

D-Link[®]
Building Networks for People



**Yuanta Securities
Corporate Day**

**November 30~December 1,
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**
- **Regional Growth**
- **Product Drivers**
- **Overall Business**

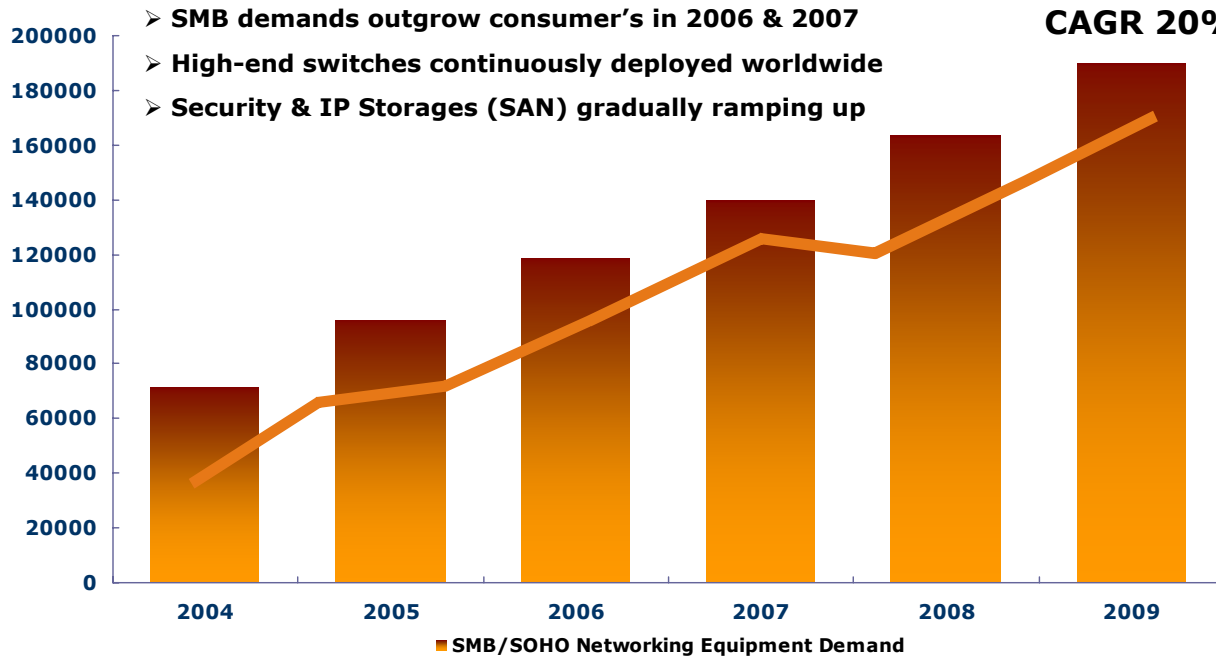
Updates

All numbers are in US dollars, except otherwise specified.
2Q/06 numbers are pro forma ..

