

ANNUAL REPORT 2009



Financial Highlights

NT\$ in thousands			
	2009	2008	% Change
Net Sales	31,016,351	33,049,693	-6.2
Gross Profit	9,616,879	10,269,565	-6.4
Operating Income	394,598	816,846	-51.7
Income Before Tax	735,000	1,426,721	-48.5
Net Income	511,562	1,200,413	-57.4
FX Rate (USD to NTD)	33.0554	31.5339	
Cash & Cash Equivalents	5,558,349	2,597,934	114.0
Total Assets	25,372,477	24,323,060	4.3
Working Capital	5,151,403	7,729,827	-33.4
Long Term Loans	500,000	1,000,000	-50.0
Shareholder's Equity	14,767,758	13,660,101	8.1
Shares Outstanding **	647,580	565,218	14.6
FX Rate (USD to NTD)	32.0300	32.8600	

** in thousands

Note:

1. Taiwan GAAP announced implementation of new accounting criteria named "Article No. Ten" on Jan. 1, 2009. The gross profit presented by gross margin includes inventory provisional gain or loss.
2. 2009's Net Sales, Gross Profit, Operating Income, and Net Income all dropped due to severe global financial crisis.

Letter to Shareholders, Customers, Partners, and Employees



JOHN LEE

Chairman
D-Link Group



TONY TSAO

Chief Executive Officer
D-Link Group

2009 was a year full of unique challenges as D-Link, and the rest of the world, still faced the impact of one of the greatest economic downturns in history. The state of the global economy affected everyone, yet through the outstanding work of D-Link's most important assets, our employees and leadership team, we were able to exceed our goals.

In 2008, we introduced a new management team, and their presence has been made as they continue to follow through on executing the goals set for D-Link. In doing so, we refreshed the look of a number of programs, forming and maintaining global alliances while bolstering the relationships of new and current vendors, and of channel partners. In those efforts, we have worked to continue controlling expenses, and to consolidate and leverage resources throughout the organization. As an organization that truly believes in **Building Networks for People**, D-Link saw the opportunity to showcase its resourcefulness while providing users with quality products at affordable prices.

D-Link continues to offer the best value proposition for networking solutions in both business and home environments, and we have the track record to prove it. It is worth noting that prior to the economic crisis of 2009 D-Link produced consistent year-to-year revenue growth. Furthermore, we have continued to expand our presence throughout the world, and we are confident that the Company's revenue will return to a healthy state as soon as the world's economy does.

According to Gartner, one of the world's leading industry analyst firms, D-Link retained its position as the worldwide leader of shipments of Ethernet small enterprise switch ports in 2009 with over 13 million ports shipped for a 31% market share.* In the same year, we claimed the second highest position in worldwide shipments of switch ports for medium-to-large enterprises with 47 million ports shipped for roughly an 18% market share. In 2009, D-Link also held the lead position in Wireless LAN Stand-Alone Access Points in Unit Shipments in both "Small-Enterprise" and "Midsize-and Large-Enterprise" market segments.

In regards to the Consumer segment, D-Link has held a strong position in networking for years. As consumers adopt more applications with their Internet connection, we have

begun to unleash a new line of products to satisfy their needs, providing great performance and convenience. The DIR-685, which has continued to win a number of awards and recognition from the public, is just one of the products for our consumers to benefit from.

Another strength that D-Link continues to bolster is the number of efficient devices for our Green product lines. At D-Link, we believe that being a world leader also means being a responsible one. As the first networking brand to offer Green networking, we have expanded our energy-saving innovations, and have incorporated them in most of our product lines. Our strict standards for Green compliance include incorporating energy-saving technology, meeting government-regulated standards such as WEEE, RoHS, and ENERGY STAR, and using eco-friendly sustainable packaging, which includes the use of sleeveless designs, recyclable cardboard trays, and soy ink.

FINANCIAL UPDATE

The economic recession resulted in the Company accumulating a total net revenue of NT\$31.016 billion in 2009, which was down by 6.0 percent compared to NT\$32.992 billion of the previous year. Gross margin including inventory provisional gain/loss was 31.0 percent, slightly down by 0.2 percent from 31.2 percent in 2008, mainly from pricing competition caused by the global recession. If it were not for the inventory management in 2009, the gross margin could have further dropped. Although this was the first year that D-Link did not post positive percentage growth with regard to net revenue, there are still signs of potential in the future as we move out of the recession.

Although operating expenses of 29.7 percent of net revenue went up from 28.7 percent in 2008, the expense amount was trimmed down to NT\$9.222 billion, a 2.5% decrease when compared to NT\$ 9.459 billion of the previous year.

Operating profit and net margins decreased to 1.3 and 2.5 percent, when they were 1.6 and 3.6 percent in 2008, respectively. This was largely due to the global recession and global currency fluctuation resulting in profit margin erosion, foreign exchange loss and absences of one-time disposal gain of non-core holdings. At the bottom line, D-Link had earnings per share of NT\$0.79 for 2009.

The magnitude of this recession met conditions beyond what any of us could have ever imagined, as it greatly impacted the market. However, based on D-Link's track record of success in growth and expansion, in addition to our presence as a leading end-to-end networking provider, we remain confident in D-Link's ability to return to success as the global economy rebounds from this brief setback.

