

D-LINK'S HIGH-PERFORMANCE AND EASY TO MANAGE END-TO-END NETWORKING SOLUTIONS

Offers latest technology for more durability and flexibility at affordable costs

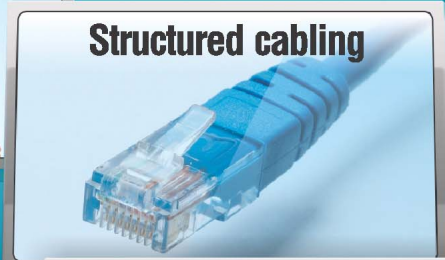
Switching



Business Wireless



Structured cabling



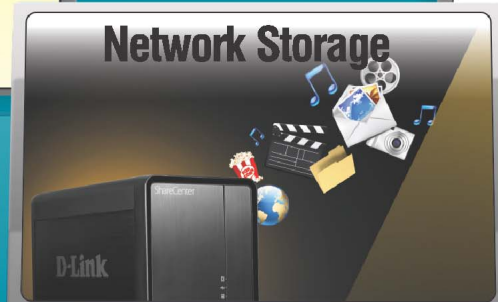
IP Surveillance



Network Security



Network Storage



We at D-Link provide:

- End-to-End Networking Solutions
- Feature rich in functionality, security & performance
- Low cost of ownership
- Local support staff
- Backed by D-Link Limited Lifetime Warranty
- World-class service support



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Disclaimer / Forward Looking Statement

In this Annual Report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral that we periodically make, contain forward looking statements that set out anticipated results based on the managements plans and assumptions. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks in uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Letter from Chairman



A.P. Chen, Chairman

Dear Fellow Stakeholders,

Financial Year 2011-12 was another challenging year as markets around the world continued to grapple with economic recovery. Fortunately, the cloud of turmoil in many emerging markets is slowly lifting.

D-Link's rigorous infrastructure, prudent fiscal policies and reliable brand image has allowed us to take full advantage of the conditions in these regions. These factors coupled with ongoing technical innovation, consistent product quality and excellent operational efficiency have helped D-Link to maintain stable growth.

D-Link remains a leading brand of global consumer networking products for the digital home. The design community has acknowledged D-Link innovation with multiple awards and distinctions. D-Link is also a formidable pioneer within the enterprise segment and powerful products with new features in areas such as surveillance technology and cloud services exemplify D-Link's proactive efforts to grow in these market segments.

IDC forecasts that the worldwide hardware spending will increase to \$767 billion in 2014. According to IDC, the hardware market in India accounts for 40% of the Indian IT-BPO industry and is expected to grow at a healthy rate. Spending by Government, BFSI and Telecom sectors will be the key drivers for the networking equipment segment.

D-Link's roots in India have allowed us to contribute to and benefit from the development and growth in the country. Our network, infrastructure, comprehensive market coverage and physical proximity in each region give us a deeper awareness of the subtle definitions among each customer requirements, culture and values. As India is a growing economic power, we will continue to strengthen our foothold and the opportunities will provide a good platform for stable and rapid growth.

As we look to the future of India operations, we see that digital content delivery, reliance on online applications and demand for broadband are all expected to grow considerably. The increasing consumer

dependence on the "cloud" affects the way families and friends interact, and the demand for networking equipment that can empower this new form of connectivity is set to grow rapidly.

D-Link will meet these demands through continued investment in D-Link's core technologies, research and development, and strategic global alliances. As always, ongoing improvements to logistics, operational efficiency and inventory management are a top priority. These factors assist D-Link in reaching the market with new products and technologies early on and subsequently dominating the competition.

Although the market for networking products has become more competitive, continuous innovation has sustained D-Link's brand leadership within the industry. Looking ahead, we anticipate stable growth momentum in the Indian market.

The executive team and staff pledge their continued dedication to responsible management, sustainable development, and corporate social responsibility. We maintain our determination to reach performance goals, strengthen growth, and enhance profitability.

As we look forward to the following year, D-Link's well established brand equity, a continuously evolving portfolio of world-class products, innovative technologies, strategic partners and talented and committed employees position us well for continued success.

