



# Q1 2005 Investor Conference

Taipei

February 18th, 2005

# 4Q/04 Pro Forma Financial Review



**Presented by**

**AP Chen**

**CFO**

## FY2004 YoY Consolidated Income Statement Comparison

Amount: NT\$ million

	FY2004		FY2003		YoY % Change
Net Sales	32,239	100%	25,016	100%	29%
Cost of Goods Sold	21,521	67%	17,201	69%	25%
Gross Profit	10,718	33%	7,815	31%	37%
Operating Expenses	8,134	25%	6,212	25%	31%
Operating Income	2,584	8%	1,603	6%	61%
Total Non-Op. Inc. (Loss)	612	2%	(48)	-	(1375)%
Investment Income (Loss)	905	3%	334	1%	171%
Income Before Tax	3,196	10%	1,555	6%	106%
Income Tax Expense	(390)	(1)%	(173)	(1)%	125%
Net Income	2,806	9%	1,382	6%	103%
Minority	(218)	(1)%	(8)	-	2625%
Consolidate Income	2,588	8%	1,374	5%	88%
Earnings Per Share (NT\$)	4.80 <sup>*</sup>		2.75		74%

\*Calculated by FY2004 weighted average of 539.1mln shares.

## FY2004 YoY Consolidated I/S Comparison w/out Alpha Capital Gain

Amount: NT\$ million

	FY2004		FY2003		YoY % Change
Net Sales	32,239	100%	25,016	100%	29%
Cost of Goods Sold	21,521	67%	17,201	69%	25%
Gross Profit	10,718	33%	7,815	31%	37%
Operating Expenses	8,134	25%	6,212	25%	31%
Operating Income	2,584	8%	1,603	6%	61%
Total Non-Op. Inc. (Loss)	(315)	(1%)	(48)	-	(535)%
Investment Income (Loss)	(12)	-	334	1%	(104)%
Income Before Tax	2,279	7%	1,555	6%	47%
Income Tax Expense	(390)	(1)%	(173)	(1)%	125%
Net Income	1,889	6%	1,382	6%	37%
Minority	(218)	(1)%	(8)	-	2625%
Consolidate Income	1,671	5%	1,374	5%	22%
Earnings Per Share (NT\$)	3.10 *		2.75		13%

\*Excluding capital gain from selling of Alpha's shares

\*Calculated by FY2004 weighted average of 539.1mln shares.

# 4Q/04 QoQ Consolidated Income Statement Comparison

Amount: NT\$ million

	4Q/04 Actual		3Q/04 Actual		QoQ % Change
Net Sales	8,483	100%	8,285	100%	2%
Cost of Goods Sold	5,587	66%	5,640	68%	(1)%
Gross Profit	2,896	34%	2,645	32%	9%
Operating Expenses	2,189	26%	2,133	26%	3%
Operating Income	707	8%	512	6%	38%
Total Non-Op. Inc. (Loss)	(25)	-	99	1%	(125)%
Investment Income (Loss)	69	1%	4	-	1625%
Income Before Tax	682	8%	611	7%	12%
Income Tax Expense	(94)	-	(122)	(1)%	(23)%
Net Income	588	7%	489	6%	20%
Minority	(34)	-	(79)	-	
Consolidate Income	554	7%	410	5%	35%
Earnings Per Share (NT\$)	1.03 <sup>*</sup>		0.76		

\*Calculated by FY2004 weighted average of 539.1mln shares.



# 4Q/04 YoY Consolidated Income Statement Comparison

Amount: NT\$ million

	4Q/04		4Q/03		YoY% Change
	Actual		Actual		
Net Sales	8,483	100%	7,009	100%	21%
Cost of Goods Sold	5,587	66%	4,982	71%	12%
Gross Profit	2,896	34%	2,027	29%	43%
Operating Expenses	2,189	26%	1,480	21%	48%
Operating Income	707	8%	547	8%	29%
Total Non-Op. Inc. (Loss)	(25)	-	(156)	(2)%	(84)%
Investment Income (Loss)	69	1%	30	-	128%
Income Before Tax	682	7%	391	6%	74%
Income Tax Expense	(94)	-	(35)	-	169%
Net Income	588	7%	356	5%	65%
Minority Interests	(34)		11	-	(409)%
Consolidate Income	554	7%	367	5%	51%
Earnings Per Share (NT\$)	1.03 <sup>*</sup>		0.87		

\*Calculated by FY2004 weighted average of 539.1mln shares.

