



2007 Q2 Results Investor Conference

August 3, 2007

ALPHA[®]
明泰科技
Alpha Networks Inc.

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.

Agenda

Financial Review

Yunwen Huang

Business Updates&Outlook

Douglas Hsiao

Q&A

Financial Review

Presented by
Yunwen Huang
Deputy Director
Accounting Division

20071H vs. 20061H

Consolidated Income Statement Comparison

Amount: NT\$ million	20071H		20061H		% change
	Amt	%	Amt	%	
Net Sales	10,579	100.00	9,856	100.00	7%
Cost of Goods Sold	8,601	81.30	8,321	84.42	3%
Gross Profit	1,978	18.70	1,535	15.58	29%
Operating Expenses	1,210	11.44	1,049	10.65	15%
Operating Income	768	7.26	486	4.93	58%
Total Non-Op. Inc. (Loss)	(116)	-1.10	(43)	-0.44	170%
Income Before Tax	652	6.16	443	4.49	47%
Income Tax Expense	142	-1.34	87	-0.88	63%
Net Income	510	4.82	356	3.61	43%
Earnings Per Share (NT\$)	1.41		1.01		

2007Q2 vs. 2007Q1

Consolidated Income Statement Comparison

Amount: NT\$ million

	2007Q2		2007Q1		% change
	Amt	%	Amt	%	
Net Sales	5,544	100.00	5,035	100.00	10%
Cost of Goods Sold	4,530	81.70	4,071	80.86	11%
Gross Profit	1,014	18.30	964	19.14	5%
Operating Expenses	597	10.78	613	12.16	-3%
Operating Income	417	7.52	351	6.98	19%
Total Non-Op. Inc. (Loss)	(94)	-1.70	(22)	-0.44	327%
Income Before Tax	323	5.82	329	6.54	-2%
Income Tax Expense	75	-1.35	67	-1.34	12%
Net Income	248	4.47	262	5.20	-5%
Earnings Per Share (NT\$)	0.68		0.73		

2007Q2 vs. 2006Q2

Consolidated Income Statement Comparison

Amount: NT\$ million

	2007Q2		2006Q2		% change
	Amt	%	Amt	%	
Net Sales	5,544	100.00	5,310	100.00	4%
Cost of Goods Sold	4,530	81.70	4,540	85.50	0%
Gross Profit	1,014	18.30	770	14.50	32%
Operating Expenses	597	10.78	553	10.41	8%
Operating Income	417	7.52	217	4.09	92%
Total Non-Op. Inc. (Loss)	(94)	-1.70	(35)	-0.66	169%
Income Before Tax	323	5.82	182	3.43	77%
Income Tax Expense	75	-1.35	38	-0.7	97%
Net Income	248	4.47	144	2.73	72%
Earnings Per Share (NT\$)	0.68		0.43		

Non-op Income / Loss Breakdown

Amount: NT\$ million

	20071H	20061H
Interest Gain (Expense)	7	(12)
FX Gain / (Loss)	(36)	(31)
Inventory Loss	(64)	(35)
Others	(23)	35
Total	<u>(116)</u>	<u>(43)</u>

Non-op Income / Loss Breakdown

Amount: NT\$ million

	2007Q2	2007Q1
Interest Gain (Expense)	7	0
FX Gain / (Loss)	(69)	33
Inventory Loss	(13)	(51)
Others	(19)	(4)
Total	<u>(94)</u>	<u>(22)</u>

6/30/2007 Balance Sheet YoY Comparison

Amount: NT\$ million	6/30/2007		6/30/2006		%change
	Amt	%	Amt	%	
Cash	2,954	22.69	2,328	19.44	27%
Account Receivable	4,947	38.00	4,989	41.67	-1%
Inventory	2,510	19.28	2,465	20.59	2%
Fixed Assets	2,172	16.68	1,924	16.07	13%
Other Assets	435	3.35	267	2.23	63%
Total Assets	13,018	100.00	11,973	100.00	9%
Account Payable	3,347	25.71	3,055	25.51	10%
Other Current Liabilities	2,758	21.19	2,837	23.70	-3%
Current Liabilities	6,105	46.90	5,892	49.21	4%
L-T & Other Liabilities	74	0.57	1,154	9.64	-94%
Total Liabilities	6,179	47.47	7,046	58.85	-12%
Common Stock	4,001	30.74	3,333	27.84	20%
Shareholders' Equity	6,839	52.53	4,927	41.15	39%

