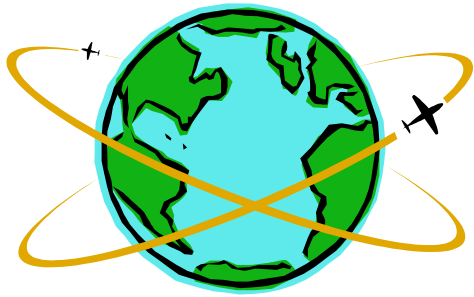


# D-Link<sup>®</sup>



## Investor Conference

April 29, 2003



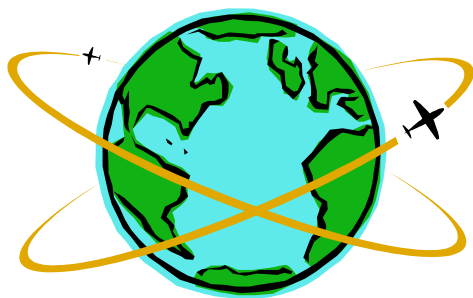
## Safe Harbor Statement

**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.**

- **1Q/03 Business Wrap-up** Wonder Wang
- **1Q/03 Financial Highlights** Yvonne Yan
- **Technology & Industry** John Lee
- Trend**
- **Alpha Networks Inc.** A.P. Chen
- **Q&A**

※ All FY2002 results, parent and consolidated, have audited by CPA.  
1Q03 parent financials are reviewed by CPA.  
1Q03 consolidated statements are prepared by company.

# **Q1/03 Business Wrap Up**



**Presented by Wonder Wang**

- 第一季營收為NT\$43.24億，比前期衰退3%，但較去年同期成長7%。
- 第一季稅後淨利為NT\$3.99億，較前期大幅成長63%，亦較去年同期成長2%。
- 第一季每股盈餘(EPS)NT\$0.81。
- 本年度股東權益報酬率試算為16%。

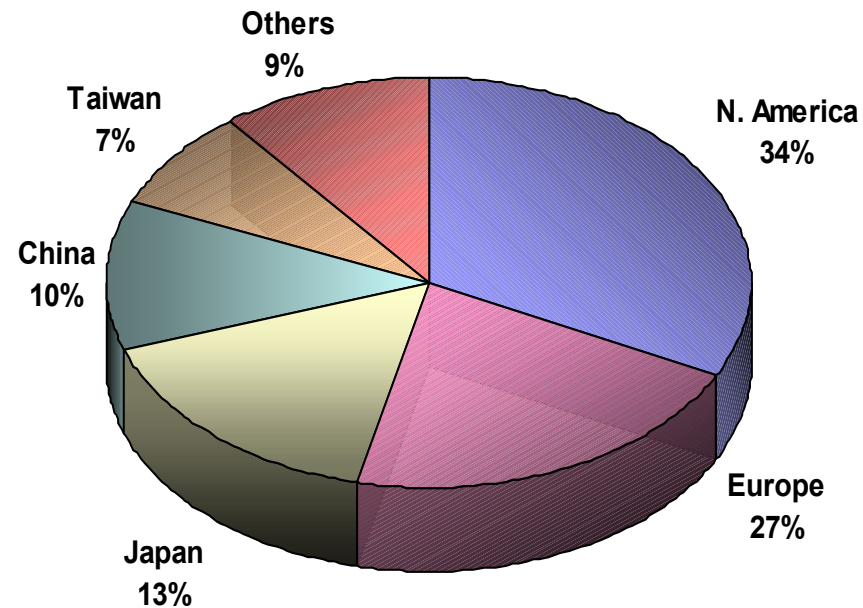
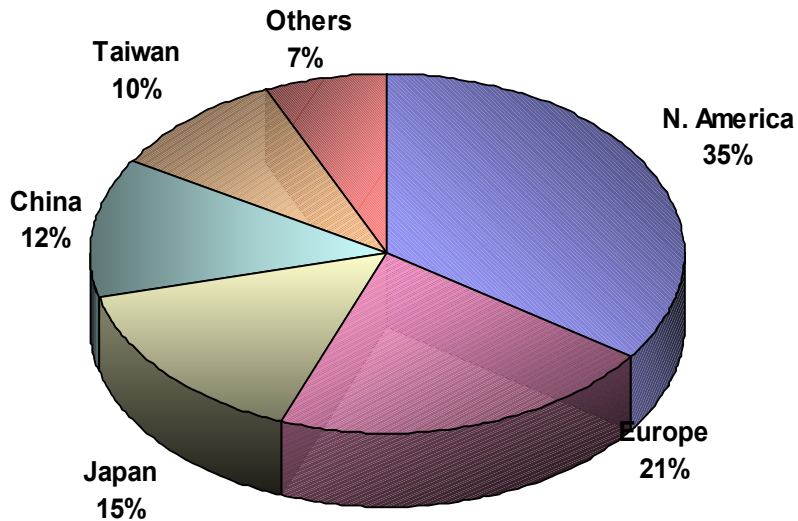
## Revenue by Regions

