



D-Link[®]
Building Networks for People

Unaudited 2Q09 Earnings Release

August 5, 2009

Agenda

- **Operation Review & Updates** A.P. Chen
- **Q&A** Tony Tsao & A.P. Chen

All numbers are consolidated and unaudited, except otherwise specified.

Operation Review & Updates

2Q09 Income Statement & QoQ Comparison

Unit: NT\$ million	2Q09		1Q09		QoQ % Change
	AMT	%	AMT	%	
Net Sales	7,025	100.0	6,805	100.0	3.2
Cost of Goods Sold - Product	4,992	71.1	4,921	72.3	1.4
Gross Profit 1	2,033	28.9	1,884	27.7	7.9
Inventory Related Gain/Loss	325	4.6	(213)	(3.1)	NA
Gross Profit 2	2,358	33.5	1,671	24.6	41.1
Operating Expenses	2,220	31.5	2,109	31.0	5.3
Operating Income	138	2.0	(438)	(6.4)	NA
Total Non-Op. Inc. (Loss)	49	0.7	174	2.5	(71.8)
Income Before Tax	187	2.7	(264)	(3.9)	NA
Tax (Exp.) / Income	28	0.4	(63)	(0.9)	NA
Net Income	215	3.1	(327)	(4.8)	NA
Minority Interest	4	0.1	3	0.0	33.3
Consolidated Income	219	3.2	(324)	(4.8)	NA
EPS (NT\$)-Per Fully Diluted Capital of NT\$6,476M	0.34		(0.50)		NA

* The numbers are unaudited.

2Q09 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ mln	2Q09	1Q09	QoQ % Change
Investment Income	(48)	115	NA
Sub./Aff.	(48)	115	NA
Capital Gain	0	0	0
FX Gain/(Loss)	63	31	103.2
Fin. Income/(Exp.) & Oth.	34	28	21.4
Total	49	174	(71.8)

2Q09 Income Statement & YoY Comparison

Unit: NT\$ million	2Q09		2Q08		YoY % Change
	AMT	%	AMT	%	
Net Sales	7,025	100.0	8,507	100.0	(17.4)
Cost of Goods Sold - Product	4,992	71.1	5,655	66.5	(11.7)
Gross Profit 1	2,033	28.9	2,852	33.5	(28.7)
Inventory Related Gain/Loss	325	4.6	(90)	(1.1)	NA
Gross Profit 2	2,358	33.5	2,762	32.4	(14.6)
Operating Expenses	2,220	31.5	2,493	29.3	(10.9)
Operating Income	138	2.0	269	3.1	(48.7)
Total Non-Op. Inc. (Loss)	49	0.7	122	1.5	(59.8)
Income Before Tax	187	2.7	391	4.6	(52.2)
Tax (Exp.) / Income	28	0.4	(52)	(0.6)	NA
Net Income	215	3.1	339	4.0	(36.6)
Minority Interest	4	0.1	0	0.0	100.0
Consolidated Income	219	3.2	339	4.0	(35.4)
EPS (NT\$)-Per Fully Diluted Capital of NT\$6,476M	0.34		0.52		(35.4)

* The numbers are unaudited.

1H09 Income Statement & YoY Comparison

Unit: NT\$ million	1H09		1H08		YoY % Change
	AMT	%	AMT	%	
Net Sales	13,830	100.0	17,000	100.0	(18.6)
Cost of Goods Sold - Product	9,912	71.7	11,283	66.4	(12.2)
Gross Profit 1	3,918	28.3	5,717	33.6	(31.5)
Inventory Related Gain/Loss	112	0.8	(232)	(1.4)	NA
Gross Profit 2	4,030	29.1	5,485	32.2	(26.5)
Operating Expenses	4,330	31.3	4,877	28.7	(11.2)
Operating Income	(300)	(2.2)	608	3.5	NA
Total Non-Op. Inc. (Loss)	223	1.6	214	1.3	4.2
Income Before Tax	(77)	(0.6)	822	4.8	NA
Tax (Exp.) / Income	(36)	(0.3)	(112)	(0.7)	(67.8)
Net Income	(113)	(0.9)	710	4.1	NA
Minority Interest	7	0.1	0	0.0	100.0
Consolidated Income	(106)	(0.8)	710	4.1	NA
EPS (NT\$)-Per Fully Diluted Capital of NT\$6,476M	(0.16)		1.10		NA

* The numbers are unaudited.

