



# Credit Suisse ATC 2011

September 15, 2011



# Operation Reviews & Business Updates

## 2Q11 Income Statement & QoQ Comparison

Unit: NT\$ million	2Q11		1Q11		QoQ % Change
	AMT	%	AMT	%	
Net Sales	<b>8,021</b>	100.0	<b>7,802</b>	100.0	2.8
Cost of Goods Sold - Product	<b>5,344</b>	66.6	<b>5,225</b>	67.0	2.3
Gross Profit 1	<b>2,677</b>	33.4	<b>2,577</b>	33.0	3.8
Inventory Related Gain/(Loss)	<b>(26)</b>	(0.3)	<b>(28)</b>	(0.3)	(7.1)
Gross Profit 2	<b>2,651</b>	33.1	<b>2,549</b>	32.7	4.0
Operating Expenses	<b>2,322</b>	29.0	<b>2,381</b>	30.5	(2.5)
Operating Income	<b>329</b>	4.1	<b>168</b>	2.2	95.8
Total Non-Op. Inc. (Loss)	<b>14</b>	0.2	<b>150</b>	1.9	(90.7)
Income Before Tax	<b>343</b>	4.3	<b>318</b>	4.1	7.9
Tax (Exp.) / Income	<b>(70)</b>	(0.9)	<b>(72)</b>	(0.9)	(2.8)
Net Income	<b>273</b>	3.4	<b>246</b>	3.2	10.1
Minority Interest	<b>4</b>	0.1	<b>2</b>	0.0	100.0
Consolidated Income	<b>277</b>	3.5	<b>248</b>	3.2	11.7
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,429M	<b>0.43</b>		<b>0.39</b>		11.7

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

\*\*In US\$ terms, 2Q11's revenue was up by 4.9% QoQ.

\*\*\*4,611K treasury shares were bought back from March to May.

## 2Q11 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ mln	2Q11	1Q11	QoQ % Change
Investment Income	(19)	104	NA
Sub./Aff.	(19)	104	NA
Capital Gain	0	0	NA
FX Gain/(Loss)	21	27	(22.2)
Fin. Income/(Exp.) & Oth.	12	19	(36.8)
Total	<u>14</u>	<u>150</u>	<u>(90.7)</u>

## 2Q11 Income Statement & YoY Comparison

Unit: NT\$ million	2Q11		2Q10		YoY % Change
	AMT	%	AMT	%	
Net Sales	<b>8,021</b>	100.0	<b>8,217</b>	100.0	(2.4)
Cost of Goods Sold - Product	<b>5,344</b>	66.6	<b>5,573</b>	67.8	(4.1)
Gross Profit 1	<b>2,677</b>	33.4	<b>2,644</b>	32.2	1.2
Inventory Related Gain/(Loss)	<b>(26)</b>	(0.3)	<b>(114)</b>	(1.4)	(77.2)
Gross Profit 2	<b>2,651</b>	33.1	<b>2,530</b>	30.8	4.8
Operating Expenses	<b>2,322</b>	29.0	<b>2,393</b>	29.1	(3.0)
Operating Income	<b>329</b>	4.1	<b>137</b>	1.7	140.1
Total Non-Op. Inc. (Loss)	<b>14</b>	0.2	<b>174</b>	2.1	(91.9)
Income Before Tax	<b>343</b>	4.3	<b>311</b>	3.8	10.3
Tax (Exp.) / Income	<b>(70)</b>	(0.9)	<b>(74)</b>	(0.9)	(5.4)
Net Income	<b>273</b>	3.4	<b>237</b>	2.9	15.2
Minority Interest	<b>4</b>	0.1	<b>8</b>	0.1	(50.0)
Consolidated Income	<b>277</b>	3.5	<b>245</b>	3.0	13.1
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,429M	<b>0.43</b>		<b>0.38</b>		13.1

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

\*\*In US\$ terms, 2Q11's revenue was up by 7.6% YoY.

