

D-Link[®]
Building Networks for People

A low-angle photograph of several flagpoles extending upwards against a clear blue sky. Various national flags are flying from the poles, including the United States flag, the German flag, and the flag of the Republic of China (Taiwan).

Deutsche Bank Taiwan Annual Conference

January 26, 2007

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

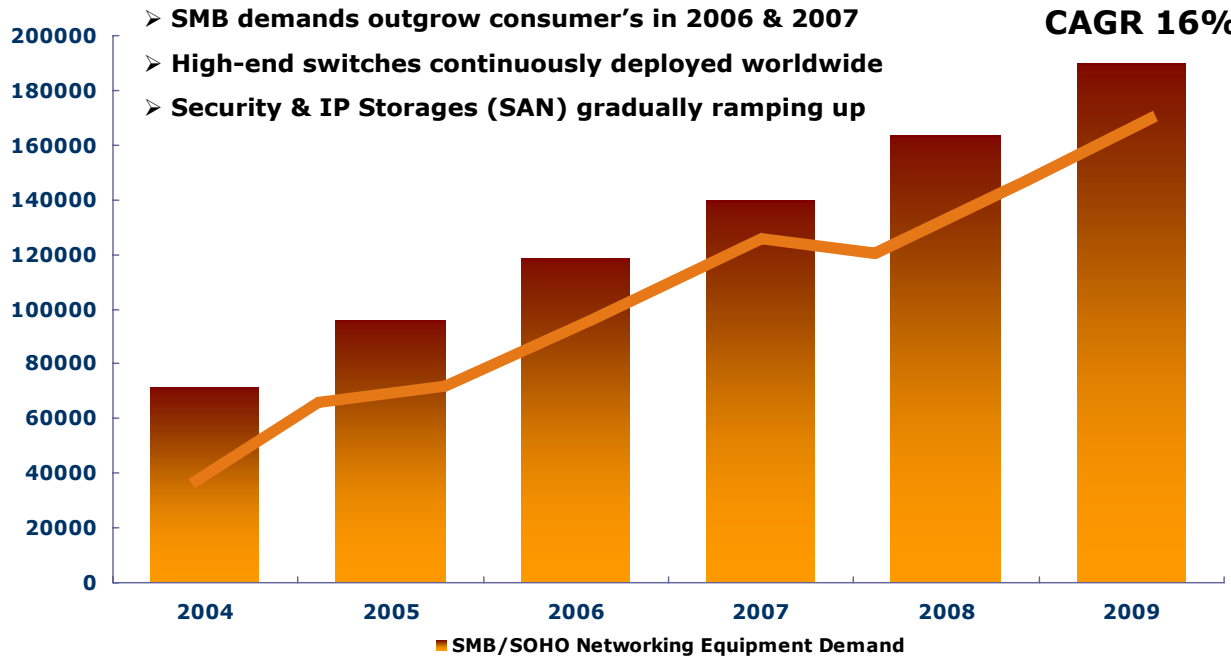
- **Industry & D-Link Comparison**
- **Regional Growth**
- **Overall Business**

Updates
All numbers consolidated, except otherwise specified.
2006 numbers are pro forma.

Industry & D-Link Comparison

WW SMB and SOHO Networking Market

US\$ Million



Source: IDC, FY2006

D-Link Revenue

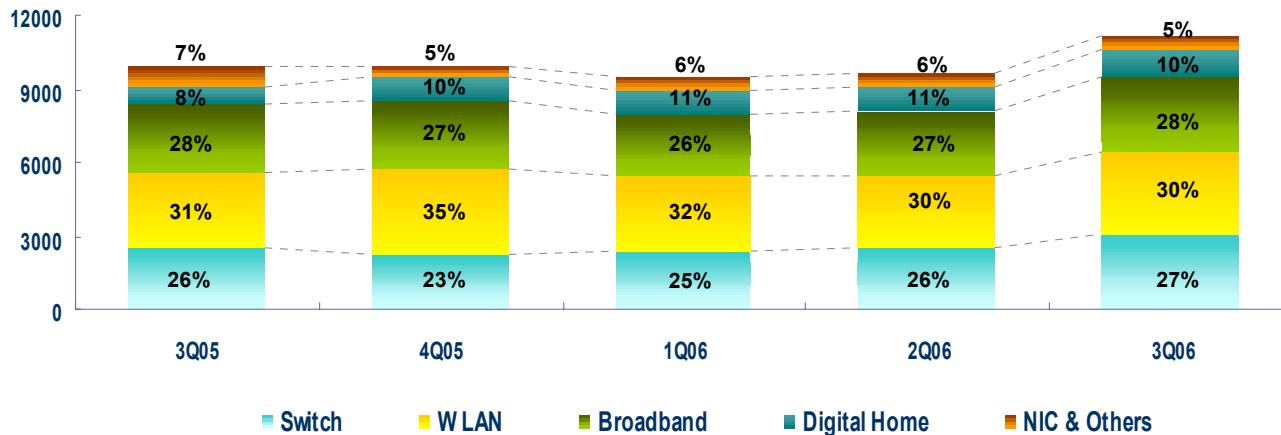


Revenue by Products Consolidated

3Q/06 revenue QoQ comparison:

