

**Q2 2005
Investor
Conference**

Taipei, April 29th, 2005



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.

FY2004 YoY Consolidated Income Statement Comparison

Amount: NT\$ million	FY2004		FY2003		YoY % Change
Net Sales	32,245	100%	25,016	100%	29%
Cost of Goods Sold	21,437	66%	17,201	69%	25%
Gross Profit	10,808	34%	7,815	31%	38%
Operating Expenses	8,174	25%	6,212	25%	32%
Operating Income	2,634	8%	1,603	6%	64%
Total Non-Op. Inc. (Loss)	581	2%	(48)	-	(1310)%
Investment Income (Loss)	1,009	3%	334	1%	202%
Income Before Tax	3,215	10%	1,555	6%	107%
Income Tax Expense	(399)	(1)%	(173)	(1)%	131%
Net Income	2,816	9%	1,382	6%	104%
Minority	(215)	(1)%	(8)	-	2588%
Consolidate Income	2,601 *	8%	1,374	5%	89%
Earnings Per Share (NT\$)	4.82		2.75		75%

*Calculated by FY2004 weighted average of 539.1mln shares.

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

	FY2004		FY2003		YoY % Change
Amount: NT\$ million					
Net Sales	32,245	100%	25,016	100%	29%
Cost of Goods Sold	21,437	66%	17,201	69%	25%
Gross Profit	10,808	34%	7,815	31%	38%
Operating Expenses	8,174	25%	6,212	25%	32%
Operating Income	2,634	8%	1,603	6%	64%
Total Non-Op. Inc. (Loss)	(345)	(1)%	(48)	-	619%
Investment Income (Loss)	83	-	334	1%	(75)%
Income Before Tax	2,289	7%	1,555	6%	47%
Income Tax Expense	(399)	(1)%	(173)	(1)%	131%
Net Income	1,890	6%	1,382	6%	37%
Minority	(215)	(1)%	(8)	-	2588%
Consolidate Income	1,675	5%	1,374	5%	22%
Earnings Per Share (NT\$)	3.11 *		2.75		13%

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

*Calculated by FY2004 weighted average of 539.1mln shares.

FY2004 Consolidated I/S Pro Forma vs. Audited

Amount: NT\$ million	Audited		Pro Forma		Variance	
Net Sales	32,245	100%	32,239	100%	6	-
Cost of Goods Sold	21,437	66%	21,521	67%	(84)	-
Gross Profit	10,808	34%	10,718	33%	90	1%
Operating Expenses	8,174	25%	8,134	25%	40	-
Operating Income	2,634	8%	2,584	8%	50	2%
Total Non-Op. Inc. (Loss)	581	2%	612	2%	(31)	(5)%
Investment Income (Loss)	1,009	3%	905	3%	104	11%
Income Before Tax	3,215	10%	3,196	10%	19	1%
Income Tax Expense	(399)	(1)%	(390)	(1)%	(9)	2%
Net Income	2,816	9%	2,806	9%	10	-
Minority	(215)	(1)%	(218)	(1)%	3	(1)%
Consolidate Income	2,601	8%	2,588	8%	13	1%
Earnings Per Share (NT\$)	4.82		4.80			

1Q/05 QoQ Consolidated Income Statement Comparison

Amount: NT\$ million	1Q/05 Actual		4Q/04 Actual		QoQ % Change
Net Sales	8,557	100%	8,489	100%	1%
Cost of Goods Sold	5,881	69%	5,503	65%	7%
Gross Profit	2,676	31%	2,986	35%	(10)%
Operating Expenses	2,010	24%	2,229	26%	(10)%
Operating Income	666	8%	757	9%	(12)%
Total Non-Op. Inc. (Loss)	(88)	(1)%	(56)	(1)%	57%
Investment Income (Loss)	63	1%	173	2%	(64)%
Income Before Tax	578	7%	701	8%	(18)%
Income Tax Expense	(168)	-	(103)	(1)%	63%
Net Income	410	5%	598	7%	(31)%
Minority	(57)	-	(31)	-	
Consolidate Income	353 *	4%	567 *	7%	(38)%
Earnings Per Share (NT\$)	0.66		1.06		(39)%

*Calculated by 1Q05 weighted average of 536.3mln shares.

