



***CSFB Asia Technology
Conference 2005***

Taipei, September 8, 2005

Agenda

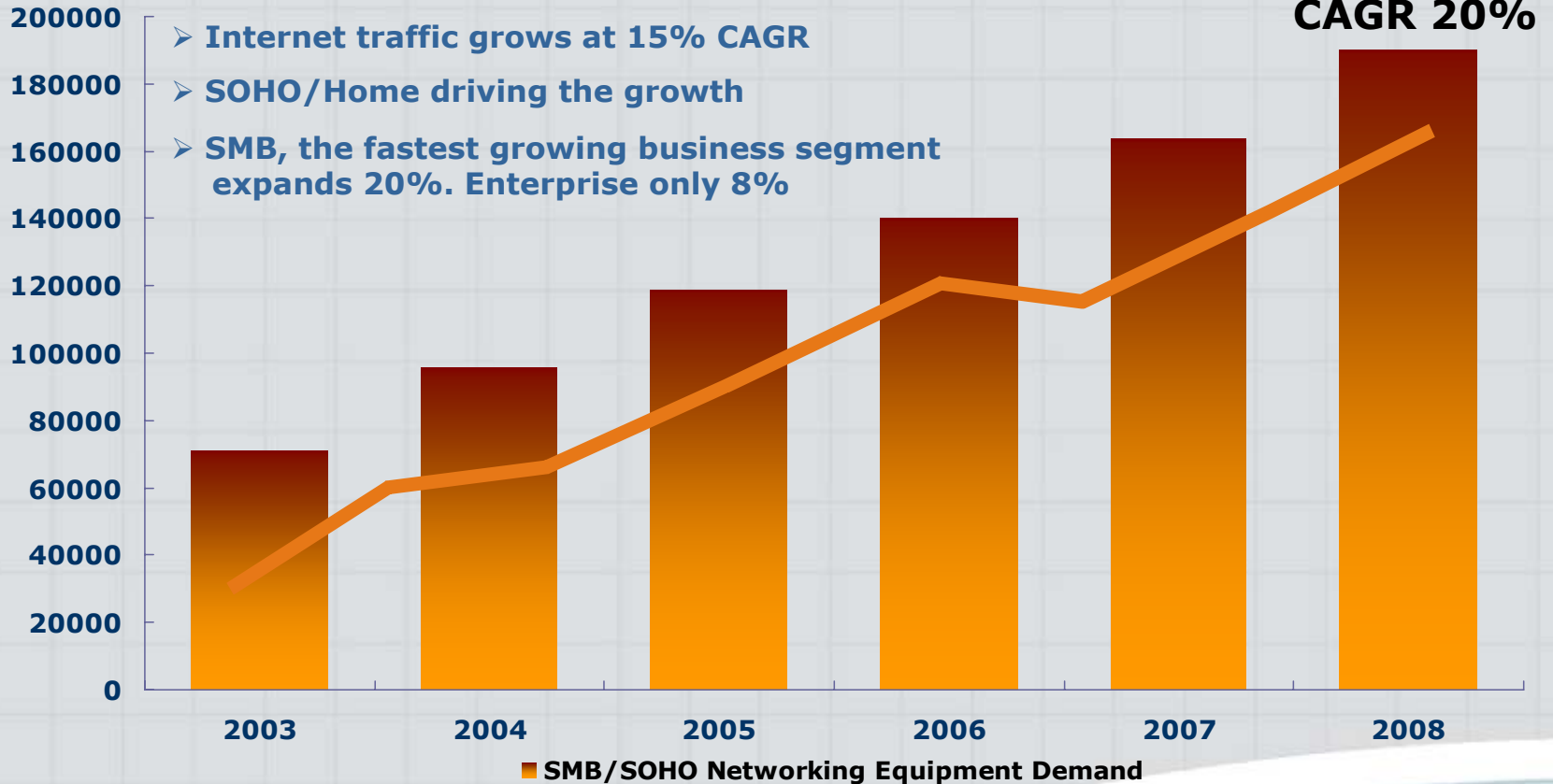
- **SMB/Home Networking Industry Landscape**
- **D-Link's Unique Proposition**
- **Financials**

All numbers consolidated.

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

WW SMB and SOHO Networking Market

US\$ Million



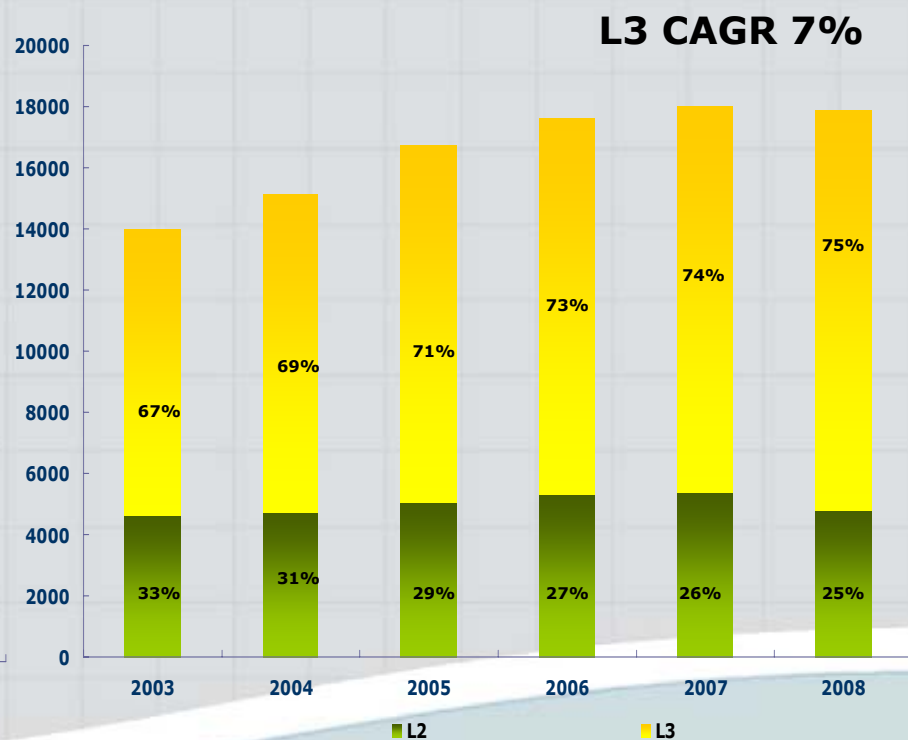
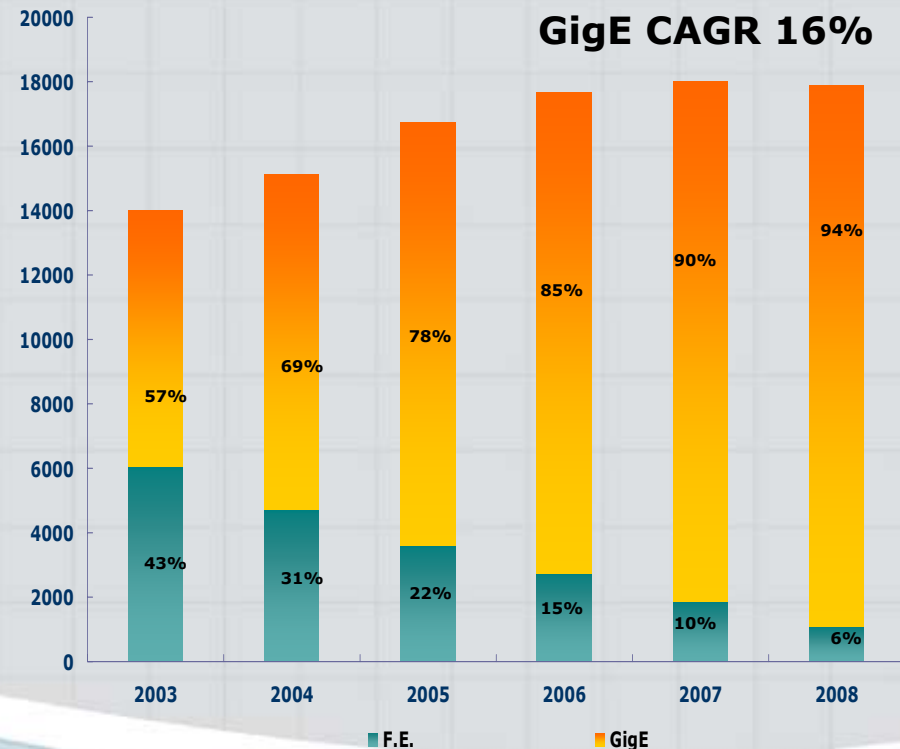
Source: IDC, FY2004

