



## **D-Link Announced 3Q/02 Results**

Taipei, Taiwan, October 29, 2002  
D-Link Corporation (“D-Link” or “the Company”) (TAIEX2332) announced its financial results for the 3Q/02.

The year-to-Sept. revenue was NTD 11.74bln, 10% up from the same period last year, and the after-tax profit was NTD 623mln, representing an EPS of NTD 1.21, on diluted share base.

3Q net sales reached NT\$ 4,157mm, representing a 17% sequential growth or 38% YoY. Though D-Link made a great improvement in revenue booking during this traditional weak quarter, it reported a smaller 3Q02 pre-tax earnings of NTD 98mln, mainly due to the net non-operating loss of NTD 172mln in 3Q vs. NTD 70mln in 2Q. The L-T investment loss in 3Q, however, actually contracted to NTD 117mln (compared to NTD 173mln in 2Q). But without the contribution from F/X or disposal gain, the bottom line declined to NTD 68mln, representing an EPS of NTD 0.13 on diluted share base. The investment loss in 3Q was largely from the European subsidiaries, but on the other hand,

D-Link’s US subsidiary was almost breakeven in both August and September.

By product category in 3Q, Office LAN represented 41% (including 25% from Switch), Broadband CPE accounted for 18%, Wireless LAN products were 18%, and Digital Home was 14%. Home products marked the most aggressive growth of 72% sequentially, followed by Broadband CPE 55%.

By geographic regions, Asia was 41% in 3Q, followed by North America 36% and Europe 17%. Sales to US, in particular, grew 40% sequentially or 23% YoY, thanks to the hot sale of residential gateways and TI based 802.11b+ wireless LAN products. Sales to Japan represented a 57% QoQ growth, as a result of resumed ADSL shipment resumed. China also demonstrated continuous growth of 13% QoQ or 250% YoY, contributing by both switch and wireless LAN products.

In 3Q, D-Link continues to win projects from SIs in major countries.



Most remarkably, were the LAN projects for the schools in Tianjin City and the MAN deployment with Ningbo Telecom in China. Also, China, European and Australia subsidiaries debuted 802.11b+ products in 3Q. Obviously, the huge success in US has drawn attentions from distributors worldwide.

The company's balance sheet remained intact as of 09/30/2002. Cash cycle again improved to 47 days for the parent book and 58 days on the consolidated level. The days inventory was 29 days on D-Link's parent book, and 65 days on consolidated book.

Going forward, the management expects 4Q to be the peak of the whole year in terms of sales, or around 10% growth both QoQ and YoY. Product wise, wireless LAN, Broadband CPE, and high-end switches will continue to lead the way towards the year-end. D-Link will continue to execute different product strategies in different regions to further leverage its branding and channel advantages, and control costs and expenses to improve profitability.

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