

CSFB Asian Investment Conference

Hong Kong

March 15-18, 2005

Differentiation



Differentiation

- A True Global Player, Well-Established Channels
- Expertise in Switch, WLAN, and Broadband
- #1 in SMB/SOHO Market
- Strong Earnings Capability
- Well-Contained D/E Ratio and Inventory Level
- High Dividend Payout, Improved ROE
- Industry & Business Outlook

**A True Global Player,
Well-Established Channels**

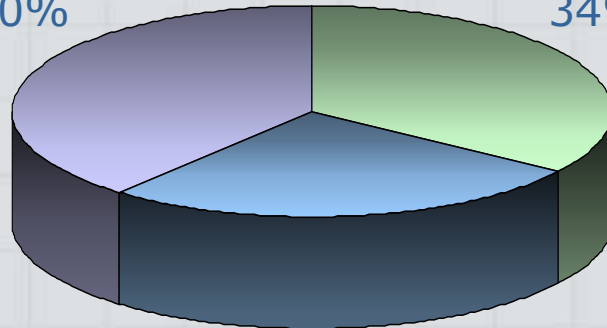


Revenue By Regions

FY2004

FY2003

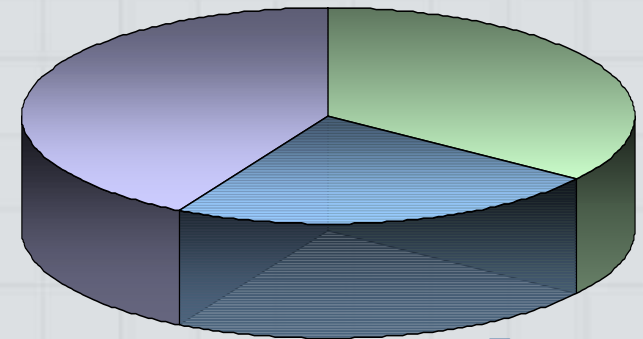
Asia Pacific
& Others
40%



North
America
34%

Europe
26%

Asia Pacific
& Others
40%

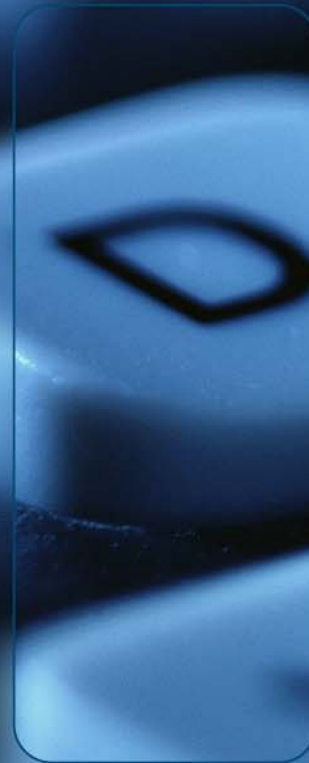


North
America
33%

Europe
27%

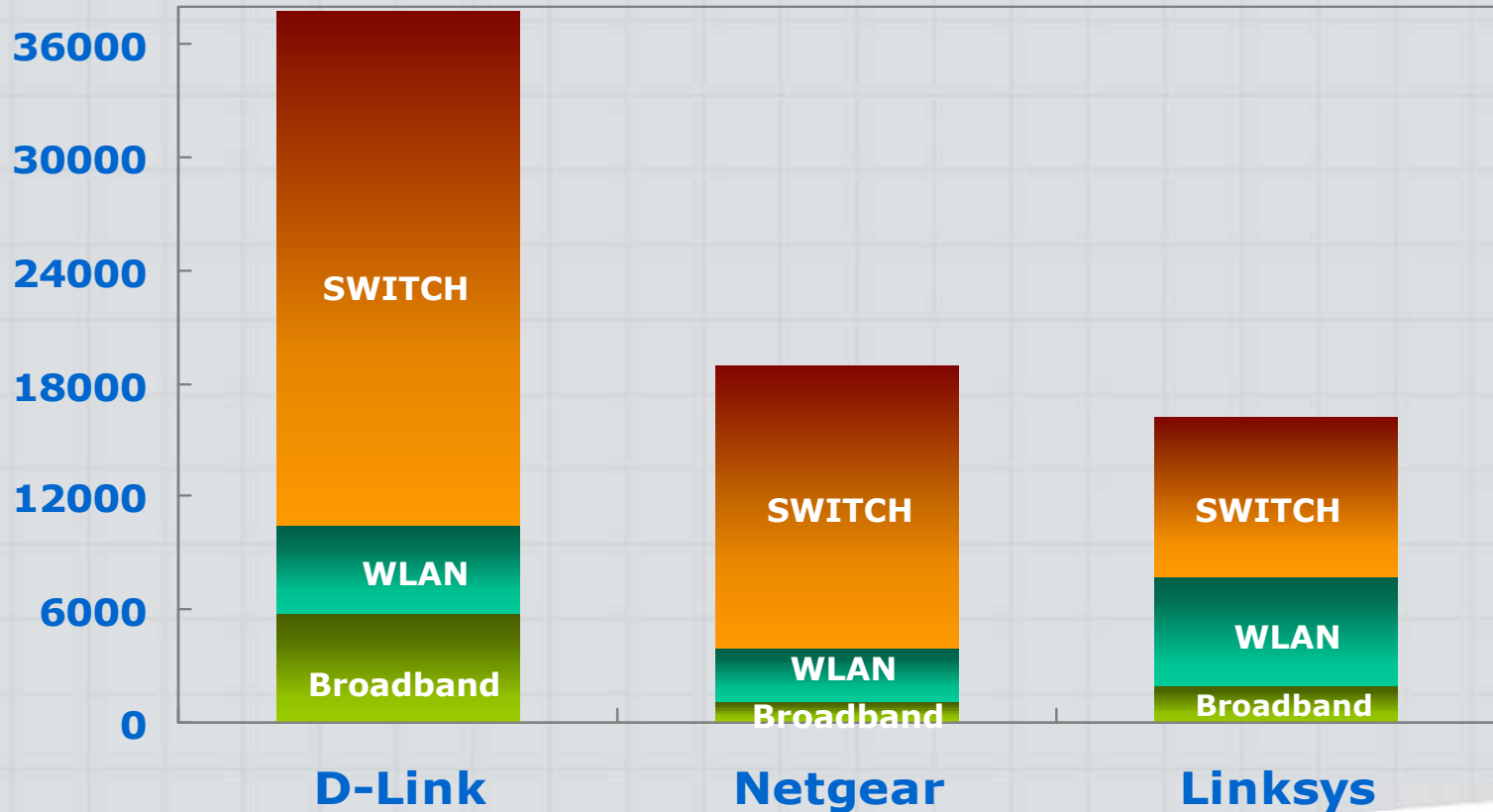
*FY2004 sales are pro forma and consolidated