歐洲較去年同期成長57%；

中國大陸較去年同期大幅成長53%。

1Q/03

2002

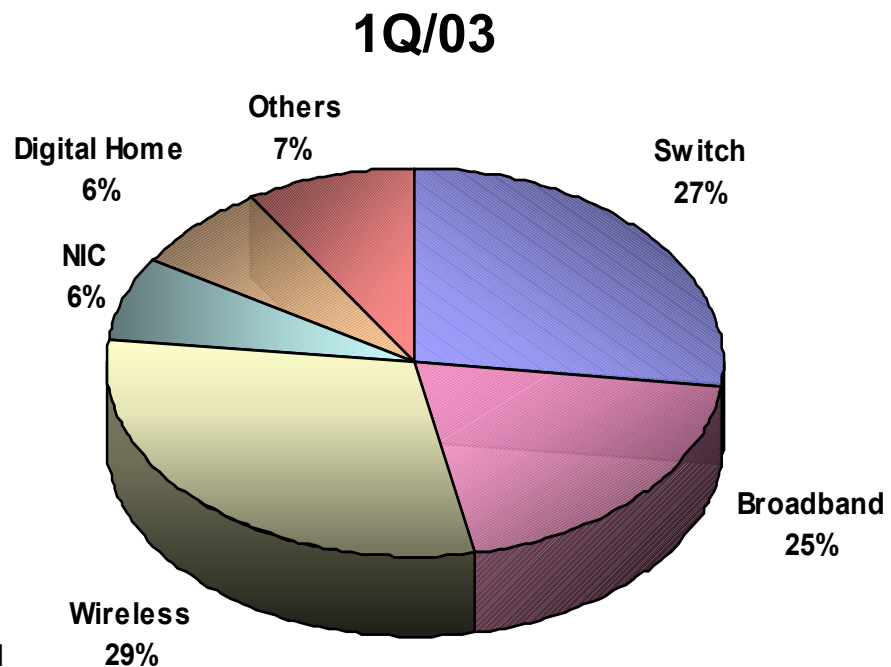
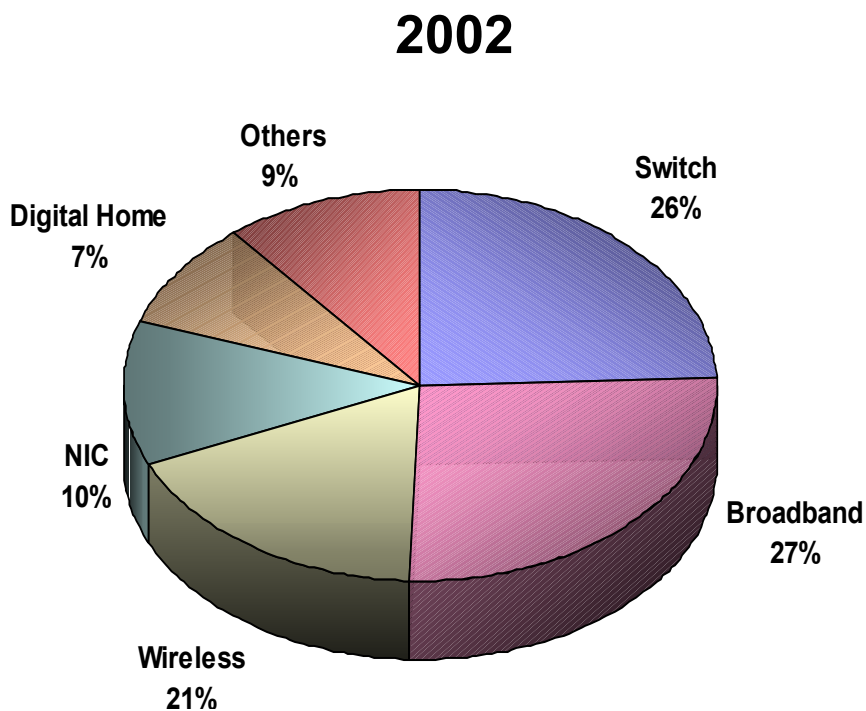


Notes: All values indicated are based on Taiwan book.

