

D-Link[®]
Building Networks for People



Taiwan SEC & Yuanta Investor Conference

March 13, 2008, Taipei

Agenda

Ø FY 2007 Pro Forma Financial Review

Ø FY 2008 Outlook

Ø Q&A

All numbers are brand consolidated and pro forma, except otherwise specified.

FY 2007 Pro Forma Financial Review

4Q07 Income Statement & QoQ Comparison

Unit: NT\$ million	4Q07		3Q07		QoQ % Change
	AMT	%	AMT	%	
Net Sales	8,886	100.0	8,999	100.0	(1.3)
Cost of Goods Sold	5,989	67.4	5,850	65.0	2.4
Gross Profit	2,897	32.6	3,149	35.0	(8.0)
Operating Expenses	2,472	27.8	2,462	27.4	0.4
Operating Income	425	4.8	687	7.6	(38.2)
Total Non-Op. Inc. (Loss)	296	3.3	274	3.1	8.0
Income Before Tax	721	8.1	961	10.7	(25.0)
Tax (Exp.) / Income	(134)	(1.5)	(156)	(1.7)	(14.1)
Net Income	587	6.6	805	9.0	(27.1)
Minority Interest	23	0.3	(4)	(0.1)	(675.0)
Consolidated Income	610	6.9	801	8.9	(23.9)
EPS (NT\$)-Per W.A. Capital	0.92		1.21		(23.9)
EPS (NT\$)-Per yr-end Capital	1.11		1.46		(23.9)

* The numbers are pro forma

4Q07 Income Statement & YoY Comparison

Unit: NT\$ million	4Q07		4Q06		YoY % Change
	AMT	%	AMT	%	
Net Sales	8,886	100.0	8,229	100.0	8.0
Cost of Goods Sold	5,989	67.4	5,394	65.5	11.0
Gross Profit	2,897	32.6	2,834	34.5	2.2
Operating Expenses	2,472	27.8	1,900	23.2	30.1
Operating Income	425	4.8	934	11.3	(54.5)
Total Non-Op. Inc. (Loss)	296	3.3	129	1.6	129.5
Income Before Tax	721	8.1	1,063	12.9	(32.2)
Tax (Exp.) / Income	(134)	(1.5)	(237)	(2.9)	(43.5)
Net Income	587	6.6	826	10.0	(28.9)
Minority Interest	23	0.3	(5)	(0.0)	(560.0)
Consolidated Income	610	6.9	821	10.0	(25.8)
EPS (NT\$)-Per W.A. Capital	0.92		1.24		(25.8)
EPS (NT\$)-Per yr-end Capital	1.11		1.50		(25.8)

