

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



# **2006 UBS Taiwan Conference**

**Taipei, June 19, 2006**

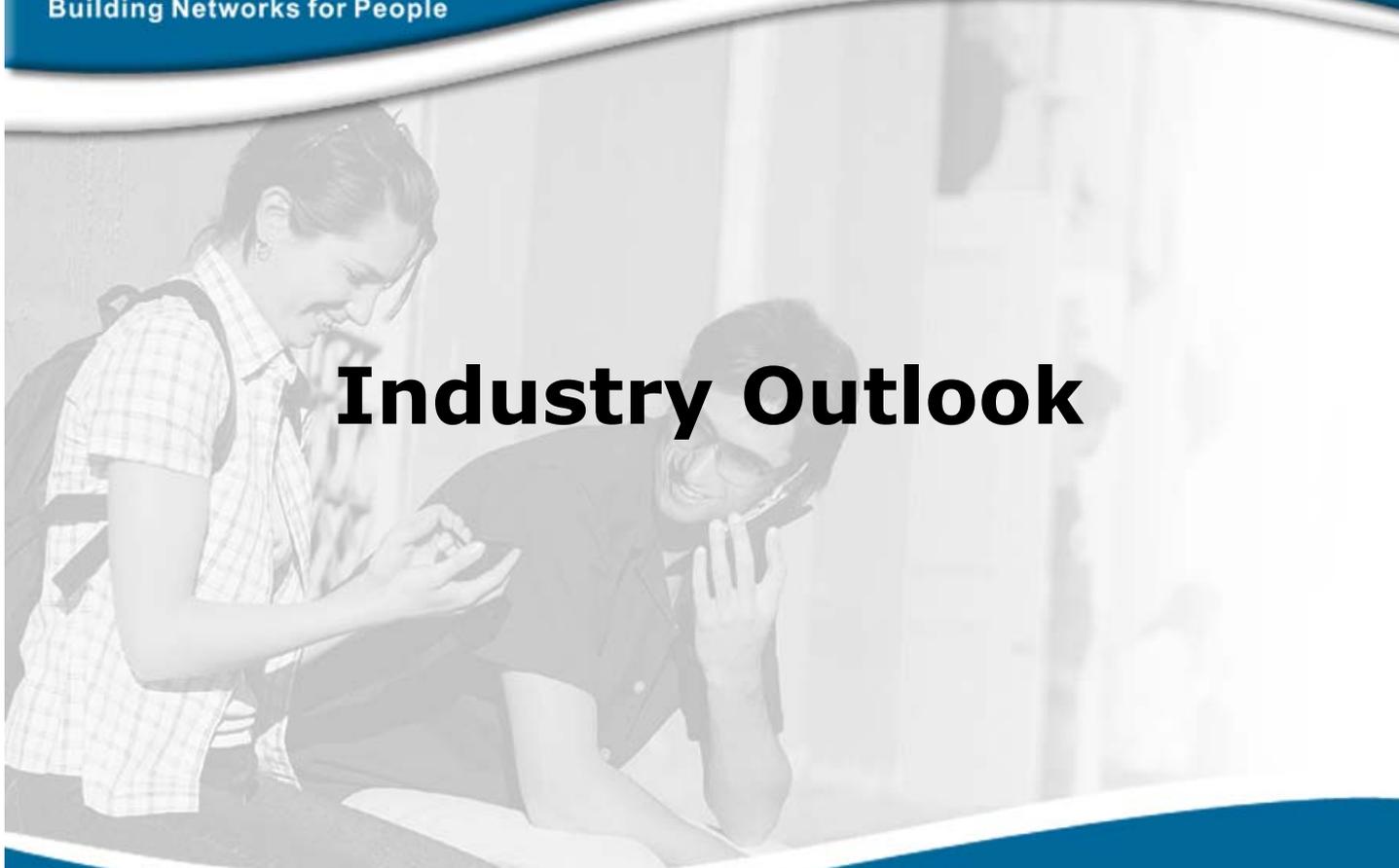
## **Safe Harbor Statement**

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**
- **Corporate Updates**

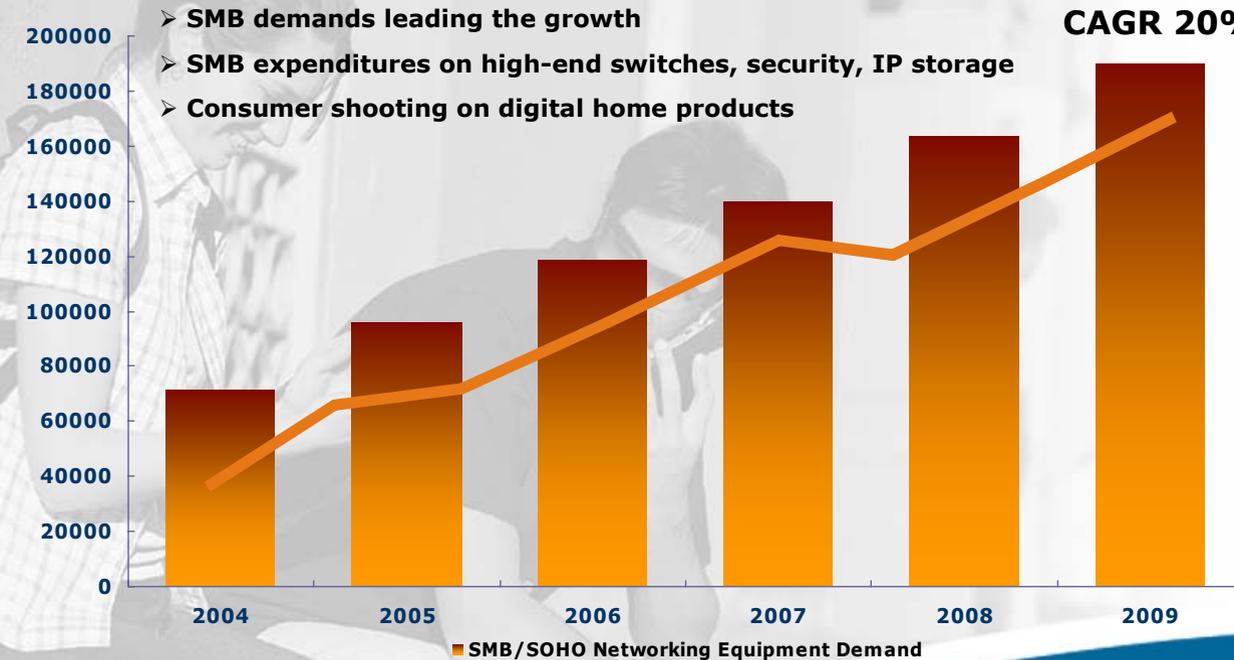
All numbers consolidated except otherwise specified.