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

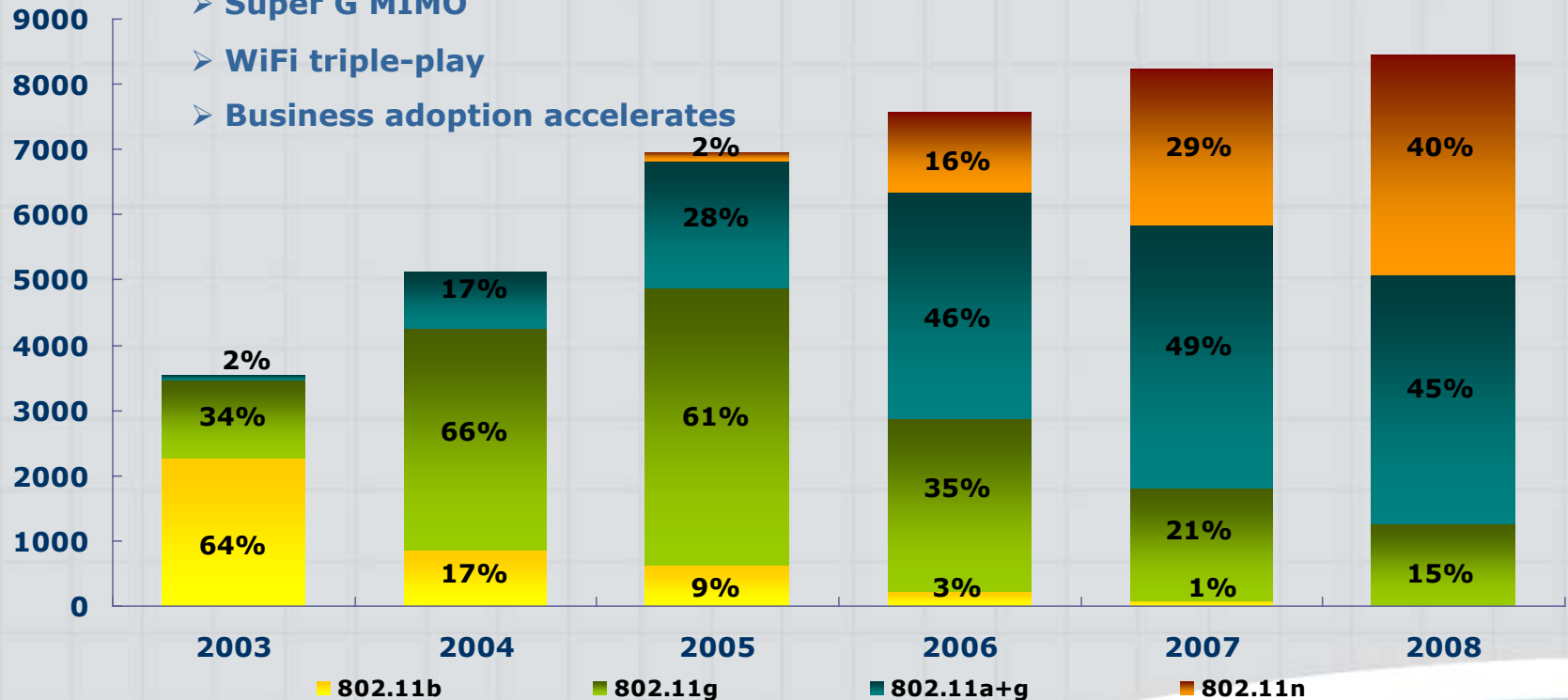


WLAN

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%

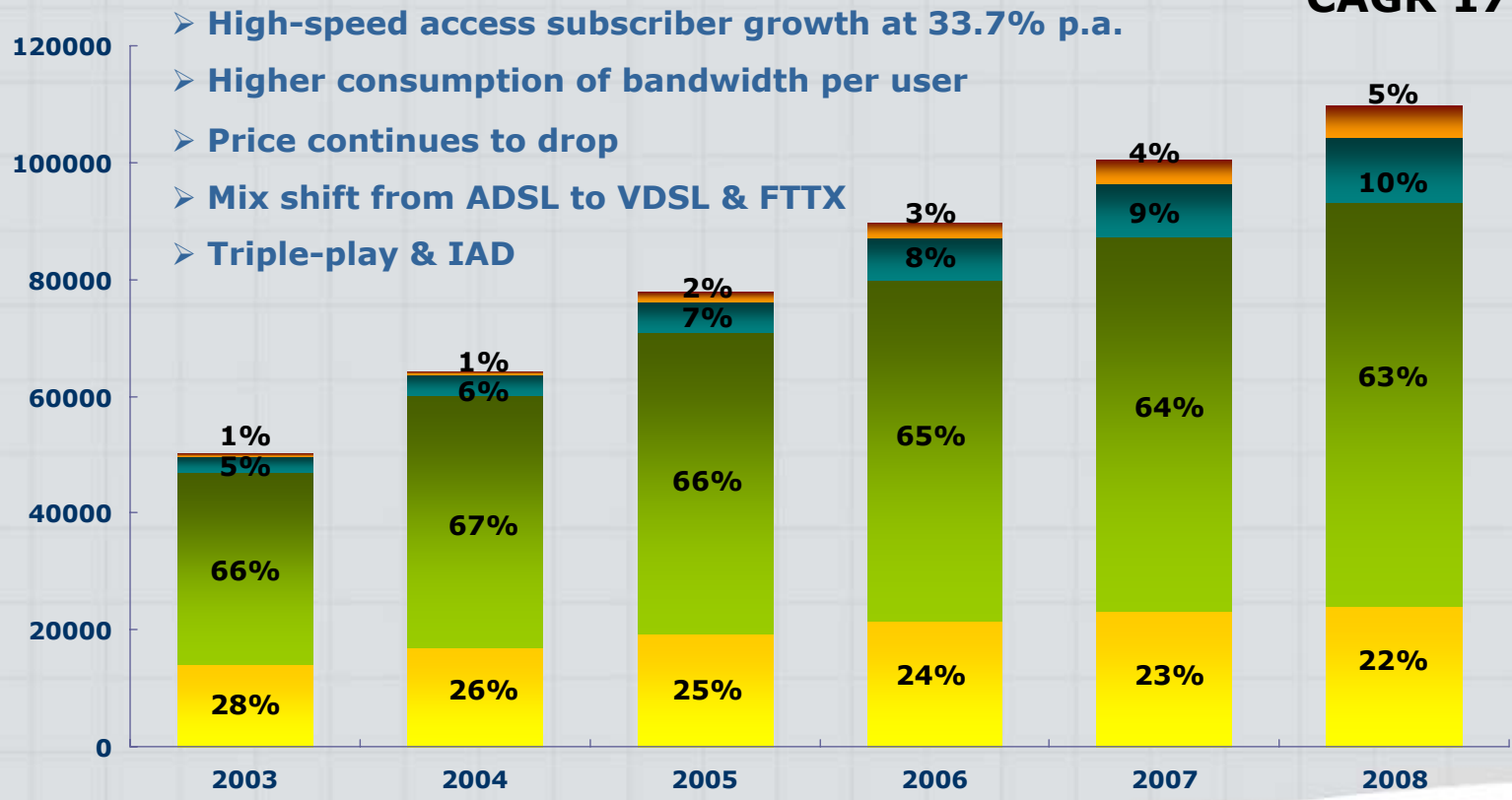


Source: IDC, FY2004

Broadband

US\$ Million

CAGR 17%



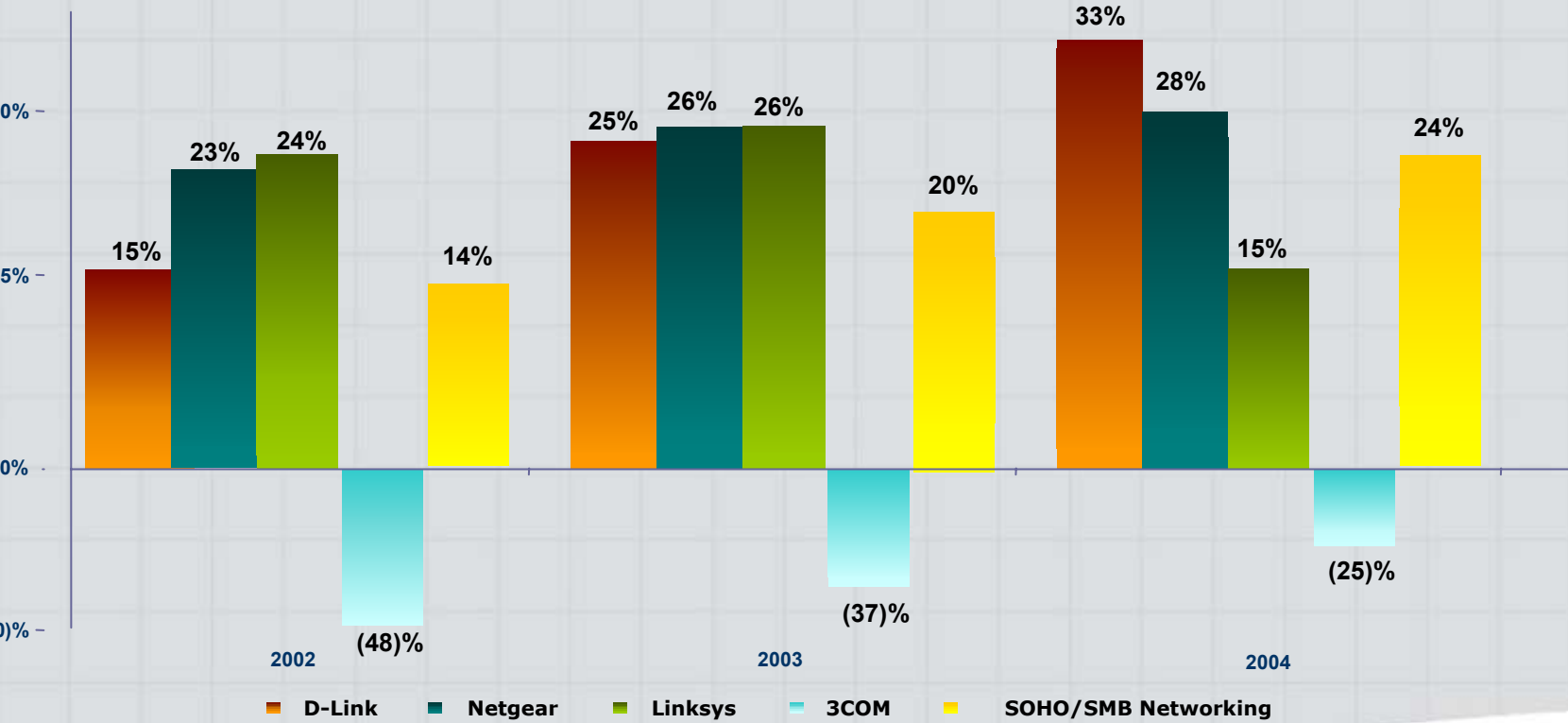
Source: IDC, FY2004

■ Cable Modem ■ ADSL ■ FTTX ■ Advanced Technology

Consistent Performance

Exceeding Industry and Peers Growth

Revenue Growth Rate



1. All growth measured in US\$ terms.
 2. The % growth of Linksys is estimated.

The Vision

In the *Network Economy*, the world will soon be connected in one large network that provides,