1Q/05 YoY Consolidated Income Statement Comparison

Amount: NT\$ million	1Q/05 Actual		1Q/04 Actual		YoY% Change
Net Sales	8,557	100%	7,814	100%	10%
Cost of Goods Sold	5,881	69%	5,357	69%	10%
Gross Profit	2,676	31%	2,457	31%	9%
Operating Expenses	2,010	23%	1,790	23%	12%
Operating Income	666	8%	667	9%	-
Total Non-Op. Inc. (Loss)	(88)	(1)%	715	9%	(112)%
Investment Income (Loss)	63	1%	852	11%	(93)%
Income Before Tax	578	7%	1,382	18%	(58)%
Income Tax Expense	(168)	-	(95)	(1)%	77%
Net Income	410	5%	1,287	16%	(68)%
Minority Interests	(57)		(44)	(1)%	30%
Consolidate Income	353 [*]	4%	1,243	16%	(72)%
Earnings Per Share (NT\$)	0.66		2.30		(72)%

*Calculated by 1Q05 weighted average of 536.3mln shares.

Non-op Income/Loss Breakdown

Unit : NT\$Mln

1Q05 **FY2004**

Investment Income/(Loss)	63	1,009
FX Gain/(Loss)	(48)	(128)
Inventory Gain/(Loss)	(98)	(374)
Financial Income/(Exp.) & Others	(5)	(74)
Total	(88)	581

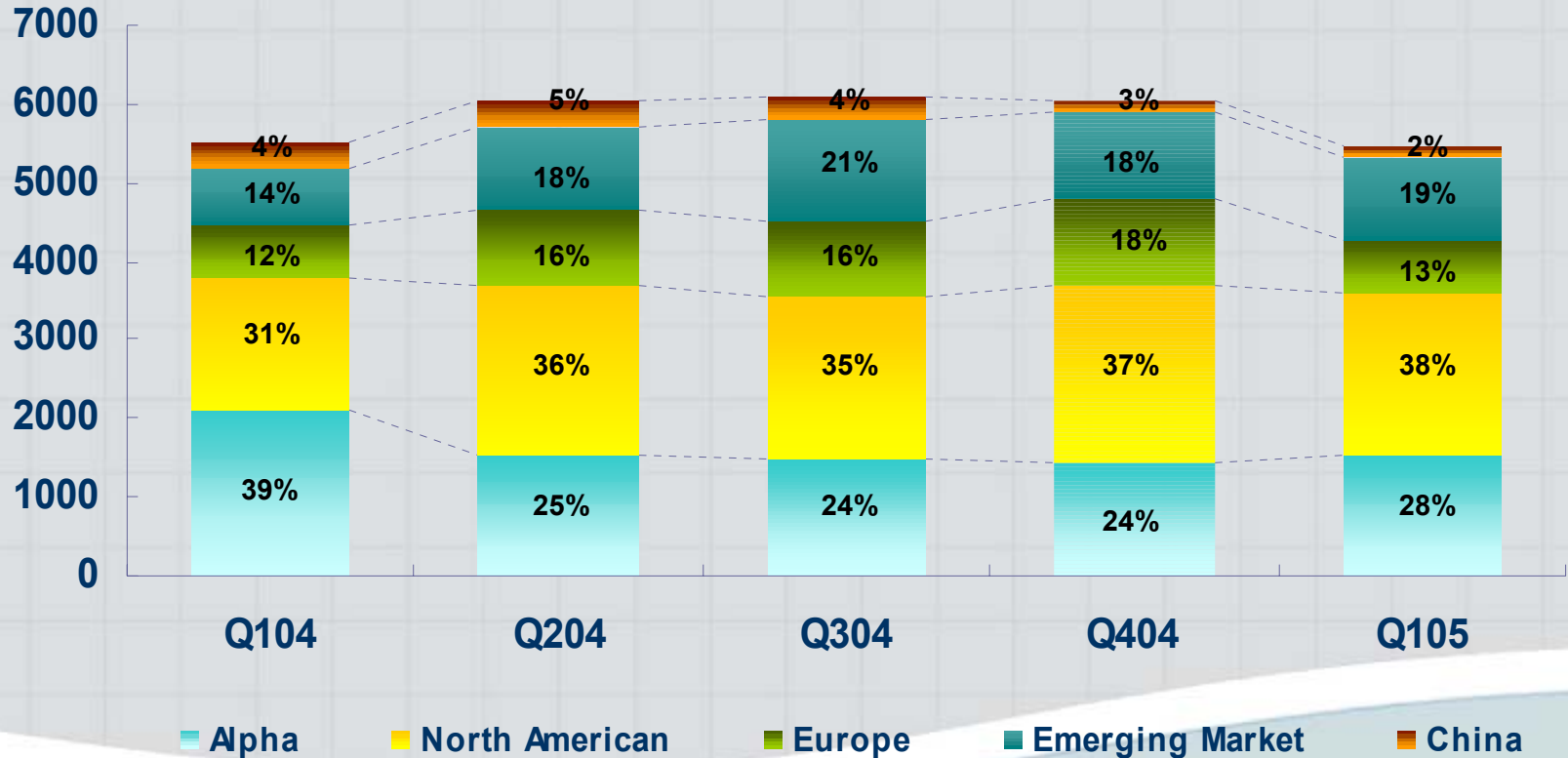
Brand-only Consolidated Income Statement Comparison