* The numbers are pro forma

Quarterly Revenue by Regions Brand Only

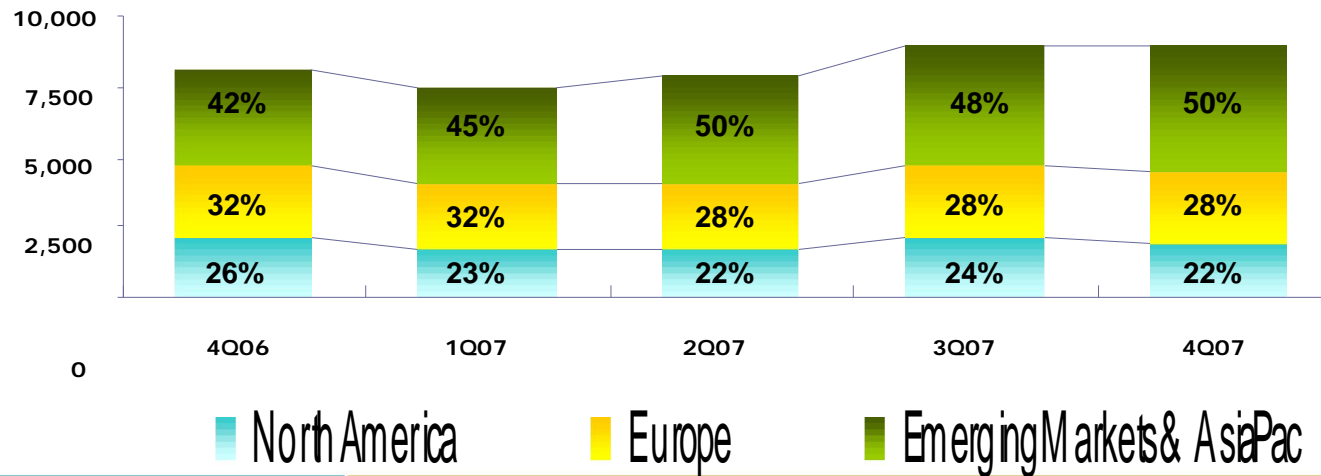
4Q07 revenue down 1.3% QoQ

Ø N.A. declined 8.1%

Ø Europe dropped 3.9%

Ø Emerging markets & AsiaPac rose 3.6%

NT\$ mln



Quarterly Revenue by Products Brand Only

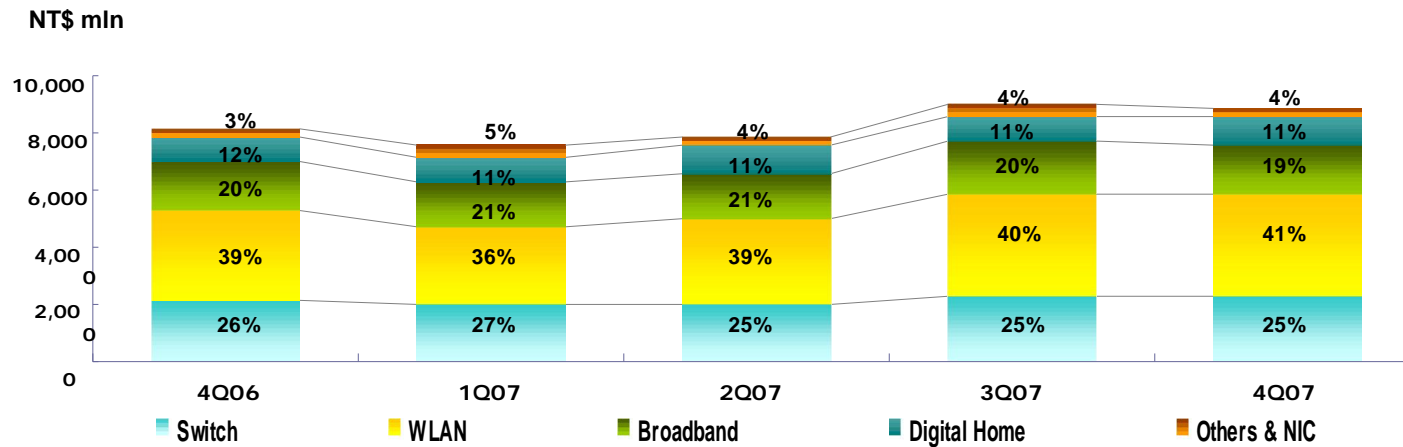
4Q07 revenue *QoQ comparison*.

Ø Switch down 3.2%

Ø WLAN increased 1.9%

Ø Broadband declined 6.7%

Ø Digital Home up 4.3%



2007 Income Statement & YoY Comparison

Unit: NT\$ million	2007		2006		YoY % Change
	AMT	%	AMT	%	
Net Sales	33,231	100.0	29,879	100.0	11.2
Cost of Goods Sold	21,845	65.7	20,038	67.1	9.0
Gross Profit	11,386	34.3	9,841	32.9	15.7
Operating Expenses	9,082	27.4	7,562	25.3	20.1
Operating Income	2,304	6.9	2,279	7.6	1.1
Total Non-Op. Inc. (Loss)	1,270	3.8	811	2.7	56.6
Income Before Tax	3,574	10.7	3,090	10.3	15.7
Tax (Exp.) / Income	(235)	(0.7)	(529)	(1.8)	(55.6)
Net Income	3,339	10.0	2,561	8.5	30.4
Minority Interest	0	0.0	(40)	(0.1)	(100.0)
Consolidated Income	3,339	10.0	2,521	8.4	32.4
EPS (NT\$)-Per W.A. Capital	5.03		3.80		32.4
EPS (NT\$)-Per yr-end Capital	6.10		4.61		32.4

* The numbers are pro forma

2007 Revenue by Regions Brand Only

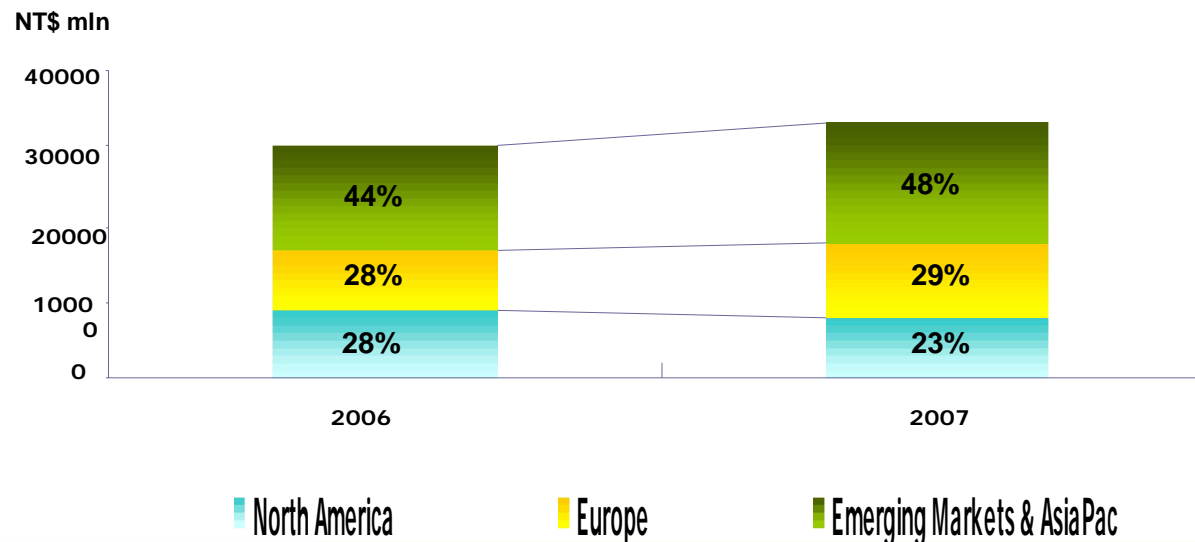
07 revenue *YoY* comparison:

Ø N.A. dropped 10.8%

Ø Europe increased 14.8%

Ø Emerging markets & AsiaPac jumped 23.2%

Ø In NT\$ terms, WW 07 revenue grew 11.2%



2007 Revenue by Products Brand Only

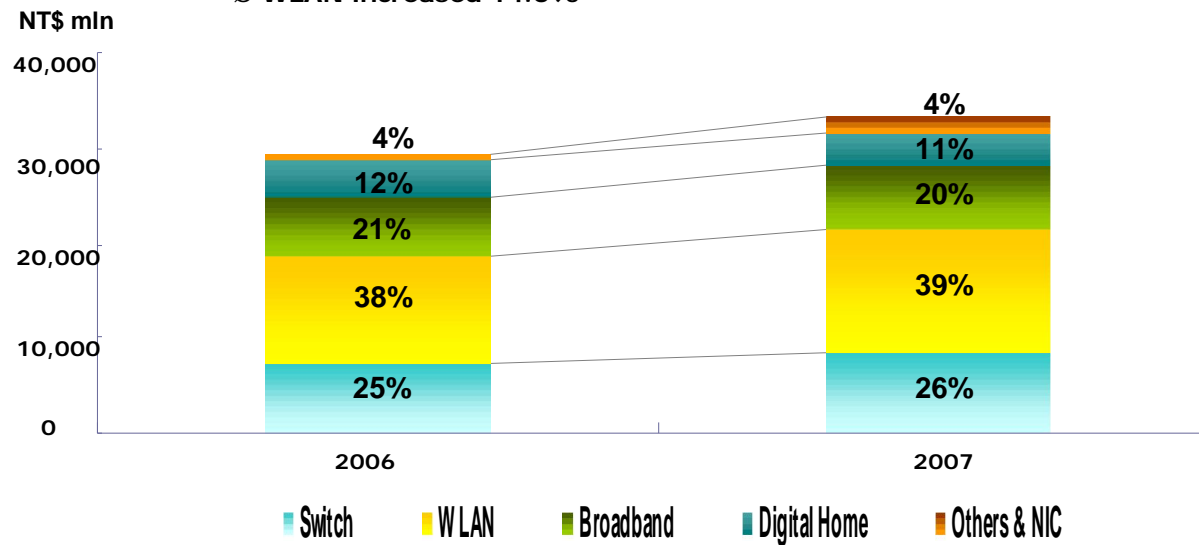
07 revenue YoY comparison.

