



# 3Q12 Operating Results

October 31, 2012



# Financial Summary

# 3Q12 Income Statement & QoQ Comparison

Unit: NT\$ million	3Q12		2Q12		QoQ % Change
	AMT	%	AMT	%	
Net Sales	<b>8,367</b>	100.0	<b>7,720</b>	100.0	8.4
Cost of Goods Sold - Product	<b>5,860</b>	70.0	<b>5,560</b>	72.0	5.4
Gross Profit 1	<b>2,507</b>	30.0	<b>2,160</b>	28.0	16.1
Inventory Related Gain/(Loss)	<b>(37)</b>	(0.4)	<b>(103)</b>	(1.3)	(64.1)
Gross Profit 2	<b>2,470</b>	29.6	<b>2,057</b>	26.7	20.1
Operating Expenses	<b>2,195</b>	26.3	<b>2,155</b>	27.9	1.9
Operating Income	<b>275</b>	3.3	<b>(98)</b>	(1.2)	NA
Total Non-Op. Inc. (Loss)	<b>109</b>	1.3	<b>90</b>	1.2	21.1
Income Before Tax	<b>384</b>	4.6	<b>(8)</b>	(0.0)	NA
Tax (Exp.) / Income	<b>(92)</b>	(1.1)	<b>6</b>	0.0	NA
Net Income	<b>292</b>	3.5	<b>(2)</b>	(0.0)	NA
Minority Interest	<b>(4)</b>	(0.0)	<b>(5)</b>	(0.0)	(20.0)
Consolidated Income	<b>288</b>	3.4	<b>(7)</b>	(0.0)	NA
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,352M	<b>0.45</b>		<b>(0.01)</b>		NA

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

## 3Q12 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	3Q12	2Q12	QoQ % Change
Investment Income	62	103	(39.8)
Sub./Aff.	56	94	(40.4)
Capital Gain/ Loss	6	9	(33.3)
FX Gain/(Loss)	10	(59)	NA
Fin. Income/(Exp.) & Other	37	46	(19.6)
Total	<u>109</u>	<u>90</u>	<u>21.1</u>

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

# 3Q12 Income Statement & YoY Comparison

Unit: NT\$ million	3Q12		3Q11		YoY % Change
	AMT	%	AMT	%	
Net Sales	<b>8,367</b>	100.0	<b>8,551</b>	100.0	(2.2)
Cost of Goods Sold - Product	<b>5,860</b>	70.0	<b>5,759</b>	67.3	1.8
Gross Profit 1	<b>2,507</b>	30.0	<b>2,792</b>	32.7	(10.2)
Inventory Related Gain/(Loss)	<b>(37)</b>	(0.4)	<b>(101)</b>	(1.2)	(63.4)
Gross Profit 2	<b>2,470</b>	29.6	<b>2,691</b>	31.5	(8.2)
Operating Expenses	<b>2,195</b>	26.3	<b>2,422</b>	28.3	(9.4)
Operating Income	<b>275</b>	3.3	<b>269</b>	3.2	2.2
Total Non-Op. Inc. (Loss)	<b>109</b>	1.3	<b>(11)</b>	(0.1)	NA
Income Before Tax	<b>384</b>	4.6	<b>258</b>	3.1	48.8
Tax (Exp.) / Income	<b>(92)</b>	(1.1)	<b>(26)</b>	(0.3)	(254)
Net Income	<b>292</b>	3.5	<b>232</b>	2.8	25.9
Minority Interest	<b>(4)</b>	(0.0)	<b>(2)</b>	(0.1)	(100)
Consolidated Income	<b>288</b>	3.4	<b>230</b>	2.7	25.2
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,352M	<b>0.45</b>		<b>0.36</b>		25.0

