

**D-Link**<sup>®</sup>  
Building Networks for People



Merrill Lynch  
AsiaPac Tech. Conference

March 18, 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 %<br>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 %<br>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

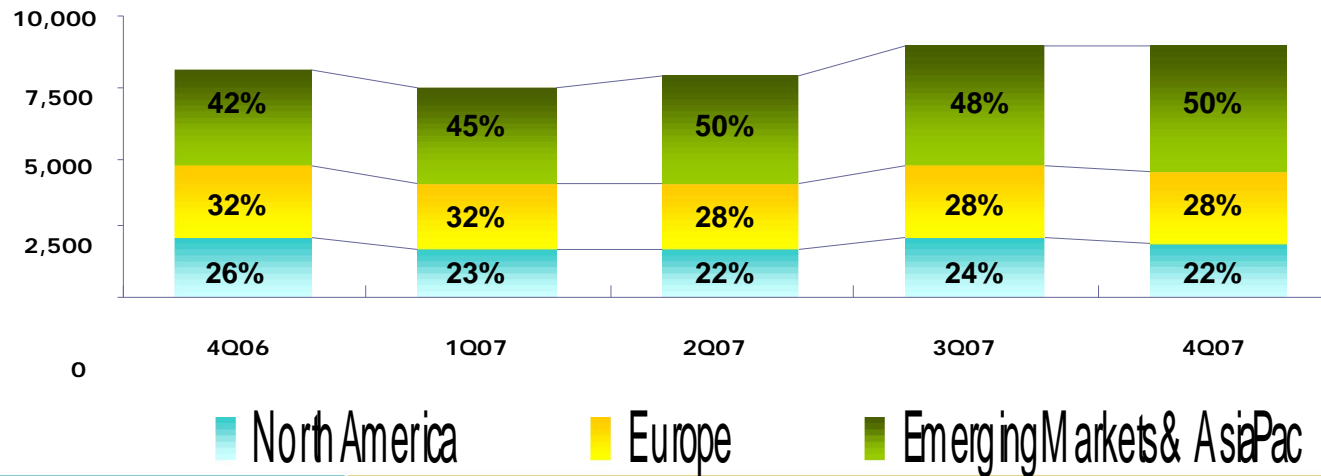
**4Q07 revenue down 1.3% QoQ**

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

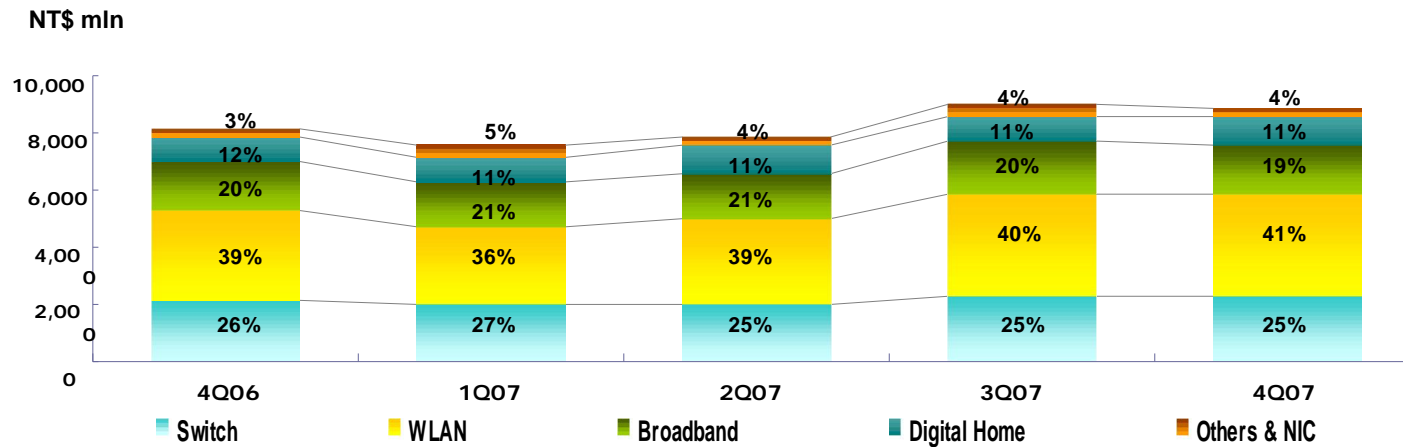
4Q07 revenue *QoQ comparison*.

