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ALPHA

明泰科技
Alpha Networks Inc.

2008 Q4 Results Investor Conference

March 2, 2009

Safe Harbor Statement

Except for statement in respect of historical matters, the statement 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 Alpha Networks Inc. to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.

2008 figures are non-auditing

2009/3/2

Agenda

- Financial Review Mason Liu
- Business Updates & Outlook Douglas Hsiao
- Q&A

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2009/3/2

Financial Review

Presented by

Mason Liu

Vice President

Finance & Accounting Center

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2008 vs. 2007

Consolidated Income Statement Comparison

Amount: NT\$ million	2008		2007		% change
	Amt	%	Amt	%	
Net Sales	24,322	100.00	22,351	100.00	9%
Cost of Goods Sold	19,770	81.28	18,301	81.88	8%
Gross Profit	4,552	18.72	4,050	18.12	12%
Operating Expenses	2,876	11.83	2,366	10.59	22%
Operating Income	1,676	6.89	1,684	7.53	0%
Total Non-Op. Inc. (Loss)	(403)	-1.66	(127)	-0.56	217%
Income Before Tax	1,273	5.23	1,557	6.97	-18%
Income Tax Expense	220	0.90	263	1.18	-16%
Net Income	1,053	4.33	1,294	5.79	-19%
Earnings Per Share (NT\$)	2.35		3.26		

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2009/3/2

2008Q4 vs. 2008Q3

Consolidated Income Statement Comparison

Amount: NT\$ million	2008Q4		2008Q3		%
	Amt	%	Amt	%	change
Net Sales	5,443	100.00	7,513	100.00	-28%
Cost of Goods Sold	4,238	77.86	6,211	82.67	-32%
Gross Profit	1,205	22.14	1,302	17.33	-7%
Operating Expenses	722	13.26	741	9.86	-3%
Operating Income	483	8.88	561	7.47	-14%
Total Non-Op. Inc. (Loss)	(296)	-5.44	8	0.11	-3800%
Income Before Tax	187	3.44	569	7.57	-67%
Income Tax Expense	82	1.51	63	0.84	30%
Net Income	105	1.93	506	6.73	-79%
Earnings Per Share (NT\$)	0.23		1.06		

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2008H2 vs. 2008H1

Consolidated Income Statement Comparison

Amount: NT\$ million	2008H2		2008H1		% change
	Amt	%	Amt	%	
Net Sales	12,956	100.00	11,366	100.00	14%
Cost of Goods Sold	10,449	80.65	9,321	82.01	12%
Gross Profit	2,507	19.35	2,045	17.99	23%
Operating Expenses	1,463	11.30	1,413	12.43	4%
Operating Income	1,044	8.05	632	5.56	65%
Total Non-Op. Inc. (Loss)	(288)	-2.22	(115)	-1.01	150%
Income Before Tax	756	5.83	517	4.55	46%
Income Tax Expense	145	1.12	75	0.66	93%
Net Income	611	4.71	442	3.89	38%
Earnings Per Share (NT\$)	1.29		1.06		

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Non-op Income / Loss Breakdown

Amount: NT\$ million	2008	2007
Interest Gain (Expense)	2	21
FX Gain / (Loss)	(22)	(49)
Inventory Gain / (Loss)	(182)	(62)
Others	(201)	(37)
Total	(403)	(127)

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Non-op Income / Loss Breakdown

Amount: NT\$ million	2008Q4	2008Q3
Interest Gain (Expense)	(2)	(1)
FX Gain / (Loss)	53	50
Inventory Gain / (Loss)	(149)	(40)
Others	(198)	(1)
Total	(296)	8

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Non-op Income / Loss Breakdown

Amount: NT\$ million	2008H2	2008H1
Interest Gain (Expense)	(3)	5
FX Gain / (Loss)	103	(125)
Inventory Gain / (Loss)	(189)	6
Others	(199)	(1)
Total	(288)	(115)

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12/31/2008 Balance Sheet YoY Comparison

Amount: NT\$ million	12/31/2008		12/31/2007		% change
	Amt	%	Amt	%	
Cash	3,412	25.33	3,135	22.91	9%
Account Receivable	4,976	36.94	5,671	41.44	-12%
Inventory	1,981	14.71	2,145	15.67	-8%
Other Assets	3,102	23.02	2,734	19.98	13%
Total Assets	13,471	100.00	13,685	100.00	-2%
Current Liabilities	4,927	36.57	5,703	41.67	-14%
L-T & Other Liabilities	544	4.04	73	0.54	645%
Total Liabilities	5,471	40.61	5,776	42.21	-5%
Common Stock	4,488	33.32	4,116	30.08	9%
Shareholders' Equity	8,000	59.39	7,909	57.79	1%

