

Unaudited 4Q09 Earnings Release

March 3, 2010



Agenda

- › **4Q09 Unaudited Financial Review** A.P. Chen
- › **Business Updates & Outlooks** Tony Tsao
- › **Q&A** Tony Tsao & A.P. Chen

All numbers are brand consolidated and unaudited, except otherwise specified.

4Q09 Unaudited Financial Review

4Q09 Income Statement & QoQ Comparison

Unit: NT\$ million	4Q09		3Q09		QoQ % Change
	AMT	%	AMT	%	
Net Sales	8,852	100.0	8,334	100.0	6.2
Cost of Goods Sold - Product	5,902	66.7	5,782	69.4	2.1
Gross Profit 1	2,950	33.3	2,552	30.6	15.6
Inventory Related Gain/Loss	64	0.7	21	0.3	204.8
Gross Profit 2	3,014	34.0	2,573	30.9	17.1
Operating Expenses	2,511	28.3	2,382	28.6	5.4
Operating Income	503	5.7	191	2.3	163.4
Total Non-Op. Inc. (Loss)	(43)	(0.5)	161	1.9	NA
Income Before Tax	460	5.2	352	4.2	30.7
Tax (Exp.) / Income	(83)	(0.9)	(85)	(1.0)	(2.4)
Net Income	377	4.3	267	3.2	41.2
Minority Interest	(19)	(0.3)	(7)	(0.1)	171.4
Consolidated Income	358	4.0	260	3.1	37.7
EPS (NT\$)-Per Fully Diluted Capital of NT\$6,476M	0.55		0.40		37.7

* The numbers are unaudited.

4Q09 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ mln

	4Q09	3Q09	QoQ % Change
Investment Income	0	71	(100.0)
Sub./Aff.	0	71	(100.0)
Capital Gain	0	0	0.0
FX Gain/(Loss)	(45)	57	NA
Fin. Income/(Exp.) & Oth.	2	33	(93.9)
Total	(43)	161	NA

4Q09 Income Statement & YoY Comparison

Unit: NT\$ million	4Q09		4Q08		YoY % Change
	AMT	%	AMT	%	
Net Sales	8,852	100.0	7,364	100.0	20.2
Cost of Goods Sold - Product	5,902	66.7	5,192	70.5	13.7
Gross Profit 1	2,950	33.3	2,172	29.5	35.8
Inventory Related Gain/Loss	64	0.7	(105)	(1.4)	NA
Gross Profit 2	3,014	34.0	2,067	28.1	45.8
Operating Expenses	2,511	28.3	2,295	31.2	9.4
Operating Income	503	5.7	(228)	(3.1)	NA
Total Non-Op. Inc. (Loss)	(43)	(0.5)	194	2.6	NA
Income Before Tax	460	5.2	(34)	(0.5)	NA
Tax (Exp.) / Income	(83)	(0.9)	60	0.8	NA
Net Income	377	4.3	26	0.3	1350.0
Minority Interest	(19)	(0.3)	0	0.0	NA
Consolidated Income	358	4.0	26	0.3	1276.9
EPS (NT\$) -Per Fully Diluted Capital of NT\$6,476M	0.55		0.04		1276.9

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2009 Income Statement & YoY Comparison

Unit: NT\$ million	2009		2008		YoY % Change
	AMT	%	AMT	%	
Net Sales	31,016	100.0	32,992	100.0	(6.0)
Cost of Goods Sold - Product	21,597	69.6	22,284	67.5	(3.0)
Gross Profit 1	9,419	30.4	10,708	32.5	(12.0)
Inventory Related Gain/Loss	198	0.6	(425)	(1.3)	NA
Gross Profit 2	9,617	31.0	10,283	31.2	(6.5)
Operating Expenses	9,222	29.7	9,459	28.7	(2.5)
Operating Income	395	1.3	824	2.5	(52.1)
Total Non-Op. Inc. (Loss)	340	1.1	586	1.8	(42.0)
Income Before Tax	735	2.4	1,410	4.3	(47.9)
Tax (Exp.) / Income	(204)	(0.7)	(216)	(0.7)	(5.6)
Net Income	531	1.7	1,194	3.6	(55.5)
Minority Interest	(19)	(0.1)	0	0	NA
Consolidated Income	512	1.6	1,194	3.6	(57.1)
EPS (NT\$) -Per Fully Diluted Capital of NT\$6,476M	0.79		1.85		(57.1)

* The numbers are unaudited.