**Expertise in Switches ,
WLAN and Broadband**



Number 1 in SMB/SOHO Connectivity

Unit/port shipments, thousands

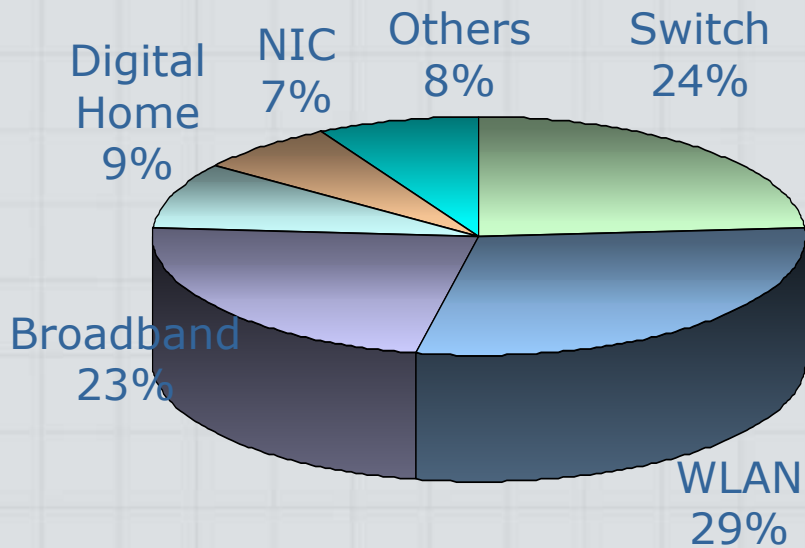


Source:
Synergy Research Group, FY2004

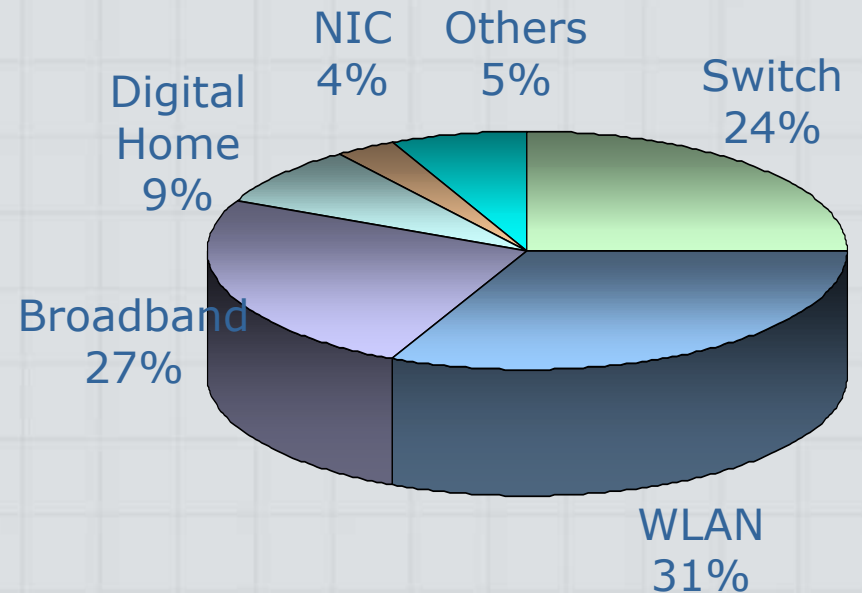
