

2Q18 Operating Results

August 6, 2018



Financial Review

2Q18 Income Statement & QoQ/YoY Comparison

| Unit: NT\$ million | 2Q18 | | 1Q18 | | QoQ % Change | 2Q17 | | YoY % Change |
|--|---------------|-------|--------------|-------|-----------------|---------------|-------|-----------------|
| | AMT | % | AMT | % | | AMT | % | |
| Net Sales | 5,204 | 100.0 | 4,982 | 100.0 | 4.5 | 4,678 | 100.0 | 11.2 |
| Cost of Goods Sold - Product | 3,688 | 70.9 | 3,537 | 71.0 | 4.3 | 3,544 | 75.8 | 4.1 |
| Gross Profit 1 | 1,516 | 29.1 | 1,446 | 29.0 | 4.8 | 1,134 | 24.2 | 33.7 |
| Inventory Related Gain/(Loss) | (34) | (0.6) | (12) | (0.2) | | 23 | 0.5 | |
| Gross Profit 2 | 1,483 | 28.5 | 1,434 | 28.8 | 3.4 | 1,157 | 24.7 | 28.2 |
| Operating Expenses | 1,427 | 27.4 | 1,373 | 27.6 | 3.9 | 1,373 | 29.3 | 3.9 |
| Operating Income | 55 | 1.1 | 61 | 1.2 | (9.8) | (216) | (4.6) | |
| Total Non-Op. Inc. (Loss) | (98) | (1.9) | 2 | 0.0 | | 53 | 1.1 | |
| Income Before Tax | (43) | (0.8) | 63 | 1.2 | | (163) | (3.5) | |
| Tax (Exp.) / Income | (29) | (0.6) | (33) | (0.7) | | 34 | 0.7 | |
| Net Income | (72) | (1.4) | 30 | 0.5 | | (129) | (2.8) | |
| Non-controlling Interests | 18 | 0.3 | (17) | (0.3) | | 43 | 0.9 | |
| Consolidated Income | (54) | (1.0) | 13 | 0.3 | | (86) | 1.8 | |
| EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,420M | (0.08) | | 0.02 | | | (0.13) | | |

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

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

2Q18 Non-op Income/Loss & QoQ Comparison

| Unit : NT\$ million | 2Q18 | 1Q18 |
|----------------------------|------|------|
| Investment Income | (15) | (28) |
| Sub./Aff. | (15) | (10) |
| Capital Gain | 0 | (18) |
| FX Gain/(Loss) | (41) | 17 |
| Fin. Income/(Exp.) & Other | (42) | 13 |
| Total Non-op Income/Loss | (98) | 2 |

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

1H18 Income Statement & YoY Comparison

| Unit: NT\$ million | 1H18 | | 1H17 | | YoY % Change |
|--|---------------|-------|---------------|-------|-----------------|
| | AMT | % | AMT | % | |
| Net Sales | 10,187 | 100.0 | 9,408 | 100.0 | 8.3 |
| Cost of Goods Sold - Product | 7,225 | 70.9 | 7,030 | 74.7 | 2.8 |
| Gross Profit 1 | 2,962 | 29.1 | 2,378 | 25.3 | 24.6 |
| Inventory Related Gain/(Loss) | (45) | (0.4) | 10 | 0.1 | |
| Gross Profit 2 | 2,917 | 28.6 | 2,388 | 25.4 | 22.2 |
| Operating Expenses | 2,800 | 27.5 | 2,798 | 29.7 | 0.1 |
| Operating Income | 116 | 1.1 | (409) | (4.4) | |
| Total Non-Op. Inc. (Loss) | (97) | (0.9) | 51 | 0.5 | |
| Income Before Tax | 20 | 0.2 | (358) | (3.9) | |
| Tax (Exp.) / Income | (62) | (0.6) | 19 | 0.2 | |
| Net Income | (42) | (0.4) | (339) | (3.7) | |
| Minority Interest | 1 | 0.0 | 37 | 0.4 | |
| Consolidated Income | (41) | (0.4) | (302) | (3.2) | |
| EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,420M | (0.06) | | (0.47) | | |

