



4Q13 Operating Results

March 7, 2014

Agenda

- Financial Review
- Business Update & Outlook
- Q&A

All numbers are consolidated and audited unless otherwise specified.
Complying to new IFRS reporting, certain historical numbers were adjusted to provide comparison consistency.

Financial Review

4Q13 Income Statement & QoQ Comparison

Unit: NT\$ million	4Q13		3Q13		QoQ % Change
	AMT	%	AMT	%	
Net Sales	7,953	100.0	8,159	100.0	(2.5)
Cost of Goods Sold - Product	5,907	74.3	5,890	72.2	0.3
Gross Profit 1	2,046	25.7	2,269	27.8	(9.8)
Inventory Related Gain/(Loss)	(35)	(0.4)	(19)	(0.2)	84.2
Gross Profit 2	2,011	25.3	2,250	27.6	(10.6)
Operating Expenses	1,852	23.3	2,000	24.5	(7.4)
Operating Income	159	2.0	250	3.1	(36.4)
Total Non-Op. Inc. (Loss)	111	1.4	166	2.0	(33.1)
Income Before Tax	270	3.4	416	5.1	(35.1)
Tax (Exp.) / Income	44	0.6	(82)	(1.0)	N.A.
Net Income	314	4.0	334	4.1	(6.0)
Minority Interest	(13)	(0.2)	(1)	(0.0)	1200.0
Consolidated Income	301	3.8	333	4.1	(9.6)
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,106M	0.49		0.55		(10.9)

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

**Weighted-Avg. Capital adjusted for treasury shares.

***RMA expenses included in operating expenses has been reclassified to cost of goods sold in accordance to the new IFRS.

4Q13 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	4Q13	3Q13	QoQ % Change
Investment Income	177	88	101
Sub./Aff.	110	94	17
Capital Gain	67	(6)	N.A.
FX Gain/(Loss)	(76)	45	N.A.
Fin. Income/(Exp.) & Other	10	33	(70)
Total Non-op Income/Loss	111	166	(33)

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

4Q13 Income Statement & YoY Comparison

Unit: NT\$ million	4Q13		4Q12		YoY % Change
	AMT	%	AMT	%	
Net Sales	7,953	100.0	8,156	100.0	(2.5)
Cost of Goods Sold - Product	5,907	74.3	5,955	73.0	(0.8)
Gross Profit 1	2,046	25.7	2,201	27.0	(7.0)
Inventory Related Gain/(Loss)	(35)	(0.4)	119	1.4	N.A.
Gross Profit 2	2,011	25.3	2,320	28.4	(13.3)
Operating Expenses	1,852	23.3	2,050	25.1	(9.7)
Operating Income	159	2.0	270	3.3	(41.1)
Total Non-Op. Inc. (Loss)	111	1.4	144	1.7	(22.9)
Income Before Tax	270	3.4	414	5.0	(34.8)
Tax (Exp.) / Income	44	0.6	(134)	(1.6)	N.A.
Net Income	314	4.0	280	3.4	12.1
Minority Interest	(13)	(0.2)	(10)	(0.1)	300.0
Consolidated Income	301	3.8	270	3.3	11.5
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,106M	0.49		0.43		14.0

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

**Weighted-Avg. Capital adjusted for treasury shares.

***RMA expenses included in operating expenses has been reclassified to cost of goods sold in accordance to the new IFRS.

2013 Income Statement & YoY Comparison

Unit: NT\$ million	2013		2012		YoY % Change
	AMT	%	AMT	%	
Net Sales	30,558	100.0	32,467	100.0	(5.9)
Cost of Goods Sold - Product	22,273	72.9	23,758	73.2	(6.3)
Gross Profit 1	8,285	27.1	8,709	26.8	(4.9)
Inventory Related Gain/(Loss)	(217)	(0.7)	(14)	(0.0)	1450.0
Gross Profit 2	8,068	26.4	8,695	26.8	(7.2)
Operating Expenses	7,670	25.1	8,012	24.7	(4.3)
Operating Income	398	1.3	683	2.1	(41.7)
Total Non-Op. Inc. (Loss)	348	1.1	421	1.3	(17.3)
Income Before Tax	746	2.4	1,104	3.4	(32.4)
Tax (Exp.) / Income	(70)	(0.2)	(293)	(0.9)	(76.1)
Net Income	676	2.2	811	2.5	(16.6)
Minority Interest	(28)	(0.1)	(25)	(0.1)	1200.0
Consolidated Income	648	2.1	786	2.4	(17.6)
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,106M	1.06		1.24		(14.5)

