



D-Link[®]
Building Networks for People

Unaudited 3Q08 Earnings Release

October 28, 2008

Agenda

➤ **Operation Review &
Updates**

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➤ **Q&A**

All numbers are brand consolidated and unaudited, except otherwise specified.

Operation Review & Updates

3Q08 Income Statement & QoQ Comparison

Unit: NT\$ million	3Q08		2Q08		QoQ %
	AMT	%	AMT	%	Change
Net Sales	8,628	100.0	8,507	100.0	1.4
Cost of Goods Sold	5,808	67.3	5,655	66.5	2.7
Gross Profit	2,820	32.7	2,852	33.5	(1.1)
Operating Expenses	2,281	26.5	2,499	29.4	(8.7)
Operating Income	539	6.2	353	4.1	52.7
Total Non-Op. Inc. (Loss)	83	1.0	38	0.5	118.4
Income Before Tax	622	7.2	391	4.6	59.1
Tax (Exp.) / Income	(164)	(1.9)	(52)	(0.6)	215.4
Net Income	458	5.3	339	4.0	35.1
Minority Interest	0	0.0	0	0.0	0.0
Consolidated Income	458	5.3	339	4.0	35.1
EPS (NT\$)-Per Fully Diluted Capital of NT\$5,652M	0.81		0.60		35.1

* The numbers are unaudited.

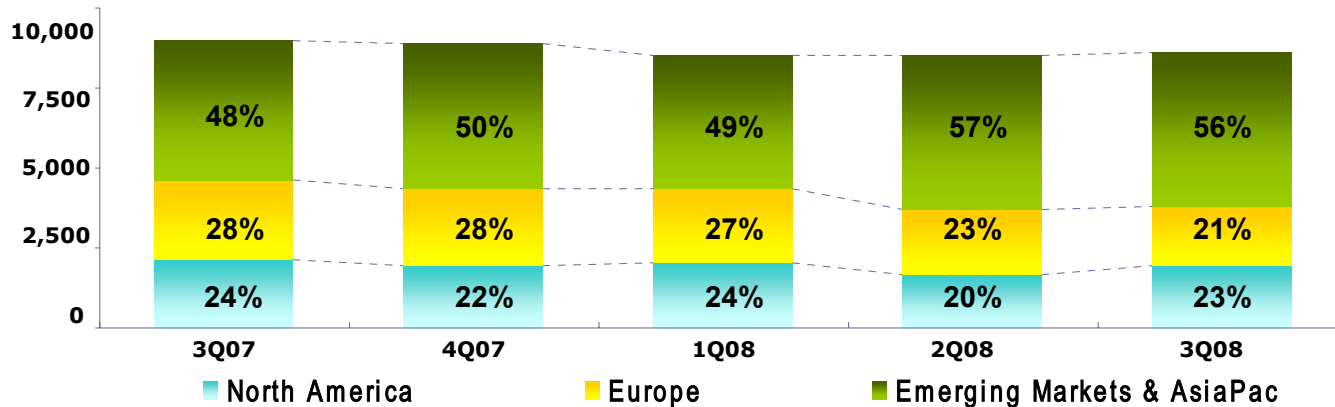
Quarterly Revenue by Regions

Brand Only

3Q08 revenue up 1.4% QoQ, down 4.1% YoY

- N.A. up 17.4% QoQ, down 5.6% YoY
- Europe down 9.9% QoQ, down 29.5% YoY
- Emerging Markets & APac up 0.5% QoQ, up 11.5% YoY

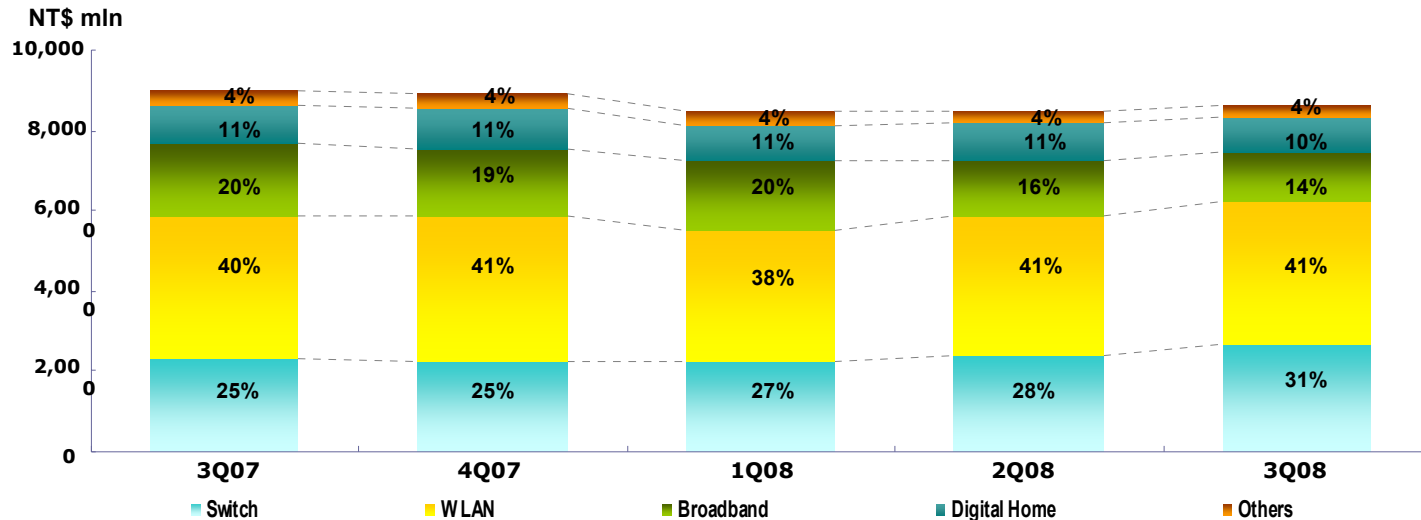
NT\$ mln



Quarterly Revenue by Products Brand Only

3Q08 revenue comparison:

- Switch up 16.5% YoY, up 12.2% QoQ
- WLAN up 0.1% YoY, up 2.5% QoQ
- B.B. down 32.2% YoY, down 11.2% QoQ
- D.H. down 10.4% YoY, down 7.8% QoQ



3Q08 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ mln	3Q08	2Q08	QoQ % Change
Investment Income	177	84	110.7
Sub./Aff.	177	74	139.2
Capital Gain	0	10	(100.0)
FX Gain/(Loss)	(107)	(24)	345.8
Inventory Loss	(88)	(84)	4.8
Fin. Income/(Exp.) & Oth.	101	62	62.9
Total	83	38	118.4

3Q08 Income Statement & YoY Comparison

Unit: NT\$ million	3Q08		3Q07		YoY % Change
	AMT	%	AMT	%	
Net Sales	8,628	100.0	8,999	100.0	(4.1)
Cost of Goods Sold	5,808	67.3	5,850	65.0	(0.7)
Gross Profit	2,820	32.7	3,149	35.0	(10.4)
Operating Expenses	2,281	26.5	2,462	27.4	(7.4)
Operating Income	539	6.2	687	7.6	(21.5)
Total Non-Op. Inc. (Loss)	83	1.0	274	3.1	(69.7)
Income Before Tax	622	7.2	961	10.7	(35.3)
Tax (Exp.) / Income	(164)	(1.9)	(156)	(1.7)	5.1
Net Income	458	5.3	805	9.0	(43.1)
Minority Interest	0	0.0	(4)	0.1	(100.0)
Consolidated Income	458	5.3	801	8.9	(42.8)
EPS (NT\$)-Per Fully Diluted Capital of NT\$5,652M	0.81		1.42		(42.8)

* The numbers are unaudited.

YT3Q08 Income Statement & YoY Comparison

Unit: NT\$ million	YT3Q08		YT3Q7		YoY % Change
	AMT	%	AMT	%	
Net Sales	25,628	100.0	24,345	100.0	5.3
Cost of Goods Sold	17,092	66.7	15,856	65.1	7.8
Gross Profit	8,536	33.3	8,489	34.9	0.6
Operating Expenses	7,158	27.9	6,609	27.2	8.3
Operating Income	1,378	5.4	1,880	7.7	(26.7)
Total Non-Op. Inc. (Loss)	66	0.2	972	4.0	(93.2)
Income Before Tax	1,444	5.6	2,852	11.7	(49.4)
Tax (Exp.) / Income	(276)	(1.1)	(100)	(0.4)	176.0
Net Income	1,168	4.5	2,752	11.3	(57.6)
Minority Interest	0	0.0	(23)	(0.1)	(100.0)
Consolidated Income	1,168	4.5	2,729	11.2	(57.2)
EPS (NT\$)-Per Fully Diluted Capital of NT\$5,652M	2.07		4.83		(57.2)

* The numbers are unaudited.

09/30/2008 Balance Sheet & QoQ Comparison

Unit: NT\$ mln	09/30/08		06/30/08		QoQ %
	AMT	%	AMT	%	Change
Cash	3,837	14	4,773	19	(19.6)
S-T Investment	99	0	334	1	(70.4)
Account Receivable	7,014	26	6,978	27	0.5
Inventory	7,926	29	5,185	20	52.9
Long-term Investments	5,260	20	5,618	22	(6.4)
Total Assets	26,959	100	25,576	100	5.4
Accounts Payable	8,991	33	6,527	26	37.8
Current Liabilities	12,628	47	11,508	45	11.7
Common Stock	5,652	21	5,652	22	0.0
Stockholders' Equity	13,831	51	13,526	53	2.3

Key Financial Ratios

Unit: % , days	09/30/08	06/30/08	03/31/08	12/31/07	09/30/07
Days A/R	74 [*]	75 [*]	63 [*]	61 [*]	67 [*]
Days Inventory	125 [*]	84 [*]	82 [*]	101 [*]	112 [*]
Days A/P	141 [*]	105 [*]	75 [*]	100 [*]	119 [*]
Cash Cycle	57	53	70	62	61
Current Ratio	1.58	1.59	1.96	1.70	1.80
Debt/Equity Ratio	0.95	0.89	0.57	0.77	0.71
Net Debt/Equity Ratio	0.67 ^{**}	0.51 ^{**}	0.29 ^{**}	0.40 ^{**}	0.38 ^{**}
ROE	13 [*]	16 [*]	17 [*]	22 [*]	22 [*]

* Annualized

**Adjust for Cash & S-T investment

4Q08 Guidance

- **Revenue high single digit down QoQ**
- **Operating margin range of 5.0-5.5%**
- **Accelerating shift to SME / Green products**

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

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