- **Everything over internet**
- **Everywhere thru wireless**
- **Everyone with broadband**

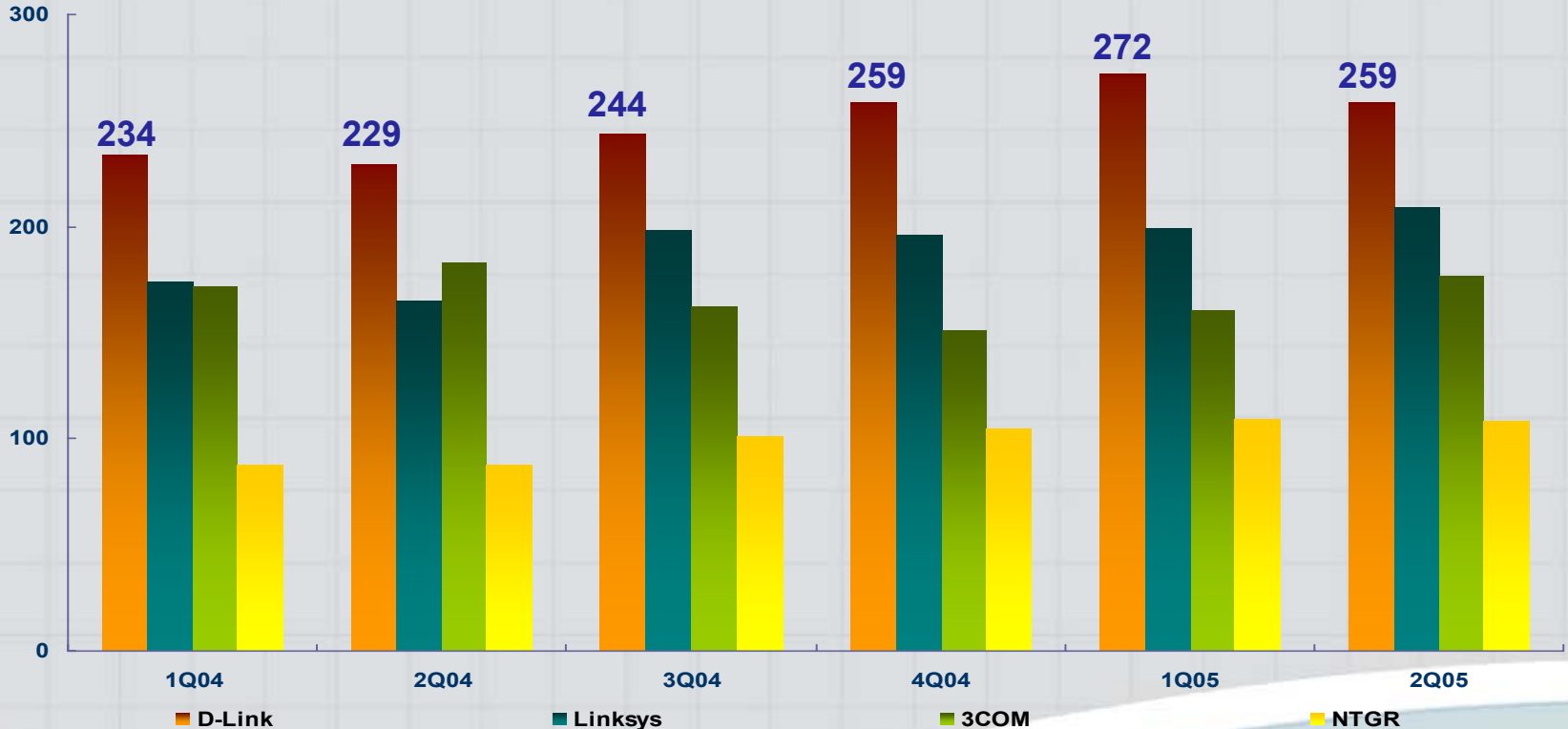
- **SMB/SOHO Networking Industry Landscape**
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1 in Global Revenue

- D-Link tops the segment in terms of global revenue
- D-Link remains number 1 even if stripped out OEM/ODM sales
- D-Link's sales has already bottomed out since 2Q05

