



4Q15 Operating Results

March 24, 2016

Financial Review

4Q15 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	4Q15		3Q15		QoQ % Change	4Q14		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	6,554	100.0	6,940	100.0	(5.6)	8,375	100.0	(21.7)
Cost of Goods Sold - Product	4,883	74.5	5,152	74.2	(5.2)	6,088	74.3	(19.8)
Gross Profit 1	1,671	25.5	1,788	25.8	(6.5)	2,287	25.7	(26.9)
Inventory Related Gain/(Loss)	(458)	(7.0)	(31)	(0.4)	1377.4	(37)	(0.4)	1137.8
Gross Profit 2	1,213	18.5	1,757	25.3	(30.9)	2,250	25.3	(46.1)
Operating Expenses	2,188	33.4	2,032	29.3	7.7	2,107	23.3	3.8
Operating Income	(974)	(14.9)	(275)	(4.0)	254.2	143	2.0	N.A.
Total Non-Op. Inc. (Loss)	(267)	(4.1)	(278)	(4.0)	(4.0)	(143)	1.4	(86.7)
Income Before Tax	(1,241)	(18.9)	(552)	(8.0)	124.8	0	3.4	N.A.
Tax (Exp.) / Income	273	4.2	39	0.6	600.0	68	0.6	301.5
Net Income	(968)	(14.8)	(513)	(7.4)	88.7	68	4.0	N.A.
Minority Interest	(10)	(0.2)	(15)	(0.2)	(33.3)	(21)	(0.2)	(52.4)
Consolidated Income	(979)	(14.9)	(528)	(7.6)	85.4	47	3.8	N.A.
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,460M	(1.52)		(0.81)			0.08		

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

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

4Q15 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	4Q15	3Q15	QoQ % Change
Investment Income	(273)	(61)	347.5
Sub./Aff.	(335)	(61)	449.2
Capital Gain	62	0	N.A.
FX Gain/(Loss)	(11)	(203)	(94.6)
Fin. Income/(Exp.) & Other	<u>17</u>	<u>(14)</u>	<u>N.A.</u>
Total Non-op Income/Loss	(267)	(278)	(4.0)

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

2015 Income Statement & YoY Comparison

Unit: NT\$ million	2015		2014		YoY % Change
	AMT	%	AMT	%	
Net Sales	26,614	100.0	30,306	100.0	(12.2)
Cost of Goods Sold - Product	19,783	74.3	21,870	72.2	(9.5)
Gross Profit 1	6,831	25.7	8,436	27.8	(19.0)
Inventory Related Gain/(Loss)	(398)	(1.5)	(162)	(0.5)	145.7
Gross Profit 2	6,433	24.2	8,274	27.3	(22.3)
Operating Expenses	8,020	30.1	7,967	26.3	0.7
Operating Income	(1,587)	(6.0)	307	1.0	N.A.
Total Non-Op. Inc. (Loss)	(505)	(1.9)	(164)	(0.5)	207.9
Income Before Tax	(2,092)	(7.9)	143	0.5	N.A.
Tax (Exp.) / Income	266	1.0	(32)	(0.1)	N.A.
Net Income	(1,826)	(6.9)	111	0.4	N.A.
Minority Interest	(45)	(0.1)	(50)	(0.2)	(10.0)
Consolidated Income	(1,871)	(7.0)	62	0.2	N.A.
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,460M	(2.9)		0.1		

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

12/31/2015 Balance Sheet & QoQ Comparison

Unit: NT\$ million	12/31/15 AMT	%	9/30/15 AMT	%	QoQ % Change
Cash & S-T Investment	3,988	18.8	2,898	12.9	37.6
Account Receivable	4,974	23.4	6,044	26.9	(17.7)
Inventory	4,556	21.4	5,577	24.9	(18.3)
Long-term Investments	3,615	17.0	3,590	16.0	0.7
Total Assets	21,263	100.0	22,421	100.0	(5.2)
Accounts Payable	4,535	21.3	4,640	20.7	(2.3)
Current Liabilities	8,618	40.5	8,798	39.2	(2.0)
Common Stock	6,770	31.8	6,788	30.3	(0.3)
Stockholders' Equity	10,633	50.0	11,426	50.9	(6.9)