6/30/2007 Balance Sheet QoQ Comparison

Amount: NT\$ million	6/30/2007		3/31/2007		%change
	Amt	%	Amt	%	
Cash	2,954	22.69	2,967	22.22	0%
Account Receivable	4,947	38.00	4,784	35.83	3%
Inventory	2,510	19.28	2,825	21.16	-11%
Fixed Assets	2,172	16.68	2,116	15.85	3%
Other Assets	435	3.35	660	4.94	-34%
Total Assets	13,018	100.00	13,352	100.00	-3%
Account Payable	3,347	25.71	3,909	29.28	-14%
Other Current Liabilities	2,758	21.19	2,656	19.89	4%
Current Liabilities	6,105	46.90	6,565	49.17	-7%
L-T & Other Liabilities	74	0.57	72	0.54	3%
Total Liabilities	6,179	47.47	6,637	49.71	-7%
Common Stock	4,001	30.74	3,593	26.91	11%
Shareholders' Equity	6,839	52.53	6,715	50.29	2%

Key Financial Ratios - Liquidity / Leverage

Unit: day, %	<u>2007/6/30</u>	<u>2007/3/31</u>	<u>2006/6/30</u>
Days A/R	87	89	80
Days Inventory	49	55	48
Current Ratio	172.16%	165.97%	167.71%
Debt/Equity Ratio	47.47%	49.71%	58.85%

Key Financial Ratios - Profitability

Unit: %	<u>2007/6/30</u>	<u>2007/3/31</u>	<u>2006/6/30</u>
Net Income/Sales	4.82%	5.20%	3.61%
Net Income/Total Assets	8.16%	8.32%	7.41%
Return on Equity	15.40%	15.98%	14.63%
EPS (NT\$)	0.68	0.73	0.43