\*\*\*4,611K treasury shares were bought back from March to May.

# 1H11 Income Statement & YoY Comparison

Unit: NT\$ million	1H11		1H10		YoY % Change
	AMT	%	AMT	%	
Net Sales	15,823	100.0	16,125	100.0	(1.9)
Cost of Goods Sold - Product	10,568	66.8	10,737	66.6	(1.6)
Gross Profit 1	5,255	33.2	5,388	33.4	(2.5)
Inventory Related Gain/(Loss)	(54)	(0.3)	(179)	(1.1)	(69.8)
Gross Profit 2	5,201	32.9	5,209	32.3	(1.5)
Operating Expenses	4,703	29.7	4,776	29.6	(1.5)
Operating Income	498	3.2	433	2.7	15.0
Total Non-Op. Inc. (Loss)	163	1.0	222	1.4	(26.6)
Income Before Tax	661	4.2	655	4.1	0.9
Tax (Exp.) / Income	(142)	(0.9)	(154)	(1.0)	(7.8)
Net Income	519	3.3	501	3.1	3.6
Minority Interest	6	0.0	(1)	(0.0)	NA
Consolidated Income	525	3.3	500	3.1	5.0
EPS (NT\$) -Per Weighted-Avg. Capital of NT\$6,429M	0.82		0.77		5.0

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

\*\*In US\$ terms, 1H11's revenue was up by 7.2% YoY.

\*\*\*4,611K treasury shares were bought back from March to May.

# 06/30/2011 Balance Sheet & QoQ Comparison

Unit: NT\$ mln	6/30/11 AMT	%	03/31/11 AMT	%	QoQ % Change
Cash	6,232	23	4,928	19	26.5
S-T Investment	549	2	1,453	6	(62.2)
Account Receivable	5,914	22	5,795	22	2.1
Inventory	6,214	23	5,308	21	17.1
Long-term Investments	4,916	18	5,275	20	(6.8)
Total Assets	27,335	100	25,863	100	5.7
Accounts Payable	6,813	25	5,232	20	30.2
Current Liabilities	12,810	47	8,477	33	51.1
Common Stock	6,476	24	6,476	25	0.0
Stockholders' Equity	13,824	51	14,835	57	(6.8)

# Key Financial Ratios

Unit: % , days	06/30/11	03/31/11	12/31/10	09/30/10	06/30/10
*Days A/R	66	67	64	69	69
*Days Inventory	101	95	81	95	89
*Days A/P	105	93	89	108	112
Cash Cycle	62	68	56	57	46
Current Ratio	1.59	2.19	2.13	1.91	1.88
Debt/Equity Ratio	0.96	0.73	0.75	0.90	0.94
**Net Debt/Equity Ratio	0.47	0.40	0.33	0.47	0.40
ROE	8	7	10	9	7

