

3Q17 Operating Results

November 6, 2017



Financial Review

3Q17 Income Statement & QoQ/YoY Comparison

| Unit: NT\$ million | 3Q17 | | 2Q17 | | QoQ % Change | 3Q16 | | YoY % Change |
|--|--------------|-------|---------------|-------|-----------------|--------------|-------|-----------------|
| | AMT | % | AMT | % | | AMT | % | |
| Net Sales | 4,901 | 100.0 | 4,678 | 100.0 | 4.8 | 5,535 | 100.0 | (11.5) |
| Cost of Goods Sold - Product | 3,533 | 72.1 | 3,544 | 75.8 | (0.3) | 4,142 | 74.8 | (14.7) |
| Gross Profit 1 | 1,368 | 27.9 | 1,134 | 24.2 | 20.6 | 1,393 | 25.2 | (1.8) |
| Inventory Related Gain/(Loss) | 22 | 0.4 | 23 | 0.5 | (4.3) | 58 | 1.0 | (62.1) |
| Gross Profit 2 | 1,389 | 28.3 | 1,157 | 24.7 | 20.1 | 1,452 | 26.2 | (4.3) |
| Operating Expenses | 1,451 | 29.6 | 1,373 | 29.3 | 5.7 | 1,768 | 31.9 | (17.9) |
| Operating Income | (62) | (1.3) | (216) | (4.6) | | (316) | (5.7) | |
| Total Non-Op. Inc. (Loss) | 158 | 3.2 | 53 | 1.1 | | (17) | (0.3) | |
| Income Before Tax | 96 | 2.0 | (163) | (3.5) | | (334) | (6.0) | |
| Tax (Exp.) / Income | (22) | (0.5) | 34 | 0.7 | | (33) | (0.6) | |
| Net Income | 74 | 1.5 | (129) | (2.8) | | (367) | (6.6) | |
| Non-controlling Interests | (39) | (0.8) | 43 | 0.9 | | (13) | (0.2) | |
| Consolidated Income | 36 | 0.7 | (86) | 1.8 | | (379) | (6.8) | |
| EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,424M | 0.06 | | (0.13) | | | (0.6) | | |

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

3Q17 Non-op Income/Loss & QoQ Comparison

| Unit : NT\$ million | 3Q17 | 2Q17 |
|----------------------------|------------|-----------|
| Investment Income | 64 | 231 |
| Sub./Aff. | 44 | 54 |
| Capital Gain | 20 | 177 |
| FX Gain/(Loss) | 15 | (80) |
| Fin. Income/(Exp.) & Other | 79 | (98) |
| Total Non-op Income/Loss | <u>158</u> | <u>53</u> |

* The numbers are consolidated and the net income is audited/reviewed.

YT3Q17 Income Statement & YoY Comparison

| Unit: NT\$ million | YT3Q17 | | YT3Q16 | | YoY % Change |
|--|---------------|-------|----------------|-------|-----------------|
| | AMT | % | AMT | % | |
| Net Sales | 14,309 | 100.0 | 17,058 | 100.0 | (16.1) |
| Cost of Goods Sold - Product | 10,563 | 73.8 | 12,609 | 73.9 | (16.2) |
| Gross Profit 1 | 3,746 | 26.2 | 4,449 | 26.1 | (15.8) |
| Inventory Related Gain/(Loss) | 31 | 0.2 | (85) | (0.5) | |
| Gross Profit 2 | 3,777 | 26.4 | 4,364 | 25.6 | (13.5) |
| Operating Expenses | 4,249 | 29.7 | 5,375 | 31.5 | (20.9) |
| Operating Income | (472) | (3.3) | (1,011) | (5.9) | |
| Total Non-Op. Inc. (Loss) | 210 | 1.5 | 46 | 0.3 | |
| Income Before Tax | (262) | (1.8) | (965) | (5.6) | |
| Tax (Exp.) / Income | (3) | (0.0) | (80) | (0.5) | |
| Net Income | (265) | (1.8) | (1,045) | (6.1) | |
| Non-controlling Interests | (2) | (0.0) | (20) | (0.1) | |
| Consolidated Income | (266) | (1.9) | (1,066) | (6.2) | |
| EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,424M | (0.41) | | (1.68) | | |

The numbers are based on consolidated numbers and the net income is audited/reviewed.