06/30/2009 Balance Sheet & QoQ Comparison

Unit: NT\$ mln	06/30/09		03/31/09		QoQ % Change
	AMT	%	AMT	%	
Cash	3,170	14	1,681	8	88.6
S-T Investment	68	0	551	2	(87.7)
Account Receivable	5,900	25	5,941	27	(0.7)
Inventory	5,558	24	5,476	25	1.5
Long-term Investments	5,633	24	5,460	24	3.2
Total Assets	23,502	100	22,338	100	5.1
Accounts Payable	5,125	22	3,423	15	49.7
Current Liabilities	8,831	38	7,376	33	19.7
Common Stock	6,476	24	5,652	25	14.6
Stockholders' Equity	13,753	59	13,678	61	0.5

Key Financial Ratios

Unit: % , days	06/30/09	03/31/09	12/31/08	09/30/08	06/30/08
Days A/R	78 [*]	80 [*]	74 [*]	74 [*]	75 [*]
Days Inventory	121 [*]	115 [*]	131 [*]	125 [*]	84 [*]
Days A/P	101 [*]	81 [*]	101 [*]	141 [*]	105 [*]
Cash Cycle	99	114	104	57	53
Current Ratio	1.84	2.01	1.91	1.58	1.59
Debt/Equity Ratio	0.71	0.63	0.79	0.95	0.89
Net Debt/Equity Ratio	0.47 ^{**}	0.44 ^{**}	0.57 ^{**}	0.67 ^{**}	0.51 ^{**}
ROE	6 [*]	-8 [*]	9 [*]	13 [*]	16 [*]