■ Broadband ■ WLAN ■ SWITCH

Revenue By Products

FY2003



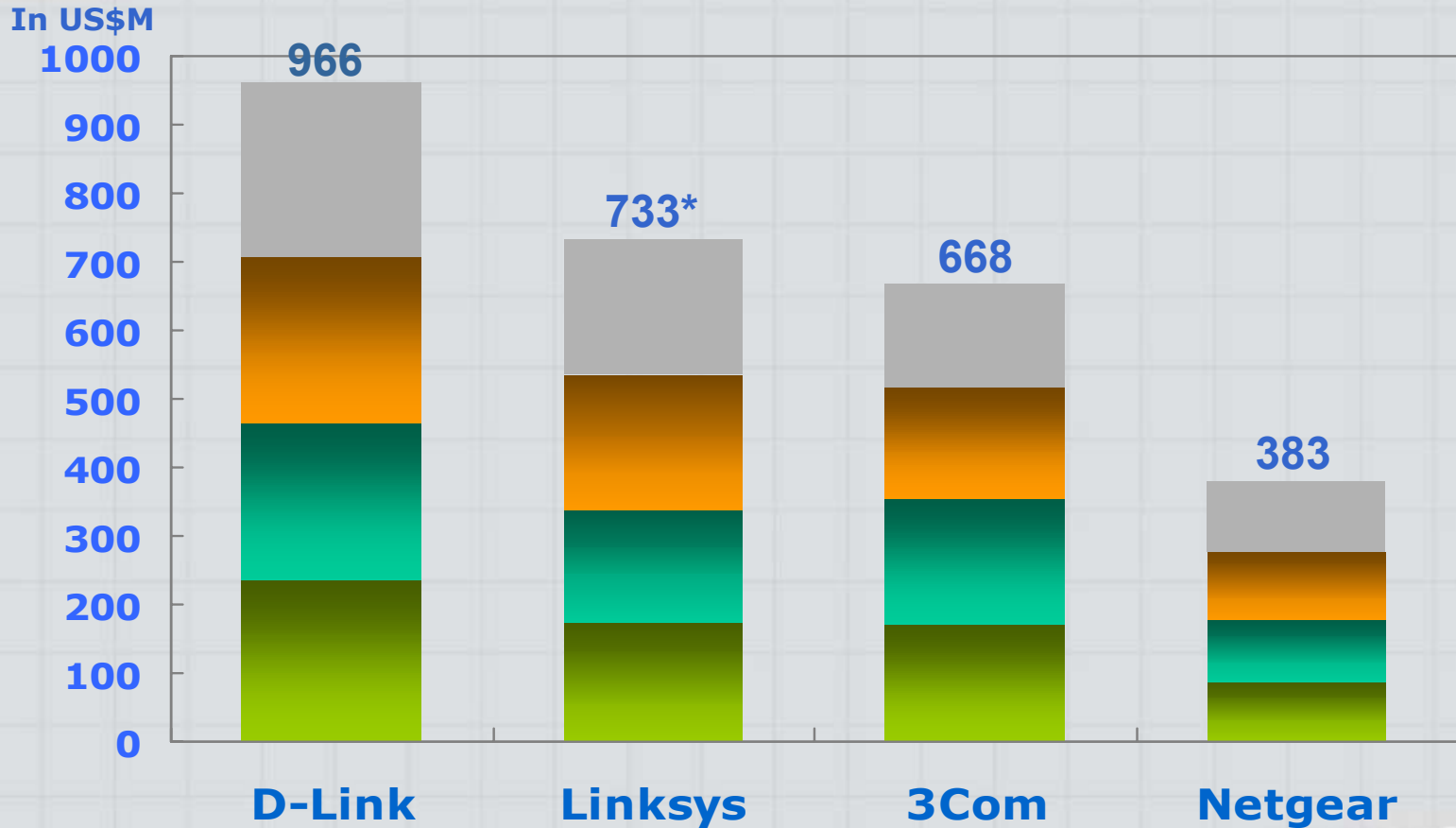
FY2004



*FY2004 sales are pro forma and consolidated

Number 1 in SMB/SOHO Market

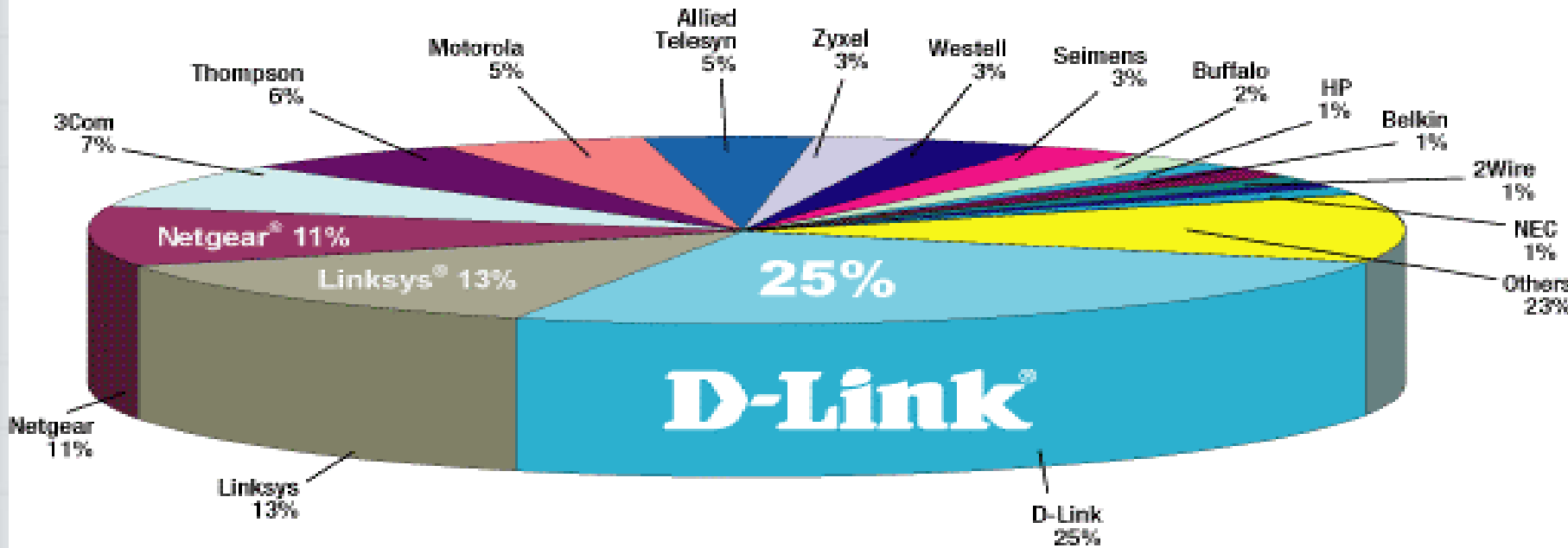
