



4Q16 Operating Results

Mar 14, 2017

Financial Review

4Q16 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	4Q16		3Q16		QoQ % Change	4Q15		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	5,864	100.0	5,535	100.0	5.9	6,554	100.0	(10.5)
Cost of Goods Sold - Product	4,328	73.8	4,142	74.8	4.5	4,883	74.5	(11.4)
Gross Profit 1	1,535	26.2	1,393	25.2	10.2	1,671	25.5	(8.1)
Inventory Related Gain/(Loss)	117	2.0	58	1.0	101.7	(458)	(7.0)	
Gross Profit 2	1,653	28.2	1,452	26.2	13.8	1,213	18.5	36.3
Operating Expenses	1,497	25.5	1,768	31.9	(15.3)	2,188	33.4	(31.6)
Operating Income	155	2.7	(316)	(5.7)		(974)	(14.9)	
Total Non-Op. Inc. (Loss)	20	0.3	(17)	(0.3)		(267)	(4.1)	
Income Before Tax	176	3.0	(334)	(6.0)		(1,241)	(18.9)	
Tax (Exp.) / Income	(40)	(0.7)	(33)	(0.6)		273	4.2	
Net Income	136	2.3	(367)	(6.6)		(968)	(14.8)	
Non-controlling Interests	(23)	(0.4)	(13)	(0.2)		(10)	(0.2)	
Consolidated Income	112	1.9	(379)	(6.8)		(979)	(14.9)	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,328M	0.18		(0.6)			(1.52)		

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

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

4Q16 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	4Q16	3Q16
Investment Income	106	9
Sub./Aff.	52	8
Capital Gain	54	1
FX Gain/(Loss)	(37)	10
Fin. Income/(Exp.) & Other	<u>(49)</u>	<u>(36)</u>
Total Non-op Income/Loss	20	(17)

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

2016 Income Statement & YoY Comparison

Unit: NT\$ million	2016		2015		YoY % Change
	AMT	%	AMT	%	
Net Sales	22,922	100.0	26,614	100.0	(13.9)
Cost of Goods Sold - Product	16,937	73.9	19,783	74.3	(14.4)
Gross Profit 1	5,985	26.1	6,831	25.7	(12.4)
Inventory Related Gain/(Loss)	32	0.1	(398)	(1.5)	
Gross Profit 2	6,017	26.2	6,433	24.2	(6.5)
Operating Expenses	6,872	30.0	8,020	30.1	(14.3)
Operating Income	(855)	(3.7)	(1,587)	(6.0)	
Total Non-Op. Inc. (Loss)	66	0.3	(505)	(1.9)	
Income Before Tax	(789)	(3.4)	(2,092)	(7.9)	
Tax (Exp.) / Income	(120)	(0.5)	266	1.0	
Net Income	(909)	(3.9)	(1,826)	(6.9)	
Non-controlling Interests	(44)	(0.2)	(45)	(0.1)	
Consolidated Income	(954)	(4.2)	(1,871)	(7.0)	
EPS (NT\$) - Per Weighted-Avg. Capital of NT\$6,328M	(1.5)		(2.9)		

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

12/31/2016 Balance Sheet & QoQ Comparison

Unit: NT\$ million	12/31/16 AMT	%	9/30/16 AMT	%	QoQ % Change
Cash & S-T Investment	4,350	22.4	3,075	16.2	41.5
Account Receivable	4,664	24.1	4,475	23.6	4.2
Inventory	3,097	16.0	3,655	19.3	(15.3)
Long-term Investments	3,503	18.1	3,548	18.7	(1.3)
Total Assets	19,391	100.0	18,972	100.0	2.2
Accounts Payable	3,867	20.0	3,957	20.9	(2.3)
Current Liabilities	9,123	47.0	8,760	46.2	4.1
Common Stock	6,520	33.6	6,520	34.4	0.0
Stockholders' Equity	9,499	49.0	9,347	49.3	1.6

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

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

Key Financial Ratios

Unit: % , days	4Q16	3Q16	2Q16	1Q16	4Q15
**Days A/R	77	76	76	77	80
**Days Inventory	83	89	95	93	101
**Days A/P	91	92	88	80	96
Cash Cycle	69	73	84	90	86
Current Ratio	1.43	1.39	1.44	1.78	1.68
Debt/Equity Ratio	1.00	0.99	0.95	0.84	0.96
***Net Debt/Equity Ratio	0.54	0.66	0.66	0.60	0.59
ROE	4.7	-16.2	-19.3	-8.2	-36.8