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

NT\$ Million

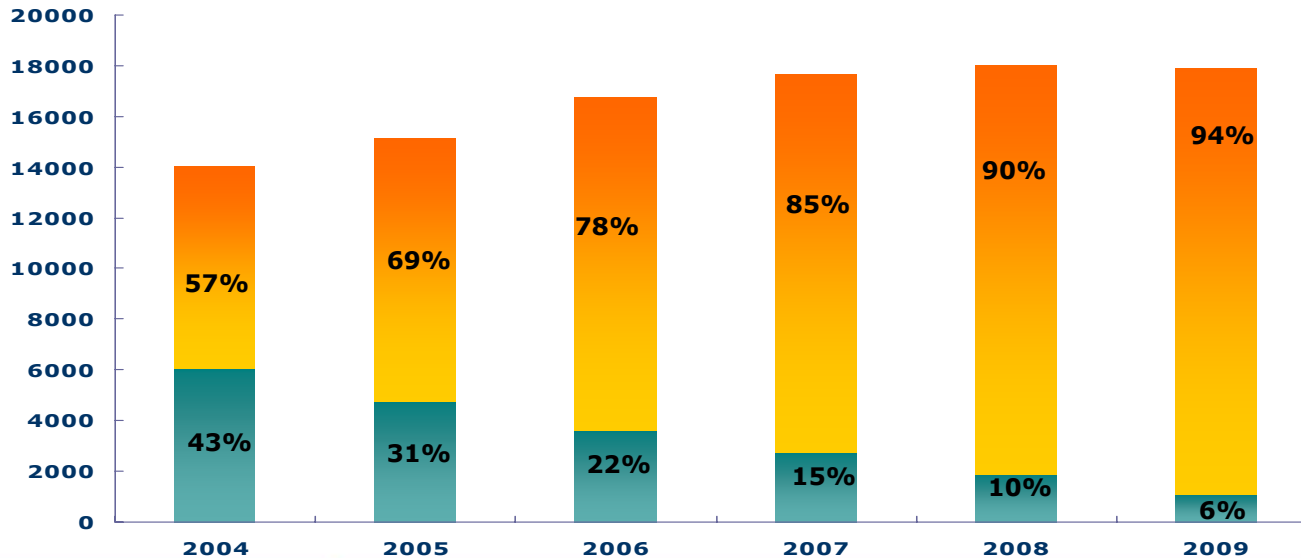


Industry Switching

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

US\$ Million

GigE CAGR 16%



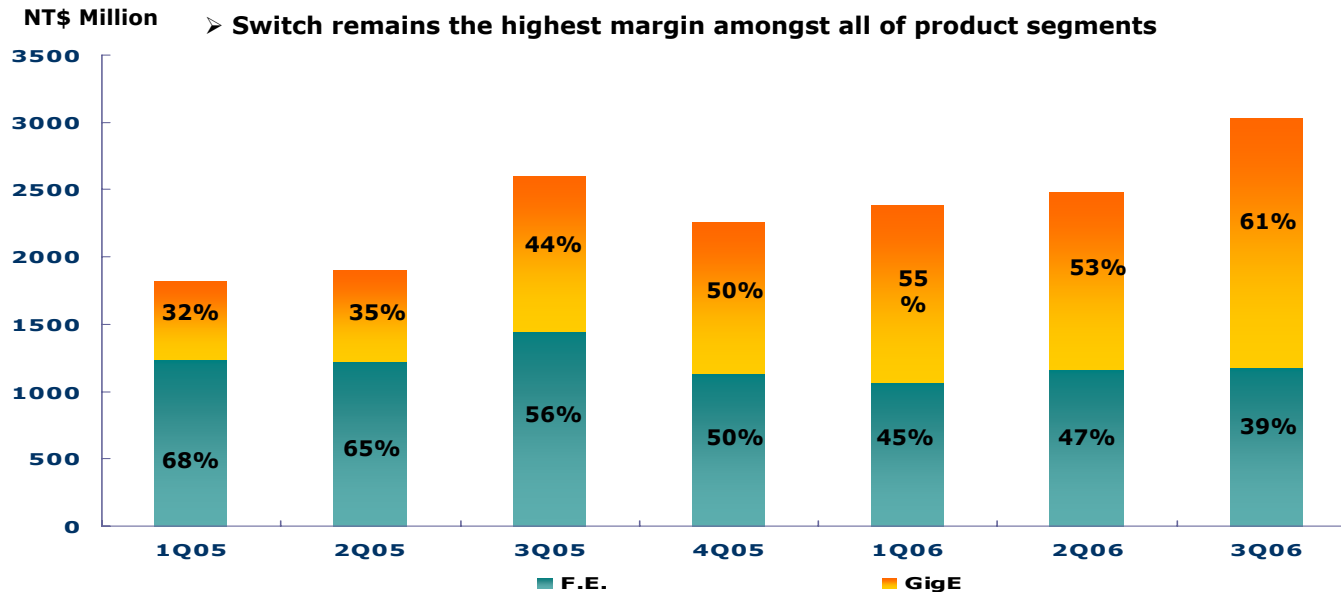
Source: IDC, FY2006

F.E.