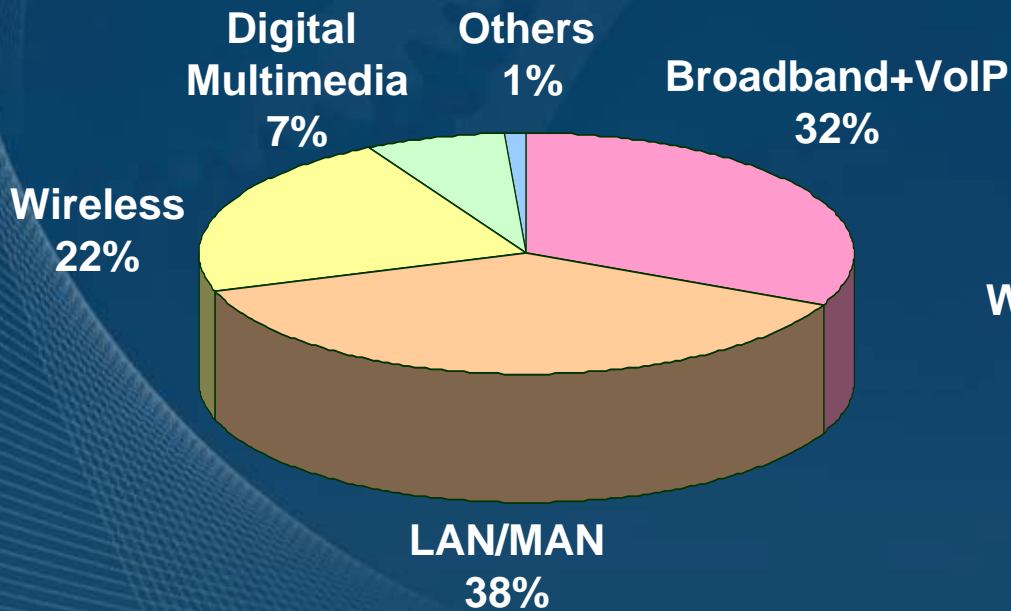
Business Updates&Outlook

Presented by
Douglas Hsiao
President

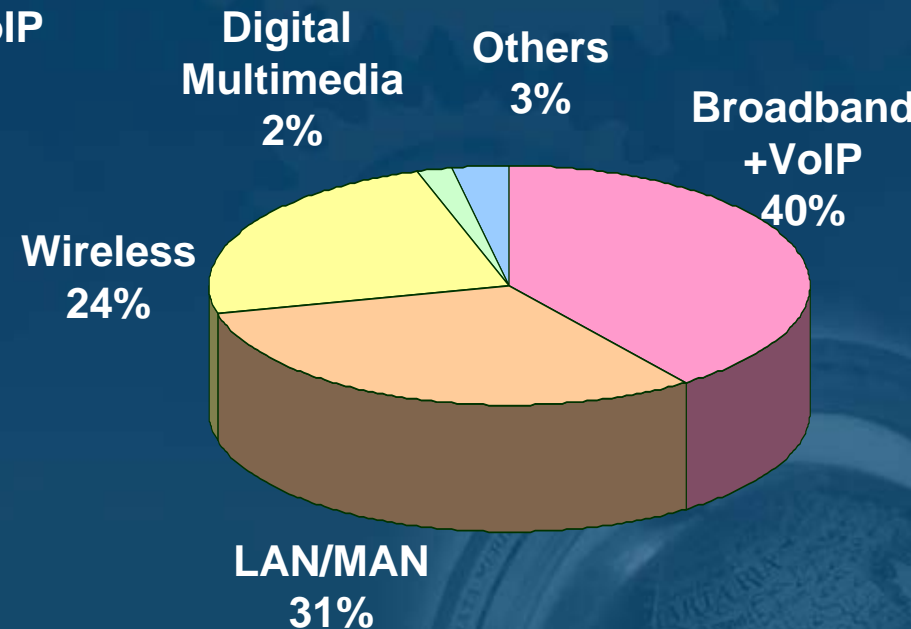
Revenue Breakdown By Product Line