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 %<br>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

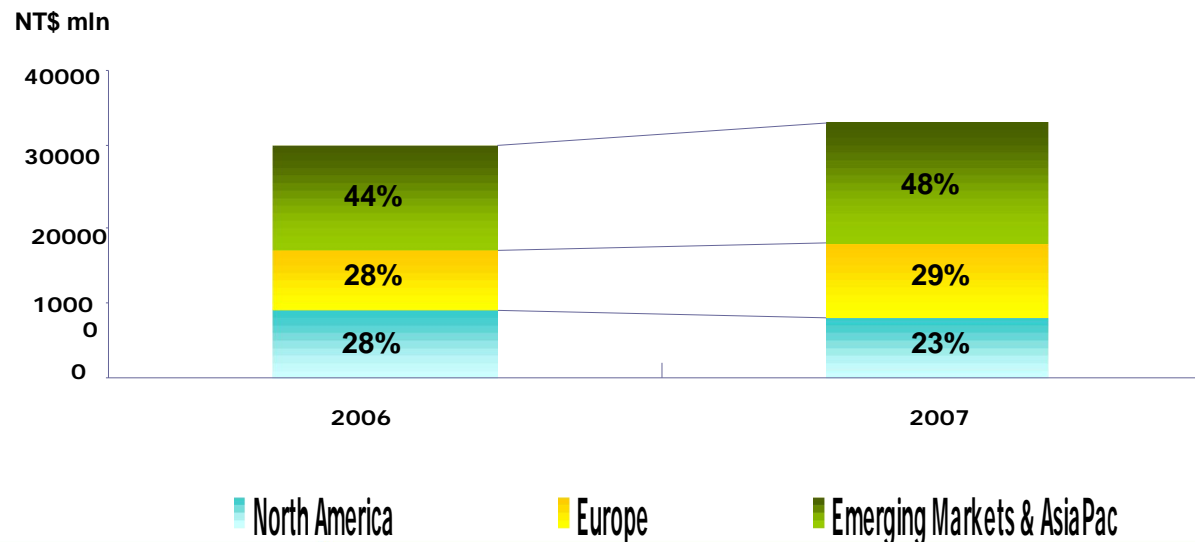
07 revenue *YoY* comparison:

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

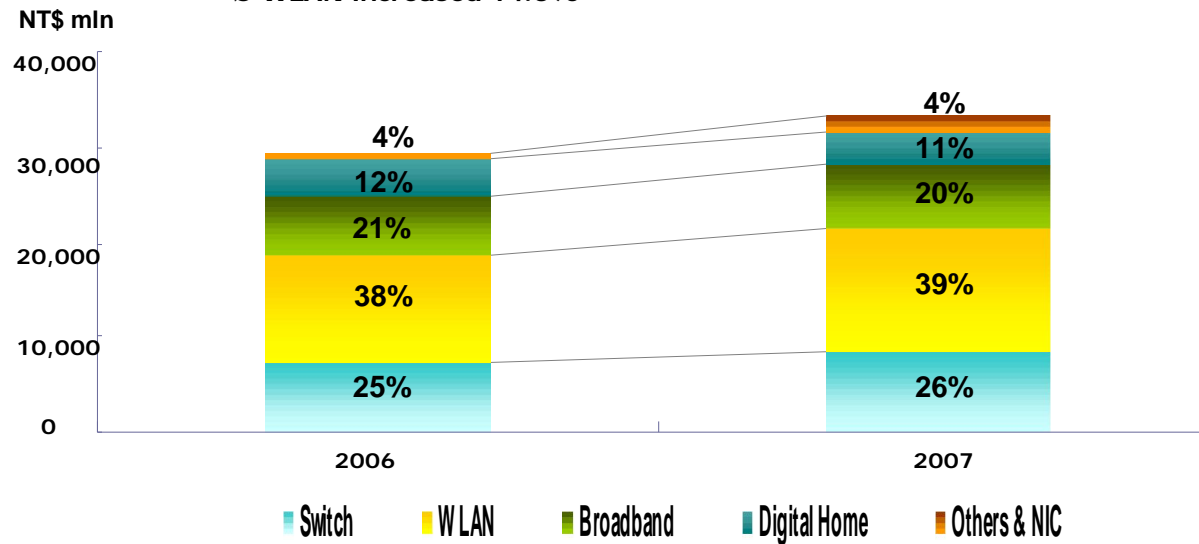
07 revenue YoY comparison.