Ø Switch grew 14.2%

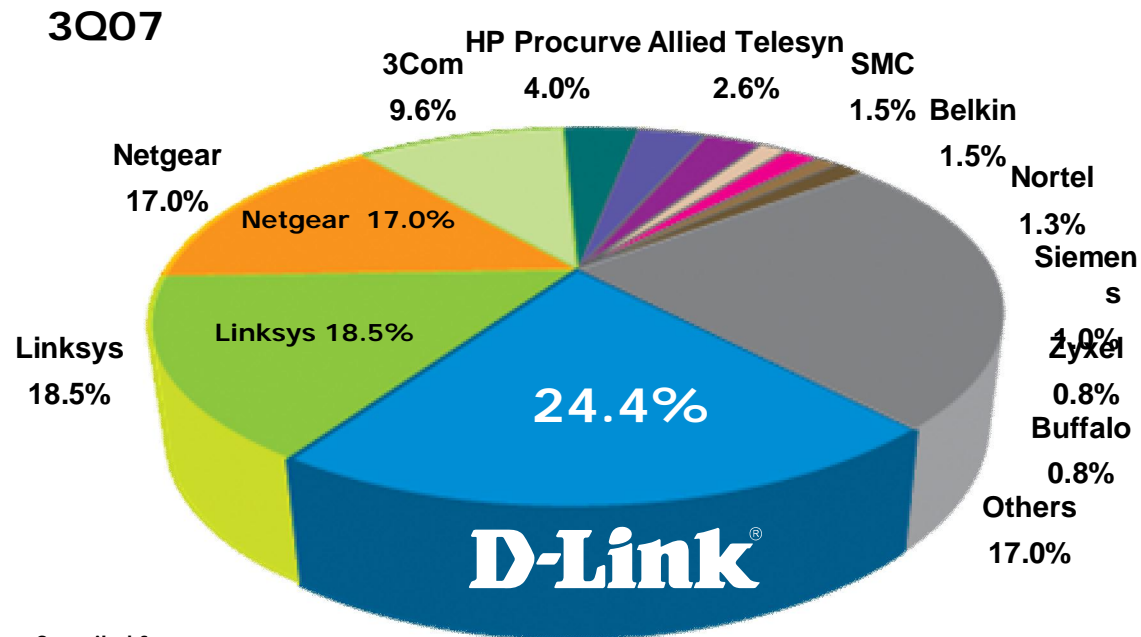
Ø WLAN increased 14.0%

Ø Broadband rose 8.8%

Ø Digital Home grew 4.6%



#1 in SOHO/SMB Market



Source: Compiled from
In-Stat 3Q 2007 Wireless LAN Equipment Market Share Report
In-Stat 3Q 2007 Ethernet LAN Switch Market Share Report
In-Stat 3Q 2007 Broadband Equipment Market Share Report

12/31/2007 Balance Sheet & QoQ Comparison

Unit: NT\$ mln	12/31/07		09/30/07		QoQ %
	AMT	%	AMT	%	Change
Cash	4,615	17	4,729	17	(2.4)
S-T Investment	1,064	4	759	5	40.2
Account Receivable	5,954	22	6,617	22	(10.0)
Inventory	6,643	24	7,201	22	(7.8)
Long-term Investments	6,502	24	6,531	24	(0.4)
Total Assets	27,342	100	28,477	100	(4.0)
Accounts Payable	6,584	24	7,602	27	(13.4)
Current Liabilities	11,313	41	11,226	39	0.8
Long-term Loans	5	0	6	0	(16.7)
Common Stock	5,471	20	6,838	24	(20.0)
Stockholders' Equity	15,481	57	16,714	59	(7.4)

Key Financial Ratios

Unit: % , days	12/31/07	9/30/07	06/30/07	03/31/07	12/31/06
Days A/R	61 [*]	67 [*]	68 [*]	69 [*]	59 [*]
Days Inventory	101 [*]	112 [*]	103 [*]	102 [*]	96 [*]
Days A/P	100 [*]	119 [*]	107 [*]	100 [*]	95 [*]
Cash Cycle	62	61	64	71	60
Current Ratio	1.70	1.80	1.79	2.15	1.99
Debt/Equity Ratio	0.77	0.71	0.69	0.52	0.60
Adjusted Debt/ Equity Ratio	0.40 ^{**}	0.38 ^{**}	0.32 ^{**}	0.20 ^{**}	0.34 ^{**}
ROE	22 [*]	22 [*]	25 [*]	29 [*]	19 [*]

* Annualized

** Adjust for Cash & S-T Investment

FY 2008 Outlook

2008 Market Outlook

Telcos/ISPs

- ∅ CPE less vulnerable than COE
- ∅ VDSL/PON/IAD prevailing
- ∅ ASPs erosion
- ∅ WiMax's future uncertain

Business

- ∅ SMB less impacted than enterprise
- ∅ Steady growth in Switches
- ∅ Trend to Green/Giga
- ∅ Competitions intensify

Consumer

- ∅ Access devices less affected than luxury
- ∅ 11n crossovers 11g
- ∅ Rising stars, IP Cameras & NAS
- ∅ D-Link 2.0 launching in 2Q08

2008 Product Outlook

Green Ethernet Switches

Technology Innovation



11n Wireless Routers

Market Leader



NAS & IP Cam

Award Winning



D-Link 2.0

Pioneering Business Model



2008 Regional Outlook

North America

- ∅ Slowdown in Retail
- ∅ Ramp up in SMB
- ∅ Enhancement of 11n leading position

Europe

- ∅ Strong growth in Eastern Europe
- ∅ Solution oriented product offering
- ∅ IAD/VDSL ramping up

Other

- ∅ Solid fast growth to continue
- ∅ Taking off in Japan & M.E.A.
- ∅ Gigabit Switches/11n routers take-on

1Q08 Guidance

Ø 1Q revenue down seasonally

Ø Operating margin around 6% ±

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.

Q & A

*For complete financial and
press releases, please visit
<http://ir.dlink.com>*

D-Link[®]
Building Networks for People



台灣證交所暨元大證券
投資人論壇

2008年3月13日, 台北

- Ø 2007年自結財務數字
- Ø 2008年展望
- Ø 問題與建議

All numbers are brand consolidated and pro forma, except otherwise specified.