Industry Outlook

WW SMB and SOHO Networking Market

US\$ Million



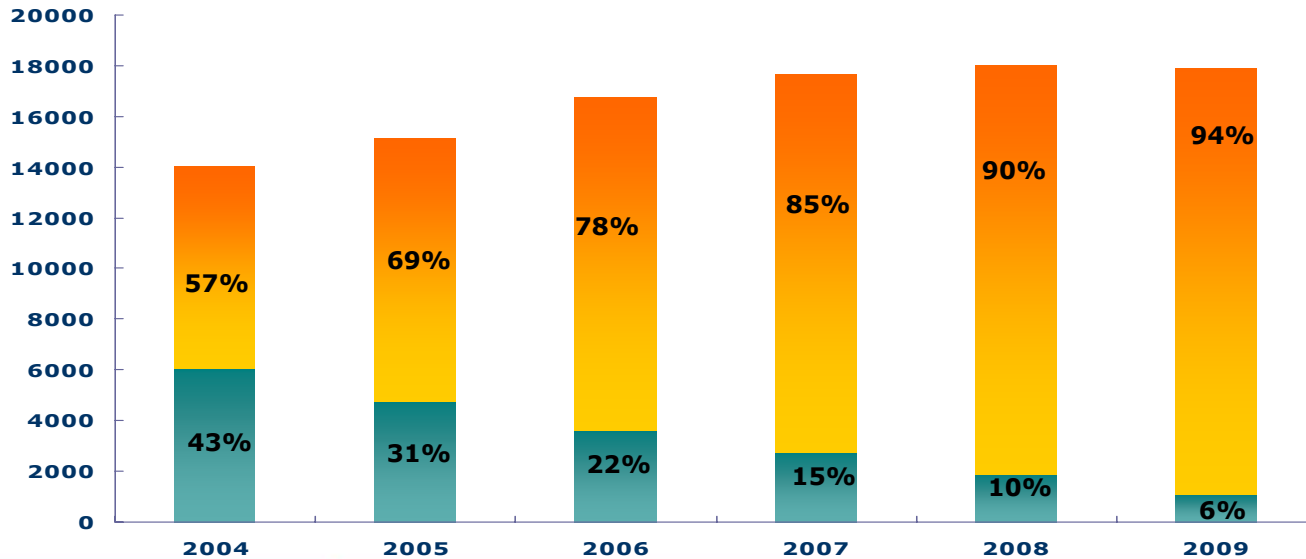
Source: IDC, FY2006

Switching

- LAN switching market growth remains solid
- L2 & L3 outgrow L4-L7
- Modular declines but stackable grows

US\$ Million

GigE CAGR 16%



Source: IDC, FY2006

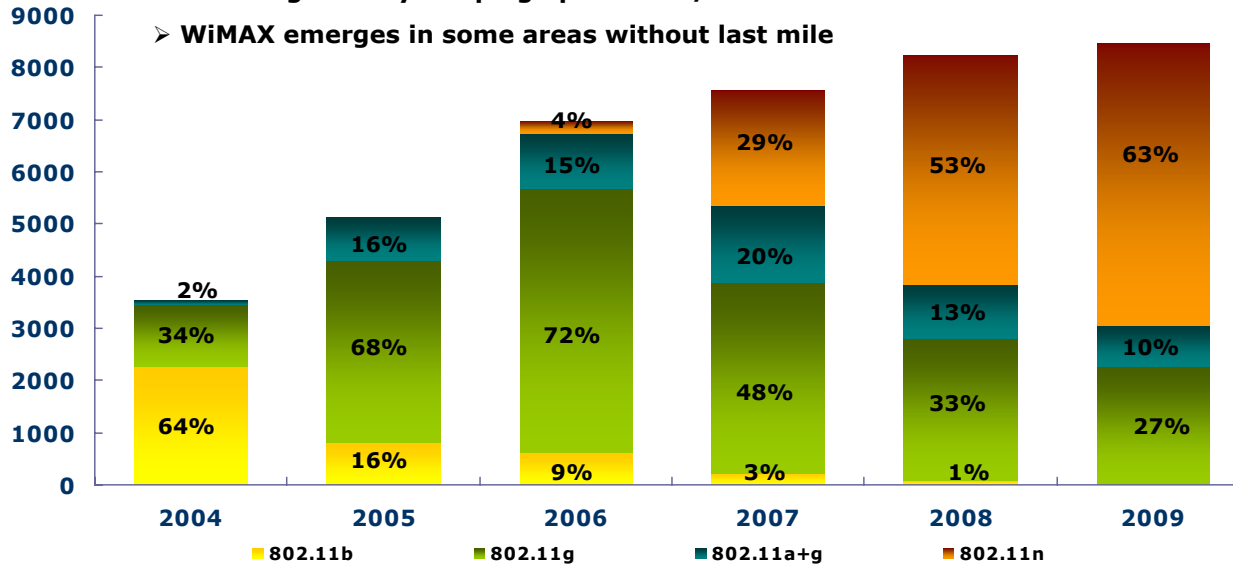
F.E.

GigE

WLAN

- US\$ Million
- IEEE delays 802.11n ratification
 - WiFi association starts to test draft N from Jan/07
 - Draft N gradually ramping up from 2H/07
 - WiMAX emerges in some areas without last mile

