



# 1Q15 Operating Results

May 15, 2015

# Financial Review

# 1Q15 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	1Q15		4Q14		QoQ % Change	1Q14		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	<b>6,720</b>	100.0	<b>8,375</b>	100.0	(19.8)	<b>7,182</b>	100.0	(6.4)
Cost of Goods Sold - Product	<b>4,940</b>	73.5	<b>6,088</b>	72.7	(18.9)	<b>5,229</b>	72.8	(5.5)
Gross Profit 1	<b>1,780</b>	26.5	<b>2,287</b>	27.3	(22.2)	<b>1,953</b>	27.2	(8.9)
Inventory Related Gain/(Loss)	<b>(1)</b>	(0.0)	<b>(37)</b>	(0.4)	97.3	<b>70</b>	1.0	N.A.
Gross Profit 2	<b>1,779</b>	26.5	<b>2,250</b>	26.9	(20.9)	<b>2,023</b>	28.2	(12.1)
Operating Expenses	<b>1,926</b>	28.7	<b>2,107</b>	25.2	(8.6)	<b>1,937</b>	27.0	(0.6)
Operating Income	<b>(148)</b>	(2.2)	<b>143</b>	1.7	N.A.	<b>86</b>	1.2	N.A.
Total Non-Op. Inc. (Loss)	<b>(44)</b>	(0.7)	<b>(143)</b>	(1.7)	(69.2)	<b>44</b>	0.6	N.A.
Income Before Tax	<b>(192)</b>	(2.9)	<b>0</b>	0.0	N.A.	<b>130</b>	1.8	N.A.
Tax (Exp.) / Income	<b>(8)</b>	(0.1)	<b>68</b>	0.8	N.A.	<b>(45)</b>	(0.6)	(82.2)
Net Income	<b>(200)</b>	(3.0)	<b>68</b>	0.8	N.A.	<b>85</b>	1.2	N.A.
Minority Interest	<b>(32)</b>	(0.5)	<b>(21)</b>	(0.2)	(52.4)	<b>(5)</b>	(0.1)	(540)
Consolidated Income	<b>(232)</b>	(3.5)	<b>47</b>	0.6	N.A.	<b>81</b>	1.1	N.A.
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,209M	<b>(0.37)</b>		<b>0.08</b>			<b>0.13</b>		

\*The numbers are consolidated and the net income is audited/reviewed.

\*\*Weighted-Avg. Capital adjusted for treasury shares.

# 1Q15 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	1Q15	4Q14	QoQ % Change
Investment Income	64	115	(44.3)
Sub./Aff.	64	50	28.0
Capital Gain	0	65	N.A.
FX Gain/(Loss)	(114)	(288)	(60.4)
Fin. Income/(Exp.) & Other	<u>6</u>	<u>30</u>	<u>(80.0)</u>
Total Non-op Income/Loss	(44)	(143)	(69.2)

\* The numbers are consolidated and the net income is audited/reviewed.

# 3/31/2015 Balance Sheet & QoQ Comparison

Unit: NT\$ million	<b>3/31/15 AMT</b>	<b>%</b>	<b>12/31/14 AMT</b>	<b>%</b>	<b>QoQ % Change</b>
Cash & S-T Investment	<b>2,059</b>	9.2	<b>3,680</b>	14	(44.0)
Account Receivable	<b>5,711</b>	25.6	<b>6,646</b>	26	(14.1)
Inventory	<b>5,864</b>	26.3	<b>6,663</b>	26	(12.0)
Long-term Investments	<b>4,290</b>	19.2	<b>4,265</b>	17	0.6
Total Assets	<b>22,320</b>	100	<b>25,532</b>	100	(12.6)
Accounts Payable	<b>4,602</b>	20.6	<b>6,026</b>	24	(23.6)
Current Liabilities	<b>9,191</b>	41.2	<b>11,618</b>	46	(20.9)
Common Stock	<b>6,478</b>	29.0	<b>6,478</b>	25	0.0
Stockholders' Equity	<b>12,051</b>	54.0	<b>12,829</b>	50	(6.1)

\*The numbers are consolidated and the net income is audited/reviewed.

\*\*Weighted-Avg. Capital adjusted for treasury shares.