# Industry Outlook

## WW SMB and SOHO Networking Market

US\$ Million

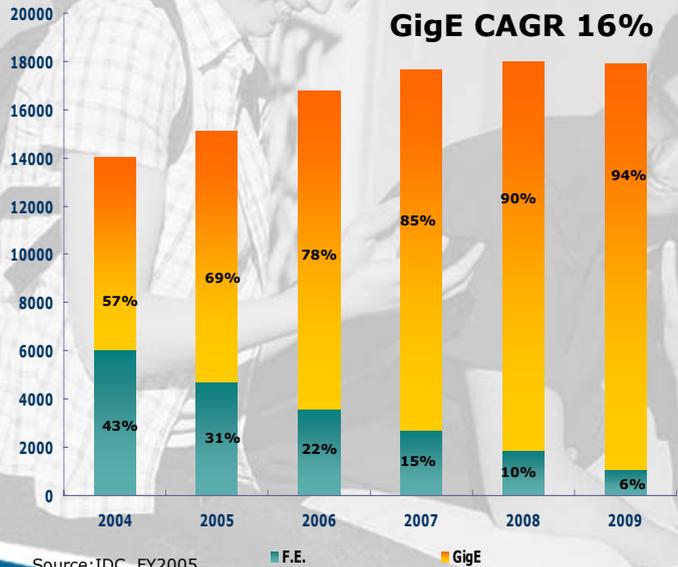


Source: IDC, FY2005

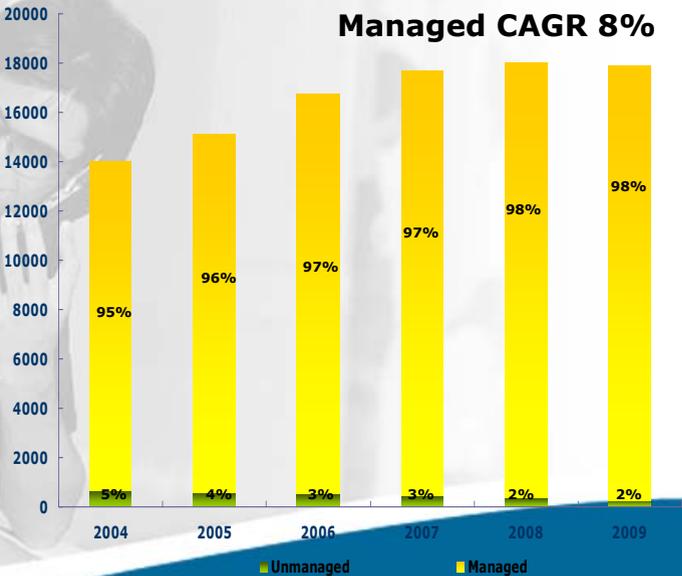
# Switching

