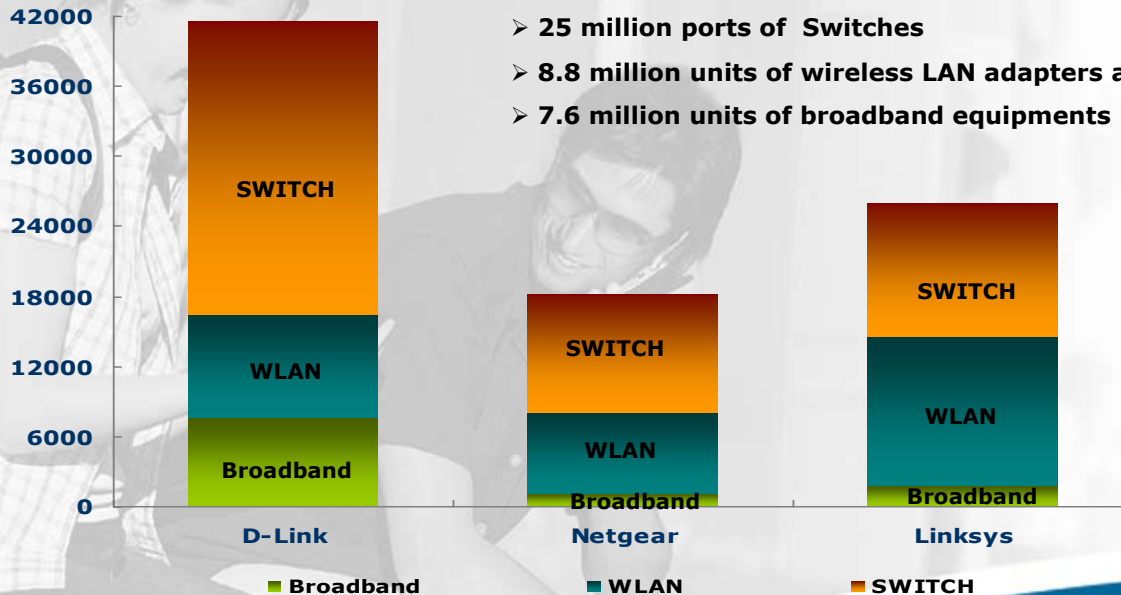
US\$ Million



* Linksys's sales are estimated.

Number 1 in Global Shipment

Unit/port shipments, thousands



D-Link shipped in from Q3/04 to Q2/05

- 25 million ports of Switches
- 8.8 million units of wireless LAN adapters and APs
- 7.6 million units of broadband equipments

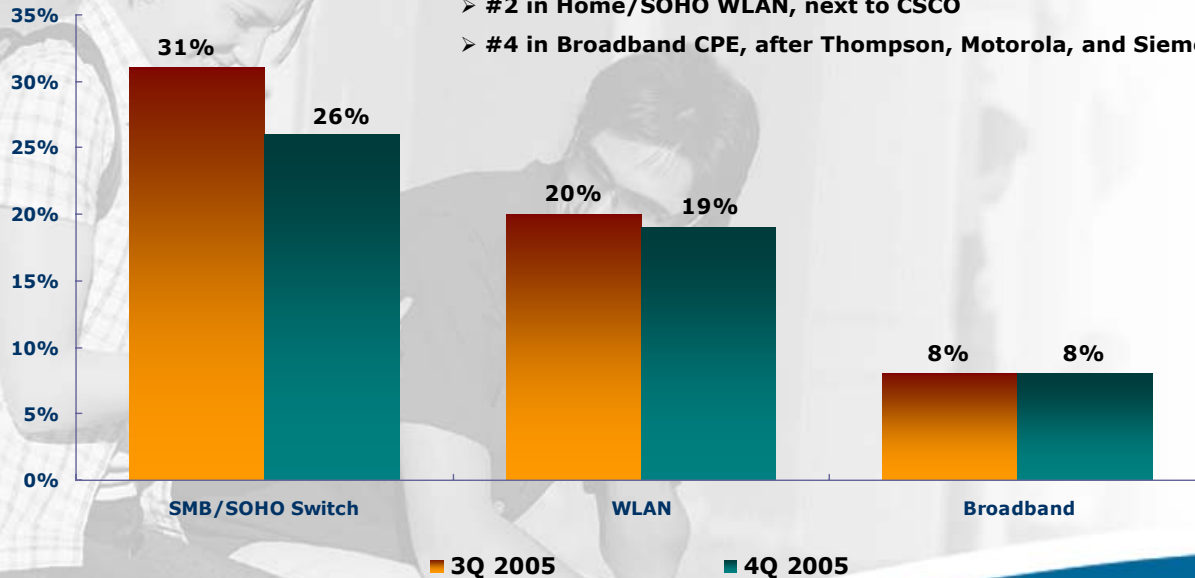
Source: Synergy Research Group, FY2004 and 1Q 2005

