

**D-Link**<sup>®</sup>  
Building Networks for People

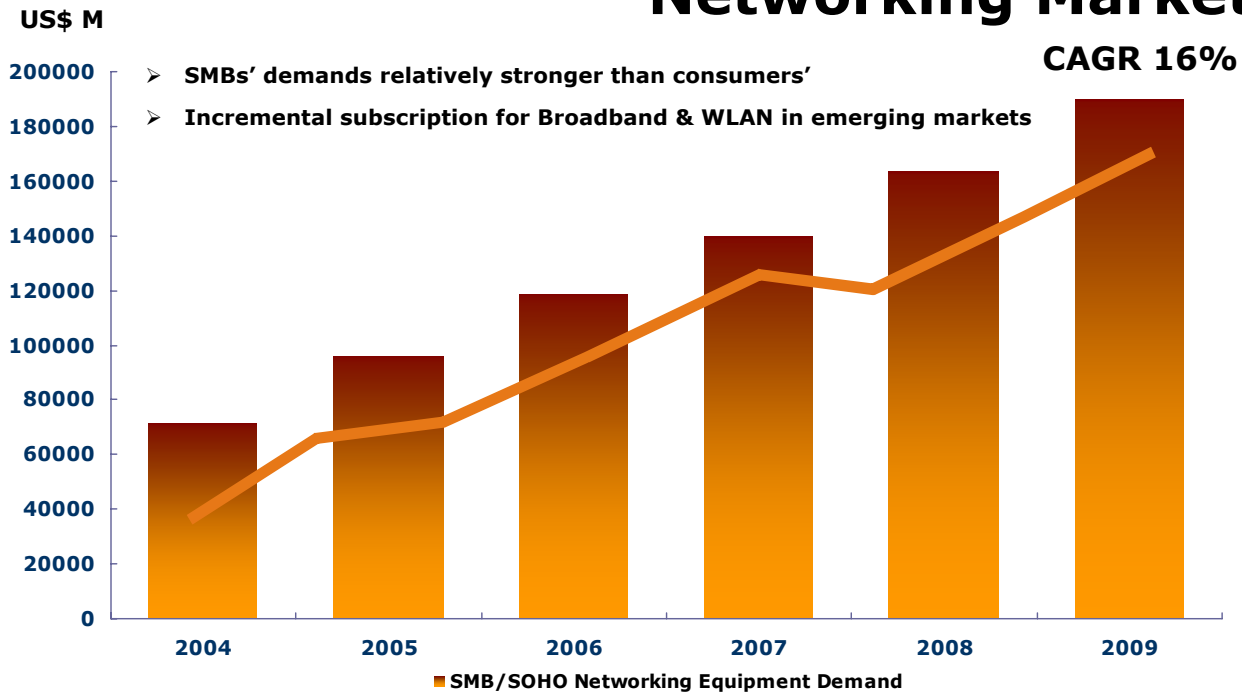


**CitiGroup  
Taiwan Investor  
Conference**

**October 11, 2007 Taipei**

# Industry & Corporate Updates

## WW SMB and SOHO Networking Market



Source: IDC, FY2006

## 1H07 Income Statement & YoY Comparison

Unit: NT\$ million	1H07		1H06		YoY % Change
	AMT	%	AMT	%	
Net Sales	15,345	100.0	13,717	100.0	11.9
Cost of Goods Sold	10,005	65.2	9,292	67.7	7.7
Gross Profit	5,340	34.8	4,425	32.3	20.7
Operating Expenses	4,148	27.0	3,663	26.7	13.2
Operating Income	1,192	7.8	762	5.6	56.4
Total Non-Op. Inc. (Loss)	699	4.5	405	2.9	72.6
Income Before Tax	1,891	12.3	1,167	8.5	62.0
Tax (Exp.) / Income	56	0.4	(163)	(1.2)	(134.4)
Net Income	1,947	12.7	1,004	7.3	93.9
Minority Interest	(19)	(0.1)	(17)	(0.1)	11.8
Consolidated Income	1,928	12.6	986	7.2	95.5
EPS (NT\$)	2.82		1.44		95.5

