D-Link

D-Link Investor Conference

February, 2003

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Safe Harbor Statement

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.

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Q4/02 Financial Updates

Presented by A.P. Chen

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2002 Income Statement

Amount: NT$ million	2002 Actual	As % of Sales
Net Sales	16,408	100%
Cost of Goods Sold	13,472	82%
Gross Margin	2,936	18%
Operating Expenses	1,982	12%
Operating Income	954	6%
Total Non-Op. Inc. (Loss)	11	-
Investment Income (Loss)	(162)	(1)%
Income Before Tax	965	6%
Income Tax Credit (Expense)	(96)	(1)%
Net Income	869	5%
Earnings Per Share (NT$)	❆ 1.70	

❆ EPS has adjusted for current capital of 512.5 million shares

2002 YoY Income Statement Comparison

Amount: NT$ million

	2002 Actual		2001 Actual		YoY % Change
Net Sales	16,408	100%	14,807	100%	11%
Cost of Goods Sold	13,472	82%	12,110	82%	11%
Gross Margin	2,936	18%	2,697	18%	9%
Operating Expenses	1,982	12%	1,782	12%	11%
Operating Income	954	6%	915	6%	4%
Total Non-Op. Inc. (Loss)	11	-	140	1%	(92)%
Investment Income (Loss)	(162)	(1)%	122	1%	(233)%
Income Before Tax	965	6%	1,055	7%	(9)%
Income Tax Credit (Expense)	(96)	(1)%	(100)	-	(4)%
Net Income	869	5%	955	6%	(9)%
Earnings Per Share (NT$)	1.70❆		2.15		

❆ EPS has adjusted for current capital of 512.5 million shares

4Q/02 YoY Income Statement Comparison

Amount: NT$ million	4Q/02 Actual		4Q/01 Actual		YoY % Change
Net Sales	4,669	100%	4,174	100%	12%
Cost of Goods Sold	3,781	81%	3,318	80%	14%
Gross Margin	888	19%	856	21%	4%
Operating Expenses	719	15%	605	15%	19%
Operating Income	169	4%	251	6%	(33)%
Total Non-Op. Inc. (Loss)	100	2%	5	-	1900%
Investment Income (Loss)	(27)	(1)%	60	1%	(145)%
Income Before Tax	269	6%	256	6%	5%
Income Tax Credit (Expense)	(24)	(1)%	(49)	-	
Net Income	245	5%	207	5%	18%
Earnings Per Share (NT$)	0.48 ☸		0.40		19%

☸ EPS has adjusted for current capital of 512.5 million shares

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4Q/02 QoQ Income Statement Comparison

Amount: NT$ million	4Q/02 Actual		3Q/02 Actual		QoQ % Change
Net Sales	4,669	100%	4,157	100%	12%
Cost of Goods Sold	3,781	81%	3,470	83%	9%
Gross Margin	888	19%	687	17%	29%
Operating Expenses	719	15%	423	10%	70%
Operating Income	169	4%	264	6%	(36)%
Total Non-Op. Inc. (Loss)	100	2%	(172)	(4)%	(158)%
Investment Income (Loss)	(27)	(1)%	(117)	(3)%	(77)%
Income Before Tax	269	6%	92	2%	192%
Income Tax Credit (Expense)	(24)	(1)%	(24)	-	
Net Income	245	5%	68	2%	260%
Earnings Per Share (NT$)	0.48 ❆		0.13		

❆ EPS has adjusted for current capital of 512.5 million shares

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2002 Consolidated Income Statement

Amount: NT$ million	2002 Actual	As % of Sales
Net Sales	22,641	100%
Cost of Goods Sold	16,181	71%
Gross Margin	6,460	29%
Operating Expenses	5,849	26%
Operating Income	611	3%
Total Non-Op. Inc. (Loss)	355	1%
Investment Income (Loss)	218	1%
Income Before Tax	966	4%
Income Tax Credit (Expense)	(85)	-
Net Income	881	4%
Minority Interest	(12)	-
Consolidated Income	869	4%
Earnings Per Share (NT$)	1.70 ※	