Amount: NT\$ million	1Q/05		FY2004	
	Pro Forma		Pro Forma	
Net Sales	6,251	100%	24,882	100%
Cost of Goods Sold	4,229	68%	16,634	67%
Gross Profit	2,022	32%	8,248	33%
Operating Expenses	1,572	25%	6,491	26%
Operating Income	450	7%	1,757	7%
Total Non-Op. Inc. (Loss)	49	1%	1,196	5%
Investment Income (Loss)	138	2%	1,507	6%
Income Before Tax	499	8%	2,953	12%
Income Tax Expense	(140)	(2)%	(322)	(1)%
Net Income	359	6%	2,621	11%
Minority Interests	(6)	-	(20)	-
Consolidate Income	353	6%	2,601	10%
Earnings Per Share (NT\$)	0.66		4.82	

Inventory by Region

- N.A. dropped 9% QoQ
- Europe dropped 36% QoQ
- Emerging market dropped 5% QoQ
- China dropped 21% QoQ
- Alpha increased 6% QoQ

NT\$ Million



03/31/2005 Consolidated Balance Sheet QoQ Comparison

Amount: NT\$ million	03/31/05		12/31/04		QoQ %
	Actual		Actual		Change
Cash	1,775	7%	3,826	15%	(54)%
S-T Investment	3,680	14%	1,364	5%	170%
Account Receivable	6,468	25%	5,791	22%	12%
Inventory	5,454	21%	6,043	23%	(10)%
Long-term Investments	2,115	8%	2,151	8%	(2)%
Fixed Assets (net)	2,270	9%	2,329	9%	(3)%
Total Assets	25,532	100%	25,876	100%	(1)%
Accounts Payable	4,945	19%	4,728	18%	5%
Current Liabilities	11,404	45%	12,260	47%	(7)%
Long-term Liabilities	21	-	22	-	(5)%
Common Stock	5,487	21%	5,475	21%	-
Stockholders' Equity	12,024	47%	11,662	45%	3%