CAGR 15%



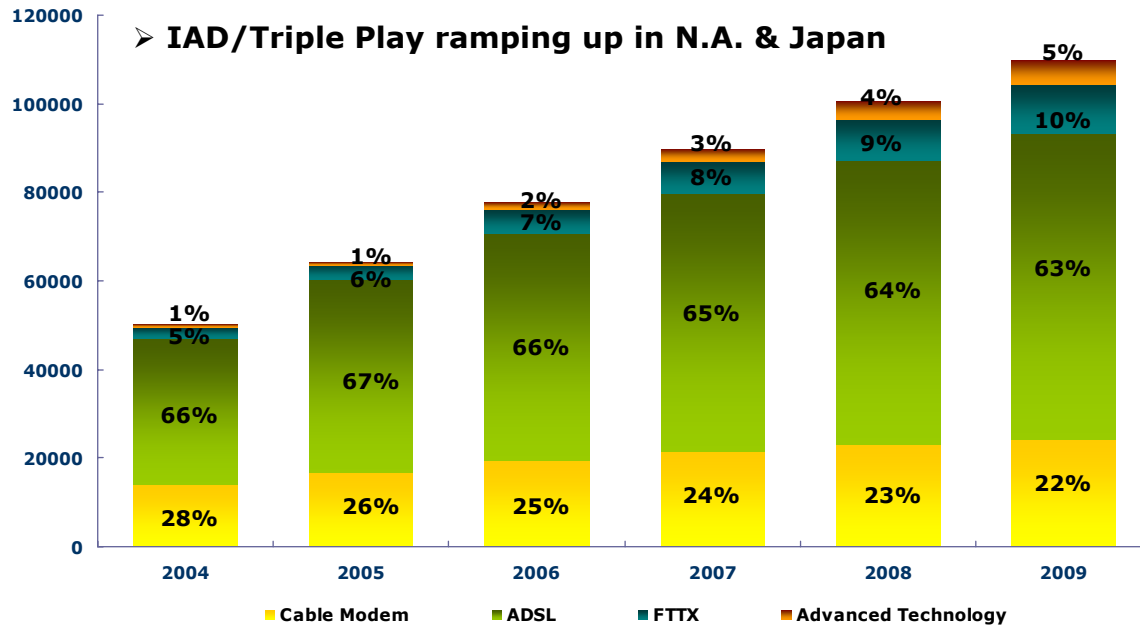
Broadband

US\$ Million

➤ VoIP devices rapidly penetrate

➤ IAD/Triple Play ramping up in N.A. & Japan

CAGR 17%



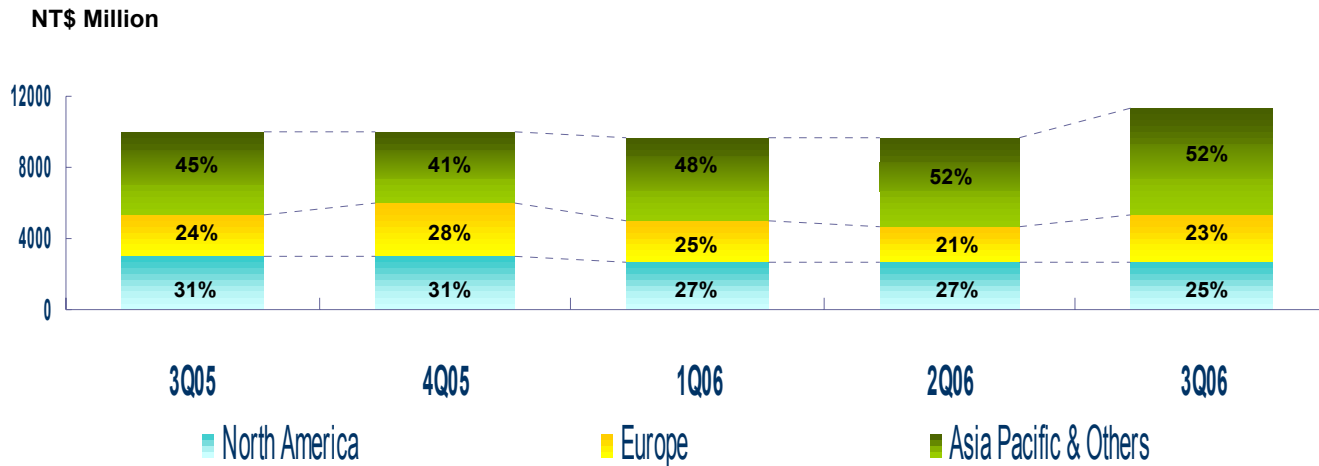
Source: IDC, FY2006

Regional Growth

Revenue by Regions Consolidated

3Q/06 revenue QoQ comparison:

- N.A. rose 8%
- Europe jumped 29%
- AsiaPac & Others seasonally up 15%
- In NT\$ terms, WW 3Q revenue grew 16%

