

***Nomura Asia Equity
Forum 2005***

Singapore, July 14, 2005

Agenda

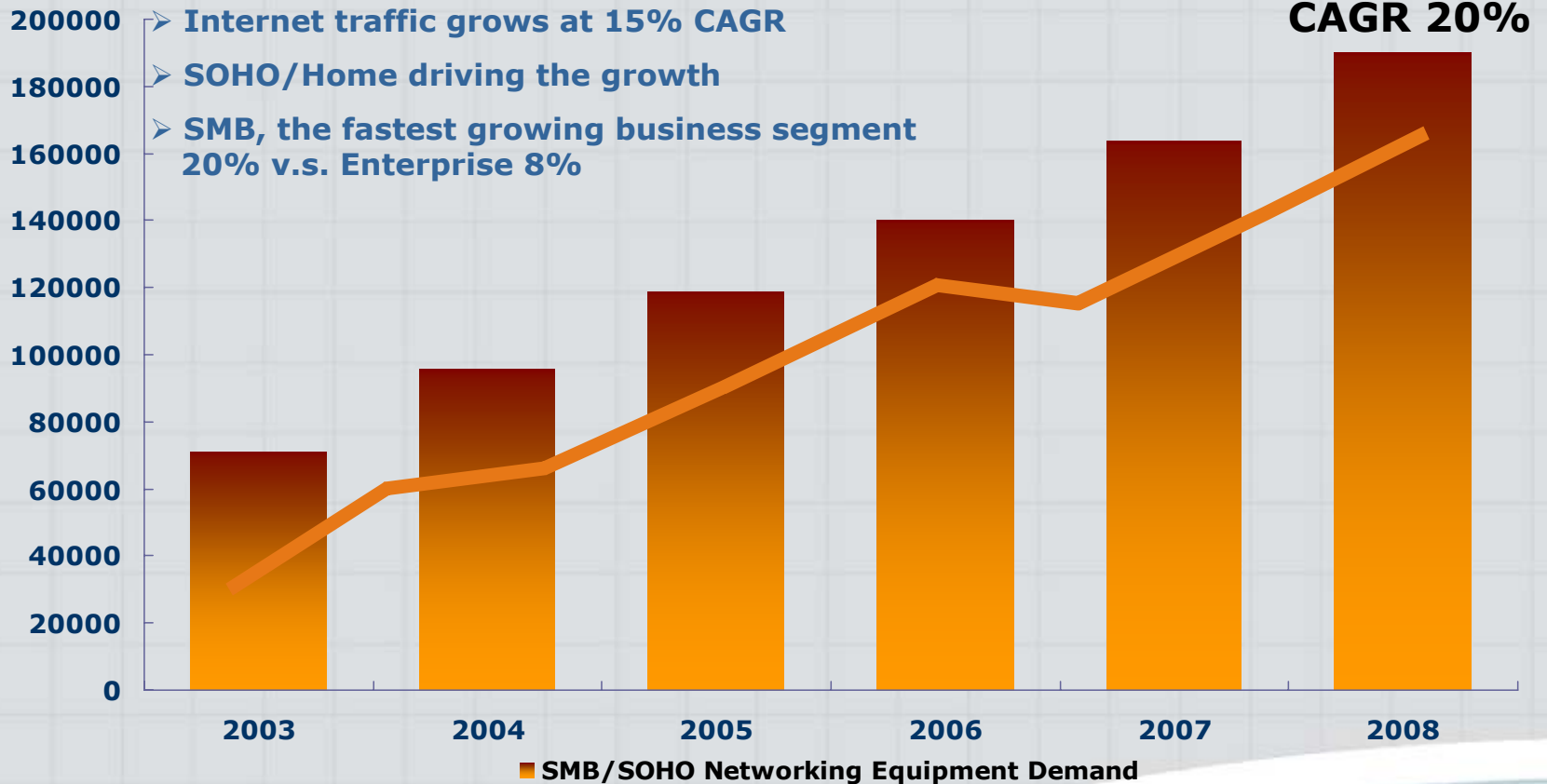
- **SMB/Home Networking Industry Landscape**
- **D-Link's Unique Proposition**
- **Financials**

All numbers consolidated. FY05 are pro forma.

- **SMB/SOHO Networking Industry Landscape**
- **D-Link's Unique Proposition**
- **Financials**