\* Annualized

\*\* Adjust for Cash & S-T investment



# Quarterly Revenue by Regions

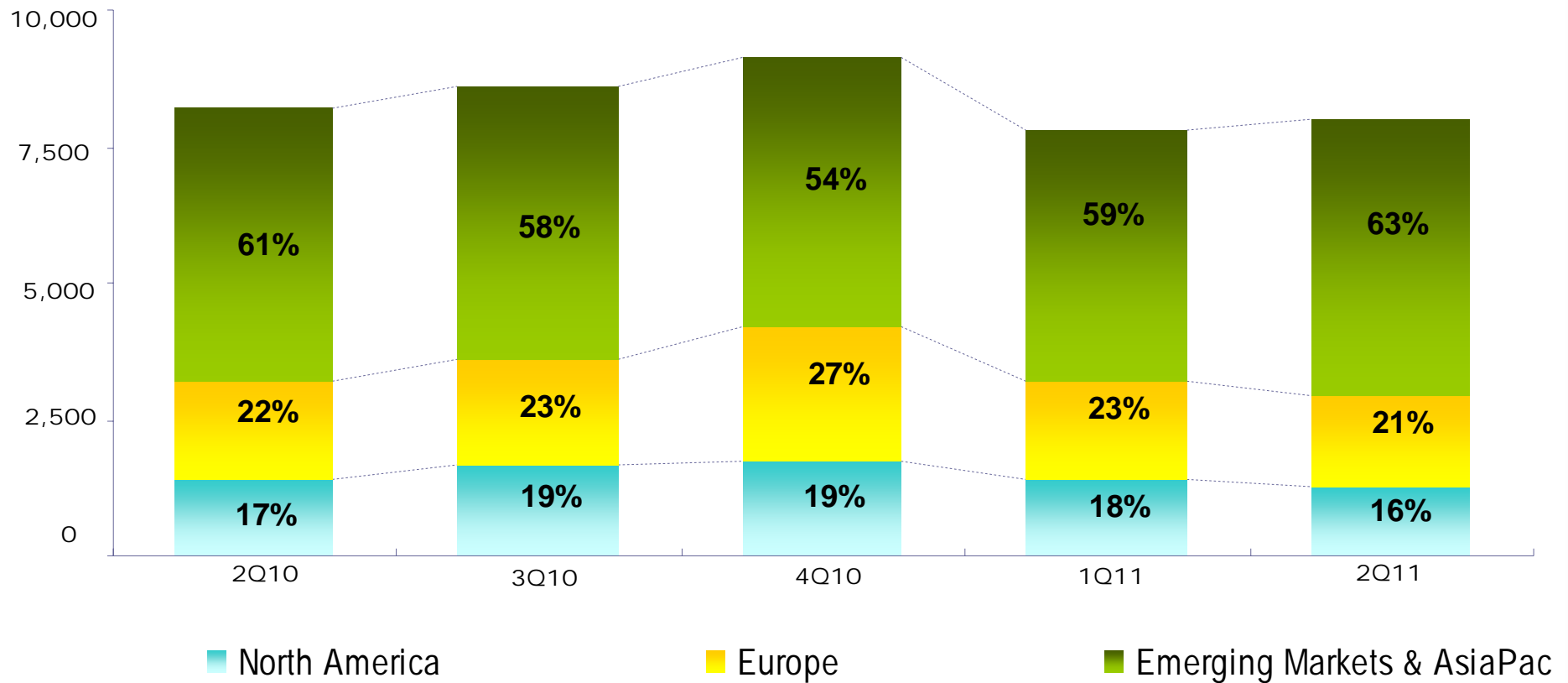
In NT\$, up 2.8% QoQ, down 2.4% YoY

- N.A. down 7.6% QoQ, down 8.6% YoY
- Europe down 8.3% QoQ, down 7.5% YoY
- Emerging Mkts & APac up 10.3% QoQ, up 1.2% YoY

In US\$, up 4.9% QoQ, up 7.6% YoY

- N.A. down 15.7% QoQ, up 1.9% YoY
- Europe down 5.7% QoQ, up 0.9% YoY
- Emerging Mkts & APac up 12.2% QoQ, up 11.5% YoY