12/31/2009 Balance Sheet & QoQ Comparison

Unit: NT\$ mln

	12/31/09 AMT	%	09/30/09 AMT	%	QoQ % Change
Cash	5,558	22	3,975	16	39.8
S-T Investment	0	0	98	0	(100.0)
Account Receivable	6,297	25	6,410	26	(1.8)
Inventory	4,690	19	5,288	22	(11.3)
Long-term Investments	5,481	22	5,185	21	5.7
Total Assets	25,372	100	24,218	100	4.8
Accounts Payable	5,836	23	5,614	23	4.0
Current Liabilities	9,430	37	8,961	37	5.2
Common Stock	6,476	26	6,476	27	0.0
Stockholders' Equity	15,002	59	14,336	59	4.6

Key Financial Ratios

Unit: % , days	12/31/09	09/30/09	06/30/09	03/31/09	12/31/08
Days A/R	72 [*]	77 [*]	78 [*]	80 [*]	74 [*]
Days Inventory	104 [*]	112 [*]	121 [*]	115 [*]	131 [*]
Days A/P	99 [*]	100 [*]	101 [*]	81 [*]	101 [*]
Cash Cycle	77	89	99	114	104
Current Ratio	1.90	1.89	1.84	2.02	1.91
Debt/Equity Ratio	0.70	0.70	0.71	0.62	0.79
Net Debt/Equity Ratio	0.31 ^{**}	0.39 ^{**}	0.47 ^{**}	0.45 ^{**}	0.57 ^{**}
ROE	10 [*]	7 [*]	6 [*]	(10) [*]	9 [*]

* Annualized

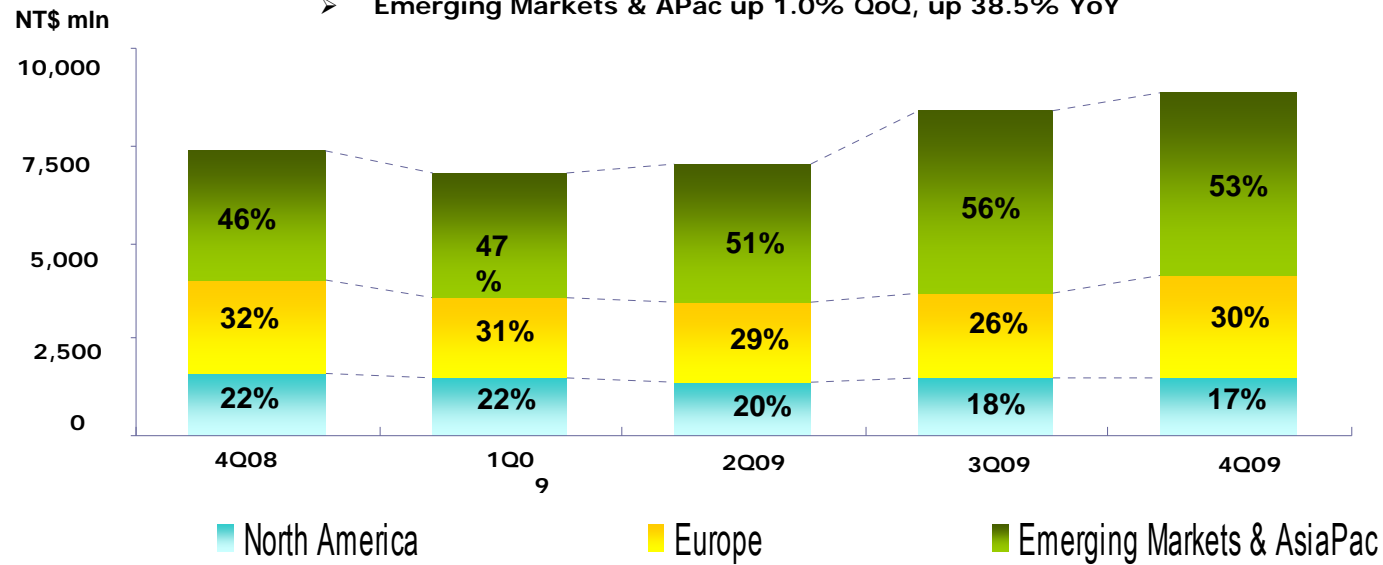
* *Adjust for Cash & S-T investment

Business Updates & Outlooks

Quarterly Revenue by Regions

4Q09 revenue up 6.2% QoQ, up 20.2% YoY

- N.A. down 2.4% QoQ, down 10.7% YoY
- Europe up 23.4% QoQ, up 15.5% YoY
- Emerging Markets & APac up 1.0% QoQ, up 38.5% YoY