In-Stat, 2Q 2005

Dominance in Key Segments

Market Shares by Products D-Link is, in unit terms,

- #1 in SOHO/SMB Ethernet LAN Switch
- #2 in Home/SOHO WLAN, next to CSCO
- #4 in Broadband CPE, after Thompson, Motorola, and Siemens



Source: In-Stat Research Report, 2005

Top 5 in SMB/Enterprise Consideration for Data Networking Equipments

Rank	company	percentage
1	Cisco	58%
2	Dell	44%
3	IBM	42%
4	Microsoft	37%
5(tie)	D-Link/3Com	33%

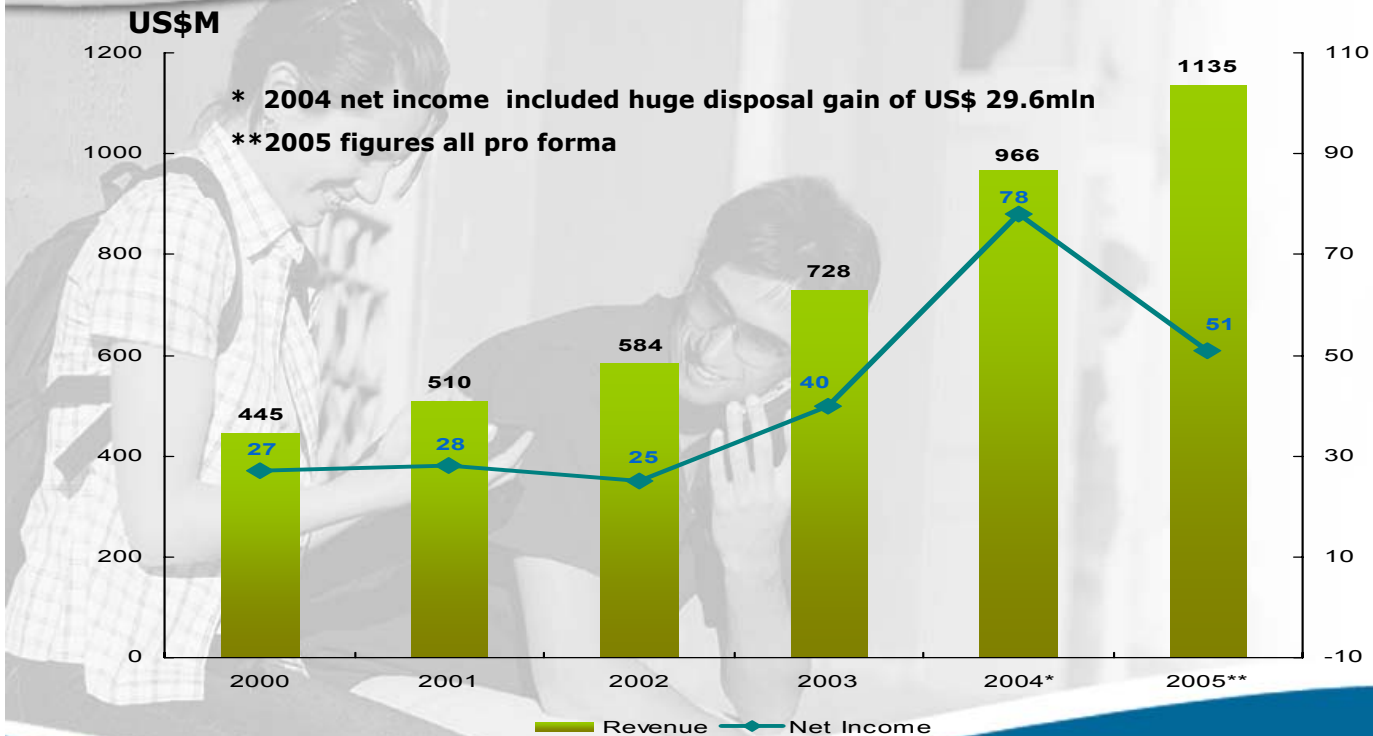
7. Linksys a division Cisco - 30% 8. Netgear - 28% 9. Siemens - 25%
10. Avaya - 24%