Number 1 in Global Revenue



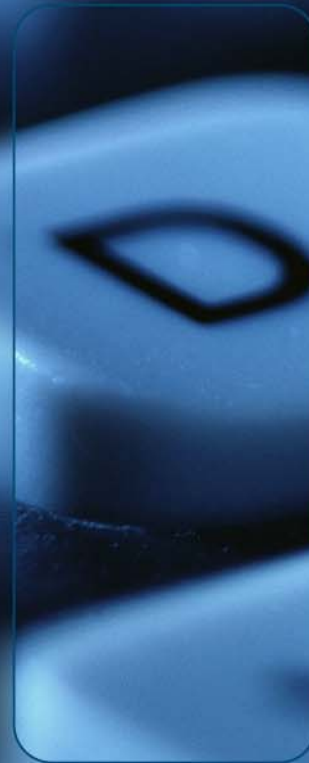
*3Q&4Q 04's figures are estimated.

■ 1Q04 ■ 2Q04 ■ 3Q04 ■ 4Q04

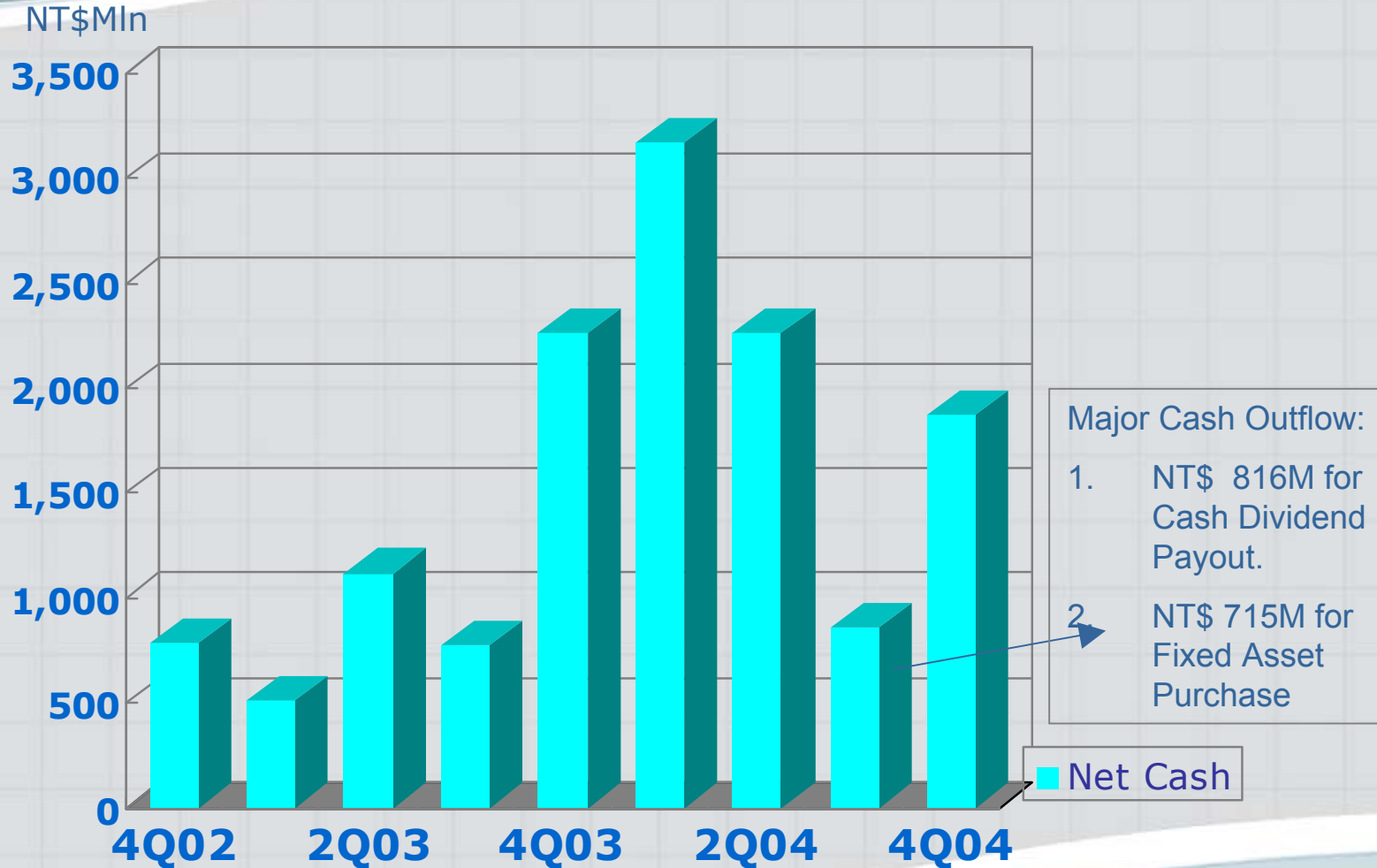
Global SMB/SOHO Connectivity Marketshare Q4/04