03/31/2005 Consolidated Balance Sheet YoY Comparison

Amount: NT\$ million	03/31/05		03/31/04		YoY %
	Actual		Actual		Change
Cash	1,775	7%	2,366	9%	(25)%
S-T Investment	3,680	14%	5,188	20%	(29)%
Account Receivable	6,468	25%	6,001	23%	8%
Inventory	5,454	21%	5,404	21%	1%
Long-term Investments	2,115	8%	2,326	9%	(9)%
Fixed Assets(net)	2,270	9%	2,604	10%	(13)%
Total Assets	25,532	100%	26,118	100%	(2)%
Accounts Payable	4,945	19%	5,468	21%	(10)%
Current Liabilities	11,404	45%	13,288	51%	(14)%
Long-term Liabilities	21	-	40	-	(48)%
Common Stock	5,487	21%	5,252	20%	4%
Stockholders' Equity	12,024	47%	11,544	44%	4%

03/31/2005 Consolidated Cash Flow from Operation

D-Link has NT\$5.46bln in Cash & S-T Investment

- Cash flow from operations of NT\$321mln in Q1/05
 - Net Profit in Q1/05: NT\$353mln
 - Depreciation & Amortization in Q1/05: NT\$101mln
- Cash used in investing activities of NT\$1.724bln in Q1/05
 - Bond Funds in Q1/05: NT\$2.318bln

Consolidated Key Financial Ratios– Liquidity/Leverage

Unit: % , days

	1Q/05	FY2004	4Q/04	3Q/04	2Q/04	1Q/04	FY2003
Days A/R	65 *	60 *	60 *	60 *	60 *	62 *	61
Days Inventory	89 *	94 *	94 *	96 *	99 *	89 *	93
Days A/P	75 *	87 *	87 *	86 *	88 *	93 *	90
Cash Cycle	80	67	67	70	71	59	64
Current Ratio	1.70	1.54	1.54	1.43	1.44	1.57	1.46
Debt/Equity Ratio	1.12	1.35	1.35	1.33	1.51	1.26	1.34
Adjusted Debt/ Equity Ratio	0.58 **	0.77 **	0.77 **	0.90 **	0.83 **	0.61 **	0.69 **

* Annualized

**Adjust for Cash & S-T investment

Consolidated Key Financial Ratios – Profitability (%)

Unit: %	1Q/05	FY2004	4Q/04	3Q/04	2Q/04	1Q/04	FY2003
Net Income/Sales	4.13	8.00	7.00	4.95	4.99	15.82	5.49
Net Income/ Total Assets	1.38	9.41	2.02	1.57	1.39	4.73	5.78
Operating Profit/ Sales	7.78	8.00	8.00	6.18	9.12	8.43	6.41
Return on Equity*	12	22	22	22	22	22	14
EPS (NT\$)**	0.66	4.82	1.03	0.76	0.71	2.30	2.75