In closing, I would like to extend my gratitude to the shareholders, partners and business associates for their enduring trust and support. I would also like to wish everyone at D-Link continued good health and good fortune.

Thank you.

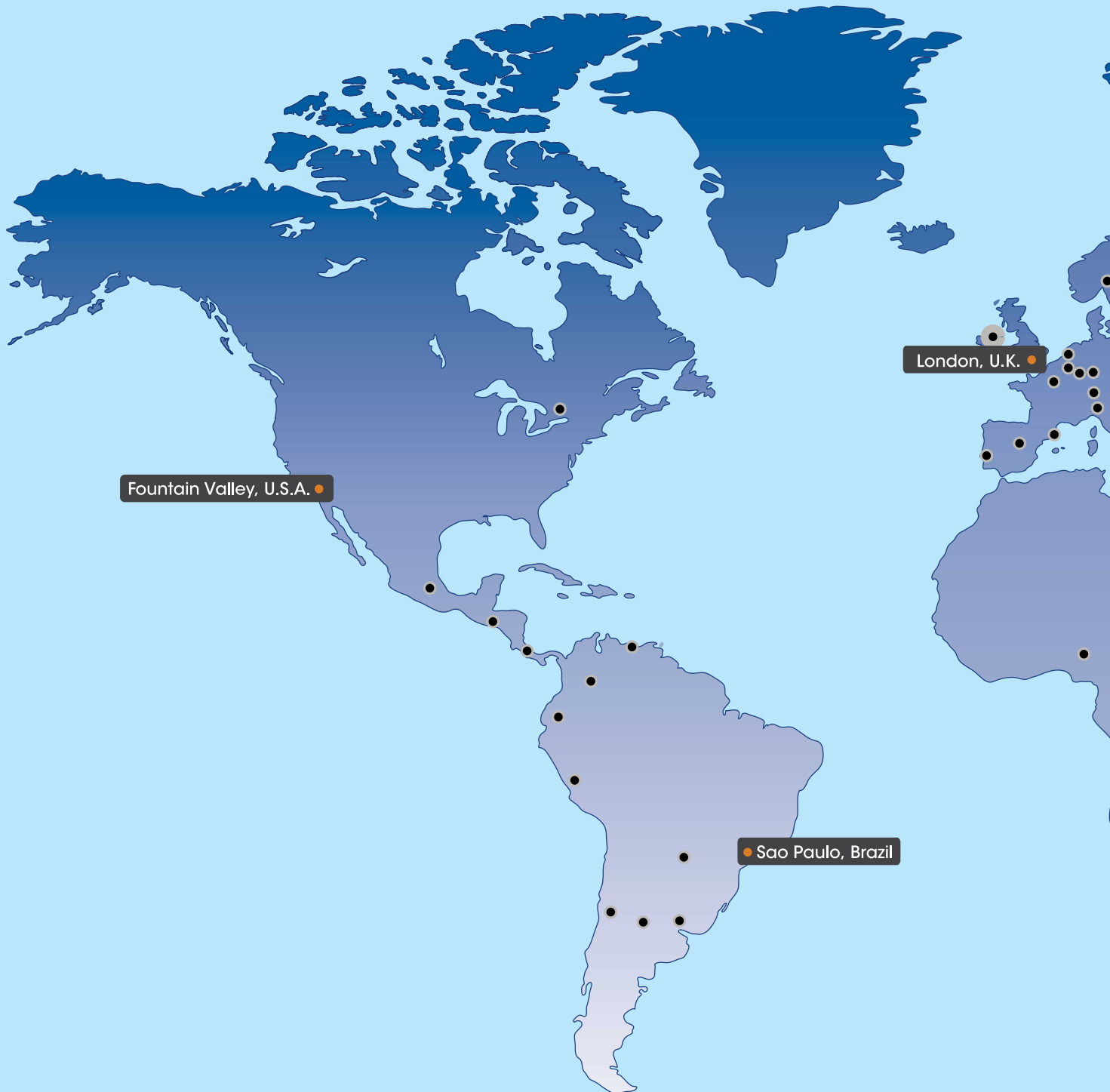
Sincerely,

A. P. Chen
Chairman

About D-Link Corporation

Globalization through Localization

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 homes 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.