WW SMB and SOHO Networking Market

US\$ Million



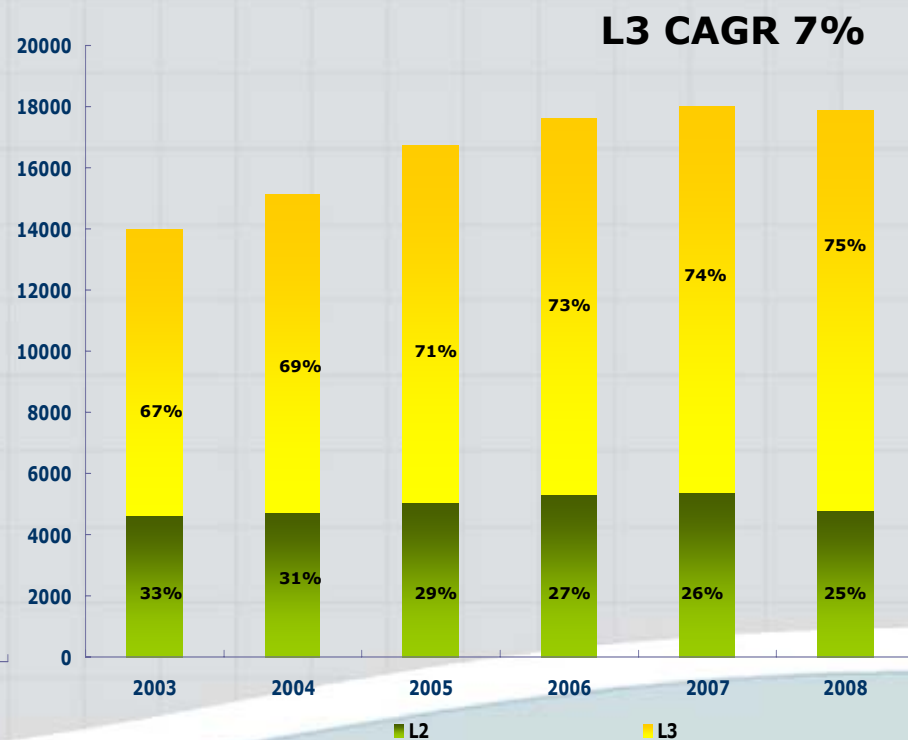
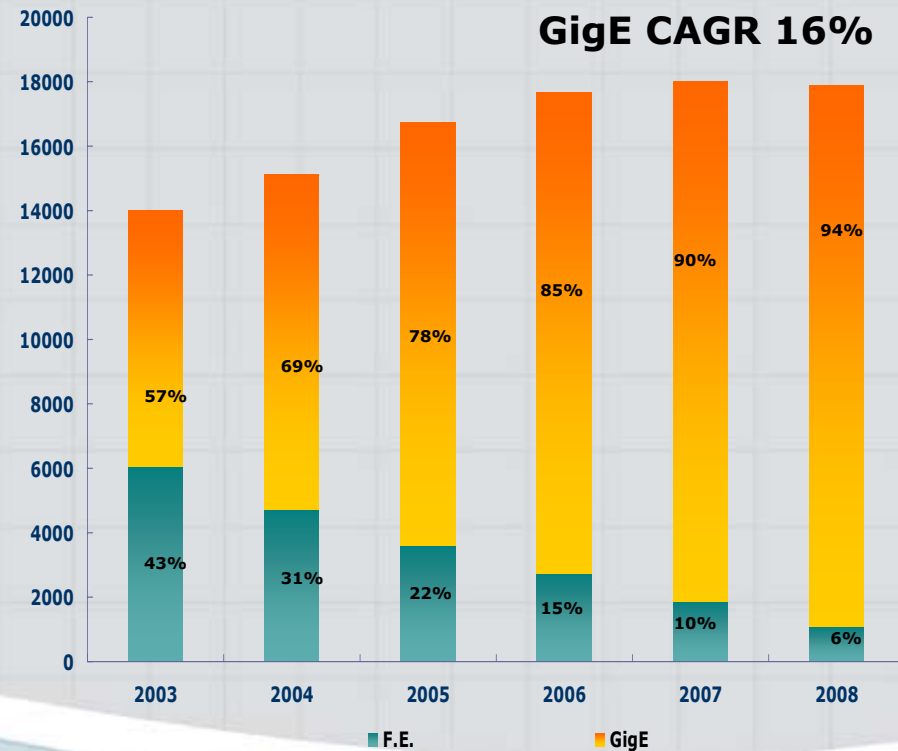
Source: IDC, FY2004

Switching

- GigE replacing FE, L3 outgrows L2
- Data traffic growth continued at 38%+ p.a.
- Pull-through for VoIP, Securities
- Upgrade and replacement cycle
- More powerful commercial chips

US\$ Million

US\$ Million

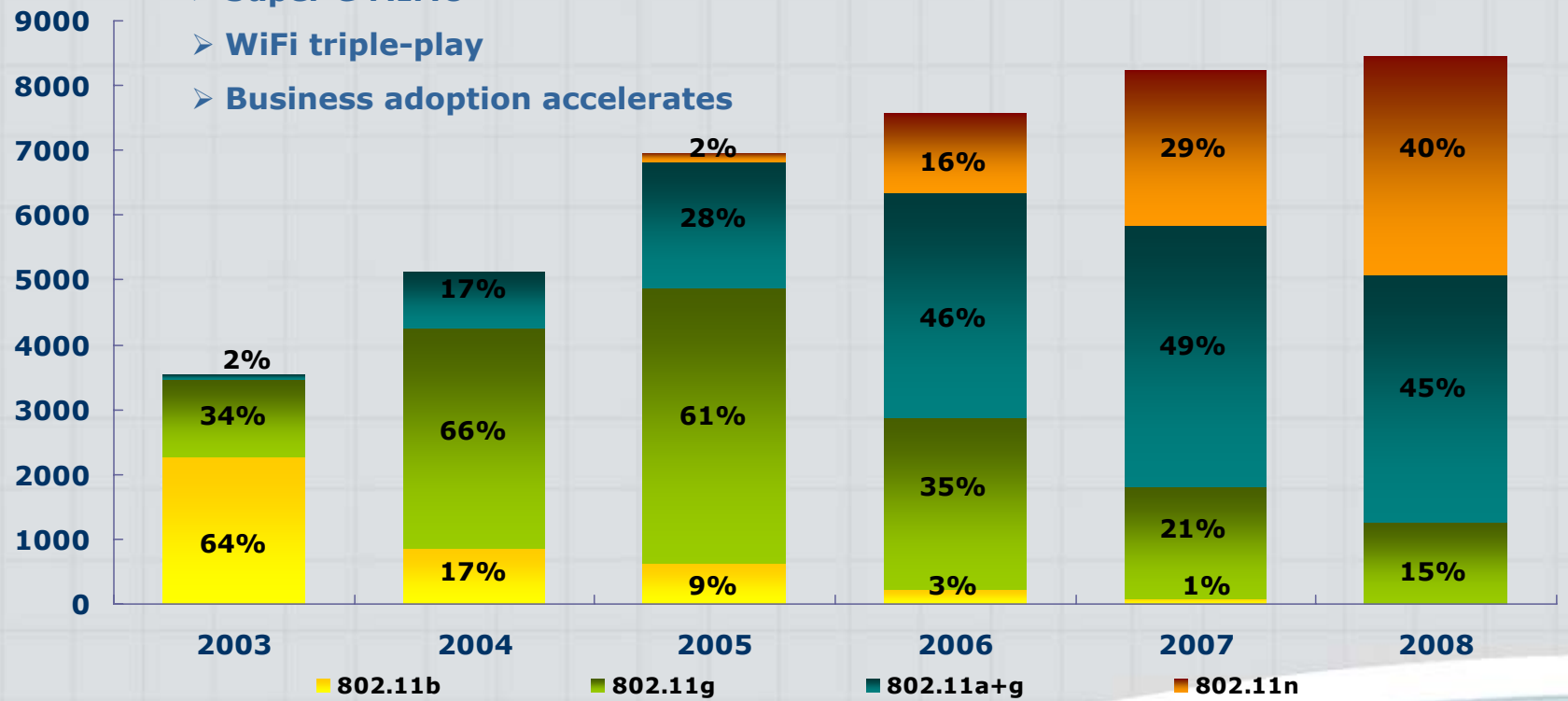


WLAN

US\$ Million

- Global WLAN Market to reach US\$8.45bln by 2008
- g, a/g replacing b
- Super G MIMO
- WiFi triple-play
- Business adoption accelerates