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Key Financial Ratios - Liquidity / Leverage

Unit: day, %	<u>2008</u>	<u>2007</u>
Days A/R	81	88
Days Inventory	37	42
Current Ratio	215.16%	193.66%
Debt/Assets Ratio	40.61%	42.21%

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2009/3/2

Key Financial Ratios - Profitability

	<u>2008</u>	<u>2007</u>
Net Income/Sales	4.33%	5.79%
Net Income/Total Assets	8.20%	10.05%
Return on Equity	13.22%	18.09%
EPS (NT\$)	2.35	3.26

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2009/3/2

Business Updates & Outlook

Presented by
Douglas Hsiao
President

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Revenue Breakdown By Product Line

2008 figures are non-auditing

2009/3/2

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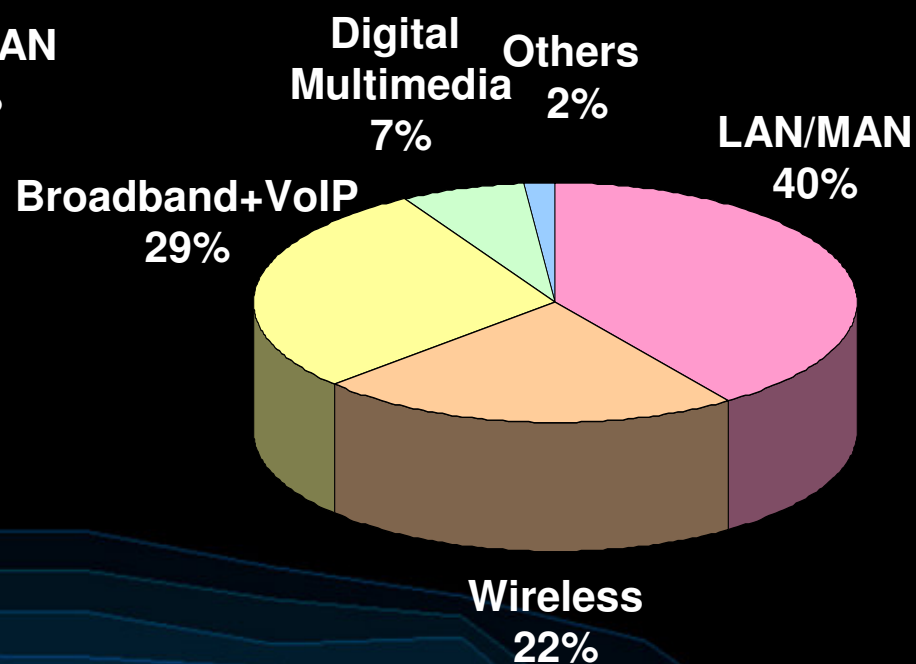
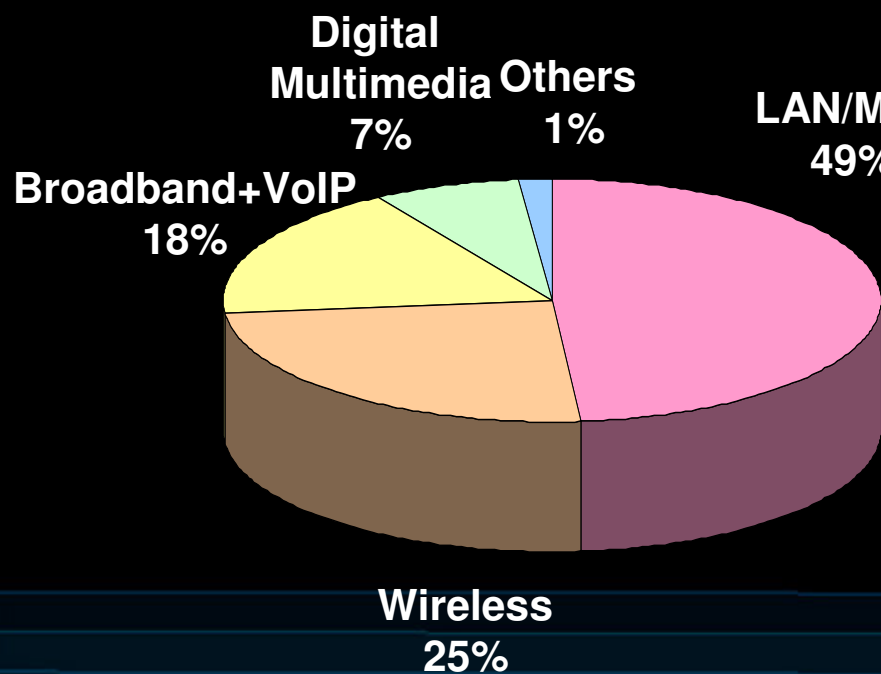
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Revenue Breakdown By Product Line