Qtrly Revenue

US\$ Million



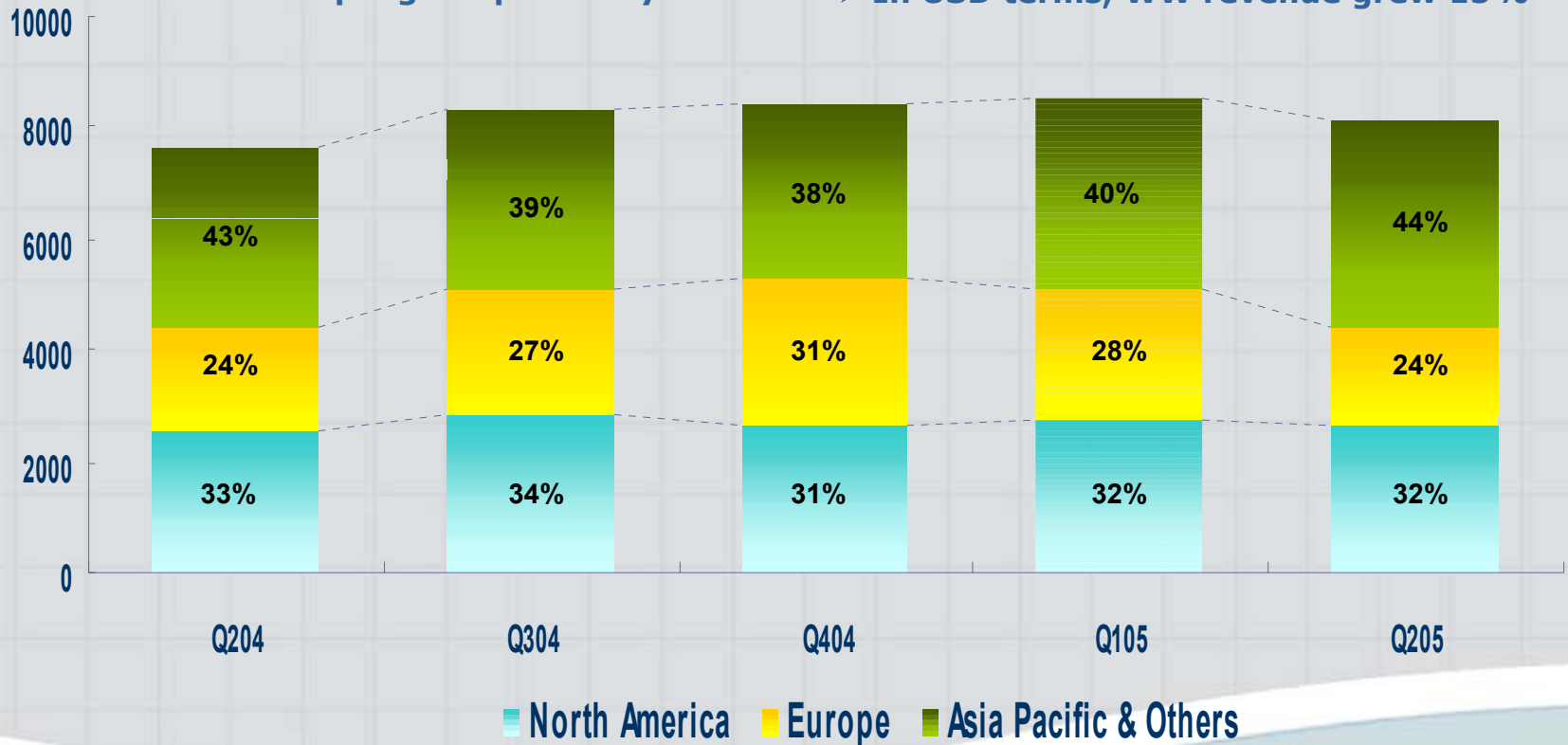
* Linksys's sales are estimated.

Revenue by Regions Consolidated

05H1 revenue yoy comparison:

- N.A. inched up 8%
- Europe grew positively 17%
- AsiaPac & Others increased 19%
- In USD terms, WW revenue grew 15%

NT\$ Million

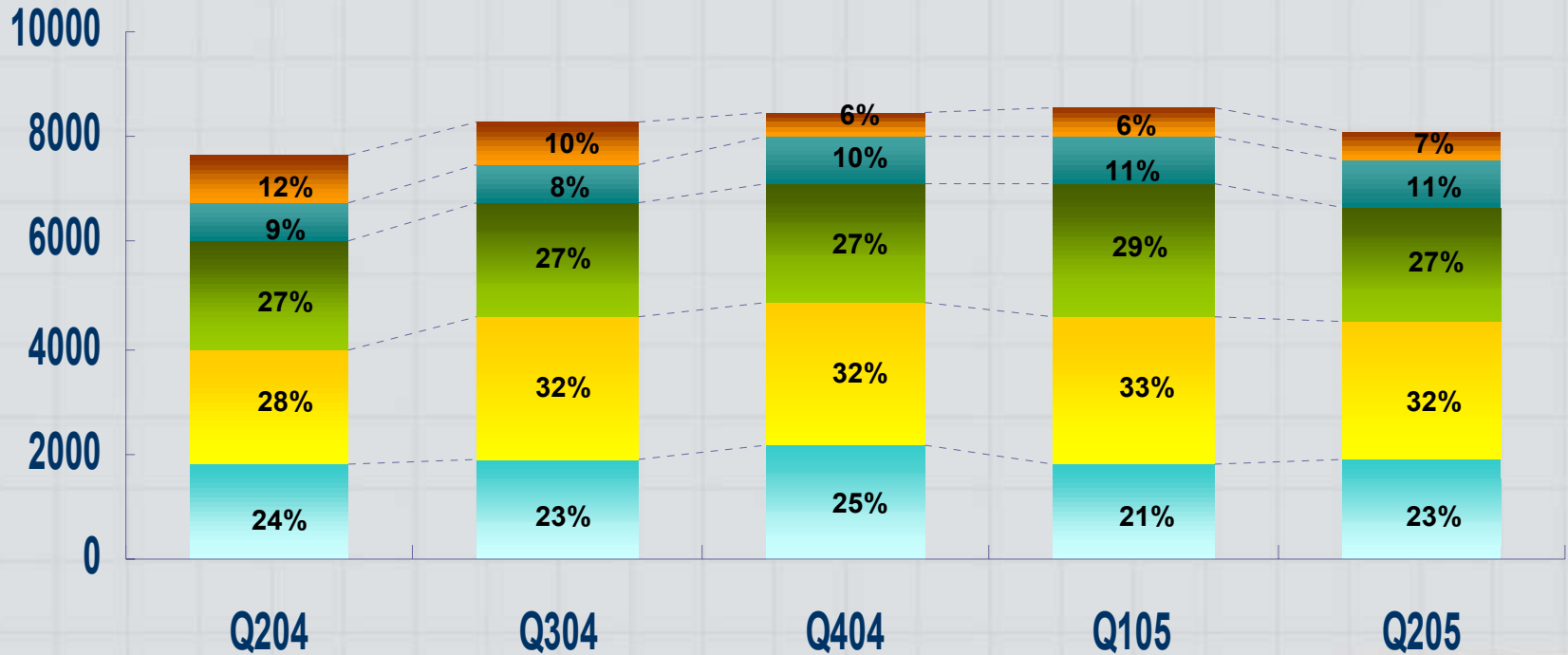


Revenue by Products Consolidated

05H1 revenue yoy comparison:

- Switch sales levelled at 3%
- WLAN grew 20%
- Broadband increased 29%
- Digital Home jumped 49%