Letter from Managing Director



Gary Yang, *Managing Director*

“We are well placed for continued success in a dynamic and growing market and committed to deliver value to all our stakeholders.”

While Financial Year 2011-12 proved to be a much better year than previous year for the Indian IT industry, the environment continues to be challenging. The year started with great optimism, but as it progressed the Indian economy was faced with inflation, decelerating growth rate and sharp fall in the rupee. The investment climate became subdued and cautious and this adversely affected sentiments.

For us it was a year of transformation. We took stock of the market, the competition and our strengths and evolved a strategy to become a more focused company. We prioritized our markets and took action to become a more aggressive player. Finally, we strengthened our infrastructure to take the company into the next phase of growth and profitability.

A Challenging Year

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption, and globalization are all driving companies to change the manner in which they operate. Companies are getting increasingly focused in their core business goals, revenue growth, profitability and asset efficiency. This has also led to greater cost consciousness which has become an important consideration on how IT investments are made.

The networking products industry is therefore facing the twin challenges of commoditization and scalability. Customers are increasingly turning to solution providers who understand their businesses and challenges. Demand is shifting from traditional horizontal offerings to industry-specific, technology driven solutions.

We are responding well to the market challenges and increasing our market share. Our broad product portfolio, nationwide coverage and our sales and service support are key reasons for our success.

D-Link (India) is now more focused and more innovative than ever before, and we are driving accountability on many levels - from revenue and margins to market share and profitability to ensure our continued growth and success.

The Power of Technology

Given the competitive environment, we are fortunate that we have the support of the multinational D-Link Corporation behind us. We have the advantage of the well established brand of this world-class products in networking and communications.

Well Positioned to Capitalize on Growth Opportunities

According to a NASSCOM report, the revenues for the Indian IT and BPO services companies will cross the \$100 billion mark in FY 12, in spite of the choppy business environment and gloomy global market conditions. Technology spends are expected to grow by over 4%. Growth will be driven by various factors such as new business models, services around new technologies like cloud, mobility, analytics, social media and verticalised solutions. The broadband market in India too, is expected to leapfrog from its current base of around 20 million wireless and wire-line subscribers.

We, therefore remain optimistic about our future. Moving forward, we believe we are well positioned to capture greater market share through our comprehensive portfolio of world-class products, our leadership team and our market penetration. As a company, our focus has always been on high-quality growth and profitability. We strongly believe that both margins and growth are important for an organization and will ensure that our strategic roadmap will drive the company to new heights in the future.

Our shareholders, our clients, our partners, our employees and our well wishers have supported our strategies and have stood by us through these challenging times. At the end of this eventful year, I thank each one of you and look forward to your continued support and trust.

Sincerely,

Gary Yang
Managing Director

Letter from CEO



Tushar Sighat, CEO

“Our mission is to maximise our potential in the growing Indian market.

Our determination is backed by the power of D-Link Corporation - with its global presence and long established brand equity.”

Dear Stakeholders,

Financial Year 2011-12 has been a year of dynamic growth and challenges for D-Link India. During the year, we succeeded in restructuring our business to more effectively serve all of our customers and to further strengthen our position in the Indian market. I am extremely glad to share with you the promising growth we had this year in terms of our revenues and the profitability.

When I look at the growth of this year, I am proud of what we have achieved, and even more excited about our outlook for an equally promising future. We have successfully executed our well defined strategies to deliver impeccable growth and commenced a new journey towards success, garnering business from Pan

India and SAARC, while earning our client's trust along the way.

It is satisfying to know that we are able to help our clients build networks that enable them to connect and operate pivotal aspects of their business more efficiently and economically. Customer satisfaction is the hallmark by which we measure our performance and we hold ourselves, as do our clients, to the highest standards of quality.

In this constantly evolving marketplace, our clients are more informed than ever about their solutions provider options. Even so, they continue to select D-Link as their partner of choice because of our experience, commitment to quality and integrity.