2008 vs. 2007

2008

2007



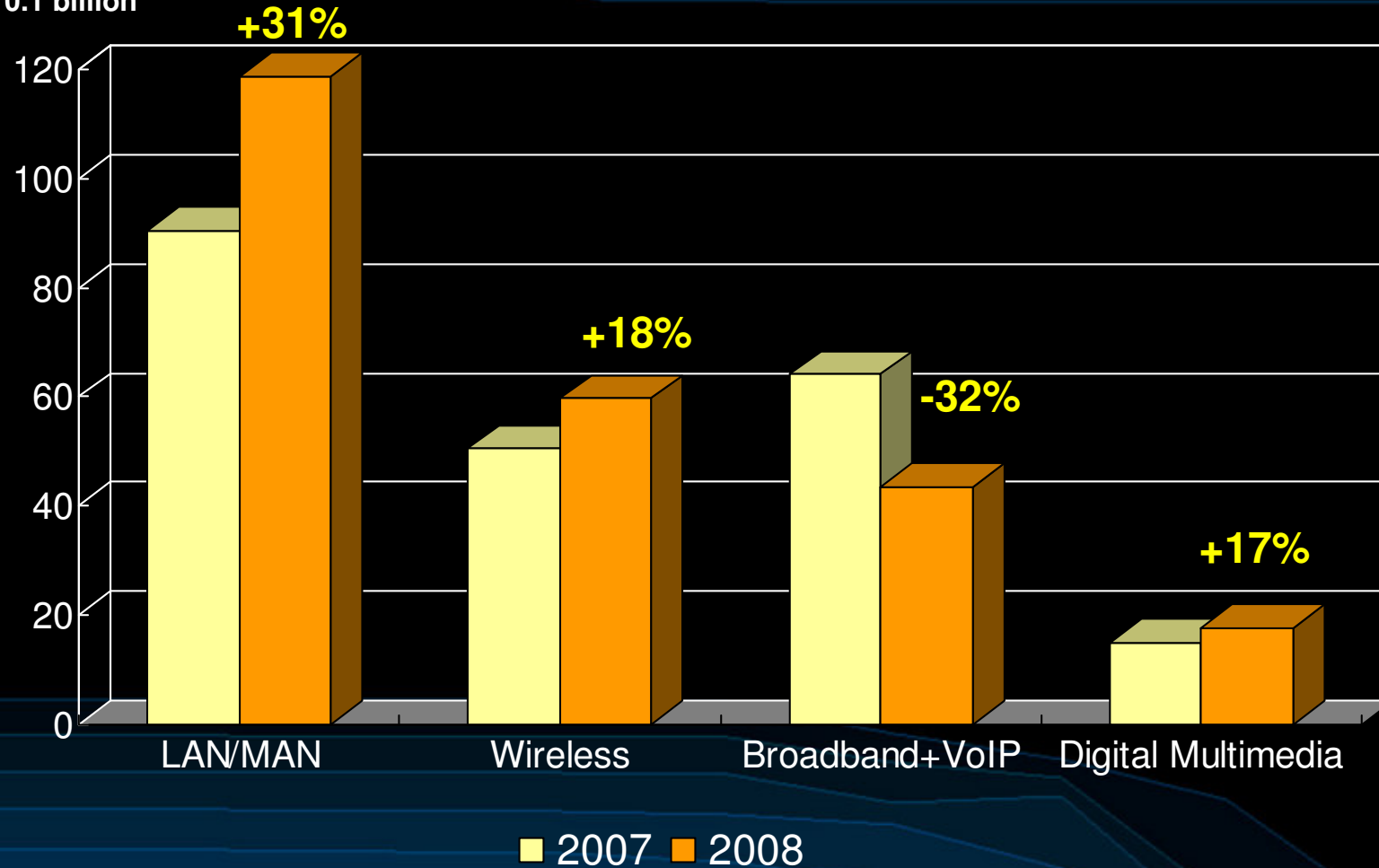
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Revenue Growth By Product Line