Revenue Breakdown By Product Line 20071H vs. 20061H

20071H

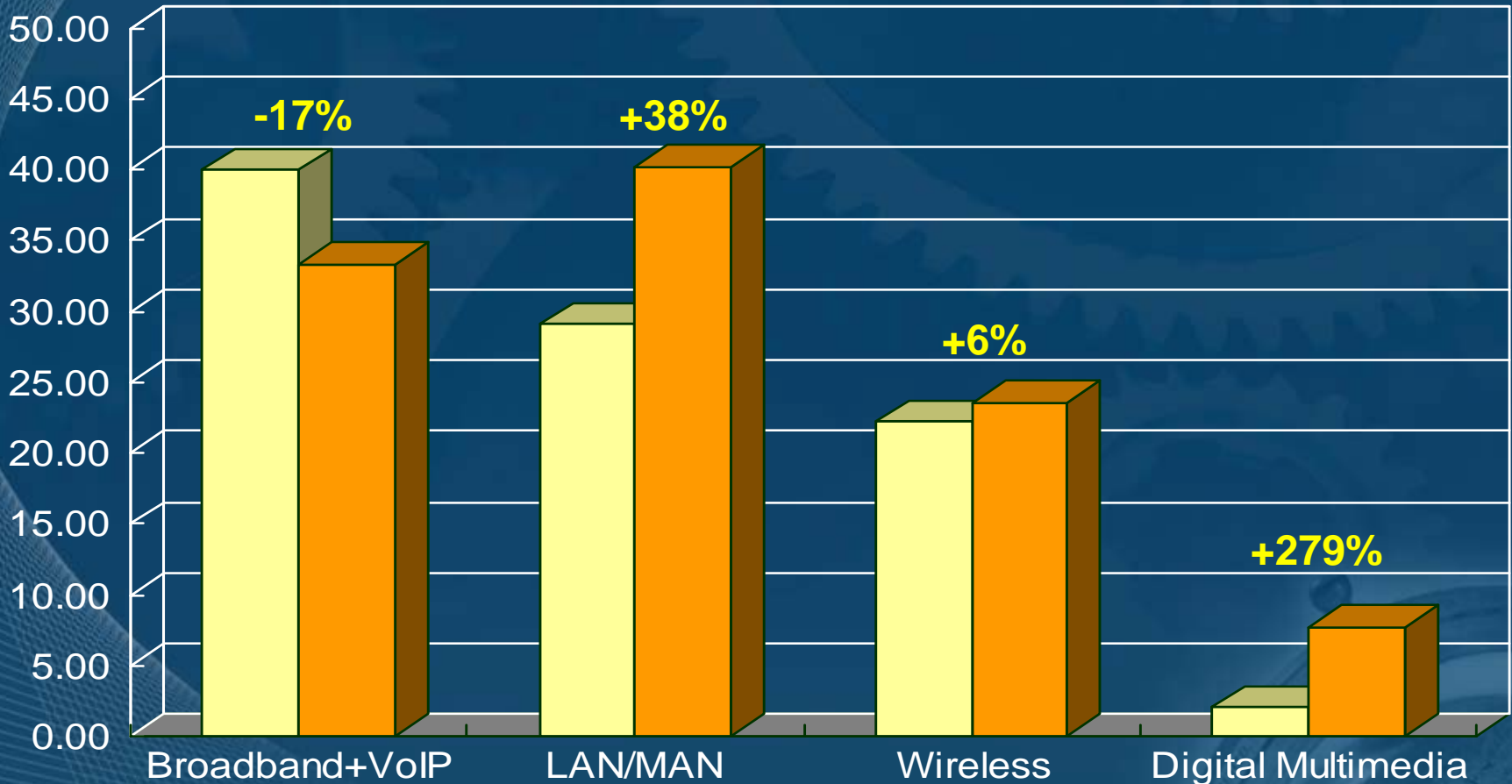


20061H



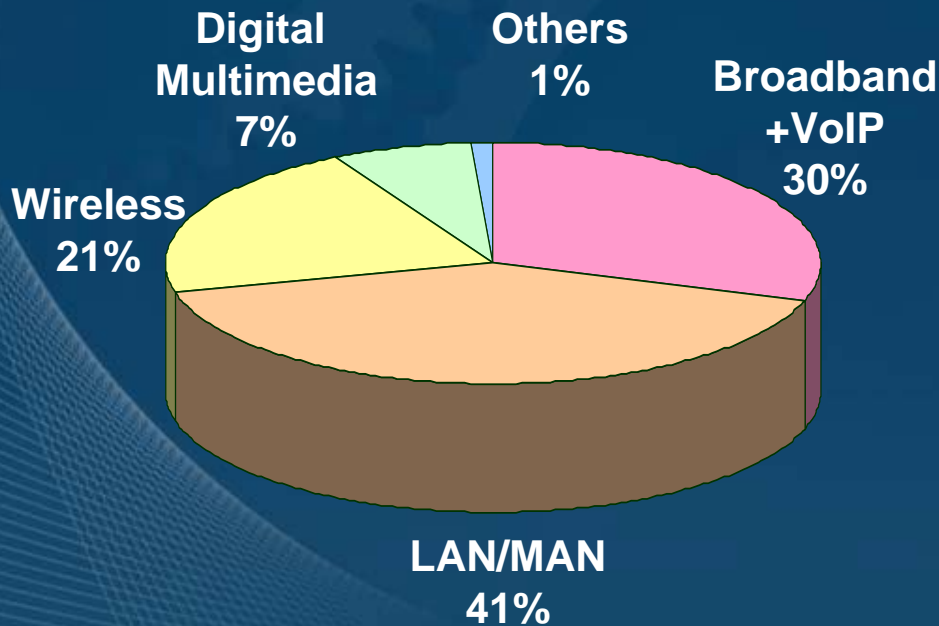
Revenue Breakdown By Product Line 20071H vs. 20061H