2007年自結財務數字

4Q07損益表 - 第四季與第三季比較

Unit: NT\$ million	4Q07		3Q07		QoQ % Change
	AMT	%	AMT	%	
銷貨收入淨額	8,886	100.0	8,999	100.0	(1.3)
銷貨成本	5,989	67.4	5,850	65.0	2.4
營業毛利	2,897	32.6	3,149	35.0	(8.0)
營業費用	2,472	27.8	2,462	27.4	0.4
營業收益	425	4.8	687	7.6	(38.2)
總營業外費用及損失	296	3.3	274	3.1	8.0
稅前淨利	721	8.1	961	10.7	(25.0)
所得稅費用	(134)	(1.5)	(156)	(1.7)	(14.1)
淨利	587	6.6	805	9.0	(27.1)
少數股權	23	0.3	(4)	(0.1)	(675.0)
合併淨利	610	6.9	801	8.9	(23.9)
每股紅利 (NT\$)-Per W.A. Capital	0.92		1.21		(23.9)
每股紅利(NT\$)-Per yr-end Capital	1.11		1.46		(23.9)

* The numbers are pro forma

4Q07損益表 - 與去年同期比較

Unit: NT\$ million	4Q07		4Q06		YoY % Change
	AMT	%	AMT	%	
銷貨收入淨額	8,886	100.0	8,229	100.0	8.0
銷貨成本	5,989	67.4	5,394	65.5	11.0
營業毛利	2,897	32.6	2,834	34.5	2.2
營業費用	2,472	27.8	1,900	23.2	30.1
營業收益	425	4.8	934	11.3	(54.5)
總營業外費用及損失	296	3.3	129	1.6	129.5
稅前淨利	721	8.1	1,063	12.9	(32.2)
所得稅費用	(134)	(1.5)	(237)	(2.9)	(43.5)
淨利	587	6.6	826	10.0	(28.9)
少數股權	23	0.3	(5)	(0.0)	(560.0)
合併淨利	610	6.9	821	10.0	(25.8)
每股紅利 (NT\$)-Per W.A. Capital	0.92		1.24		(25.8)
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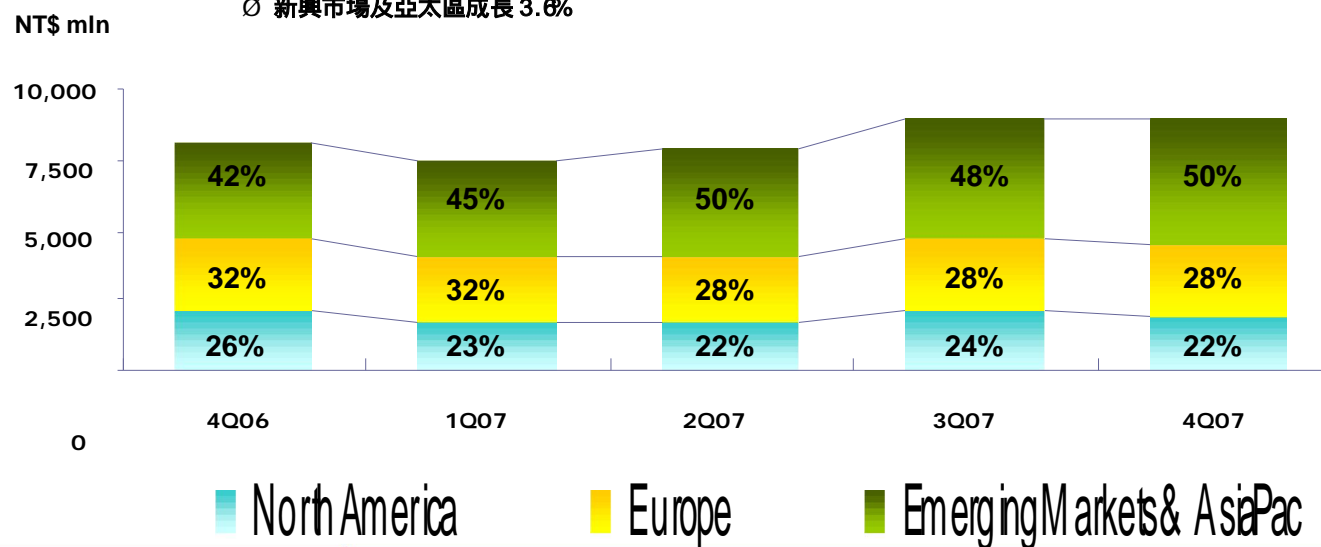
* The numbers are pro forma