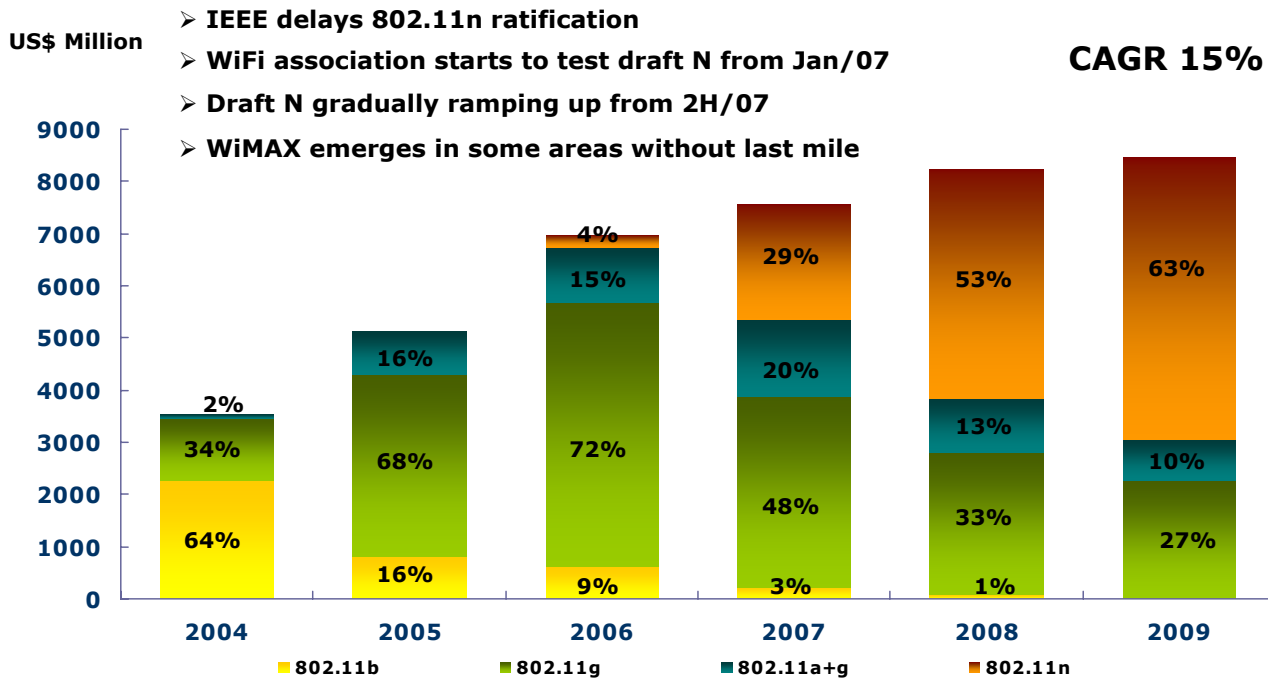
GigE

D-Link 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



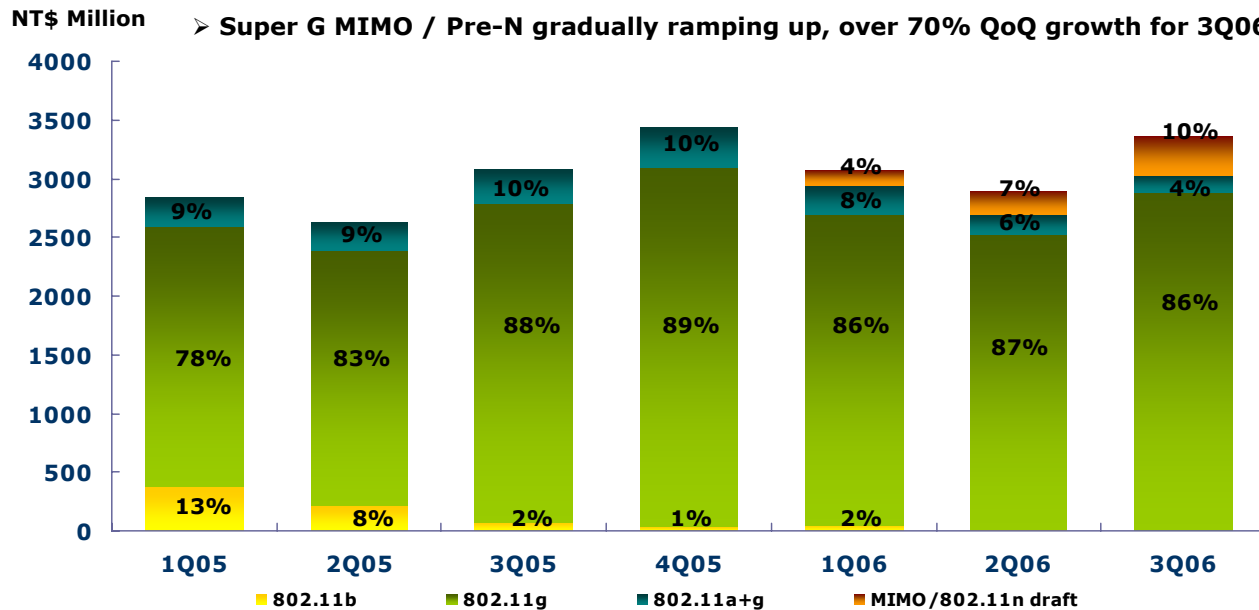
Industry WLAN



Source: IDC, FY2006

D-Link 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