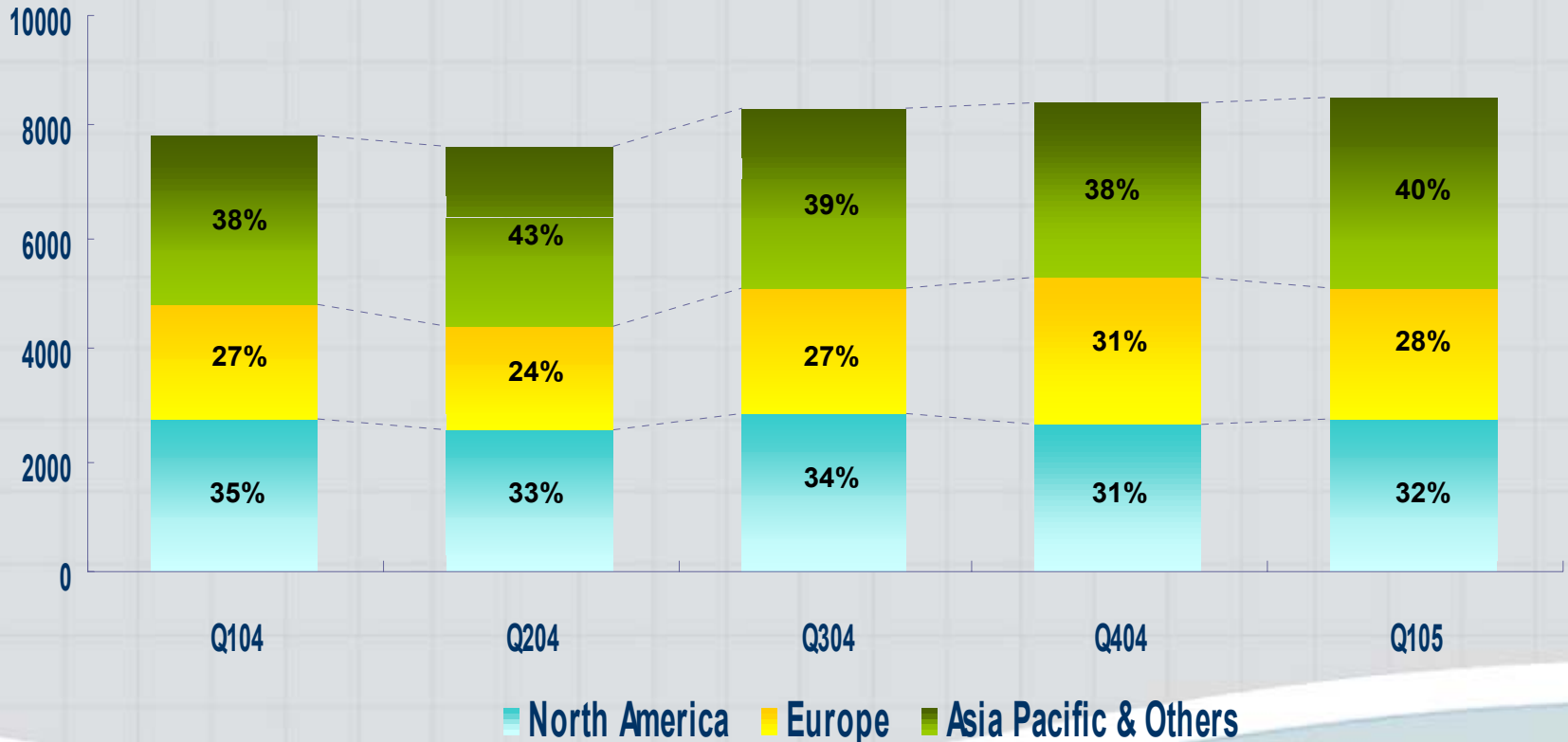
* Annualized

**Calculated by 1Q05 weighted average of 536.3mln shares.

Revenue by Regions

- N.A. increased 4% QoQ
- Europe dropped 9% QoQ
- A. P. & Others increased 6% QoQ