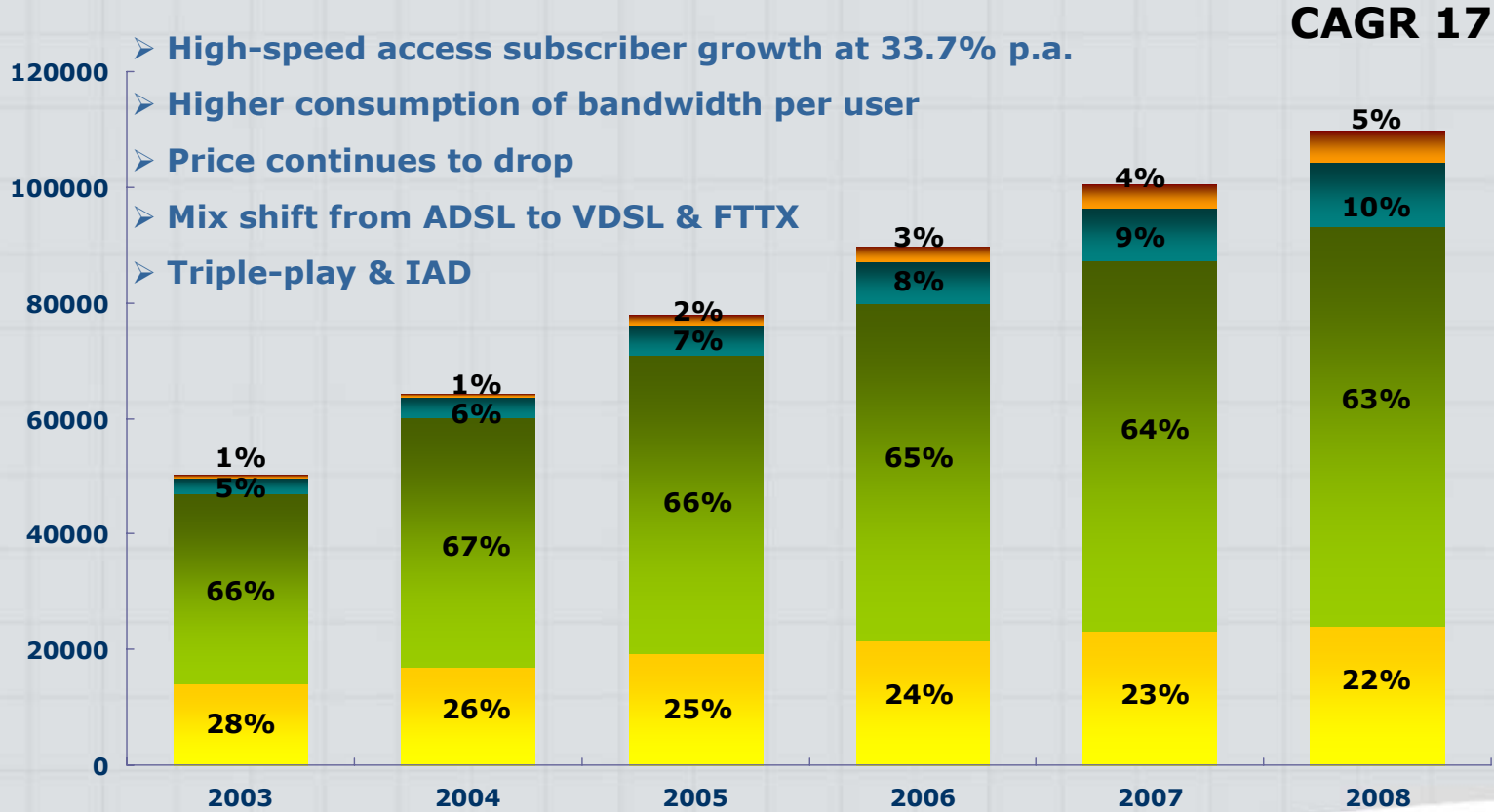
CAGR 15%



Source: IDC, FY2004

Broadband

US\$ Million



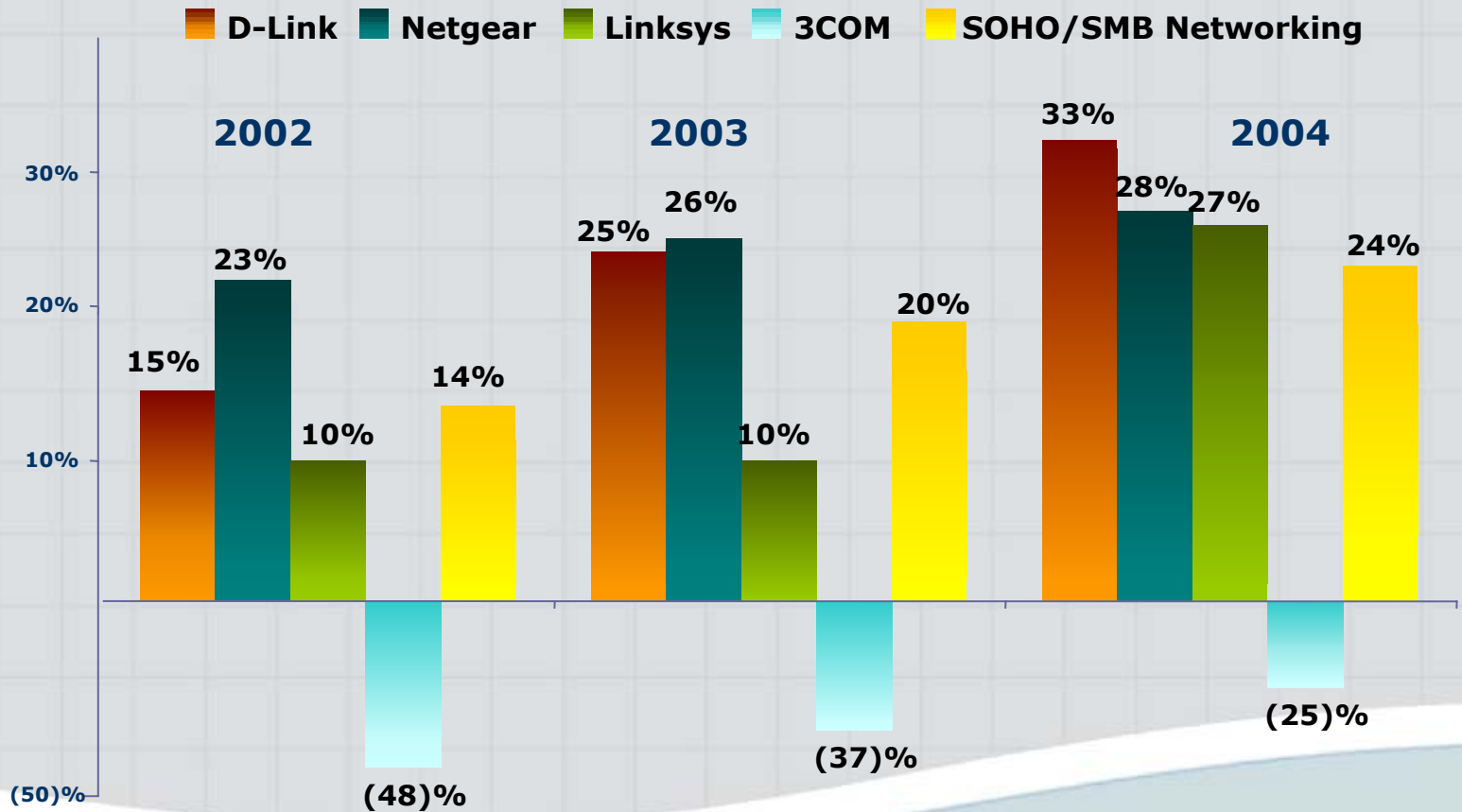
Source: IDC, FY2004

■ Cable Modem
 ■ ADSL
 ■ FTTX
 ■ Advanced Technology

Consistent Outperformance

Exceeding Industry and Peers Growth

Revenue Growth Rate



1. All growth measured in US\$ terms.

- **SMB/SOHO Networking Industry Landscape**
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1 in Global Revenue

- D-Link tops the industry in terms of global revenue
- D-Link led the growth in Q1/04, Q4/04
- D-Link grew at much more stable pace after Q3/04 compared to all peers