Ø Switch grew 14.2%

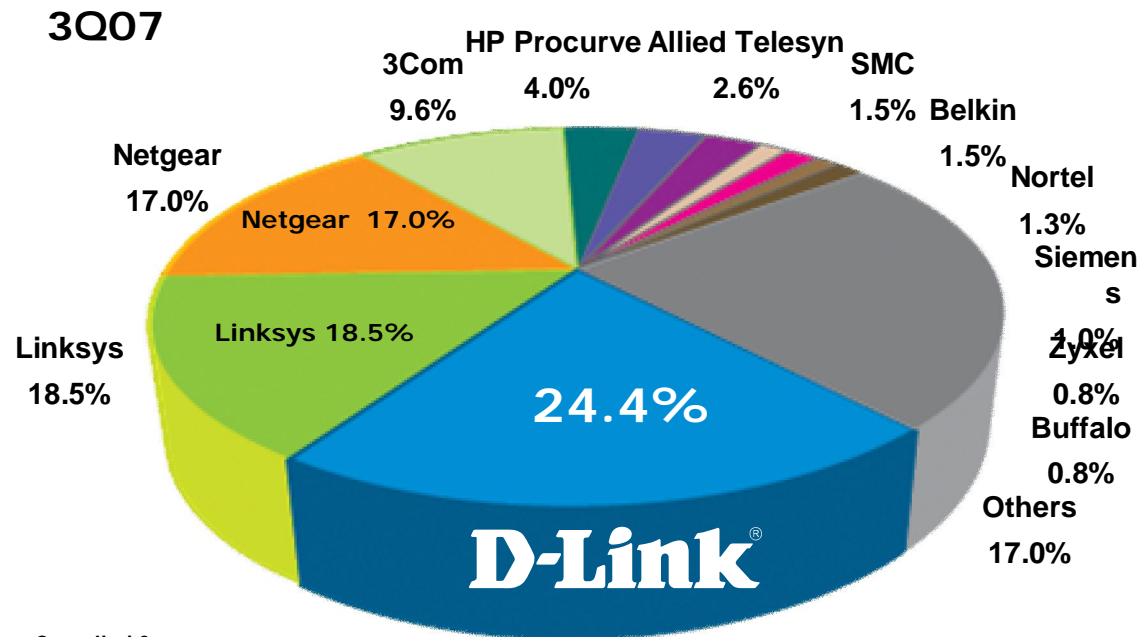
Ø WLAN increased 14.0%

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           |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Days A/R</b>                        | 61 <sup>*</sup>    | 67 <sup>*</sup>    | 68 <sup>*</sup>    | 69 <sup>*</sup>    | 59 <sup>*</sup>    |
| <b>Days Inventory</b>                  | 101 <sup>*</sup>   | 112 <sup>*</sup>   | 103 <sup>*</sup>   | 102 <sup>*</sup>   | 96 <sup>*</sup>    |
| <b>Days A/P</b>                        | 100 <sup>*</sup>   | 119 <sup>*</sup>   | 107 <sup>*</sup>   | 100 <sup>*</sup>   | 95 <sup>*</sup>    |
| <b>Cash Cycle</b>                      | 62                 | 61                 | 64                 | 71                 | 60                 |
| <b>Current Ratio</b>                   | 1.70               | 1.80               | 1.79               | 2.15               | 1.99               |
| <b>Debt/Equity Ratio</b>               | 0.77               | 0.71               | 0.69               | 0.52               | 0.60               |
| <b>Adjusted Debt/<br/>Equity Ratio</b> | 0.40 <sup>**</sup> | 0.38 <sup>**</sup> | 0.32 <sup>**</sup> | 0.20 <sup>**</sup> | 0.34 <sup>**</sup> |
| <b>ROE</b>                             | 22 <sup>*</sup>    | 22 <sup>*</sup>    | 25 <sup>*</sup>    | 29 <sup>*</sup>    | 19 <sup>*</sup>    |

\* 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

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

### Europe

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

### Other

- Ø Solid fast growth to continue
- Ø Taking off in Japan & M.E.A.
- Ø 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**<sup>®</sup>  
Building Networks for People



