

4Q17 Operating Results

March 19, 2018



Financial Review

4Q17 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	4Q17		3Q17		QoQ % Change	4Q16		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	5,007	100.0	4,901	100.0	2.2	5,864	100.0	(14.6)
Cost of Goods Sold - Product	3,615	72.2	3,533	72.1	2.3	4,328	73.8	(16.5)
Gross Profit 1	1,392	27.8	1,368	27.9	1.8	1,535	26.2	(9.3)
Inventory Related Gain/(Loss)	29	0.6	22	0.4	31.8	117	2.0	(75.2)
Gross Profit 2	1,421	28.4	1,389	28.3	2.3	1,653	28.2	(14.0)
Operating Expenses	1,407	28.1	1,451	29.6	(3.0)	1,497	25.5	(6.0)
Operating Income	14	0.3	(62)	(1.3)		155	2.7	
Total Non-Op. Inc. (Loss)	123	2.5	158	3.2		20	0.3	
Income Before Tax	137	2.8	96	2.0		176	3.0	
Tax (Exp.) / Income	(44)	(0.9)	(22)	(0.5)		(40)	(0.7)	
Net Income	93	1.9	74	1.5		136	2.3	
Non-controlling Interests	(20)	(0.4)	(39)	(0.8)		(23)	(0.4)	
Consolidated Income	73	1.5	36	0.7		112	1.9	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,443M	0.11		0.06			0.18		

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

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

4Q17 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	4Q17	3Q17
Investment Income	110	64
Sub./Aff.	45	44
Capital Gain	65	20
FX Gain/(Loss)	(4)	15
Fin. Income/(Exp.) & Other	17	79
Total Non-op Income/Loss	<u>123</u>	<u>158</u>

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

2017 Income Statement & YoY Comparison

Unit: NT\$ million	2017		2016		YoY % Change
	AMT	%	AMT	%	
Net Sales	19,316	100.0	22,922	100.0	(15.7)
Cost of Goods Sold - Product	14,178	73.4	16,937	73.9	(16.3)
Gross Profit 1	5,138	26.6	5,985	26.1	(14.2)
Inventory Related Gain/(Loss)	60	0.3	32	0.1	87.5
Gross Profit 2	5,199	26.9	6,017	26.2	(13.6)
Operating Expenses	5,656	29.3	6,872	30.0	(17.7)
Operating Income	(458)	(2.4)	(855)	(3.7)	
Total Non-Op. Inc. (Loss)	332	1.7	66	0.3	
Income Before Tax	(125)	(0.7)	(789)	(3.4)	
Tax (Exp.) / Income	(47)	(0.2)	(120)	(0.5)	
Net Income	(172)	(0.9)	(909)	(3.9)	
Non-controlling Interests	(21)	(0.1)	(44)	(0.2)	
Consolidated Income	(193)	(1.0)	(954)	(4.2)	
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,443M	(0.3)		(1.5)		

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

12/31/2017 Balance Sheet & QoQ Comparison

Unit: NT\$ million	12/31/17 AMT	%	9/30/17 AMT	%	QoQ % Change
Cash & S-T Investment	3,712	21.6	2,550	15.2	45.6
Account Receivable	4,198	24.4	4,441	26.4	(5.5)
Inventory	3,190	18.5	3,452	20.5	(7.6)
Long-term Investments	2,885	16.8	2,950	17.6	(2.2)
Total Assets	17,204	100.0	16,806	100.0	2.4
Accounts Payable	3,354	19.5	3,682	21.9	(8.9)
Current Liabilities	7,407	43.0	7,029	41.8	5.4
Common Stock	6,520	37.9	6,520	38.8	0.0
Stockholders' Equity	9,002	52.3	9,067	54.0	(0.7)

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

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

Key Financial Ratios

Unit: % , days	4Q17	3Q17	2Q17	1Q17	4Q16
**Days A/R	84	81	80	78	77
**Days Inventory	81	88	89	79	83
**Days A/P	93	95	100	85	91
Cash Cycle	72	74	70	72	69
Current Ratio	1.56	1.57	1.49	1.43	1.43
Debt/Equity Ratio	0.87	0.81	0.93	0.89	1.00
***Net Debt/Equity Ratio	0.45	0.53	0.58	0.52	0.54
ROE	3.2	1.6	-3.9	-9.5	4.7