\* Calculated by fully diluted basis of 683.8mln shares

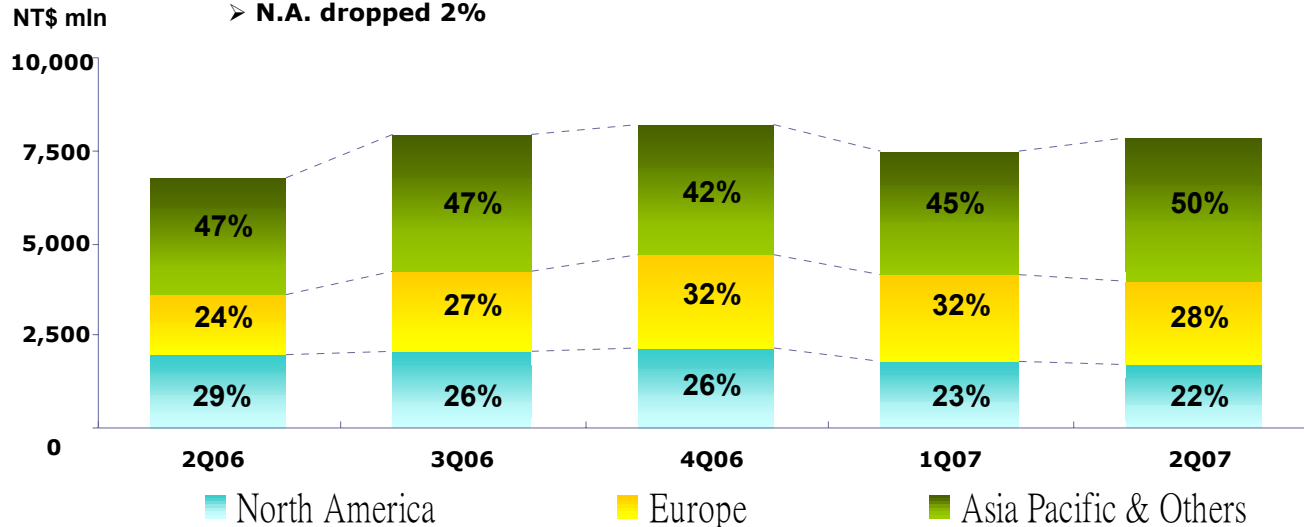
\* The numbers are pro forma

# Quarterly Revenue by Regions

## Brand Only

2Q07 revenue up 4% QoQ

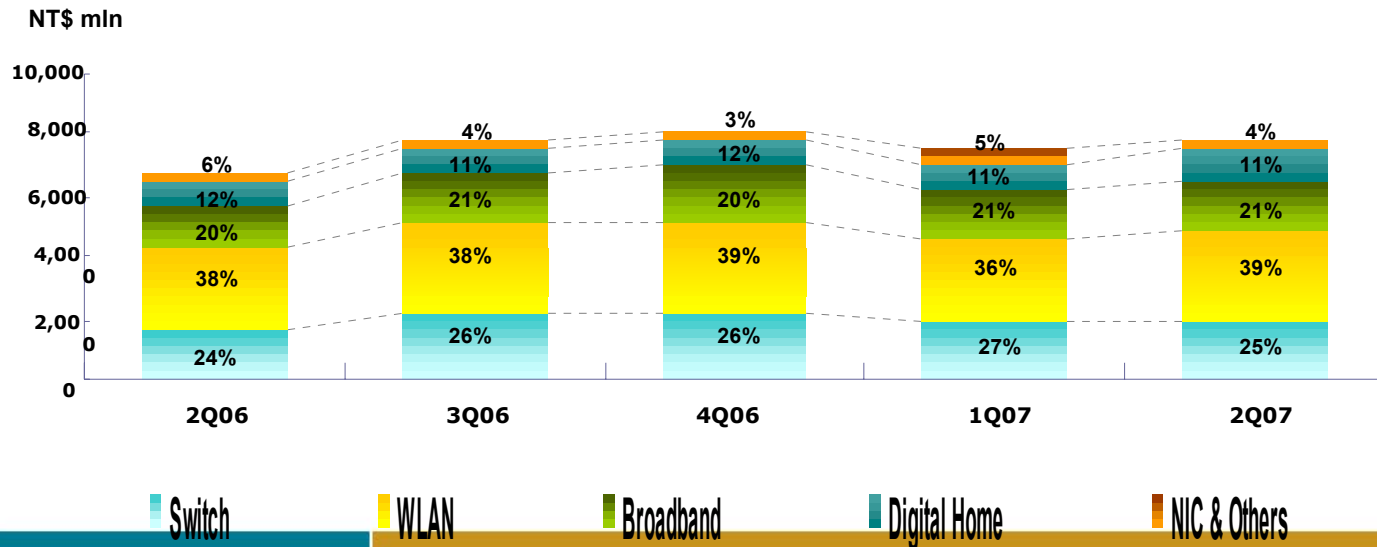
- Emerging markets & AsiaPac jumped 15%
- Europe decreased 7%
- N.A. dropped 2%