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

US\$ Million



US\$ Million

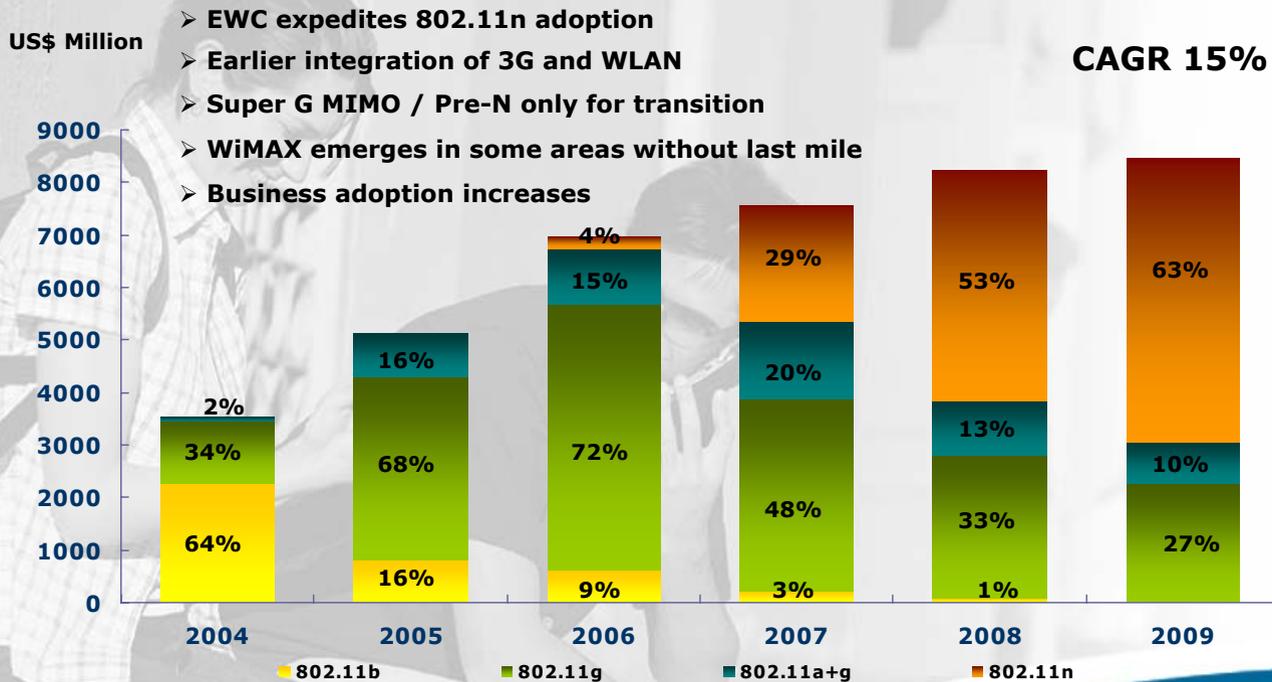


Source: IDC, FY2005

F.E. GigE

Unmanaged Managed

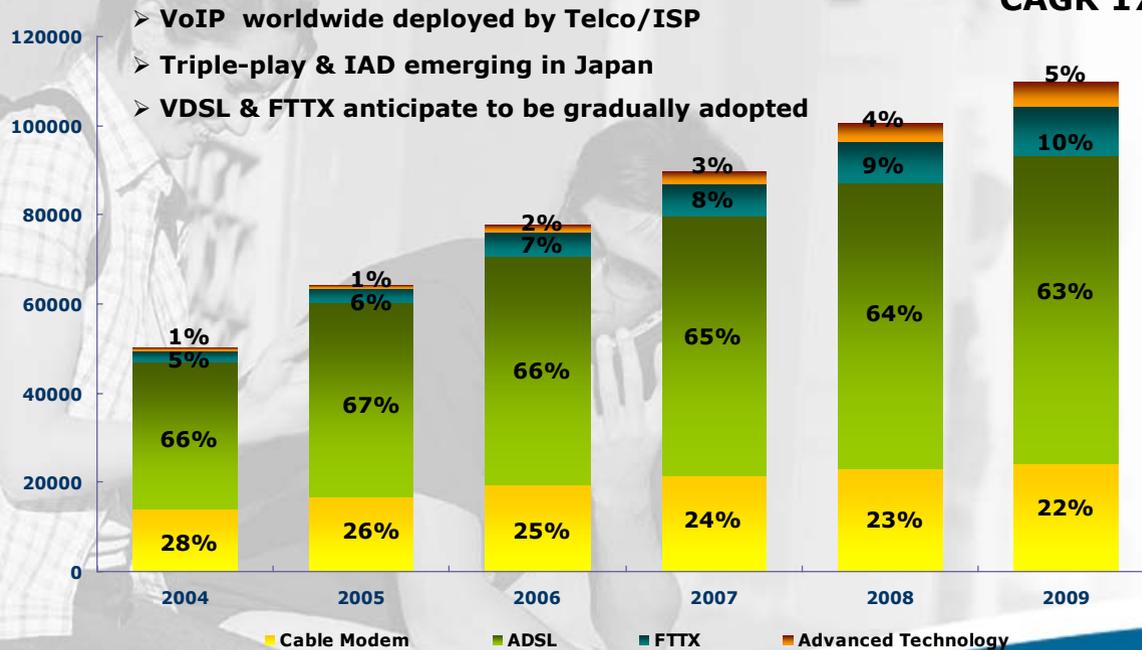