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

# YT3Q12 Income Statement & YoY Comparison

Unit: NT\$ million	YT3Q12		YT3Q11		YoY % Change
	AMT	%	AMT	%	
Net Sales	<b>24,311</b>	100.0	<b>24,374</b>	100.0	(0.3)
Cost of Goods Sold - Product	<b>17,205</b>	70.8	<b>16,327</b>	67.0	5.4
Gross Profit 1	<b>7,106</b>	29.2	<b>8,047</b>	33.0	(11.7)
Inventory Related Gain/(Loss)	<b>(133)</b>	(0.5)	<b>(155)</b>	(0.6)	(14.2)
Gross Profit 2	<b>6,973</b>	28.7	<b>7,892</b>	32.4	(11.6)
Operating Expenses	<b>6,551</b>	26.9	<b>7,125</b>	29.2	(8.1)
Operating Income	<b>422</b>	1.8	<b>767</b>	3.2	(45.0)
Total Non-Op. Inc. (Loss)	<b>276</b>	1.1	<b>151</b>	0.6	82.8
Income Before Tax	<b>698</b>	2.9	<b>918</b>	3.8	(24.0)
Tax (Exp.) / Income	<b>(166)</b>	(0.7)	<b>(167)</b>	(0.7)	(0.6)
Net Income	<b>532</b>	2.2	<b>751</b>	3.1	(29.2)
Minority Interest	<b>(15)</b>	(0.1)	<b>4</b>	(0.0)	NA
Consolidated Income	<b>517</b>	2.1	<b>755</b>	3.1	(31.5)
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,352M	<b>0.81</b>		<b>1.18</b>		(31.4)

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

# 09/30/2012 Balance Sheet & QoQ Comparison

Unit: NT\$ million	09/30/12 AMT	%	06/30/12 AMT	%	QoQ % Change
Cash	2,801	12	3,167	13	(11.5)
S-T Investment	40	0	139	0	(71.2)
Account Receivable	6,177	26	5,741	23	7.6
Inventory	7,084	29	7,438	30	(4.8)
Long-term Investments	4,802	20	4,723	19	1.7
Total Assets	24,207	100	24,773	100	(2.3)
Accounts Payable	6,125	25	6,271	25	(2.3)
Current Liabilities	9,692	40	10,565	43	(8.3)
Common Stock	6,476	27	6,476	26	0.0
Stockholders' Equity	13,643	56	13,492	54	1.1

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

# Key Financial Ratios

Unit: % , days	09/30/12	06/30/12	03/31/12	12/31/11	09/30/11
* Days A/R	67	67	66	62	67
* Days Inventory	115	116	114	107	105
* Days A/P	100	105	102	99	106
Cash Cycle	82	78	78	70	67
Current Ratio	1.78	1.71	1.78	1.66	1.63
Debt/Equity Ratio	0.76	0.82	0.75	0.86	0.92
** Net Debt/Equity Ratio	0.55	0.57	0.50	0.47	0.49
ROE	8	-0.2	7	7	6