LOCALIZED GLOBAL PRESENCE

We are proud to point out the large presence we have around the world, which has been part of the reason why D-Link has become a globally recognized name. With over 2,500 employees serving in 158 office locations in 71 countries in 13 strategic global locations, we have continued to provide a worldwide presence that has provided much success. Localizing offices has not only helped to better serve our customers, but has also allowed us to understand their true needs and values.

EMERGING MARKETS AND ASIA PACIFIC

Regionally, Emerging Markets and Asia Pacific amassed 52 percent of revenue in 2009. This has been attributed to our understanding of local markets such as Russia, Latin America, Greater China, the Middle East, Southeast Asia, New Zealand, and Africa. Our customer support and service played a major role in these regions, especially in Russia, Latin America, and Greater China where sales in Switch and Wireless products prevailed. In other parts of the region, Wi-Fi and Broadband were increasingly popular as more projects required the use of such products.

EUROPE

After already experiencing the economic downturn in 2008, D-Link Europe made a dramatic comeback and quickly adapted to the economy by finishing on a solid note with 29.1 percent of the Company's net revenue for a 6.8 percent year-over-year increase. The region's success can be attributed to a number of factors that helped the Company penetrate the market, especially in regard to the competitive telecom segment. D-Link Europe provided the attention needed by both customers and partners to help the Company retain its lead position in WLAN access point shipments. Much of the success can be based on the current offerings that D-Link provides, as well as the Company's ability to provide added value and support to partners and customers through activities such as the Partner+ Program and major investment in improving customer logistics and operations.

NORTH AMERICA

North America was one of the regions largely affected by the economic downturn. However, such noticeable effects renewed the awareness and appreciation for value and performance by both current and potential D-Link customers. The Company maintained its strong presence in the region, holding the lead position in overall consumer networking in Canada and a top three position in North America. By introducing new leadership management to our

operations in the region, we were able to expand our presence to SME and SMB customers by leveraging our end-to-end solutions while increasing core operational efficiency. Additionally, a restructured sales and marketing team allowed for the Company to properly sell complete solutions rather than single devices – a theme that we continue to globally emphasize. D-Link's presence was in a large part due to channel partner relations, earning accounts and helping to secure customer relations.

LOOKING AHEAD

Learning from the past year, we see the Emerging Market's rapid recovery and economic momentum playing an increasingly important role in the world for D-Link. While we remain optimistic on the prospects of a seemingly staggered economic recovery, D-Link is committed to opportunities that will grow Company revenue to reach and exceed its pre-recession numbers. To achieve this, D-Link has invested in the proper technology infrastructure to regroup and re-evaluate its product offerings by focusing on research and design to better fit the requirements of all customers. 2010 looks to be an extraordinary year for the Company as we posted positive numbers in the last quarter of 2009, and expect this momentum to continue.

We expect the 802.11n Wi-Fi trend to continue into 2010 and beyond. Wireless is another trend that does not seem to quit, and D-Link has a broad selection of wireless devices that helps users conveniently connect to their network.

Through D-Link's talented and committed employees, innovative technology, strategic partners, and global brand, we are well-positioned to overcome the obstacles that we face and to take advantage of the emerging markets that are leading the worldwide economic recovery. Although world economic uncertainties remain, D-Link looks to dig down even deeper to find ways to provide value to the Company and our shareholders. We personally look forward to the coming year and the challenges that we will face in meeting the demands of a changing industry, and to delivering the highest quality results that this Company is capable of.

Sincerely,



JOHN LEE
Chairman
D-Link Group



TONY TSAO
Chief Executive Officer
D-Link Group

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Meeting the World's Needs through Local Units



LOCAL MARKET UNDERSTANDING, INTERNATIONAL PRESENCE

Unity: a strategy for success executed on a global scale. D-Link is the worldwide leader and an award-winning designer, developer, and solution provider of Wi-Fi and Ethernet networking, broadband, multimedia, voice and data communications, and digital electronics solutions. D-Link has systematically expanded its market share by penetrating geographic targets through a strategy of establishing in-country business units supported by a strong corporate foundation.

Confident in the resources of D-Link headquarters to develop and deliver state-of-the-art networking products, each local business – regardless of its location around the world – effectively penetrates the market. The Company’s innovative products provide solutions for home and businesses, each built with standards-based reliability. D-Link has become a trusted international brand that connects people to their lives, their work, and to each other.



Emerging Markets & Asia Pacific



Emerging Markets and Asia Pacific contributed to 52% of D-Link's global revenue for fiscal 2009 due to strong vendor relations and enhanced presence in specific regions.

While sales across Emerging Markets and Asia Pacific decreased in 2009, D-Link still managed to hold leading positions in a number of countries. D-Link maintained a strong presence throughout these markets by aggressively establishing and strengthening regions, including Russia, Latin America, Greater China, the Middle East, Australia, Southeast Asia, and Africa. More importantly, D-Link's ability to efficiently manage resources by thoroughly understanding markets and providing appropriate local support allowed the Company to properly adjust to the varying needs of different regions to provide customized solutions.

