



3Q16 Operating Results

Nov 7, 2016

Financial Review

3Q16 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	3Q16		2Q16		QoQ % Change	3Q15		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	5,535	100.0	5,584	100.0	(0.9)	6,940	100.0	(20.2)
Cost of Goods Sold - Product	4,142	74.8	4,155	74.4	(0.3)	5,152	74.2	(19.6)
Gross Profit 1	1,393	25.2	1,429	25.6	(2.5)	1,788	25.8	(22.1)
Inventory Related Gain/(Loss)	58	1.0	(98)	(1.8)		(31)	(0.4)	
Gross Profit 2	1,452	26.2	1,331	23.8	9.1	1,757	25.3	(17.4)
Operating Expenses	1,768	31.9	1,837	32.9	(3.8)	2,032	29.3	(13.0)
Operating Income	(316)	(5.7)	(506)	(9.1)		(275)	(4.0)	
Total Non-Op. Inc. (Loss)	(17)	(0.3)	50	0.9		(278)	(4.0)	
Income Before Tax	(334)	(6.0)	(457)	(8.2)		(552)	(8.0)	
Tax (Exp.) / Income	(33)	(0.6)	(12)	(0.2)		39	0.6	
Net Income	(367)	(6.6)	(469)	(8.4)		(513)	(7.4)	
Minority Interest	(13)	(0.2)	(4)	(0.1)		(15)	(0.2)	
Consolidated Income	(379)	(6.8)	(473)	(8.5)		(528)	(7.6)	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,331M	(0.6)		(0.75)			(0.81)		

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

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

3Q16 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	3Q16	2Q16
Investment Income	9	102
Sub./Aff.	8	91
Capital Gain	1	11
FX Gain/(Loss)	10	(20)
Fin. Income/(Exp.) & Other	<u>(36)</u>	<u>(32)</u>
Total Non-op Income/Loss	(17)	50

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

YT3Q16 Income Statement & YoY Comparison

Unit: NT\$ million	YT3Q16		YT3Q15		YoY % Change
	AMT	%	AMT	%	
Net Sales	17,058	100.0	20,060	100.0	(15.0)
Cost of Goods Sold - Product	12,609	73.9	14,900	74.3	(15.4)
Gross Profit 1	4,449	26.1	5,160	25.7	(13.8)
Inventory Related Gain/(Loss)	(85)	(0.5)	60	0.3	
Gross Profit 2	4,364	25.6	5,220	26.0	(16.4)
Operating Expenses	5,375	31.5	5,833	29.1	(7.9)
Operating Income	(1,011)	(5.9)	(613)	(3.1)	
Total Non-Op. Inc. (Loss)	46	0.3	(238)	(1.2)	
Income Before Tax	(965)	(5.6)	(851)	(4.2)	
Tax (Exp.) / Income	(80)	(0.5)	(6)	(0.0)	
Net Income	(1,045)	(6.1)	(857)	(4.2)	
Minority Interest	(20)	(0.1)	(35)	(0.2)	
Consolidated Income	(1,066)	(6.2)	(892)	(4.4)	
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,331M	(1.68)		(1.37)		

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

9/30/2016 Balance Sheet & QoQ Comparison

Unit: NT\$ million	9/30/16 AMT	%	6/30/16 AMT	%	QoQ % Change
Cash & S-T Investment	3,075	16.2	2,850	14.6	7.9
Account Receivable	4,475	23.6	4,914	25.1	(8.9)
Inventory	3,655	19.3	3,915	20.0	(6.6)
Long-term Investments	3,548	18.7	3,556	18.2	(0.2)
Total Assets	18,972	100.0	19,539	100.0	(2.9)
Accounts Payable	3,957	20.9	4,197	21.5	(5.7)
Current Liabilities	8,760	46.2	8,850	45.3	(1.0)
Common Stock	6,520	34.4	6,520	33.4	0.0
Stockholders' Equity	9,347	49.3	9,822	50.3	(4.8)

