

D-Link[®]
Building Networks for People



1Q 2008 Investor Conference

February 21, 2008, Taipei

Agenda

- **4Q07 Pro Forma Financial Review**
- **FY 2008 Outlook**
- **Q&A**

A.P. Chen

Ken Kao

All numbers are brand consolidated and pro forma, except otherwise specified.

4Q07 Pro Forma Financial Review

4Q07 Income Statement & QoQ Comparison

Unit: NT\$ million	4Q07		3Q07		QoQ % Change
	AMT	%	AMT	%	
Net Sales	8,886	100.0	8,999	100.0	(1.3)
Cost of Goods Sold	5,989	67.4	5,850	65.0	2.4
Gross Profit	2,897	32.6	3,149	35.0	(8.0)
Operating Expenses	2,472	27.8	2,462	27.4	0.4
Operating Income	425	4.8	687	7.6	(38.2)
Total Non-Op. Inc. (Loss)	296	3.3	274	3.1	8.0
Income Before Tax	721	8.1	961	10.7	(25.0)
Tax (Exp.) / Income	(134)	(1.5)	(156)	(1.7)	(14.1)
Net Income	587	6.6	805	9.0	(27.1)
Minority Interest	23	0.3	(4)	(0.1)	(675.0)
Consolidated Income	610	6.9	801	8.9	(23.9)
EPS (NT\$)-Per W.A. Capital	0.92		1.21		(23.9)
EPS (NT\$)-Per yr-end Capital	1.11		1.46		(23.9)

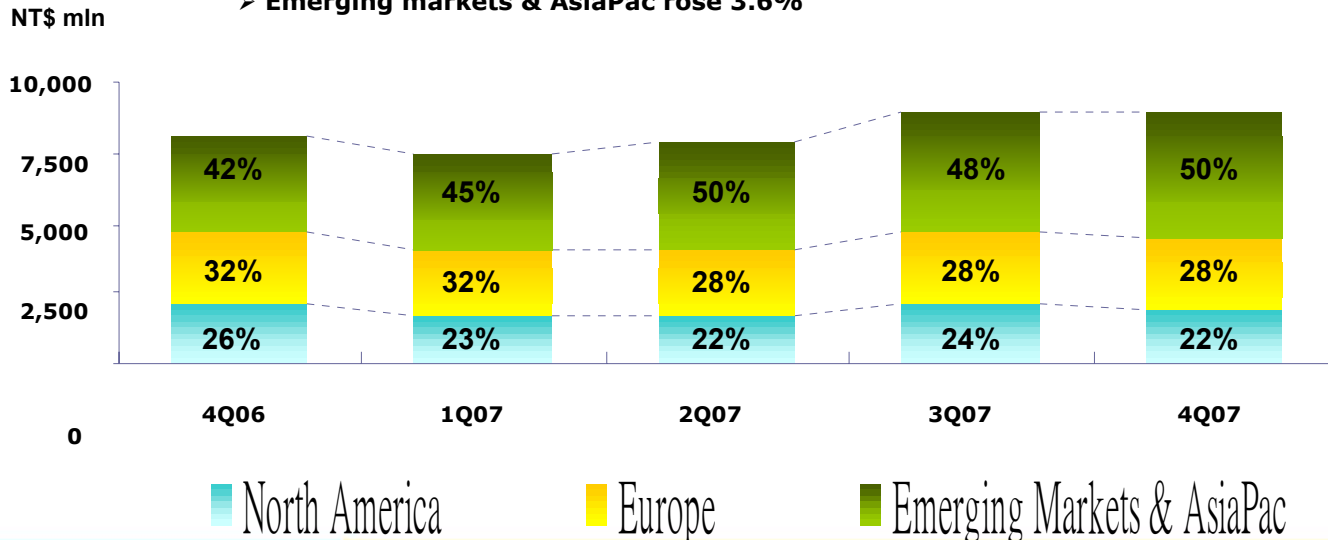
* The numbers are pro forma

Quarterly Revenue by Regions

Brand Only

4Q07 revenue down 1.3% QoQ

- N.A. declined 8.1%
- Europe dropped 3.9%
- Emerging markets & AsiaPac rose 3.6%



