

Alpha Networks Inc. Reports Third Quarter 2015 Results

Hsinchu, Taiwan, November 9, 2015 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the third quarter of 2015.

The consolidated revenue in 3Q15 was NT\$5,467 million. With a more favorable product portfolio, gross margin increased to 13.3%. Operating loss was NT\$18 million, or -0.3% of net sales. In accordance with IFRS regulation, the company recognized NT\$329 million of impairment loss on available-for-sale financial assets. The impairment recognition was only reclassification from other comprehensive income, which had no impact on cash flow, working capital, or net value of the company. Net loss was NT\$292 million, or -NT\$0.65 per share. 3Q15's revenue by product categories: LAN/MAN accounted for 54% of 3Q15 consolidated revenue, followed by Wireless at 26%, Digital Multimedia at 13%, and Mobile & Broadband at 7%.

The consolidated revenue for nine months ending September 30, 2015 was NT\$17,626 million, with gross margin of 12.8%. Operating margin was NT\$146 million, or 0.8% of net sales. Net loss was NT\$225 million, or -NT\$0.48 per share. Revenue by product categories: LAN/MAN accounted for 54% of 1Q-3Q'15 consolidated revenue, followed by Wireless at 22%, Digital Multimedia at 16%, and Mobile & Broadband at 8%.

The company is firmly confident of its future growth and announced that its Board of Directors has authorized a stock repurchase program up to 15,000 thousand shares.

Alpha Networks Inc. 3Q15 Results and QoQ comparison: (Unit: NT\$ million)

	3Q15	%	2Q15	%
Net Sales	5,467	100.0	6,301	100.0
Gross Profit	726	13.3	728	11.6
Operating Income (Loss)	(18)	(0.3)	22	0.3
Income (Loss) before Tax	(265)	(4.9)	7	0.1
Net Income (Loss)	(292)	(5.3)	-	-
Earnings (Loss) Per Share (NT\$)	(0.65)		0.00	

Alpha Networks Inc. 1Q-3Q'15 Results and YoY comparison: (Unit: NT\$ million)

	1Q-3Q'15	%	1Q-3Q'14	%
Net Sales	17,626	100.0	16,998	100.0
Gross Profit	2,260	12.8	2,371	13.9
Operating Income (Loss)	146	0.8	298	1.8
Income (Loss) before Tax	(175)	(1.0)	321	1.9
Net Income (Loss)	(225)	(1.3)	281	1.7
Earnings (Loss) Per Share (NT\$)	(0.48)		0.58	

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