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

\* Annualized

\*\* Adjust for Cash & S-T investment



# Business Update & Guidance

# Quarterly Revenue by Region

In NT\$, up 8.4% QoQ, down 2.2% YoY

➤ N.A. up 8.8% QoQ, down 4.0% YoY

➤ Europe up 13.6% QoQ, down 5.9% YoY

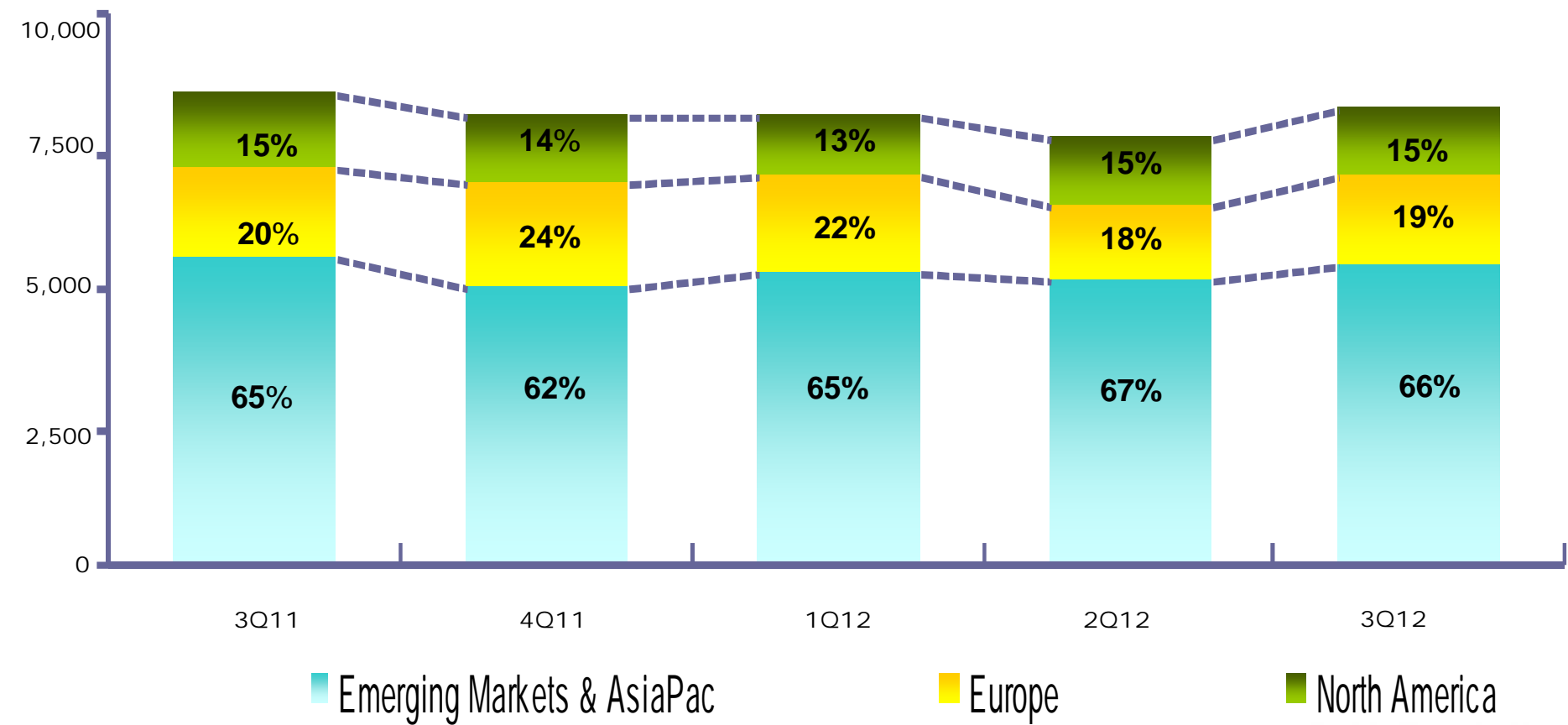
NT\$ mln ➤ Emerging Mkts & APac up 6.9% QoQ, down 0.6% YoY