NT\$ mln



# Quarterly Revenue by Products

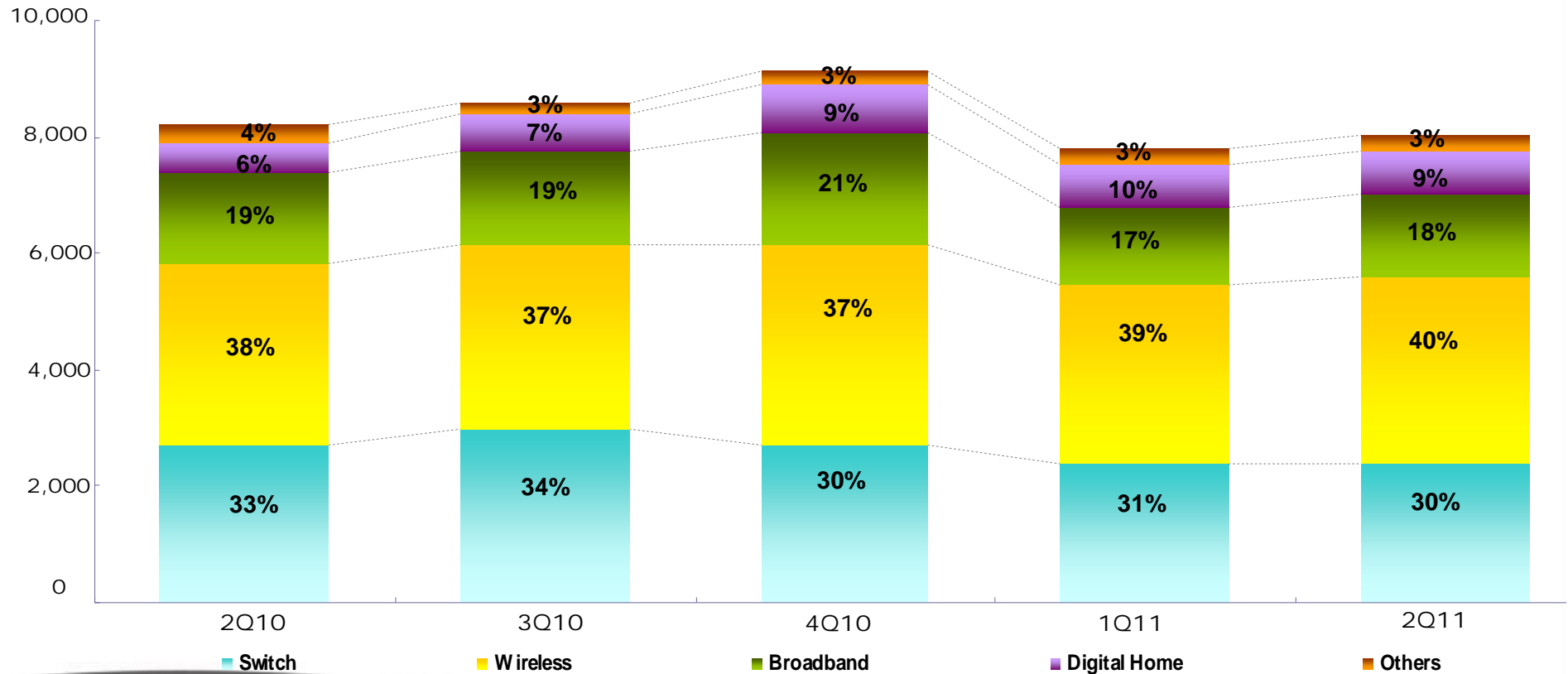
2Q11 revenue comparison in NT\$ terms:

- Switch up 0.8% QoQ, down 11.6% YoY
- Wireless up 4.2% QoQ, up 2.9% YoY
- B.B. up 6.8% QoQ, down 8.4% YoY
- D.H. down 0.4% QoQ, up 43.5% YoY

In US\$ terms:

- Switch up 2.3% QoQ, down 2.4% YoY
- Wireless up 6.7% QoQ, up 13.3% YoY
- B.B. up 8.9% QoQ, flat YoY
- D.H. up 1.1% QoQ, up 65.6% YoY

