



3Q14 Operating Results

November 13, 2014

Financial Review

3Q14 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	3Q14		2Q14		QoQ % Change	3Q13		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	7,564	100.0	7,185	100.0	5.3	8,159	100.0	(7.3)
Cost of Goods Sold - Product	5,401	71.4	5,152	71.7	4.8	5,890	72.2	(8.3)
Gross Profit 1	2,163	28.6	2,033	28.3	6.4	2,269	27.8	(4.7)
Inventory Related Gain/(Loss)	(160)	(2.1)	(34)	(0.5)	370	(19)	(0.2)	742
Gross Profit 2	2,003	26.5	1,998	27.8	2.5	2,250	27.6	(11.0)
Operating Expenses	1,955	25.8	1,969	27.4	(0.7)	2,000	24.5	(2.3)
Operating Income	48	0.6	29	0.4	65.5	250	3.1	(80.8)
Total Non-Op. Inc. (Loss)	(151)	(2.0)	87	1.2	N.A.	166	2.0	N.A.
Income Before Tax	(103)	(1.4)	116	1.6	N.A.	416	5.1	N.A.
Tax (Exp.) / Income	(13)	(0.2)	(42)	(0.6)	69.1	(82)	(1.0)	84.1
Net Income	(116)	(1.6)	74	1.0	N.A.	334	4.1	N.A.
Minority Interest	(13)	(0.2)	(11)	(0.2)	18.2	(1)	(0.0)	120
Consolidated Income	(129)	(1.7)	63	0.9	N.A.	333	4.1	N.A.
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,088M	(0.21)		0.11		N.A.	0.55		N.A.

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

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

3Q14 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	3Q14	2Q14	QoQ % Change
Investment Income	35	45	(22.2)
Sub./Aff.	31	29	6.9
Capital Gain	4	16	(75.0)
FX Gain/(Loss)	(240)	56	N.A.
Fin. Income/(Exp.) & Other	54	(47)	N.A.
Total Non-op Income/Loss	<u>(151)</u>	<u>87</u>	<u>N.A.</u>

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

YT3Q14 Income Statement & YoY Comparison

Unit: NT\$ million	YT3Q14		YT3Q13		YoY % Change
	AMT	%	AMT	%	
Net Sales	21,931	100.0	22,606	100.0	(3.0)
Cost of Goods Sold - Product	15,782	71.9	16,366	72.4	(3.6)
Gross Profit 1	6,149	28.1	6,240	27.6	(1.5)
Inventory Related Gain/(Loss)	(125)	(0.6)	(183)	(0.8)	31.7
Gross Profit 2	6,024	27.5	6,057	26.8	(0.5)
Operating Expenses	5,860	26.7	5,818	25.7	0.7
Operating Income	164	0.7	239	1.1	(31.4)
Total Non-Op. Inc. (Loss)	(21)	(0.1)	237	1.0	N.A.
Income Before Tax	143	0.7	476	2.1	(70.0)
Tax (Exp.) / Income	(100)	(0.5)	(114)	(0.5)	12.3
Net Income	43	0.2	362	1.6	(88.1)
Minority Interest	(29)	(0.1)	(15)	(0.1)	93.3
Consolidated Income	14	0.1	347	1.5	(96.0)
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,088M	0.02		0.57		(96.5)

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

9/30/2014 Balance Sheet & QoQ Comparison

Unit: NT\$ million	9/30/14 AMT	%	6/30/14 AMT	%	QoQ % Change
Cash & S-T Investment	2,858	12	3,151	13	(9.3)
Account Receivable	6,545	27	6,218	25	5.3
Inventory	6,469	27	6,585	27	(1.8)
Long-term Investments	4,222	17	4,270	17	(1.1)
Total Assets	24,290	100	24,702	100	(1.7)
Accounts Payable	6,016	25	5,868	24	2.5
Current Liabilities	10,430	43	10,534	43	(1.0)
Common Stock	6,478	27	6,598	27	(1.8)
Stockholders' Equity	12,597	52	12,905	52	(2.4)