## Revenue by Products

交換器較去年同期成長11%；無線區域

網路產品較去年同期成長近240%。



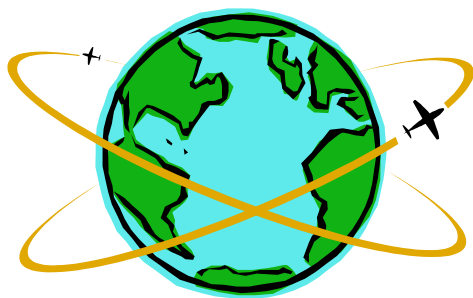
Notes: Taiwan sales included components + OEM, IPO sales.

- 在36國擁有83個分公司，行銷據點遍及100餘國。
- 日本出貨持續順暢，歐美大廠訂單陸續回流。
- 歐洲分公司脫離去年景氣谷底，營收穩定成長，並開始獲利。
- 澳洲分公司除ADSL CPE有九成以上市佔率，也積極搶攻WLAN市場，並有五成以上市佔率。
- 雙模(a+b)產品於第一季開始銷售；三模(a+b+g)產品近期將於北美正式上架。



- 新竹廠今年初通過 TL 9000認證。
- 今年德國CeBit秀展，無線區域網路產品大放異彩。
- 多家媒體評論D-Link為無線網路產品領航者。
- 寬頻視訊電話系統自CES展推出佳評如潮；第一季推出的DWL-800AP+ 無線基地台獲各界好評。

# **Q1/03 Financial Highlights**



**Presented by Yvonne Yan**



# 2002 Audited Income Statement

Amount: NT\$ million	2002 Actual		2001 Actual		YoY % Change
Net Sales	16,211	100%	14,807	100%	9%
Cost of Goods Sold	13,461	83%	12,110	82%	11%
Gross Profit	2,750	17%	2,697	18%	2%
Operating Expenses	1,756	11%	1,782	12%	(1)%
Operating Income	994	6%	915	6%	9%
Total Non-Op. Inc. (Loss)	(30)	-	140	1%	(121)%
Investment Income (Loss)	(188)	(1)%	122	1%	(254)%
Income Before Tax	964	6%	1,055	7%	(9)%
Income Tax Credit (Expense)	(96)	(1)%	(100)	(1)%	(4)%
Net Income	868	5%	955	6%	(9)%
Earnings Per Share (NT\$)	1.69		2.15		



# 1Q/03 Income Statement

<b>Amount: NT\$ million</b>	<b>1Q/03 Actual</b>	<b>As % of Sales</b>
Net Sales	<b>4,324</b>	<b>100%</b>
Cost of Goods Sold	<b>3,401</b>	<b>79%</b>
Gross Profit	<b>923</b>	<b>21%</b>
Operating Profit	<b>478</b>	<b>11%</b>
Operating Income	<b>445</b>	<b>10%</b>
Total Non-Op. Inc. (Loss)	<b>(2)</b>	<b>-</b>
Investment Income (Loss)	<b>(72)</b>	<b>(2)%</b>
Income Before Tax	<b>443</b>	<b>10%</b>
Income Tax Credit (Expense)	<b>(44)</b>	<b>(1)%</b>
Net Income	<b>399</b>	<b>9%</b>
Earnings Per Share (NT\$)	<b>0.81</b>	



# 1Q/03 YoY Income Statement Comparison

Amount: NT\$ million	1Q/03		1Q/02		YoY %
	Actual		Actual		Change
Net Sales	4,324	100%	4,008	100%	8%
Cost of Goods Sold	3,401	79%	3,330	83%	2%
Gross Profit	923	21%	678	17%	36%
Operating Expenses	478	11%	417	10%	15%
Operating Income	445	10%	261	7%	70%
Total Non-Op. Inc. (Loss)	(2)	-	153	4%	(101)%
Investment Income (Loss)	(72)	(1)%	159	4%	(145)%
Income Before Tax	443	10%	414	10%	7%
Income Tax Credit (Expense)	(44)	(1)%	(24)	-	83%
Net Income	399	9%	390	10%	2%
Earnings Per Share (NT\$)	0.81		0.85		



