## Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>32,466,950</td>
<td>32,505,748</td>
<td>0</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>9,481,716</td>
<td>10,333,223</td>
<td>-8</td>
</tr>
<tr>
<td>Operating Income</td>
<td>692,755</td>
<td>891,902</td>
<td>-22</td>
</tr>
<tr>
<td>Income Before Tax</td>
<td>1,104,048</td>
<td>1,177,684</td>
<td>-6</td>
</tr>
<tr>
<td>Net Income</td>
<td>778,964</td>
<td>970,265</td>
<td>-20</td>
</tr>
<tr>
<td><strong>FX Rate (USD to NTD)</strong></td>
<td><strong>29.6239</strong></td>
<td><strong>29.4677</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>4,030,555</td>
<td>5,319,966</td>
<td>-24</td>
</tr>
<tr>
<td>Total Assets</td>
<td>24,509,118</td>
<td>26,721,546</td>
<td>-8</td>
</tr>
<tr>
<td>Working Capital</td>
<td>6,848,008</td>
<td>6,262,816</td>
<td>9</td>
</tr>
<tr>
<td>Long Term Loans</td>
<td>1,070,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shareholder’s Equity</td>
<td>13,656,058</td>
<td>14,216,657</td>
<td>-4</td>
</tr>
<tr>
<td>Shares Outstanding **</td>
<td>647,580</td>
<td>647,580</td>
<td>0</td>
</tr>
<tr>
<td><strong>FX Rate (USD to NTD)</strong></td>
<td><strong>29.1360</strong></td>
<td><strong>30.2900</strong></td>
<td><strong>-4</strong></td>
</tr>
</tbody>
</table>

** in thousands
Challenges and Opportunities

In response to the continuing transition for D-Link, marked by an aggressive expansion of our award-winning family of cloud solutions and the ongoing enhancement of our differentiating cloud services. These initiatives have reinforced D-Link's leadership of the global networking industry even as the general business environment remained challenging the world in 2012 faced widespread social and economic uncertainty at best, deepening crisis at worst. In many developed countries, consumers and businesses alike spent conservatively, and while the emerging markets are poised to pick up some of the slack, they are still growing into their role as pillars of the world economy. Moreover, 2012 saw an intensification of price competition from China. These two factors resulted in a narrow miss of expectations, with mildly attenuated profitability in comparison with 2011. Despite these challenges, D-Link's worldwide brand equity remains strong, and the company's strategy of value-added product differentiation is fundamentally sound. By aligning around key strategic vectors such as Cloud Cameras, Portable Routers, and Wireless Access Points, Wireless, Smart Switches, and One-step Surveillance Solutions, plus 4G LTE Solutions, D-Link is moving strongly to secure its leading position in the global networking industry, as well as seize the opportunities presented by shifting trends toward the migration to Wireless AC and other new technologies.

Financial Performance

Revenues in 2012 were $3.633 billion, down 8% from the previous year. Net income was $573 million, compared to the previous year's $739 million. Taking into account inventory provisions, a loss, and a reduced gross margin of 29.2% was seen in 2012, slightly lower than the 31.8% in 2011. Operating profit margin dropped to 2.1% from 2.2% last year. Annual earnings per share were $1.33, down from the previous year's 1.32. Substantially overall operating performance in 2012 was due mainly to understated non-operating earnings.

Market Share

According to Gartner, D-Link ranked first in the Enterprise WLAN market based on stand-alone access points (784,500 units) in 2012, with a worldwide market share of 33%. Total wireless devices reached approximately 21.4 million units shipped. This is a growth of 6% over the previous year. In 2012, D-Link's Enterprise Ethernet Switch market, according to Gartner, D-Link ranked third based on total port shipments (46,6 million ports), for a worldwide market share of 16.4%. Additionally, broadband products achieved annual shipments of 22.6 million units, representing a 12% increase over the previous year. Based on revenue share by product category, wireless products accounted for 33% of annual turnover, followed by 29% for switches, 17% for broadband telecom, and 17% for digital home and others.

A Clear and Compelling Strategic Vision

In an effort to engage with powerful trends rapidly emerging in the Cloud Era, D-Link has defined a number of areas of strategic focus and laid a foundation for continued leadership of the networking industry in the consumer market. The first of these areas is Cloud Cameras, where D-Link's highly differentiated product offerings, enhanced with the unique myLink platform and Zero Configuration, have already made a deep impression on the fast-growing IP surveillance market. Another area is the mobile or personal-social, where we see the real opportunity for mobile connectivity in which computing habits are shifting from the traditional PC to post-PC smart devices. Indeed, portable routers will be indispensable to every consumer. Yet another area of consumer focus is Wireless AC. As the first major advance in wireless technology in a decade, it supplies the bandwidth required by growing numbers of connected devices and also enables tremendously exciting new use cases like streaming HD video. The oncoming wave of upgrades from previous generations of wireless technology affords a major opportunity to reset the battle for networking market leadership.