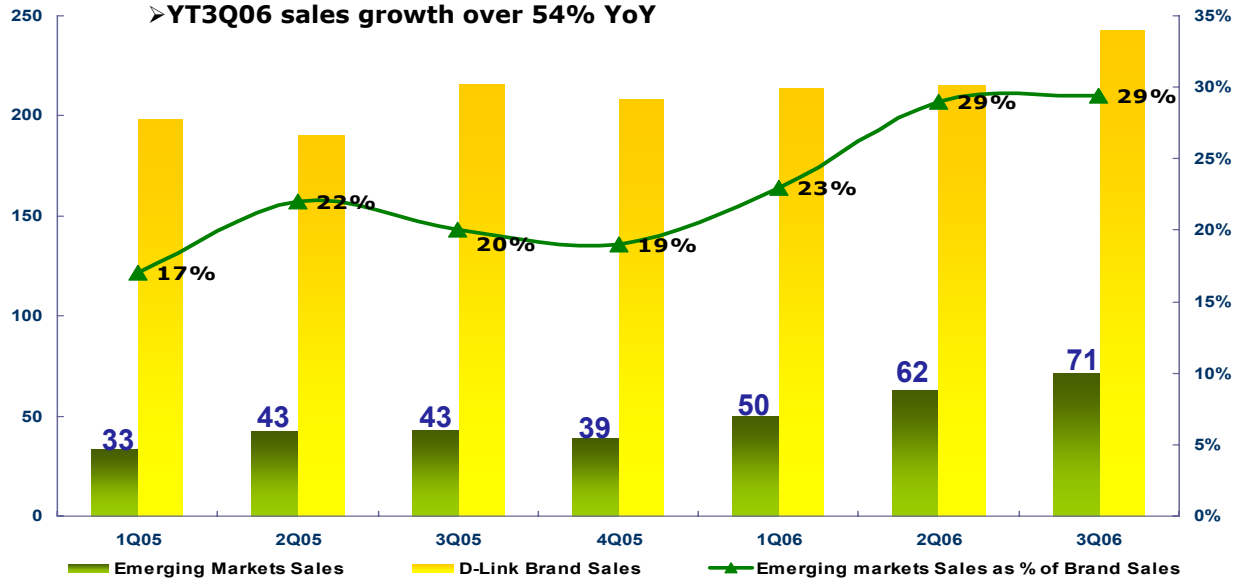


Emerging Markets vs. D-Link Brand Sales

US\$ Million

➤ Emerging markets remain the fastest growing area

➤ YTD3Q06 sales growth over 54% YoY



Strength in Emerging Markets

- **Localization**
 - **In Country Operation**
- **Products Differentiation**
 - **Customization**
- **Technical Supports**
 - **Real-time after Service & RMA**

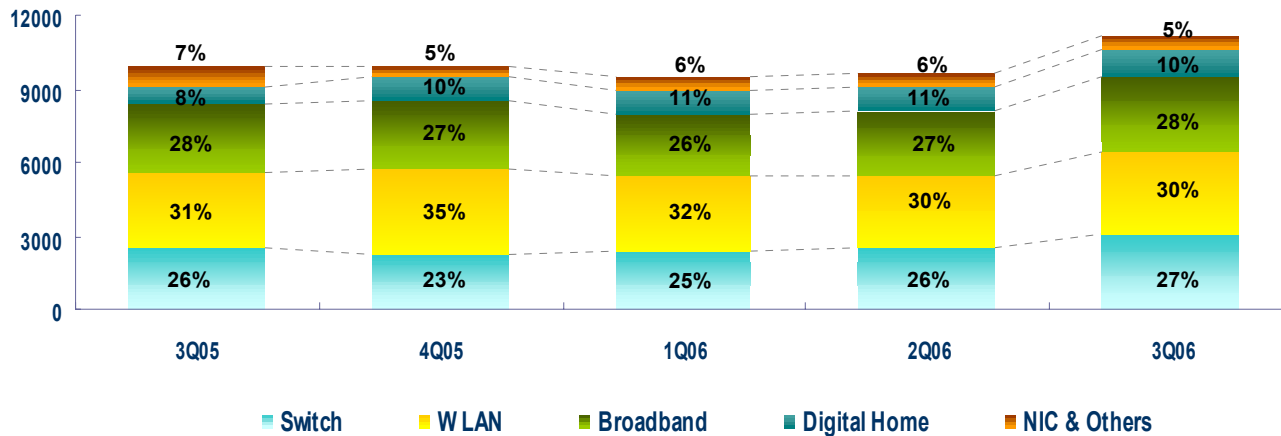
Product Drivers

Revenue by Products Consolidated

3Q06 revenue QoQ comparison:

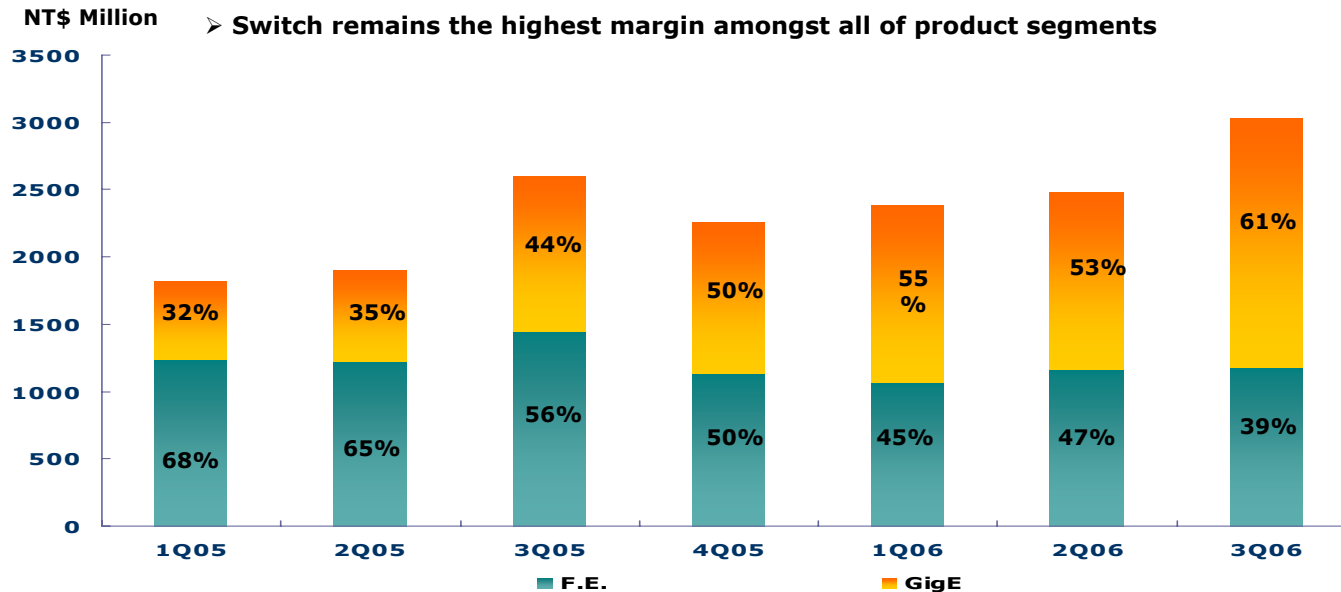
- Switch grew 23%
- WLAN increased 15%
- Broadband up 18%
- Digital Home rose 12%