## WLAN



Source: IDC, FY2005

# Broadband

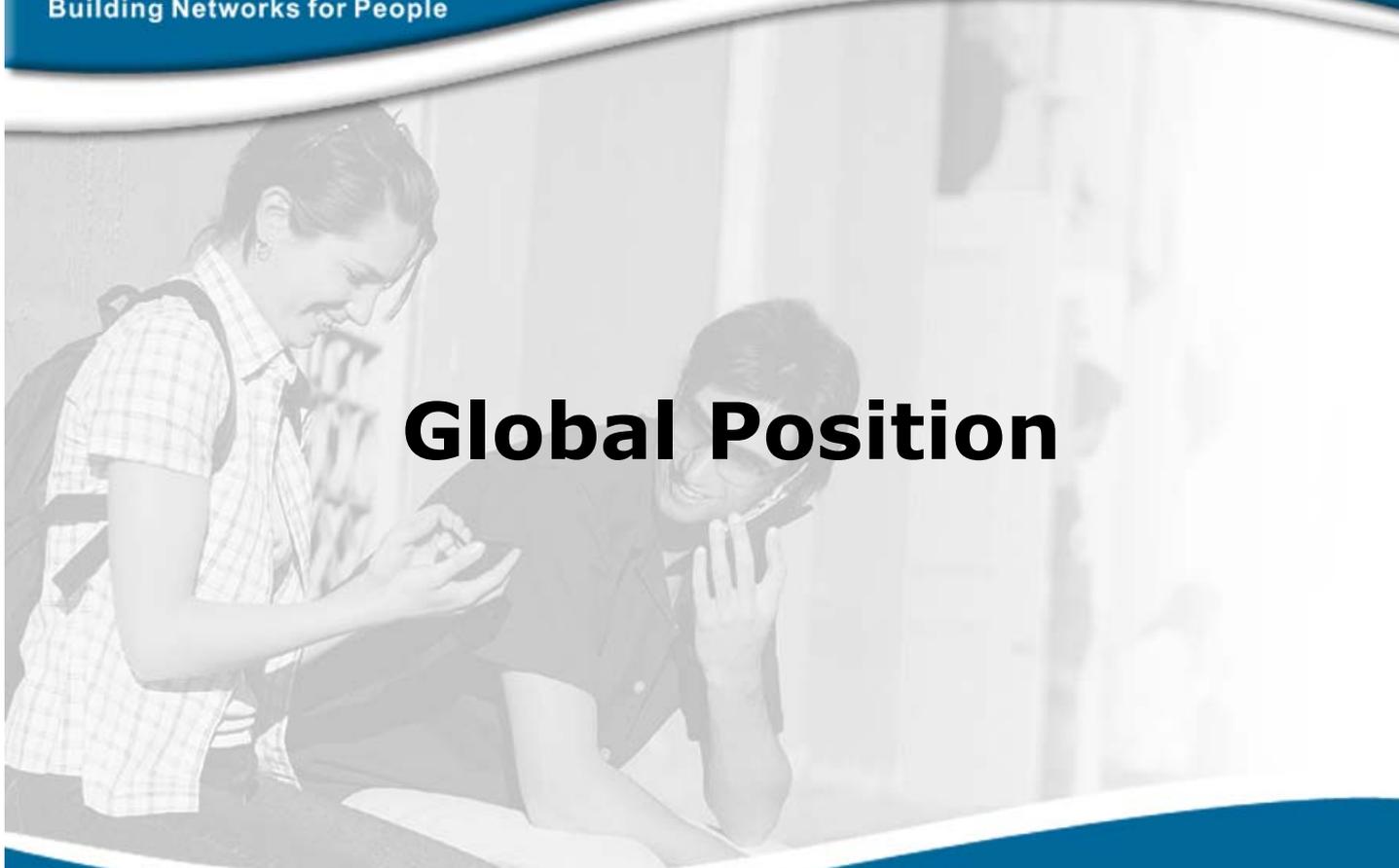
US\$ Million



- VoIP worldwide deployed by Telco/ISP
- Triple-play & IAD emerging in Japan
- VDSL & FTTX anticipate to be gradually adopted