Source: CompTIA/IDC Convergent Technologies Research Study 2005

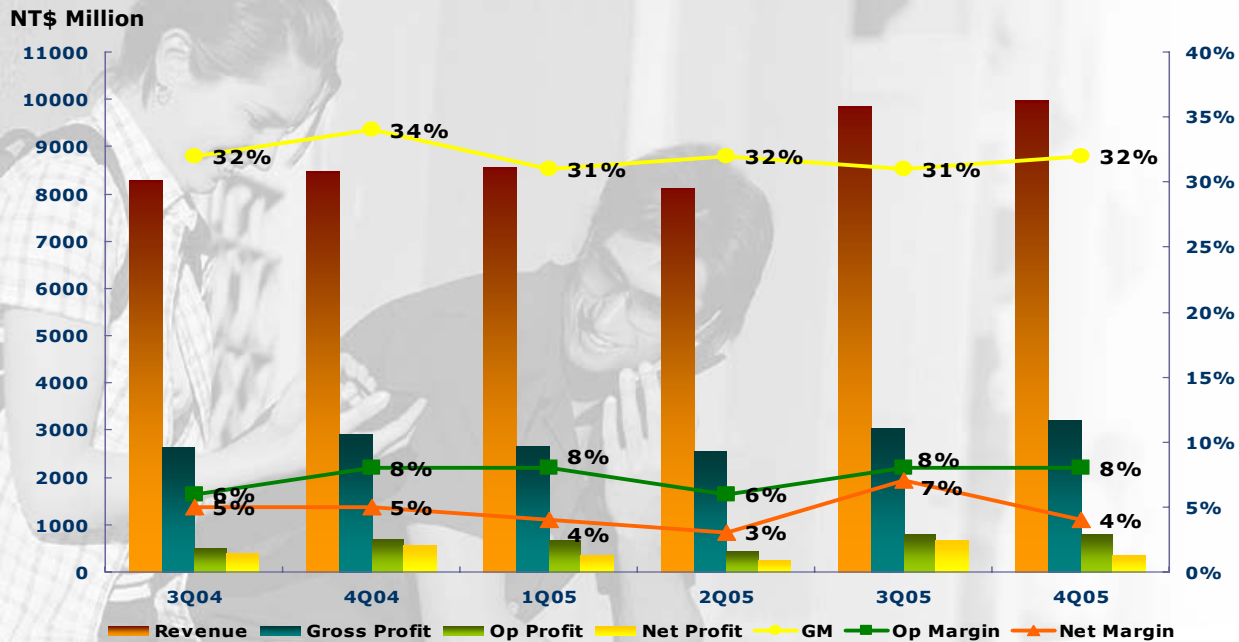


FY 2005 Financials

Revenue & Earnings



Strong Earnings



FY2005 YoY Consolidated Income Statement Comparison

Amount: NT\$ million	2005 Estimate		2004 Actual		YoY % Change
Net Sales	36,508	100%	32,245	100%	13%
Cost of Goods Sold	25,022	69%	21,437	66%	17%
Gross Profit	11,486	31%	10,808	34%	6%
Operating Expenses	8,788	24%	8,174	25%	8%
Operating Income	2,698	7%	2,634	8%	2%
Total Non-Op. Inc. (Loss)	160	-	581	2%	(72)%
Income Before Tax	2,858	8%	3,215	10%	(11)%
Tax Expenses	(773)	(2)%	(399)	(1)%	94%
Net Income	2,085	6%	2,816	9%	(26)%
Minority Interest	(454)	(1)%	(215)	(1)%	111%
Consolidated Income	1,631	4%	2,601	8%	(37)%
Earnings Per Share (NT\$)	2.73 *		4.82		(43)%

*Calculated by 4Q05 weighted average of 597mln shares.

Consolidated Key Financial Ratios– Liquidity/Leverage

Unit: % , days	12/31/05	9/30/05	6/30/05	3/31/05	12/31/04
Days A/R	63 [*]	70 [*]	64 [*]	65 [*]	59 [*]
Days Inventory	96 [*]	100 [*]	96 [*]	89 [*]	95 [*]
Days A/P	78 [*]	87 [*]	79 [*]	75 [*]	86 [*]
Cash Cycle	82	83	82	80	68
Current Ratio	1.82	1.71	1.60	1.70	1.60
Debt/Equity Ratio	0.84	0.98 ^{**}	1.05	1.12	1.22 ^{**}
Adjusted Debt/ Equity Ratio	0.59 ^{**}	0.71	0.55 ^{**}	0.58 ^{**}	0.64

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

Consolidated Key Financial Ratios – Profitability (%)

Unit: %	2005	4Q/05	3Q/05	2Q/05	1Q/05	2004
Net Income/Sales	4.47	3.49	6.91	3.33	4.13	8.07
Net Income/Total Assets	6.68	1.43	2.67	1.12	1.38	10.05
Operating Profit/Sales	7.39	7.98	8.07	5.66	7.78	8.17
Return on Equity	14	14	14	11	12	22
EPS (NT\$)	2.73	0.58	1.14	0.42	0.59	4.82