**High Dividend Payout,
Improved ROE**



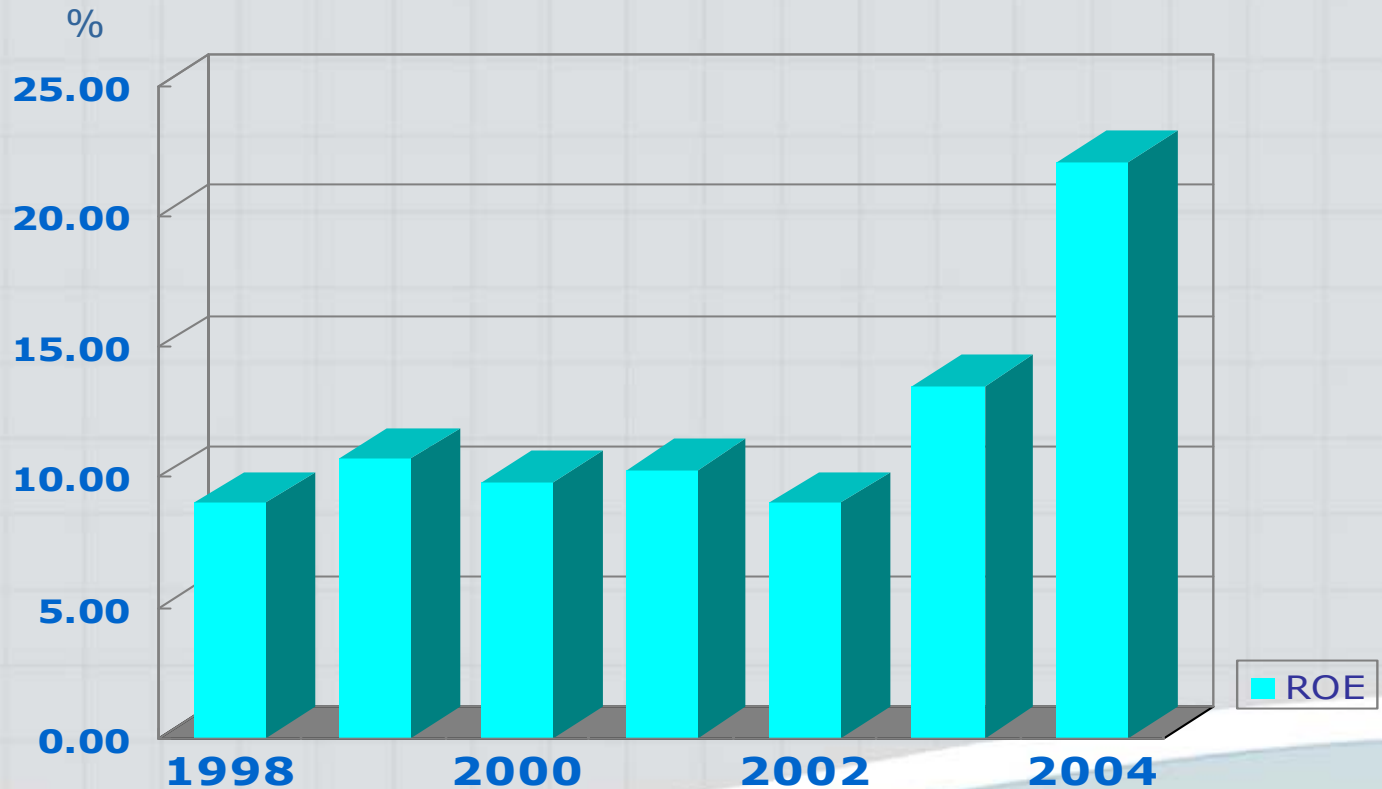
Net Cash Position



