



Investor Conference

2Q12 Operating Results

August 30, 2012

Agenda

- Financial Summary Ralio Sung
- Business Update & Guidance A.P. Chen
- Q&A

All numbers are based on consolidated numbers and unaudited unless otherwise specified.



Financial Summary

2Q12 Income Statement & QoQ Comparison

Unit: NT\$ million	2Q12		1Q12		QoQ % Change
	AMT	%	AMT	%	
Net Sales	7,720	100.0	8,223	100.0	(6.1)
Cost of Goods Sold - Product	5,560	72.0	5,784	70.3	(3.9)
Gross Profit 1	2,160	28.0	2,439	29.7	(11.4)
Inventory Related Gain/(Loss)	(103)	(1.3)	6	0.0	(1817)
Gross Profit 2	2,057	26.7	2,445	29.7	(15.9)
Operating Expenses	2,155	27.9	2,200	26.8	(2.0)
Operating Income	(98)	(1.2)	245	2.9	(140)
Total Non-Op. Inc. (Loss)	90	1.2	77	0.9	16.9
Income Before Tax	(8)	(0.0)	322	3.8	(102)
Tax (Exp.) / Income	6	0.0	(81)	(1.0)	(107)
Net Income	(2)	(0.0)	241	2.8	(101)
Minority Interest	(5)	(0.0)	(5)	(0.0)	0.0
Consolidated Income	(7)	(0.0)	236	2.8	(103)
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,356M	(0.01)		0.37		(103)

The numbers are based on consolidated numbers and the net income is audited/reviewed.

2Q12 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	2Q12	1Q12	QoQ % Change
Investment Income	103	30	243
Sub./Aff.	94	15	527
Capital Gain/ Loss	9	15	(40)
FX Gain/(Loss)	(59)	33	(279)
Fin. Income/(Exp.) & Other	46	14	229
Total	<u>90</u>	<u>77</u>	<u>16.9</u>

The numbers are based on consolidated numbers and the net income is audited/reviewed.

2Q12 Income Statement & YoY Comparison

Unit: NT\$ million	2Q12		2Q11		YoY % Change
	AMT	%	AMT	%	
Net Sales	7,720	100.0	8,021	100.0	(3.8)
Cost of Goods Sold - Product	5,560	72.0	5,344	66.6	4.0
Gross Profit 1	2,160	28.0	2,677	33.4	(19.3)
Inventory Related Gain/(Loss)	(103)	(1.3)	(26)	(0.3)	296
Gross Profit 2	2,057	26.7	2,651	33.1	(22.4)
Operating Expenses	2,155	27.9	2,322	29.0	(7.2)
Operating Income	(98)	(1.2)	329	4.1	(130)
Total Non-Op. Inc. (Loss)	90	1.2	14	0.2	543
Income Before Tax	(8)	(0.0)	343	4.3	102
Tax (Exp.) / Income	6	0.0	(70)	(0.9)	(109)
Net Income	(2)	(0.0)	273	3.4	(101)
Minority Interest	(5)	(0.0)	4	0.1	(225)
Consolidated Income	(7)	(0.0)	277	3.5	(103)
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,356M	(0.01)		0.43		(102)

The numbers are based on consolidated numbers and the net income is audited/reviewed.

1H12 Income Statement & YoY Comparison

Unit: NT\$ million	1H12		1H11		YoY % Change
	AMT	%	AMT	%	
Net Sales	15,943	100.0	15,823	100.0	0.8
Cost of Goods Sold - Product	11,344	71.1	10,568	66.8	7.3
Gross Profit 1	4,599	28.9	5,255	33.2	(12.5)
Inventory Related Gain/(Loss)	(97)	(0.6)	(54)	(0.3)	79.6
Gross Profit 2	4,502	28.3	5,201	32.9	(13.4)
Operating Expenses	4,355	27.3	4,703	29.7	(7.4)
Operating Income	147	1.0	498	3.2	(70.5)
Total Non-Op. Inc. (Loss)	167	1.0	163	1.0	2.5
Income Before Tax	314	2.0	661	4.2	(52.5)
Tax (Exp.) / Income	(74)	(0.5)	(142)	(0.9)	(47.9)
Net Income	240	1.5	519	3.3	(53.8)
Minority Interest	(11)	(0.1)	6	(0.0)	N.A.
Consolidated Income	229	1.4	525	3.3	(56.4)
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,356M	0.36		0.82		(56.1)

The numbers are based on consolidated numbers and the net income is audited/reviewed.

