



News Release

Alpha Networks Inc. 2006 Third Quarter Report

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Hsinchu, Taiwan, October 30, 2006 – Alpha Networks Inc. (Taiwan: 3380.TW) today announced the results for the quarter ending September 30, 2006, in which revenue reached NT\$5,692 million, increased 8% QoQ and 14% YoY, net income was NT\$342 million, increased 138% QoQ and -12% YoY. EPS was NT\$1.03, increased 140% QoQ and -13% YoY.

Consolidated revenue of 3Q/2006 was NT\$60.09 million, increased 13% on a QoQ basis, and 20% on a YoY basis. Revenue by product categories was as follows: Broadband plus VoIP ranked number one, accounting for 44% of 3Q/06 consolidated revenue, followed by LAN/MAN at 29%, Wireless at 20%, and Digital Home at 3%. Viewed by business unit, D-Link accounted for 46% of revenues in Q3, Japan 15%, China 16%, North America 12%, and Europe 7%.

Total revenue from January to September were of 2006 were NT\$15,596 million, net income was NT\$698 million, and earnings per share was NT\$2.10. YoY comparison shows an increase in revenue, net income, and EPS of 24%, 1%, and -2%, respectively. Consolidated revenue from January to September were of 2006 were NT\$15,865 million, increased 25% on a YoY basis.

Alpha Networks Inc. 2006 Third Quarter Results: (Unit: NT\$ million)

	2006 Q3	2006 Q2	QoQ Change %	2005 Q3	YoY Change %
Net Sales	5,692	5,281	8%	4,981	14%
Gross Profit	885	707	25%	898	-1%
Operating Income	438	231	90%	458	-4%
Income before Tax	424	180	136%	461	-8%
Net Income	342	144	138%	387	-12%
EPS after Tax (NT\$)	1.03	0.43	140%	1.19*	-13%

*Adjusted

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