4Q07 Income Statement & QoQ Comparison

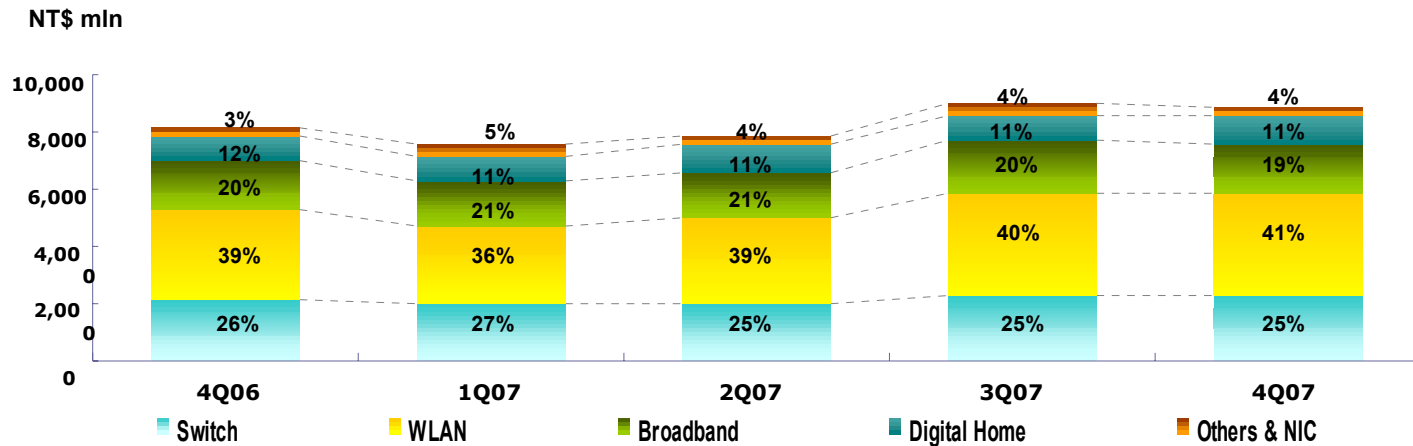
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* The numbers are pro forma

Quarterly Revenue by Products Brand Only

4Q07 revenue QoQ comparison:

- Switch down 3.2%
- WLAN increased 1.9%
- Broadband declined 6.7%
- Digital Home up 4.3%



4Q07 Income Statement & QoQ Comparison

Unit: NT\$ million	4Q07		3Q07		QoQ % Change
	AMT	%	AMT	%	
Net Sales	8,886	100.0	8,999	100.0	(1.3)
Cost of Goods Sold	5,989	67.4	5,850	65.0	2.4
Gross Profit	2,897	32.6	3,149	35.0	(8.0)
Operating Expenses	2,472	27.8	2,462	27.4	0.4
Operating Income	425	4.8	687	7.6	(38.2)
Total Non-Op. Inc. (Loss)	296	3.3	274	3.1	8.0
Income Before Tax	721	8.1	961	10.7	(25.0)
Tax (Exp.) / Income	(134)	(1.5)	(156)	(1.7)	(14.1)
Net Income	587	6.6	805	9.0	(27.1)
Minority Interest	23	0.3	(4)	(0.1)	(675.0)
Consolidated Income	610	6.9	801	8.9	(23.9)
EPS (NT\$)-Per W.A, Capital	0.92		1.21		(23.9)
EPS (NT\$)-Per yr-end Capital	1.11		1.46		(23.9)

* The numbers are pro forma

4Q07 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ mln	4Q07	3Q07	QoQ % Change
Investment Income	251	166	51.2
Sub./Aff.	231	142	62.7
Capital Gain	20	24	(16.7)
FX Gain/(Loss)	90	63	42.9
Inventory Loss	(62)	(67)	(7.5)
Fin. Income/(Exp.) & Oth.	17	112	(84.8)
Total	296	274	8.0

4Q07 Income Statement & QoQ Comparison

Unit: NT\$ million	4Q07		3Q07		QoQ % Change
	AMT	%	AMT	%	
Net Sales	8,886	100.0	8,999	100.0	(1.3)
Cost of Goods Sold	5,989	67.4	5,850	65.0	2.4
Gross Profit	2,897	32.6	3,149	35.0	(8.0)
Operating Expenses	2,472	27.8	2,462	27.4	0.4
Operating Income	425	4.8	687	7.6	(38.2)
Total Non-Op. Inc. (Loss)	296	3.3	274	3.1	8.0
Income Before Tax	721	8.1	961	10.7	(25.0)
Tax (Exp.) / Income	(134)	(1.5)	(156)	(1.7)	(14.1)
Net Income	587	6.6	805	9.0	(27.1)
Minority Interest	23	0.3	(4)	(0.1)	(675.0)
Consolidated Income	610	6.9	801	8.9	(23.9)
EPS (NT\$)-Per W.A. Capital	0.92		1.21		(23.9)
EPS (NT\$)-Per yr-end Capital	1.11		1.46		(23.9)