## Non-op Income/Loss Breakdown

Unit : NT\$Mln

	4Q04	FY2004
<b>Investment Income/(Loss)</b>	69	905
<b>FX Gain/(Loss)</b>	(156)	(113)
<b>Inventory Gain/(Loss)</b>	(125)	(346)
<b>Financial Income/(Exp.) &amp; Others</b>	<u>187</u>	<u>166</u>
<b>Total</b>	(25)	612

## 12/31/2004 Consolidated Balance Sheet QoQ Comparison

Amount: NT\$ million

	12/31/04		09/30/04		QoQ %
	Actual		Actual		Change
Cash	3,809	14%	2,517	10%	115%
S-T Investment	1,364	5%	2,241	9%	(39)%
Account Receivable	5,939	22%	5,759	22%	3%
Inventory	6,006	22%	6,072	23%	(1)%
Long-term Investments	2,228	8%	2,431	9%	(8)%
Fixed Assets (net)	2,657	10%	2,679	10%	(1)%
Total Assets	27,489	100%	26,077	100%	5%
Accounts Payable	4,866	18%	4,568	18%	7%
Current Liabilities	13,712	50%	13,638	52%	1%
Long-term Liabilities	20	-	-	-	-
Common Stock	5,475	20%	5,508	21%	(1)%
Stockholders' Equity	11,722	43%	11,191	43%	5%



## 12/31/2004 Consolidated Balance Sheet YoY Comparison

Amount: NT\$ million

	12/31/04		12/31/03		YoY %
	Actual		Actual		Change
Cash	3,809	14%	3,075	13%	76%
S-T Investment	1,364	5%	3,511	15%	(61)%
Account Receivable	5,939	22%	4,687	20%	27%
Inventory	6,006	22%	5,082	21%	18%
Long-term Investments	2,228	8%	2,218	9%	-
Fixed Assets(net)	2,657	10%	2,748	12%	(3)%
Total Assets	27,489	100%	23,771	100%	16%
Accounts Payable	4,866	18%	5,413	23%	(10)%
Current Liabilities	13,712	50%	12,572	53%	9%
Long-term Liabilities	20	-	223	1%	(91)%
Common Stock	5,475	20%	5,138	22%	7%
Stockholders' Equity	11,722	43%	10,143	43%	16%

# Consolidated Key Financial Ratios– Liquidity/Leverage

Unit: % , days

	FY2004	FY2003	FY2002
Days A/R	60*	61	61
Days Inventory	94*	93	82
Days A/P	87*	90	71
Cash Cycle	67	64	71
Current Ratio	1.54	1.46	2.66
Debt/Equity Ratio	1.35	1.34	1.24
Adjusted Debt/ Equity Ratio	0.77**	0.69**	0.68**

\* Annualized

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

## Consolidated Key Financial Ratios – Profitability (%)

Unit: %	FY2004	FY2003	FY2002
Net Income/Sales	8.00	5.49	4.30
Net Income/ Total Assets	9.41	5.78	4.61
Operating Profit/ Sales	8.00	6.41	3.21
Return on Equity	22	14	9
EPS (NT\$)*	4.80	2.75	1.69

\*Calculated by FY2004 weighted average of 539.1mln shares.