NT\$ Million



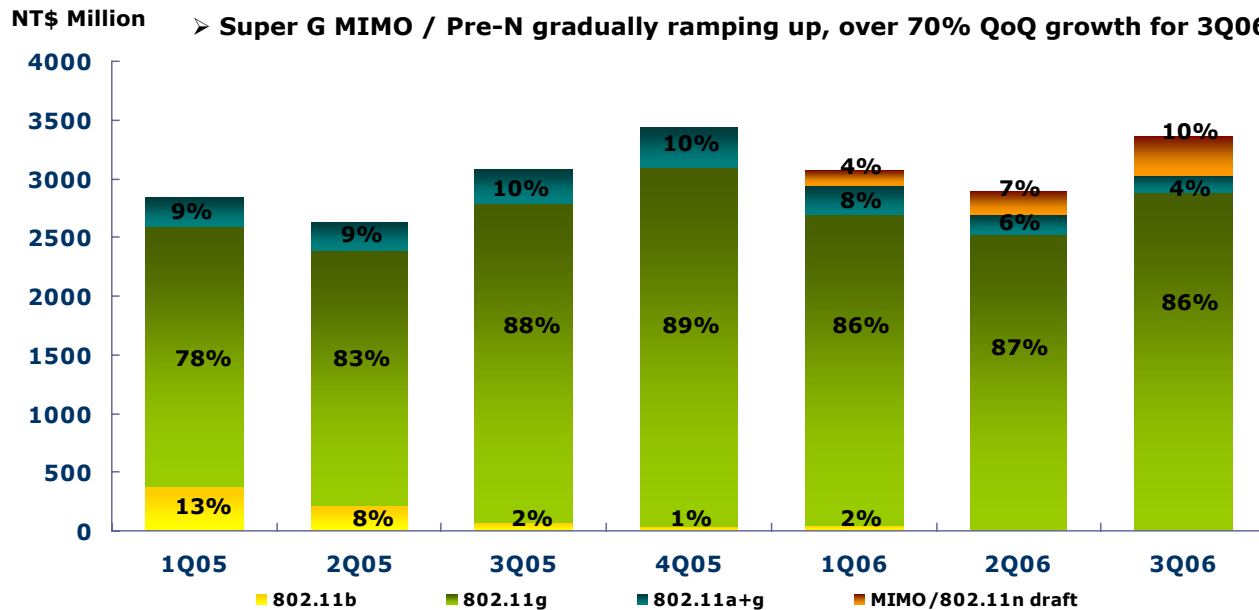
Switch Sales Breakdown

- High-end switch sales in YT3Q06 delivered over 87% YoY growth
- Pull-through more SMB products such as Security, IP Storage (SAN)
- Switch remains the highest margin amongst all of product segments



WLAN Sales Breakdown

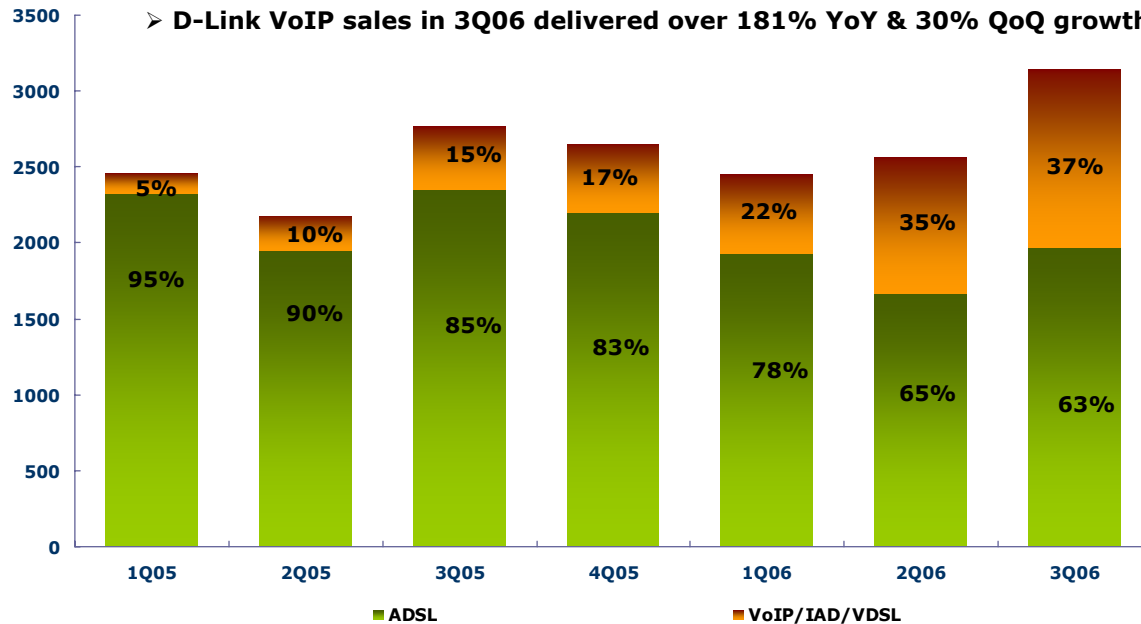
- In terms of D-Link WLAN Breakdown, 11g remains the largest pie
- Super G MIMO / Pre-N gradually ramping up, over 70% QoQ growth for 3Q06



Broadband Sales Breakdown

NT\$ Million

- VoIP worldwide continuously deployed by Telco/ISP
- D-Link VoIP sales in 3Q06 delivered over 181% YoY & 30% QoQ growth