The SMB and enterprise markets are also undergoing transformations no less dramatic than those in the consumer market, and here too D-Link is concentrating efforts on several areas of critical strategic importance. The emergence and increasing adoption of bring-your-own-device (BYOD) trends, due to the revolution in consumer-oriented mobile devices, is driving network infrastructure upgrades, and here D-Link's unified wireless solutions present compelling advantages including flexibility, scalability, and, above all, cost-saving tools for deployment and management. Meanwhile, SMBs and enterprises under increasing pressure to streamline IT operations and cut costs are turning from managed services to smart switches, which offer many of the same benefits at greatly reduced complexity, and in this area too D-Link possesses a number of key differentiating factors such as superior management tools and language support. While still geographic growth in emerging markets, too is driven by consumer demand, but there are many other factors that can influence traffic mobility and the personal cloud are intensifying. As people increasingly embrace a mobile, social life, facilitated by devices such as smartphones and tablets, they will demand more powerful networking products both in terms of increased bandwidth and cloud functionality. D-Link's Cloud initiative, designed around effortless viewing, control, and sharing of the digital life anywhere and everywhere, delivers precisely these capabilities. In 2013, we will continue to expand the myLink-enabled family of Cloud products, as well as enhance myLink functionality. In particular, we expect consumer adoption of Wireless AC to provide a boost to 2013 revenue growth.

In the business space, meanwhile, unified communication and collaboration will continue to drive growth as businesses replace open source-based IM with the full suite of UC applications and IP telephony products. In 2013, we will continue to build on our strong position in the UC market, supporting the growing demand for our Cloud-based UC applications and UC as a service (UCaaS) offerings. Inside companies, IP telephony will provide the tools to improve communications and drive productivity.

Innovation Today and Tomorrow

D-Link continues its tradition of networking industry innovation by taking home several prestigious 2012 red dot Design Awards, as well as the Lighthouse (OCS-800) Siren Camera. The new myLink Cloud Services, which includes DHP-W310AV Wireless Powerline Adapter, and DWL-9200PET Set. These products were also honored. Meanwhile, the DIR-635L Wireless N300 Gigabit Cloud Router won a 2013 Good Design Award (G) Mark. The Sirena Go was named a CES Innovations 2013 Honoree. Elsewhere, D-Link unveiled our new Zero Configuration capability, a major differentiator of our Cloud cameras (and soon, other myLink enabled devices). We continue to look for new ways to stay in line with the market, as well as making use of new high-speed connectivity in the consumer market.

Outlook

While we expect 2013 to remain challenging for our business, given continued weakness in many Western economies and the prospect of slowing growth in some emerging markets, there is cause for cautious optimism. On the positive side, there are trends toward mobility and the personal cloud are intensifying. As people increasingly embrace a mobile, social life, facilitated by devices such as smartphones and tablets, they will demand more powerful networking products both in terms of increased bandwidth and cloud functionality. D-Link's Cloud initiative, designed around effortless viewing, control, and sharing of the digital life anywhere and everywhere, delivers precisely these capabilities. In 2013, we will continue to expand the myLink-enabled family of Cloud products, as well as enhance myLink functionality. In particular, we expect consumer adoption of Wireless AC to provide a boost to 2013 revenue growth.

Sincerely,

ROGER KAO
Chairman & CEO
A.P. CHEN
Director & President

A. P. CHEN
Director & President

Source: Gartner Market Share: Enterprise WLAN Equipment, Worldwide, 4Q2012 and 4Q2013
Source: D-Link 2012 financial report

Globalization through Localization

LOCAL MARKET UNDERSTANDING, INTERNATIONAL PRESENCE

Unity: a strategy for success executed on a global scale. D-Link is the worldwide leader and an award-winning designer, developer, and provider of Wi-Fi and Ethernet networking, broadband, multimedia, voice and data communications, and digital electronics solutions. D-Link has systematically expanded its market share by penetrating geographic targets through a strategy of establishing in-country business units supported by a strong corporate foundation.

Confident in the resources of D-Link headquarters to develop and deliver state-of-the-art networking solutions, each local business – regardless of its location around the world – effectively penetrates the market. The Company’s innovative products provide solutions for home and businesses, each built with standards-based reliability. D-Link has become a trusted international brand that connects people to their lives, to their work, and to each other.
Emerging Markets & Asia Pacific

Emerging Markets and the Asia Pacific Region grew steadily in 2012, accounting for 65% of total sales revenue and strengthening D-Link's global presence.

Emerging markets continued to be the major engine of D-Link's expansion, with steady year-on-year growth. Positive development in Russia, Latin America, the Asia Pacific region, the Middle East, and Africa all continued, as D-Link increased local brand awareness, maintained competitive price points, and developed unique solutions to meet customer needs.