Quarterly Revenue by Products

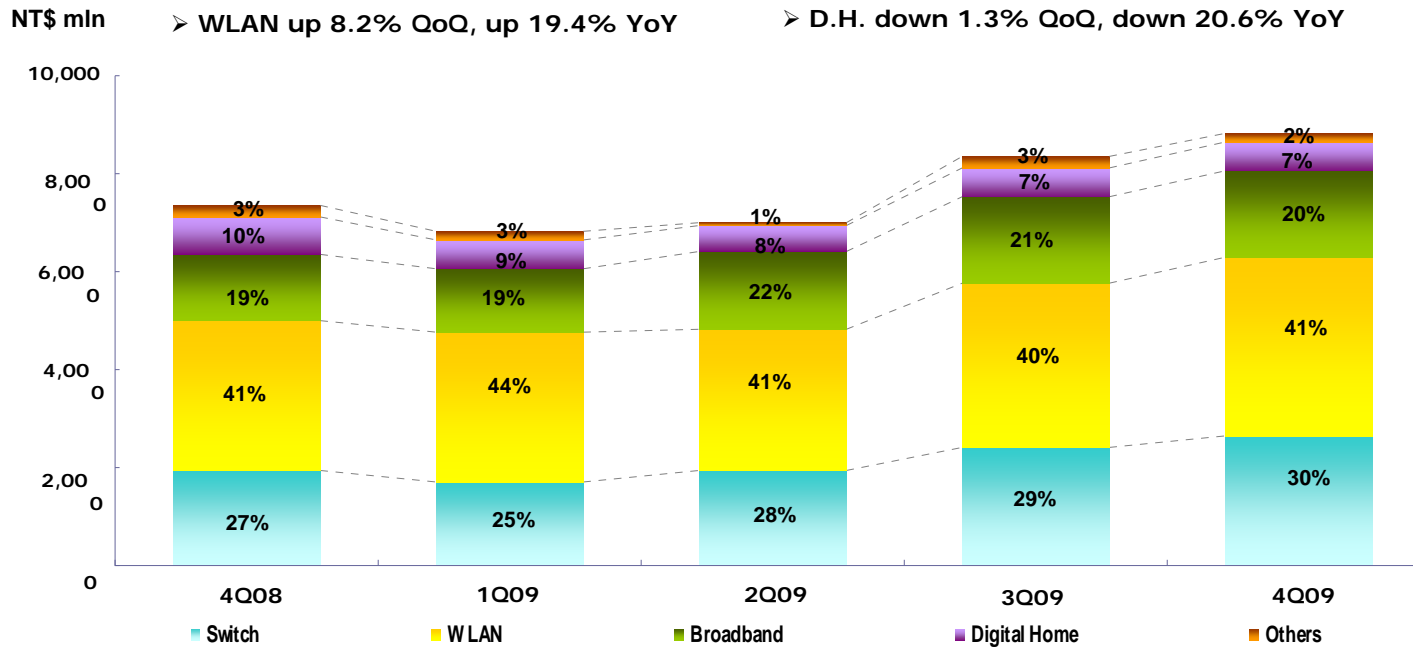
4Q09 revenue comparison:

➤ Switch up 9.1% QoQ, up 36.2% YoY

➤ B.B. up 2.6% QoQ, up 29.1% YoY

➤ WLAN up 8.2% QoQ, up 19.4% YoY

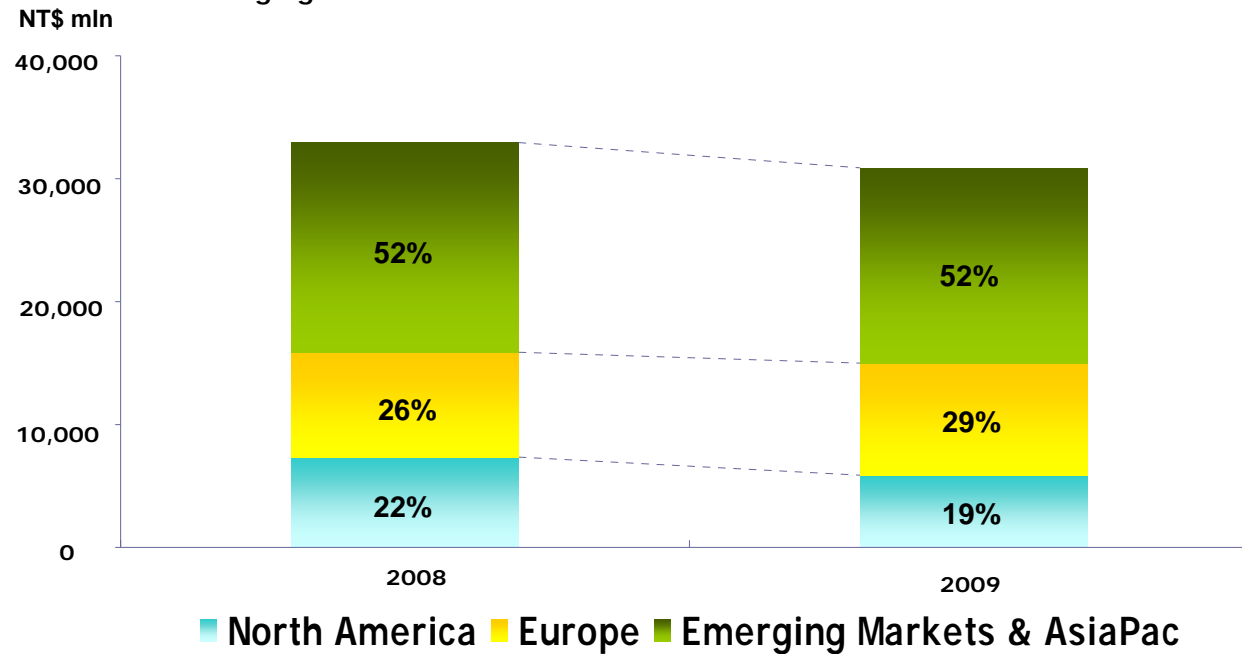
➤ D.H. down 1.3% QoQ, down 20.6% YoY



2009 Revenue by Regions

09 revenue YoY comparison:

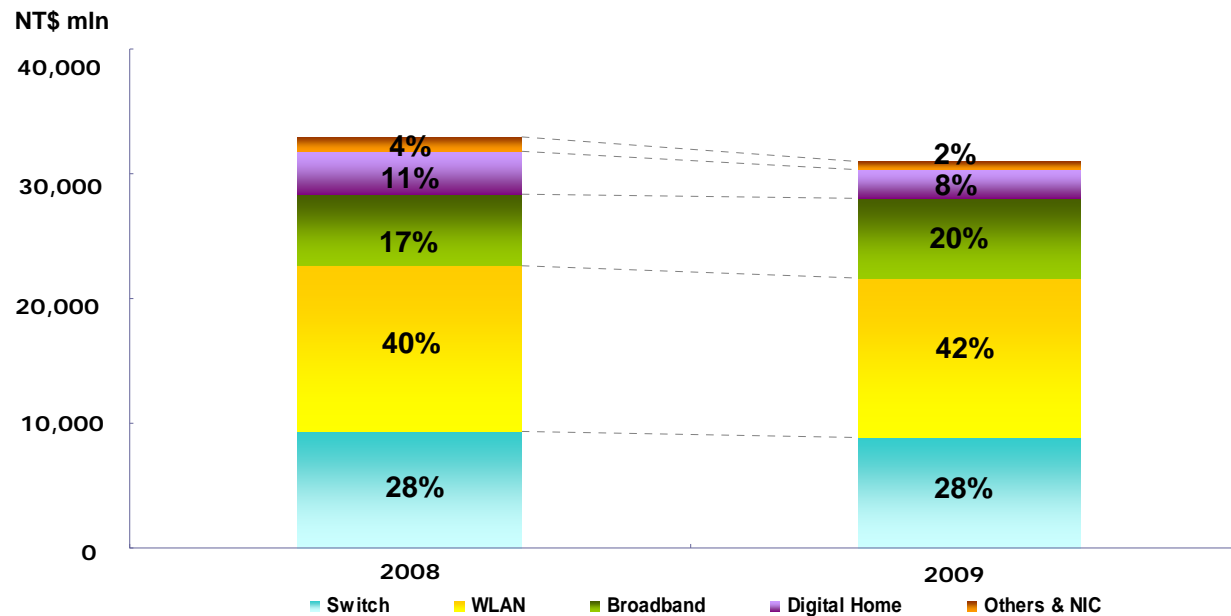
- WW 09 revenue down 6.0%
- Emerging markets & AsiaPac down 6.2%
- Europe up 7.2%
- N.A. down 20.6%



2009 Revenue by Products

09 revenue YoY comparison:

- Switch down 5.3%
- WLAN down 3.0%
- Broadband up 10.3%
- Digital Home down 31.8%



Ethernet Switches Market Share

#1 of Ethernet Switches: Small Enterprise Market. Port Shipments Worldwide. 1Q-3Q 2009