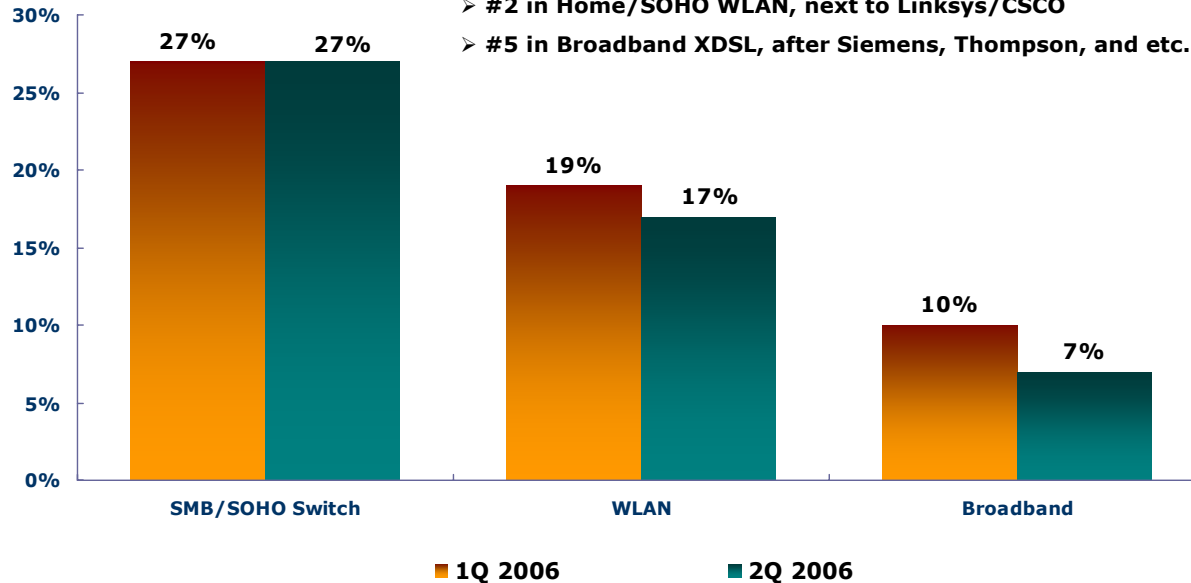


Overall Business Updates

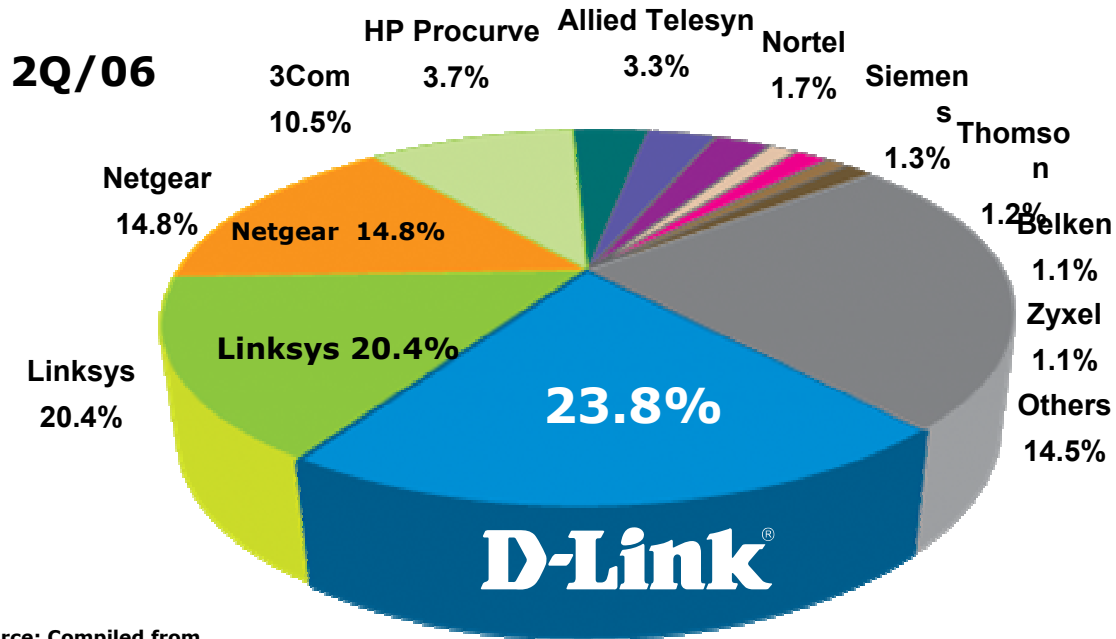
Dominance in Key Segments

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

- #1 in SOHO/SMB Ethernet LAN Switch
- #2 in Home/SOHO WLAN, next to Linksys/CISCO
- #5 in Broadband XDSL, after Siemens, Thompson, and etc.