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

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

Key Financial Ratios

Unit: % , days	3Q14	2Q14	1Q14	4Q13	3Q13
**Days A/R	82	76	76	76	77
**Days Inventory	109	109	98	101	111
**Days A/P	102	103	85	93	101
Cash Cycle	88	82	89	84	88
Current Ratio	1.65	1.67	1.82	1.88	1.83
Debt/Equity Ratio	0.90	0.89	0.76	0.81	0.96
***Net Debt/Equity Ratio	0.68	0.64	0.53	0.56	0.69
ROE	-4	2	2	9	10

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

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

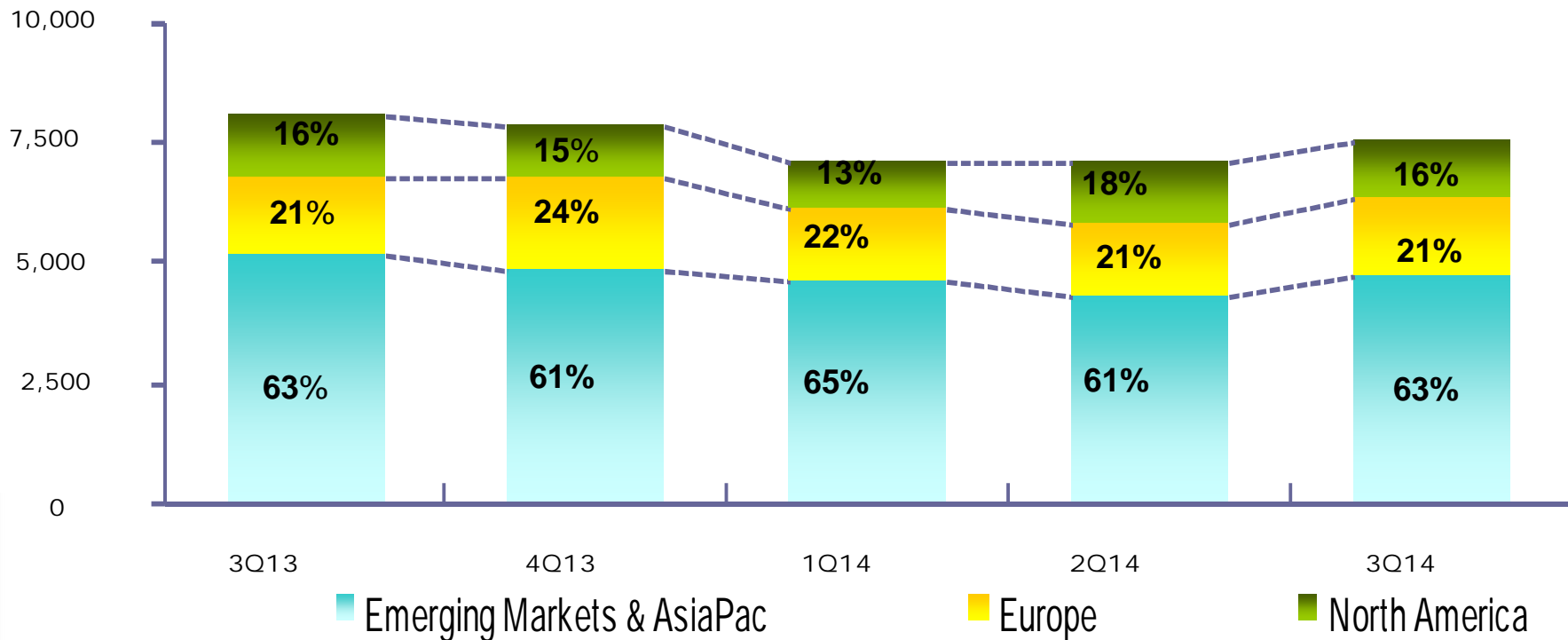
In NT\$, up 5.3% QoQ, down 7.3% YoY

- N.A. down 6.5% QoQ, down 7.3% YoY
- Europe up 5.4% QoQ, down 5.2% YoY
- Emerging Mkts & APac up 8.7% QoQ, down 8.0% YoY

In US\$, up 5.7% QoQ, down 7.7% YoY

- N.A. down 6.1% QoQ, down 7.6% YoY
- Europe up 5.8% QoQ, down 5.6% YoY
- Emerging Mkts & APac up 9.1% QoQ, down 8.3% YoY