※ EPS has adjusted for current capital of 512.5 million shares

2002 YoY Consolidated Income Statement Comparison

Amount: NT$ million

	2002 Actual		2001 Actual		YoY % Change
Net Sales	22,641	100%	17,609	100%	29%
Cost of Goods Sold	16,181	71%	12,858	73%	26%
Gross Margin	6,460	29%	4,751	27%	36%
Operating Expenses	5,849	26%	4,234	24%	38%
Operating Income	611	3%	517	3%	18%
Total Non-Op. Inc. (Loss)	355	2%	501	3%	(29)%
Investment Income (Loss)	218	1%	561	3%	(61)%
Income Before Tax	966	4%	1,018	6%	(5)%
Income Tax Credit (Expense)	(85)	-	(68)	-	25%
Net Income	881	4%	950	5%	(7)%
Minority	(12)	-	5	-	
Consolidate Income	869	4%	955	5%	(9)%
Earnings Per Share (NT$)	1.70❆		2.15		

❆ EPS has adjusted for current capital of 512.5 million shares

4Q/02 QoQ Consolidated Income Statement Comparison

Amount: NT$ million	4Q/02 Actual		3Q/02 Actual		QoQ % Change
Net Sales	6,935	100%	5,684	100%	22%
Cost of Goods Sold	4,727	68%	4,220	74%	12%
Gross Margin	2,208	32%	1,464	26%	51%
Operating Expenses	1,942	28%	1,401	25%	39%
Operating Income	266	4%	63	1%	322%
Total Non-Op. Inc. (Loss)	(6)	-	32	1%	(119)%
Investment Income (Loss)	(100)	(1)%	82	1%	(222)%
Income Before Tax	260	4%	95	2%	174%
Income Tax Credit (Expense)	1	-	(25)	-	(104)%
Net Income	261	4%	70	1%	273%
Minority	(16)		(2)		
Consolidate Income	245	4%	68	1%	260%
Earnings Per Share (NT$)	0.48❆		0.13		

❆ EPS has adjusted for current capital of 512.5 million shares

Balance Sheet and Cash Flow YoY Comparison

Amount: NT$ million

	12/31/02 Actual		12/31/01 Actual		YoY % Change
Cash	1,116	6%	2,347	14%	(52)%
S-T Investment	3,131	18%	1,167	7%	168%
Account Receivable	4,198	24%	4,167	26%	1%
Inventory	1,110	6%	1,256	8%	(12)%
Long-term Investments	4,221	24%	4,541	28%	(7)%
Total Assets	17,442	100%	16,196	100%	8%
Accounts Payable	2,916	17%	2,557	16%	14%
Current Liabilities	3,986	23%	3,182	20%	25%
Long-term Liabilities	3,001	17%	2,984	18%	1%
Common Stock	4,968	28%	4,459	28%	11%
Stockholder's Equity	9,583	55%	9,279	57%	3%
Depreciation	278		229		
Capital Expenditure	618		1,420		

Balance Sheet and Cash Flow QoQ Comparison

Amount: NT$ million	12/31/02 Actual		09/30/02 Actual		QoQ % Change
Cash	1,116	6%	1,412	8%	(21)%
S-T Investment	3,131	18%	4,679	26%	(33)%
Accounts Receivable	4,198	24%	4,248	24%	(1)%
Inventory	1,110	6%	816	5%	36%
Long-term Investments	4,221	24%	4,192	23%	1%
Total Assets	17,442	100%	17,914	100%	(3)%
Account Payable	2,916	17%	3,106	17%	(6)%
Current Liabilities	3,986	23%	4,164	23%	(4)%
Long-term Liabilities	3,001	17%	2,992	17%	-
Common Stock	4,968	28%	5,163	29%	(4)%
Stockholder's Equity	9,583	55%	9,901	55%	(3)%
Depreciation	278		207		-
Capital Expenditure	618		533		