US\$ Million

QoQ Growth

300

25%

234

229

244

259

272

200

100

0

1Q04

2Q04

3Q04

4Q04

1Q05

-15%

-10%

-5%

0%

5%

10%

15%

20%

25%

D-Link

Linksys

3COM

NTGR

QoQ D-Link

QoQ Linksys

QoQ 3COM

QoQ NTGR

14%

5%

2%

-6%

7%

0%

-5%

20%

15%

6%

-11%

6%

4%

-7%

7%

5%

4%

2%

7%

5%

Revenue by Regions

NT\$ Million

For Q1/05,

- N.A. up 4% QoQ
- Europe grew 13.6% YoY
- APac & Others grew 15.3% YoY

10000

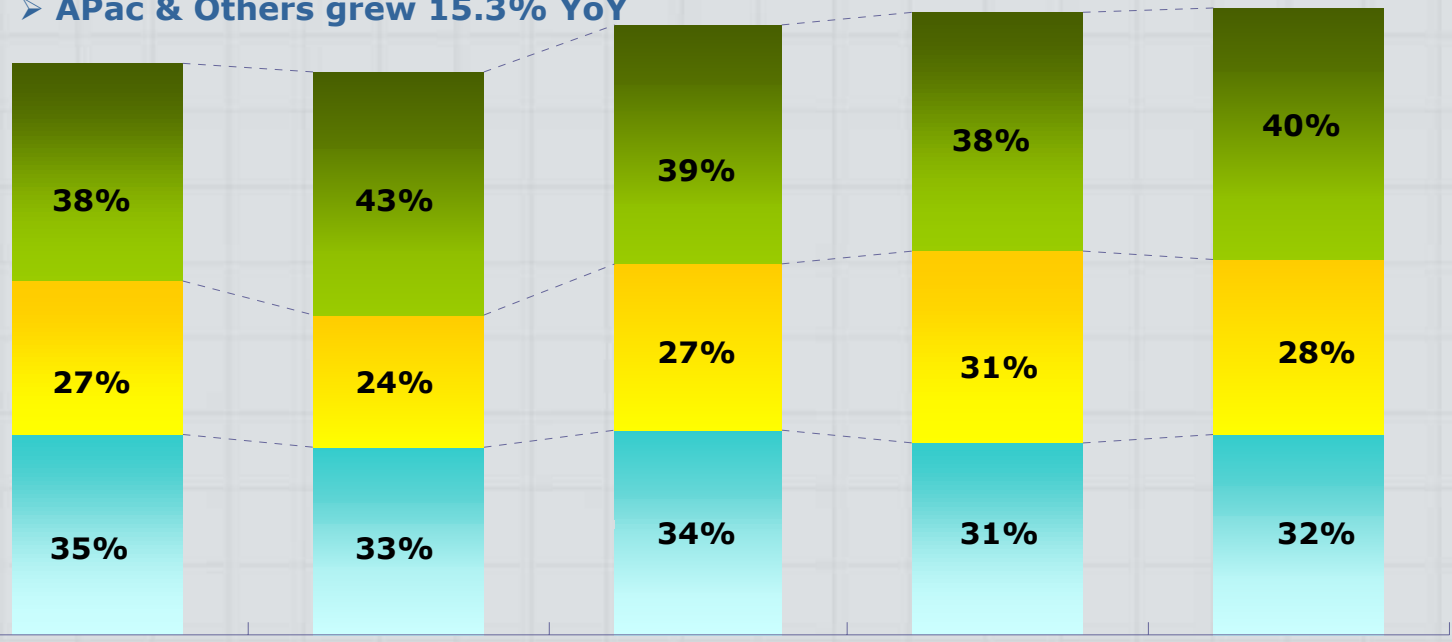
8000

6000

4000

2000

0



Q104

Q204

Q304

Q404

Q105

North America

Europe

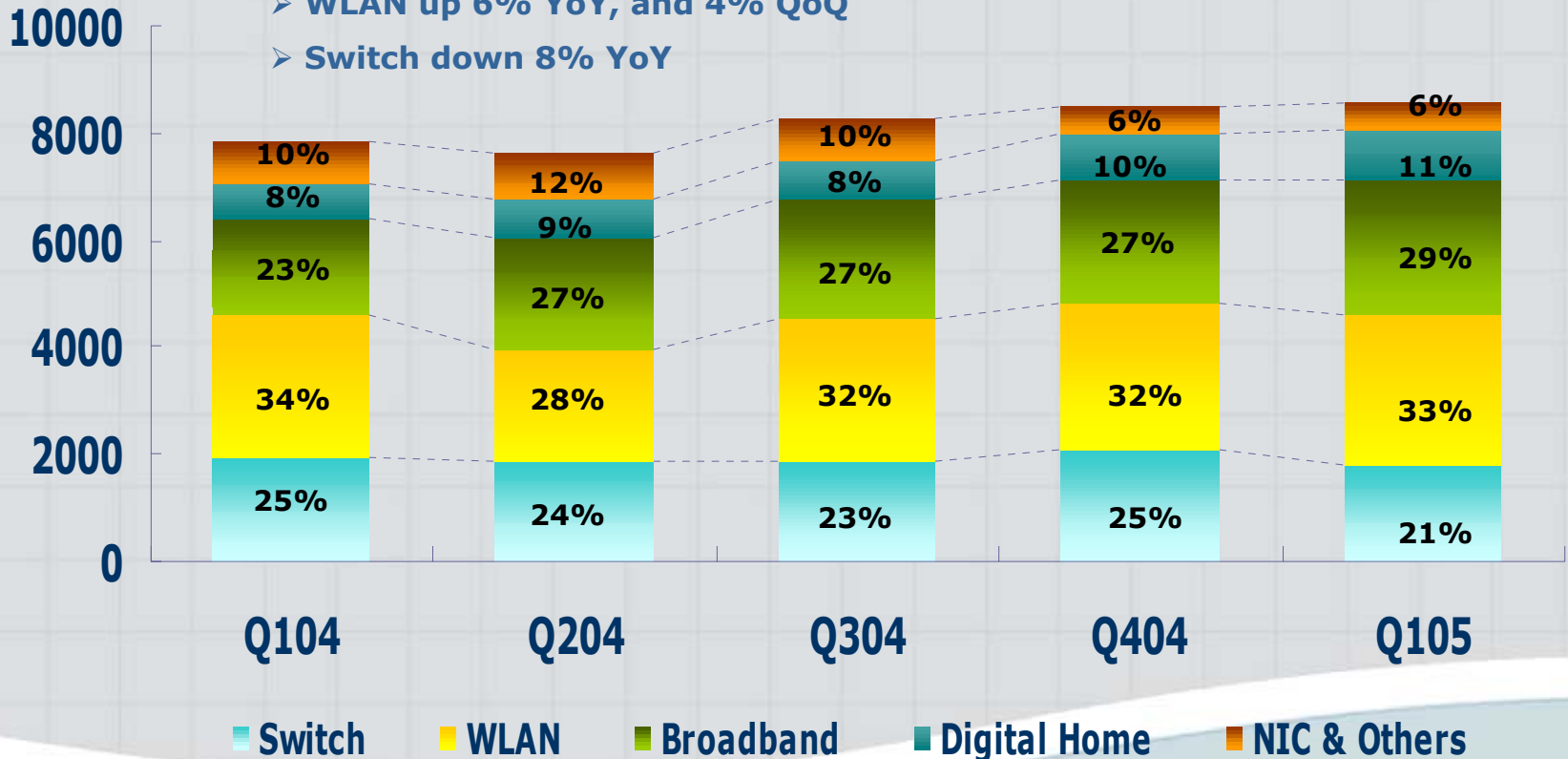
Asia Pacific & Others

Revenue by Products

For Q1/05,

- Digital Home up 51% YoY, and 11% QoQ
- Broadband up 52% YoY, and 8% QoQ
- WLAN up 6% YoY, and 4% QoQ
- Switch down 8% YoY

