



2Q16 Operating Results

Aug 8, 2016

Financial Review

2Q16 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	2Q16		1Q16		QoQ % Change	2Q15		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	5,584	100.0	5,939	100.0	(6.0)	6,401	100.0	(12.8)
Cost of Goods Sold - Product	4,155	74.4	4,312	72.6	(3.6)	4,808	75.1	(13.6)
Gross Profit 1	1,429	25.6	1,627	27.4	(12.2)	1,593	24.9	(10.3)
Inventory Related Gain/(Loss)	(98)	(1.8)	(46)	(0.8)	(113.0)	92	1.4	N.A.
Gross Profit 2	1,331	23.8	1,581	26.6	(15.8)	1,685	26.3	(21.0)
Operating Expenses	1,837	32.9	1,769	29.8	3.8	1,875	29.3	(2.0)
Operating Income	(506)	(9.1)	(188)	(3.2)	(169.1)	(190)	(3.0)	(166.3)
Total Non-Op. Inc. (Loss)	50	0.9	13	0.2	284.6	84	1.3	(40.5)
Income Before Tax	(457)	(8.2)	(175)	(3.0)	(161.1)	(106)	(1.7)	(331.1)
Tax (Exp.) / Income	(12)	(0.2)	(35)	(0.5)	65.7	(13)	(0.2)	7.7
Net Income	(469)	(8.4)	(210)	(3.5)	(123.3)	(119)	(1.9)	(294.1)
Minority Interest	(4)	(0.1)	(4)	(0.1)	0.0	(12)	(0.2)	66.7
Consolidated Income	(473)	(8.5)	(214)	(3.6)	(121.0)	(132)	(2.1)	(258.3)
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,328M	(0.75)		(0.34)			(0.22)		

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

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

2Q16 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	2Q16	1Q16	QoQ % Change
Investment Income	102	24	325.0
Sub./Aff.	91	22	313.6
Capital Gain	11	2	450.0
FX Gain/(Loss)	(18)	(37)	51.3
Fin. Income/(Exp.) & Other	(34)	26	N.A.
Total Non-op Income/Loss	50	13	284.6

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

1H16 Income Statement & YoY Comparison

Unit: NT\$ million	1H16		1H15		YoY % Change
	AMT	%	AMT	%	
Net Sales	11,523	100.0	13,120	100.0	(12.2)
Cost of Goods Sold - Product	8,467	73.5	9,748	74.3	(13.1)
Gross Profit 1	3,056	26.5	3,372	25.7	(9.4)
Inventory Related Gain/(Loss)	(143)	(1.2)	90	0.7	N.A.
Gross Profit 2	2,913	25.3	3,463	26.4	(15.9)
Operating Expenses	3,607	31.3	3,801	29.0	(5.1)
Operating Income	(695)	(6.0)	(338)	(2.6)	(105.6)
Total Non-Op. Inc. (Loss)	63	0.5	40	0.3	57.5
Income Before Tax	(632)	(5.5)	(298)	(2.3)	(112.1)
Tax (Exp.) / Income	(47)	(0.4)	(46)	(0.3)	(2.2)
Net Income	(679)	(5.9)	(344)	(2.6)	(97.4)
Minority Interest	(8)	(0.1)	(20)	(0.2)	60.0
Consolidated Income	(687)	(6.0)	(365)	(2.8)	(88.2)
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,328M	(1.09)		(0.59)		

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

6/30/2016 Balance Sheet & QoQ Comparison

Unit: NT\$ million	6/30/16 AMT	%	3/31/16 AMT	%	QoQ % Change
Cash & S-T Investment	2,850	14.6	2,571	13.1	10.9
Account Receivable	4,914	25.1	5,126	26.1	(4.1)
Inventory	3,915	20.0	4,111	20.9	(4.8)
Long-term Investments	3,556	18.2	3,642	18.5	(2.4)
Total Assets	19,539	100.0	19,664	100.0	(0.6)
Accounts Payable	4,197	21.5	3,941	20.0	6.5
Current Liabilities	8,850	45.3	7,208	36.7	22.8
Common Stock	6,520	33.4	6,520	33.2	0.0
Stockholders' Equity	9,822	50.3	10,452	53.2	(6.0)