**CAGR 17%**

Source: IDC, FY2005



# Global Position

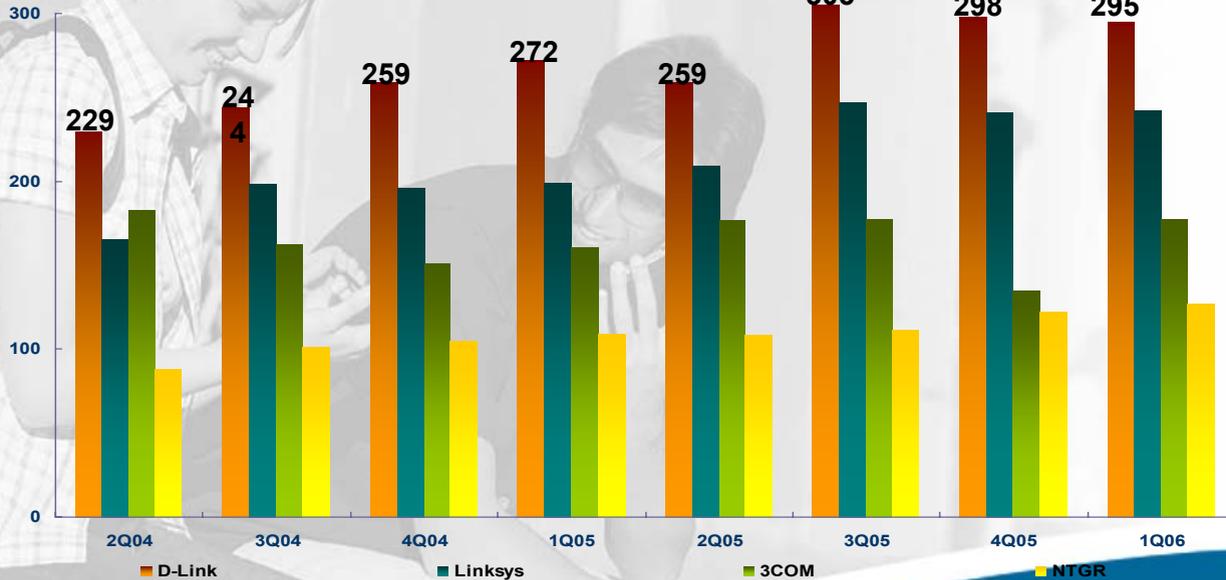
## Extensive Channels



# # 1 in Global Revenue

Qtrly Revenue

US\$ Million

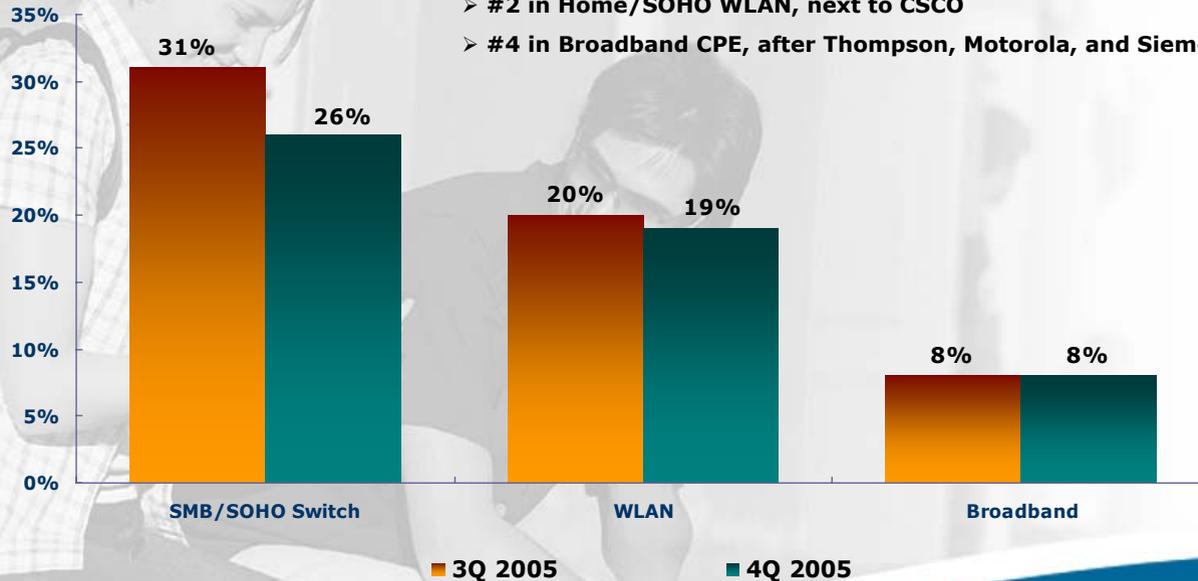


\* Linksys's sales are estimated.

## Dominance in Key Segments

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

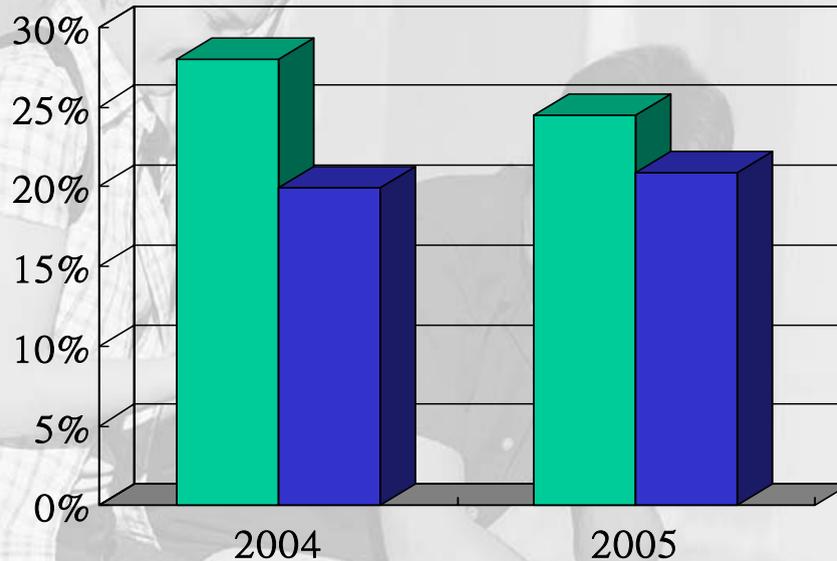
- #1 in SOHO/SMB Ethernet LAN Switch
- #2 in Home/SOHO WLAN, next to CSCO
- #4 in Broadband CPE, after Thompson, Motorola, and Siemens



Source: In-Stat Research Report, 2005

## Market Share

Total Switch port shipments



- All Ethernet switches
- L2/3/4-7
- Managed/smart/dump
- FE/Gig/10G
- No. 1 in unmanaged
- No. 2 in all segments