# 1Q/03 QoQ Income Statement Comparison

Amount: NT\$ million	1Q/03		4Q/02		QoQ %
	Actual		Actual		Change
Net Sales	4,324	100%	4,472	100%	(3)%
Cost of Goods Sold	3,401	79%	3,768	84%	(10)%
Gross Profit	923	21%	704	16%	31%
Operating Expenses	478	11%	494	11%	(3)%
Operating Income	445	10%	210	5%	112%
Total Non-Op. Inc. (Loss)	(2)	-	59	1%	(103)%
Investment Income (Loss)	(72)	(1)%	(52)	(1)%	38%
Income Before Tax	443	10%	269	6%	65%
Income Tax Credit (Expense)	(44)	(1)%	(24)	-	
Net Income	399	9%	245	6%	63%
Earnings Per Share (NT\$)	0.81		0.47		



# Long-term Investment Income (loss) Breakdown

Amount: NT\$ million

	<b>1Q/03</b>	<b>4Q/02</b>	<b>3Q/02</b>	<b>2Q/02</b>	<b>1Q/02</b>
Long-term Investment Income					
OBU	<b>(100.8)</b>	<b>49.2</b>	<b>(177.7)</b>	<b>(191.8)</b>	<b>(93.9)</b>
Sub./Aff.	<b>43.4</b>	<b>(101.3)</b>	<b>59.8</b>	<b>19.1</b>	<b>248.0</b>
Capital Gain	<b>2.3</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>
Other	<b><u>(16.5)</u></b>	<b><u>(0.2)</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>
Subtotal	<b>(71.6)</b>	<b>(52.3)</b>	<b>(116.9)</b>	<b>(172.7)</b>	<b>154.1</b>



# 2002 YoY Consolidated Income Statement Comparison

Amount: NT\$ million	2002 Actual		2001 Actual		YoY % Change
Net Sales	20,203	100%	17,284	100%	17%
Cost of Goods Sold	14,908	74%	12,858	74%	16%
Gross Profit	5,295	26%	4,426	26%	20%
Operating Expenses	4,646	23%	3,909	23%	19%
Operating Income	649	3%	517	3%	26%
Total Non-Op. Inc. (Loss)	346	2%	501	3%	(31)%
Investment Income (Loss)	286	1%	561	3%	(49)%
Income Before Tax	995	5%	1,018	6%	(2)%
Income Tax Credit (Expense)	(123)	(1)%	(68)	-	81%
Net Income	872	4%	950	6%	(8)%
Minority	(4)	-	5	-	
Consolidate Income	868	4%	955	6%	(9)%
Earnings Per Share (NT\$)	1.69		2.15		



# **D-Link<sup>®</sup>** 1Q/03 YoY Consolidated Income Statement Comparison

Amount: NT\$ million	1Q/03 Actual		1Q/02 Actual		YoY % Change
Net Sales	5,958	100%	5,221	100%	14%
Cost of Goods Sold	4,176	70%	3,809	73%	10%
Gross Profit	1,782	30%	1,412	27%	26%
Operating Expenses	1,406	24%	1,252	24%	12%
Operating Income	376	6%	160	3%	135%
Total Non-Op. Inc. (Loss)	91	2%	259	5%	(65)%
Investment Income (Loss)	51	1%	245	5%	(79)%
Income Before Tax	467	8%	419	8%	11%
Income Tax Credit (Expense)	(67)	(1)%	(31)	(1)%	116%
Net Income	400	7%	388	7%	3%
Minority	(1)		2	-	(150)%
Consolidate Income	399	7%	390	7%	2%
Earnings Per Share (NT\$)	0.81		0.85		