# 美林證券台灣投資人論壇

2008年3月18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 %<br>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 %<br>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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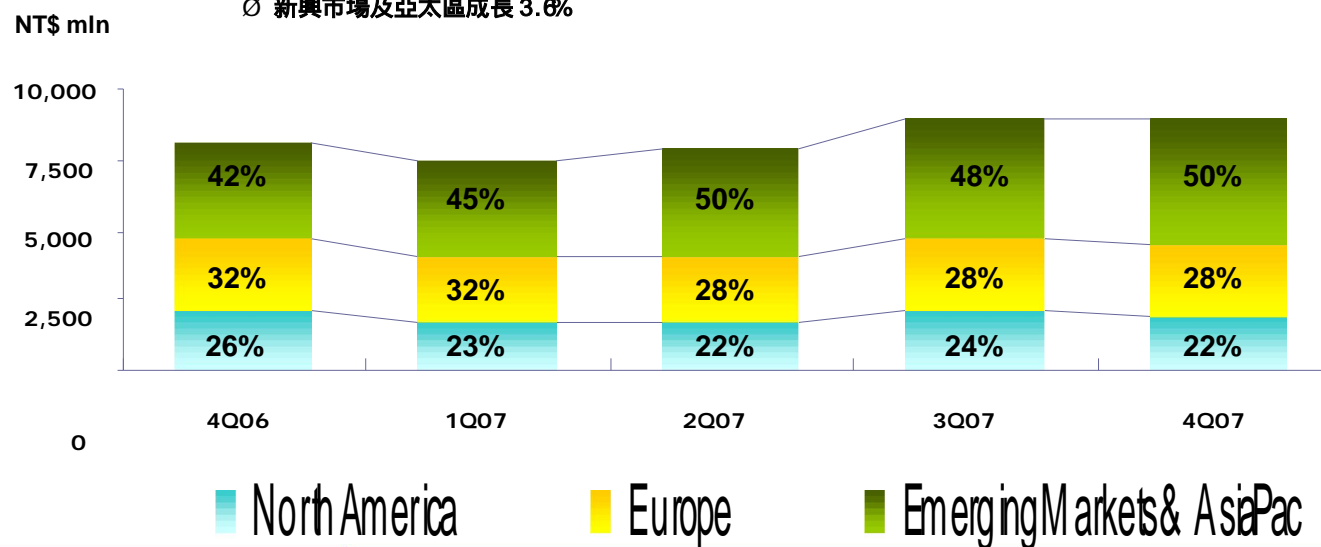
\* The numbers are pro forma

## 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

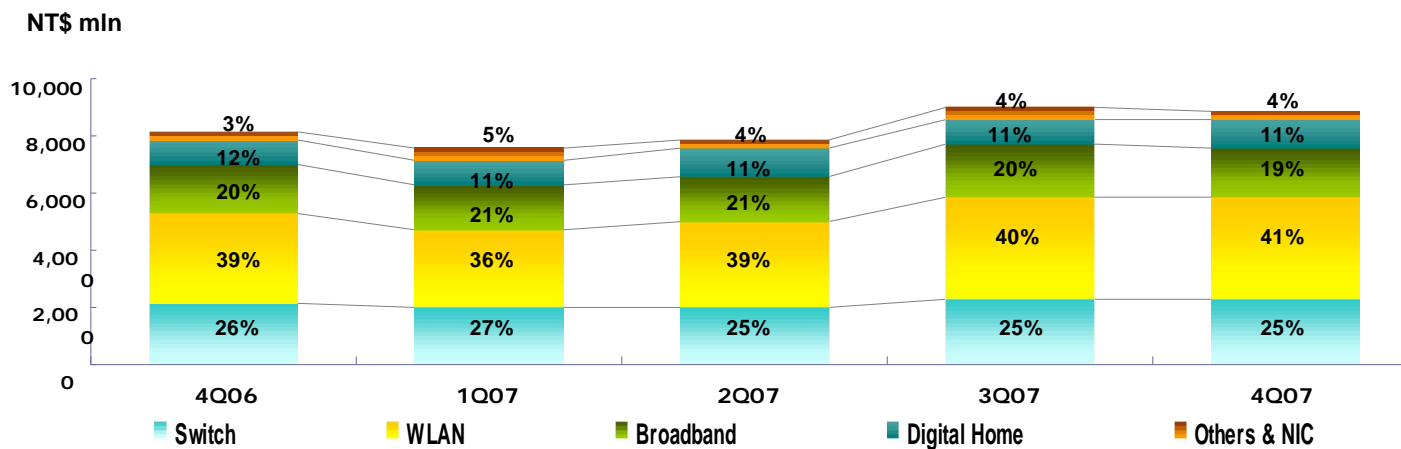
第四季營收與上一季比較：

∅ 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 %<br>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            |