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

** Annualized

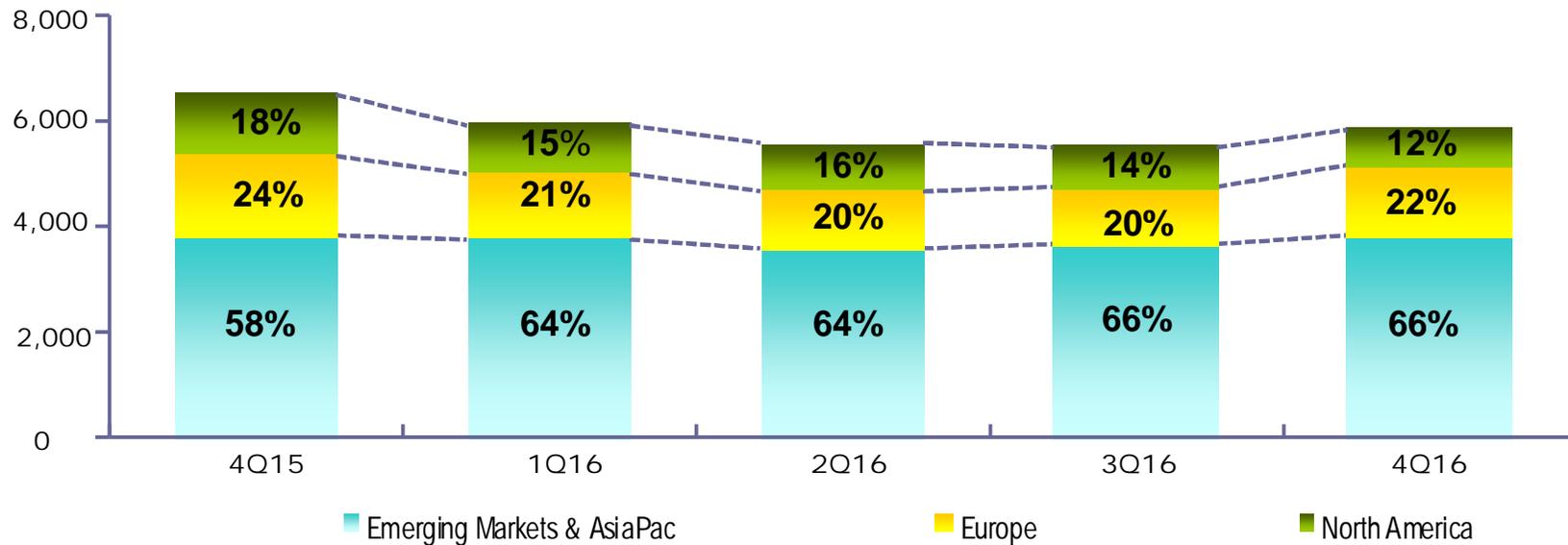
*** Net of Cash & S-T investment

Quarterly Revenue by Region

- In NT\$, up 5.9% QoQ, down 10.5% YoY
- N.A. down 8.7% QoQ, down 39.9% YoY
 - Europe up 21.5% QoQ, down 15.7% YoY
 - Emerging Mkts & APac up 4.4% QoQ, up 0.4% YoY

- In US\$, up 5.7% QoQ, down 7.4% YoY
- N.A. down 8.8% QoQ, down 37.2% YoY
 - Europe up 20.8% QoQ, down 13.4% YoY
 - Emerging Mkts & APac up 4.3% QoQ, up 3.9% YoY