D-Link was able to effectively develop presence and penetrate the Russian market by providing efficient customer support and service with over 40 offices located throughout the country. Switch products contributed to the majority of sales in the region where xDSL, wireless, and unmanaged switches looked to promise further potential growth. In addition to customer service, competitive pricing remained a key factor for regional success.

In the Latin America region, sales in Switch, Wireless Access Point, and SOHO/SMB Router lines accounted for the majority of sales for the Company. D-Link maintained a lead position in the retail market, which can be attributed to strong brand positioning and competitive pricing for products.

Properly executed ad campaigns enhanced brand loyalty and recognition within the region. Additionally, D-Link maintained strong partner relations, attaining over 120 partners in the region through signed agreements.

Customer service has been a major factor for success in sales among Emerging Markets and Asia Pacific, especially in areas where competitive price points did not suffice. In Australia, the Company utilized localized services to strengthen its presence and relationships with vertical markets. Additionally, the Company was able to use these relations to enhance the perception of D-Link's product offerings for both enterprise and consumer level customers.

D-Link utilized its D-Link Academy Certification Program throughout areas in Southeast Asia and India to enhance channel partner relations. D-Link 3G products were in high demand in Southeast Asia as collaboration with service providers allowed for products to receive more exposure within the region. D-Link has continued to enhance its business presence within these regions by winning multiple projects in both Education and Government sectors.

In 2009, D-Link consolidated operations of both the Middle East and Africa regions to the Dubai office to streamline sales, logistics, and technical support. This move allowed for better optimization of resources among both regions, which will



enhance marketing initiatives as the Company works to improve regional product penetration. D-Link foresees assets in this region helping build a channel program and management system.

Although sales within the region experienced a setback, D-Link managed to maintain its lead positions among regions. D-Link's solid presence in Emerging Markets and Asia Pacific can be accredited to its ability to maintain strong partnerships with clients through close personal attention. By providing a wide range of products in both the enterprise and consumer segments, D-Link has been able to consistently provide customers with products customized for the user. With the revival of many infrastructure projects, D-Link sales look to return to a healthy state.

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CASE STUDY

XIA-MEN CITY, HAI-CANG REGION EDUCATION BUREAU

Xia-Men City Hai-Cang Region Education Bureau has developed a modern and informative education network to facilitate successful education reform and share resources from prestigious schools. Communication networks developed include school to school, government to school, and family to school. This project is the only integration of information technology as well as course development in the Fu-Jian Province.

D-LINK PRODUCTS

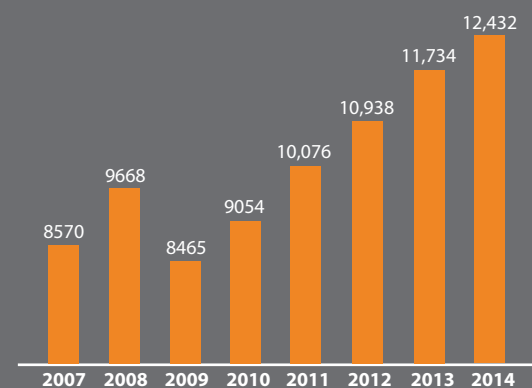
- DFL-1600/2500/2560 (VPN Firewall)
- DGS-3612 (Gigabit Switch)
- DES-3326S/3526 (Stackable Ethernet Switch)

BENEFITS

- First region in Xia-Men City with Gigabit fiber connections to schools in county areas
- Current ratios of computers to students for high schools and elementary schools have gone from 1 : 4.6 to 1 : 4.5
- Multimedia teaching in every class
- Flexible solution which is "future-proof"
- Secure Internet access and better management with new technology

ASIA PACIFIC & EMERGING MARKETS

End-User Spending on Enterprise Network Equipment by Region, 2007-2014 (Millions of Dollars)



Source: Gartner, Inc., "Forecast: Enterprise Network Equipment, Worldwide, 2007-2014, 2Q10 Update" Andy Rolfe et al. 29 June 2010

Chart created by D-Link based on Gartner data.

Europe



2009 was undoubtedly a challenging year as across Europe, many organizations felt the impact of the global economic downturn. However, during a year of peaks and troughs, D-Link Europe was able to negotiate the difficult market conditions that defeated many companies, to continue to successfully grow its market share in the region.

Underpinning this growth was the message that D-Link Europe must not only focus on existing competencies but also on the need for the business to diversify in order to take advantage of new opportunities and trends in the market.

2009 saw a steady growth rate of 7.5% for the year, ensuring that D-Link hit its targets for the year. The region contributed to 29% of D-Link's total revenue. A significant reason for this growth was due to the continued focus and success that D-Link Europe had in both small to medium businesses and the Telco ISP market.

- D-Link Europe secured a deal with Magyar Telekom (part of the Deutsche Telekom Group) which has recently started upgrading its cable infrastructure to support EuroDOCSIS 3.0. Magyar Telekom provided 370,000 households with high-speed Internet services using EuroDOCSIS 3.0 by the end of 2009, and is aiming to extend this to a further 220,000 households this year. D-Link is providing Magyar Telekom with a range of EuroDOCSIS 3.0 compatible devices, to help the company deliver double- and triple-play services to its customers. D-Link Europe's success with Magyar has already led to significant interest from other service providers in the region.