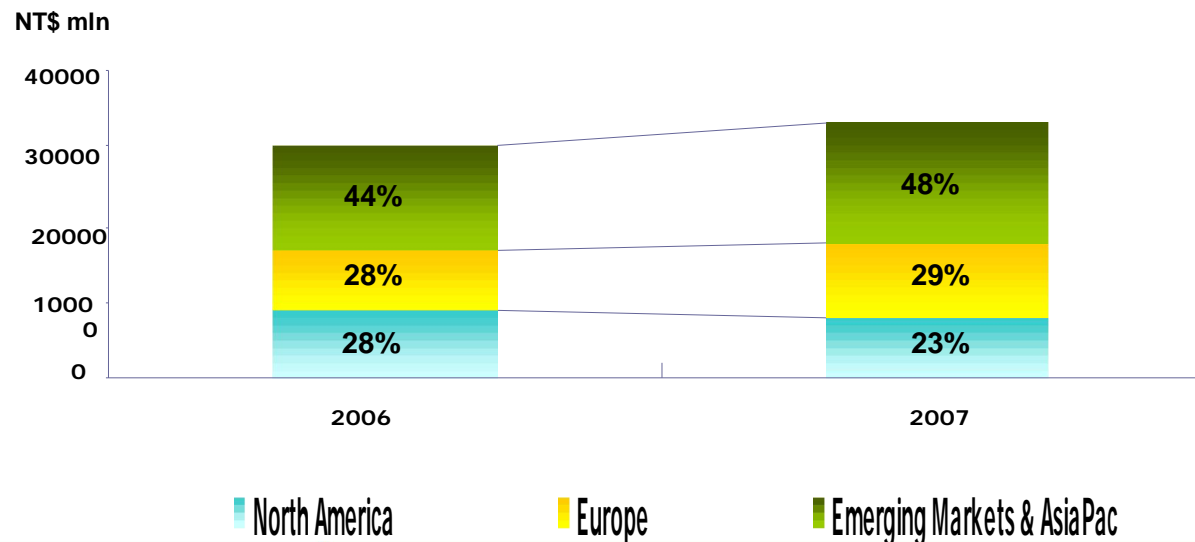
\* The numbers are pro forma

## 2007年各區域營收概況 品牌營收

2007年營收與去年比較：

- ∅ 北美下滑 10.8%
- ∅ 歐洲成長 14.8%

- ∅ 新興市場及亞太地區成長 23.2%
- ∅ 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

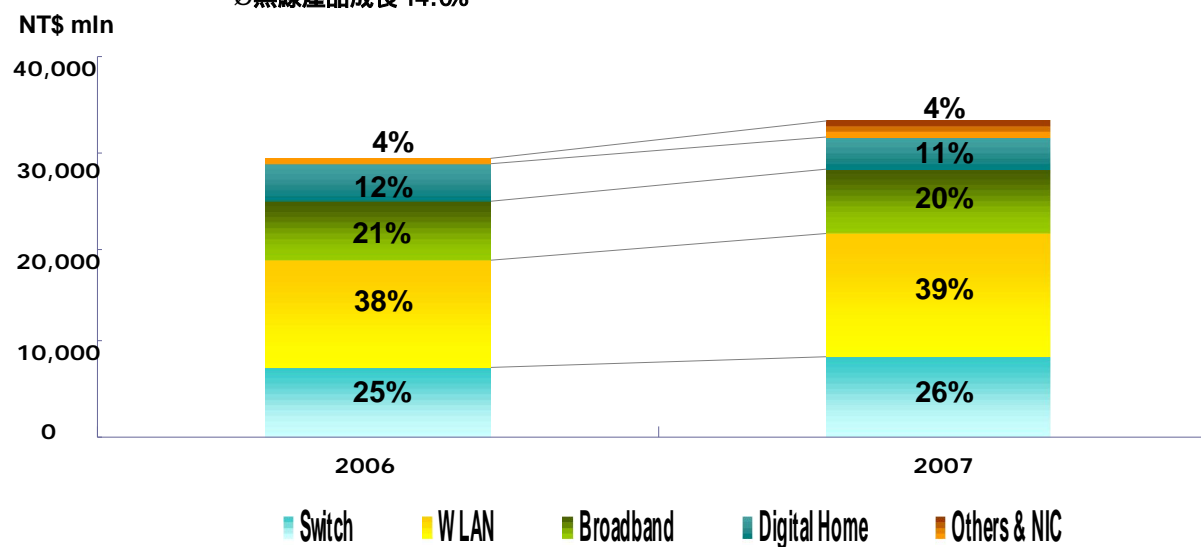
2007年營收與去年比較：

○交換器成長 14.2%

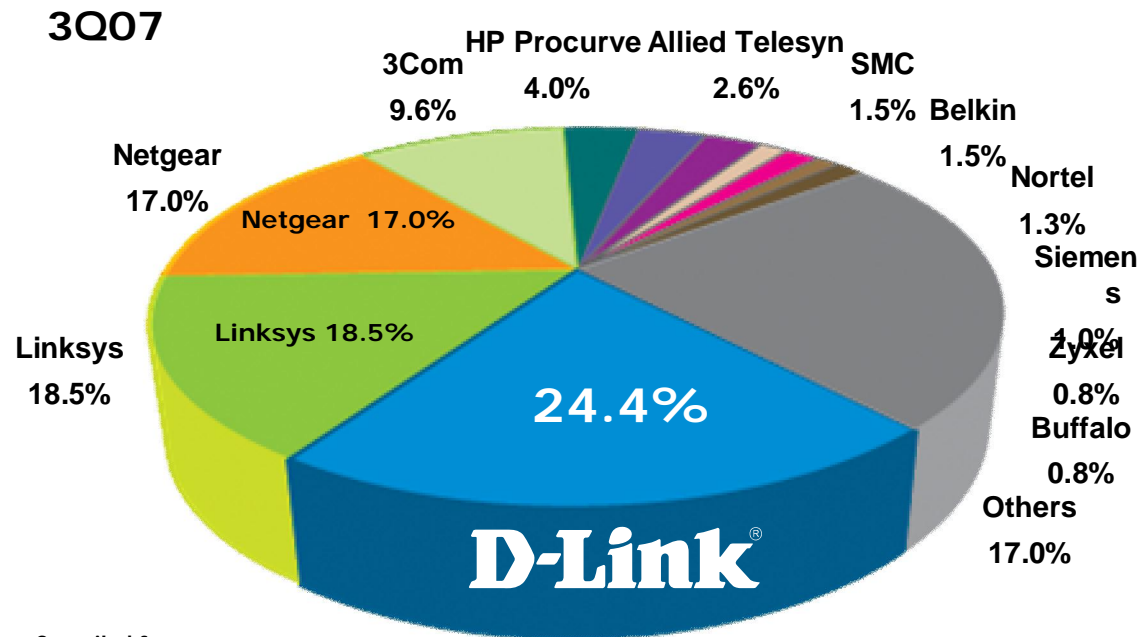
○無線產品成長 14.0%

○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 <sup>*</sup>    | 67 <sup>*</sup>    | 68 <sup>*</sup>    | 69 <sup>*</sup>    | 59 <sup>*</sup>    |
| 庫存 (天)         | 101 <sup>*</sup>   | 112 <sup>*</sup>   | 103 <sup>*</sup>   | 102 <sup>*</sup>   | 96 <sup>*</sup>    |
| 應付帳款 (天)       | 100 <sup>*</sup>   | 119 <sup>*</sup>   | 107 <sup>*</sup>   | 100 <sup>*</sup>   | 95 <sup>*</sup>    |
| 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/<br>資產比率 | 0.40 <sup>**</sup> | 0.38 <sup>**</sup> | 0.32 <sup>**</sup> | 0.20 <sup>**</sup> | 0.34 <sup>**</sup> |
| 權益報酬率          | 22 <sup>*</sup>    | 22 <sup>*</sup>    | 25 <sup>*</sup>    | 29 <sup>*</sup>    | 19 <sup>*</sup>    |

\* 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

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.

# 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>