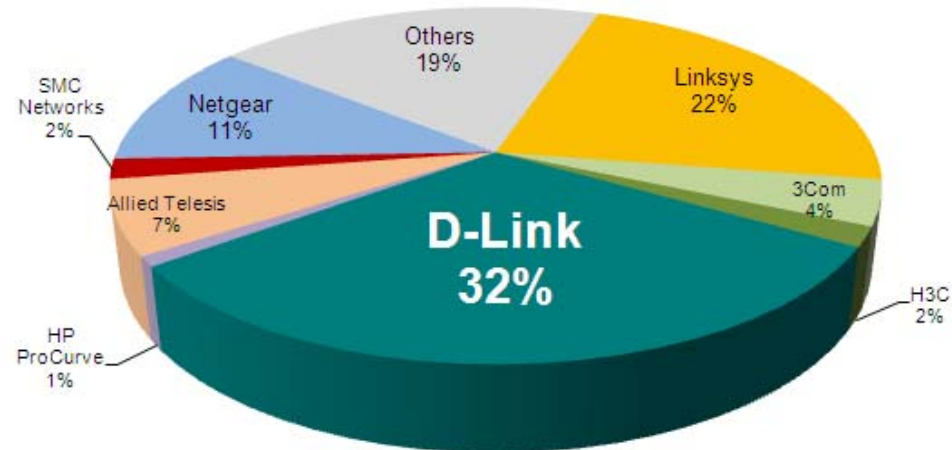


Chart created by D-Link Corporation based on Gartner Data
Source: Gartner, Market Share; Enterprise Ethernet Switches, Worldwide, 1Q09, June 2009
Market Share: Enterprise Ethernet Switches, Worldwide, 2Q09, September 2009
Market Share: Enterprise Ethernet Switches, Worldwide, 3Q09, December 2009

Wireless Stand-Alone AP Market Share

1 of Wireless LAN Stand-Alone Access Points, Small-Enterprise Market, Unit Shipments, Worldwide, 1Q-3Q 2009

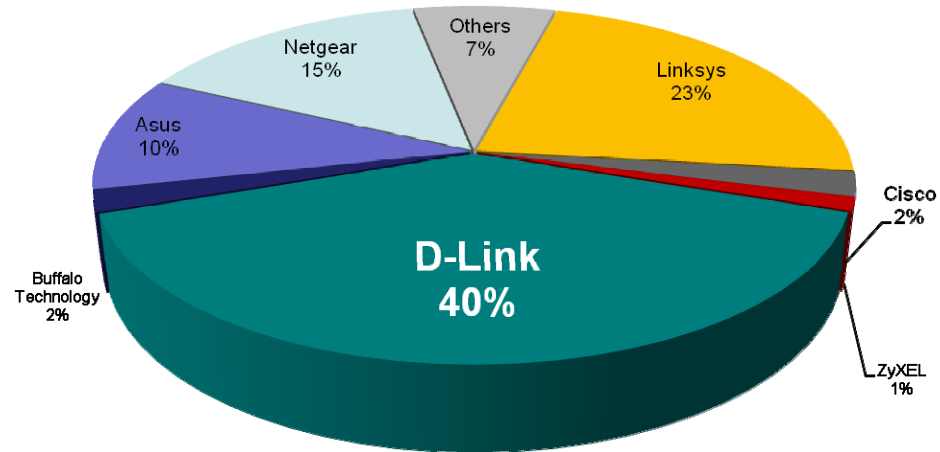


Chart created by D-Link Corporation based on Gartner data
Source: Gartner, Market Share: Enterprise Wireless LAN Equipment, Worldwide, 1Q09, May 2009
Market Share: Enterprise Wireless LAN Equipment, Worldwide, 2Q09, September 2009
Market Share: Enterprise Wireless LAN Equipment, Worldwide, 3Q09, December 2009

2010 Business Outlooks

Consumer

- Multimedia demands resuming
- Home automation initiation
- Cloud applications emerging

Business

- Focus on SMB/SME
- Cross-sell opportunity with IP surveillance solution
- Expanding SI channel network for integrated 5S solution

Telcos/ISPs

- IAD & 3G prevailing
- Alliance partnership to reach more end points
- Addition of applications onto devices

2010 Regional Outlooks

Emerging Mkts

- Confirmed recovery/Projects resuming
- IAD & WiFi 11n & GE-PON penetrating

Europe

- Southern Europe projects on going
- Operation efficiency being enhanced
- Recovery still some way to go

North America

- Continuous project wins from the verticals
- SMB Channels i.e. SI/VARs engaging
- Consumer purchase power coming back

2010 Guidance

- **From YoY perspective**
 - **Annual revenue to grow better than norm**
 - **Margin to improve to norm**
 - **Net Profit to escalate substantially**

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.

Q & A

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