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

Key Financial Ratios

Unit: % , days	2Q16	1Q16	4Q15	3Q15	2Q15
**Days A/R	76	77	80	81	74
**Days Inventory	95	93	101	105	108
**Days A/P	88	80	96	93	93
Cash Cycle	84	90	86	93	90
Current Ratio	1.44	1.78	1.68	1.77	1.86
Debt/Equity Ratio	0.95	0.84	0.96	0.93	0.88
***Net Debt/Equity Ratio	0.66	0.60	0.59	0.68	0.66
ROE	-19.3	-8.2	-36.8	-18.5	-4.5

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

** Annualized

*** Net of Cash & S-T investment

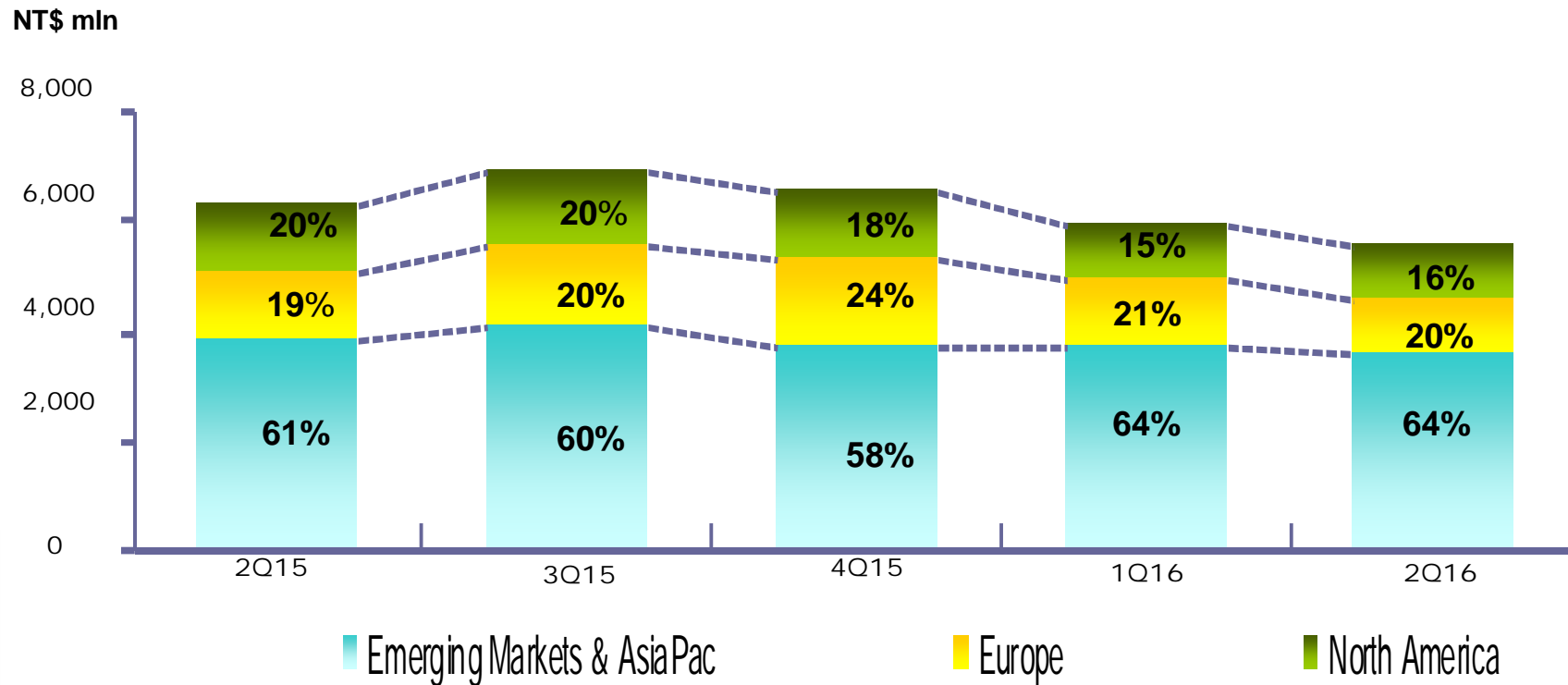
Quarterly Revenue by Region

In NT\$, down 6% QoQ, down 12.8% YoY

- N.A. down 1.4% QoQ, down 31.7% YoY
- Europe down 12.1% QoQ, down 8.7% YoY
- Emerging Mkts & APac down 5% QoQ, down 7.7% YoY