In Russia, D-Link enjoyed a strong reputation as a top vendor among end users, major telecommunication companies, broadband carriers, and leading system integrators. In a PCMag reader's poll, D-Link won two honors for service and quality in the networking equipment category. Today, D-Link has achieved a dominant position in the SOHO segment and maintains a leading position in the Russian market for access layer switches for ISPs. The company is also rising quickly in the budget segment in the video surveillance market.

Major milestones in Russia included the opening of new offices and startups of local production, certification of firewalls by FSTEK of Russian Federal Service for Technical and Export Control, opening of the toll-free All-Russia Call Center, as well as new authorized training centers to better serve local customers, cooperation with leading educational institutions, which will grow long-term mindshare, and a number of major projects at educational institutions and various levels of government.

D-Link's strategy in Russia includes customization of products for state and commercial organization projects, training seminars both on-site in offices and remotely from special D-Link educational sites, publication of educational materials, marketing and technical support for partners. Bestselling products in 2012 were Internet gateways and routers, and ADSL products. Top revenue generators were managed switches, Internet gateways and routers, and ADSL products. The mylink product family is also gaining traction in the Russian market, where product line extension led to sales growth and sales revenue increase. Future plans include expansion of local production, extension of the distribution network, increased cooperation with educational institutions, and further development of the local partner network.

In Latin America, particularly Brazil, 2012 was a year of transition and consolidation of technological leadership. At the beginning of the year, D-Link’s offices and other facilities were widely scattered. A major achievement was the unification of operations, which dramatically improved management processes and product quality. Preparation for deepening localization also proceeded smoothly. Meanwhile, intensive training and improved consistency of team management laid a foundation for future expansion and growth. D-Link's business in Brazil is 100% channel-driven, with 8 distributors, 75 top resellers, and over 2,000 resellers in 1,115 Telecoms are responsible for around 50% of total revenue. Despite intense competition, D-Link remained the market leader in retail, which accounted for 35% of total revenues, and there was also significant growth in IP surveillance and entry-level switches, representing 15% of total revenues. D-Link is recognized as the strongest brand in entry-level routers, with more than 55% market share at retail and up to 80% at key large retailers such as Walmart Brazil. As much of the Brazil market remains on older 302.11g wireless, and ICT growth is expected to continue surpassing overall GDP growth, the prospects for D-Link in Brazil are extremely bright for 2013 and beyond.

Meanwhile in India, D-Link had a very successful 2012, closing FY 2012 with 82% growth Y-o-Y. D-Link was number one in the Indian switch market throughout the year. In Business Switching, D-Link achieved 33% market share (ship volumes), while in Business Wireless D-Link attained the number one position with 40% market share (unit shipments).

Major drivers in the channel business were wireless and broadband products. Enterprise business saw strong growth in the smart switch product category and the 3G business was completely dominated by the 3G dongle, mylink-enabled products, and the mobile companion range also witnessed a good business run rate. Finally in structured cabling, growth of over 100% enabled D-Link to reassert its position of market leadership.

D-Link grew both in the channel space as well as in the enterprise space. In the former, the key contributors remained unmanaged switches, entry-level wireless routers, and broadband ADSL products. 3G products, especially the 3G dongle, also contributed significantly to growth. In the enterprise segment D-Link did very well with universities across India. Government has been traditionally a strong foothold for D-Link, and the company also saw many large deals with state governments for products like switching, IP Surveillance, and wireless.

Throughout the emerging markets, D-Link pursued many unique local initiatives to attract new customers while satisfying current ones. Although competitive pricing continued to be a key attribute for value-conscious customers, increasing product differentiation is emerging as a driver of demand, ensuring that D-Link will continue to be the preferred networking solution provider worldwide.
Europe

While the general European economy remained weak, business solutions and IP surveillance in particular proved to be a bright spot, with solid growth and increasing recognition of D-Link’s capabilities.

Economic problems persisted across Europe throughout 2012, as sovereign debt and Euro instability continued to affect both consumer and business confidence. Even with these difficult trading conditions, D-Link Europe managed to grow its Business Solutions revenue by 7% year on year. Most notably, IP Surveillance for both professional and consumer markets grew 128% year on year; placing D-Link among the top 15 suppliers for Network Video Camera in Europe.

Supporting this was an 8% growth in sales of the smart switch portfolio, thanks to a concentrated effort to promote the product range throughout the region, a 12% growth in sales of Digital Home products; and 78% growth in sales of D-Link Assist, the rapid response technical support service — proving that value-added services are a key factor in business development and highly valued by end-users.

D-Link Europe’s strategy for the year was to drive sales for Business Solutions from the Smart and Unified Switch portfolio, along with a push to drive Wireless N Access Point sales in the consumer market; the focus was to transition consumers to cloud routers while maintaining the growth of Powerline sales.