Return on Equity

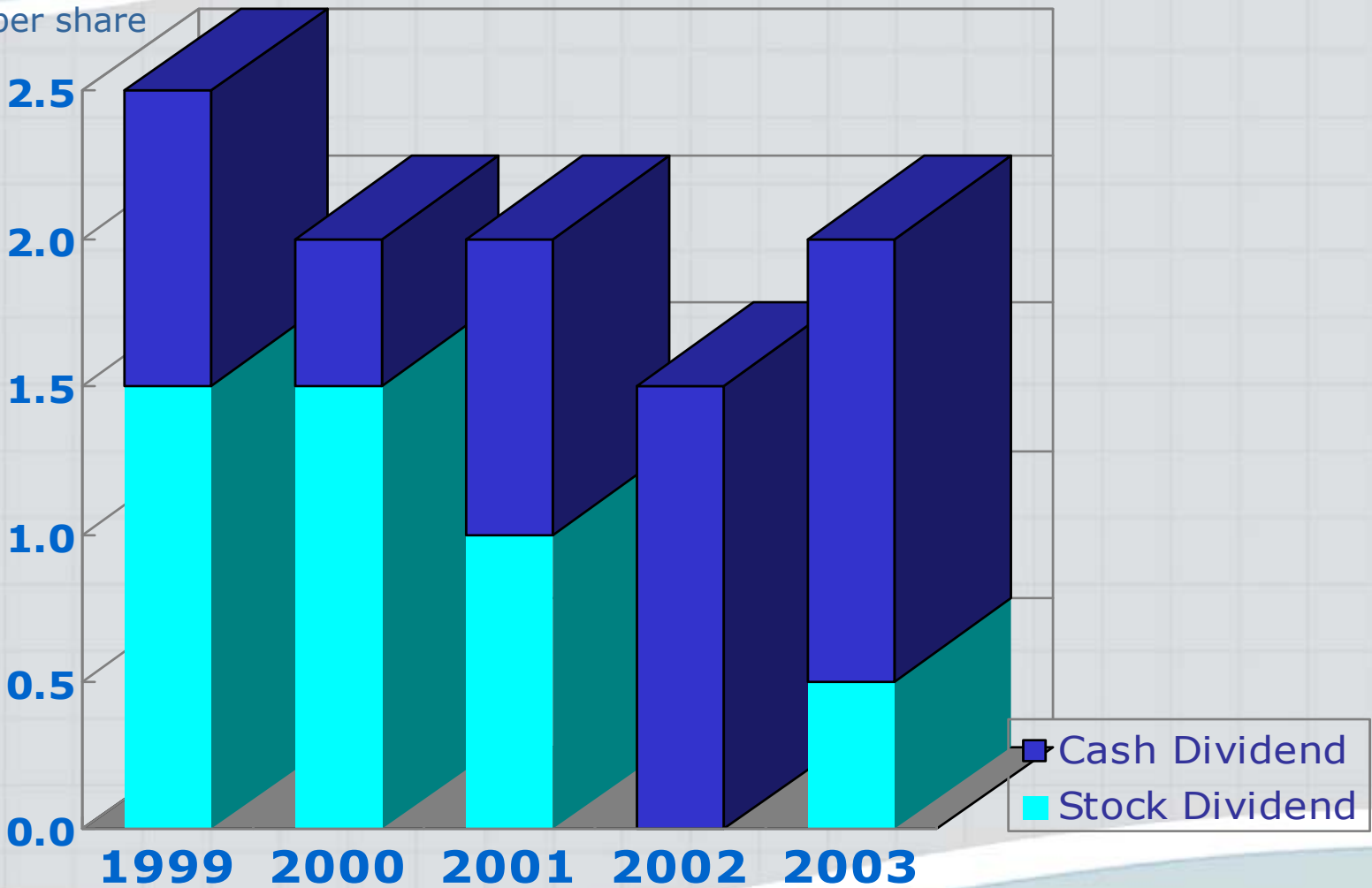
Continued divesting non-core investments