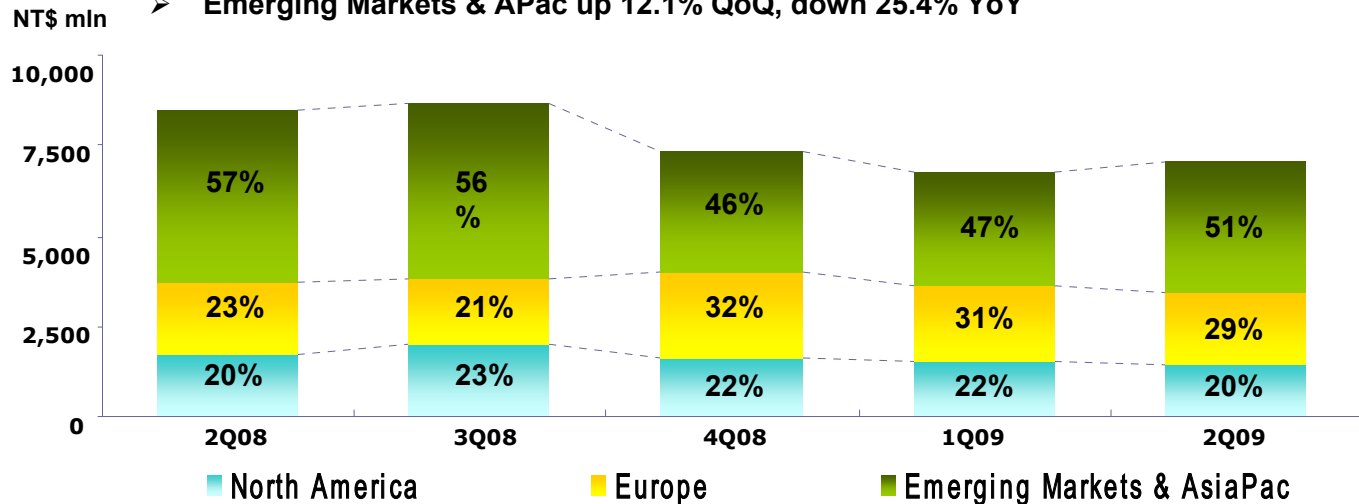
* Annualized

**Adjust for Cash & S-T investment

Quarterly Revenue by Regions

2Q09 revenue up 3.2% QoQ, down 17.4% YoY

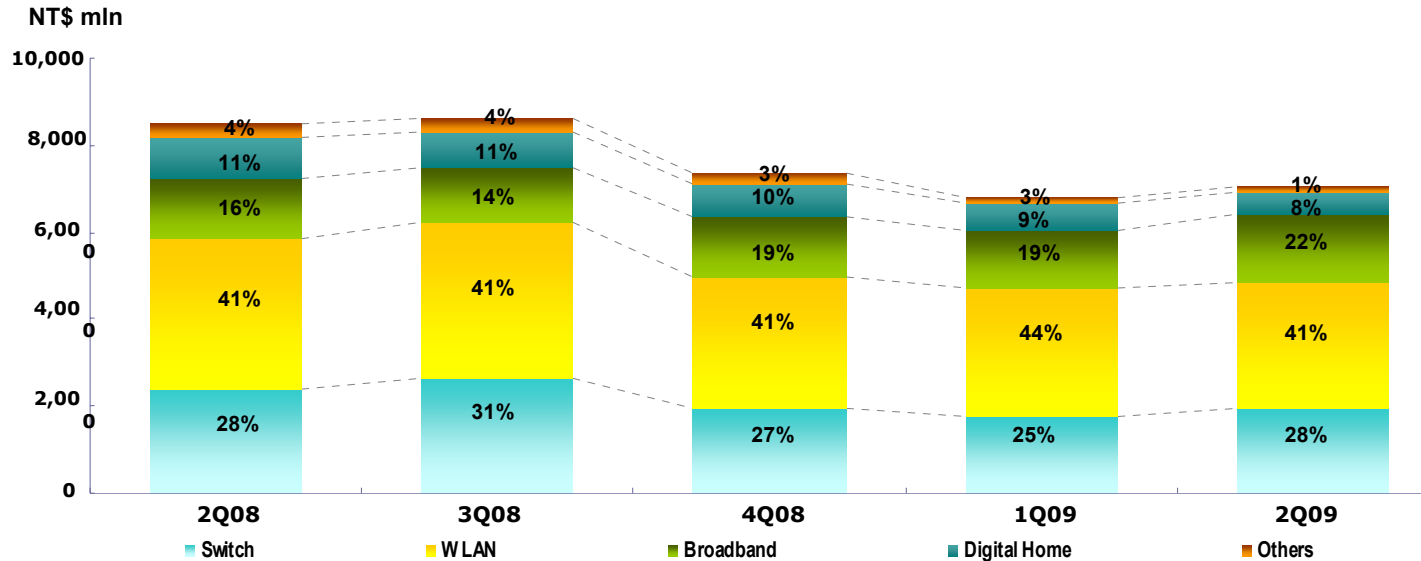
- N.A. down 6.7% QoQ, down 18.1% YoY
- Europe down 3.3% QoQ, up 2.4% YoY
- Emerging Markets & APac up 12.1% QoQ, down 25.4% YoY



Quarterly Revenue by Products

2Q09 revenue comparison:

- Switch up 13.6% QoQ, down 17.5% YoY
- WLAN down 4.5% QoQ, down 17.1% YoY
- Broadband up 19.5% QoQ, up 10.6% YoY
- D.H. down 10.9% QoQ, down 41.2% YoY
- Others down 10.9% QoQ, down 41.2% YoY