06/30/2012 Balance Sheet & QoQ Comparison

Unit: NT\$ million	06/30/12 AMT	%	03/31/12 AMT	%	QoQ % Change
Cash	3,167	13	3,504	14	(9.6)
S-T Investment	139	0	54	0	157
Account Receivable	5,741	23	6,390	25	(10.2)
Inventory	7,438	30	7,247	29	2.6
Long-term Investments	4,723	19	5,063	20	(6.7)
Total Assets	24,773	100	25,406	100	(2.5)
Accounts Payable	6,271	25	6,294	25	(0.4)
Current Liabilities	10,565	43	10,300	41	2.6
Common Stock	6,476	26	6,476	25	0.0
Stockholders' Equity	13,492	54	14,372	57	(6.1)

The numbers are based on consolidated numbers and the net income is audited/reviewed.

Key Financial Ratios

Unit: % , days	06/30/12	03/31/12	12/31/11	09/30/11	06/30/11
*Days A/R	67	66	62	67	66
*Days Inventory	116	114	107	105	101
*Days A/P	105	102	99	106	105
Cash Cycle	78	78	70	67	62
Current Ratio	1.71	1.78	1.66	1.63	1.59
Debt/Equity Ratio	0.82	0.75	0.86	0.92	0.96
**Net Debt/Equity Ratio	0.57	0.50	0.47	0.49	0.47
ROE	-0.2	7	7	6	8

The numbers are based on consolidated numbers and the net income is audited/reviewed.