NT\$ Million

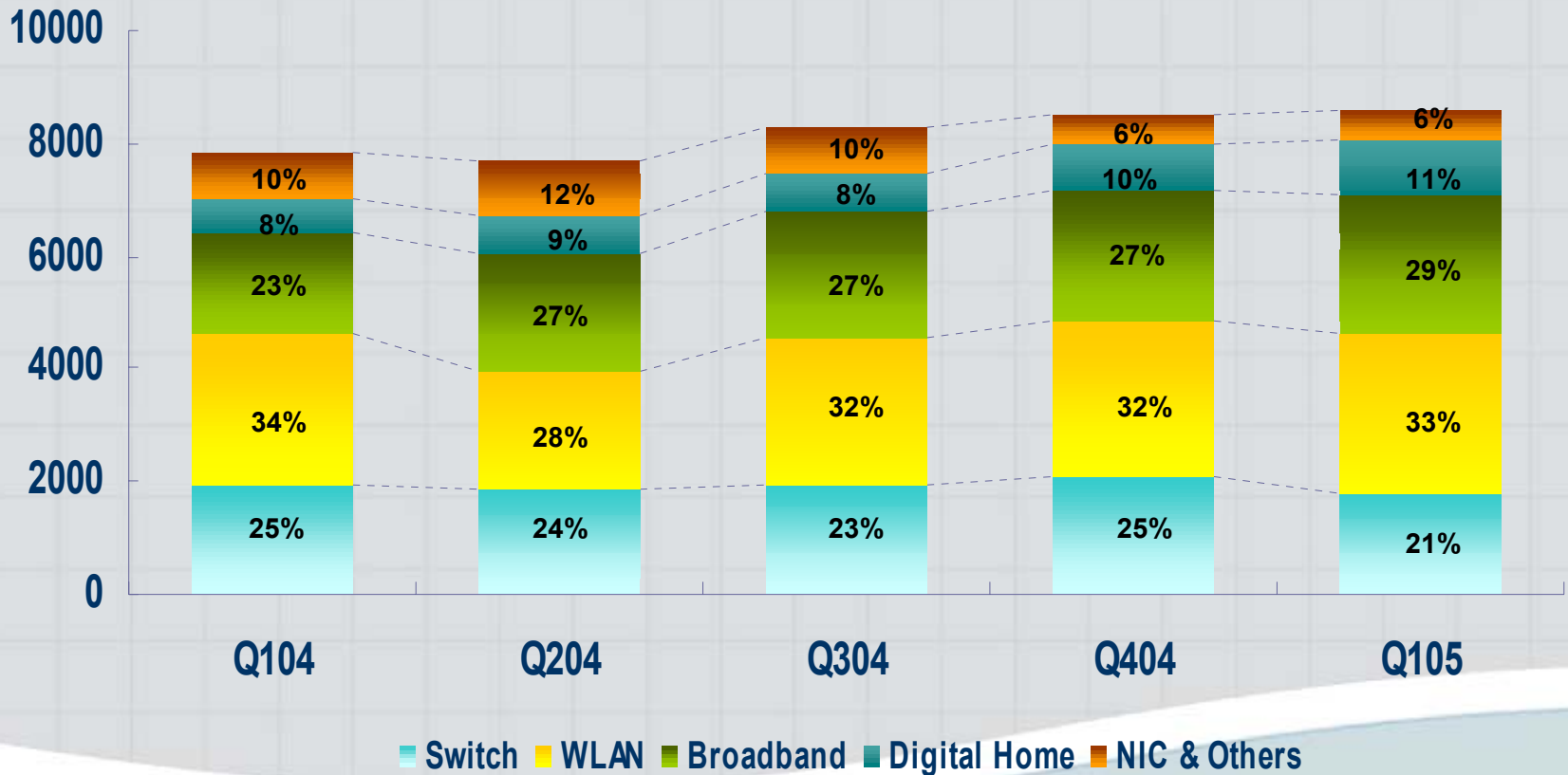


Revenue by Products

- Switch dropped 15% QoQ