2008 vs. 2007

Unit: NT\$ 0.1 billion



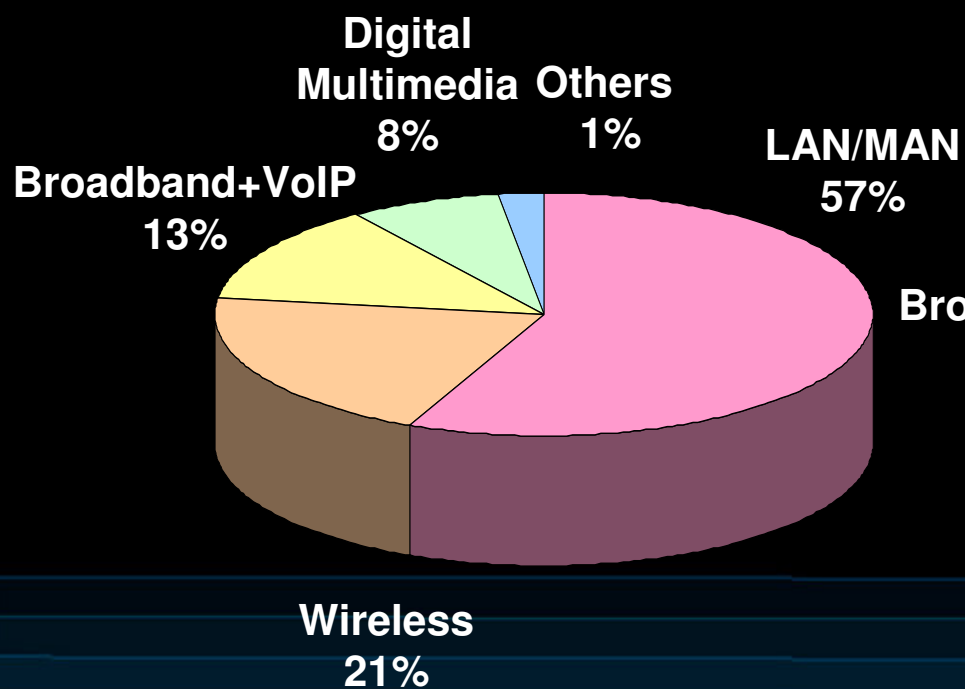
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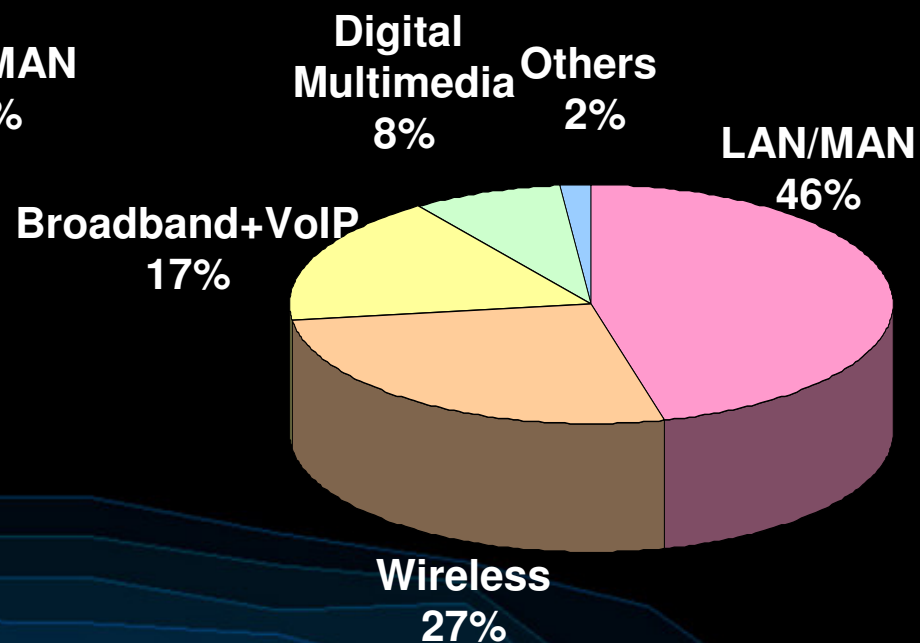
Revenue Breakdown By Product Line