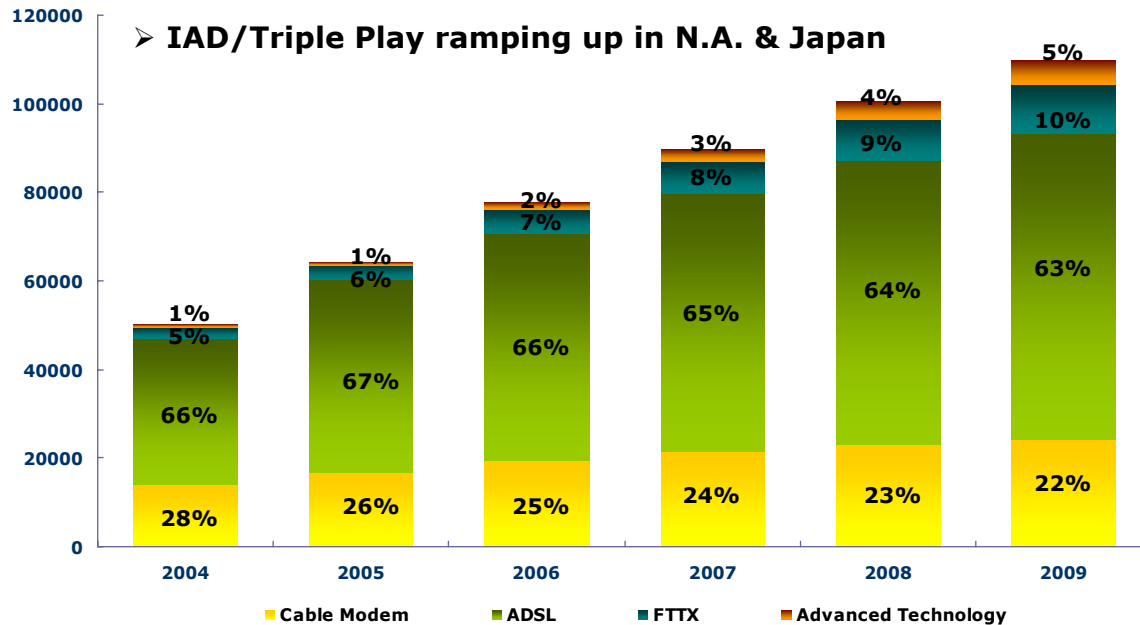
Industry Broadband

US\$ Million

➤ VoIP devices rapidly penetrate

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

CAGR 17%



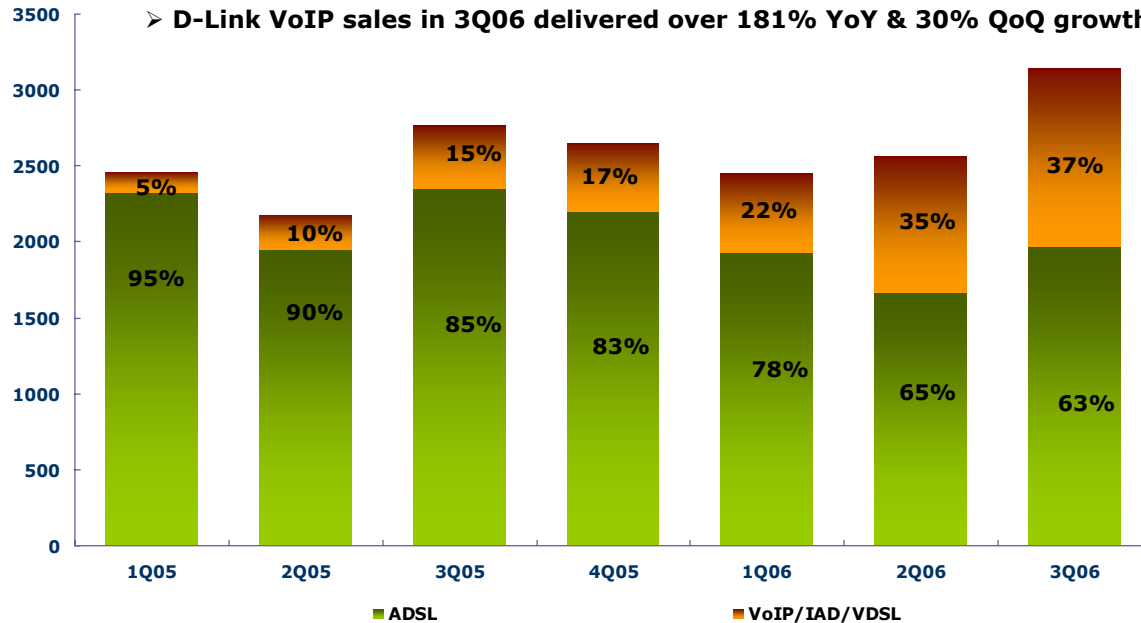