* Annualized

**Calculated by 4Q05 weighted average of 597mln shares.



Business Updates

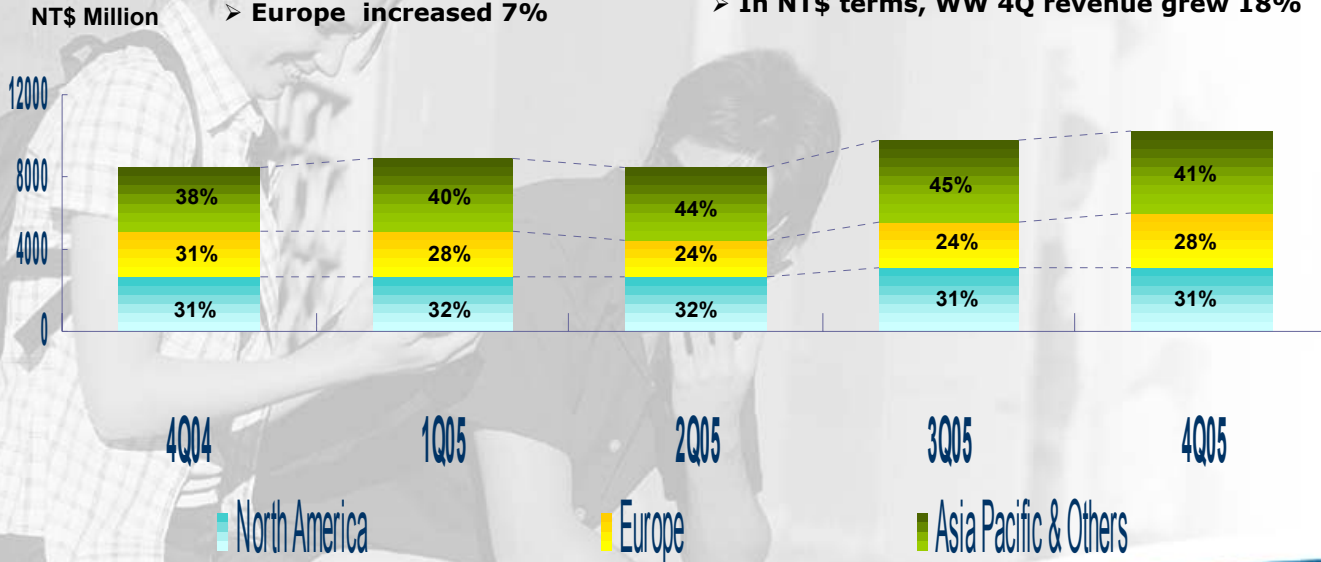
Revenue by Regions Consolidated

4Q/05 revenue YoY comparison:

- N.A. grew positively 18%