2008Q4 vs. 2008Q3

2008Q4



2008Q3



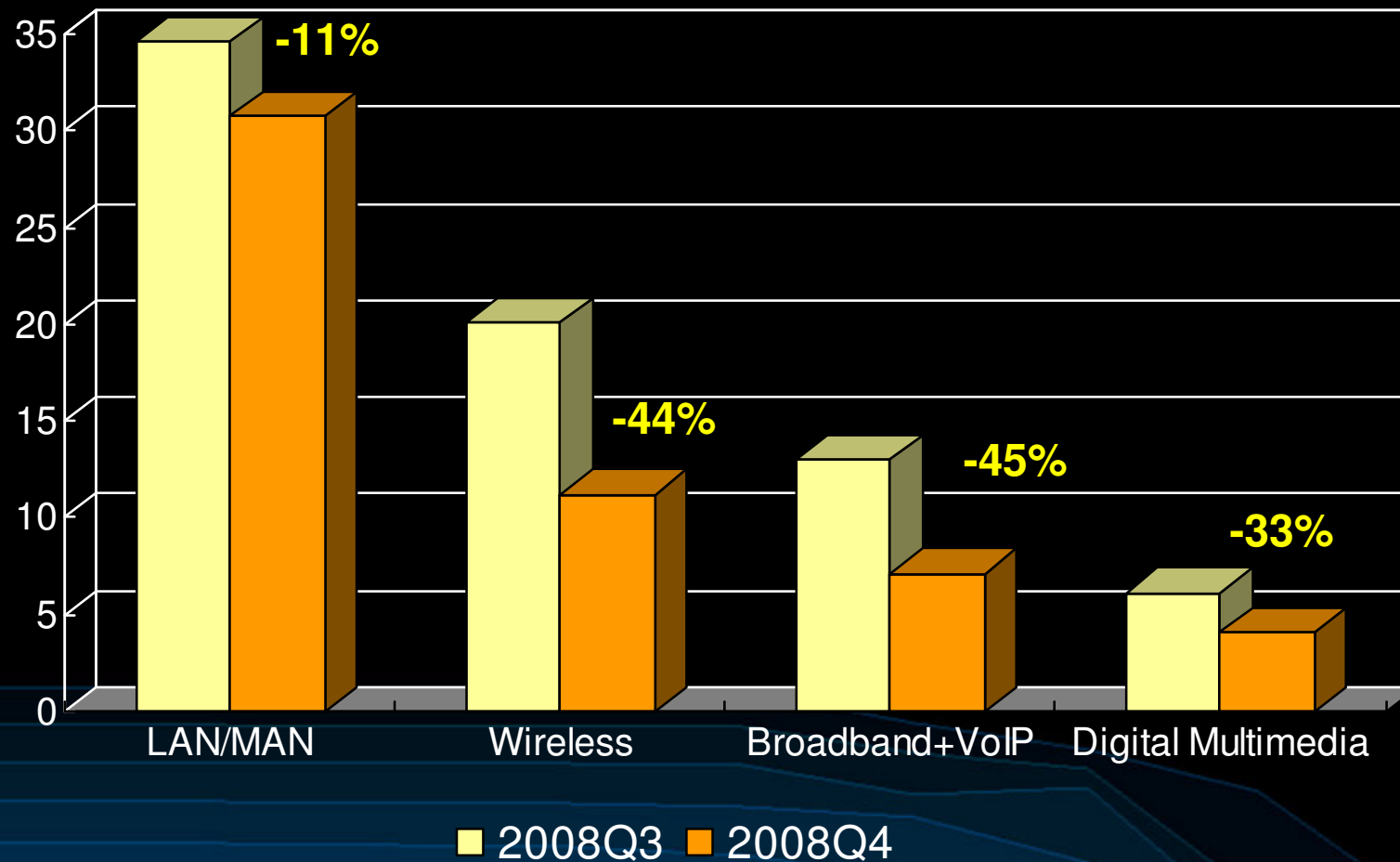
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Revenue Growth By Product Line