Source: IDC, FY2006

D-Link 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



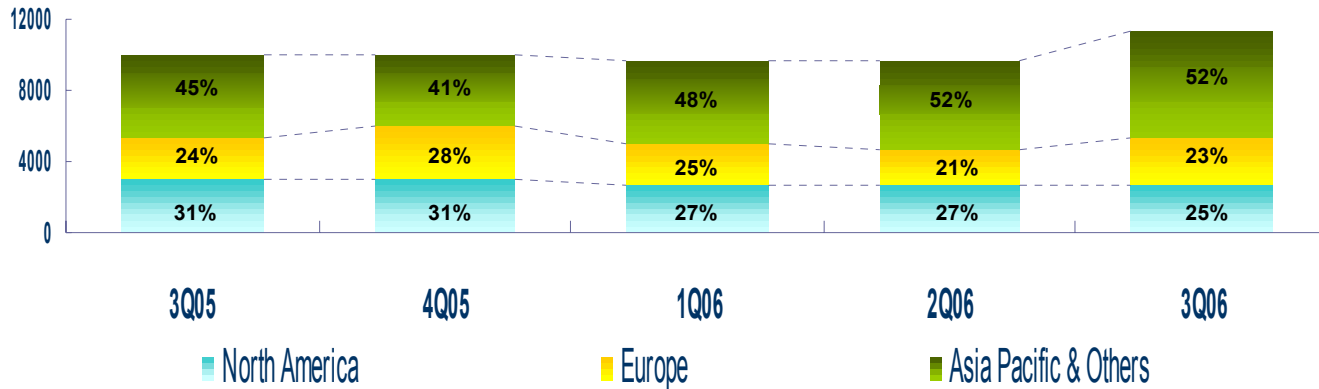
Regional Growth

Revenue by Regions Consolidated

3Q/06 revenue QoQ comparison:

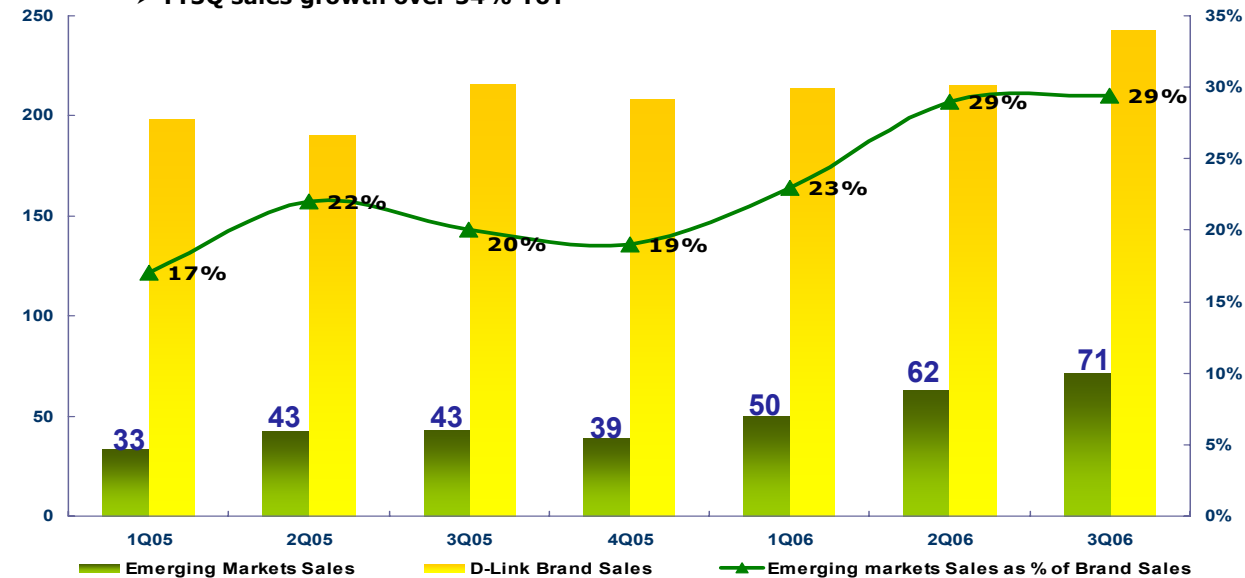
- N.A. rose 8%
- Europe jumped 29%
- AsiaPac & Others seasonally up 15%
- In NT\$ terms, WW 3Q revenue grew 16%

NT\$ Million



Emerging Markets Sales (Exclude China)

- Emerging markets, inclusive of Russia, L.A., S.E., and M.E.A., remain the fastest growing area
- YT3Q sales growth over 54% YoY

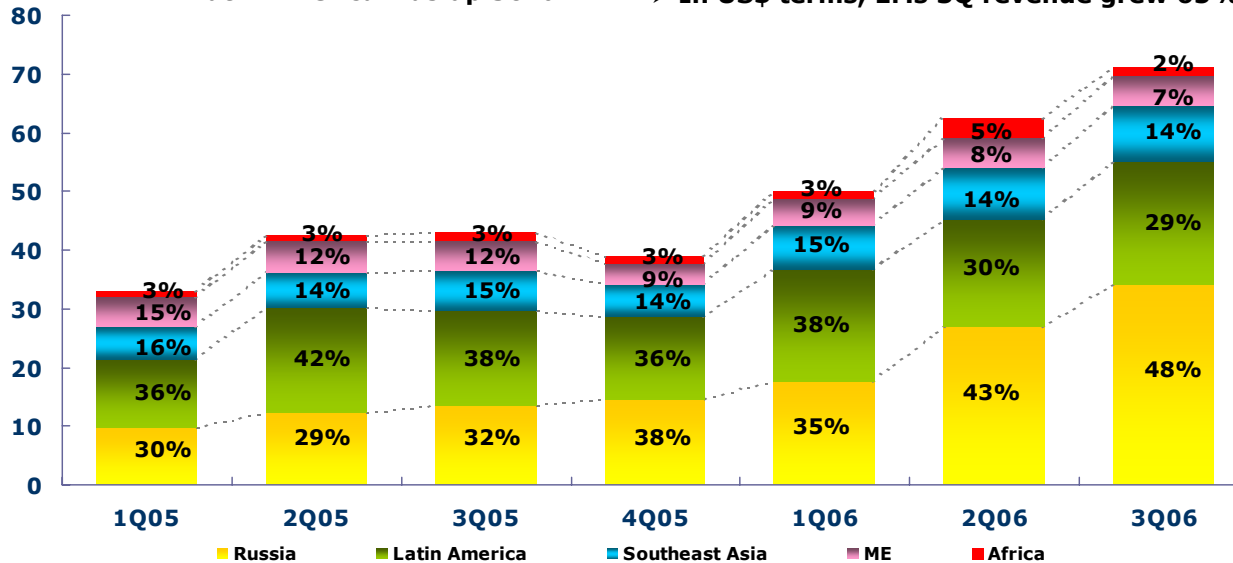


Emerging Markets by Regions (Exclude China)