These goals were achieved through a strategy of increasing the number of partners selling D-Link products. Not only did the partner base increase, but through the VIP programme, D-Link Europe ensured that Value Added Resellers are fully trained on the latest products and able to go to market swiftly, armed with all of the knowledge required in order to be successful. An example of this success is the focus on transitioning resellers away from the old managed switch portfolio, to the new SilkStack family of switches.

Key to growth this year were IP surveillance sales, establishing the mdynlink platform and promoting business IP cameras within the professional surveillance market. The home surveillance market has grown, thanks to the ease of installation of the latest IP cameras, the attractive price point, and the user-friendly mdynlink service, which make it easier than ever for consumers to keep an eye on family and home. Key products in this area included entry-level cameras such as the DCS-932L and DCS-942L.

Focusing on key vertical sectors was also critical throughout 2012 and D-Link Europe saw expansion in sectors including Education, Government, and Consumer. IP surveillance offering also enabled a strong push into the Professional Security Market which had previously been untapped, and this should open a new area of further growth throughout 2013. Storage saw increased sales in the retail sector via channel partners, and mdynlink allowed further market penetration through the channel in retail and online spaces.

The DCS-1100 was rolled out for SCHOs and Small and Medium Businesses, providing them with an affordable switch. It also worked well in enterprises, where simple network management is required in smaller branches. In addition, the DCS-1210 performed well across the region because of its scalability and advanced security. Wireless Access Points such as the DWA-360NAP and the DWA-660NAP were also successful products for Business Solutions thanks to their reliability, ease of management and high data transmission speeds. Unified access points were complemented by the DWL-1000 providing easy to use, scalable solutions to manage and configure wireless networks.

Entering 2013, D-Link Europe is expecting further growth in IP Surveillance sales, building on its relationships with the Professional Security market to drive further sales. The introduction of JustConnect will provide an exciting addition to the IP Surveillance portfolio as an easy-to-configure, end-to-end solution to the SMB market. The introduction of Wireless AC will also be a major focus, and D-Link Europe intends to educate consumers and businesses alike on the latest technology, in order to support a strong launch of our new Wireless AC routers. D-Link Europe will also continue to add value to resellers through the VIP programme, which, in addition to releasing the latest innovative, best-in-class technology solutions, will ensure mutual business growth.

CASE STUDY

BT Business Direct and its sister company DAAS.com are leading providers of IT equipment to businesses and consumers. The company was moving its sales team to a new custom-built one-storey office, and security was an important consideration. The company was looking for surveillance of the main reception area in different lighting conditions, plus internal surveillance around the office.

BT Business Direct issued an open invitation to a number of preferred suppliers, and it quickly became obvious that D-Link had the best solution, both because of the picture quality of its 2 Megapixel cameras and the end-to-end nature of the solution it was proposing including cameras, network infrastructure, storage, and software. In addition, its edge-of-network design means the impact on the network is minimized and redundancy is built in.

Initially, BT Business Direct came up with some suggested positions for cameras based on the new building’s floor plan. However, using the electronic PIZ function of the D-Link DCS-6616 cameras and changing the lenses to wide-angle, D-Link suggested replanning three cameras with one PZ Camera to survey the whole room. This reduced the cost of the solution, provided superior coverage around the office, and meant the team had to scan fewer cameras in the event of an emergency.

D-Link’s design of the solution sees DCS-6612 cameras connected to DSN-7226-4 network video recorders. The recorders are networked to a LM4K with all the benefits of improved quality of service, resiliency, and full redundancy built in. If a single camera fails, a Samba client will record the video locally; if an NVR fails, the camera can record to an alternative unit. The NVRs are backed up to a DCM 32200 for storage, which can record up to 90 days of HD-quality 720p resolution video locally, thus reducing the impact on network usage.

According to Alex Davis, IT Manager, the main benefit of the new system is the way it is implemented: “You’ve got one cable running back to one switch and it’s all remotely managed so there are no overheads on having the system. It’s just another network device. We have put e-mail alerting on some of the cameras to let us know if there’s any motion detected, but also if the alarm goes off it sends a signal to a number of people.”

In addition, the system is scalable if the company needs to add more cameras. Based on positive experience from this project, BT Business Direct is considering installing D-Link cameras in the national logistics center in the future.
North America

As the economy showed signs of modest improvement, D-Link focused on company-wide efficiencies, operations, and market execution strategies to help drive future growth. The company also extended relationships with channel and retail partners while engaging new partners to meet changing distribution needs.

Performance over the past year highlighted D-Link’s commitment to delivering technology solutions that meet the ever-changing needs of consumers, businesses, and other organizations. Key focus areas for the Consumer Solutions business unit included retaining IP surveillance market leadership and setting industry benchmarks with first-to-market Wireless AC routers and adapters. The company demonstrated its ability to deliver powerful home networking, media streaming, and IP surveillance products that offer the connectivity, performance and remote management and sharing demanded by today’s mobile lifestyles. The efforts of the Business Solutions unit focused on high-performance unified wireless and total IP surveillance solutions with an end-to-end integrated offering of IP cameras, switching, wireless and storage unique in the industry. IP surveillance growth revolved around D-Link’s ability to engage on a large scale with regional and national security distributors, establish new alliances with major VMS (Video Management Systems) companies and a special focus on educating CCTV integrators on the significant advantages of a complete IP surveillance solution.