In US\$, down 3.2% QoQ, down 16.6% YoY

- N.A. up 1.3% QoQ, down 34.8% YoY
- Europe down 9.5% QoQ, down 12.9% YoY
- Emerging Mkts & APac down 2.3% QoQ, down 11.7% YoY



Quarterly Revenue by Product

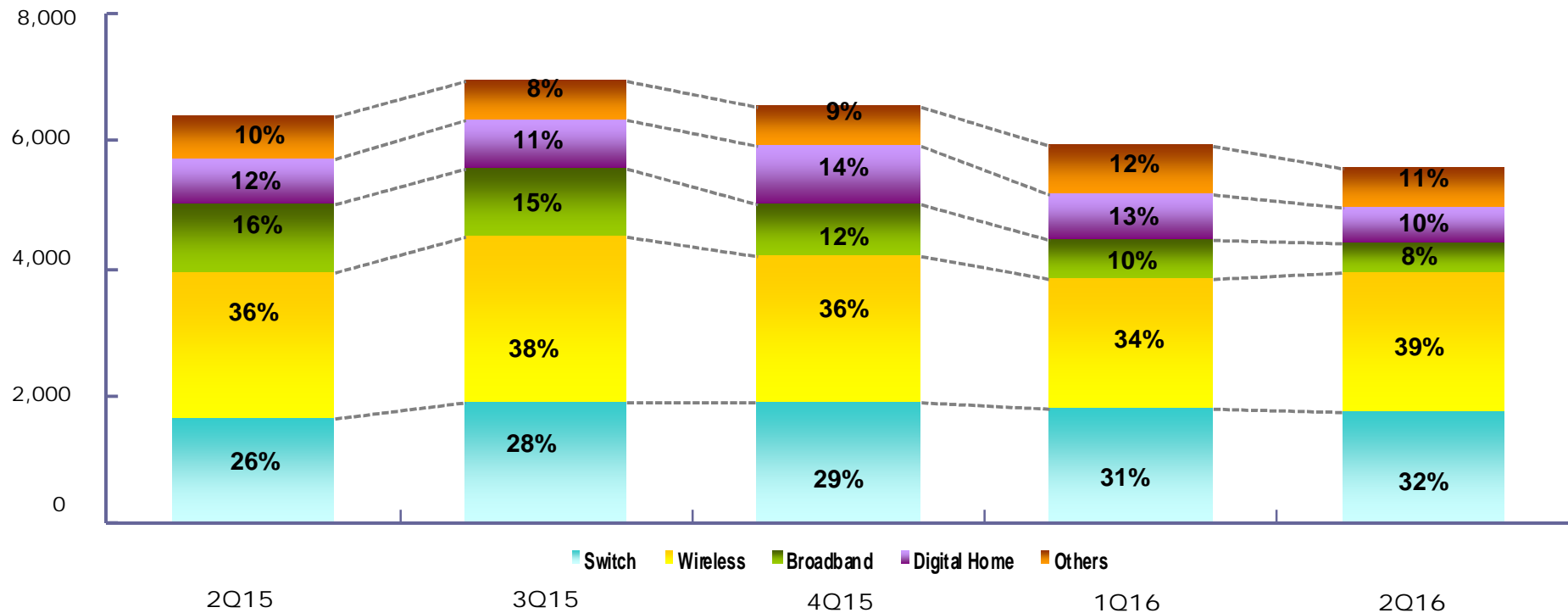
In NT\$ terms:

- Switch down 1.6% QoQ, up 6% YoY
- Wireless up 6.7% QoQ, down 4.5% YoY
- B.B. down 22.9% QoQ, down 56.2% YoY
- D.H. down 23.9% QoQ, down 22.7% YoY

In US\$ terms:

- Switch up 1.2% QoQ, up 1.3% YoY
- Wireless up 9.7% QoQ, down 8.9% YoY
- B.B. down 20.8% QoQ, down 58.1% YoY
- D.H. down 21.6% QoQ, down 26.2% 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.