3Q/06 revenue YoY comparison:

US\$ Million

- Russia jumped 149%
- Latin America was up 30%
- Southeast Asia rose 45%
- In US\$ terms, EMs 3Q revenue grew 65%



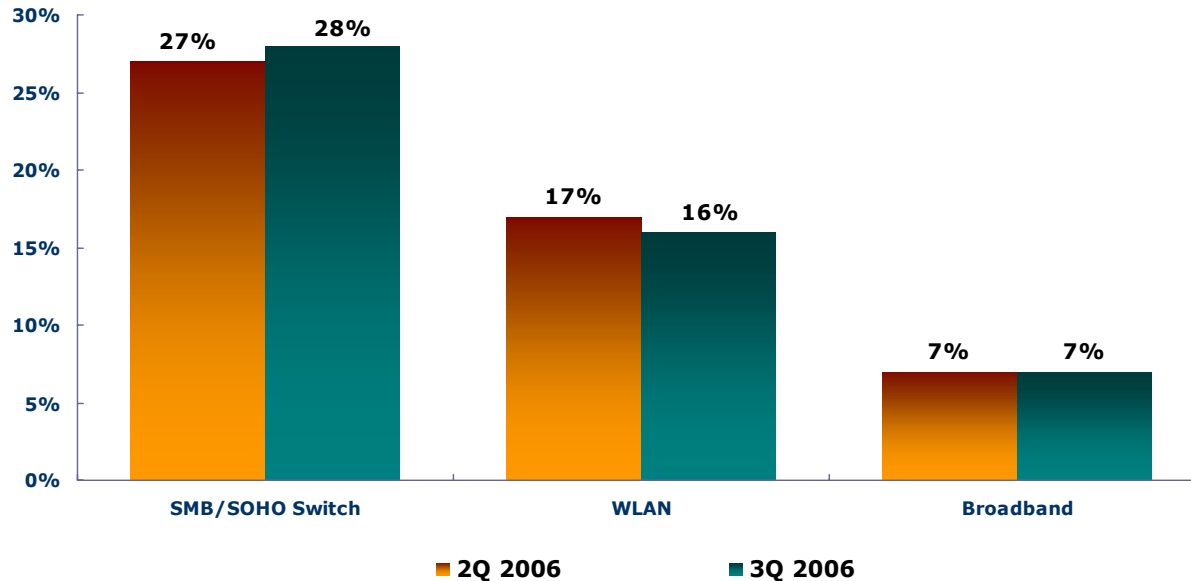
Strength in Emerging Markets

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

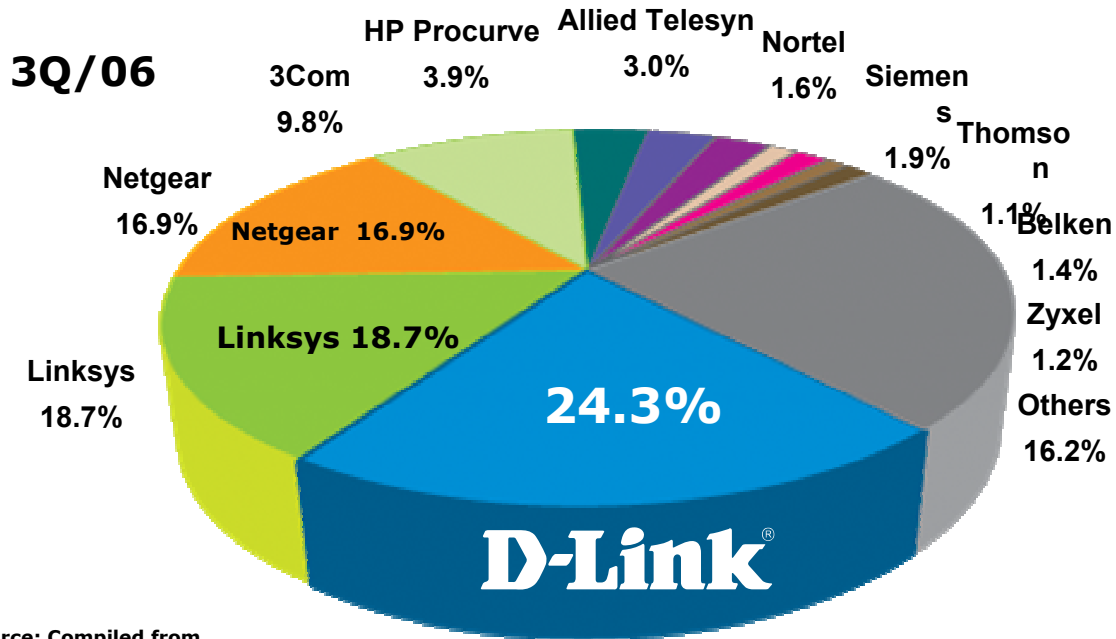
Overall Business Updates

Dominance in Key Segments

Market Shares by Products in Units



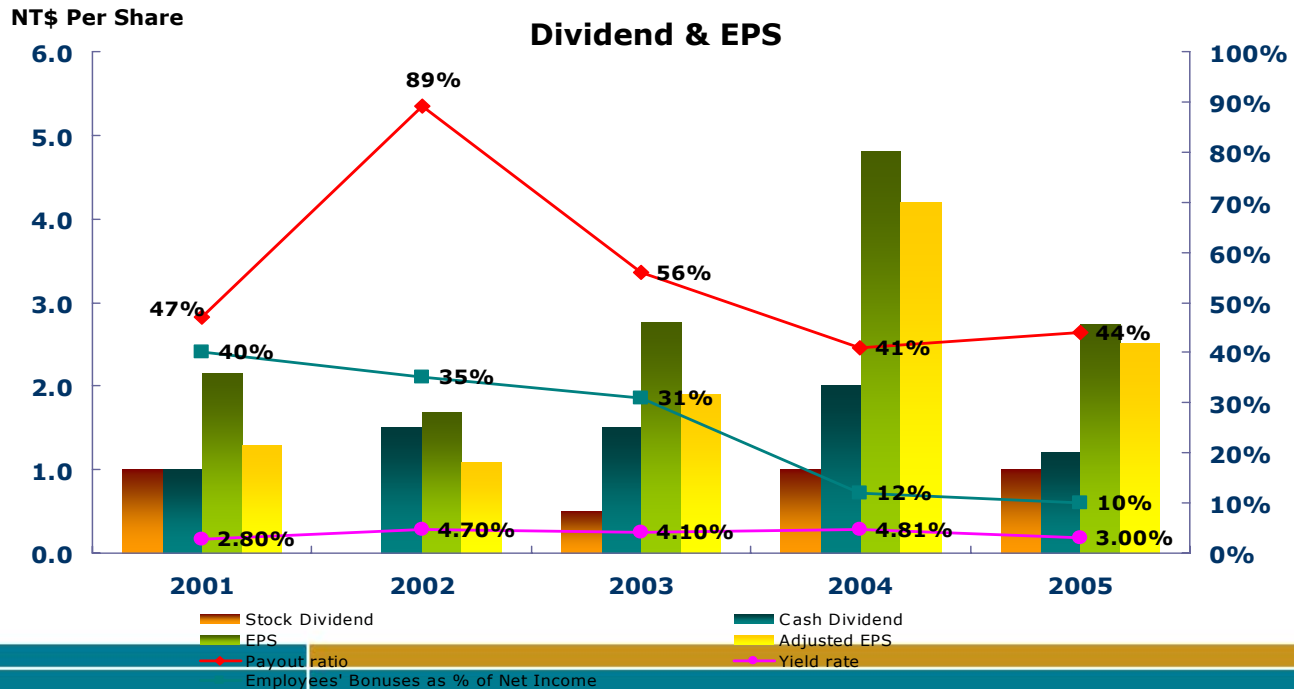
#1 in SOHO/SMB Market



Source: Compiled from
 In-Stat 3Q 2006 Wireless LAN Equipment Market Share Report
 In-Stat 3Q 2006 Ethernet LAN Switch Market Share Report
 In-Stat 3Q 2006 Broadband Equipment Market Share Report

High Dividend Payout

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



Employees' Bonuses as % of Net Income

Longer Term Business Model

	<u>FY04</u>	<u>FY05</u>	<u>FY06*</u>	<u>Model**</u>
Sales Growth (%)	29%	13%	14%	20%
Gross Margin (%)	33%	31%	31-32%	32%
Operating Margin (%)	8%	7%	7-8%	7%
Tax Exp. (% of PBT)	12%	25%	15-20%	20%
ROE (%)	22%	14%	15-17%	15%

* 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>*