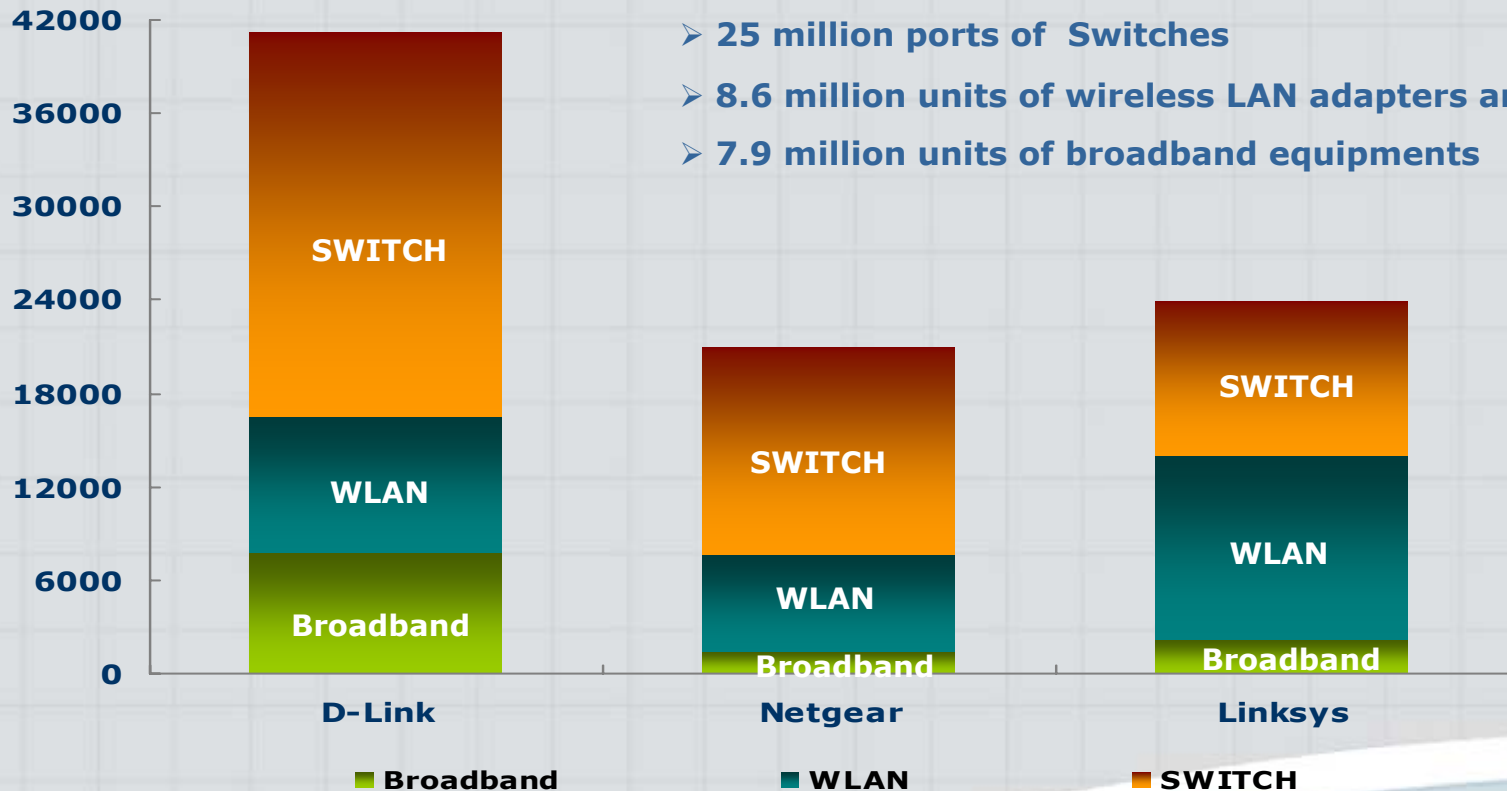
NT\$ Million



Switch WLAN Broadband Digital Home NIC & Others

Number 1 in Global Shipment

Unit/port shipments, thousands



D-Link shipped in from Q2/04 to Q1/05

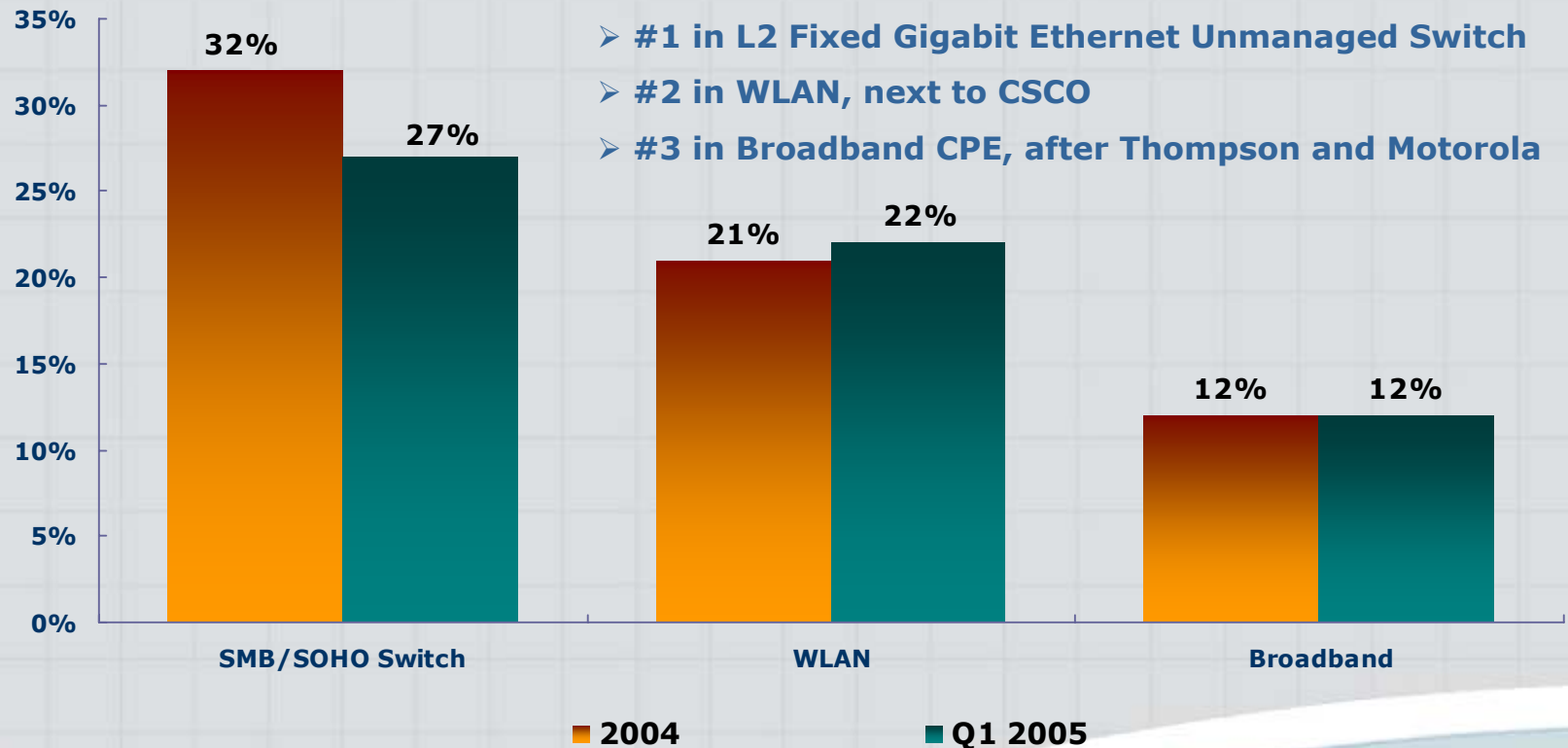
- 25 million ports of Switches
- 8.6 million units of wireless LAN adapters and APs
- 7.9 million units of broadband equipments