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

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

Key Financial Ratios

Unit: % , days	3Q16	2Q16	1Q16	4Q15	3Q15
**Days A/R	76	76	77	80	81
**Days Inventory	89	95	93	101	105
**Days A/P	92	88	80	96	93
Cash Cycle	73	84	90	86	93
Current Ratio	1.39	1.44	1.78	1.68	1.77
Debt/Equity Ratio	0.99	0.95	0.84	0.96	0.93
***Net Debt/Equity Ratio	0.66	0.66	0.60	0.59	0.68
ROE	-16.2	-19.3	-8.2	-36.8	-18.5

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

** Annualized

*** Net of Cash & S-T investment

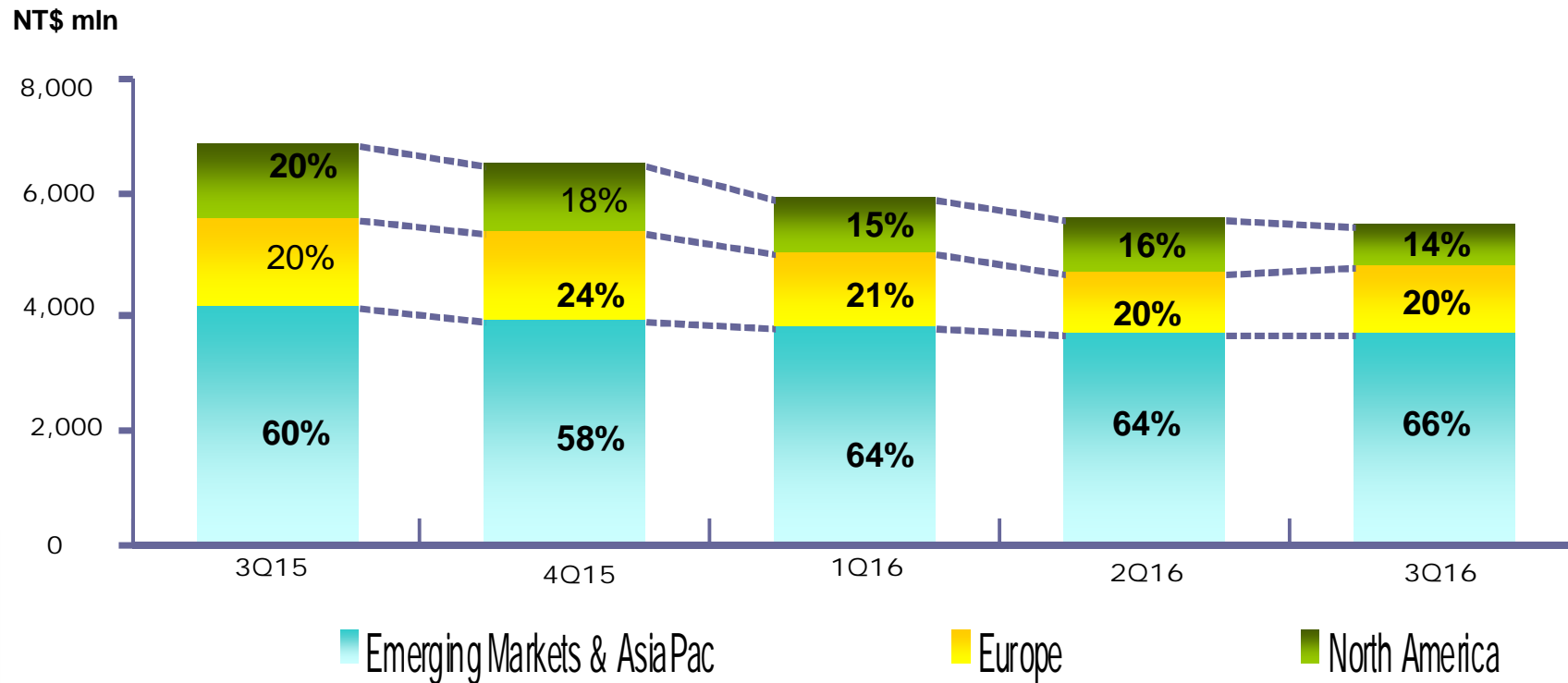
Quarterly Revenue by Region

In NT\$, down 0.9% QoQ, down 20.2% YoY

- N.A. down 14.3% QoQ, down 44.5% YoY
- Europe down 1.3% QoQ, down 22.5% YoY
- Emerging Mkts & APac up 2.6% QoQ, down 11.5% YoY