- Europe increased 7%

➤ AsiaPac & Others rose 27%

➤ In NT\$ terms, WW 4Q revenue grew 18%



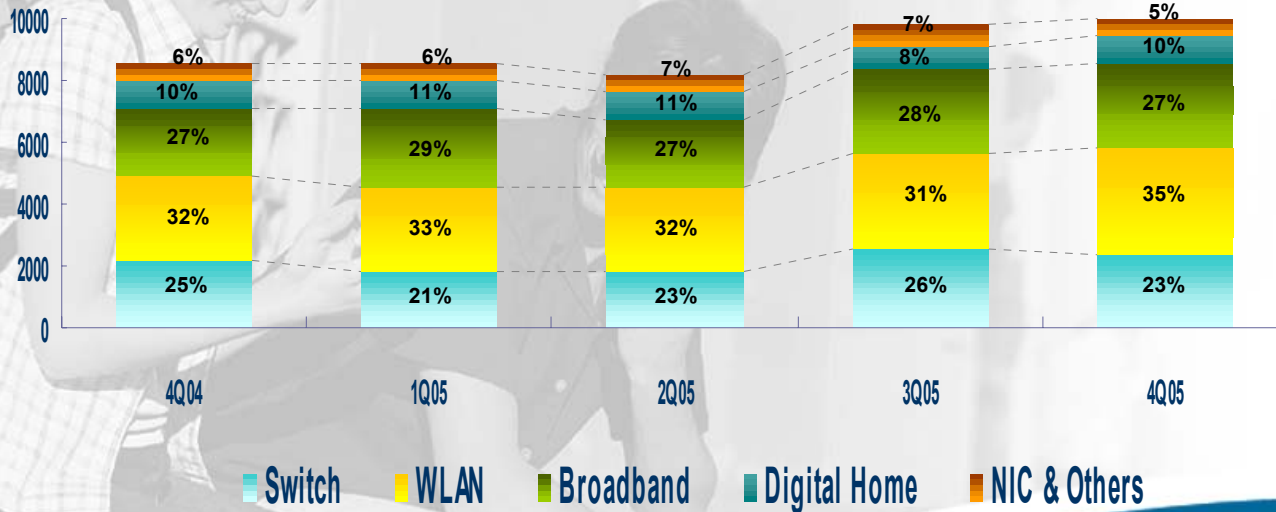
Revenue by Products Consolidated

4Q/05 revenue YoY comparison:

- Switch grew 8%
- WLAN grew 29%

- Broadband rose 18%
- Digital Home rose 18%

NT\$ Million

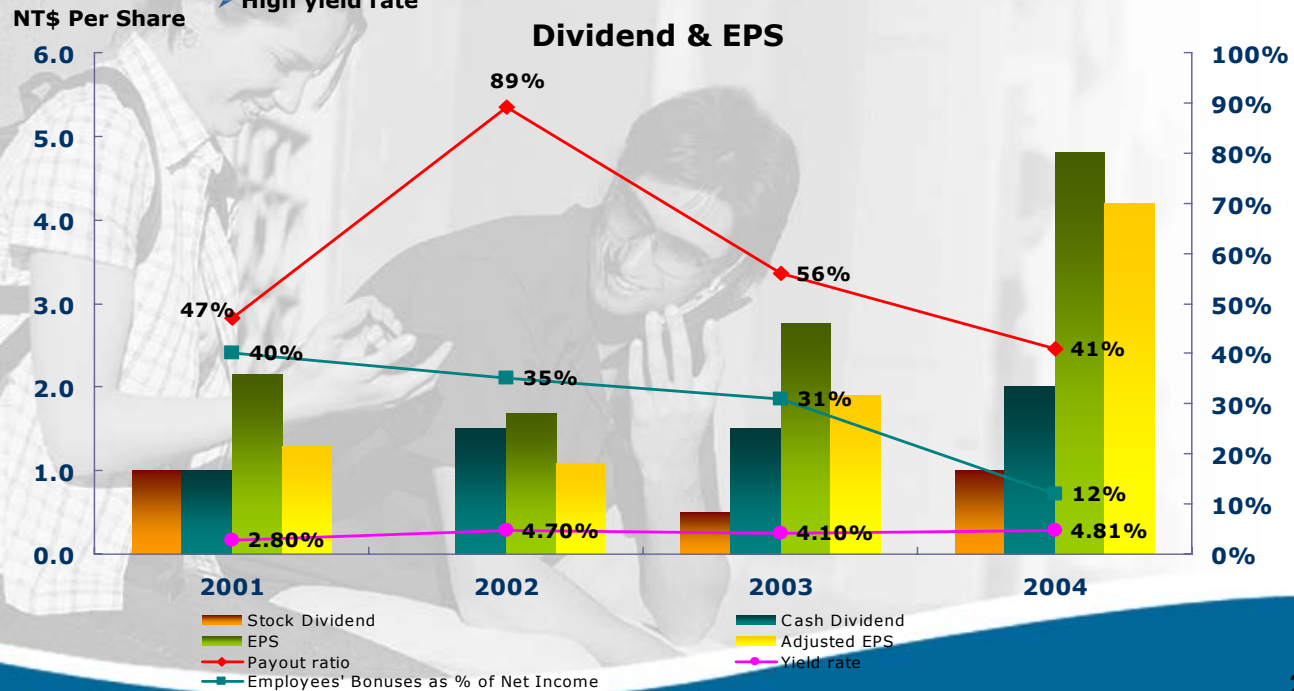


Market Trends

Region Product	N.A.	Europe	A.P.A.C. & Others
<i>Switch</i>	XStack, GigE SMB	XStack, GigE SMB	XStack, GigE/F.E. SMB
<i>WLAN</i>	Pre-N & N Retail	Pre-N & N Retail	G & G+/ Pre-N & N Retail
<i>Broadband</i>	VoIP Teleco/ISP	VoIP Teleco/ISP	VoIP Teleco/ISP
<i>Digital Home</i>	DMA & IP Cam Retail	DMA & IP Cam Retail	DMA & IP Cam Retail

High Dividend Payout

- Payout more cash over stock
- High yield rate
- Limited employees' bonuses dilution



Longer Term Business Model

	<u>FY03</u>	<u>FY04</u>	<u>FY05*</u>	<u>Model**</u>
Sales Growth (%)	24%	29%	13%	20%
Gross Margin (%)	31%	33%	31%	32%
Operating Margin (%)	6%	8%	7%	7%
Tax Exp. (% of PBT)	11%	12%	25%	20%
ROE (%)	14%	22%	14%	15%

* FY 05 Figures are all pro forma

** Assuming deconsolidation of Alpha



Q & A

*For complete financial and
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