Key products for the year included D-Link’s first ever Wireless AC Cloud Raster, the DIR-866L, and a range of exciting new consumer IP surveillance cameras including the parrot-like DCS-5222L, DCS-2732L, and DCS-2310L, offering HD resolution and weatherproof casing for outdoor use. D-Link also announced the MoveNite and MoveNite Plus streaming media players. D-Link focused on enhancing its business product portfolio for SMB customers with several key initiatives, including expanded IP Surveillance solutions with HD IP cameras, the DCS-1500 SmarthPro series switch, and its latest Unified Wireless offerings. Key trade shows such as ISC West and ASIS served as ideal venues for introducing D-Link’s expanded IP surveillance line, including its first fisheye camera, the DCS-6010L, and an industry-leading five-year warranty for select fixed box, dome and bullet cameras.

The MoveNite players launched on the shelves of Walmart, the world’s largest retailer, opening the door to future placements there. D-Link also significantly expanded national and regional retail partnerships across the U.S. On the business side, D-Link expanded security distribution channels by adding ADI and Tri-Ed. On the service provider side, D-Link North America won a contract with Verizon, the largest telecom in the U.S., and deployed 250,000 ADSL2+ GW units. The D-Link business team also helped a popular fast food chain expand their drive through service efficiency by installing new IP surveillance cameras when the chain expanded to include two drive-thru ordering windows. The new IP surveillance cameras helped speed up the ordering process, and confirm the correct order was delivered to the customer when they drove up the pick-up window.

Additionally, the business VIP channel program was upgraded during 2013 with a new rewards program, marketing support, lead generation tools and additional partner training, strengthening. Rebranded as Value in Partnerships the new program was well received by resellers, who became Gold and Silver partners. D-Link continued its success with its K-12 education and state and local governments by adding PEPPM (Pennsylvania Education Purchasing Program), a multi-state contract, and renewed the New York State and the Texas Department of Information Resources (DIR) contracts.

Throughout 2012, D-Link focused heavily on expanding its presence and engagement across its social network properties to show its commitment to customers and vertical market segments and to demonstrate that it is listening to the needs of customers across communication channels. Over the past year, the company increased its social network community size approximately 900 percent via dedicated promotions and significant social outreach and community building. In addition, D-Link completely redesigned its corporate website to communicate key product/technology information and market messages in a refined way that better meets the needs of target customers and simplifies navigation to key product information.

Major initiatives for 2013 include entering specialized vertical market segments to expand D-Link awareness, technology leadership and overall market penetration. The company will launch new cameras and router solutions catering to the needs of these markets – including gaming, parents, pet owners, and more. On the business side, D-Link will expand its market leadership with new cost-effective EasySmart PoE switches designed to offer system integrators and network designers advanced features and easy network management regardless of their IT expertise. The EasySmart switch family represents D-Link’s first offering to deliver Power-over-Ethernet (PoE) capabilities and allows the company to drive technology discussion and leadership surrounding PoE for easy IP surveillance, VoIP phone and access point deployment.

CASE STUDY
DOUGELAND SCHOOL DISTRICT, JUNEAU WISCONSIN

When Dodgegland’s school building was constructed 10 years ago, it was considered state-of-the-art, but a decade of technological evolution had left their network infrastructure in need of a serious upgrade. Additionally, the school district is launching a one-to-one initiative which provides each student with a laptop or tablet. Thus, Dodgegland’s limited wireless capacity was an issue that also needed to be addressed. The school needed to implement a new full wireless infrastructure that would expand its wireless capabilities to support the new initiative. Worse, Dodgegland’s existing network components were beginning to fail – and support and maintenance costs were straining the district’s limited budget.

Dodgegland was faced with a major upgrade of its networking and wireless equipment. After looking at Cisco and HP networking solutions, the district sought out a more cost-effective solution. With the help of an onsite visit by a D-Link representative and the resellers, a complete network design was created for the school. Dodgegland wasn’t swayed by the fact that the D-Link solution would be the least expensive of several other school districts that had implemented a D-Link networking and wireless solution and Dodgegland was ultimately convinced to go with D-Link.

High-performance managed switches provided the enhanced network reliability, latest security features, and smart redundancy that the school required. Looking to the future Dodgegland’s wireless network will expand as the district moves forward with its one-to-one initiative and plans are being made to quadruple the number of access point and expand wireless capabilities to better support students and teachers.
Consumer Solutions

As social and mobile trends transform the way that people utilize the Internet, D-Link has responded with innovative products and Cloud Services that help customers connect to more, both at home and away.