In US\$, up 1.2% QoQ, down 19.2% YoY

- N.A. down 12% QoQ, down 43.4% YoY
- Europe up 0.9% QoQ, down 21.4% YoY
- Emerging Mkts & APac up 4.6% QoQ, down 10.6% YoY



Quarterly Revenue by Product

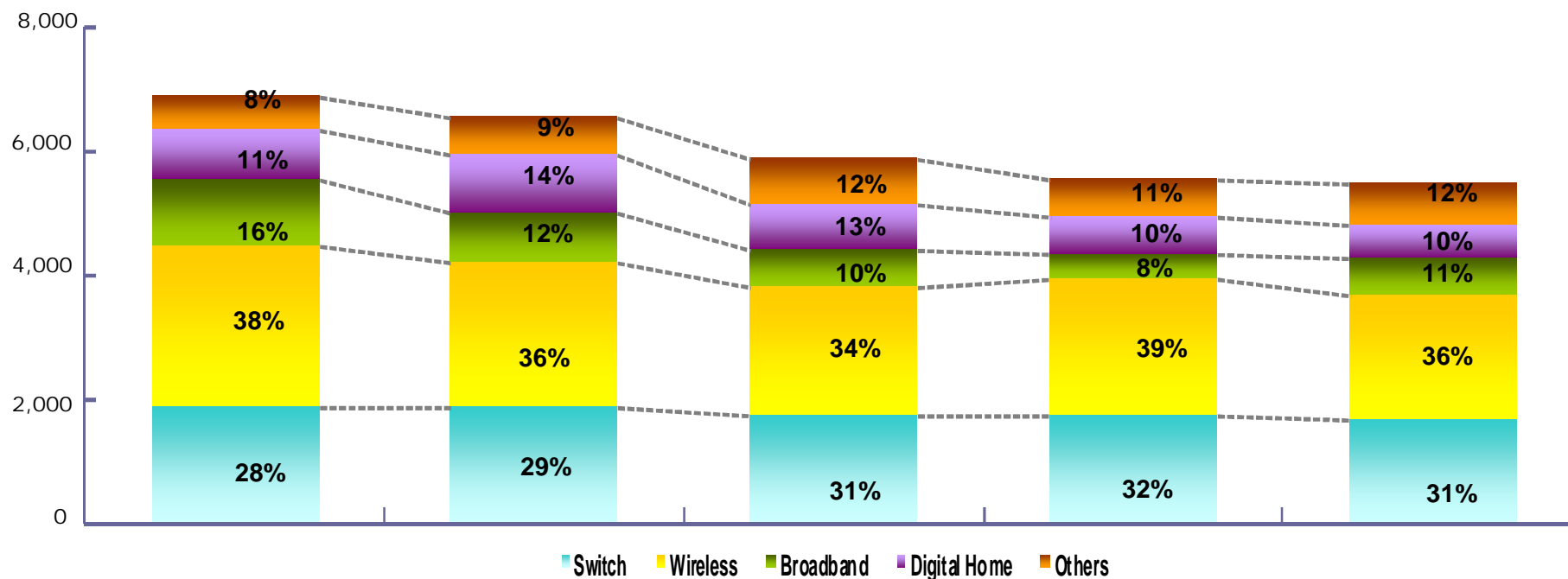
In NT\$ terms:

- Switch down 3.3% QoQ, down 8.7% YoY
- Wireless down 9.6% QoQ, down 25.2% YoY
- B.B. up 30.3% QoQ, down 43.3% YoY
- D.H. up 0.7% QoQ, down 27.4% YoY

In US\$ terms:

- Switch down 1.3% QoQ, down 7.5% YoY
- Wireless down 7.5% QoQ, down 24.2% YoY
- B.B. up 33.2% QoQ, down 42.9% YoY
- D.H. up 3% QoQ, down 26.2% YoY

NT\$ mln



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.