Unit: NT\$ 0.1 billion

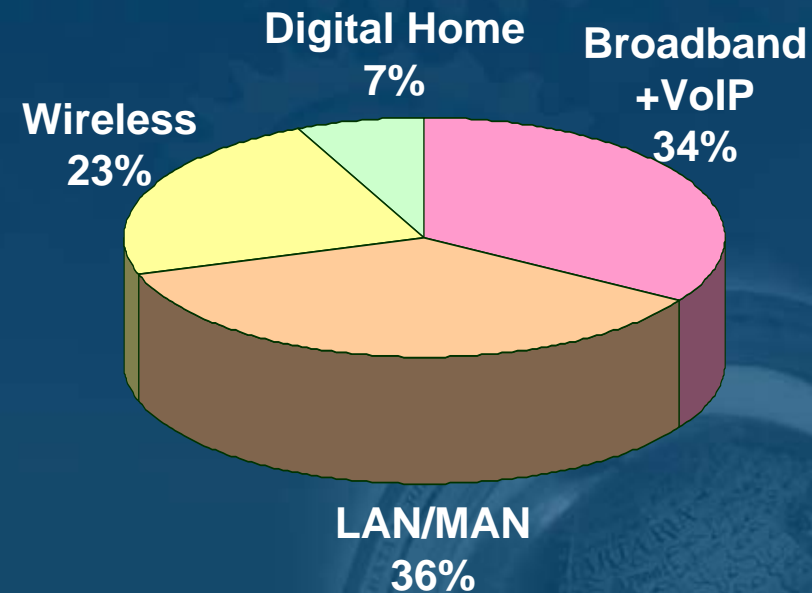


Revenue Breakdown By Product Line 2007/Q2 vs. 2007/Q1

2007/Q2

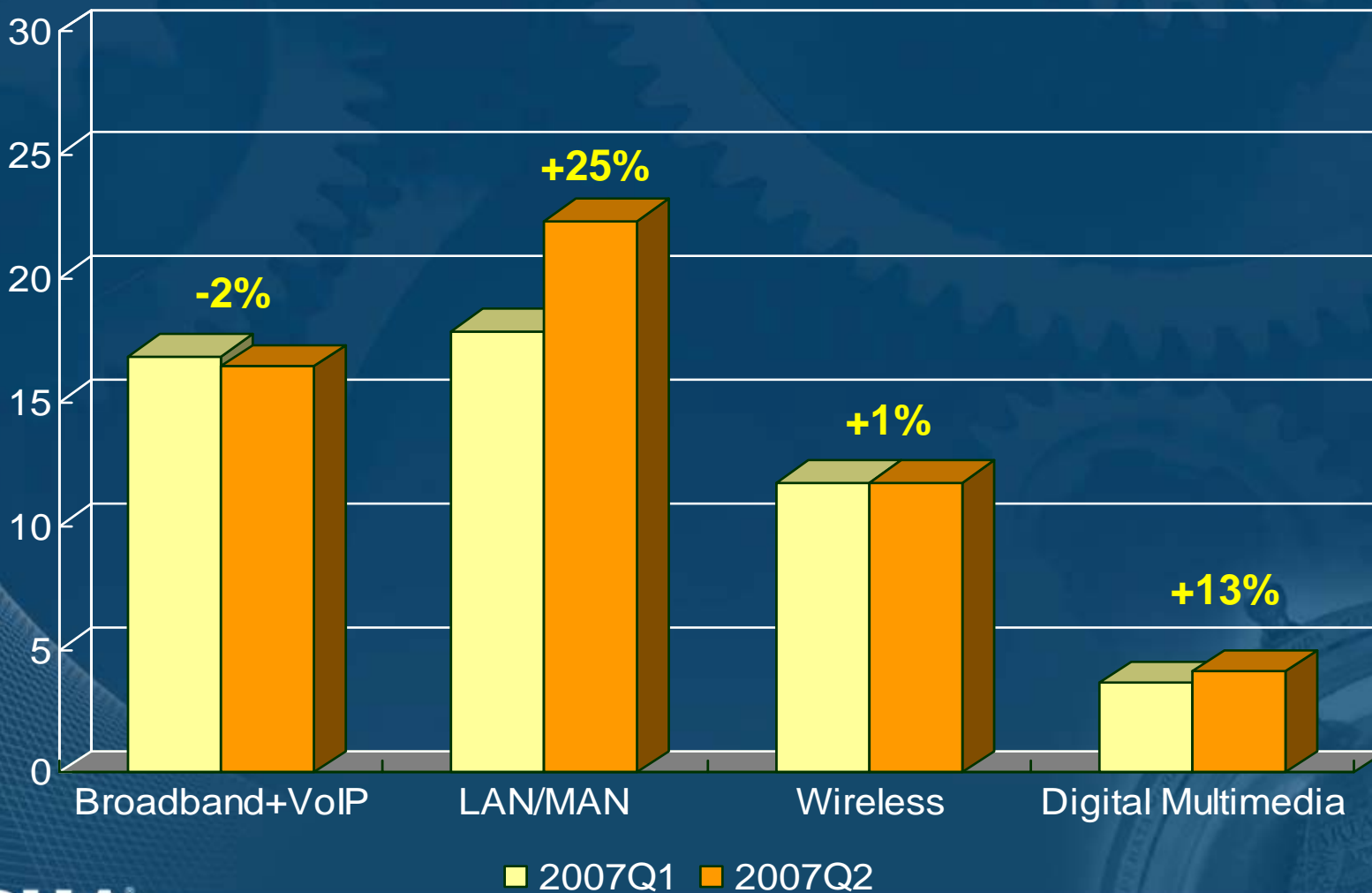


2007/Q1



Revenue Growth By Product Line 2007/Q2 vs. 2007/Q1