In 2012, D-Link launched a number of products to satisfy the rapidly evolving needs of the consumer market segment. People are increasingly connecting from mobile devices such as smartphones and tablets, leaving PCs behind. At the same time, online video streaming services and social networking have also surged in popularity. As a result, there is more demand for bandwidth, on more devices than ever. In recognition of this digital lifestyle trend, D-Link is meeting changing consumer needs with mydlink-enabled options for connectivity, monitoring, and storage. Central to these efforts are three strategic weapons.

First are mydlink-enabled Cloud Cameras. This segment was a bright spot for D-Link in 2012, as the lineup was expanded with models such as the DCS-5222L Day and Night Pan/Tilt Cloud Camera, the first Cloud camera with pan/tilt, and the DCS-6010L Wireless N 360° Home Network Camera, which added an innovative fisheye lens for true 360-degree monitoring. Rapid addition of new hardware and software features ensure that D-Link Cloud Cameras surpassed the competition in the market. The most significant and far-reaching enhancement was D-Link’s exclusive Zero Configuration capability, which provides effortless one-touch setup when a Cloud Camera is connected to a mydlink-enabled Cloud Router.

Next, D-Link pioneered the entirely new product category of portable or personal routers with the DIR-506L All-in-One Mobile Companion and DIR-506LSharePort Go. The

D-Link 360™ Wireless N 360° Home Network Camera received a prestigious Good Design Award 2012.


D-Link took home 17 Taiwan Excellence awards in 2012, for products including wireless routers, powerline adapters, IP cameras, switches, and even media players.

D-Link 360™ Wireless N300 Gigabit Cloud Router received a prestigious Good Design Award 2012.

D-Link took home 17 Taiwan Excellence awards in 2012, for products including wireless routers, powerline adapters, IP cameras, switches, and even media players.

D-Link 360™ Wireless N300 Gigabit Cloud Router received a prestigious Good Design Award 2012.
Business Solutions

D-Link is committed to providing SMEs, SMBs, and SOHO customers with powerful and cost-effective networking solutions that facilitate success in today’s rapidly evolving information technology environment.

D-Link’s primary focus has been on solutions for small to medium businesses, a sector which needs stable connections, flexibility, and ease of use, along with outstanding price-performance. To better meet these requirements, D-Link is targeting three strategic areas: unified wireless solutions, smart switches, and integrated, one-stop surveillance solutions, within the broader portfolio of business-oriented solutions.

Mobility was a major buzzword in 2012, as increasing numbers of businesses of all sizes accelerated their adoption of the “bring your own device” (BYOD) trend, and D-Link was there to meet the demand with unified wireless solutions. Entry-level Unified Wireless Switches like the DWL-2600AP can be clustered together without need for any additional hardware. As network scales increase, up to 256 access points can be deployed together and managed by one of D-Link’s Unified Controllers, such as the DWC-1000. D-Link Unified Wireless solutions make it simple for businesses to implement BYOD policies with tools like on-demand location tracking, policy-based VPN, firewall, and outbound load balancing and fault tolerance.

Another area of focus is smart switches. These have rapidly become the mainstream among small and medium businesses, which increasingly require the power and flexibility of managed switches without the complexity. D-Link’s lineup of smart switches offers them the best of both worlds. Revenue and market share have grown steadily as companies discover the security, efficiency, and scalability of D-Link smart switches. Thanks to D-Link Green™ technology, which reduces power consumption 24 hours a day, Auto Surveillance VLAN, which simplifies setup and integration with D-Link’s IP cameras, and support for more languages than the competition, D-Link’s smart switches are some of the smartest in the industry.

A third area of focus is D-Link’s integrated, one-stop surveillance solution (4S), consisting of IP surveillance cameras, switches, software, and storage. Experts estimate that the number of IP surveillance cameras deployed worldwide will overtake analog surveillance cameras by 2014. As this transition accelerates, IP surveillance is increasingly becoming both the concern and the responsibility of company IT departments. D-Link’s track record of product stability and price performance across millions of installations supports its renown in the IP surveillance arena. Schools, retail environments, and SMBs alike stand to benefit from the streamlined integration, ease of installation and configuration, centralized management, simplified troubleshooting, and guaranteed interoperability of D-Link’s one-stop solutions, which no competitor can match.

The formal launch of IPv6 in June 2012 raised awareness of the need for IPv6-capable network infrastructure. D-Link was ready with a complete network equipment (CPE) routers certified for use over IPv6 ready networks on launch day. More than 30 D-Link CPE devices now bear the IPv6 Ready Logo. All current-generation consumer routers support dual stack and IPv6 tunneling mechanisms. Furthermore, several D-Link IP surveillance cameras and wireless Powerline Communication (PLC) adapters were also IPv6 certified — making them the world’s first IPv6 Ready Powerline AP and Powerline routers.

