



Spokesperson:

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D-Link Reports 1Q12 Consolidated Financials

- First quarter 2012 net revenue was NT\$8.223 billion, up 1.1% from 4Q11
- Gross margin exclusive of inventory related gain and loss was 29.7%, as compared to 30.6% in 4Q11
- Gross margin inclusive of inventory related gain and loss was 29.7%, as compared to 30.0% in 4Q11
- Operating margin was 2.9%, as compared to 1.5% in 4Q11
- Consolidated net income after tax and minority interest was NT\$236 million, as compared to NT\$215 million in 4Q11
- EPS on weighted average capital of NT\$6.356 billion was NT\$0.37, as compared to NT\$0.34 per share in 4Q11
- All of the above are based on consolidated numbers and 1Q12's net income is audited/reviewed.

Taipei, Taiwan, April 27th, 2012 - D-Link Corporation ("D-Link", "the Company", or "the Group") (TAIEX 2332) today announced its global unaudited consolidated financial results for the first quarter of 2012.

For the first quarter 2012, net revenue was NT\$8.223 billion, up by 1.1% sequentially and up by 5.4% year over year due to stronger sales through in the emerging and Asia Pacific markets. Gross margin excluding inventory provisional gain/loss was NT\$2.439 billion or 29.7% as compared to 30.6% last quarter due to unfavorable product mix and price competition in the retail market. Gross margin including inventory provisional gain/loss was NT\$2.445 billion or 29.7% in 1Q12, as compared to 30.0% in 4Q11. Operating expenses were reduced to NT\$2.2 billion or 26.8% of net revenue or a 5% reduction from previous quarter in absolute dollar terms due mainly to less marketing related spending as the Company adjusted its channel and marketing strategy. Operating profit margin increased to 2.9% sequentially from 1.5% in 4Q11. Net non-operating profit in 1Q12 was NT\$77 million comprising of NT\$15 million income recognized from long term investee companies under equity method, NT\$15 million investment gain, NT\$33 million in foreign exchange gain, and NT\$14 million derived from financial and other income.

The Group's first quarter consolidated net income after tax and minority interest was NT\$236 million and EPS was NT\$0.37 per share based on weighted average capital of NT\$6.356 billion.

D-Link's financial condition and liquidity remained strong at the end of 1Q12. Cash and S-T investment held were NT\$3.558 billion, decreased by NT\$2.084 billion from previous quarter mainly due to early redemption of convertible bond. Accounts receivable were NT\$6.39 billion, increased by NT\$934 million and AR turnover days increased from 62 days to 66 days due to higher sales turnover. Net inventory was NT\$7.247 billion, slightly improved by NT\$145 million sequentially. Conversely, inventory days increased to 114 days as compared to 107 days in previous quarter due to the averaging factor used in the calculation. As a result of the higher inventory and accounts receivable, cash cycle lengthened to 78 days. Overall, the company's liquidity position remained sound with current ratio and net debt/equity ratio of 1.78 and 0.50 respectively. Annualized ROE for the first quarter of 2012 was 7%.

Consolidated Sales Breakdown by Region:

NT\$mIn	1Q12		4Q11		1Q11		QoQ	YoY
	Revenue	%	Revenue	%	Revenue	%		
NA	1,077	13.1%	1,121	13.8%	1,395	17.9%	-3.9%	-22.8%
EU	1,781	21.7%	1,930	23.7%	1,805	23.1%	-7.7%	-1.3%
Emg. & APac	5,365	65.2%	5,081	62.5%	4,602	59.0%	5.6%	16.6%
Total	8,223	100.0%	8,132	100.0%	7,802	100.0%	1.1%	5.4%

From a geographic perspective, 1Q12 global consolidated revenue from North America, Europe and Emerging/Asia Pacific were 13.1%, 21.7% and 65.2% respectively. In terms of QoQ and YoY comparison, North America sales were down 3.9% and 22.8% respectively. Europe's 1Q12 sales were down 7.7% sequentially and down 1.3% from last year. Emerging and Asia Pacific markets were up by 5.6% QoQ and 16.6% year over year. Overall, 1Q12 sales through were recovering much faster in the emerging and Asia Pacific markets while the North America markets were undergoing structural adjustments which should contribute to top line growth in the second half year.

Consolidated Sales Breakdown by Product Category:

With respect to 1Q12 consolidated revenue by product category, Wireless continued to be the most important contributor accounting for 39%, followed by Switch at 28%, Broadband at 19%, Digital Home at 11%, and Others at 3%. In line with seasonality

pattern during first quarter, revenue from Switch and Wireless both registered a slight decrease in 1Q12 of 3.6% and 1.5% respectively. On the other hand Digital Home products continued to be a growth driver with sales up 7.8% sequentially and 21.7% year over year.

Regarding 2Q12 guidance, the Company's revenue and operating margin are projected to remain flat and sales should ramp up in the second half year as previously guided.

About D-Link

D-Link is the global leader in total products shipped for consumer networking connectivity according to reports published by the In-Stat Research Group. D-Link is the worldwide leader and award winning designer, developer, and planner of networking, broadband, digital electronics, voice and data communications solutions for the digital home, Small Office/Home Office (SOHO), Small to Medium Business (SMB), and Workgroup to Enterprise environments. With in-depth worldwide channel coverage over 100 countries and full-range product offering of Ethernet adapters, switches and routers for professional and home users, D-Link is a dominant market participant and price/performance leader in the networking and communications market. D-Link Corporation is headquartered at No.289, Sinhu 3rd Road, Neihu District, Taipei City 114, Taiwan. Phone: 886-2-6600-0123; FAX: 886-2-6600-9898; [http:// www.dlink.com.tw](http://www.dlink.com.tw)

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