High cash dividend payout



Dividend Payout

NT\$ per share



High Payout & Yield

Payout ratio

Yield rate

100%

10.00%

80%

8.00%

60%

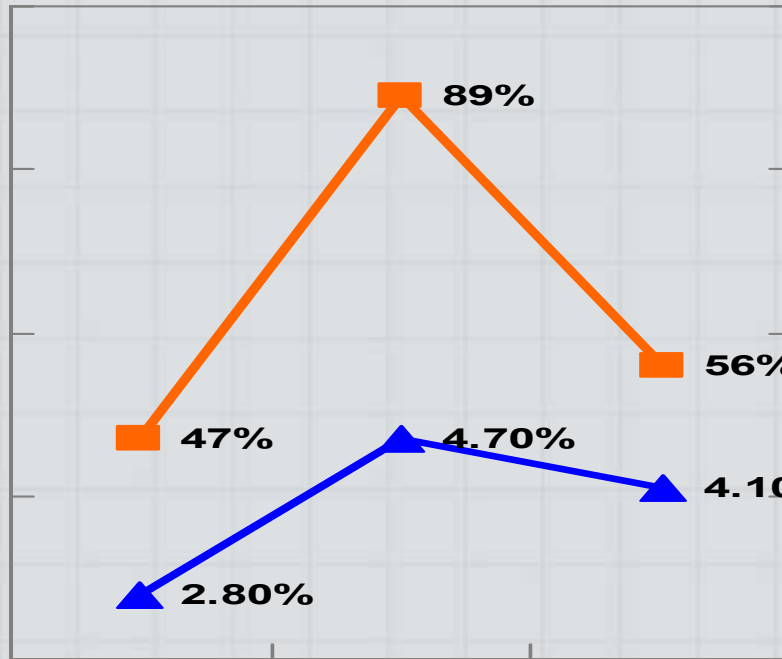
6.00%

40%

4.00%

20%

2.00%



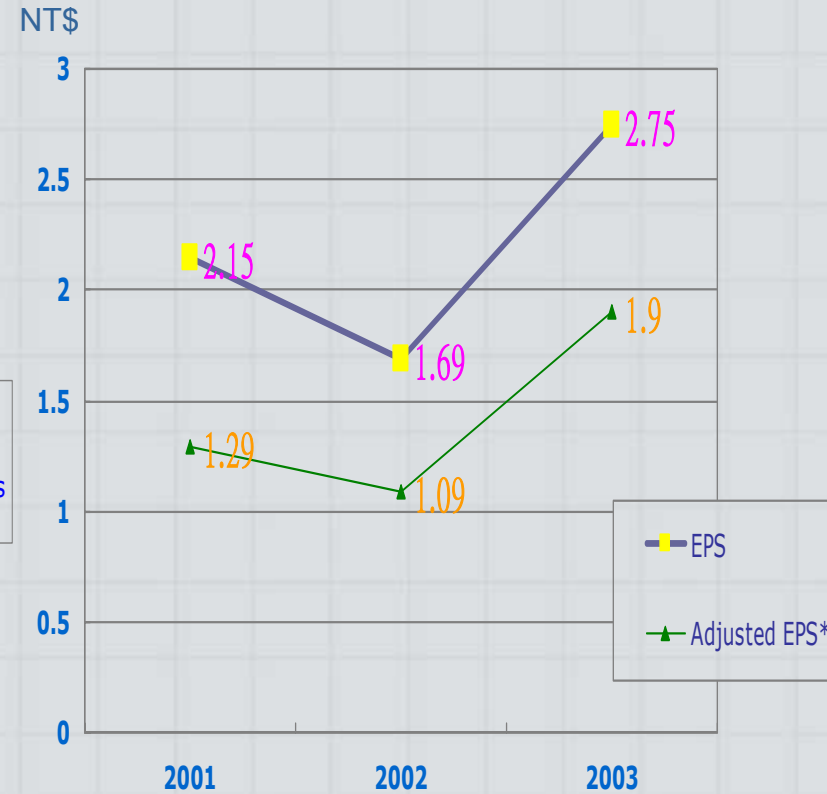
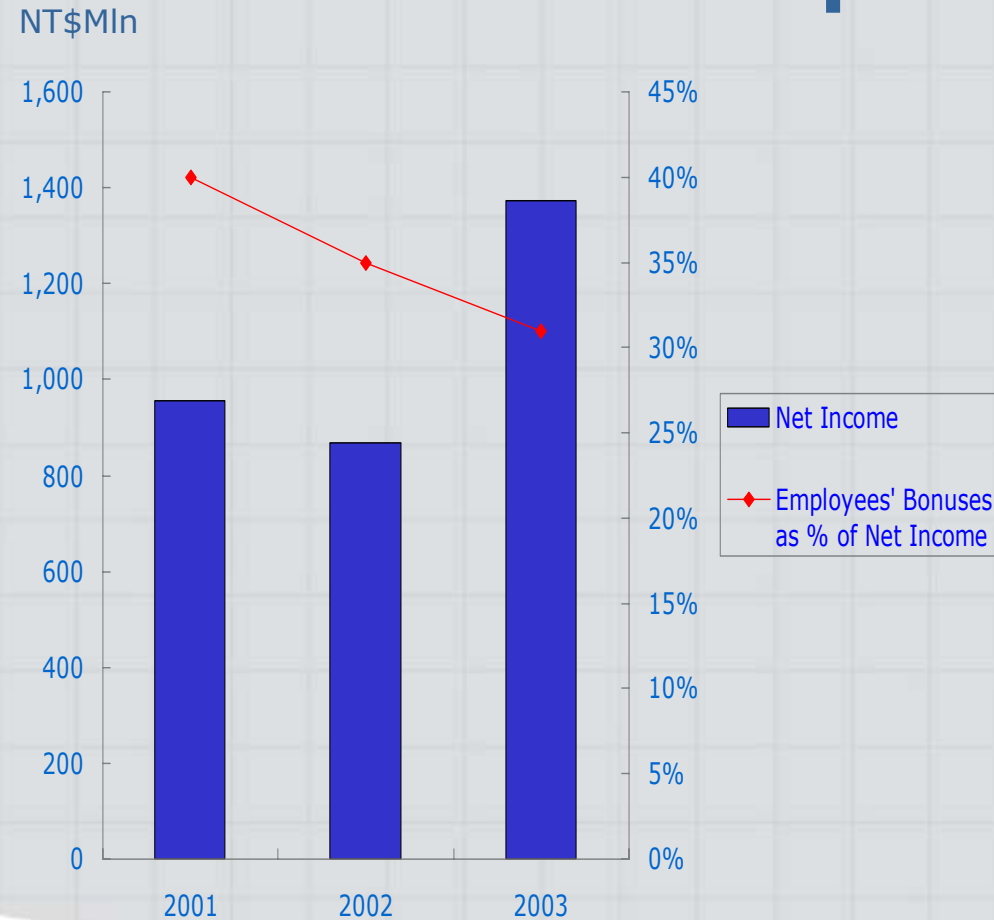
01