Over the course of the last year, D-Link Europe continued to drive forward in key focus areas such as Wireless N and D-Link Green, in addition to making significant changes to its channel strategy. This further highlights D-Link Europe's ongoing investments in new technology, and its ability to cater to the needs of its customers and partners.

- D-Link Europe once again retained the lead position in the Wireless N market. In addition, D-Link Europe helped contribute to D-Link retaining the lead position in worldwide Wireless LAN stand-alone access point unit shipments for mid- and large-size enterprises in 2009, according to the latest market share report by Gartner.
- D-Link Europe successfully launched its new Partner+ program across Europe, to provide channel partners with attractive financial incentives, focused sales and marketing promotions, and the very best levels of training and accreditation.
- D-Link Europe continued to support D-Link Green through promoting its incorporation into the wider product portfolio to meet the demand of environmentally-conscious customers.
- There has been ongoing success in the ISP sector. Furthermore, D-Link Europe launched its 3G product line to mobile service providers as both markets converge to meet



customer demand for 24/7 Internet access irrespective of location. The Company has been working with several mobile service providers to complement their 3G offerings.

- D-Link Europe has continued to invest in improving its customer services and logistics operations. Through building a single knowledgebase and help desk, the Company has ensured quick and accurate customer service responses: the majority of all RMA replacements shipped to customers are turned around in one working day.

Following its achievements in 2009, and as the Company seeks to continue its growth regardless of the volatile economic conditions, D-Link Europe has set a number of strategic goals:

- Increase the proportion of overall revenue contributed from Business Solutions by entering the growing IP Surveillance and SAN (Storage Area Networking) markets. At the same time, continue to build upon D-Link Europe's success in the Managed Switch, Wireless, and Security Markets.
- Develop D-Link Europe's service provider business and build its growing presence in the European cable market to become a top 3 player.
- Maintain the number 1 position in the Wireless N market, and now that the 802.11n standard has been ratified, build upon the opportunities in the business market in particular.
- In the consumer space, achieve 100% growth in PowerLine while looking to capitalize on the growth in digital data and digital data security, by increasing D-Link Europe's market share in the consumer storage market.

CASE STUDY

CHARLES DARWIN SCHOOL

A highly-successful UK specialist school in the Performing Arts with 1,300 – 1,400 pupils, Charles Darwin has won awards and recognition both locally and nationally, including achieving Investors in People status. As a long-time D-Link customer, the school was looking to upgrade its whole network and cabling infrastructure as its performance was struggling under increasing user demands. The school's existing data network was providing Internet/network access to both pupils and staff but was also being used to support 54 CCTV cameras. This was in turn creating bottlenecks which were causing unacceptable delays in network performance, with login times of up to 15 minutes.

D-LINK PRODUCTS

DES-7210 (Core Switch)

KEY BENEFITS

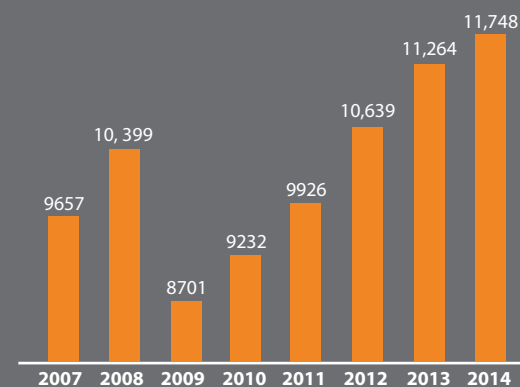
Charles Darwin became the first organization in the UK to implement a DES-7210, a core chassis switch that supports a dual CPU, providing greater resiliency and higher availability than the school's previous switches.

The performance improvement in logging onto workstations has been dramatic, coming down from 15 minutes to 30-60 seconds. The CCTV network is now on a completely separate infrastructure, using the school's old DES-6500 switch, meaning that footage can be viewed when required without the constant 24/7 activity of cameras affecting the performance of the data network.

Charles Darwin has also been able to save money by becoming more energy efficient. The school replaced 55 24-port switches around the building with 38 new D-Link Green switches, which are up to 66% more energy efficient. The switches can control power levels to each port (turning unused ports off) and have 48 ports per switch.

EUROPE

End-User Spending on Enterprise Network Equipment by Region, 2007-2014 (Millions of Dollars)



Regions in this graph include: Asia / Pacific, Japan, Latin America, Middle East, and Africa

Source: Gartner, Inc., "Forecast: Enterprise Network Equipment, Worldwide, 2007-2014, 2Q10 Update" Andy Rolfe et al. 29 June 2010

Chart created by D-Link based on Gartner data.

North America



Facing a difficult market, D-Link North America persevered and leveraged brand recognition, market share gains, competitive pricing, and aggressive sales incentives to shake off recessionary woes.

As a leading provider of consumer networking devices in North America, D-Link entered 2009 with two major goals: to strengthen its position as a leading networking supplier in the consumer market, and to enhance its reputation and brand recognition in the enterprise market. With economic and competitive challenges in the market, it was pertinent for D-Link to properly convey its message to the mass public. The Company worked heavily to optimize business by relating its solutions, marketing and sales organizations to the needs of the market and to the needs of the specific customer segments by channel.