2008Q4 vs. 2008Q3

Unit: NT\$ 0.1 billion



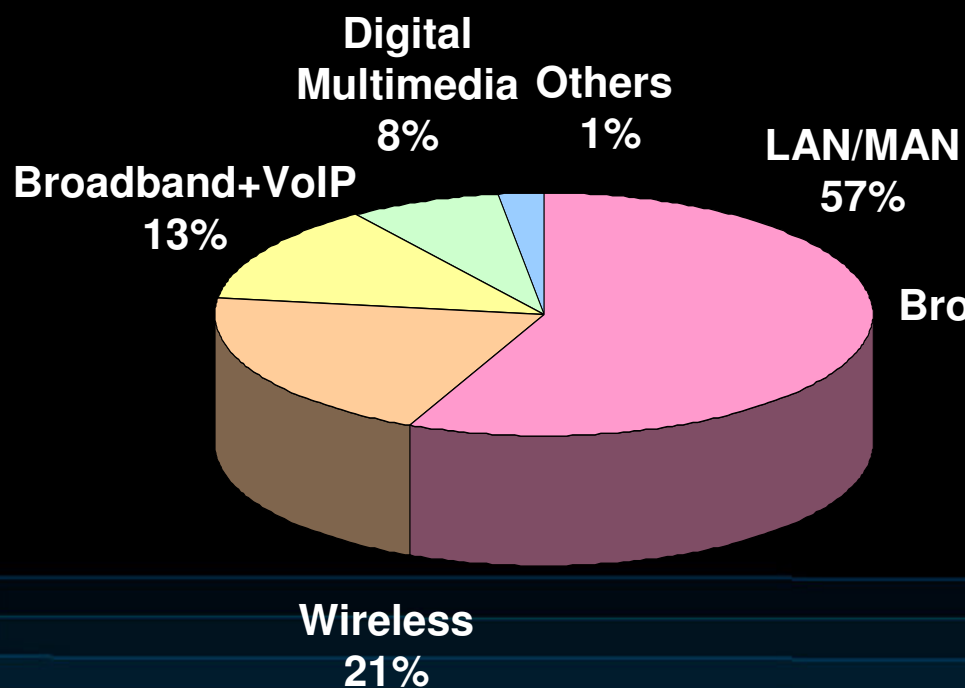
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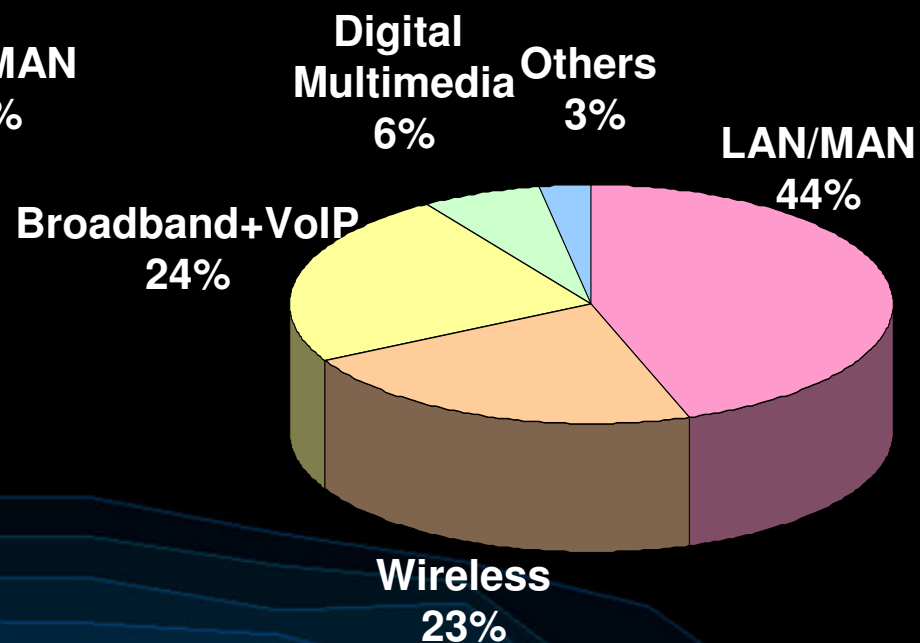
Revenue Breakdown By Product Line