- WLAN increased 4% QoQ

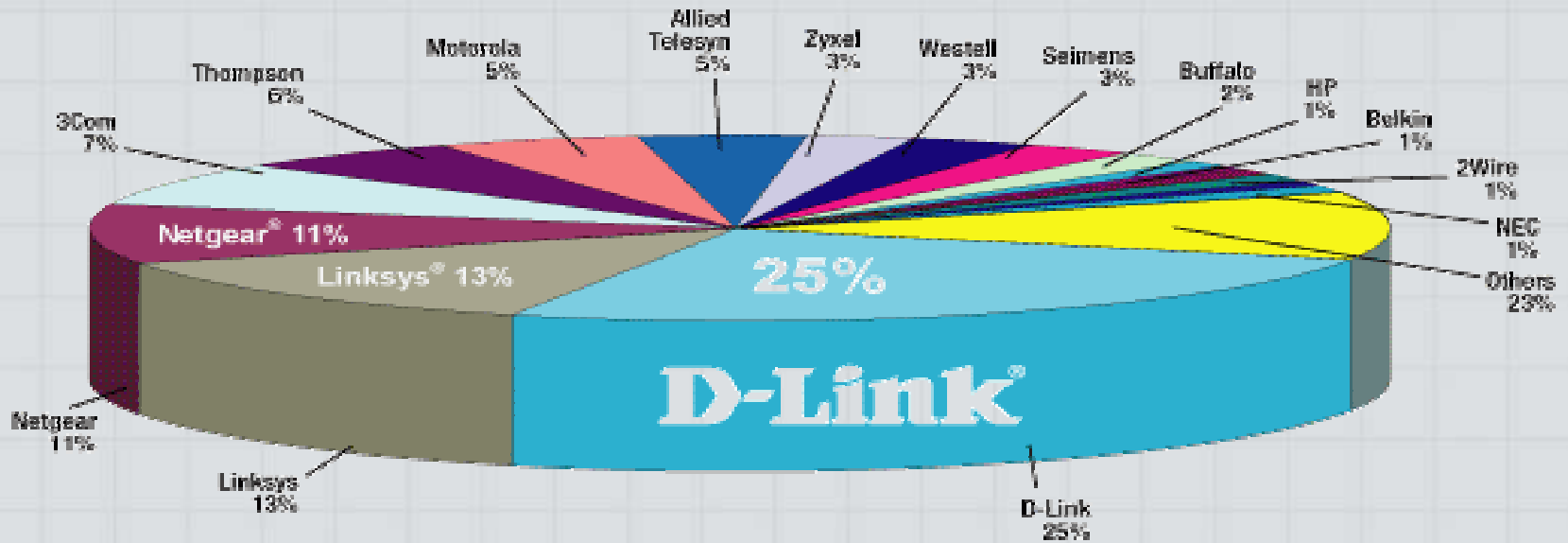
- Broadband increased 8% QoQ
- Digital Home increase 11% QoQ