In the business sector, the recession challenged businesses to look at secondary vendors and to stretch their budgets further for networking infrastructure projects and upgrades. These were positive factors for D-Link and the customer segments that the Company historically had success selling into. As a result, D-Link was recognized and preferred by value-conscious, brand-agnostic IT decision makers, especially those who were attracted to a lower total cost of ownership, and the ability to extend constrained budgets while still building in quality infrastructure backed by world-class engineering, services, and support.

2009 also saw D-Link voted as “Number one contender for wireless and data networking” by Computer Reseller News

(CRN) in a survey of technology industry resellers. This award was key validation that D-Link was successful in its efforts to be a true disruptive alternative networking provider in the United States and Canada, and the award helped increase awareness among value-added resellers looking to expand the number of vendors and solutions they could offer to prospective customers. This recognition, combined with aggressive marketing programs, enabled D-Link to increase the number of new authorized resellers in the Company’s partner program by 23%.

For D-Link, creating and executing marketing and sales programs throughout North America was a key part of the Company strategy to enhance brand recognition in both consumer and business markets. Mixing national campaigns with tailored vertical, horizontal, and channel-specific programs enabled the Company to both push and pull influence for a generation of business on solutions.

D-Link remained the market share leader in Canada for home networking in 2009. Across North America, D-Link held strong market share in key technology segments such as 802.11n Wi-Fi home networking routers, which has become the leading solution for sharing Internet, e-mail, and devices throughout the home. With established presence in the home environment, D-Link built upon this technology footprint by



introducing emerging connectivity solutions via devices such as shared storage solutions, media players, and network cameras. In 2009, D-Link aligned its marketing, sales, and go-to-market strategies to key industries and verticals where the Company had proven success in the past, along with those areas that showed the most potential. Additionally, D-Link focused on market segments where the Company could offer innovative ways to educate, engage, and assist other companies and resellers to take advantage of monetary funding programs while upgrading infrastructure with D-Link solutions.

Although there were many challenges in 2009, D-Link strengthened its operations by implementing proper structure, strategies, and plans to react, compete, and utilize the downturn to its advantage. The Company will continue to progress as it strategically invests in the proper structure needed for success. D-Link's popularity among the SMB and enterprise markets, as well as its time-sensitive adjustments to consumer buying habits, is reinforcing the Company's goal and ability to achieve a greater market share, while moving D-Link towards an ideal position for creating a stronger foothold and growing market share in both business and consumer segments.

CASE STUDY

GEORGE MASON UNIVERSITY

Named the #1 national university to watch by U.S. News & World Report, George Mason University is an innovative, entrepreneurial institution with global distinction in a range of academic fields. George Mason University is implementing a high-performance academic computing infrastructure to better manage its computer labs and classrooms across four campuses. To support these goals, a sound and secure, high-performance network infrastructure was critical. It was decided to establish Gigabit Ethernet connectivity to each lab and classroom computer, joining them to a dedicated 10-Gigabit backbone. In addition, an inexpensive stacking solution was to be used to provide network redundancy in a highly distributed fashion.

D-LINK PRODUCTS

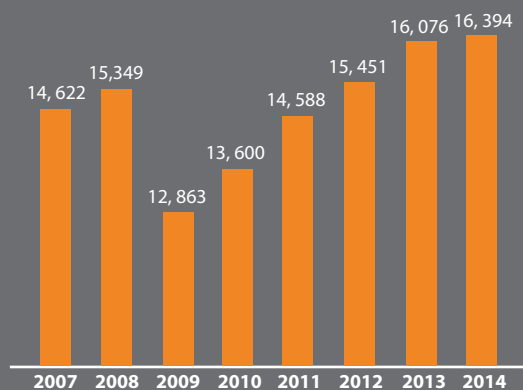
D-Link 3400/3600 Switch Series

KEY BENEFITS

The solution not only provided the needed stacking and redundancy capabilities, but also offered 10-Gigabit capacity economically. According to John Savage, director of advanced academic computing at Mason, "The D-Link switches have no problem in moving large volumes of data from point to point, without any noticeable performance degradation. Without the ability to routinely move terabytes of data throughout the classrooms and labs, our ability to meet future goals for academic computing would have been seriously impaired. Now, however, many important initiatives are proceeding in record time. Our responsiveness to faculty and students in providing a variety of services has improved dramatically."

NORTH AMERICA

End-User Spending on Enterprise Network Equipment by Region, 2007-2014 (Millions of Dollars)



Source: Gartner, Inc., "Forecast: Enterprise Network Equipment, Worldwide, 2007-2014, 2Q10 Update" Andy Rolfe et al. 29 June 2010

Chart created by D-Link based on Gartner data.

Consumers & the Digital Home



As broadband continues deployment at different speeds, users are finding new and different ways to use the Internet. Interactive applications that require higher bandwidth have enhanced the relationship between user and network, creating a digital lifestyle. Due to faster Internet connections, in addition to the emergence of many social networking platforms, users have created a reliance on streaming and sharing music, videos, and pictures.