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

6/30/2018 Balance Sheet & QoQ Comparison

| Unit: NT\$ million | 6/30/18 AMT | % | 3/31/18 AMT | % | QoQ % Change |
|-----------------------|----------------|-------|----------------|-------|-----------------|
| Cash & S-T Investment | 3,549 | 20.5 | 3,254 | 19.6 | 9.1 |
| Account Receivable | 5,019 | 28.9 | 4,453 | 26.9 | 12.7 |
| Inventory | 2,767 | 16.0 | 2,832 | 17.1 | (2.3) |
| Long-term Investments | 2,794 | 16.1 | 2,943 | 17.8 | (5.1) |
| Total Assets | 17,339 | 100.0 | 16,567 | 100.0 | 4.7 |
| Accounts Payable | 4,056 | 23.4 | 3,315 | 20.0 | 22.4 |
| Current Liabilities | 7,478 | 43.1 | 6,769 | 40.9 | 10.5 |
| Common Stock | 6,520 | 37.6 | 6,520 | 39.4 | 0.0 |
| Stockholders' Equity | 9,117 | 52.6 | 9,020 | 54.4 | 1.1 |

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

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

Key Financial Ratios

| Unit: % , days | 2Q18 | 1Q18 | 4Q17 | 3Q17 | 2Q17 |
|--------------------------|------|------|------|------|------|
| **Days A/R | 84 | 80 | 84 | 81 | 80 |
| **Days Inventory | 81 | 73 | 81 | 88 | 89 |
| **Days A/P | 105 | 89 | 93 | 95 | 100 |
| Cash Cycle | 60 | 65 | 72 | 74 | 70 |
| Current Ratio | 1.60 | 1.62 | 1.56 | 1.57 | 1.49 |
| Debt/Equity Ratio | 0.86 | 0.79 | 0.87 | 0.81 | 0.93 |
| ***Net Debt/Equity Ratio | 0.48 | 0.43 | 0.45 | 0.53 | 0.58 |
| ROE | -2.4 | 0.6 | 3.2 | 1.6 | -3.9 |

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

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

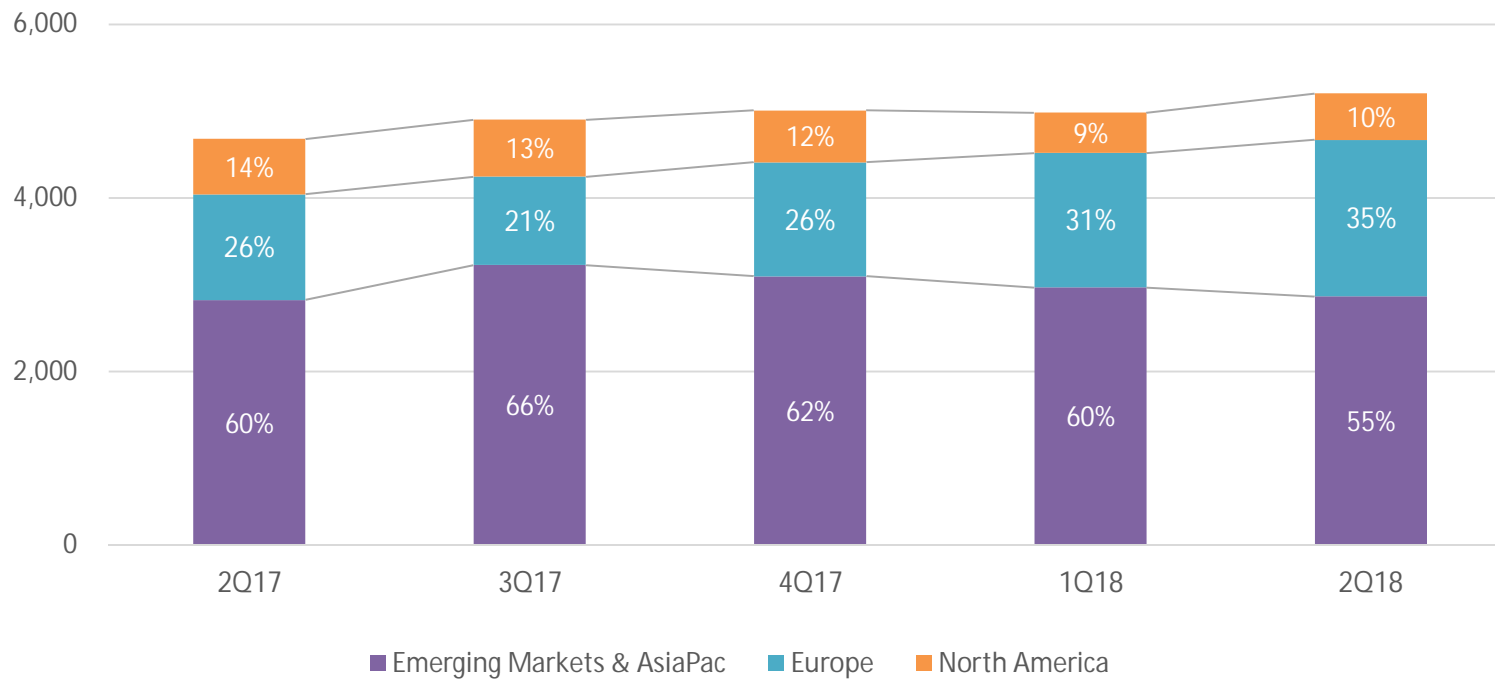
In NT\$, up 4.5% QoQ, up 11.2% YoY

- N.A. up 15.6% QoQ, down 15.8% YoY
- Europe up 16.4% QoQ, up 48.2% YoY
- Emerging Mkts & APac down 3.5% QoQ, up 1.4% YoY