# Quarterly Revenue by Products Brand Only

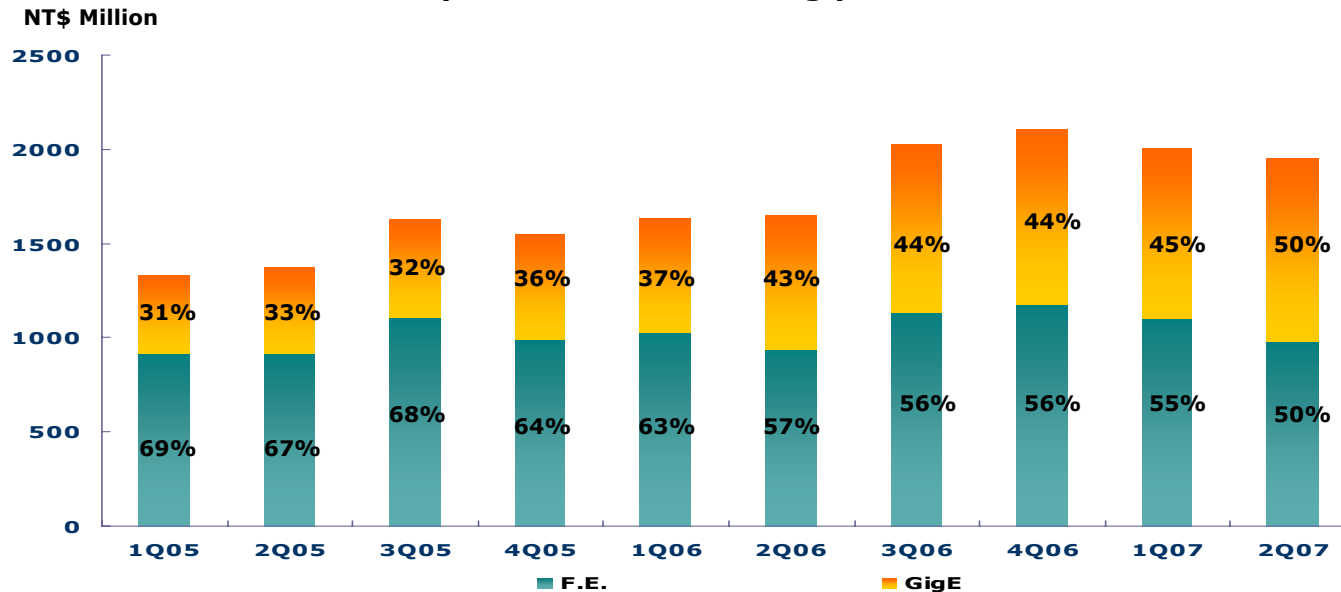
2Q/07 revenue QoQ comparison:

- Switch down 2%
- WLAN increased 12%
- Broadband inched 3%
- Digital Home up 13%



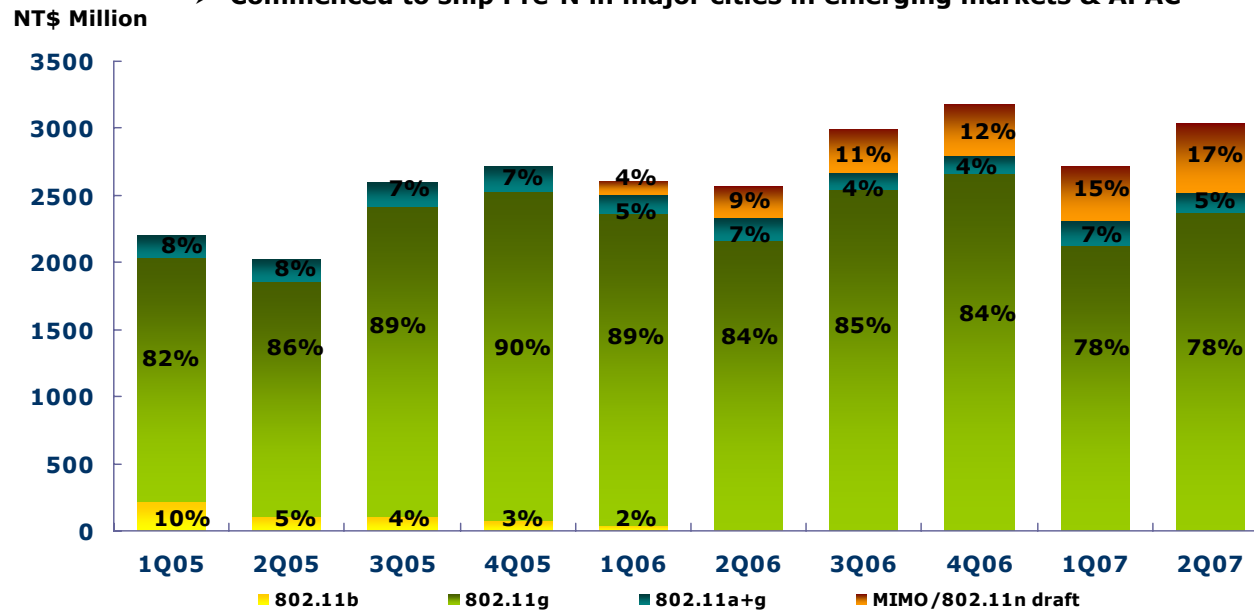
## D-Link Switch

- **SMB demands for switches seasonally strong**
- **Deferral shipments in Russia being processed**



# D-Link WLAN

- Back-to-school for Pre-N in N.A. & Europe
- Commenced to ship Pre-N in major cities in emerging markets & APAC