各區域每季營收概況

品牌營收

第四季營收較上一季下滑 1.3%

- ∅ 北美下滑 8.1%
- ∅ 歐洲下滑 3.9%
- ∅ 新興市場及亞太區成長 3.6%



各產品線每季營收概況

品牌營收

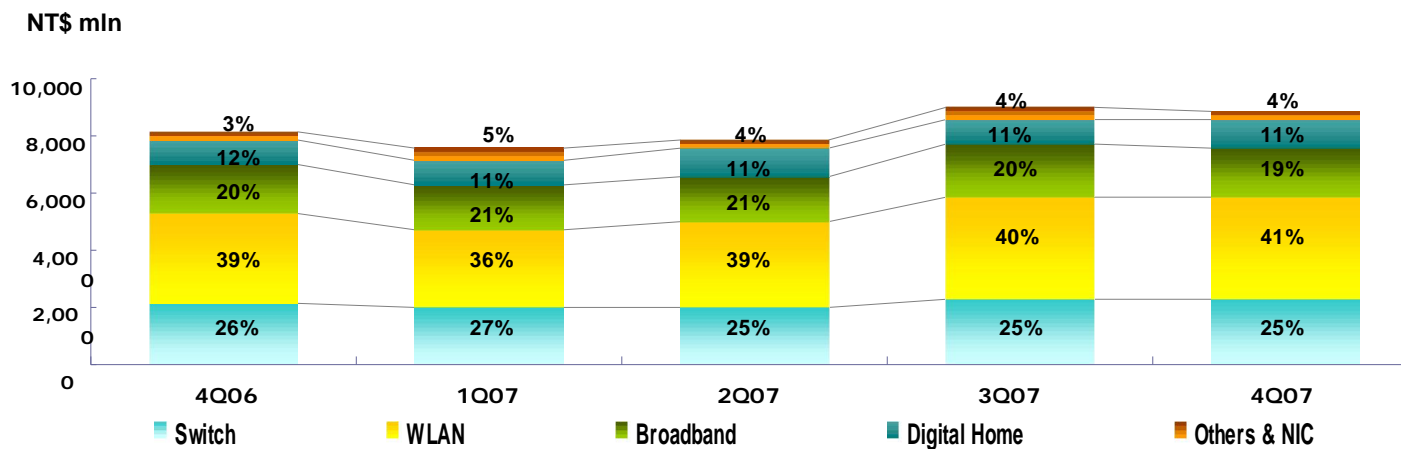
第四季營收與上一季比較：

∅ 交換器下滑 3.2%

∅ 無線產品成長 1.9%

∅ 寬頻產品下滑 6.7%

∅ 數位家庭產品成長 4.3%



2007年損益表 - 與 2006年比較

Unit: NT\$ million	2007		2006		YoY % Change
	AMT	%	AMT	%	
銷貨收入淨額	33,231	100.0	29,879	100.0	11.2
銷貨成本	21,845	65.7	20,038	67.1	9.0
營業毛利	11,386	34.3	9,841	32.9	15.7
營業費用	9,082	27.4	7,562	25.3	20.1
營業收益	2,304	6.9	2,279	7.6	1.1
總營業外費用及損失	1,270	3.8	811	2.7	56.6
稅前淨利	3,574	10.7	3,090	10.3	15.7
所得稅費用	(235)	(0.7)	(529)	(1.8)	(55.6)
淨利	3,339	10.0	2,561	8.5	30.4
少數股權	0	0.0	(40)	(0.1)	(100.0)
合併淨利	3,339	10.0	2,521	8.4	32.4
每股紅利 (NT\$)-Per W.A. Capital	5.03		3.80		32.4
每股紅利 (NT\$)-Per yr-end Capital	6.10		4.61		32.4