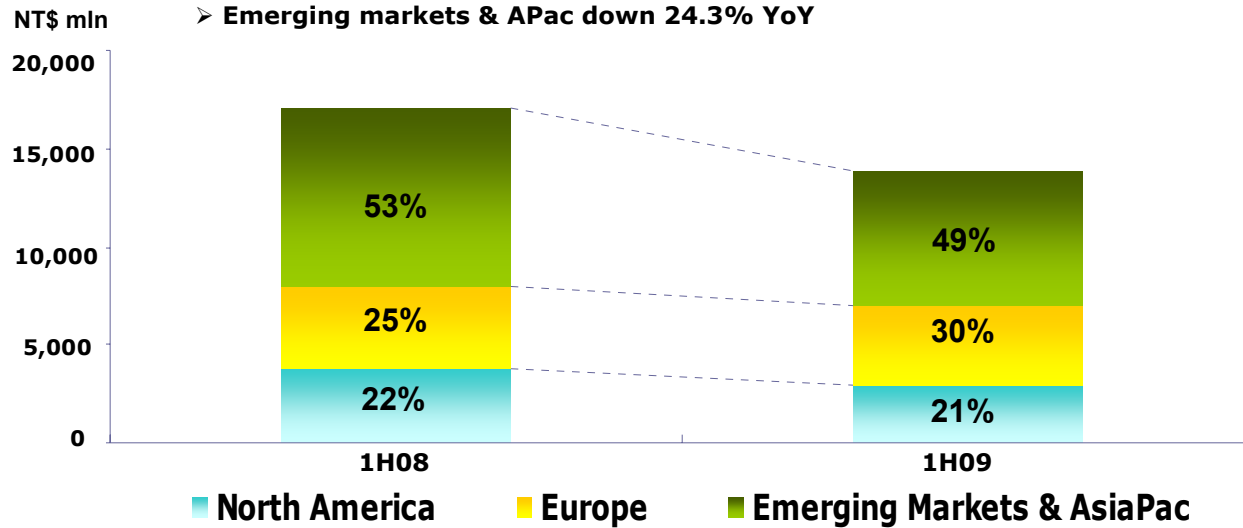


1H09 Revenue by Regions

1H09 revenue YoY comparison: WW revenue down

18.6%

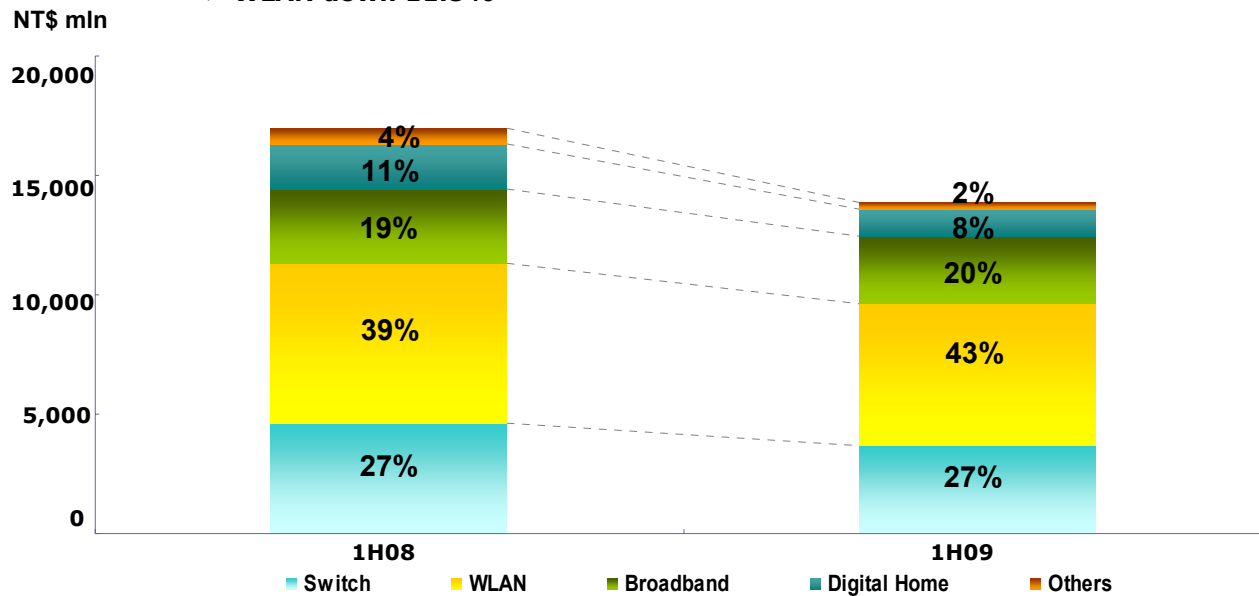
- N.A. down 23.1% YoY
- Europe down 2.9% YoY
- Emerging markets & APac down 24.3% YoY



1H09 Revenue by Products

1H09 revenue YoY comparison:

- Switch down 20.6%
- WLAN down 11.8%
- Broadband down 9.4%
- Digital Home down 37.8%
- Others down 20.0%



3Q09 Outlooks

- **Revenue momentum sustainable**
- **Positive op. margin projected**
- **Growth thrusts**
 - **Telco projects**
 - **Japan initiative**

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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