NT\$ Million

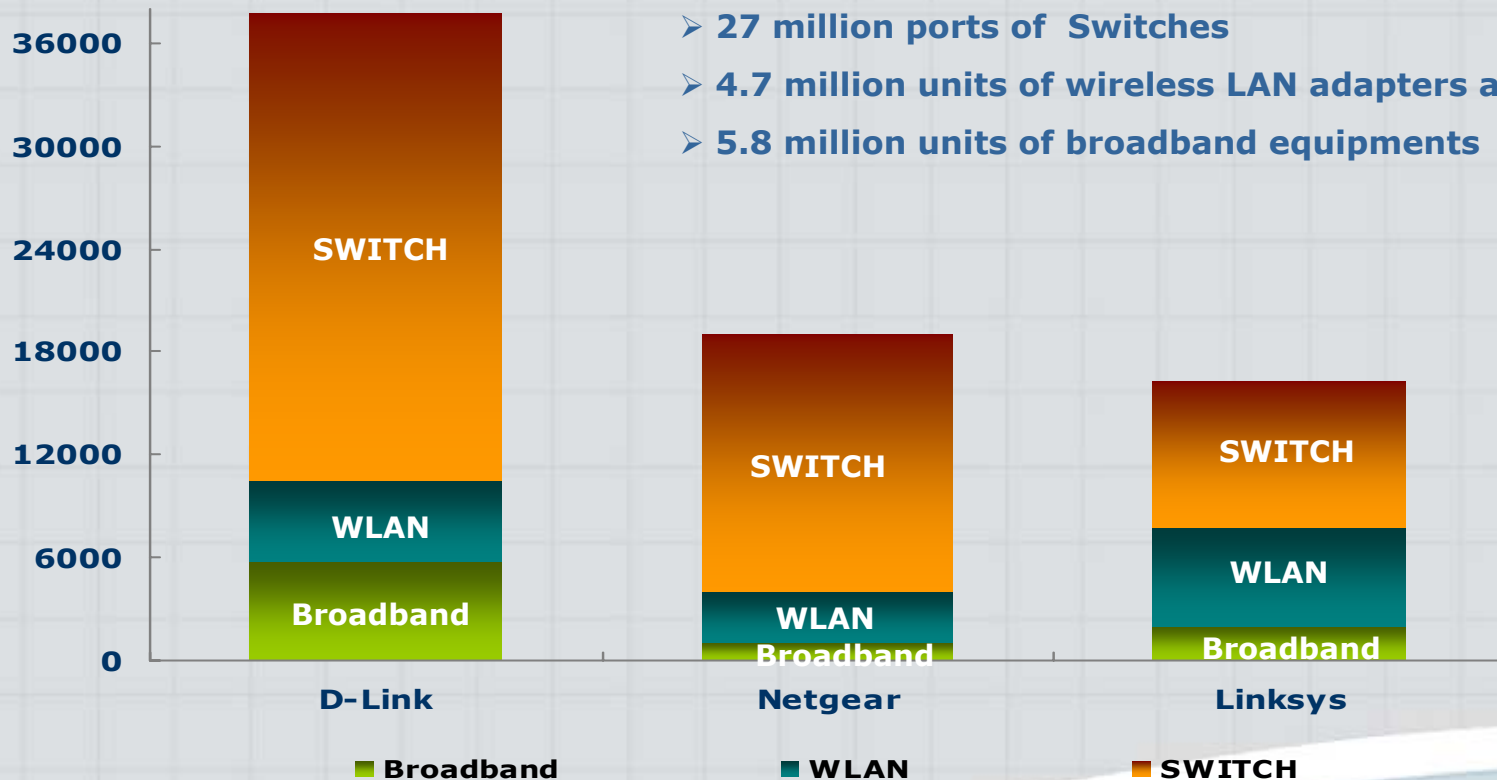


Number 1 in Global Shipment

Unit/port shipments, thousands

D-Link shipped in FY2004,

- 27 million ports of Switches
- 4.7 million units of wireless LAN adapters and APs
- 5.8 million units of broadband equipments