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Key Financial Ratios – Liquidity/Leverage

Unit: %, days	12/31/01	3/31/02	6/30/02	9/30/02	12/31/02
Days A/R	91	100*	89*	98*	93
Days Inventory	45	32*	32*	29*	32
Days A/P	67	63*	65*	80*	74
Cash Cycle	69	69	56	47	51
Current Ratio	2.92	3.54	3.32	2.74	2.72
Debt/Equity Ratio	0.75	0.63	0.67	0.81	0.82
Adjusted Debt/ Equity Ratio	0.49	0.48	0.48	0.67	0.70

*Annualized

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Key Financial Ratios – Profitability (%)

Unit: %	12/31/01	3/31/02	6/30/02	9/30/02	12/31/02
Net Income/Sales	6.45	9.67	7.33	5.30	5.30
Net Income/Total Assets	5.90	9.40*	6.76*	4.64*	4.98
Operating Profit/Sales	6.18	6.49	6.87	6.69	5.81
Return on Equity	10	14**	11**	9**	9
EPS (NT$)	2.15	0.76	1.08	1.21	1.70※

*Annualized

**Annualized and adjusted for stock dividend issuance

※EPS has adjusted for current capital of 512.5 million shares

Consolidated Balance Sheet YoY Comparison

Amount: NT$ million

	12/31/02 Actual		12/31/01 Actual		YoY % Change
Cash	1,972	9%	3,167	18%	(38)%
S-T Investment	3,286	15%	1,328	8%	147%
Account Receivable	4,630	22%	3,013	17%	54%
Inventory	3,886	18%	2,994	17%	30%
Long-term Investments	2,460	11%	3,136	18%	(22)%
Total Assets	21,496	100%	17,660	100%	22%
Accounts Payable	4,524	21%	2,730	15%	66%
Current Liabilities	8,006	37%	4,863	28%	65%
Long-term Liabilities	3,299	15%	2,984	17%	11%
Common Stock	4,968	23%	4,459	25%	11%
Stockholders' Equity	9,583	45%	9,279	53%	3%

Consolidated Balance Sheet QoQ Comparison

Amount: NT$ million

	12/31/02 Actual		09/30/02 Actual		QoQ % Change
Cash	1,972	9%	2,003	10%	(2)%
S-T Investment	3,286	15%	4,802	23%	(32)%
Account Receivable	4,630	22%	4,757	23%	(3)%
Inventory	3,886	18%	2,478	12%	57%
Long-term Investments	2,460	11%	2,868	14%	(14)%
Total Assets	21,496	100%	21,004	100%	2%
Accounts Payable	4,524	21%	3,580	17%	26%
Current Liabilities	8,006	37%	7,460	36%	7%
Long-term Liabilities	3,299	15%	2,992	14%	10%
Common Stock	4,968	23%	5,163	25%	(4)%
Stockholders' Equity	9,583	45%	9,901	47%	(3)%

Consolidated Key Financial Ratios – Liquidity/Leverage

Unit: % , days

	12/31/01	3/31/02	6/30/02	9/30/02	12/31/02
Days A/R	63	62*	64*	68*	62
Days Inventory	88	66*	69*	65*	78
Days A/P	69	61*	67*	75*	82
Cash Cycle	82	67	66	58	57
Current Ratio	2.30	2.59	2.12	2.01	1.96
Debt/Equity Ratio	0.90	0.81	1.01	1.12	1.24
Adjusted Debt/Equity Ratio	0.56	0.58	0.75	0.92	1.04

*Annualized

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Consolidated Key Financial Ratios – Profitability (%)