NT\$ Million



WW SMB/SOHO Market Share Leader

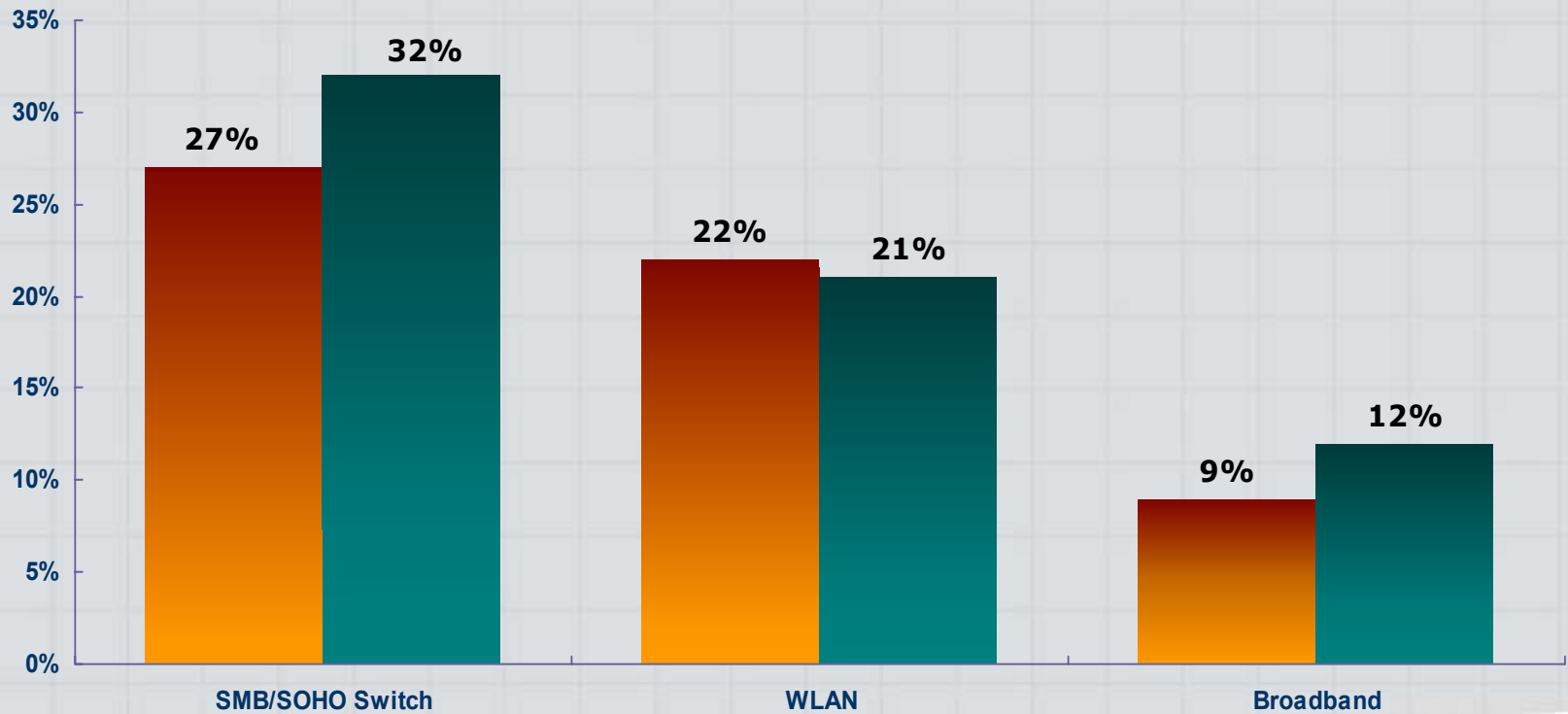
Q4/04



SRG Q4 2004 WIRELESS LAN Equipment Market Share Report
 SRG Q4 2004 ETHERNET LAN Switch Market Share Report
 SRG Q4 2004 Broadband Equipment Market Share Report

Dominance in all Segments

Market Shares by Products



Source: Synergy Research Group, FY2004

■ 2003 ■ 2004

Regional Update (D-Link Brand Only)

➤ North America

- Significant increases in WLAN and Digital Home volume
- Very strong acceptance of MediaLounge and GamerLounge lines of products

➤ EMEA

- Double-digit YoY revenue growth in US\$ terms
- IDC named D-Link the fastest growing LAN switches supplier in EMEA
- Xstack L3 switch won Best Product of Network Computing in Germany

➤ AsiaPac and Others

- Strong 60%+ YoY revenue growth from ANZ, ASEAN, CIS and L.A.
- Major Broadband and VoIP project wins in Taiwan, India, and ANZ

Industry Snapshots

- **Over 35m new xDSL installed in 2004 that will refuel demands for faster and better home networking equipments.**
- **From 2005 onwards, WW new xDSL subscribers will grow 50-90m annually. Faster ADSL2+ /VDSL/SDSL will begin to dominate broadband services.**
- **Media Home networking will have a CAGR of 29% onto 2009.**
- **Revenue of IP-based Home Control networking devices will be doubled to \$4B (04-08)**
- **Total home networking revenue will also become twofold to \$17.1B (04-08)**
- **Gigabit outpaced FE. D-Link is the leader of unmanaged GigE switches for both port shipment and revenue in 2004.**

Guidance for Q2/05 (For the Group)

- **Q2 revenue forecast is better than the usual seasonal downward adjustment** (in US\$ terms)
 - **Flat to marginally up sequentially**
 - **YoY growth will outpace Q1's 15.9%**
 - **Brand relatively stronger than OEM**
- **Gross margin will track back to normal range**
 - **Share of switch shipment will be up, Broadband down**
 - **AsiaPac and others continues to lead the growth**