To address the greater involvement of the Internet in users' lives, D-Link created new packaging and product housings to provide products truly fit for the home. The Company focused on offering a modern style that allows products to be a part of a home's environment, rather than one that merely occupies it. Built on bold curves and fine lines, D-Link's new product housings are intended to be displayed and admired by the user. As a user's connection to the Internet grows, so will their connection with D-Link.

To accompany the applications for the home environment, D-Link released a number of wireless N routers that are available in either selectable or concurrent radio band frequencies. D-Link offers a good, better, best Wi-Fi N selection to consumers at great price points, along with industry-leading selectable and concurrent dual band routers. In 2009, the DIR-685 All-In-One Router became recognized for its rich feature set, which combines multiple product functions into a single device.

One of the major factors behind the growth of consumer Internet access relates to users and downstream transmission rates. D-Link has recognized that the number of users downloading and backing up information is ever increasing,

so the Company has made its network storage enclosures more convenient for users to store, archive, and share their files. The latest features added to these devices include the BitTorrent Software Development Kit and tool-less installation, as well as RAID protection to provide a safe and secure experience.

In 2008, D-Link was recognized as one of the first manufacturers to introduce Green home network routers, capable of saving up to 40% in power usage. In 2009, the Company strengthened its commitment to environmental practices by extending its Green product line, so that users can save energy and money when using D-Link devices. The Company proceeded to create innovative Green products that could be integrated into a number of solutions, an effort that helped users make practical and responsible solutions with regards to computer networking.

Interest in Internet cameras has grown as consumers have come to understand their applications as well as the competitive price points provided by D-Link. Internet cameras plug directly into an Ethernet network, and some can connect wirelessly through Wi-Fi. Improvements in D-Link software have made it easy to set up, manage, and remotely view one or more cameras.



In regard to home entertainment, the number of people viewing Internet content has increased exponentially. Additionally, a growing number of those viewers want to view Internet content on their television. D-Link's MediaLounge product line has the answer for these viewers as it makes it easy for consumers to stream additional Internet media to their TVs and home entertainment centers.

D-Link understands the constant evolution of networking products in the home, and has created these innovative solutions to make the entire digital experience for users more convenient. By providing a full line of products that fulfill end-user needs, D-Link has been able to continue its position as a primary provider in the Consumer and Digital Home segments.



In 2009, D-Link released its critically acclaimed DIR-685 Xtreme N Storage Router, which combines the superior features of a wireless N router, Network Attached Storage box, digital photo frame, and a Green power saving device to provide the ultimate user experience.

HOME NETWORKING

D-Link is a dominant player in home networking with award-winning products that are powerful and easy to use.

SWITCHING

To add additional wired ports for Ethernet connectivity to a D-Link router, simply add a Green Ethernet 5- or 8-port desktop switch.

MULTIMEDIA

D-Link MediaLounge-branded products bring new options to the consumer in the digital home by connecting PCs and other devices to a home entertainment system.

VOICE & IP COMMUNICATIONS

D-Link VoIP products are sold through retail partners and service providers, giving customers affordable calling options over an Internet connection.

HOME NETWORK STORAGE

D-Link home storage enclosures are ideal for consumers to store and share their entire library of digital music, photos, and data files.

INTERNET CAMERAS

D-Link SecuriCam cameras provide access to live video streams over the Internet to any PC in the world anytime, anywhere.

CABLE/DSL MODEMS

D-Link broadband modems are standards-based connectivity solutions sold through the retail channel and service providers.

USB/FIREWIRE

D-Link is a market leader in plug-and-play, high-bandwidth connectivity solutions for computers, peripherals, and consumer electronics products.

Notable Achievements for 2009:



D-Link Network Cameras won Best of Show Awards at Interop Japan 2009.



The DIR-685 Xtreme N Storage Router was a Finalist in the Best of CES 2009 Awards Competition sponsored by CNET.



The DNS-343 4-Bay Network Storage Enclosure won the Editors' Choice Award from Computer Shopper Magazine.



It is D-Link's strength as a true designer and planner of business-class networking equipment that makes it a worldwide leader with solutions for businesses and organizations of any size.

D-Link takes the same approach in providing solutions to its business-level customers as it does with its consumer-level ones. The Company designs and distributes a wide range of networking products for businesses of all sizes, including small office/home office (SOHO), small and medium sized business (SMB), large enterprise, and government agencies and educational institutions. As a supplier to customers of such diverse sizes and needs, D-Link's large selection of products not only provides solutions to fulfill each and every customer's requirements, but also offers those customers a series of options to expand their network in the future.

With the exponential growth of mission critical applications running on today's networks, protecting these network-attached resources from exploitation is a major concern for businesses. D-Link NetDefend network security provides solutions to protect networks of any size. Furthermore, D-Link's NetDefend firewalls achieved ICSA Labs' Firewall 4.1 and ICSA Labs IPsec 1.3 Enhanced certifications, demonstrating the Company's commitment to further providing high quality standards in network security.