# Key Financial Ratios

Unit: % , days	1Q15	4Q14	3Q14	2Q14	1Q14
**Days A/R	75	81	82	76	76
**Days Inventory	101	105	109	109	98
**Days A/P	84	99	102	103	85
Cash Cycle	91	87	88	82	89
Current Ratio	1.63	1.57	1.65	1.67	1.82
Debt/Equity Ratio	0.82	0.96	0.90	0.89	0.76
***Net Debt/Equity Ratio	0.65	0.68	0.68	0.64	0.53
ROE	-7.7	1.5	-4	2	2

The numbers are based on consolidated numbers and the net income is audited.

\*\* Annualized

\*\*\* Net of Cash & S-T investment

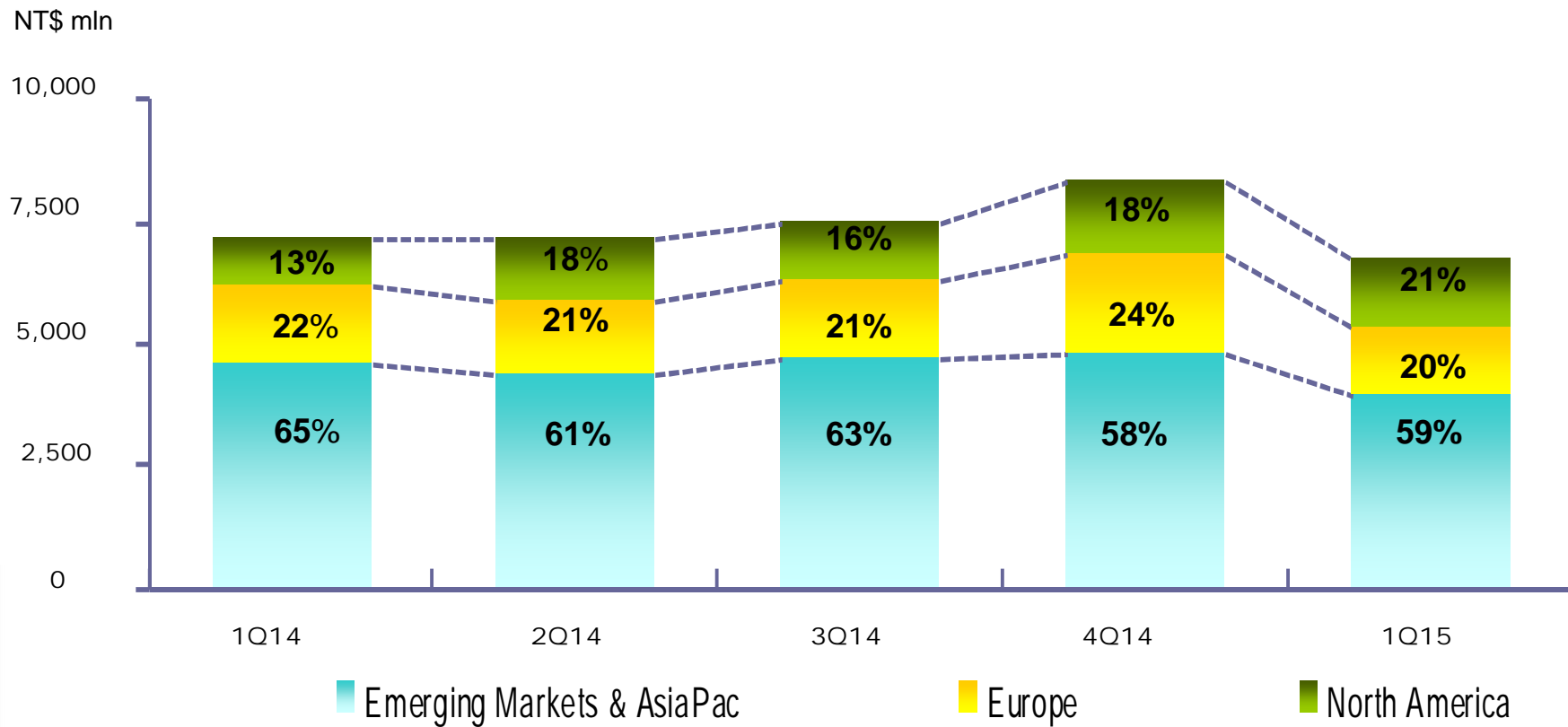
# Quarterly Revenue by Region

In NT\$, down 19.8% QoQ, down 6.4% YoY

- N.A. down 9.7% QoQ, up 44.7% YoY
- Europe down 31.7% QoQ, down 14.1% YoY
- Emerging Mkts & APac down 18% QoQ, down 14.3% YoY