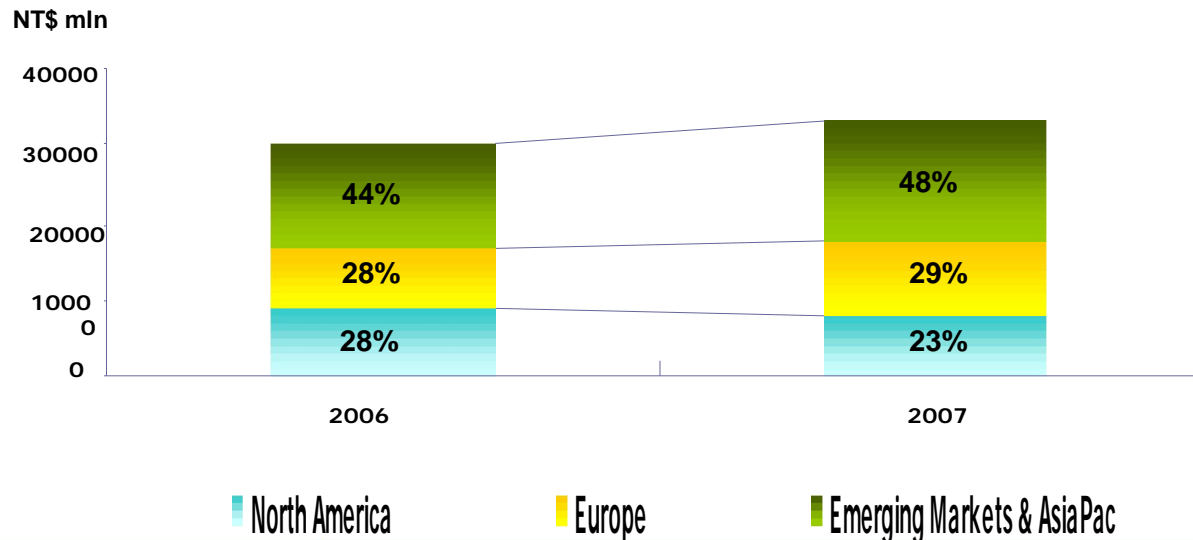
* The numbers are pro forma

2007年各區域營收概況 品牌營收

2007年營收與去年比較：

- Ø 北美下滑 10.8%
- Ø 歐洲成長 14.8%

- Ø 新興市場及亞太地區成長 23.2%
- Ø 以新台幣計，全球 2007年營收成長 11.2%



2007年各產品線營收概況 品牌營收

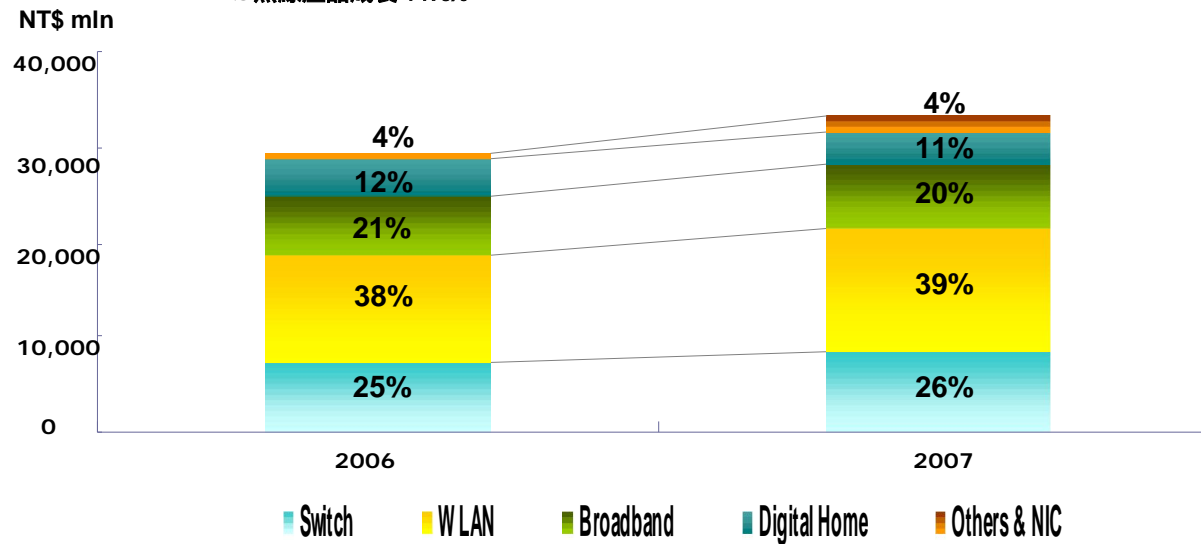
2007年營收與去年比較：

○交換器成長 14.2%

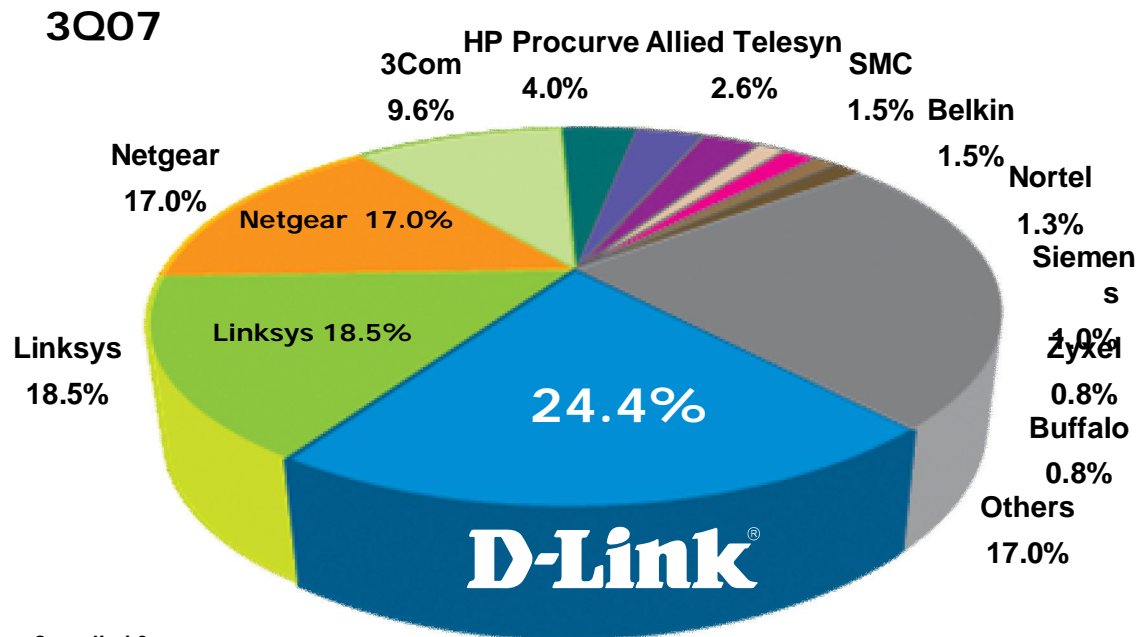
○無線產品成長 14.0%

○寬頻產品成長 8.8%

○數位家庭產品成長 4.6%



SMB/中小型企業市場領導品牌



Source: Compiled from
In-Stat 3Q 2007 Wireless LAN Equipment Market Share Report
In-Stat 3Q 2007 Ethernet LAN Switch Market Share Report
In-Stat 3Q 2007 Broadband Equipment Market Share Report

12/31/2007 合併資產負債表 - 本季與上一季比較

Unit: NT\$ mln	12/31/07		09/30/07		QoQ %
	AMT	%	AMT	%	Change
現金	4,615	17	4,729	17	(2.4)
短期投資	1,064	4	759	5	40.2
應收帳款	5,954	22	6,617	22	(10.0)
存貨	6,643	24	7,201	22	(7.8)
長期投資	6,502	24	6,531	24	(0.4)
資產總計	27,342	100	28,477	100	(4.0)
應付帳款	6,584	24	7,602	27	(13.4)
流動負債	11,313	41	11,226	39	0.8
長期借貸	5	0	6	0	(16.7)
普通股	5,471	20	6,838	24	(20.0)
股東權益	15,481	57	16,714	59	(7.4)

合併報表之重要財務比例概況 — 流動比例 / 槓桿比例

Unit: % , days	12/31/07	9/30/07	06/30/07	03/31/07	12/31/06
應收帳款 (天)	61 [*]	67 [*]	68 [*]	69 [*]	59 [*]