The D-Link xStack family is the industry's most affordable multi-layer stackable Gigabit switch solution with integrated 10-Gigabit support. The Company's unique future-proofing designs – with impressive support for 10-Gigabit Ethernet core technology – are an ideal migration path for Gigabit Ethernet and Gigabit-to-the-desktop. In 2009, the Company announced it will offer full lifetime hardware warranties to

the xStack line of business switches, further cementing its commitment to product quality and long-term customer satisfaction. With an ideal combination of price and performance, D-Link's xStack line has been popular among resellers and customers.

As businesses scale, users expect the convergence of wired and wireless networking to provide the ability to roam between access points. Applications such as Wi-Fi Voice over Internet Protocol (VoIP) require the ability to roam seamlessly and securely, which D-Link has reliably provided to customers.

D-Link Web Smart switches are ideal for small and medium sized businesses that require advanced features such as SNMP, VLAN, QoS, and secure authentication. Smart switches blend plug-and-play simplicity with exceptional performance and reliability to create cost-effective solutions for bandwidth-starved workgroups and departments.

D-Link Green switches implement special power-saving features that detect link status and cable length to adjust power usage accordingly. D-Link has devoted itself to providing environmentally friendly options for businesses of all sizes with Green Web Smart switches, available in 16-port (DGS-1216T), 24-port (DGS-1224T), and 48-port (DGS-1248T) models. In 2009, the Company extended its offering by introducing its Green Managed switch line, available in 16-port (DGS-3200-16) and 24-port (DGS-3200-24) models.



The xStack Storage line offers businesses an affordable, high-performance, business-class solution for all of their storage needs. xStack iSCSI storage arrays are designed to address a growing network infrastructure and provide a solution capable of disaster recovery, server consolidation, and delivering improved application performance.

For wireless, D-Link AirPremier wireless components provide flexible and affordable solutions for expanding existing business networks quickly and securely. The introduction of many 802.11n wireless products with dual-band functionality has helped provide businesses with fast connections and smooth performance. D-Link is the industry pioneer in wireless networking, providing performance breakthroughs in wireless connectivity that make integration with existing wired networks seamless and cost-effective.



D-Link's xStack DGS-3600 series of next generation Layer 3 Gigabit switches deliver performance, flexibility, security, multi-layer QoS and access, and redundant power options, offering SMB and enterprises high-performance solutions at competitive price points.

SWITCHING

D-Link business-class Ethernet switching products provide Small to Medium and Enterprise businesses with performance-leading solutions at competitive price points.

ENTERPRISE WIRELESS

D-Link AirPremier wireless solutions are designed for medium to large businesses that require extensive feature sets for both indoor and outdoor WLAN applications.

VPNs

D-Link Virtual Private Network (VPN) products establish strong and secure connections to business headquarters networks for the remote office worker and business traveller.

FIREWALLS

D-Link NetDefend products effectively protect networks, corporate resources, and data communication from outside intrusion.

NETWORK STORAGE

The D-Link xStack Storage Area Network (SAN) line is designed to provide a reliable network data storage solution for customers in entry-level and SMB segments.

INTERNET CAMERAS

D-Link's full featured camera surveillance systems provide remote video and audio monitoring, recording, and pan/tilt/zoom over the Internet for businesses.

KVM SWITCHES

D-Link Keyboard, Video, Mouse (KVM) switches allow for easy management of multiple PCs or servers for IT managers and integrators.

Notable Achievements for 2009:



D-Link's DES-3200 Series was one of the first product lines to receive MEF 21 certification from Iometrix test laboratory.



D-Link's DGS-3200/3400/3600 series and DES-3528/52 series of managed switches received IPv6 Ready Core Logo Phase-2 certification from the IPv6 Forum.



The D-Link NetDefend Firewall family received ICSA Labs Firewall 4.1 and ICSA Labs IPSec 1.3 Enhanced certification.



D-Link offers telecom providers with a wide range of products, including broadband, wireless, switch, and digital home products. Although the state of the world's economy had caused reason for concern, D-Link was still able to finish the year strong by winning tenders with major telecom providers in the second half of 2009.

By offering service providers with all of the necessary products that they need, D-Link has been able to create a strong presence among regions. Additionally, the Company's value-added platform helps telecom providers reduce their operating expenses by offering flexible configuration and easy step-by-step troubleshooting facilities located all around the world.

D-Link's core competence in telecom providers has been based on its ability to recognize the needs of each local community. With offices globally located throughout the world, D-Link has been working to maximize efficiency and to provide full attention to each region's current and potential customers. The Company has increased its presence among telecom providers by contributing to networking standards and industry forums, which has increased brand awareness among service providers.

D-Link modems are standards-based connectivity devices that deliver strong, high-speed Internet connectivity. D-Link offers modems that support both cable and DSL connections, as well as integrated access devices that house both a high-performance cable or DSL modem and a

multi-port wireless router in one unit. D-Link remains on the crest of emerging technologies with its WiMAX routers, used by service providers as a "last mile" solution to economically deliver broadband to homes where hardwiring is cost-prohibitive due to geographical challenges.

D-Link's worldwide reputation for dependable broadband solutions helps to fuel the Company's continuing market penetration. Quality broadband solutions offer a real value to service providers in both developed and emerging markets. Government-related initiatives look to make a positive impact on the Company as well. The tremendous global growth of broadband demonstrates the importance of D-Link's leadership in this segment.