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

12/31/2013 Balance Sheet & QoQ Comparison

Unit: NT\$ million	12/31/13 AMT	%	9/30/13 AMT	%	QoQ % Change
Cash & S-T Investment	3,355	14	3,547	14	(5.4)
Account Receivable	6,740	28	6,821	27	(1.2)
Inventory	6,046	25	6,546	26	(7.6)
Long-term Investments	4,532	19	4,580	18	(1.0)
Total Assets	24,458	100	25,669	100	(4.7)
Accounts Payable	5,958	24	6,245	24	(4.6)
Current Liabilities	9,227	38	10,127	39	(8.9)
Common Stock	6,476	26	6,476	25	0.0
Stockholders' Equity	13,347	55	12,951	50	3.1

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

**Weighted-Avg. Capital adjusted for treasury shares.

Key Financial Ratios

Unit: % , days	4Q13	3Q13	2Q13	1Q13	4Q12
**Days A/R	76	77	75	69	69
**Days Inventory	101	111	111	106	109
**Days A/P	93	101	103	90	94
Cash Cycle	84	88	83	85	84
Current Ratio	1.88	1.83	1.76	2.03	1.96
Debt/Equity Ratio	0.81	0.96	1.00	0.77	0.78
***Net Debt/Equity Ratio	0.56	0.69	0.69	0.48	0.48
ROE	9	10	-3	4	8