Dominance in Key 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 CISCO
- #3 in Broadband CPE, after Thompson and Motorola



Our Unique Strength

- **Time to market to serve customers globally**
- **Strategic alliance with innovators and early adopters of applied ICT technology in Asia**
- **Total network solutions to people from business to home**
- **Making innovative technology affordable, in good quality, user friendly & with style**

- **SMB/SOHO Networking Industry Landscape**
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1H/05 YoY Consolidated Income Statement Comparison

Amount: NT\$ million	1H/05 Actual		1H/04 Actual		YoY % Change
Net Sales	16,675	100%	15,471	100%	8%
Cost of Goods Sold	11,434	68%	10,294	67%	11%
Gross Profit	5,241	32%	5,177	33%	1%
Operating Expenses	4,136	25%	3,812	25%	8%
Operating Income	1,105	7%	1,365	9%	(19)%
Total Non-Op. Inc. (Loss)	(82)	(1)%	538	3%	(115)%
Income Before Tax	1,023	6%	1,903	12%	(46)%
Income Tax Expense	(277)	(2)%	(173)	(1)%	60%
Net Income	746	5%	1,730	11%	(57)%
Minority Interest	(145)	(1)%	(105)	(1)%	38%
Consolidated Net Income	601	4%	1,625	11%	(63)%
Earnings Per Share (NT\$)	1.01*		3.00		(66)%

*Calculated by 2Q05 weighted average of 597mln shares.

2Q/05 QoQ Consolidated Income Statement Comparison

Amount: NT\$ million	2Q/05 Actual		1Q/05 Actual		QoQ % Change
Net Sales	8,118	100%	8,557	100%	(5)%
Cost of Goods Sold	5,553	68%	5,881	69%	(6)%
Gross Profit	2,565	32%	2,676	31%	(4)%
Operating Expenses	2,126	26%	2,010	24%	6%
Operating Income	439	6%	666	8%	(34)%
Total Non-Op. Inc. (Loss)	6	-	(88)	(1)%	107%
Income Before Tax	445	6%	578	7%	(23)%
Income Tax Expense	(109)	(2)%	(168)	(2)%	(35)%
Net Income	336	4%	410	5%	(18)%
Minority Interest	(88)	(1)%	(57)	(1)%	54%
Consolidated Net Income	248	3%	353	4%	(30)%
Earnings Per Share (NT\$)	0.42*		0.59		(30)%

*Calculated by 2Q05 weighted average of 597mln shares.

2Q/05 YoY Consolidated Income Statement Comparison

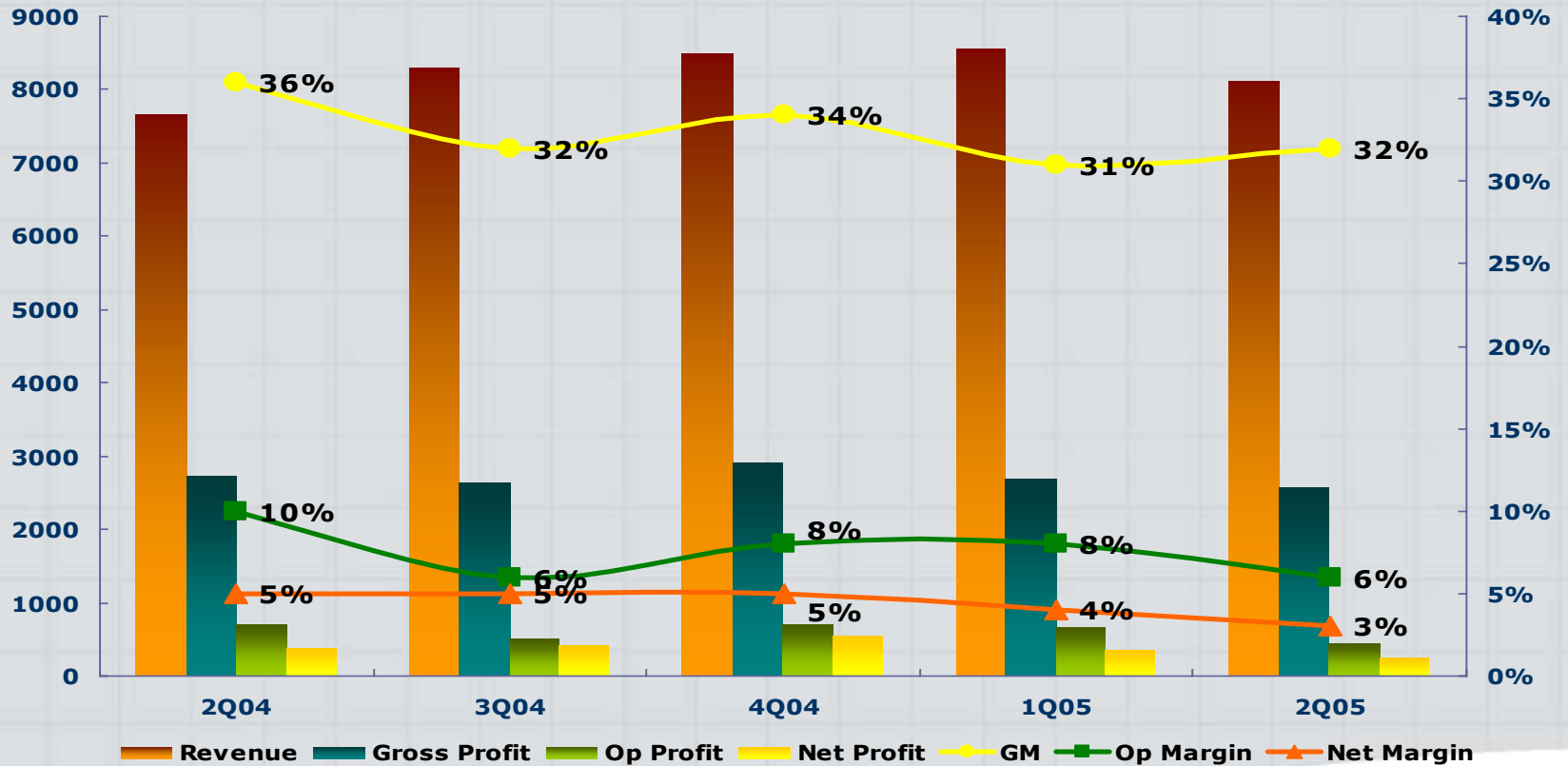
Amount: NT\$ million	2Q/05 Actual		2Q/04 Actual		YoY % Change
Net Sales	8,118	100%	7,657	100%	6%
Cost of Goods Sold	5,553	68%	4,937	64%	12%
Gross Profit	2,565	32%	2,720	36%	(6)%
Operating Expenses	2,126	26%	2,022	26%	5%
Operating Income	439	6%	698	9%	(37)%
Total Non-Op. Inc. (Loss)	6	-	(177)	(2)%	103%
Income Before Tax	445	6%	521	7%	(15)%
Income Tax Expense	(109)	(2)%	(78)	(1)%	40%
Net Income	336	4%	443	6%	(24)%
Minority Interest	(88)	(1)%	(61)	(1)%	44%
Consolidated Net Income	248	3%	382	5%	(35)%
Earnings Per Share (NT\$)	0.42		0.71		(41)%