# D-Link<sup>®</sup> 1Q/03 QoQ Consolidated Income Statement Comparison

Amount: NT\$ million	1Q/03 Actual		4Q/02 Actual		QoQ % Change
Net Sales	5,958	100%	4,497	100%	32%
Cost of Goods Sold	4,176	70%	3,454	77%	21%
Gross Margin	1,782	30%	1,043	23%	71%
Operating Expenses	1,406	24%	739	16%	90%
Operating Income	376	6%	304	7%	24%
Total Non-Op. Inc. (Loss)	91	2%	(15)	-	(707)%
Investment Income (Loss)	51	1%	(403)	(9)%	(113)%
Income Before Tax	467	8%	289	6%	62%
Income Tax Credit (Expense)	(67)	-	(36)	(1)%	86%
Net Income	400	7%	253	6%	58%
Minority	(1)		(8)		
Consolidate Income	399	7%	245	5%	63%
Earnings Per Share (NT\$)	0.81		0.47		



# FY2002 Balance Sheet and Cash Flow YoY Comparison

Amount: NT\$ million	12/31/02		12/31/01		YoY %
	Actual		Actual		Change
Cash	1,040	6%	2,347	14%	(56)%
S-T Investment	3,204	19%	1,167	7%	175%
Account Receivable	4,436	27%	4,167	26%	6%
Inventory	1,094	7%	1,256	8%	(13)%
Long-term Investments	4,126	25%	4,541	28%	(9)%
Total Assets	16,551	100%	16,196	100%	2%
Accounts Payable	2,645	16%	2,557	16%	3%
Current Liabilities	3,787	23%	3,182	20%	19%
Long-term Liabilities	3,001	18%	2,984	18%	1%
Common Stock	5,163	31%	4,459	28%	16%
Stockholder's Equity	9,607	58%	9,279	57%	4%
Depreciation	278		229		
Capital Expenditure	618		1,245		



# 03/31/2003 Balance Sheet and Cash Flow YoY Comparison

Amount: NT\$ million	03/31/03		03/31/02		YoY %
	Actual		Actual		Change
Cash	1,372	8%	1,543	9%	(11)%
S-T Investment	2,811	17%	2,101	13%	34%
Account Receivable	4,619	28%	4,736	29%	(2)%
Inventory	1,093	7%	1,052	6%	4%
Long-term Investments	4,051	24%	4,520	27%	(10)%
Total Assets	16,566	100%	16,594	100%	-
Accounts Payable	2,037	12%	2,007	12%	1%
Current Liabilities	3,687	22%	3,109	19%	19%
Long-term Liabilities	2,815	17%	2,966	18%	(5)%
Common Stock	4,903	30%	4,596	28%	7%
Stockholder's Equity	9,906	60%	10,613	61%	(3)%
Depreciation	72		67		
Capital Expenditure	43		71		



## 03/31/03 Balance Sheet and Cash Flow QoQ Comparison

Amount: NT\$ million	03/31/03		12/31/02		QoQ %
	Actual		Actual		Change
Cash	1,372	8%	1,040	6%	32%
S-T Investment	2,811	17%	3,204	19%	(12)%
Accounts Receivable	4,619	28%	4,436	27%	4%
Inventory	1,093	7%	1,094	7%	-
Long-term Investments	4,051	24%	4,126	25%	(2)%
Total Assets	16,566	100%	16,551	100%	-
Account Payable	2,037	12%	2,645	16%	(23)%
Current Liabilities	3,687	22%	3,787	23%	(3)%
Long-term Liabilities	2,815	17%	3,001	18%	(6)%
Common Stock	4,903	30%	5,163	31%	(5)%
Stockholder's Equity	9,906	60%	9,607	58%	3%
Depreciation	72		278		
Capital Expenditure	43		618		



## Key Financial Ratios – Liquidity/Leverage

Unit: %, days

	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>	<b>03/31/03</b>
Days A/R	81	91	97	96 <sup>*</sup>
Days Inventory	66	45	32	29 <sup>*</sup>
Days A/P	56	67	71	63 <sup>*</sup>
Cash Cycle	91	69	58	62
Current Ratio	2.42	2.92	2.64	2.73
Debt/Equity Ratio	0.51	0.75	0.72	0.67 <sup>*</sup>
Adjusted Debt/Equity Ratio	0.28 <sup>**</sup>	0.49 <sup>**</sup>	0.28 <sup>**</sup>	0.25 <sup>**</sup>

\*Annualized

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



## Key Financial Ratios – Profitability (%)

Unit: %	FY2000	FY2001	FY2002	03/31/03
Net Income/Sales	6.94	6.45	5.35	9.23
Net Income/Total Assets	6.48	5.90	5.24	9.63*
Operating Profit/Sales	3.92	6.18	6.13	10.29*
Return on Equity	11	10	9	16
EPS (NT\$)	2.26	2.15	1.69	0.81**