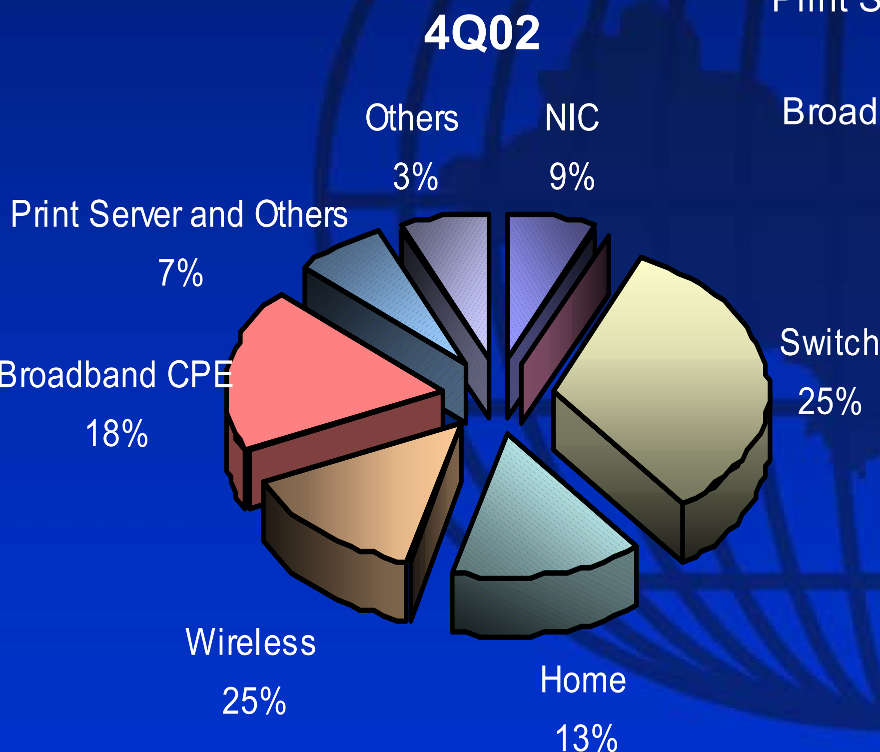
Unit: %	12/31/01	3/31/02	6/30/02	9/30/02	12/31/02
Net Income/Sales	5.42	7.47	5.55	3.97	3.84
Net Income/Total Assets	5.41	8.49*	5.62*	3.95*	4.04
Operating Profit/Sales	2.94	3.06	2.81	2.20	2.70
Return on Equity	10	14**	11**	9**	9
EPS (NT$)	2.15	0.76	1.08	1.21	1.70※