Achievements for 2012:

When IPv6 officially went live in May 2012, D-Link led the way with several customer premise equipment (CPE) devices certified with the IPv6 Ready Logo. All current-generation consumer routers support dual stack and IPv6 tunneling mechanisms. Furthermore, several D-Link IP surveillance cameras and wireless Powerline Communication (PLC) adapters were also IPv6 certified — making them the world’s first IPv6 Ready Powerline AP and Powerline routers.
Service Provider Solutions

D-Link is enhancing its highly competitive mobile product line and broadband offerings with innovative Cloud functionality and Wireless AC, utilizing its unique strengths to meet the rapidly evolving needs of the Service Provider and Telecom markets.

Strong relationships with leading vendors and manufacturers have reinforced D-Link’s reputation as a dependable partner for Internet service providers (ISP) and brought about widespread recognition of D-Link as a “one-stop shop” with comprehensive product offerings, including everything from consumer-level ADSL routers for the home and a complete range of high-speed 3G/4G/LTE solutions to enterprise-level managed switches that power advanced service provider infrastructure.

ISPs today face many challenges in today’s competitive landscape, as average revenue per user has declined even as operating expenses continue to increase. Existing networking infrastructure has suffered from a surge in demand for data traffic as a result of the adoption of cloud-dependent mobile devices and the popularity of bandwidth-heavy applications such as video streaming.

A major story in 2012 was the accelerating rollout of 4G/LTE networks worldwide. Combining the speeds, low latencies, and high capacity of these networks with the capabilities of the personal cloud, which are unmatched in the mobile industry, and emerging technologies like 802.11ac, D-Link is uniquely positioned to meet the diverse needs of service providers on one hand and businesses and consumers on the other, bridging them with a wide range of cloud-enabled solutions that change the way the world connects.

The incredible potential of high-speed mobile access is set to be realized in a number of products coming soon. D-Link LTE 11ac (ADs) make possible the modern LTE connected home, with support for smart DECT Handsets for VoLTE calling and high-speed 11ac wireless network connectivity throughout the home for smoother high-definition video streaming, VoIP calling, and online gaming on multiple wireless devices. Seamless integration with mydlink-enabled Cloud Cameras, media players, and network storage devices mean it’s easier than ever to enjoy the mobile social lifestyle. Meanwhile, D-Link 3G/4G Portable NAS devices enable users to unlock the full potential of their connection practically anywhere, with the power of the personal cloud. As a push of a button, the router creates a Wi-Fi hotspot, extends the range of an existing wireless network, or docks with a NAS for effortless file sharing. Other D-Link solutions perfectly integrate 4G and VoDL in homes, from live video streaming to ever-larger file transfers and real-time collaboration, today’s telecom applications strain networks to the limit. D-Link’s 4G VoDL Hybrid Gateways offer reliable connectivity and efficient load balancing capabilities. When needed, the gateway provides dynamic load sharing and QoS control for IP traffic and ensures home users enjoyment of triple-play service without any lag. Finally, D-Link’s rugged Coolbox routers are designed for heavy-duty applications. They offer integrated 4G LTE WAN and WLAN capabilities, as well as advanced features like seamless failover, always on connection, redundant WAN links, and VPN connectivity for the ultimate in high-speed wireless access, all in a hardened metal housing that withstands the toughest conditions. Overall, D-Link is in a prime position to help service providers and their customers unlock the full power of their connections.

Also affirming D-Link’s position as a major player in the service provider sector, in 2012, the company was one of the first networking service providers to receive the new BFI O69 CPE certification launched by the Broadband Forum, indicating that the DIR-885 implementation of D-Link’s CPE router platform complies fully with the TR-069 standard for remote management. As the number of broadband subscribers, applications, devices, and services continues to grow strongly worldwide, and a mass market for broadband emerges, the BFI-O69 certification was developed by the Broadband Forum to help establish a foundation of interoperability for continued innovation in converged home services.

Market adoption of TR-069 is showing explosive growth, with dramatic uptake of services like IPTV and deployments of FTTH in this fast-changing global landscape, the certification confirms that D-Link CPE devices meet operator and service provider requirements when used as a “one-stop shop” with comprehensive remote management auto-configuration servers. As a result operators and service providers can choose D-Link CPE devices with confidence. Ultimately, BFI-O69 certification streamlines compatibility testing and accelerates deployment of new broadband products and services based on D-Link CPE router solutions, making it easier for operators and service providers to tap exciting new markets and increase customer satisfaction.

D-Link’s strong presence in consumer networking and the digital home leaves the company prepared to deliver the next generation of mobile networking devices, enhanced with personal cloud functionality and leading technology like Wireless AC that make it easy for service providers to deliver more value and help their customers connect to more.
Product Design & Distribution

The pace of change in information technology has accelerated in the mobile, social era. As a global leader in networking, D-Link is at the forefront of the revolution.