\*Annualized



# FY2002 Audited Consolidated Balance Sheet YoY Comparison

Amount: NT\$ million	12/31/02		12/31/01		YoY %
	Actual		Actual		Change
Cash	2,006	11%	3,167	18%	(37)%
S-T Investment	3,350	18%	1,328	8%	152%
Account Receivable	3,727	20%	3,013	17%	24%
Inventory	3,697	20%	2,994	17%	23%
Long-term Investments	2,311	12%	3,136	18%	(26)%
Total Assets	18,823	100%	17,660	100%	7%
Accounts Payable	3,109	17%	2,730	15%	14%
Current Liabilities	5,900	31%	4,863	28%	21%
Long-term Liabilities	3,009	16%	2,984	17%	1%
Common Stock	5,163	27%	4,459	25%	16%
Stockholders' Equity	9,607	51%	9,279	53%	4%





## 03/31/2003 Consolidated Balance Sheet YoY Comparison

Amount: NT\$ million	03/31/03		03/31/02		YoY %
	Actual		Actual		Change
Cash	2,256	12%	2,293	12%	(2)%
S-T Investment	3,150	16%	2,527	14%	25%
Account Receivable	5,000	26%	4,155	23%	20%
Inventory	3,163	16%	2,506	14%	26%
Long-term Investments	1,776	9%	2,983	16%	(40)%
Total Assets	19,503	100%	18,384	100%	6%
Accounts Payable	2,086	11%	2,398	13%	(13)%
Current Liabilities	6,091	31%	4,681	25%	30%
Long-term Liabilities	3,114	16%	2,966	16%	5%
Common Stock	4,903	25%	4,496	24%	9%
Stockholders' Equity	9,906	51%	10,163	55%	(3)%



## 03/31/2003 Consolidated Balance Sheet QoQ Comparison

Amount: NT\$ million	03/31/03		12/31/02		QoQ %
	Actual		Actual		Change
Cash	2,256	12%	2,006	11%	12%
S-T Investment	3,150	16%	3,350	18%	(6)%
Account Receivable	5,000	26%	3,727	20%	34%
Inventory	3,163	16%	3,697	20%	(14)%
Long-term Investments	1,776	9%	2,311	12%	(23)%
Total Assets	19,503	100%	18,823	100%	4%
Accounts Payable	2,086	11%	3,109	17%	(33)%
Current Liabilities	6,091	31%	5,900	31%	3%
Long-term Liabilities	3,114	16%	3,009	16%	3%
Common Stock	4,903	25%	5,163	27%	(5)%
Stockholders' Equity	9,906	51%	9,607	51%	3%



## Consolidated Key Financial Ratios – Liquidity/Leverage

Unit: % , days

	FY2000	FY2001	FY2002	03/31/03
Days A/R	66	63	61	67*
Days Inventory	111	88	82	69*
Days A/P	64	69	71	46*
Cash Cycle	113	82	71	90
Current Ratio	1.80	2.30	2.66	2.25
Debt/Equity Ratio	0.75	0.90	1.24	0.97
Adjusted Debt/Equity Ratio	0.45**	0.56**	0.68**	0.42**

\*Annualized

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



## Consolidated Key Financial Ratios – Profitability (%)

Unit: %	FY2000	FY2001	FY2002	03/31/03
Net Income/Sales	5.97	4.30	4.30	6.70
Net Income/Total Assets	5.59	4.61	4.61	8.18
Operating Profit/Sales	2.92	3.21	3.21	6.31
Return on Equity	11	9	9	16
EPS (NT\$)	2.26	1.69	1.69	0.81

\*Annualized

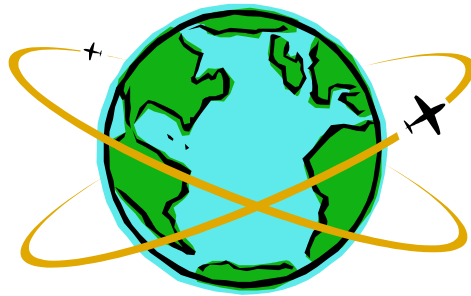


## Q & A

***For complete financial and press releases, please visit***

***<http://www.dlink.com.tw/ir>***

# Thank You!



**Building Networks  
for People**