In US\$, up 7.5% QoQ, down 4.5% YoY

➤ N.A. up 8.0% QoQ, down 6.2% YoY

➤ Europe up 12.7% QoQ, down 7.9% YoY

➤ Emerging Mkts & APac up 6.1% QoQ, down 3.0% YoY



# Quarterly Revenue by Product

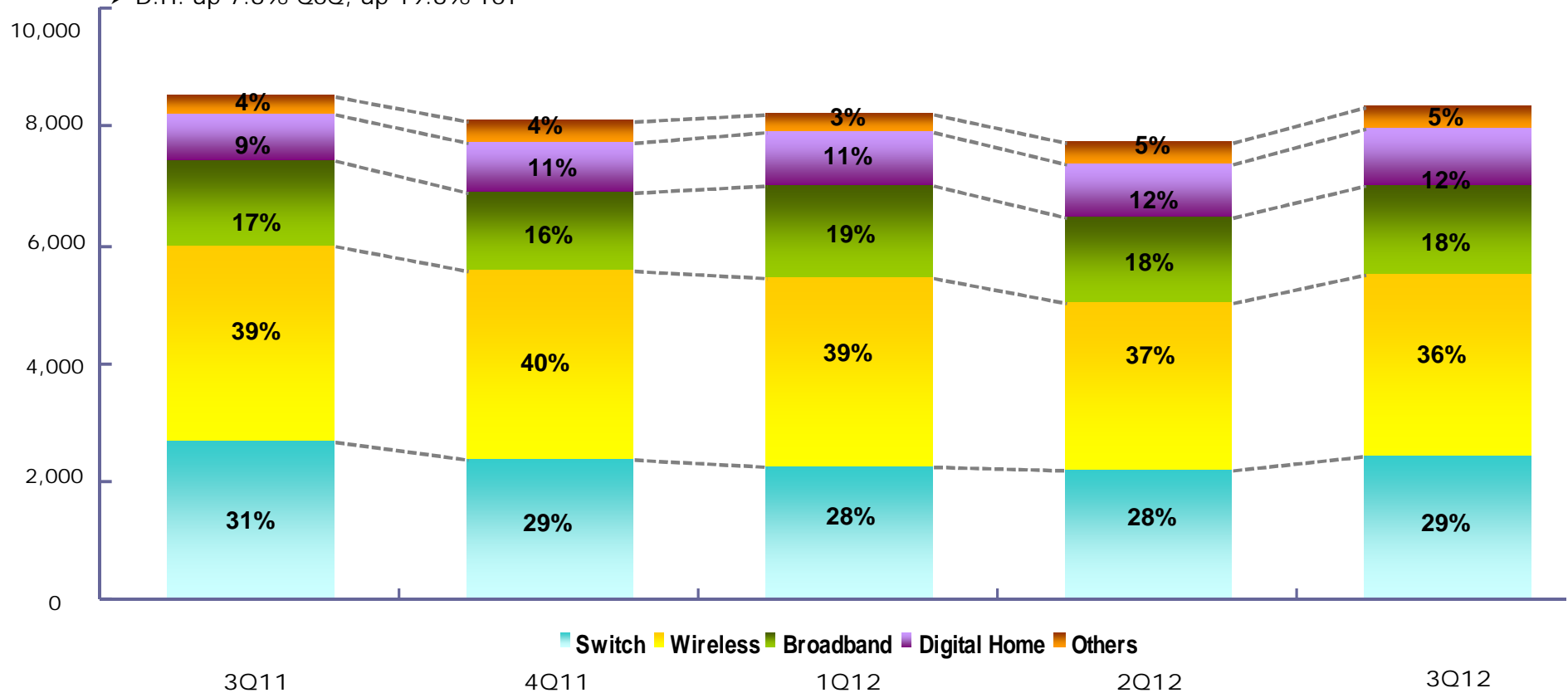
In NT\$ terms:

- Switch up 12.3% QoQ, down 8.6% YoY
- Wireless up 5.7% QoQ, down 8.4% YoY
- B.B. up 6.9% QoQ, up 6.3% YoY
- D.H. up 7.6% QoQ, up 19.6% YoY

In US\$ terms:

- Switch up 11.5% QoQ, down 10.7% YoY
- Wireless up 5.0% QoQ, down 10.8% YoY
- B.B. up 6.1% QoQ, up 3.1% YoY
- D.H. up 7.0% QoQ, up 18.5% YoY