In US\$, down 21.8% QoQ, down 10.2% YoY

- N.A. down 12.1% QoQ, up 38.9% YoY
- Europe down 33.6% QoQ, down 17.7% YoY
- Emerging Mkts & APac down 20% QoQ, down 17.7% YoY



# Quarterly Revenue by Product

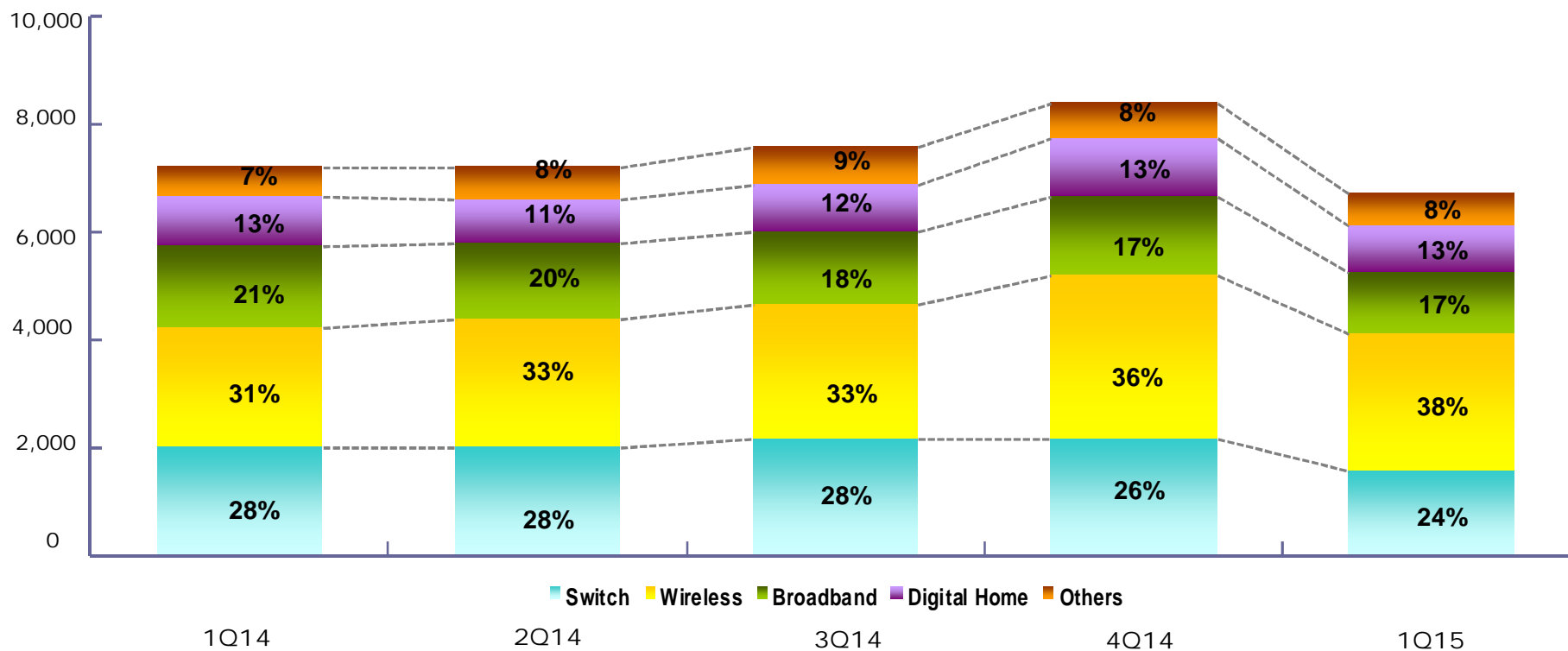
In NT\$ terms:

- Switch down 26.4% QoQ, down 20.8% YoY
- Wireless down 16% QoQ, up 13.9% YoY
- B.B. down 22.2% QoQ, down 23.5% YoY
- D.H. down 20.5% QoQ, down 6.7% YoY

In US\$ terms:

- Switch down 28.4% QoQ, down 24.3% YoY
- Wireless down 18.3% QoQ, up 9.2% YoY
- B.B. down 24% QoQ, down 26.5% YoY
- D.H. down 22.8% QoQ, down 10.7% YoY

NT\$ mln





# 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.