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

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

Key Financial Ratios

Unit: % , days	4Q15	3Q15	2Q15	1Q15	4Q14
**Days A/R	80	81	74	75	81
**Days Inventory	101	105	108	101	105
**Days A/P	96	93	93	84	99
Cash Cycle	86	93	90	91	87
Current Ratio	1.68	1.77	1.86	1.63	1.57
Debt/Equity Ratio	0.96	0.93	0.88	0.82	0.96
***Net Debt/Equity Ratio	0.59	0.68	0.66	0.65	0.68
ROE	-36.8	-18.5	-4.5	-7.7	1.5

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

** Annualized

*** Net of Cash & S-T investment

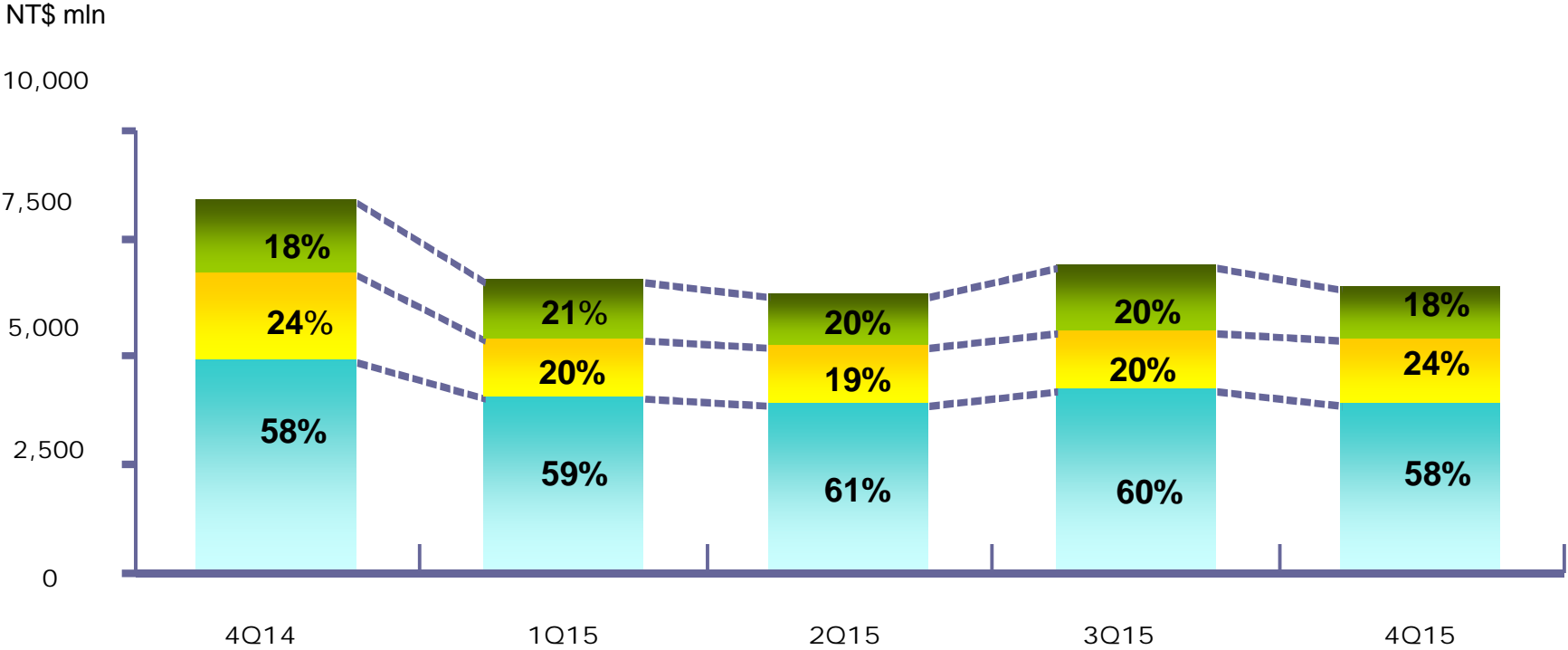
Quarterly Revenue by Region

In NT\$, down 5.6% QoQ, down 21.7% YoY

- N.A. down 15.5% QoQ, down 24.1% YoY
- Europe up 11.6% QoQ, down 22% YoY
- Emerging Mkts & APac down 8% QoQ, down 20.9% YoY