In US\$, up 3% QoQ, up 13.2% YoY

- N.A. up 13.9% QoQ, down 14.2% YoY
- Europe up 14.7% QoQ, up 51.3% YoY
- Emerging Mkts & APac down 4.8% QoQ, up 3.1% YoY

NT\$ mln



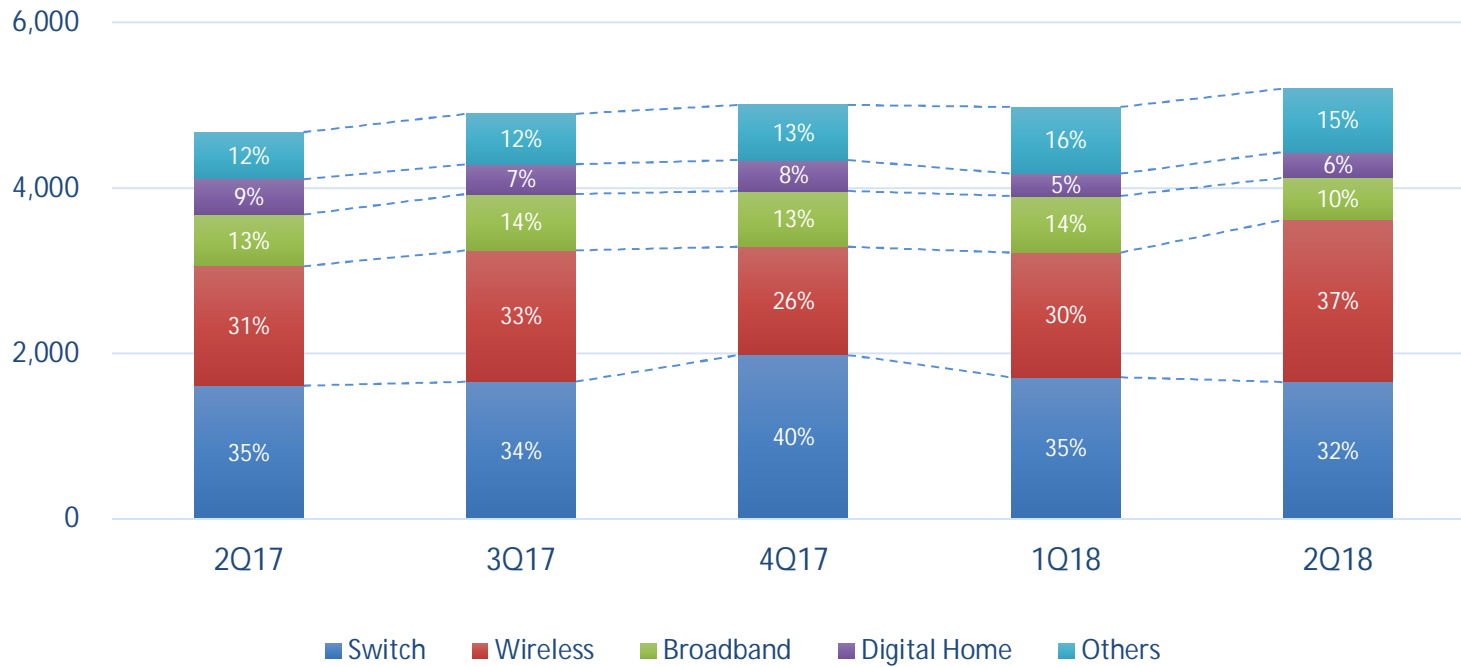
Quarterly Revenue by Product

In NT\$ terms:

- Switch down 3.3% QoQ, up 2.8% YoY
- Wireless up 30% QoQ, up 35.6% YoY
- B.B. down 25.7% QoQ, down 18.5% YoY
- D.H. up 16.8% QoQ, down 26.6% YoY

In US\$ terms:

- Switch down 4.6% QoQ, up 4.8% YoY
- Wireless up 28.2% QoQ, up 38.1% YoY
- B.B. down 26.6% QoQ, down 17% YoY
- D.H. up 15.2% QoQ, down 24.9% YoY



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.