For more than 25 years, D-Link has been leading the way in developing new technologies and making them accessible to consumers and businesses all over the world. Today, our innovation, execution, and heritage serve us well as we enter the Cloud era and help our customers connect to more in more ways than ever before.

D-Link consumer products are known all over the world for industry-leading design and Cloud functionality that enables and empowers today’s mobile lifestyle. These features, combined with a reputation for reliability, both fun and fulfill a growing demand for networking at home and in the small office. Blazing the way forward with innovative offerings such as Cloud Camera, Portable Routers, and Wireless AC Cloud Routers, D-Link is perfectly positioned to be the center of the digital home.

When it comes to the business market, D-Link does more than just compete with other enterprise-class switch manufacturers. D-Link’s unified wireless solutions provide superior wireless coverage and reliability, thereby increasing business productivity, flexibility, and cost efficiency. D-Link smart switches, meanwhile, offer increased security and scalability, hitting the sweet spot between the simplicity of unmanaged switches and the power of managed ones. Finally, there is IP surveillance. In every vertical, from retail to residential, education to healthcare, hospitality to transportation, D-Link’s integrated video surveillance solution, comprised of IP surveillance cameras, switches, storage, and software, offers unbeatable flexibility.

Corporate Social Responsibility

D-Link’s Green Commitment

At D-Link, we believe that leadership in the networking industry also extends to environmental responsibility. We carefully consider human nature and habits to ensure that our products are both user-friendly and eco-friendly, emphasizing innovative applications. D-Link is concerned not only about energy conservation and material acquisition, but also about providing an appropriate set of functions in our products to reduce the number of devices required. One outstanding example is D-Link’s industry-leading SharePort technology, which eliminates the need for a dedicated PC for media streaming or file sharing and thereby can dramatically reduce the power consumption of a home entertainment system.

D-Link has a long history of environmental commitment. As far back as 2007, we were among the first to market energy-savings desktop switches, and shortly thereafter launched our first eco-friendly wireless routers. In 2009, we introduced our Green technology into storage devices, power line communication adapters, and more wireless routers, as well as flagship managed switches. Around that time, environmentally-friendly packaging with less plastic and printed with soy ink was also developed. Then in 2010 D-Link became the first company to achieve ISO 14067 carbon footprint certification on Ethernet switches, and in 2011 D-Link was certified ISO 14064-1 compliant. More than 70% of D-Link’s first-tier suppliers now comply as well. Our target for 2012 was for 80% of all new products to be D-Link Green certified.

To protect both our customers and the environment, we avoid hazardous materials, and we are committed to recycling and energy conservation. All D-Link products comply with the EU’s RoHS and WEEE standards. TÜV Rheinland rated D-Link a five-star organization with best-in-class practices for environmental issues.

D-Link was also the first networking company to become registered as an ENERGY STAR partner as part of a global initiative to reduce greenhouse-gas emissions, ensuring that our power adapters now comply with strict energy-efficiency guidelines (Level I).

Product development at D-Link is guided by total “Life Cycle Awareness.” This mentality helps us to continuously improve the environmental aspects of our products and processes in each phase of the product life cycle. This includes considerations all the way from conceptual design through raw material acquisition, until the product’s end of life. All new D-Link products since 2008 have adhered to these guidelines.

Today, D-Link continues to strengthen its position as a market leader by developing the highest quality Green networking solutions for office and home. As part of D-Link’s mission of "Building Networks for People" we embrace public responsibility. In conjunction with both new and ongoing environmental initiatives, D-Link strives to create environmentally-friendly solutions for a better future today.
Corporate Headquarters & Board Members

BOARD OF DIRECTORS
Roger Kao  Chairman & CEO
A.P. Chen  Director & President
John Lee  Director
Charley Chang  Director
Kenneth Tai  Director
Mason Liu  Director
Shih Kuang Shao  Director
Shih Kuo Lin  Supervisor
Joan Chen  Supervisor

CORPORATE HEADQUARTERS
No. 289, Sinhu 3rd Road
Neihu District,
Taipei City 114, Taiwan
Tel: 886-2-6600-0123
Fax: 886-2-6600-9898

INDEPENDENT AUDITOR
KPMG Certified Public Accountants
68F, Taipei 101 Tower
No. 7, Sec. 5, Xinyi Road,
Taipei, Taiwan
Tel: 886-2-8101-6666
Fax: 886-2-8101-6667

TRANSFER AGENT
China Trust Commercial Bank
SF, No. 83, Sec. 1,
Chung-Ching South Road,
Taipei, Taiwan
Tel: 886-2-2181-1911
Fax: 886-2-2311-6723

INVESTOR RELATIONS
No. 289, Sinhu 3rd Road
Neihu District,
Taipei City 114, Taiwan
Tel: 886-6600-0123
Fax: 886-2-6600-9898
URL: ir.dlink.com