The Company is confident in its future as a supplier to telecom providers and looks to continue providing products that are easier to use. D-Link looks to improve QoS management and configuration to make its devices more user-friendly.



The DCM-301 DOCSIS/EuroDOCSIS 3.0 Cable Modem increases download speeds up to 8 times more than DOCSIS 2.0 for enjoyment of popular Internet applications, such as file sharing, audio and video streaming, Internet TV, and web browsing.



The DPN-5402 GPON ONT is designed for deployment inside a home or an apartment building. This Optical Network Terminal device provides a reliable, long-reach last-mile connection by extending the public high-bandwidth network to people living and working in remote multi-unit, multi-tenant buildings.

BROADBAND MODEMS

D-Link modems are standards-based connectivity devices that deliver strong, high-speed Internet connectivity.

BROADBAND ROUTERS

D-Link's strength in engineering brings customizable router solutions to the service provider selling to the end-user consumer.

VOICE & IP COMMUNICATIONS

D-Link VoIP products are primarily sold through VoIP service providers, bringing affordable calling options over an Internet connection.

WIRELESS MEDIA PLAYERS

D-Link media players and set-top boxes are next-generation, value-adding devices for service providers selling to the home consumer.

ADSL MODEMS

D-Link ADSL modems let you access a high-speed DSL Internet connection and offer Ethernet and USB ports for flexible connectivity.

INTERNET CAMERAS

D-Link SecuriCam Internet cameras represent another value-added option for service providers to bring access to live video streams over the Internet to the home consumer.

SWITCHING

D-Link business-class Ethernet switching products are robust solutions capable of providing worldwide service provider networks.

Product Design & Distribution



D-Link has largely contributed to what the world perceives networking to be, both in business and in the home. It is sometimes easy to overlook how quickly the Internet and computer networking have changed the way we do business and how we communicate.

For over 22 years, D-Link has taken the initiative in providing technology, and making it accessible to businesses of any size, as well as consumers all over the world.

Throughout this journey, D-Link engineers have been the innovators. D-Link's core competency continues to remain in Ethernet networking. The Company drives innovation and development by producing a wide range of powerful devices for every type of consumer. D-Link products are available as wired and wireless solutions for home and business at the enterprise, workgroup, and departmental processing levels.

Thus, the Company does more than sell products that compete with those of other enterprise-class switch manufacturers – D-Link continues to pioneer the industry. D-Link's xStack line, for example, includes world-class, fully-managed switches available at a fraction of the cost of its competitors, backed by D-Link's renowned reliability. D-Link engineers apply the same innovative drive to business-class WLAN, storage, and security products for medium and large enterprises.

D-Link consumer products are known all over the world. Industry leading design and functionality – again supported by D-Link reliability – both create and serve a growing demand for networking at home and in the small office. With a foundation built upon the best-reviewed Wireless N routers

in the industry, the digital home includes innovative network storage, Internet cameras, media players, and IP telephony.

From fully-managed switches for enterprises to award-winning 802.11n routers for the home and SOHO, D-Link fuels and fills a global demand to work, communicate, and recreate, by taking full advantage of the benefits of broadband. Furthermore, because D-Link owns most of its supply chain, its products are feature-rich and competitively priced.

Producing goods for a global marketplace, D-Link expands each year to establish an ever-increasing number of localized business units. Being operated as a global brand, customers view D-Link products as being promoted and distributed by people they know, whether they are in Brazil, Russia, Japan, or any of the 158 company locations around the world.

This means that there is coordinated teamwork to produce cutting-edge products distributed to every corner of the world. Local teams communicate their local needs to D-Link Headquarters, which fulfills these needs from its own state-of-the-art manufacturing facilities within timeframes that competitors cannot match.

D-Link's motto is "Building Networks for People." It is a way of doing business that continues to be proven one customer at a time.

Corporate Social Responsibility



D-LINK GREEN COMMITMENT

At D-Link, being “Green” starts with the proper eco-friendly mindset of each and every one of our world-class staff.

Whether it is at the office where ideas are generated, or at the manufacturing sites where our products are assembled, we strive to provide more energy-efficient products that allow consumers to upgrade their network equipment and immediately experience dramatic energy savings. We are proud of D-Link’s current leadership position for Green products, and are committed to reaching even greater heights to protect the environment.

Many consumers have already begun to make environmentally conscious decisions to reduce their energy consumption. Based on these needs, companies have been striving to create products that are more appropriate for the environment, reducing energy used and making the transition to Green products easier for the user.

We at D-Link are proud that we have been able to deliver a suite of products that offer an eco-friendly alternative to our competitors in the market. When making the move to more

energy efficient “Green” devices, however, it was paramount that achieving such goals did not come at a cost to performance and affordability for our products. We have succeeded in these goals, and offer devices that operate with low power, and are subsequently more environmentally friendly.

D-Link remains committed to strengthening its market leader position in developing high-quality Green networking solutions for the office and home. “Building Networks for People” has always been a motto that D-Link believes in, but the Company also believes in being a responsible leader for the public. In conjunction with both new and previous environmental initiatives, D-Link strives to create environmentally-friendly solutions today for a better future.

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