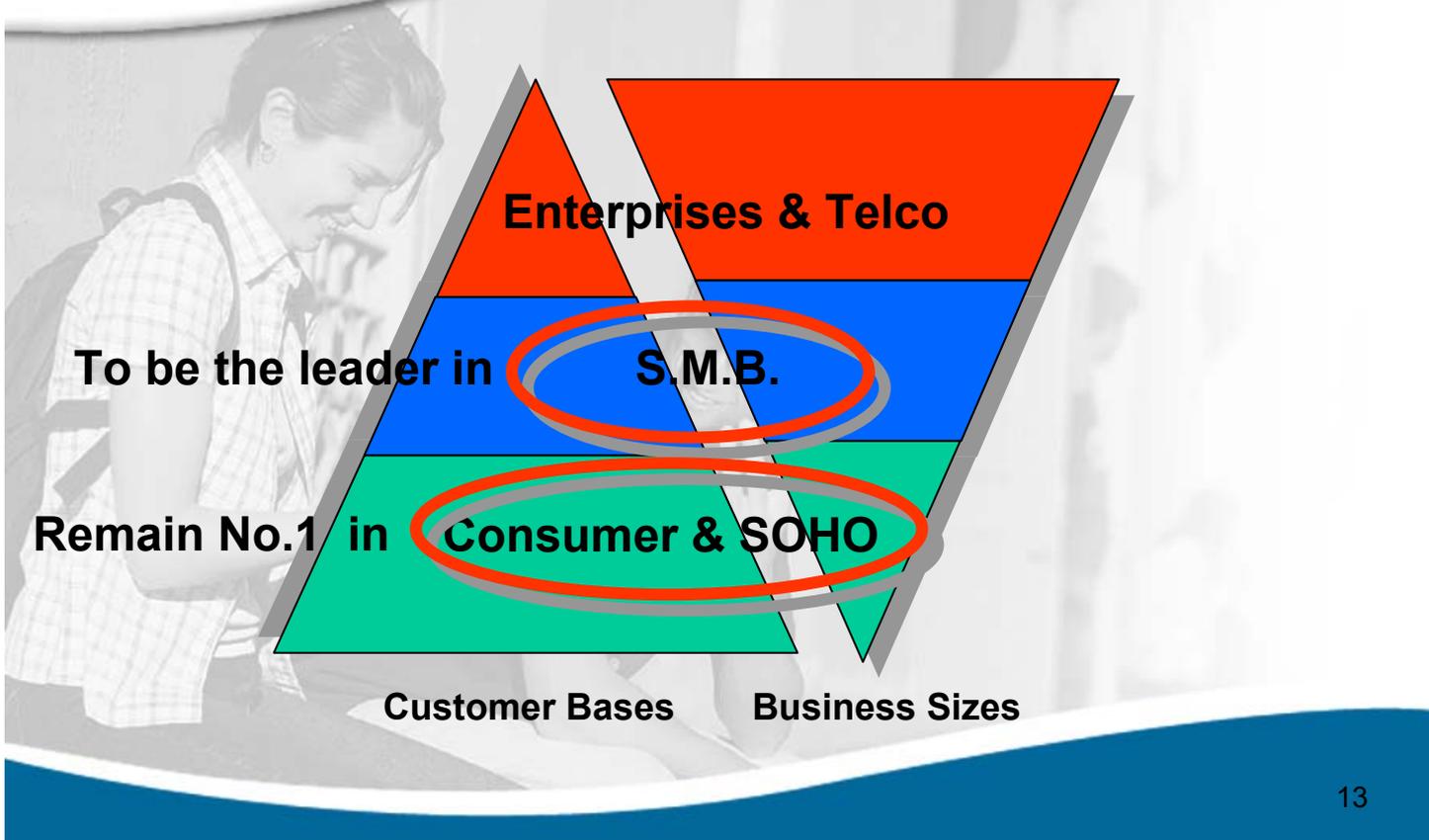
■ CISCO  
■ D-LINK

Source: In-Stat Research Report, 2005



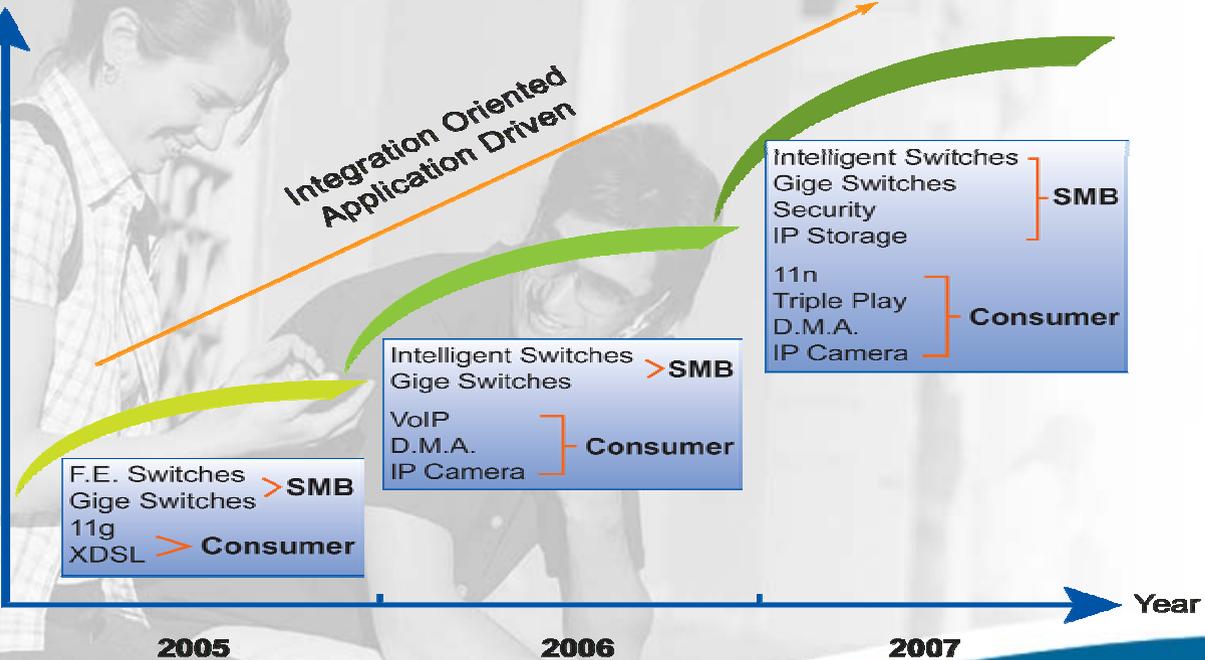
# Corporate Updates

## Market Strategy



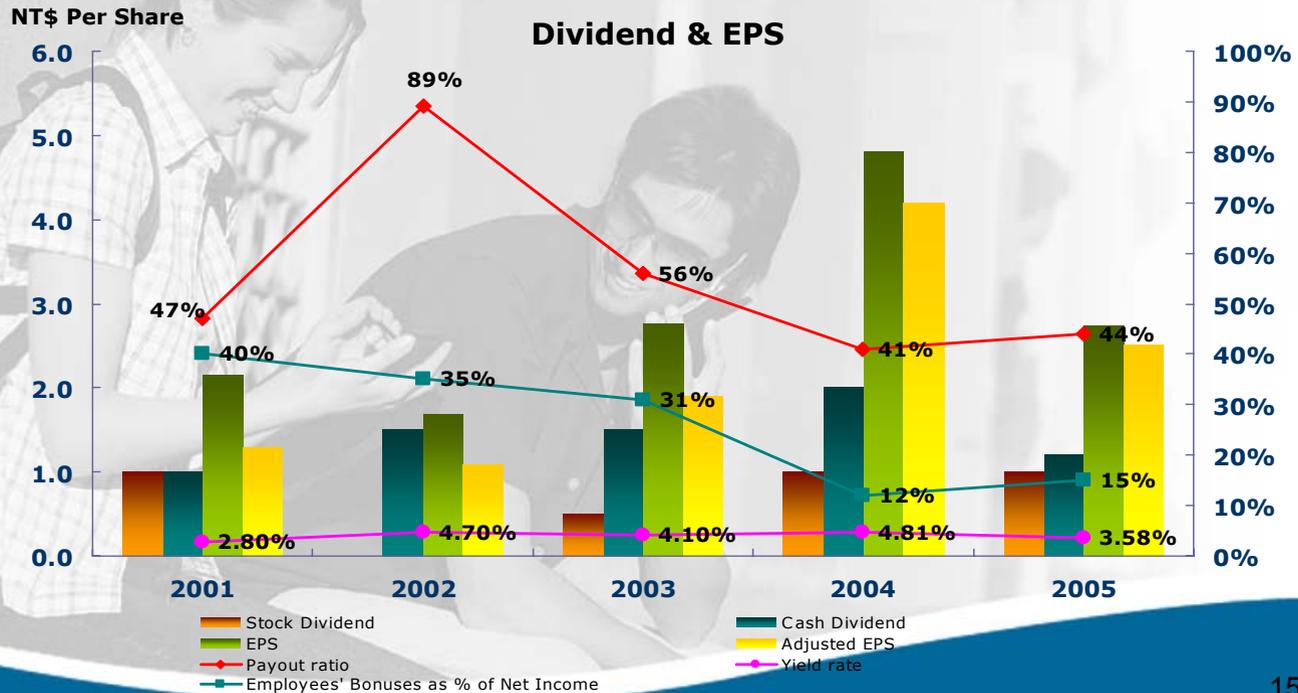
# Growth Momentum

Growth Drivers



# High Dividend Payout

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



## Longer Term Business Model

	<u>FY04</u>	<u>FY05</u>	<u>FY06*</u>	<u>Model**</u>
<b>Sales Growth (%)</b>	<b>29%</b>	<b>13%</b>	<b>15-20%</b>	<b>20%</b>
<b>Gross Margin (%)</b>	<b>33%</b>	<b>31%</b>	<b>31-32%</b>	<b>32%</b>
<b>Operating Margin (%)</b>	<b>8%</b>	<b>7%</b>	<b>7-8%</b>	<b>7%</b>
<b>Tax Exp. (% of PBT)</b>	<b>12%</b>	<b>25%</b>	<b>15-20%</b>	<b>20%</b>
<b>ROE (%)</b>	<b>22%</b>	<b>14%</b>	<b>14-15%</b>	<b>15%</b>

\* FY 06 Figures are all estimated & pro forma

\*\* Assuming deconsolidation of Alpha



# Q & A

*For complete financial and  
press releases, please visit  
<http://ir.dlink.com>*