- Annualized
- Adjust for Cash & S-T investment

Business Update & Guidance

Quarterly Revenue by Region

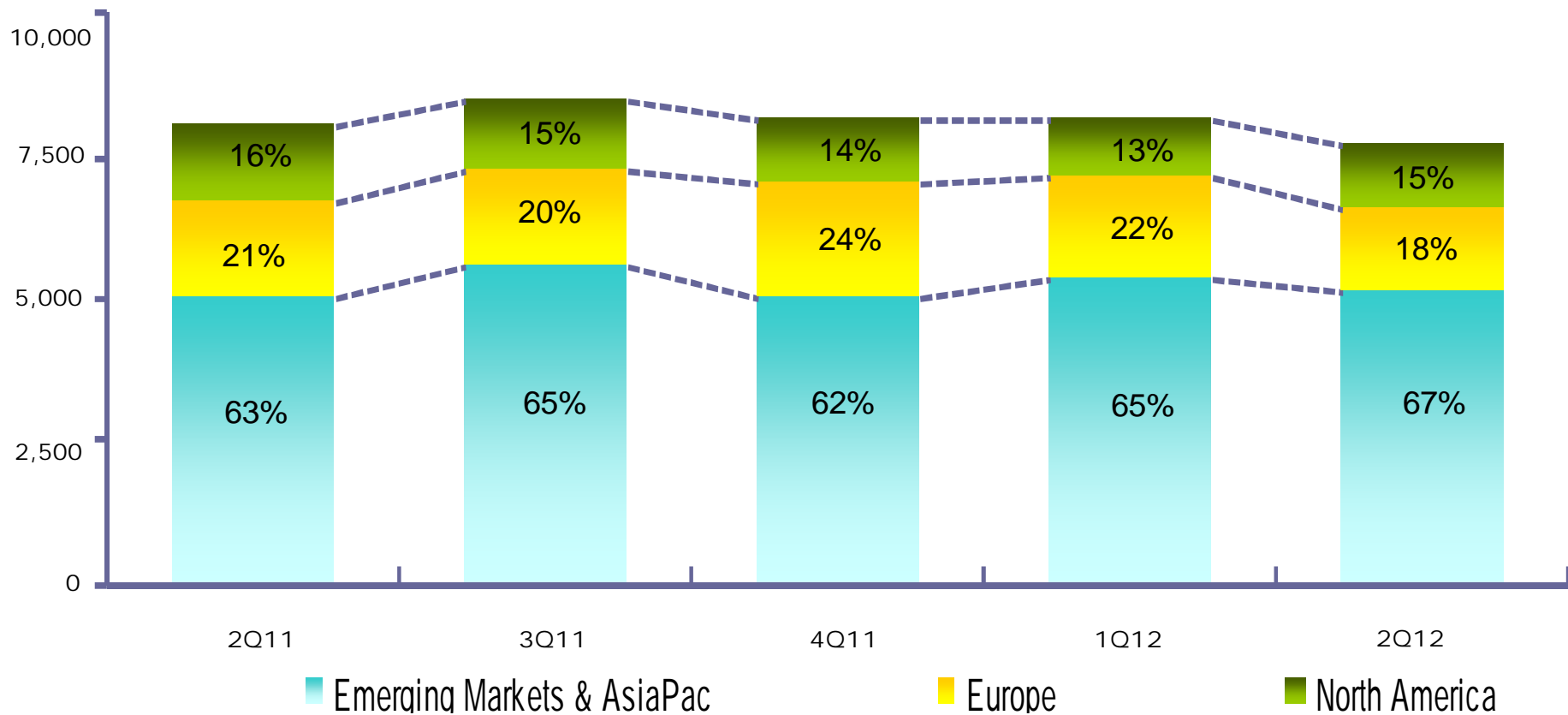
In NT\$, down 6.1% QoQ, down 3.8% YoY

- N.A. up 7.1% QoQ, down 10.6% YoY
- Europe down 22.3% QoQ, down 16.4% YoY
- Emerging Mkts & APac down 3.4% QoQ, up 2.1% YoY

In US\$, down 5.8% QoQ, down 6.1% YoY

- N.A. up 7.4% QoQ, down 12.8% YoY
- Europe down 22.1% QoQ, down 18.5% YoY
- Emerging Mkts & APac down 3.1% QoQ, down 0.3% YoY

NT\$ mln



Quarterly Revenue by Product

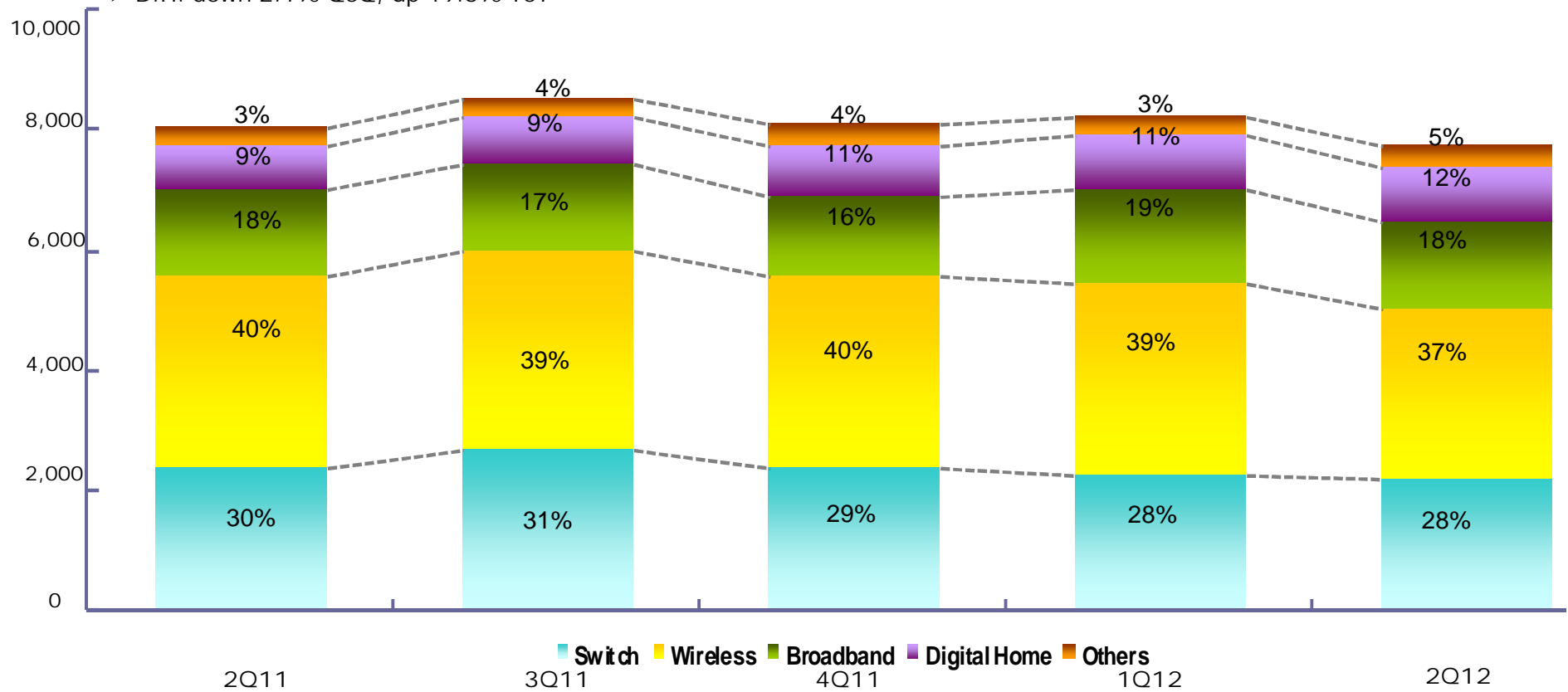
In NT\$ terms:

- Switch down 4.8% QoQ, down 9.0% YoY
- Wireless down 9.4% QoQ, down 10.3% YoY
- B.B. down 9.4% QoQ, down 0.6% YoY
- D.H. down 2.1% QoQ, up 19.6% YoY

In US\$ terms:

- Switch down 4.5% QoQ, down 11.2% YoY
- Wireless down 9.1% QoQ, down 12.7% YoY
- B.B. down 9.2% QoQ, down 2.9% YoY
- D.H. down 2.0% QoQ, up 13.2% YoY

NT\$ mln



1H12 Revenue by Regions

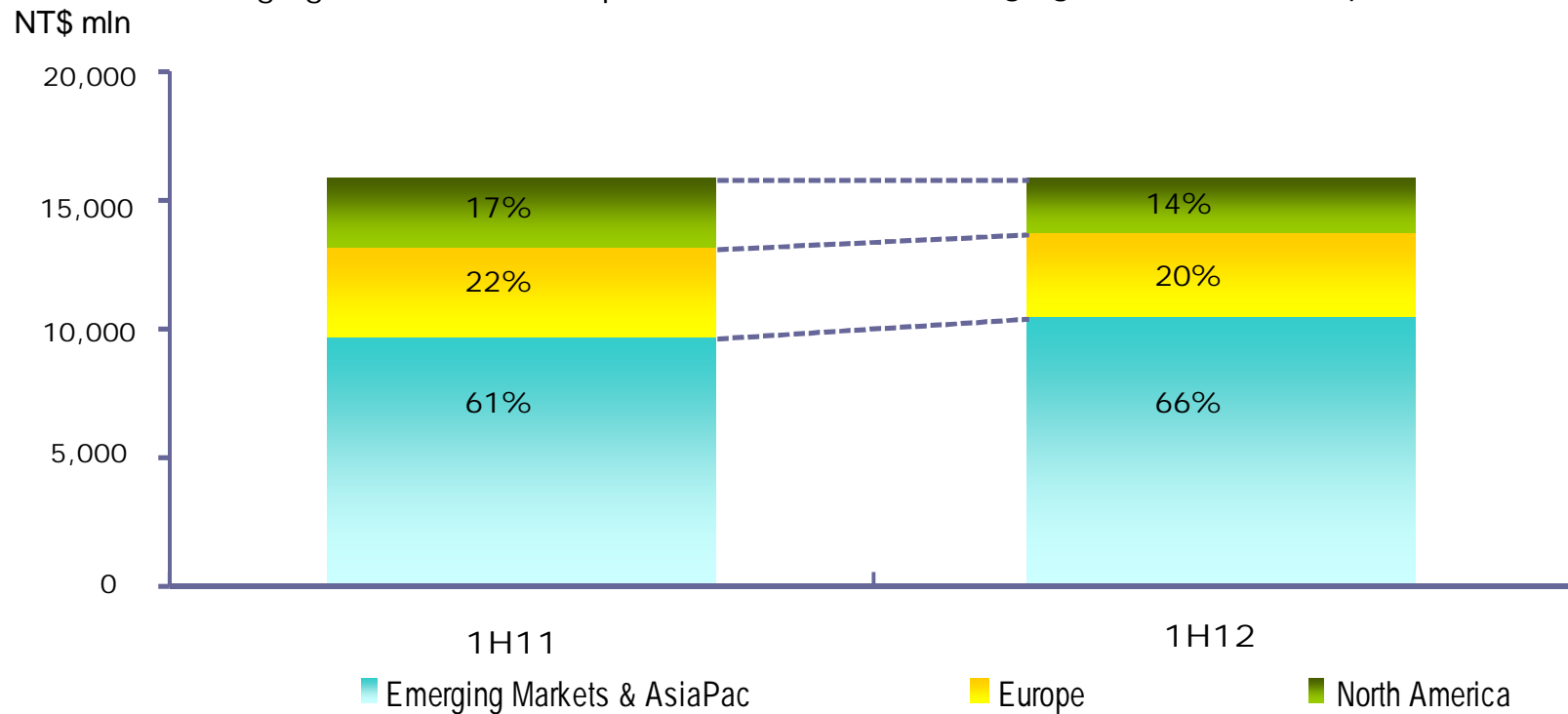
1H12 revenue YoY comparison:

In NT\$ terms:

- 1H12 up 0.8%
- N.A. down 16.9%
- Europe down 8.6%
- Emerging Mkts & AsiaPac up 9.0%