NT\$ mln



Quarterly Revenue by Product

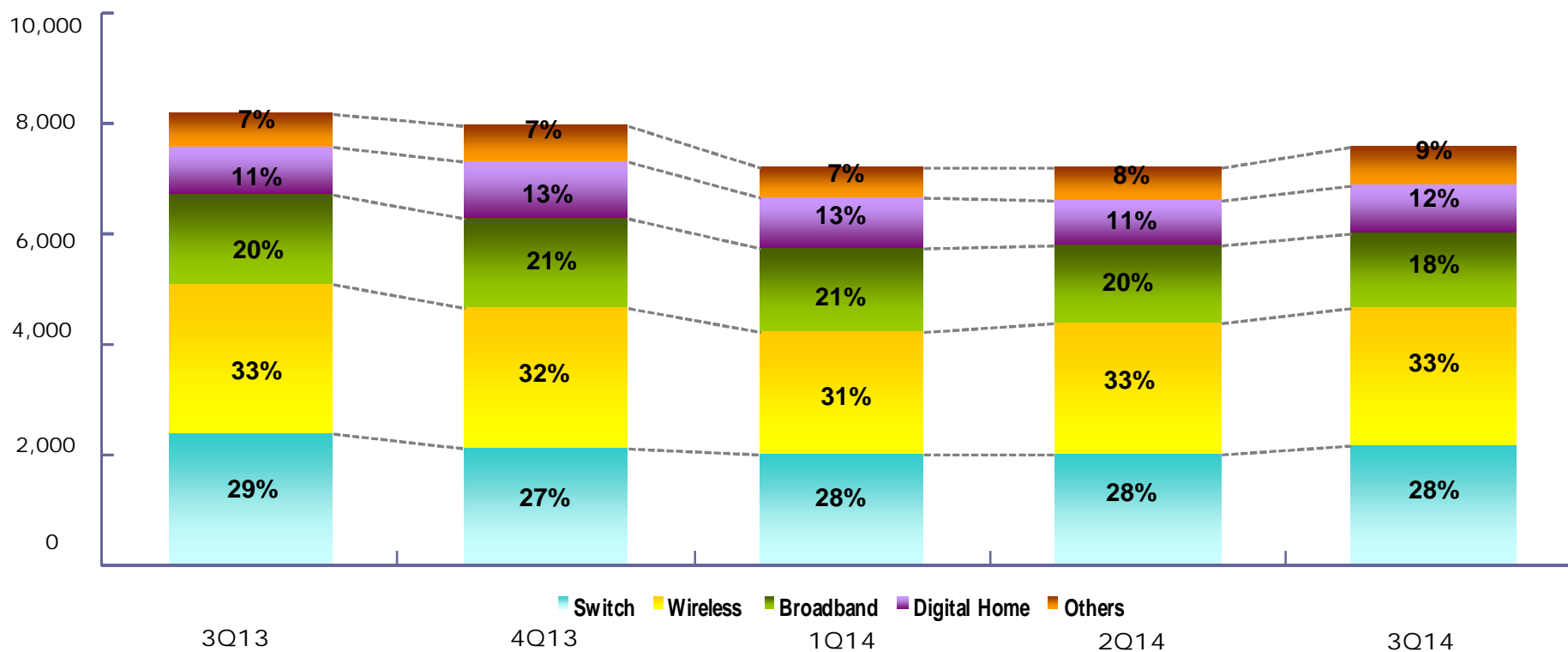
In NT\$ terms:

- Switch up 7.3% QoQ, down 9.7% YoY
- Wireless up 5.7% QoQ, down 7.0% YoY
- B.B. down 4.4% QoQ, down 17.2% YoY
- D.H. up 8.9% QoQ, up 3.8% YoY

In US\$ terms:

- Switch up 7.7% QoQ, down 10.1% YoY
- Wireless up 6.2% QoQ, down 7.4% YoY
- B.B. down 4.0% QoQ, down 17.5% YoY
- D.H. up 9.6% QoQ, up 3.5% YoY

NT\$ mln



4Q14 Guidance

From QoQ Perspective:

- Revenue and net operating income remains flat

*For complete financial and
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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.