NT\$ mln



# 1H11 Revenue by Regions



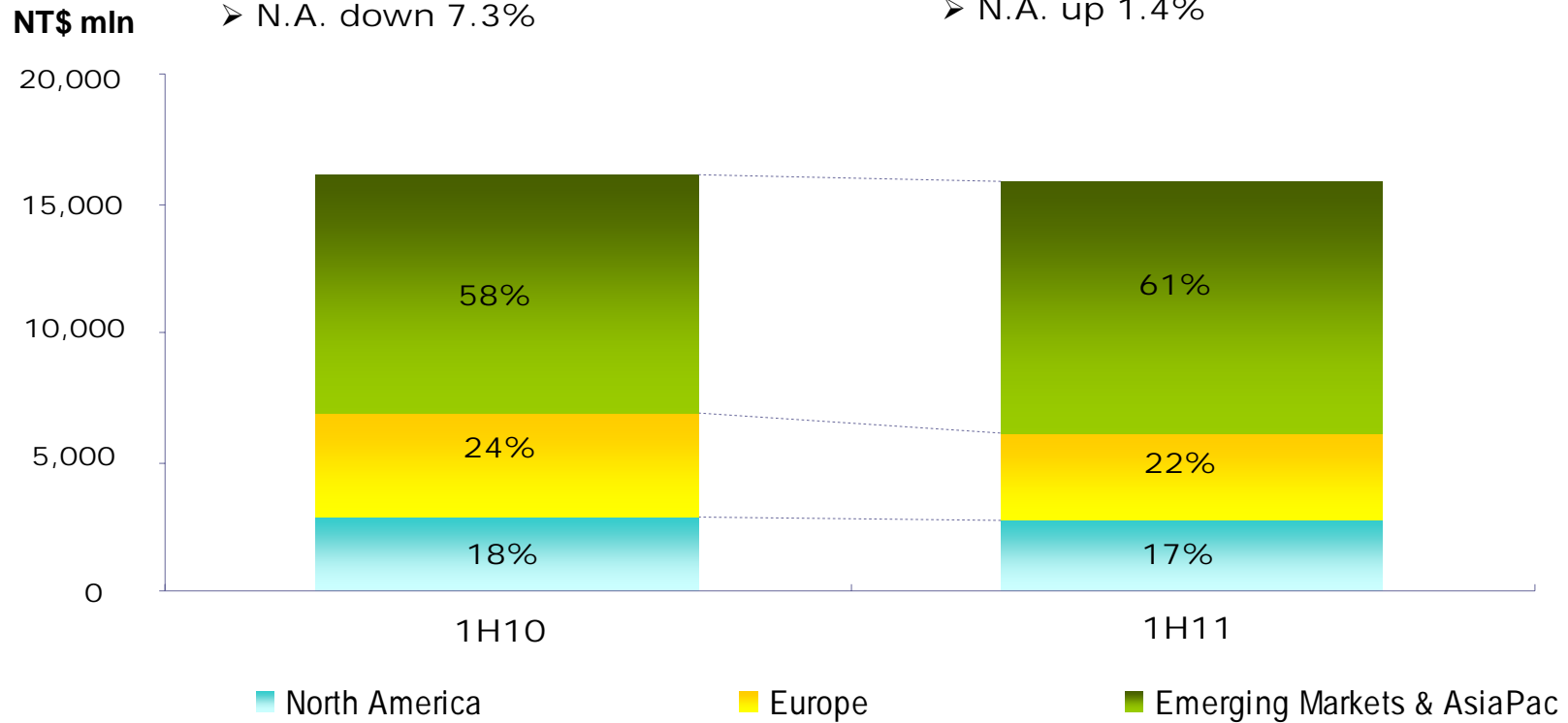
1H11 revenue YoY comparison:

In NT\$ terms:

- 1H11 down 1.9%
- Emerging Mkts & AsiaPac up 4.0%
- Europe down 11.9%
- N.A. down 7.3%

In US\$ terms:

- 1H11 up 7.2%
- Emerging Mkts & AsiaPac up 13.8%
- Europe down 4.0%
- N.A. up 1.4%