9/30/2017 Balance Sheet & QoQ Comparison

| Unit: NT\$ million | 9/30/17 AMT | % | 6/30/17 AMT | % | QoQ % Change |
|-----------------------|----------------|-------|----------------|-------|-----------------|
| Cash & S-T Investment | 2,550 | 15.2 | 3,130 | 17.9 | (18.5) |
| Account Receivable | 4,441 | 26.4 | 4,261 | 24.4 | 4.2 |
| Inventory | 3,452 | 20.5 | 3,590 | 20.5 | (3.8) |
| Long-term Investments | 2,950 | 17.6 | 2,916 | 16.7 | 1.2 |
| Total Assets | 16,806 | 100.0 | 17,470 | 100.0 | (3.8) |
| Accounts Payable | 3,682 | 21.9 | 4,184 | 23.9 | (12.0) |
| Current Liabilities | 7,029 | 41.8 | 7,878 | 45.1 | (10.8) |
| Common Stock | 6,520 | 38.8 | 6,520 | 37.3 | 0.0 |
| Stockholders' Equity | 9,067 | 54.0 | 8,855 | 50.7 | 2.4 |

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

Key Financial Ratios

| Unit: % , days | 3Q17 | 2Q17 | 1Q17 | 4Q16 | 3Q16 |
|--------------------------|------|------|------|------|-------|
| **Days A/R | 81 | 80 | 78 | 77 | 76 |
| **Days Inventory | 88 | 89 | 79 | 83 | 89 |
| **Days A/P | 95 | 100 | 85 | 91 | 92 |
| Cash Cycle | 74 | 70 | 72 | 69 | 73 |
| Current Ratio | 1.57 | 1.49 | 1.43 | 1.43 | 1.39 |
| Debt/Equity Ratio | 0.81 | 0.93 | 0.89 | 1.00 | 0.99 |
| ***Net Debt/Equity Ratio | 0.53 | 0.58 | 0.52 | 0.54 | 0.66 |
| ROE | 1.6 | -3.9 | -9.5 | 4.7 | -16.2 |

The numbers are based on consolidated numbers and the net income is audited.

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

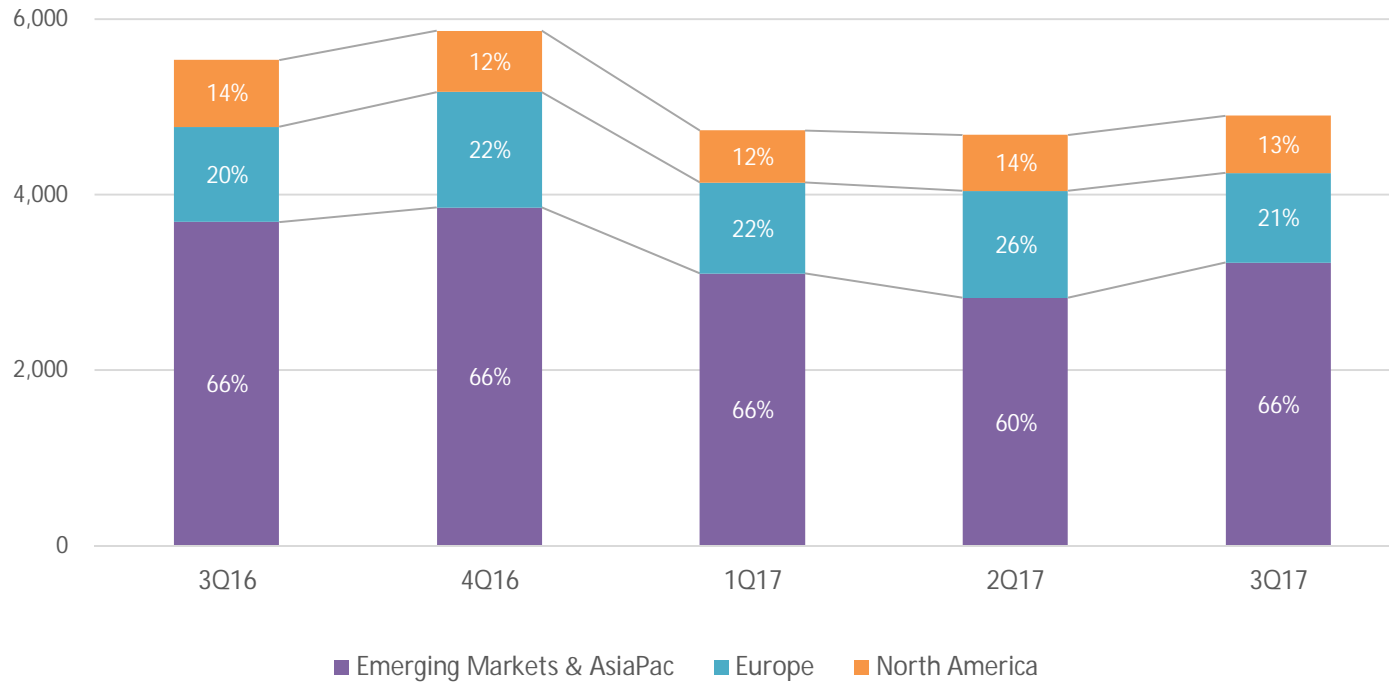
In NT\$, up 4.8% QoQ, down 11.5% YoY

- N.A. up 2.8% QoQ, down 14.1% YoY
- Europe down 16.3% QoQ, down 5.9% YoY
- Emerging Mkts & APac up 14.3% QoQ, down 12.5% YoY