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

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

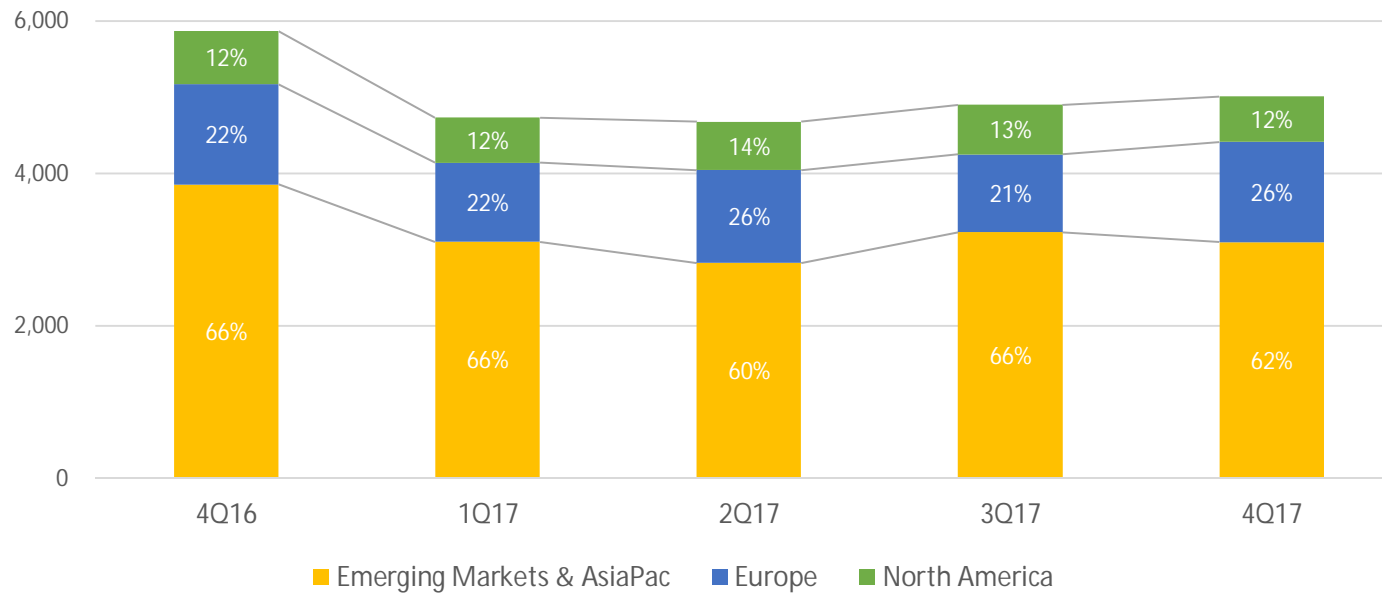
In NT\$, up 2.2% QoQ, down 14.6% YoY

- N.A. down 8.9% QoQ, down 14.3% YoY
- Europe up 28.9% QoQ, down 0.2% YoY
- Emerging Mkts & APac down 4% QoQ, down 19.6% YoY

In US\$, up 2.7% QoQ, down 9.9% YoY

- N.A. down 8.3% QoQ, down 9.9% YoY
- Europe up 29.1% QoQ, up 5.3% YoY
- Emerging Mkts & APac down 3.4% QoQ, down 15.1% YoY

NT\$ mln



Quarterly Revenue by Product

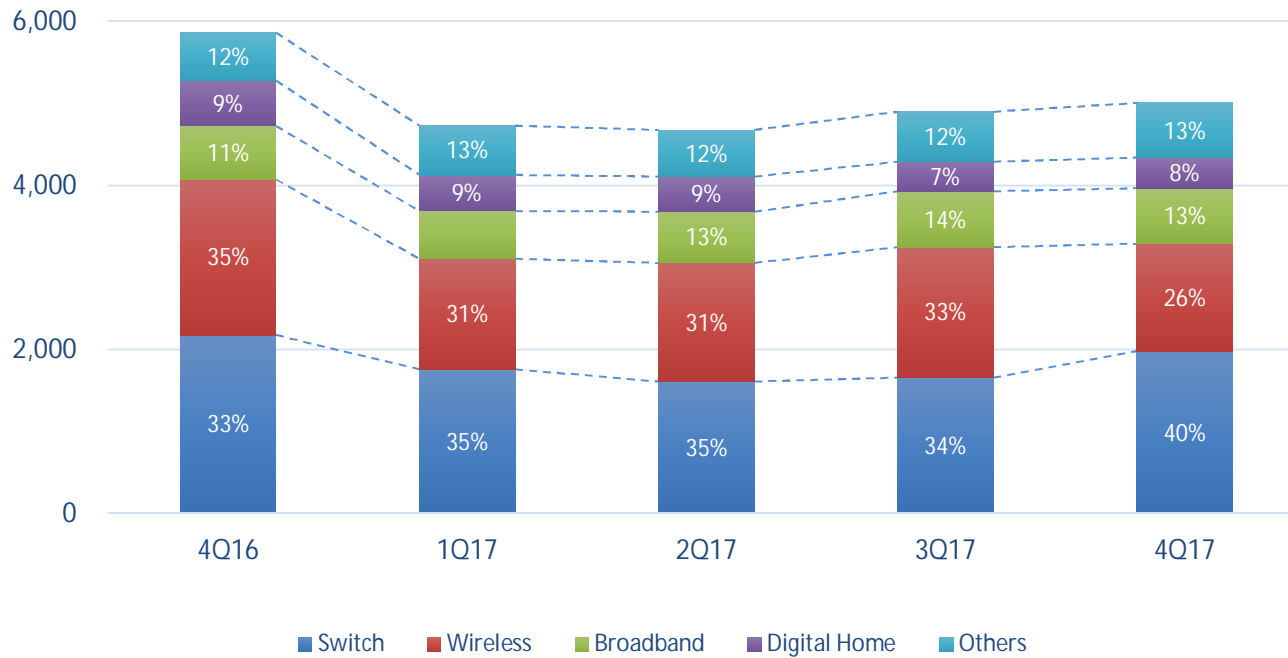
In NT\$ terms:

- Switch up 19.5% QoQ, up 3.2% YoY
- Wireless down 17.6% QoQ, down 36.1% YoY
- B.B. down 1% QoQ, up 3.1% YoY
- D.H. up 3.8% QoQ, down 28.3% YoY

In US\$ terms:

- Switch up 20.1% QoQ, up 8.9% YoY
- Wireless down 17.2% QoQ, down 32.7% YoY
- B.B. down 0.4% QoQ, up 8.7% YoY
- D.H. up 4.2% QoQ, down 24.4% 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.