2008Q4 vs. 2007Q4

2008Q4



2007Q4



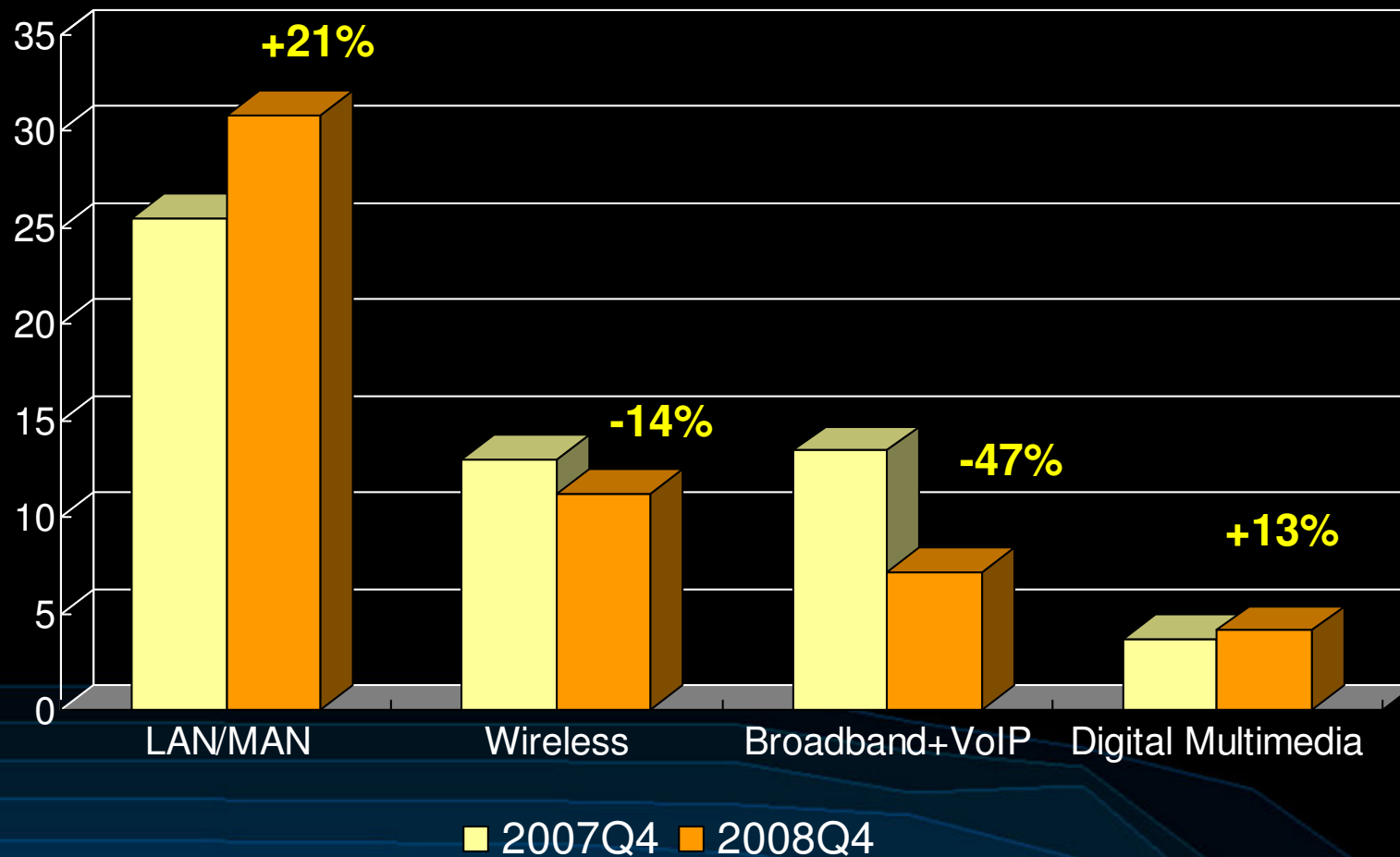
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Revenue Growth By Product Line

2008Q4 vs. 2007Q4

Unit: NT\$ 0.1 billion



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Industry Outlook

- Since the economic downturn spurs the development of a so-called "stay-at-home economy", the demand for digital home products will increase.
- The increase of multimedia internet applications drives the construction of broadband infrastructure.
- The economic recovery plans of several governments include extending and improving broadband services.
- 802.11n technology is increasingly being integrated into home network devices and is being used more in enterprise networks.

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Company Outlook

- Taking advantage of our company's diversified product lines to enhance cooperation from existing customers.
- Increasing the sales and R&D resources for high-end products in the Enterprise and Telecom markets.
- Creating a better product mix, that focuses on products with higher margins, positively affects the gross margin rate.
- Strictly controlling customers credit and enhancing the management of suppliers.
- Improving cost control and inventory management.

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