NT\$ mln



Quarterly Revenue by Product

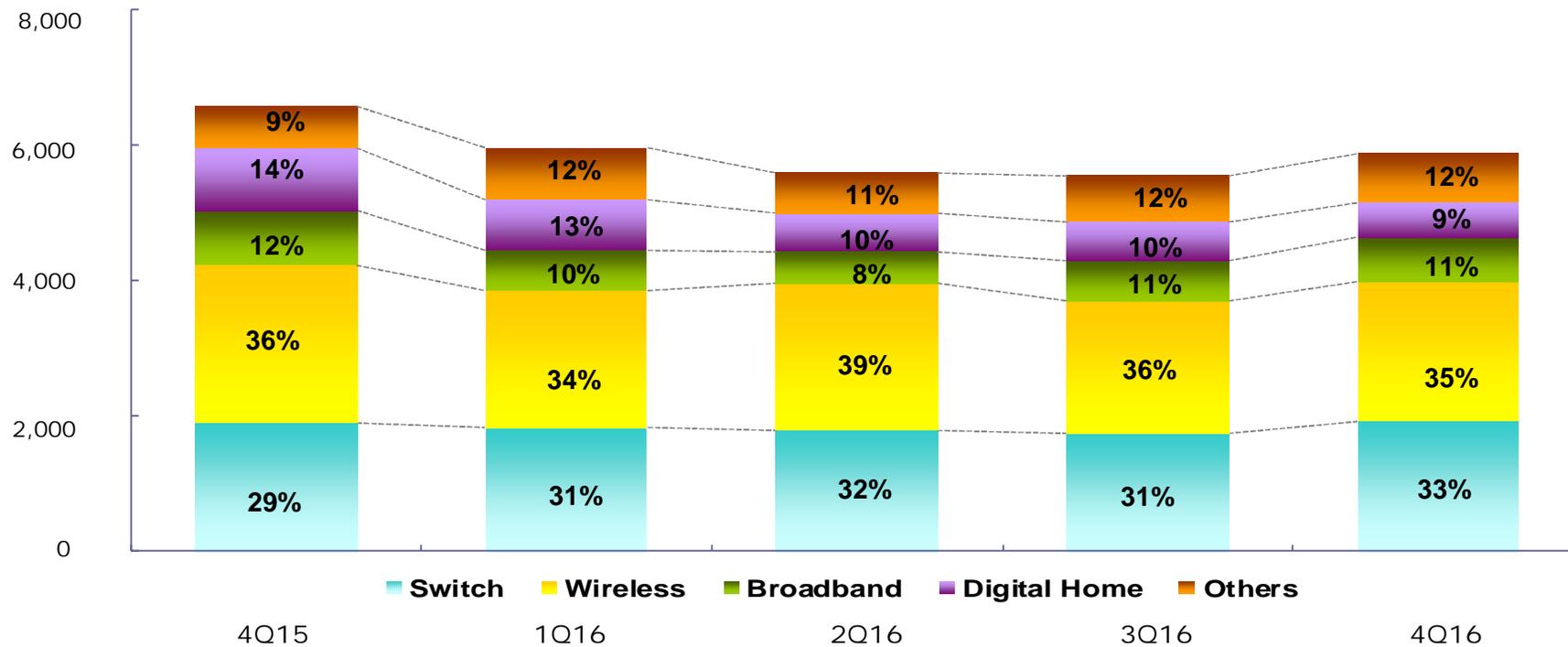
In NT\$ terms:

- Switch up 11.3% QoQ, up 1.4% YoY
- Wireless up 4.6% QoQ, down 12.1% YoY
- B.B. up 8.8% QoQ, down 17.6% YoY
- D.H. down 8.7% QoQ, down 44.1% YoY

In US\$ terms:

- Switch up 11% QoQ, up 4.7% YoY
- Wireless up 4.4% QoQ, down 8.8% YoY
- B.B. up 8.9% QoQ, down 14.5% YoY
- D.H. down 9% QoQ, down 42% YoY

NT\$ mln



2016 Revenue by Region

2016 revenue YoY comparison:

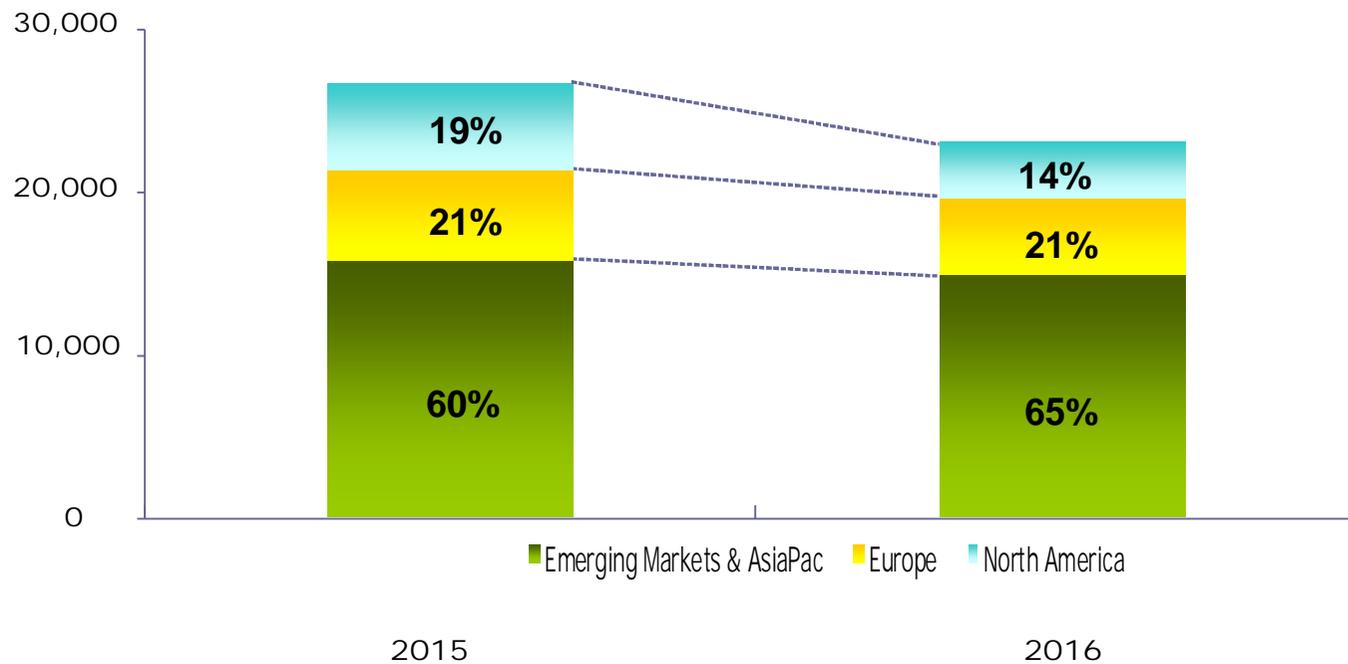
In NT\$ terms:

- 2016 down 13.9% YoY
- N.A. down 37.7% YoY
- Europe down 14.1% YoY
- Emerging Mkts & AsiaPac down 6% YoY

In US\$ terms:

- 2016 down 15% YoY
- N.A. down 38.4% YoY
- Europe down 15.3% YoY
- Emerging Mkts & AsiaPac down 7.2% YoY

NT\$ mln



2016 Revenue by Product

2016 revenue YoY comparison:

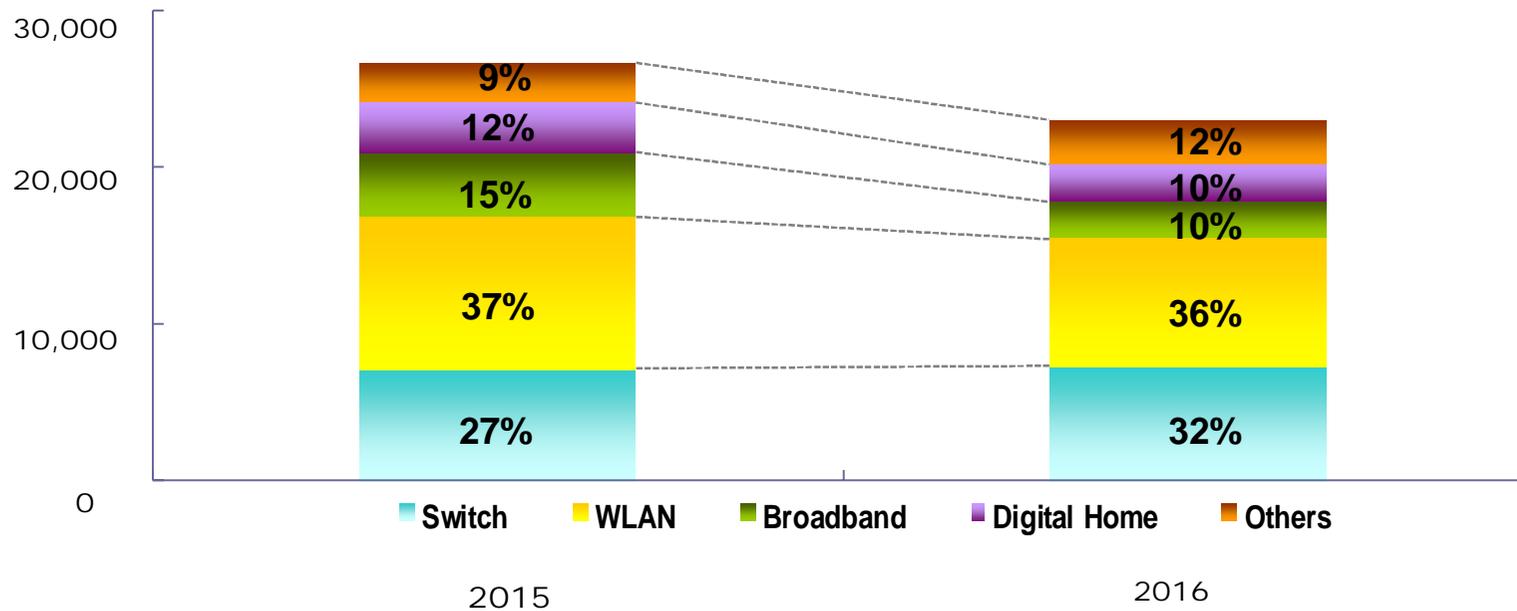
In NT\$ terms:

- Switch up 2.5% YoY
- Wireless down 15.9% YoY
- Broadband down 42.6% YoY
- Digital Home down 27.2% YoY

In US\$ terms:

- Switch up 1.3% YoY
- Wireless down 16.9% YoY
- Broadband down 43.5% YoY
- Digital Home down 28.1% 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.