庫存 (天)	101 [*]	112 [*]	103 [*]	102 [*]	96 [*]
應付帳款 (天)	100 [*]	119 [*]	107 [*]	100 [*]	95 [*]
現金周轉	62	61	64	71	60
流動比率	1.70	1.80	1.79	2.15	1.99
負債/資產比率	0.77	0.71	0.69	0.52	0.60
調整後負債/ 資產比率	0.40 ^{**}	0.38 ^{**}	0.32 ^{**}	0.20 ^{**}	0.34 ^{**}
權益報酬率	22 [*]	22 [*]	25 [*]	29 [*]	19 [*]

* Annualized

** Adjust for Cash & S-T Investment

2008年展望

2008年市場展望

Telcos/ISPs

- ∅ CPE端設備將比COE端更具潛力
- ∅ VDSL/PON/IAD產品將成主流
- ∅ ASPs市場將被瓜分
- ∅ WiMax未來發展不明

Business

- ∅ SMB市場將比企業市場更具發展性
- ∅ Switches產品仍維持穩定成長
- ∅ Green/Giga將是主要趨勢
- ∅ 競爭愈益白熱化

Consumer

- ∅ 存取設備比奢侈品更具成長性
- ∅ 11n取代11g
- ∅ IP Cameras & NAS將是明日之星
- ∅ D-Link 2.0於第二季正式上市

2008年產品趨勢

Green Ethernet Switches

技術創新



11n Wireless Routers

市場領導者



NAS & IP Cam

得獎肯定



D-Link 2.0

領先市場新品



2008年各區域展望

North America

- ∅ 零售通路市場發展趨緩
- ∅ SMB市場將有跳躍式成長
- ∅ 在 11n市場將更鞏固領先地位

Europe

- ∅ 東歐市場將有大幅成長
- ∅ 產品導向將以解決方案為主
- ∅ IAD/VDSL產品將有顯著成長

Other

- ∅ 持續地快速成長
- ∅ 日本及中東及非洲市場穩定成長
- ∅ Gigabit Switches/11n routers正式上市

1Q08發展展望

Ø 第一季營收將會季節性下滑

Ø 營業利益率約在 6%±

Safe Harbor Statement

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問題與建議

關於友訊科技完整的財務與公開資訊，請參考下方網址
<http://ir.dlink.com>