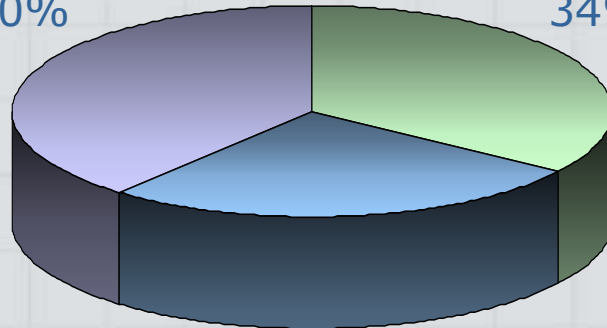
## Revenue By Regions

### FY2004

### FY2003

Asia Pacific  
& Others  
40%

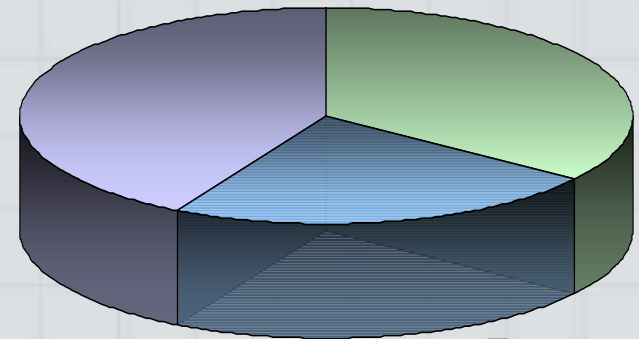
North  
America  
34%



Europe  
26%

Asia Pacific  
& Others  
40%

North  
America  
33%

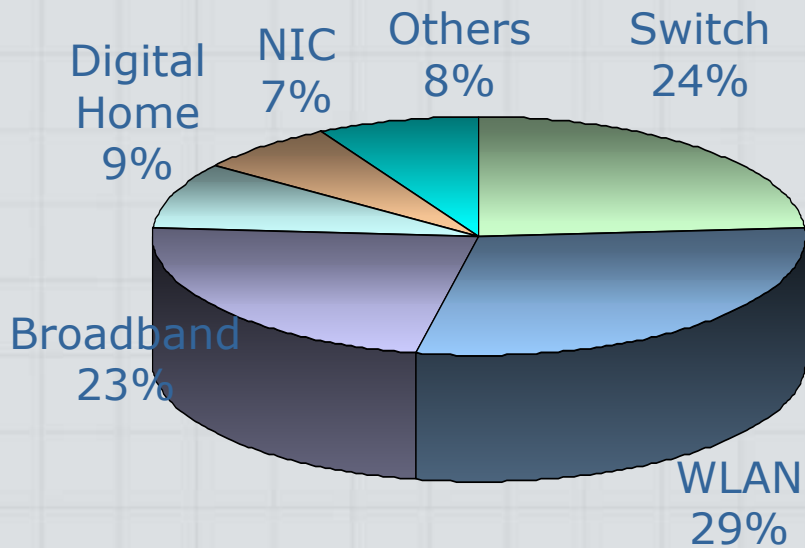


Europe  
27%

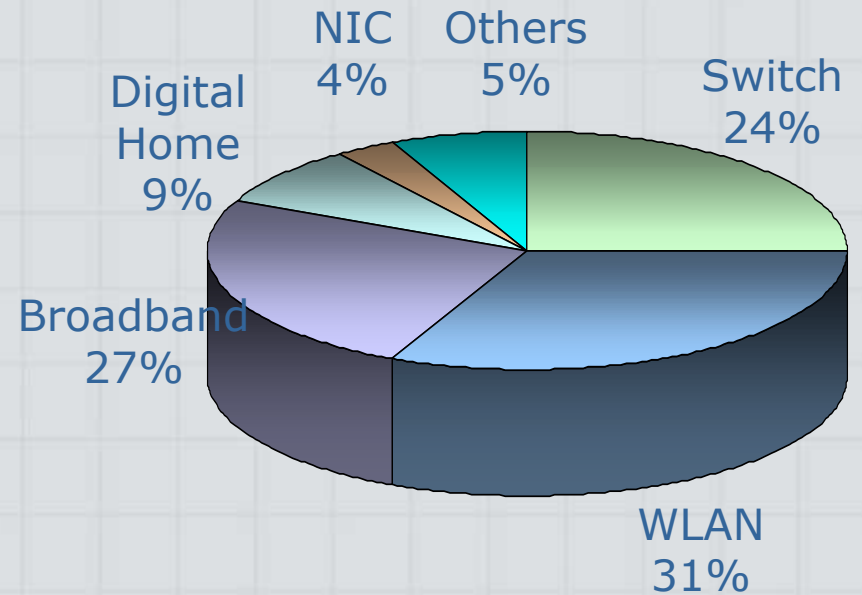
\*FY2004 sales are pro forma and consolidated

## Revenue By Products

### FY2003



### FY2004



\*FY2004 sales are pro forma and consolidated



## 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.