In US\$, down 7.8% QoQ, down 26.8% YoY

- N.A. down 17.8% QoQ, down 29.4% YoY
- Europe up 9.6% QoQ, down 26.7% YoY
- Emerging Mkts & APac down 10.2% QoQ, down 25.9% YoY



Quarterly Revenue by Product

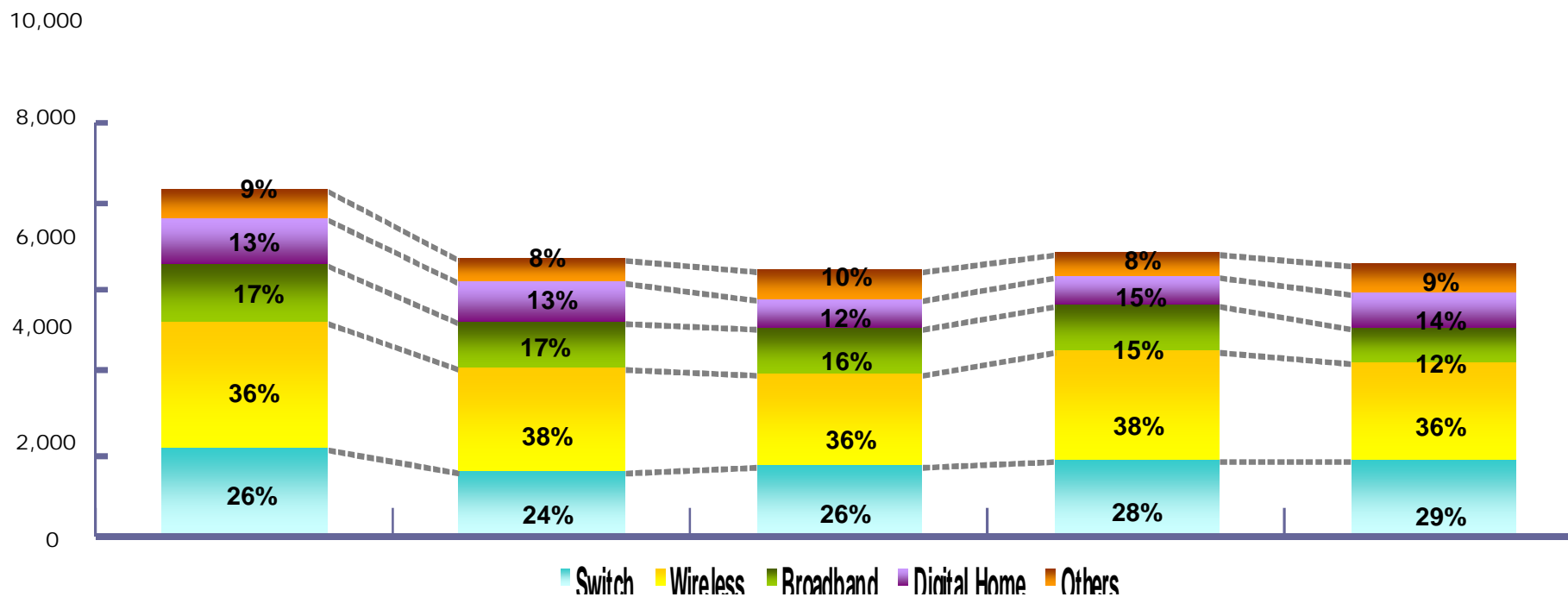
In NT\$ terms:

- Switch up 0.2% QoQ, down 13% YoY
- Wireless down 11% QoQ, down 22.8% YoY
- B.B. down 25.2% QoQ, down 45.3% YoY
- D.H. up 18.7% QoQ, down 12.5% YoY

In US\$ terms:

- Switch down 1.9% QoQ, down 18.3% YoY
- Wireless down 13.2% QoQ, down 27.9% YoY
- B.B. down 27.2% QoQ, down 48.7% YoY
- D.H. up 16% QoQ, down 18.4% YoY

NT\$ mln



2015 Revenue by Region

2015 revenue YoY comparison:

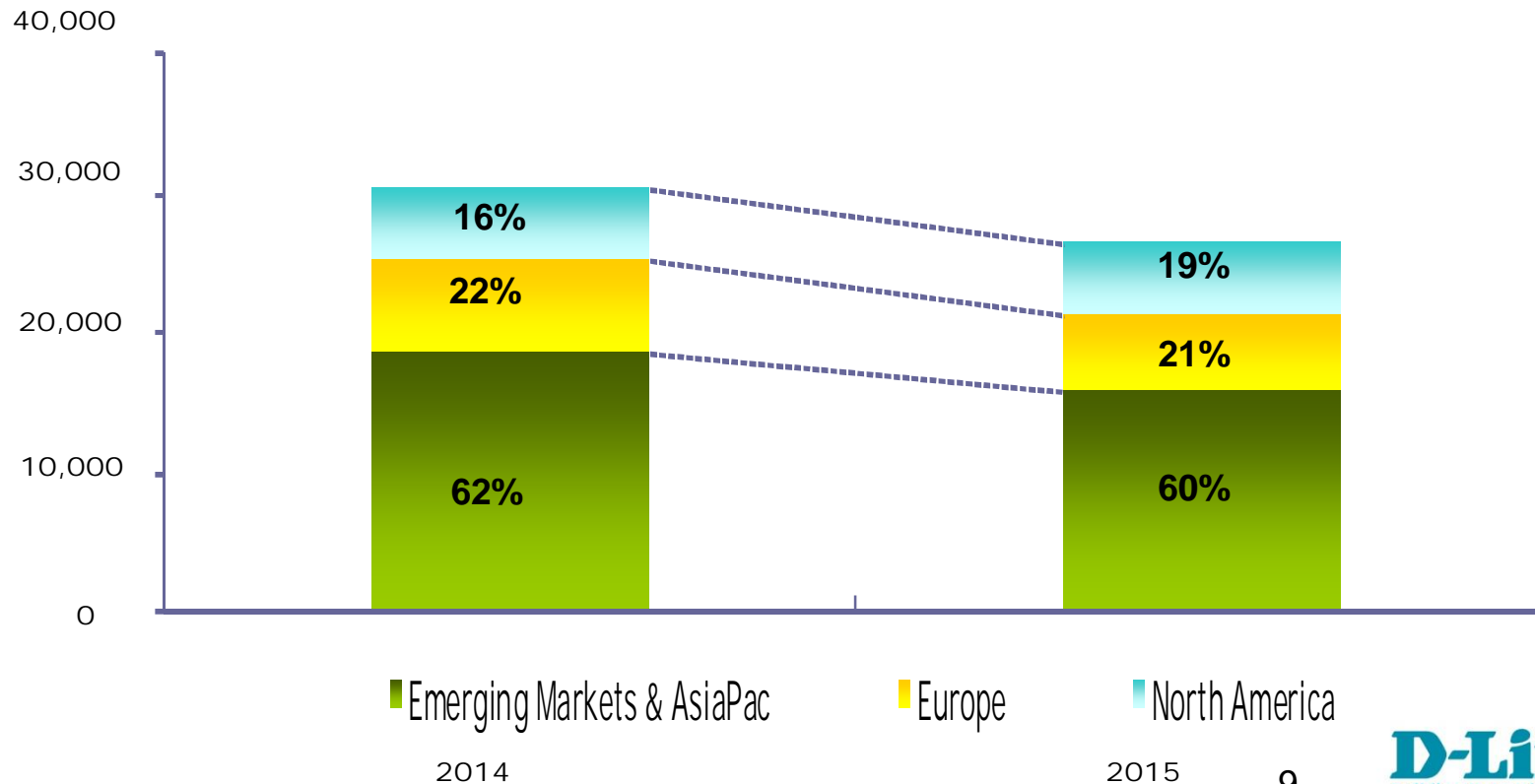
In NT\$ terms:

- 2015 down 12.2% YoY
- N.A. up 4.9% YoY
- Europe down 17.6% YoY
- Emerging Mkts & AsiaPac down 14.8% YoY

In US\$ terms:

- 2015 down 16.4% YoY
- N.A. down 0.2% YoY
- Europe down 21.6% YoY
- Emerging Mkts & AsiaPac down 18.9% YoY

NT\$ mln



2015 Revenue by Product

2015 revenue YoY comparison:

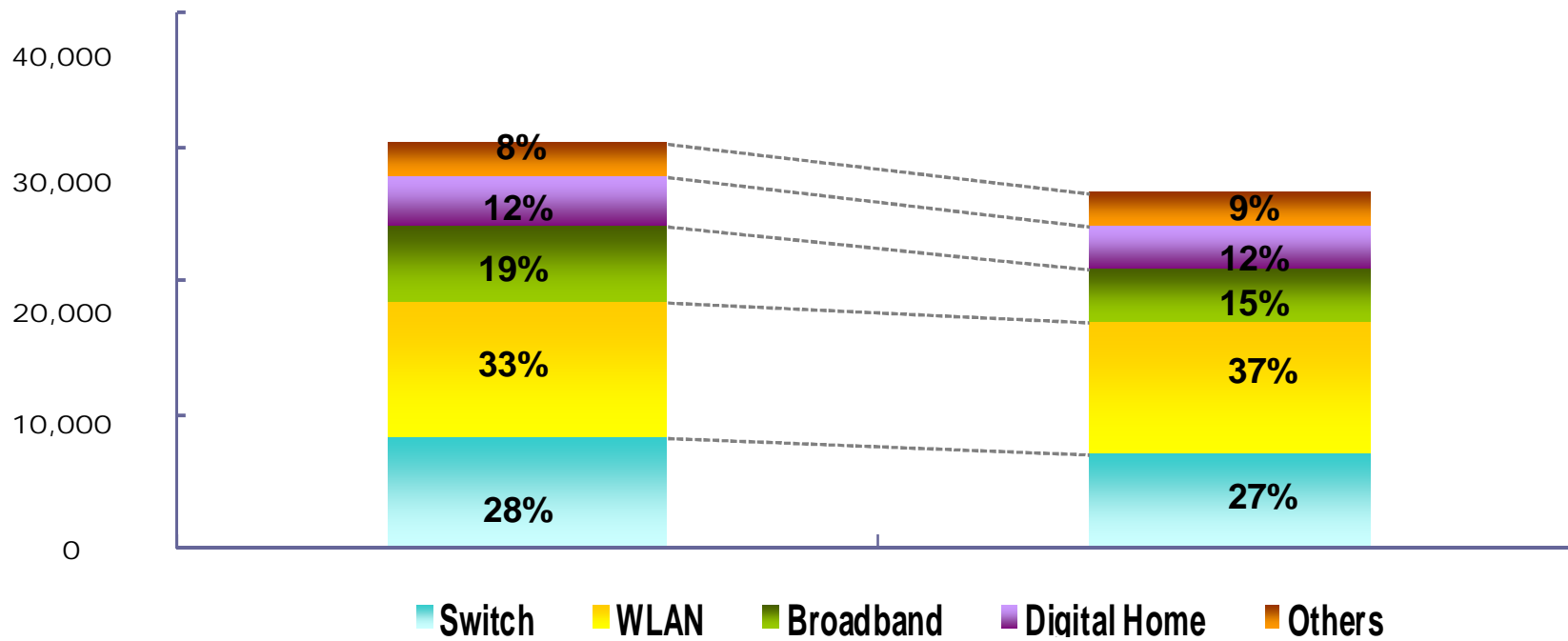
In NT\$ terms:

- Switch down 15.5% YoY
- Wireless down 3.7% YoY
- Broadband down 28.7% YoY
- Digital Home down 10.5% YoY

In US\$ terms:

- Switch down 19.7% YoY
- Wireless down 8.4% YoY
- Broadband down 32% YoY
- Digital Home down 15.1% YoY

NT\$ mln



2014

2015

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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.