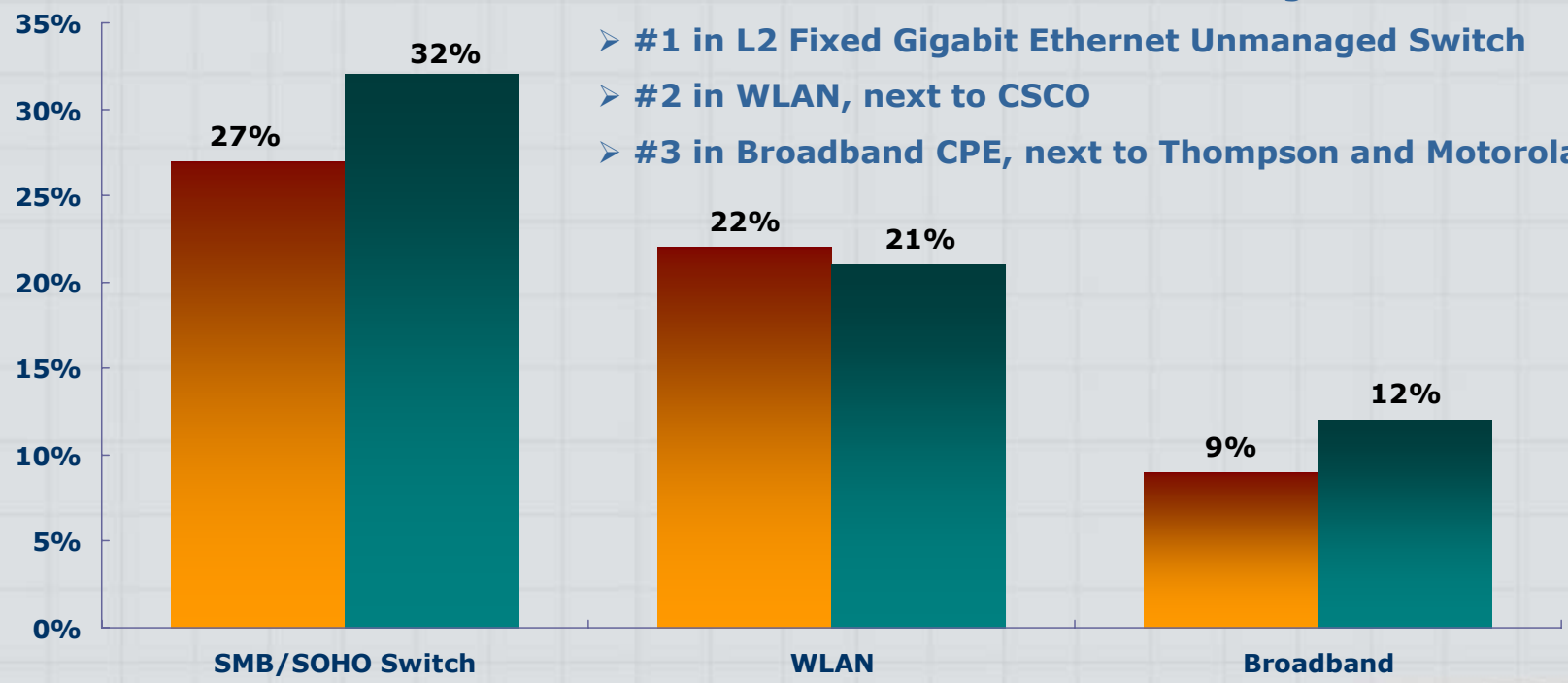


Dominance in all Segments

Market Shares by Products

D-Link is, in unit terms,

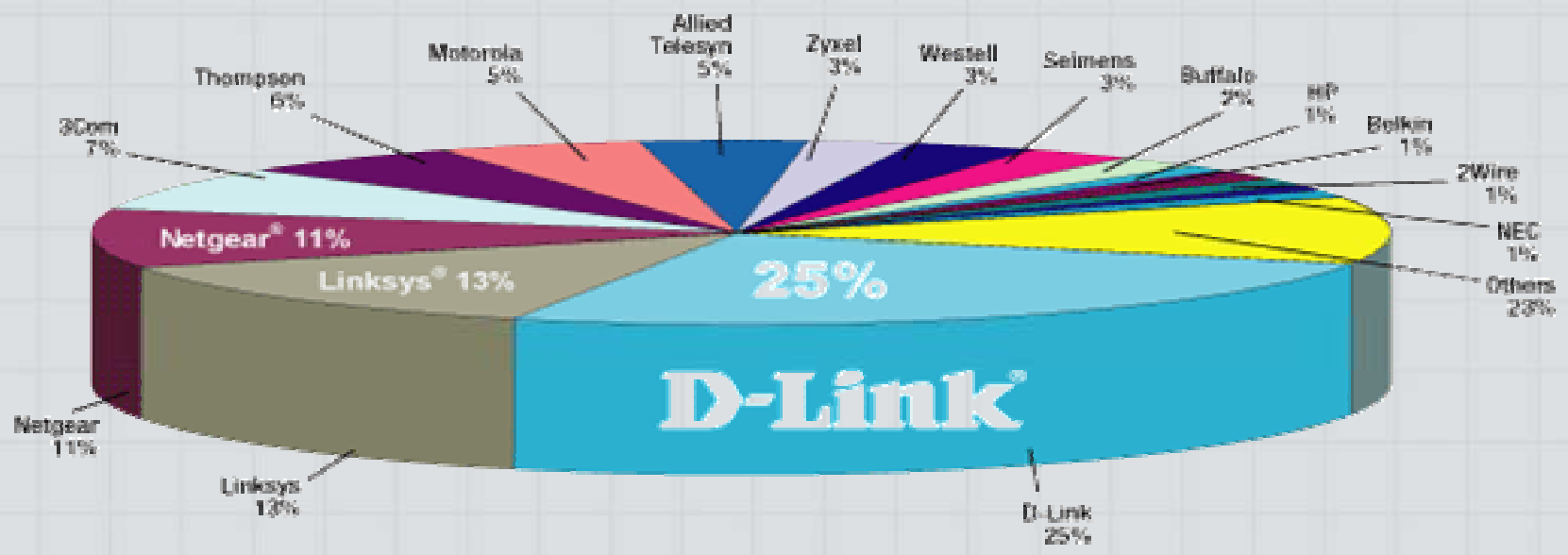
- #1 in L2 Fixed Fast Ethernet Unmanaged Switch
- #1 in L2 Fixed Gigabit Ethernet Unmanaged Switch
- #2 in WLAN, next to CSCO
- #3 in Broadband CPE, next to Thompson and Motorola



Source: Synergy Research Group, FY2004 ■ 2003 ■ 2004

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

Source: Synergy Research Group, Q4/04

- **SMB/SOHO Networking Industry Landscape**
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Consolidated Income Statement

FY2004 YoY 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%
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%
EBITDA	3,994		2,274		

*Calculated by FY2004 weighted average of 539.1mln shares.