# 1H11 Revenue by Products

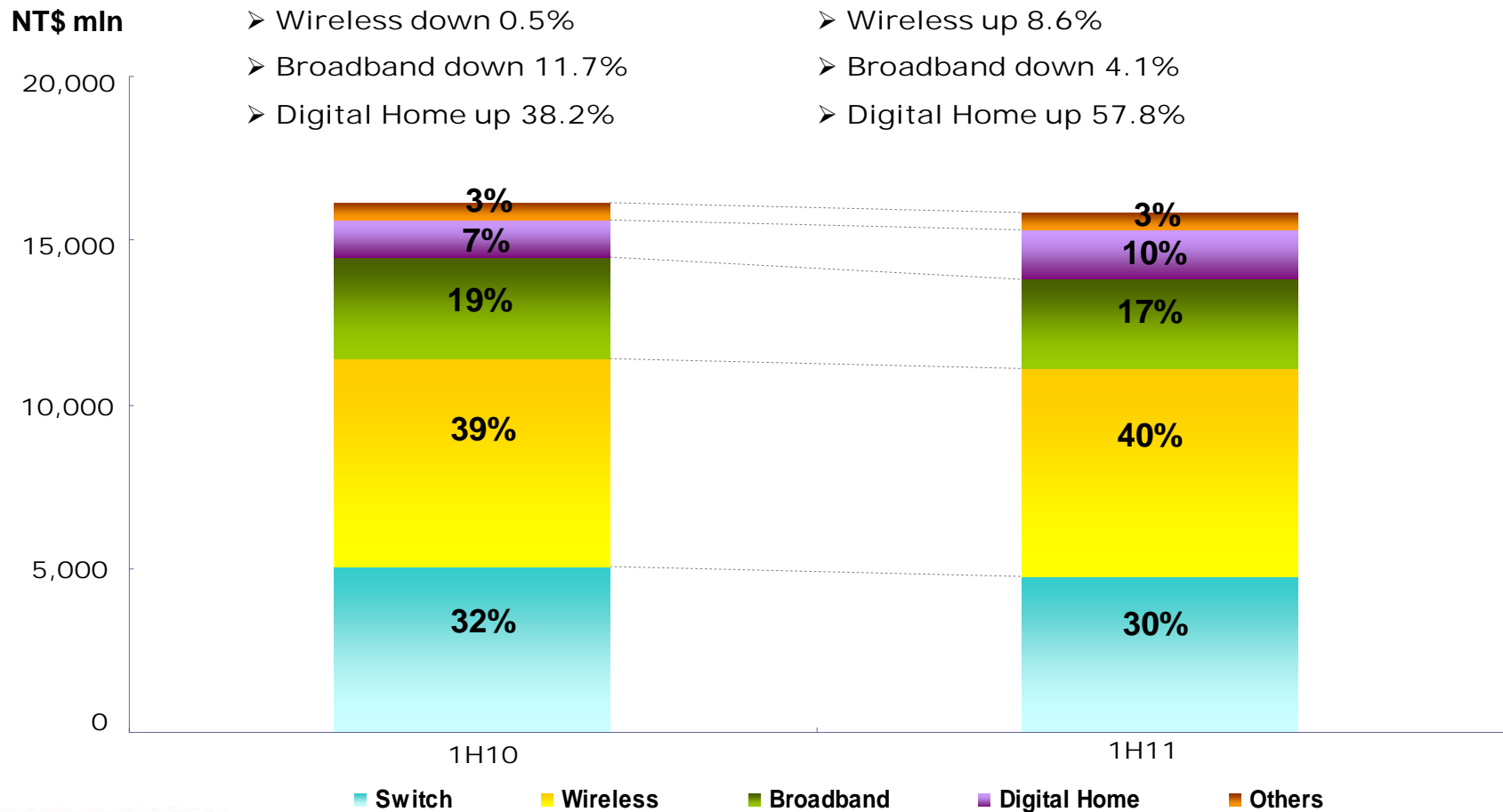
## 1H11 revenue YoY comparison:

In NT\$ terms:

- Switch down 6.0%
- Wireless down 0.5%
- Broadband down 11.7%
- Digital Home up 38.2%

In US\$ terms:

- Switch up 3.2%
- Wireless up 8.6%
- Broadband down 4.1%
- Digital Home up 57.8%



# 3Q11 Guidance



- From QoQ perspective
  - Revenue to mildly grow in US\$ terms
  - Op. Margin to be sustainable

# 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.

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# Q & A

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