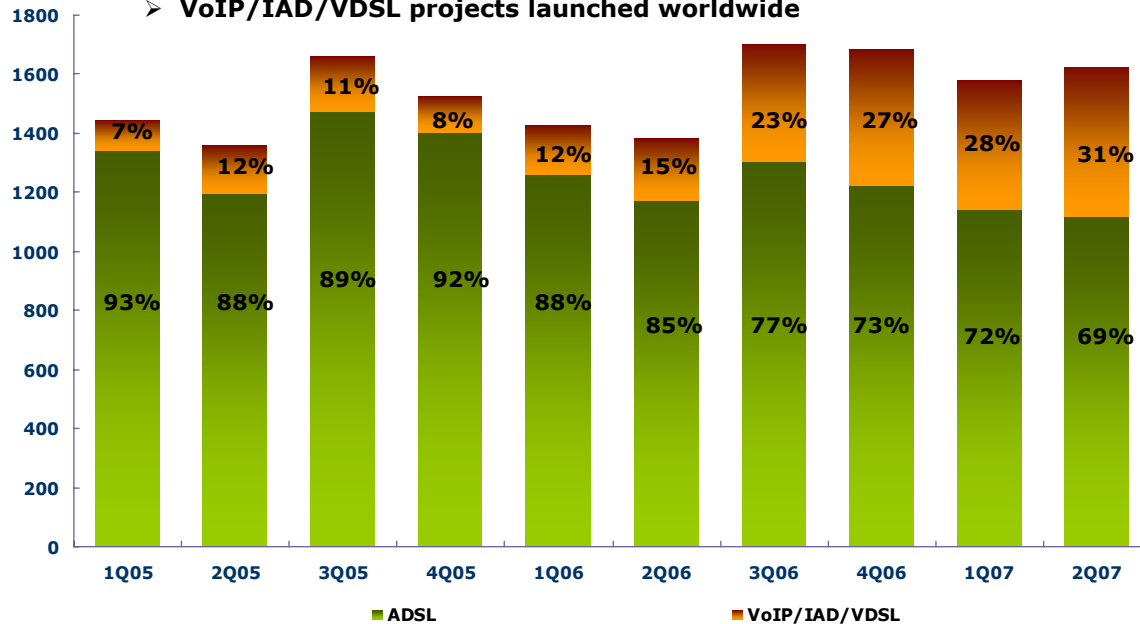




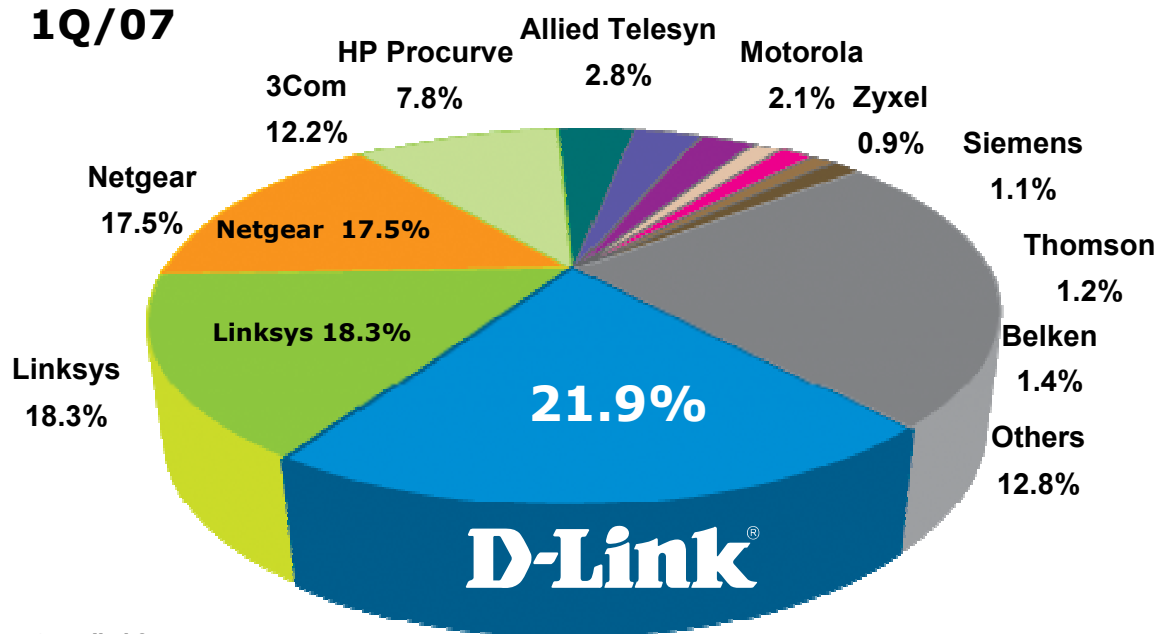
# D-Link Broadband

NT\$ Million > Remaining cutting down low margin business for ADSL

> VoIP/IAD/VDSL projects launched worldwide



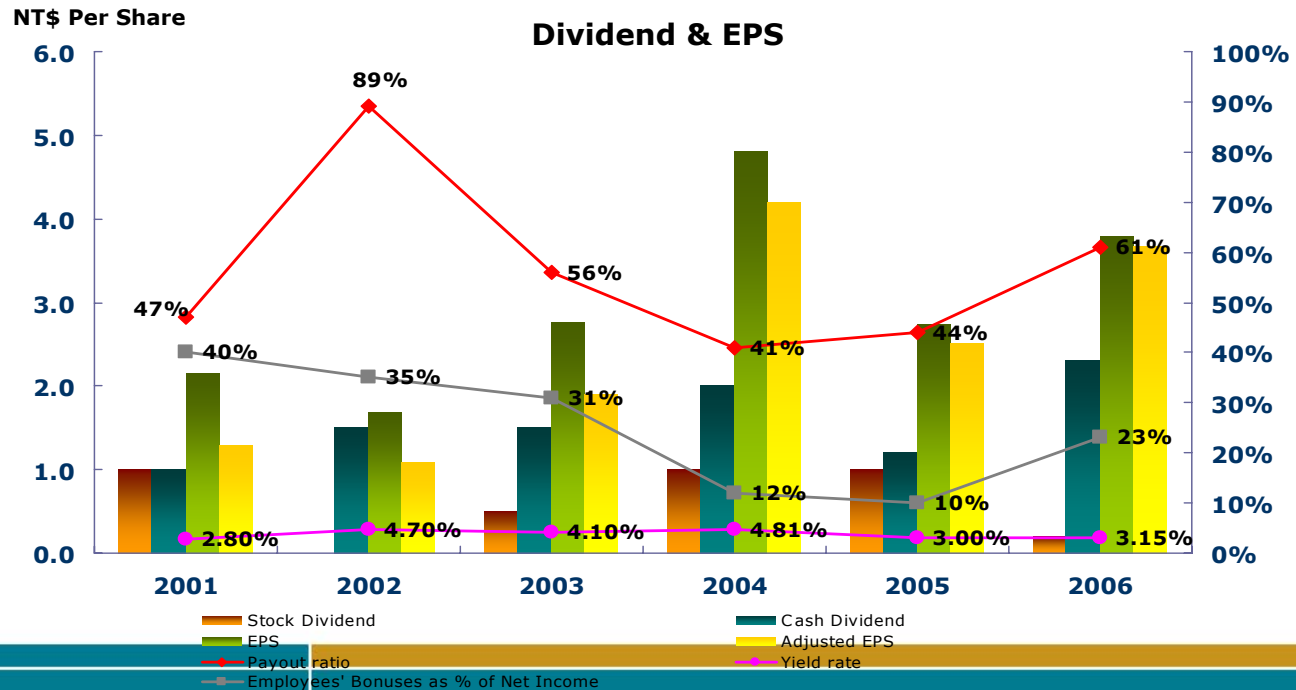
## #1 in SOHO/SMB Market



Source: Compiled from  
 In-Stat Q1 2007 Wireless LAN Equipment Market Share Report  
 In-Stat Q12007 Ethernet LAN Switch Market Share Report  
 In-Stat Q1 2007 Broadband Equipment Market Share Report

# High Dividend Payout

- Payout more cash over stock
- Limited employees' bonuses impact
- High yield rate



## Longer Term Business Model

	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>Model</u>
<b>Sales Growth (%)</b>	5%	14%	12%	10-15%
<b>Gross Margin (%)</b>	31%	34%	35%	35-36%
<b>Operating Margin (%)</b>	5%	8%	9%	9-10%
<b>Tax Exp. (% of PBT)</b>	20%	15%	17%	18-20%
<b>ROE (%)</b>	14%	18%	19%	18-20%

\* All of the figures are pro forma & brand only

\*\* FY07 & Model's figures are estimated

## 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

*For complete financial and  
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