#1 in SOHO/SMB Market



Source: Compiled from
 In-Stat 2Q 2006 Wireless LAN Equipment Market Share Report
 In-Stat 2Q 2006 Ethernet LAN Switch Market Share Report
 In-Stat 2Q 2006 Broadband Equipment Market Share Report

New Products Releases

22 New Product Announcements in Q3

Significant Highlight:

2-bay SATA network storage enclosure



- Internet file sharing
- Critical failsafe Disc mirror
- Built-in media server function

L2+ Wireless switches



- 24 wireless or wired ports
- Central management
- Secured and seamless roaming

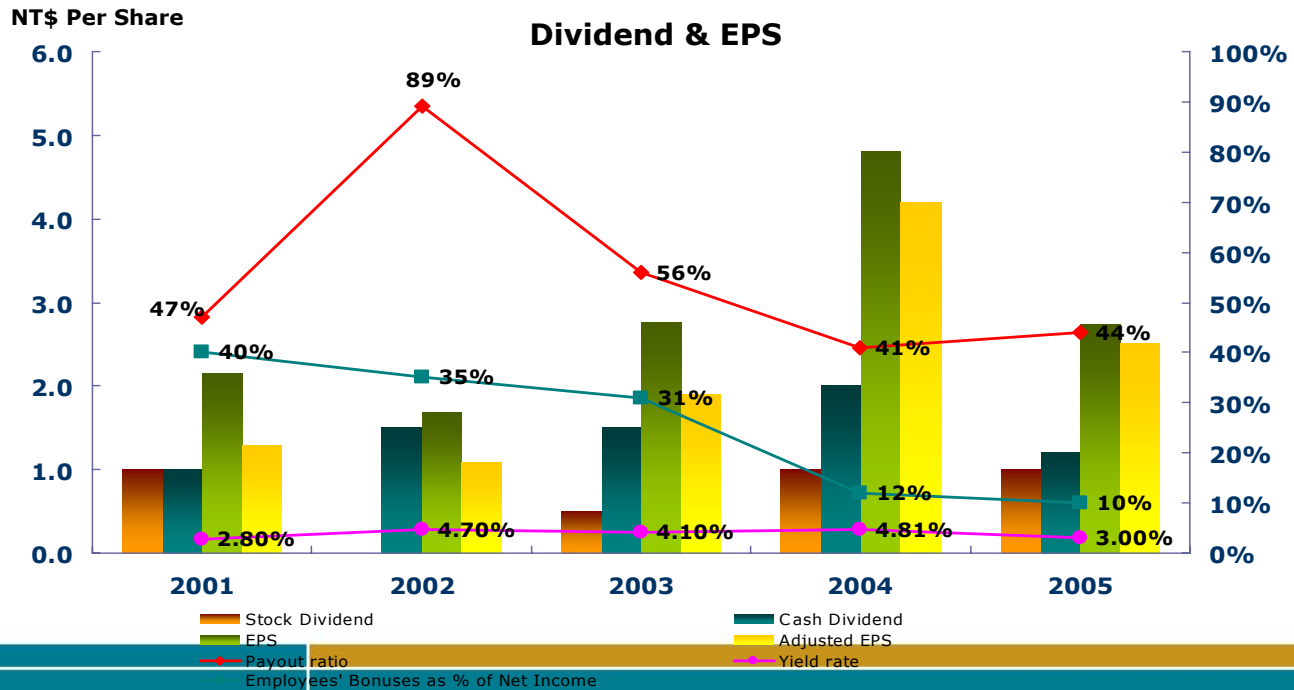
Day & Night, Audio & Video IP Cam



- Full-featured Wireless Surveillance Camera
- Support 16 simultaneous viewing and motion detection recording

High Dividend Payout

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



Employees' Bonuses as % of Net Income

4Q/06 Outlook

Consolidated

- **4Q Guidance**
 - **4Q revenue flat sequentially**
 - **Gross margin maintains 31%**

- **Upsides**
 - **Thanksgiving & Christmas shopping in N.A. & Europe**
 - **Emerging markets continuously grow**

- **Downsides**
 - **11n ratification delays**
 - **Cool down of economy**

Q & A

*For complete financial and
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<http://ir.dlink.com>*