*

*Calculated by 2Q05 weighted average of 597mln shares.

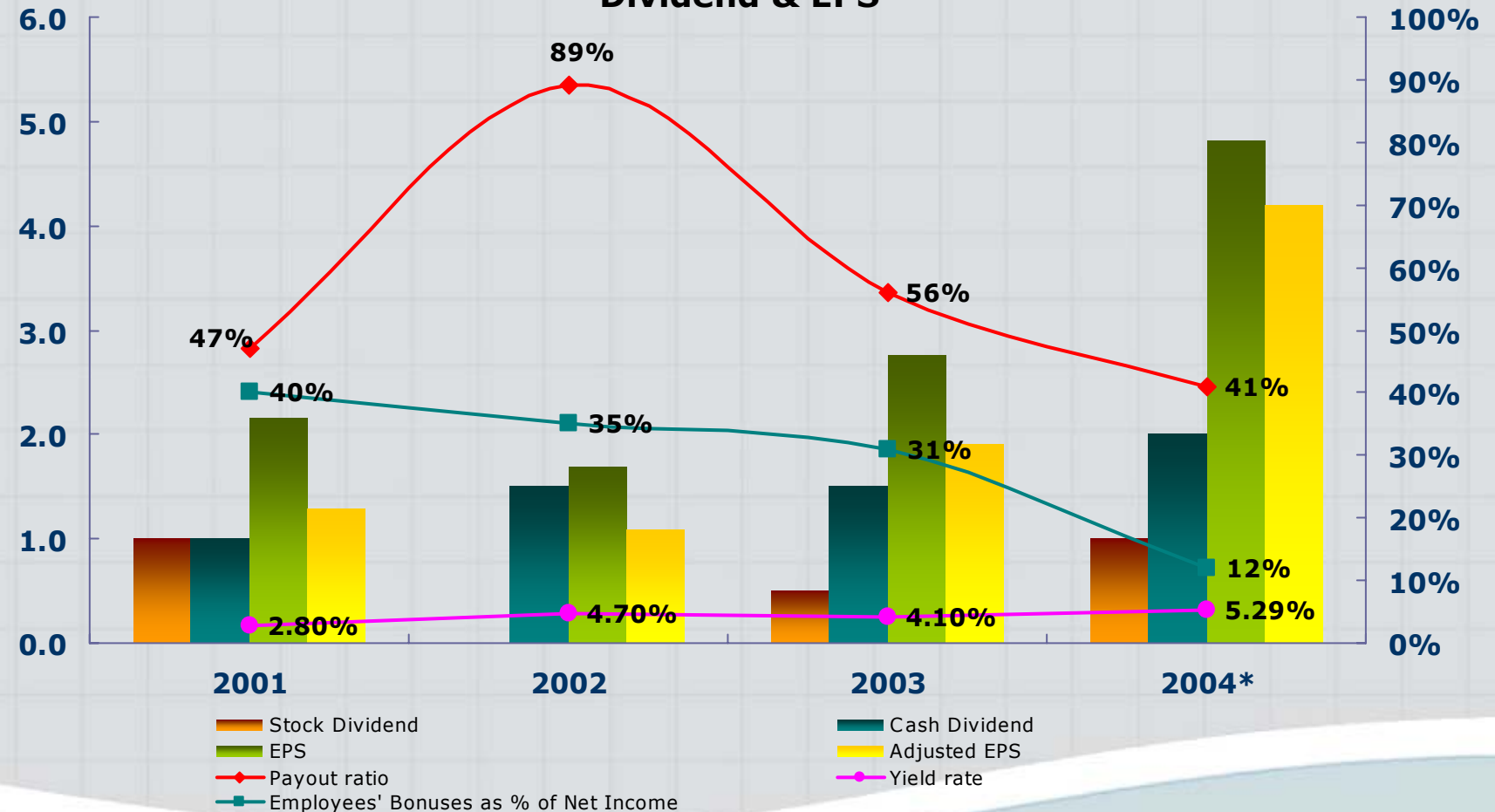
Strong Earnings

NT\$ Million



High Dividend Payout

NT\$ Per Share



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

	<u>FY03</u>	<u>FY04</u>	<u>FY05E</u>	<u>Model*</u>
Sales Growth(%)	24%	29%	10~15%	20%
Gross Margin (%)	31%	33%	31%	32%
Operating Margin (%)	6%	8%	6%	7%
Tax Exp. (% of PBT)	11%	12%	25%	20%
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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