* The numbers are pro forma

4Q07 Income Statement & YoY Comparison

Unit: NT\$ million	4Q07		4Q06		YoY % Change
	AMT	%	AMT	%	
Net Sales	8,886	100.0	8,229	100.0	8.0
Cost of Goods Sold	5,989	67.4	5,394	65.5	11.0
Gross Profit	2,897	32.6	2,834	34.5	2.2
Operating Expenses	2,472	27.8	1,900	23.2	30.1
Operating Income	425	4.8	934	11.3	(54.5)
Total Non-Op. Inc. (Loss)	296	3.3	129	1.6	129.5
Income Before Tax	721	8.1	1,063	12.9	(32.2)
Tax (Exp.) / Income	(134)	(1.5)	(237)	(2.9)	(43.5)
Net Income	587	6.6	826	10.0	(28.9)
Minority Interest	23	0.3	(5)	(0.0)	(560.0)
Consolidated Income	610	6.9	821	10.0	(25.8)
EPS (NT\$)-Per W.A. Capital	0.92		1.24		(25.8)
EPS (NT\$)-Per yr-end Capital	1.11		1.50		(25.8)

* The numbers are pro forma

2007 Income Statement & YoY Comparison

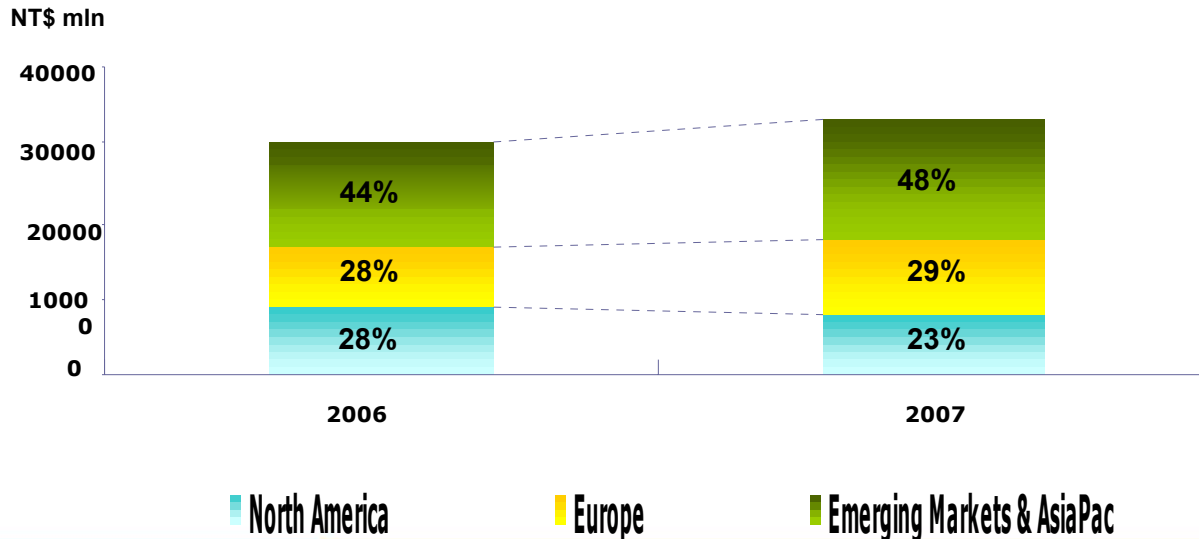
Unit: NT\$ million	2007		2006		YoY % Change
	AMT	%	AMT	%	
Net Sales	33,231	100.0	29,879	100.0	11.2
Cost of Goods Sold	21,845	65.7	20,038	67.1	9.0
Gross Profit	11,386	34.3	9,841	32.9	15.7
Operating Expenses	9,082	27.4	7,562	25.3	20.1
Operating Income	2,304	6.9	2,279	7.6	1.1
Total Non-Op. Inc. (Loss)	1,270	3.8	811	2.7	56.6
Income Before Tax	3,574	10.7	3,090	10.3	15.7
Tax (Exp.) / Income	(235)	(0.7)	(529)	(1.8)	(55.6)
Net Income	3,339	10.0	2,561	8.5	30.4
Minority Interest	0	0.0	(40)	(0.1)	(100.0)
Consolidated Income	3,339	10.0	2,521	8.4	32.4
EPS (NT\$)-Per W.A. Capital	5.03		3.80		32.4
EPS (NT\$)-Per yr-end Capital	6.10		4.61		32.4

* The numbers are pro forma

2007 Revenue by Regions Consolidated

07 revenue YoY comparison:

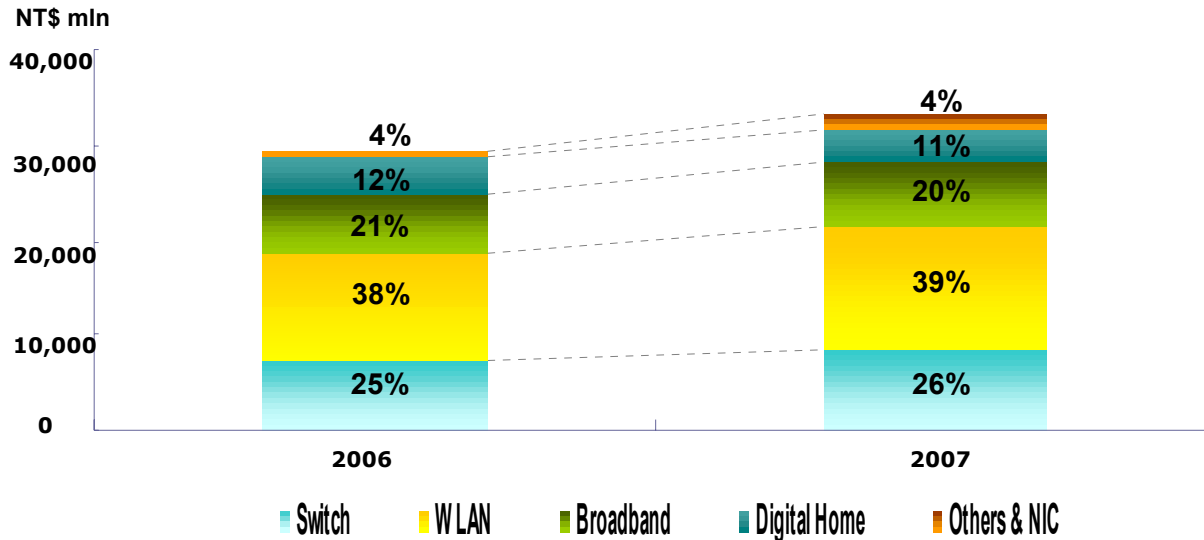
- N.A. dropped 10.8%
- Europe increased 14.8%
- Emerging markets & AsiaPac jumped 23.2%
- In NT\$ terms, WW 07 revenue grew 11.2%



2007 Revenue by Products Consolidated

07 revenue YoY comparison:

- Switch grew 14.2%
- WLAN increased 14.0%
- Broadband rose 8.8%
- Digital Home grew 4.6%



12/31/2007 Balance Sheet & QoQ Comparison

Unit: NT\$ mln	12/31/07		09/30/07		QoQ %
	AMT	%	AMT	%	Change
Cash	4,615	17	4,729	17	(2.4)
S-T Investment	1,064	4	759	5	40.2
Account Receivable	5,954	22	6,617	22	(10.0)
Inventory	6,643	24	7,201	22	(7.8)
Long-term Investments	6,502	24	6,531	24	(0.4)
Total Assets	27,342	100	28,477	100	(4.0)
Accounts Payable	6,584	24	7,602	27	(13.4)
Current Liabilities	11,313	41	11,226	39	0.8
Long-term Loans	5	0	6	0	(16.7)
Common Stock	5,471	20	6,838	24	(20.0)
Stockholders' Equity	15,481	57	16,714	59	(7.4)

Key Financial Ratios

Unit: % , days	12/31/07	9/30/07	06/30/07	03/31/07	12/31/06
Days A/R	61 [*]	67 [*]	68 [*]	69 [*]	59 [*]
Days Inventory	101 [*]	112 [*]	103 [*]	102 [*]	96 [*]
Days A/P	100 [*]	119 [*]	107 [*]	100 [*]	95 [*]
Cash Cycle	62	61	64	71	60
Current Ratio	1.70	1.80	1.79	2.15	1.99
Debt/Equity Ratio	0.77	0.71	0.69	0.52	0.60
Adjusted Debt/ Equity Ratio	0.40 ^{**}	0.38 ^{**}	0.32 ^{**}	0.20 ^{**}	0.34 ^{**}
ROE	22 [*]	22 [*]	25 [*]	29 [*]	19 [*]

* Annualized

**Adjust for Cash & S-T investment

FY 2008 Outlook

2008 Market Outlook

Telcos/ISPs

- CPE less vulnerable than COE
- VDSL/PON/IAD prevailing
- ASPs erosion
- WiMax's future uncertain

Business

- SMB less impacted than enterprise
- Steady growth in Switches
- Trend to Green/Giga
- Competitions intensify

Consumer

- Access devices less affected than luxury
- 11n crossovers 11g
- Rising stars, IP Cameras & NAS
- D-Link 2.0 launching in 2Q08

2008 Product Outlook

Green Ethernet Switches

Technology Innovation



11n Wireless Routers

Market Leader



NAS & IP Cam

Award Winning



D-Link 2.0

Pioneering Business Model



2008 Regional Outlook

North America

- Slowdown in Retail
- Ramp up in SMB
- Enhancement of 11n leading position

Europe

- Strong growth in Eastern Europe
- Solution oriented product offering
- IAD/VDSL ramping up

Other

- Solid fast growth to continue
- Taking off in Japan & M.E.A.
- Gigabit Switches/11n routers take-on

1Q08 Guidance

- **1Q revenue down seasonally**
- **Operating margin around 6%±**

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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