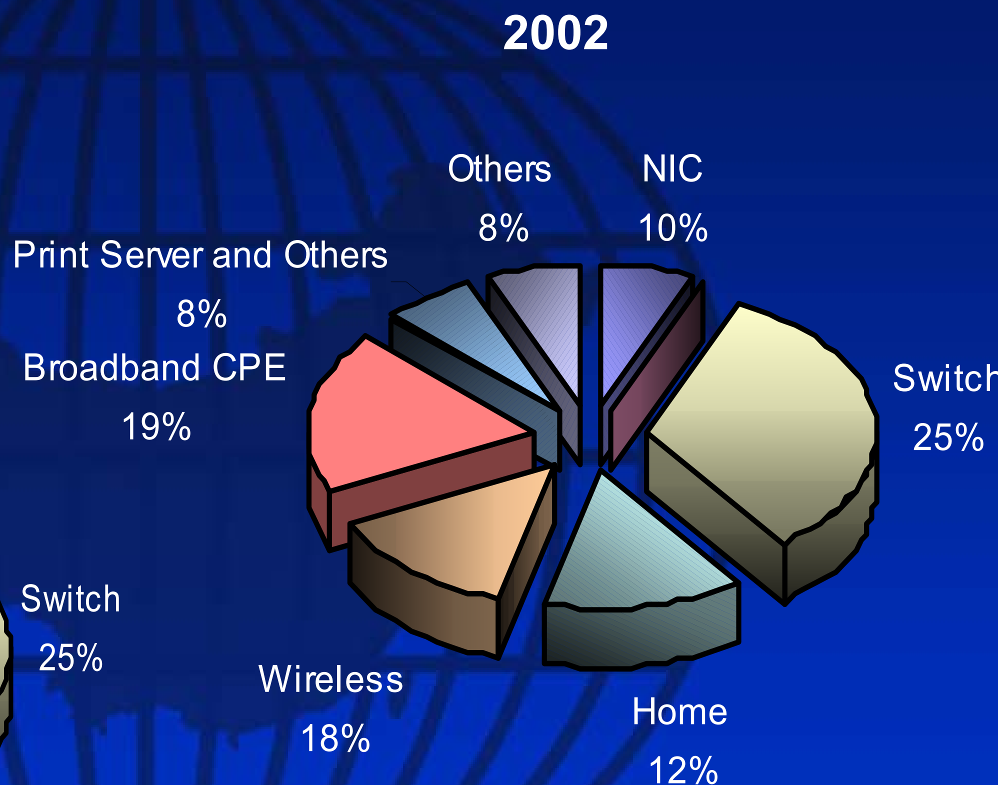
*Annualized

**Annualized and adjusted for stock dividend issuance

※ EPS has adjusted for current capital of 512.5 million shares

Revenue by Products





Notes:
All values indicated are based on Taiwan book

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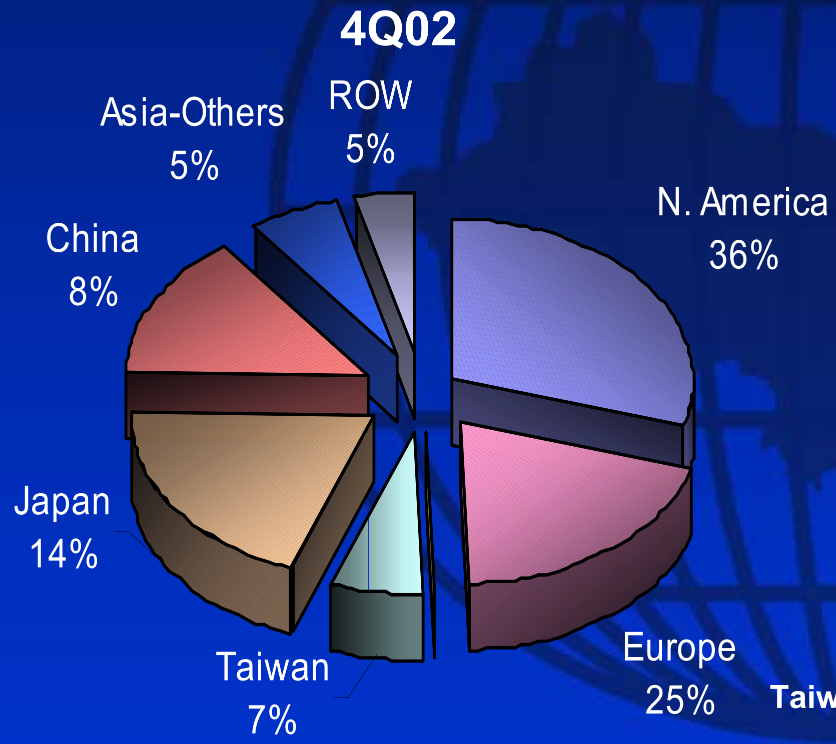
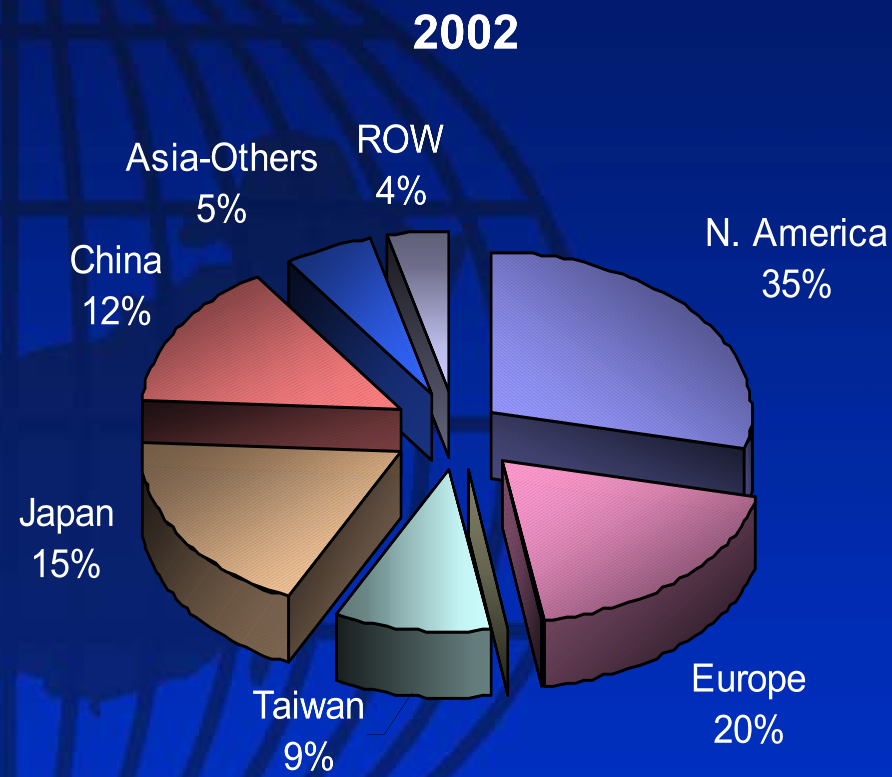
Revenue by Geography