NT\$ mln



# YT3Q12 Revenue by Regions

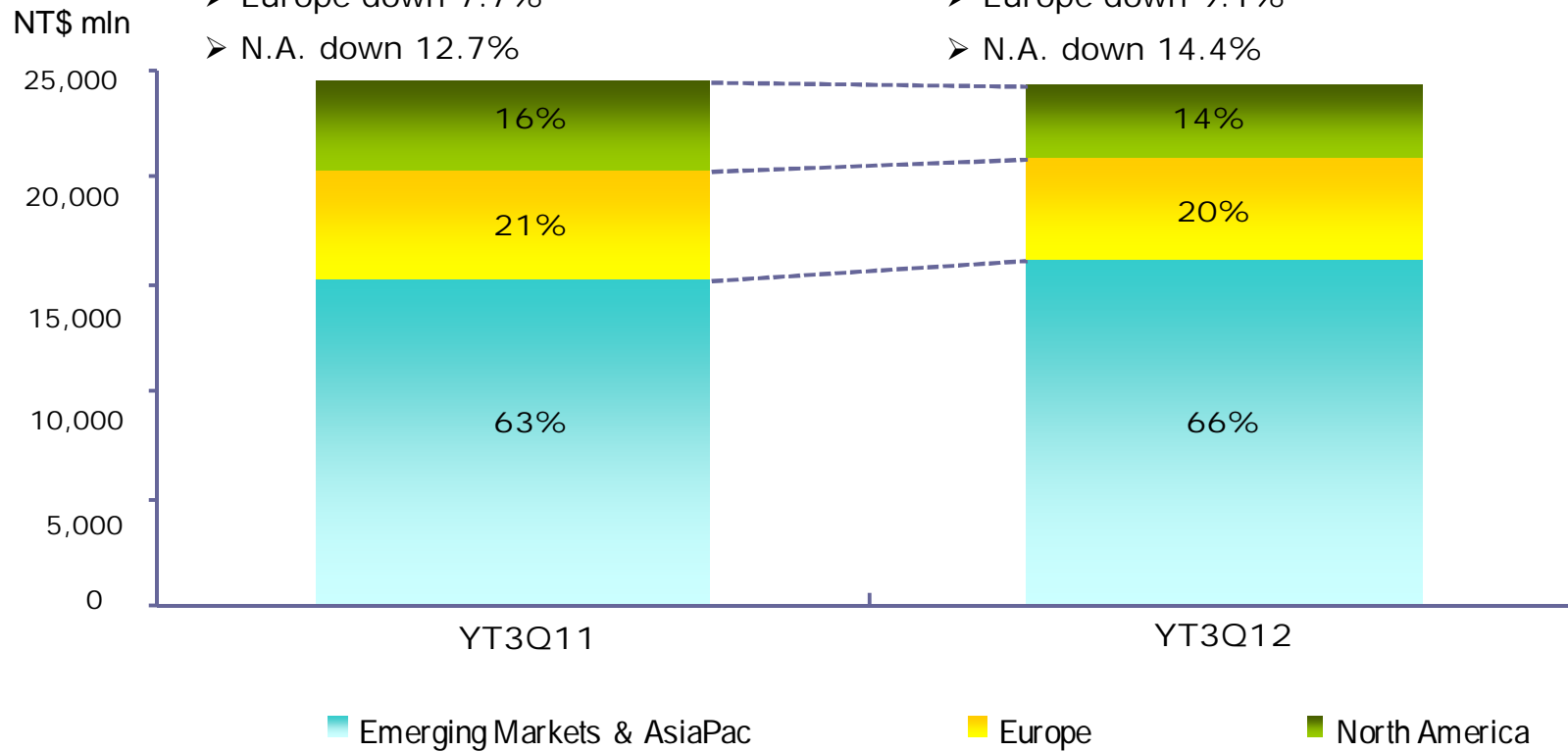
YT3Q12 revenue YoY comparison:

In NT\$ terms:

- YT3Q12 down 0.3%
- Emerging Mkts & AsiaPac up 5.5%
- Europe down 7.7%
- N.A. down 12.7%

In US\$ terms:

- YT3Q12 down 2.1%
- Emerging Mkts & AsiaPac up 3.4%
- Europe down 9.1%
- N.A. down 14.4%