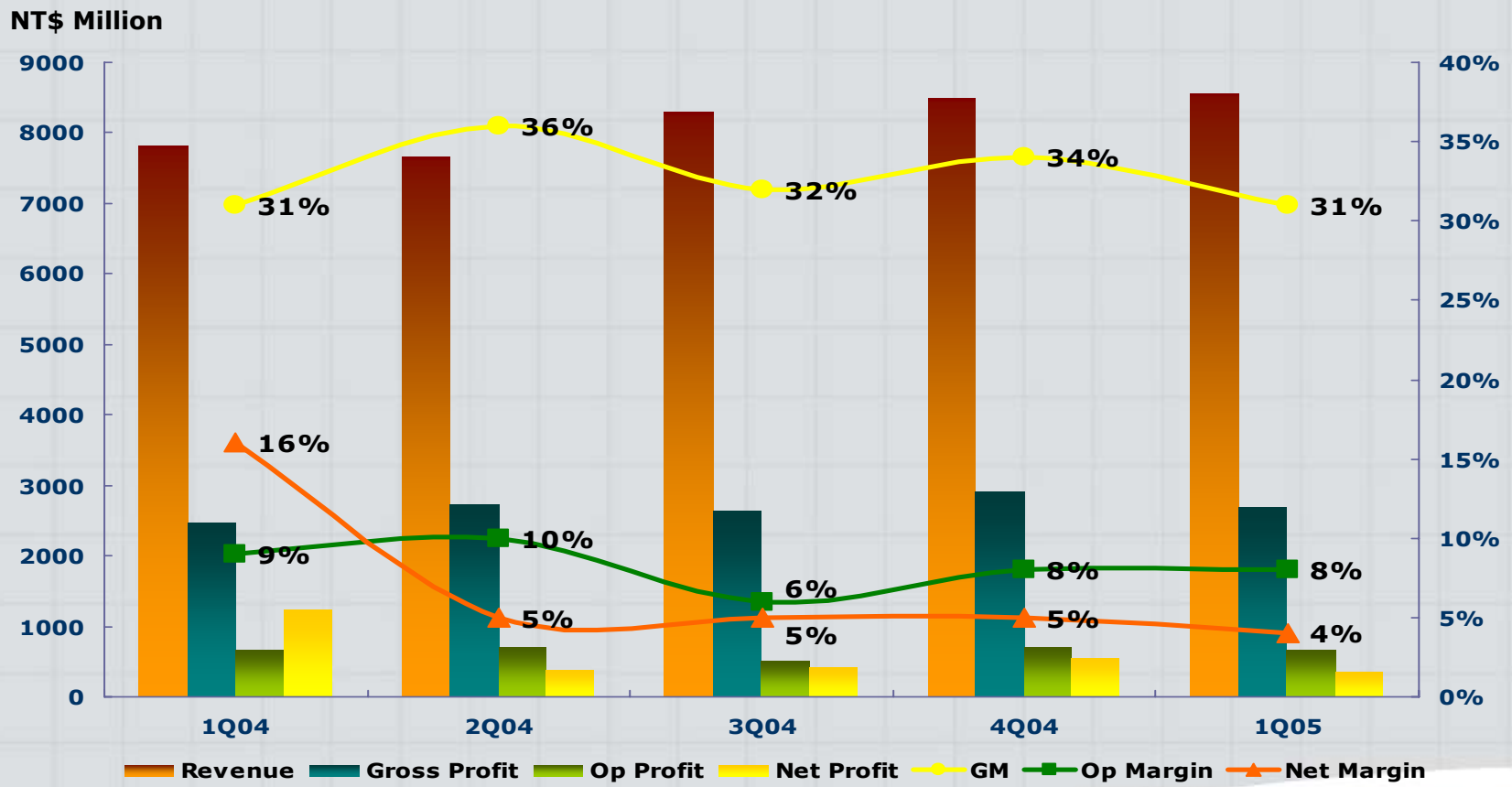
Consolidated Income Statement

Q1 FY2005 YoY Comparison

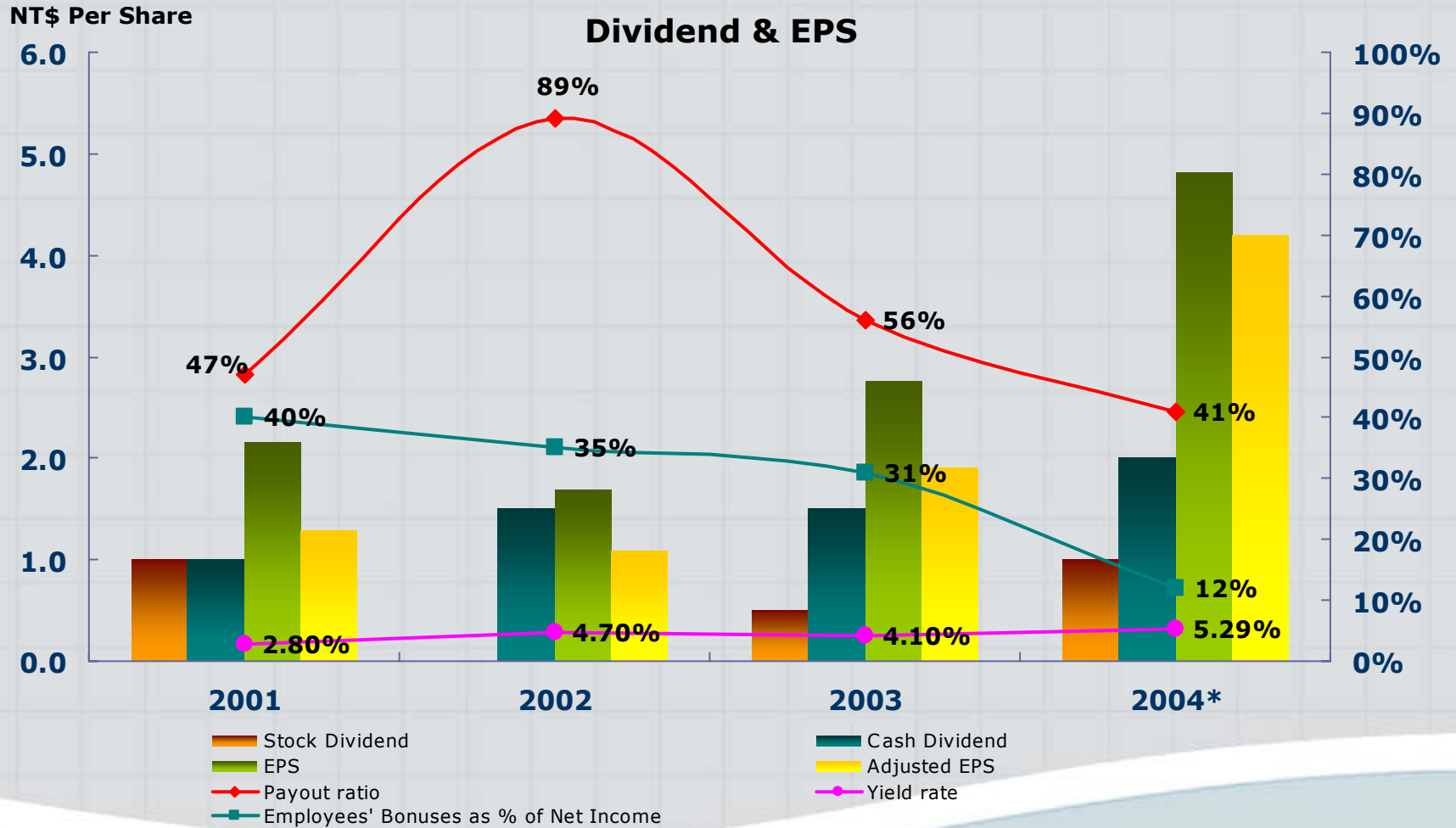
Amount: NT\$ million	1Q/05 Actual		1Q/04 Actual		YoY% Change
Net Sales	8,557	100%	7,814	100%	10%
Cost of Goods Sold	5,881	69%	5,357	69%	10%
Gross Profit	2,676	31%	2,457	31%	9%
Operating Expenses	2,010	23%	1,790	23%	12%
Operating Income	666	8%	667	9%	-
Total Non-Op. Inc. (Loss)	(88)	(1)%	715	9%	(112)%
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)%
EBITDA	711		1,566		

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

Strong Earnings



High Dividend Payout



Peer Comparison

FY04 Financial Results

(Sales in US\$ million)

	ROE	Gross Margin	Operating margin	Net Margin	EBITDA Margin
D-Link	22%	34%	8%	8%	12%
Netgear	16%	33%	9%	6%	10%

	Leverage Ratio	Cash Cycle	Yield	2004 FY Revenues
D-Link	1.35	67	5.3%	966
Netgear	0.62	83	0	383

Notes

- (1) ROE is annualized.
- (2) Yield rate calculated as cash dividend NT\$2 per share divided by share price of NT\$37.

Longer Term Business Model

	FY03	FY04	FY05E	Model*
Sales Growth(%)	24%	29%	10~15%	20%
Gross Margin (%)	31%	33%	31%	36%
Operating Margin (%)	6%	8%	6%	7%
Tax Exp. (% of PBT)	11%	12%	25%	25%
ROE (%)	14%	22%	12%	15%

*Assuming deconsolidation of Alpha

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.

Thank You!

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<http://ir.dlink.com>*