In US\$ terms:

- 1H12 down 0.9%
- N.A. down 18.3%
- Europe down 9.7%
- Emerging Mkts & AsiaPac up 7.1%



1H12 Revenue by Products

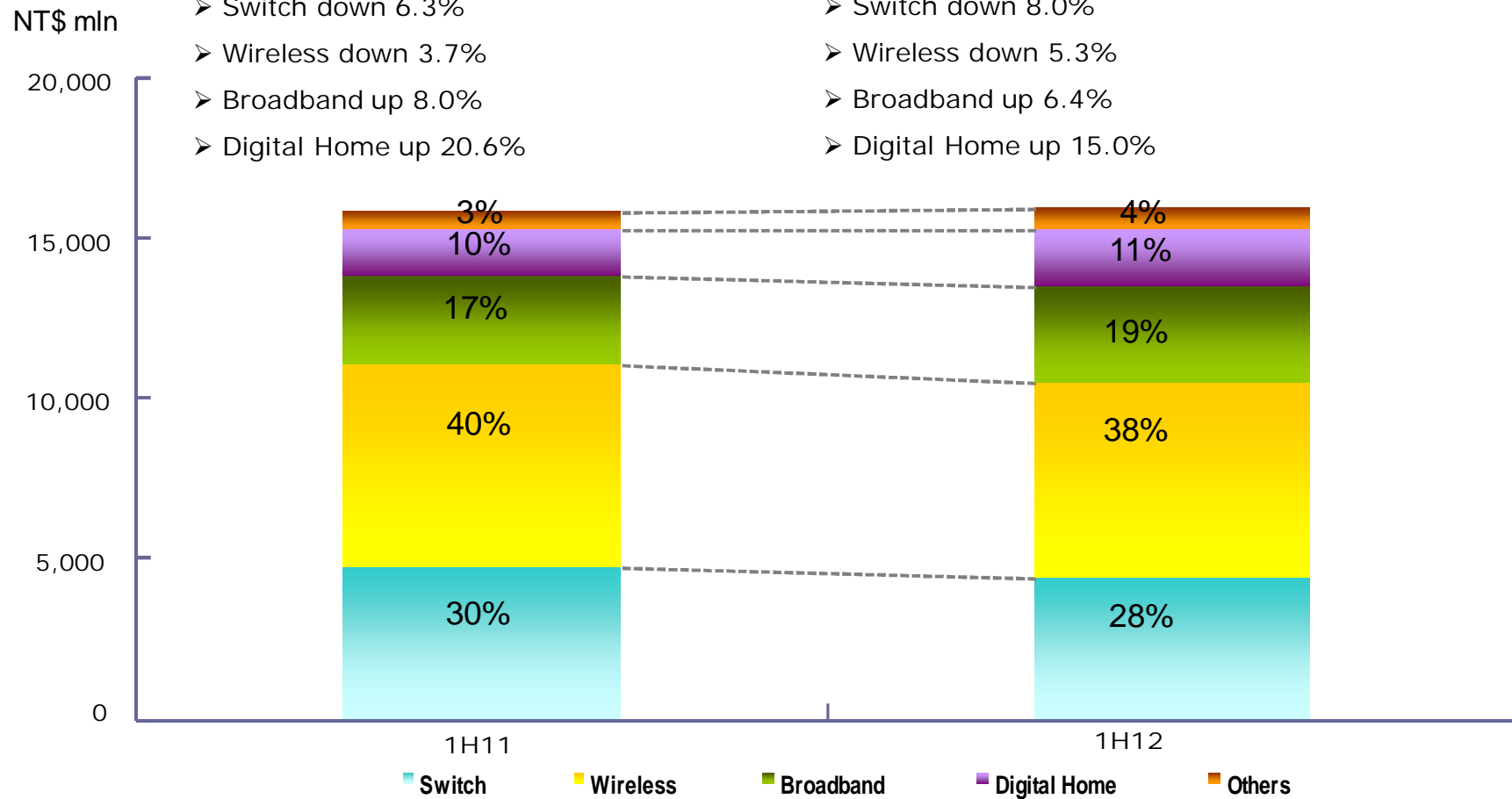
1H12 revenue YoY comparison:

In NT\$ terms:

- Switch down 6.3%
- Wireless down 3.7%
- Broadband up 8.0%
- Digital Home up 20.6%

In US\$ terms:

- Switch down 8.0%
- Wireless down 5.3%
- Broadband up 6.4%
- Digital Home up 15.0%



3Q12 Guidance

From QoQ perspective:

- Revenue to improve marginally over sequential quarter
- Operating margin to turn positive

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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