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

** Annualized

*** Net of Cash & S-T investment

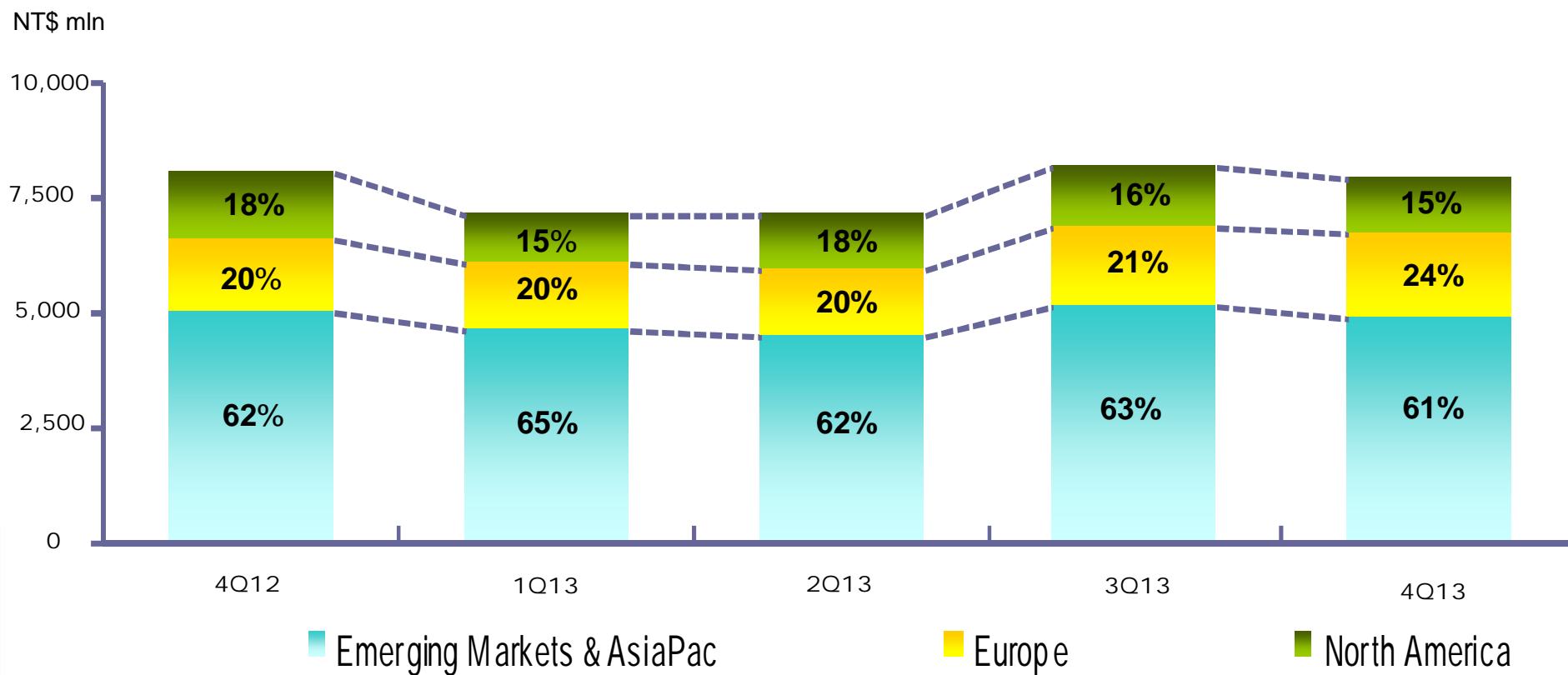
Quarterly Revenue by Region

In NT\$, down 2.5% QoQ, down 2.5% YoY

- N.A. down 11.4% QoQ, down 23.1% YoY
- Europe up 14.5% QoQ, up 16.2% YoY
- Emerging Mkts & APac down 5.8% QoQ, down 2.5% YoY

In US\$, down 1.5% QoQ, down 3.8% YoY

- N.A. down 10.4% QoQ, down 23.9% YoY
- Europe up 15.6% QoQ, up 14.6% YoY
- Emerging Mkts & APac down 4.9% QoQ, down 4.0% YoY



Quarterly Revenue by Product

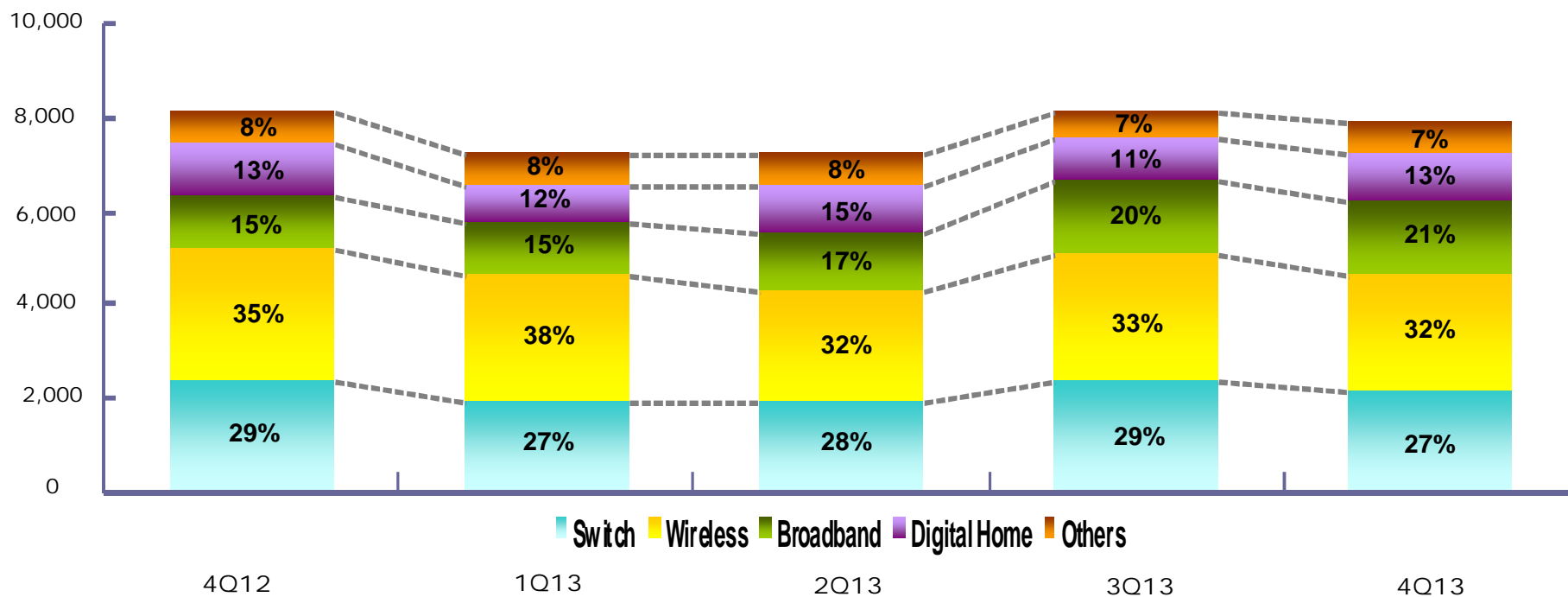
In NT\$ terms:

- Switch down 10.7% QoQ, down 11.0% YoY
- Wireless down 6.9% QoQ, down 12.0% YoY
- B.B. up 1.5% QoQ, up 41.1% YoY
- D.H. up 20.0% QoQ, down 5.4% YoY

In US\$ terms:

- Switch down 9.8% QoQ, down 12.2% YoY
- Wireless down 6.0% QoQ, down 13.2% YoY
- B.B. up 2.6% QoQ, up 38.9% YoY
- D.H. up 21.3% QoQ, down 6.7% YoY

NT\$ mln



2013 Revenue by Region

2013 revenue YoY comparison:

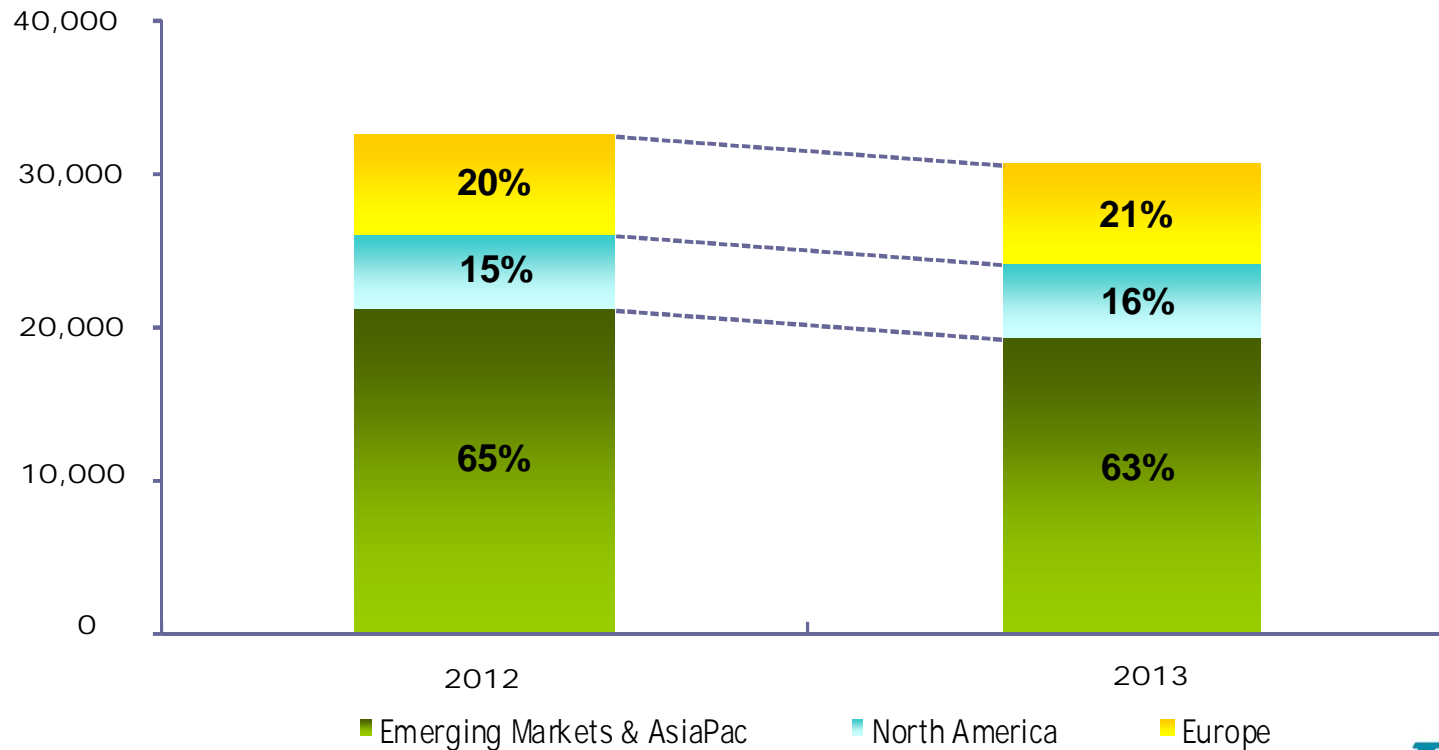
In NT\$ terms:

- 2013 down 5.9% YoY
- N.A. down 3.5% YoY
- Europe up 2.2% YoY
- Emerging Mkts & AsiaPac down 8.9% YoY

In US\$ terms:

- 2013 down 6.3% YoY
- N.A. down 4.0% YoY
- Europe up 1.7% YoY
- Emerging Mkts & AsiaPac down 9.3% YoY

NT\$ mln



2013 Revenue by Product

2013 revenue YoY comparison:

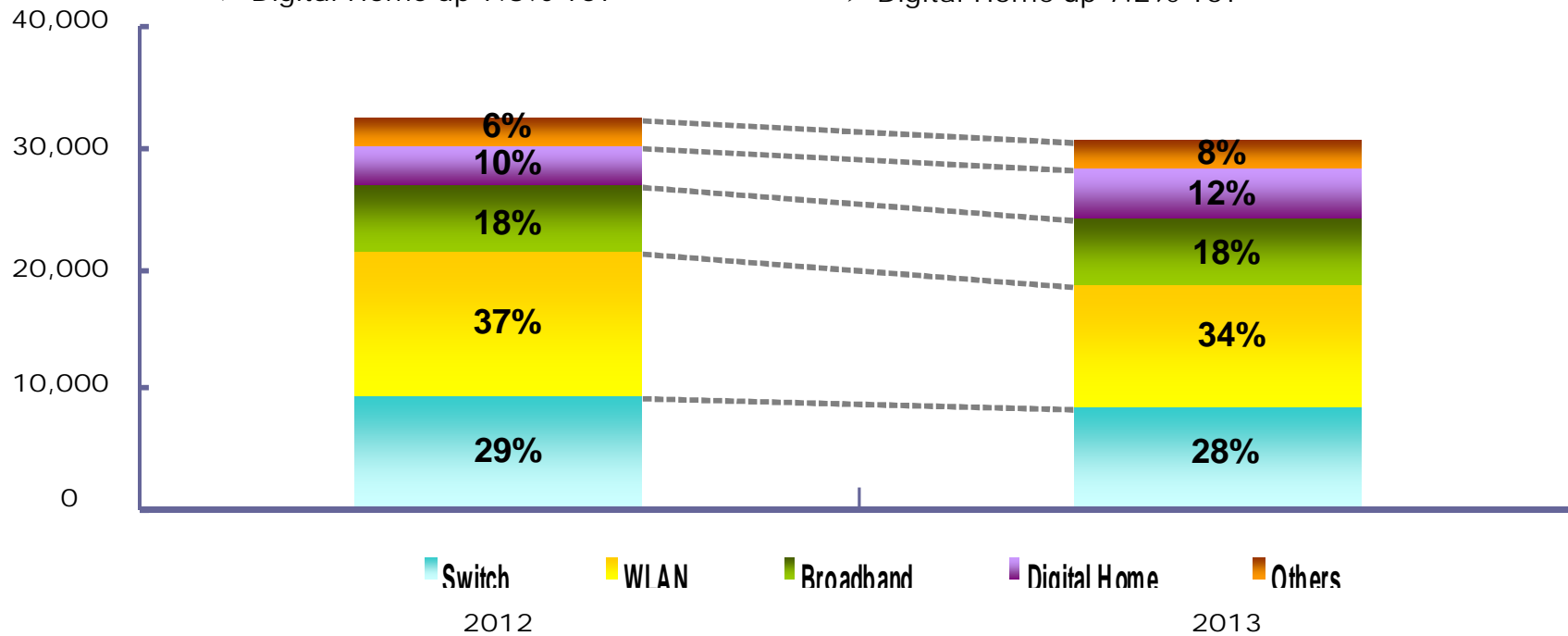
In NT\$ terms:

- Switch down 9.0% YoY
- Wireless down 14.1% YoY
- Broadband down 0.5% YoY
- Digital Home up 7.8% YoY

In US\$ terms:

- Switch down 9.5% YoY
- Wireless down 14.4% YoY
- Broadband down 0.9% YoY
- Digital Home up 7.2% YoY

NT\$ mln



1Q14 Guidance

From QoQ Perspective:

- Revenue expects to trend lower in line with seasonality
- Gross margin remain stable

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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