Notes:
Taiwan sales included components + OEM, IPO sales

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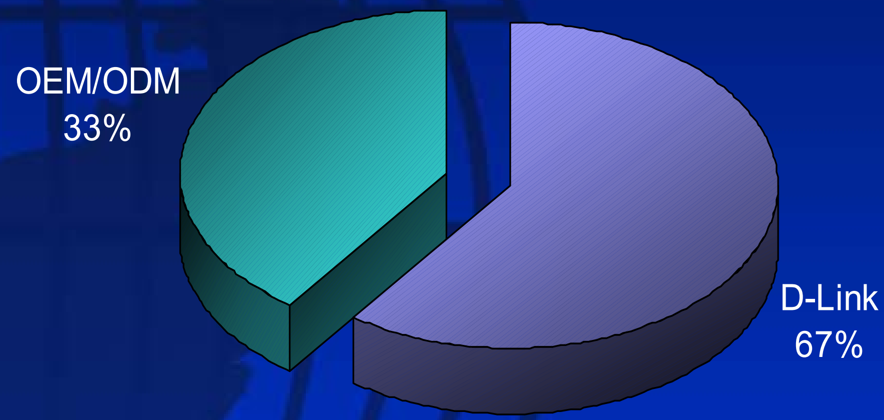
"D-Link" vs. OEM/ODM

2002



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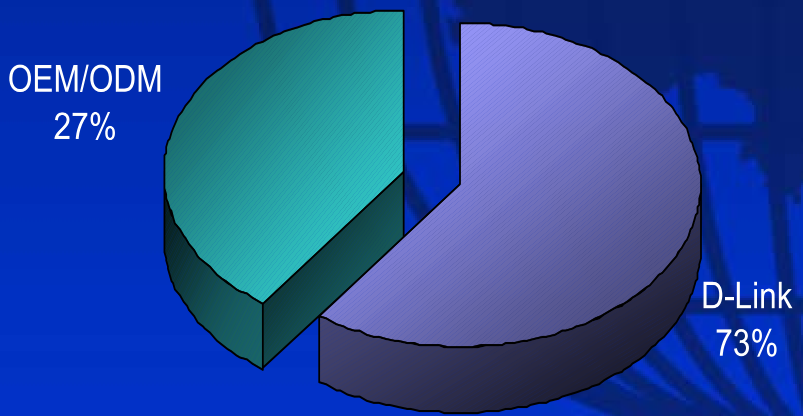

Notes:
All values indicated are based on Taiwan book

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