In US\$, up 4.7% QoQ, down 7.3% YoY

- N.A. up 2.9% QoQ, down 10.4% YoY
- Europe down 16% QoQ, down 1.5% YoY
- Emerging Mkts & APac up 13.9% QoQ, down 8.4% YoY

NT\$ mln



Quarterly Revenue by Product

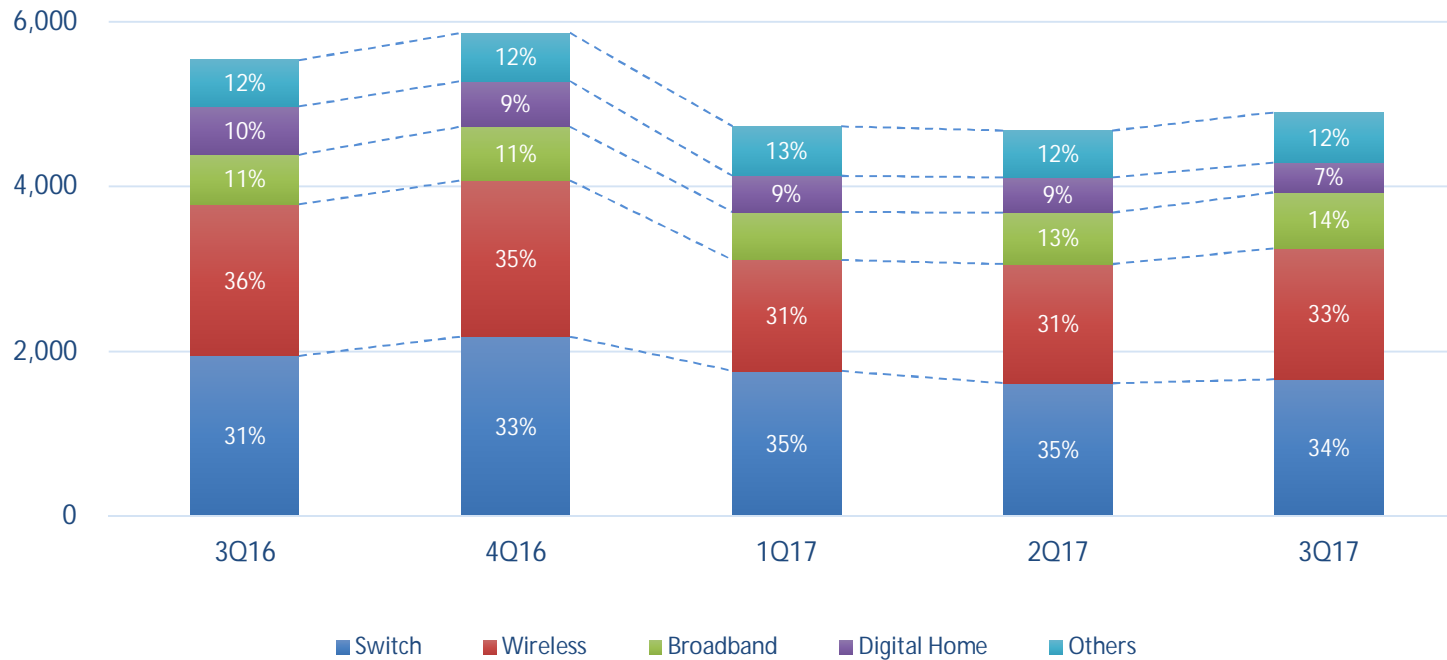
In NT\$ terms:

- Switch up 2.9% QoQ, down 14.7% YoY
- Wireless up 10% QoQ, down 13.5% YoY
- B.B. up 9.1% QoQ, up 13.3% YoY
- D.H. down 15.9% QoQ, down 38.5% YoY

In US\$ terms:

- Switch up 2.9% QoQ, down 10.6% YoY
- Wireless up 9.9% QoQ, down 9.7% YoY
- B.B. up 9.2% QoQ, up 19% YoY
- D.H. down 15.7% QoQ, down 35.7% YoY

NT\$ mln



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.