# YT3Q12 Revenue by Products

## YT3Q12 revenue YoY comparison:

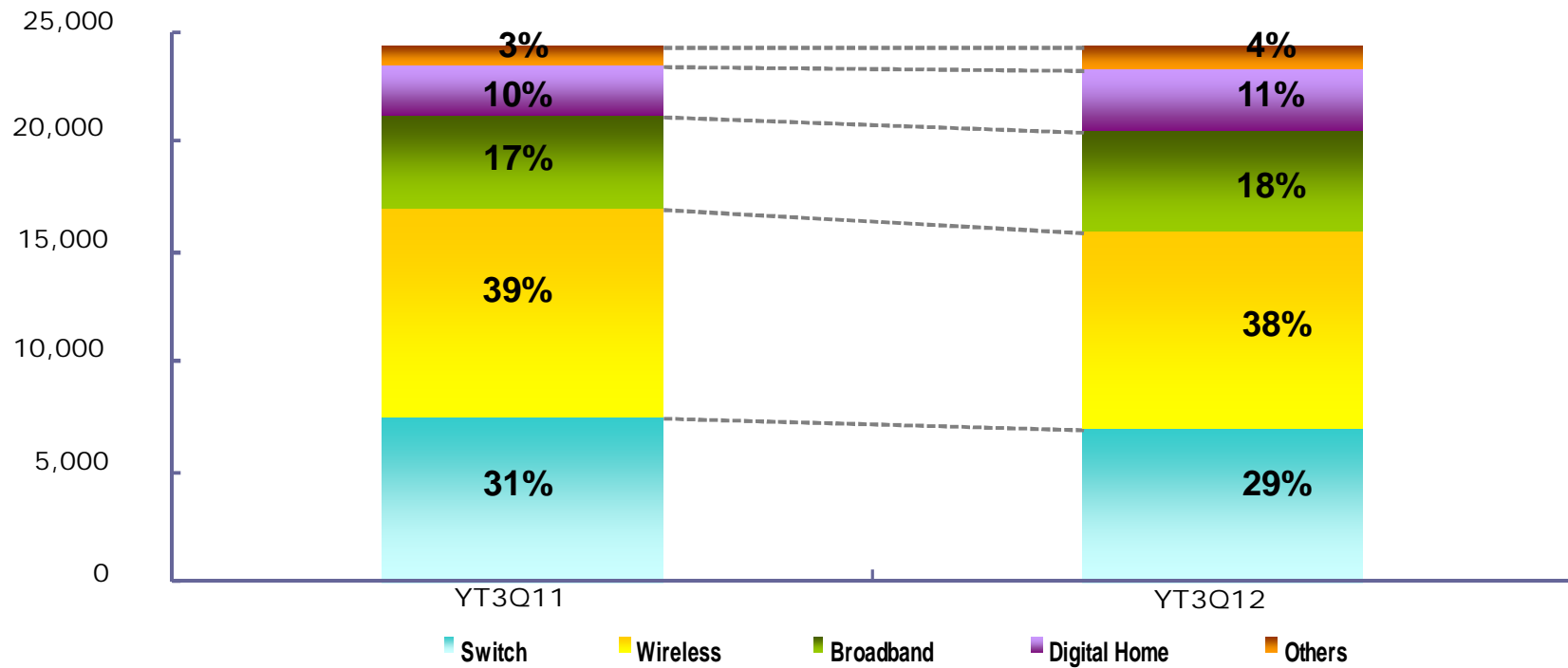
In NT\$ terms:

- Switch down 7.1%
- Wireless down 5.3%
- Broadband up 7.4%
- Digital Home up 20.3%

In US\$ terms:

- Switch down 9.0%
- Wireless down 7.2%
- Broadband up 5.2%
- Digital Home up 16.2%

NT\$ mln



# 4Q12 Guidance

From QoQ perspective:

- Revenue to remain flat
- Operating margin slightly lower reflecting seasonal trend

# 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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