02

03

—■— payout ratio —▲— yield rate

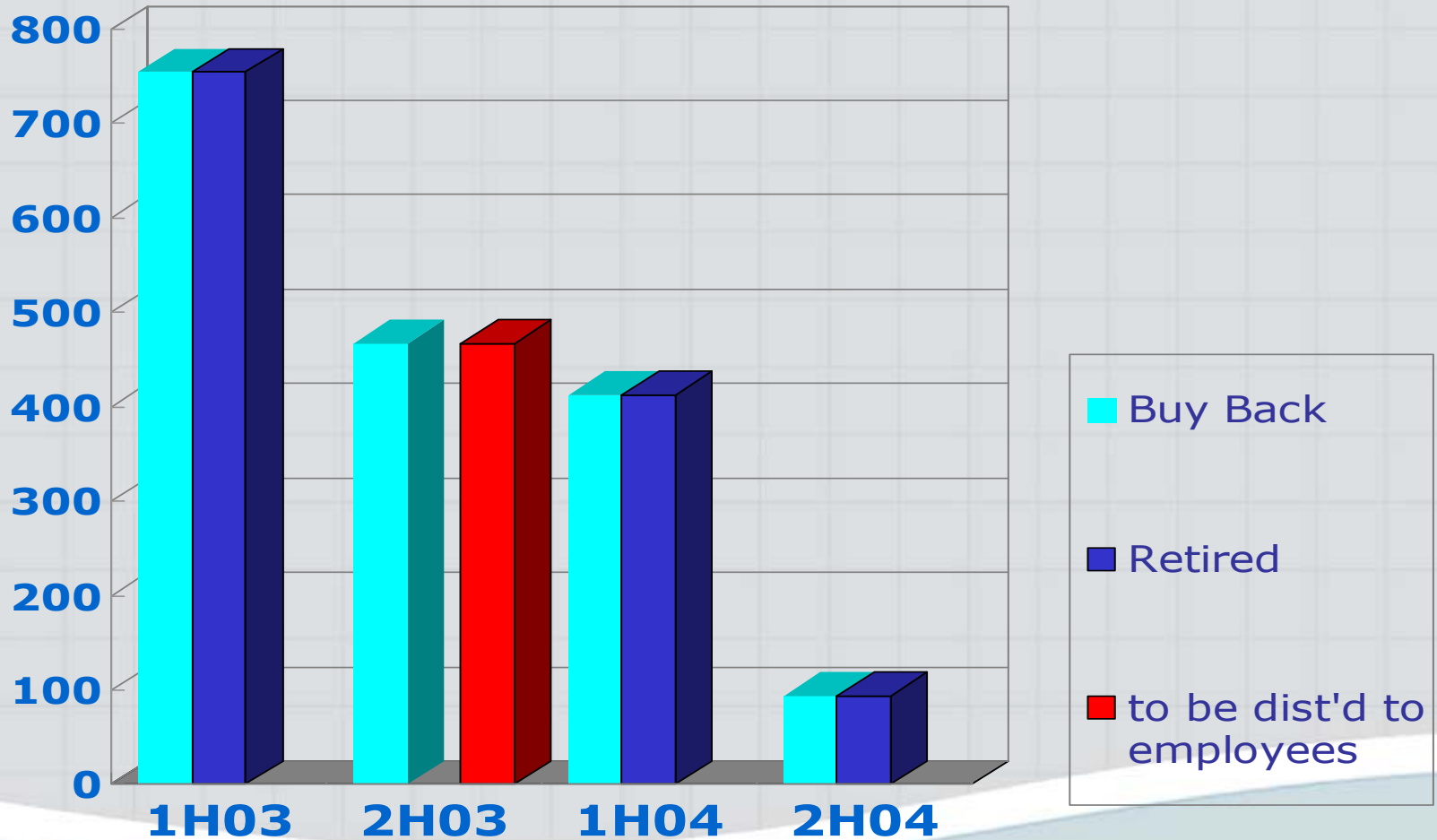
Employees' Bonus Impact on Net Income



**Net Income after subtracting the market value of employees' bonuses

Shares Buy-Back

NT\$Mln



Industry & Business Outlook

The Industry

Networked Home: a 24+% 4-yr CAGR

Switch: up 24% in '04

XDSL: up 68% '04; a 20+% 4-yr CAGR

WLAN: unit up 51% in '04; up 123% by '08;
WiFi home to reach 23%, or 50mln, in '07

Digital home: 70+% home penetration by 2010

Product Trends 2005

Switch

GigE Taking Off, L3 Outgrows L2

Adapter 100% business adoption; 10% for home

Switch 20% in 2004, 40% in 2005 and 75% in 2006



More Powerful Chips Create New Opportunities

Xstack 40G-120G

24G+4XGE Single chip IPv6 MPLS

Wireless Switch

Narrower cost differential GigE vs. FE

Wireless

WiFi Consumer Market Poised for Explosive Growth

11g, a/g replacing 11b

MiniPCI replacing PC Cards

WiFi triple play emerging



Broadband

Massive Broadband Growth Worldwide

Price continues to drop

Shift from ADSL to VDSL & FTTH

Triple play & IAD



Global Strategies

North America

- Market share gain in WLAN
- Take-off of Digital Home and Gaming products
- Penetrating business channels

Europe

- Maintain dominant positions
- Humongous growth in Eastern Europe
- Switch & Security as key growth drivers

Other Areas

- Fastest growth among all regions, #1 in all countries
- Latin America, Russia, Mid-East growing more than 100%

2005 Outlook

- Softer Industry Growth Compared to 2004.
- Big Becomes Bigger. More Consolidation.
- D-Link Continues to Grow & Outperforms Peers.

Longer Term Business Model

	FY03	FY04	FY05E	Model*
Sales Growth (%)	24%	29%	25%	20%
Gross Margin (%)	31%	33%	32%	36%
Operating Margin (%)	6%	8%	7%	7%
Tax Exp. (% of PBT)	11%	12%	15%	20%
ROE (%)	14%	22%	15%	15%

*Assuming de-consolidation of Alpha



Q & A

*For complete financial and
press releases, please visit
<http://ir.dlink.com>*

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.

Thank You!



**Building Networks
for People**