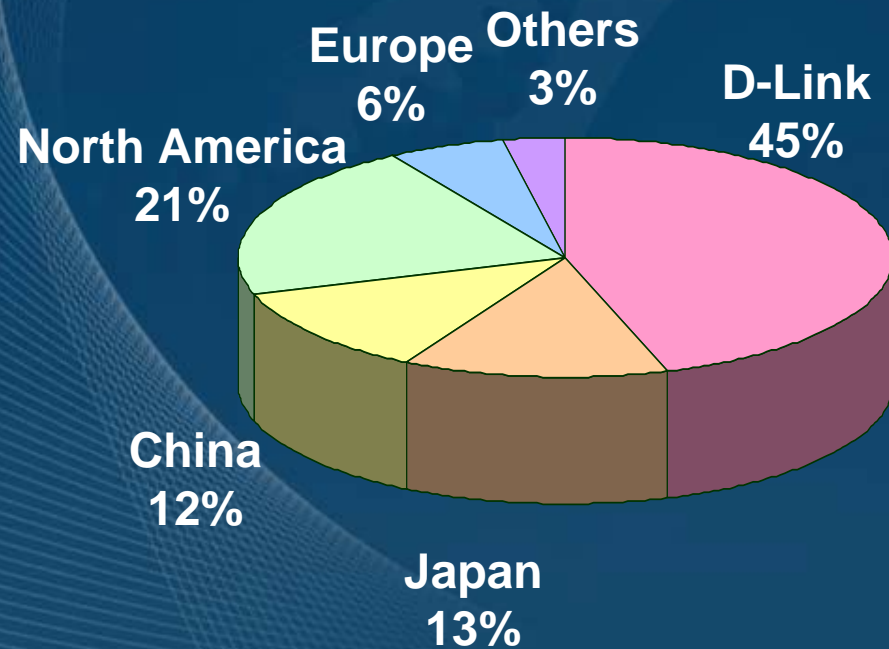
Unit: NT\$ 0.1 billion



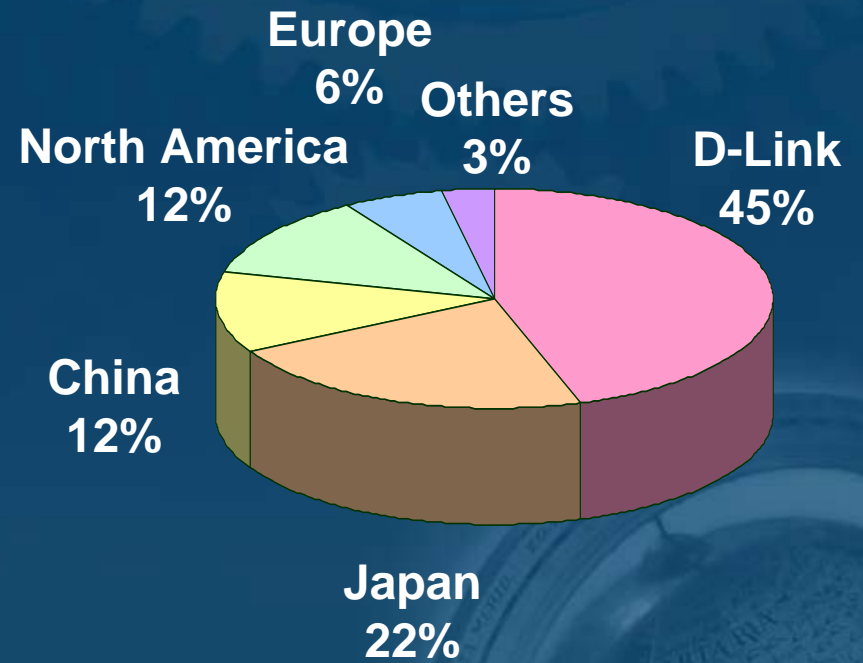
Revenue Breakdown By Business Unit

Revenue Breakdown By Business Unit 20071H vs. 20061H

20071H

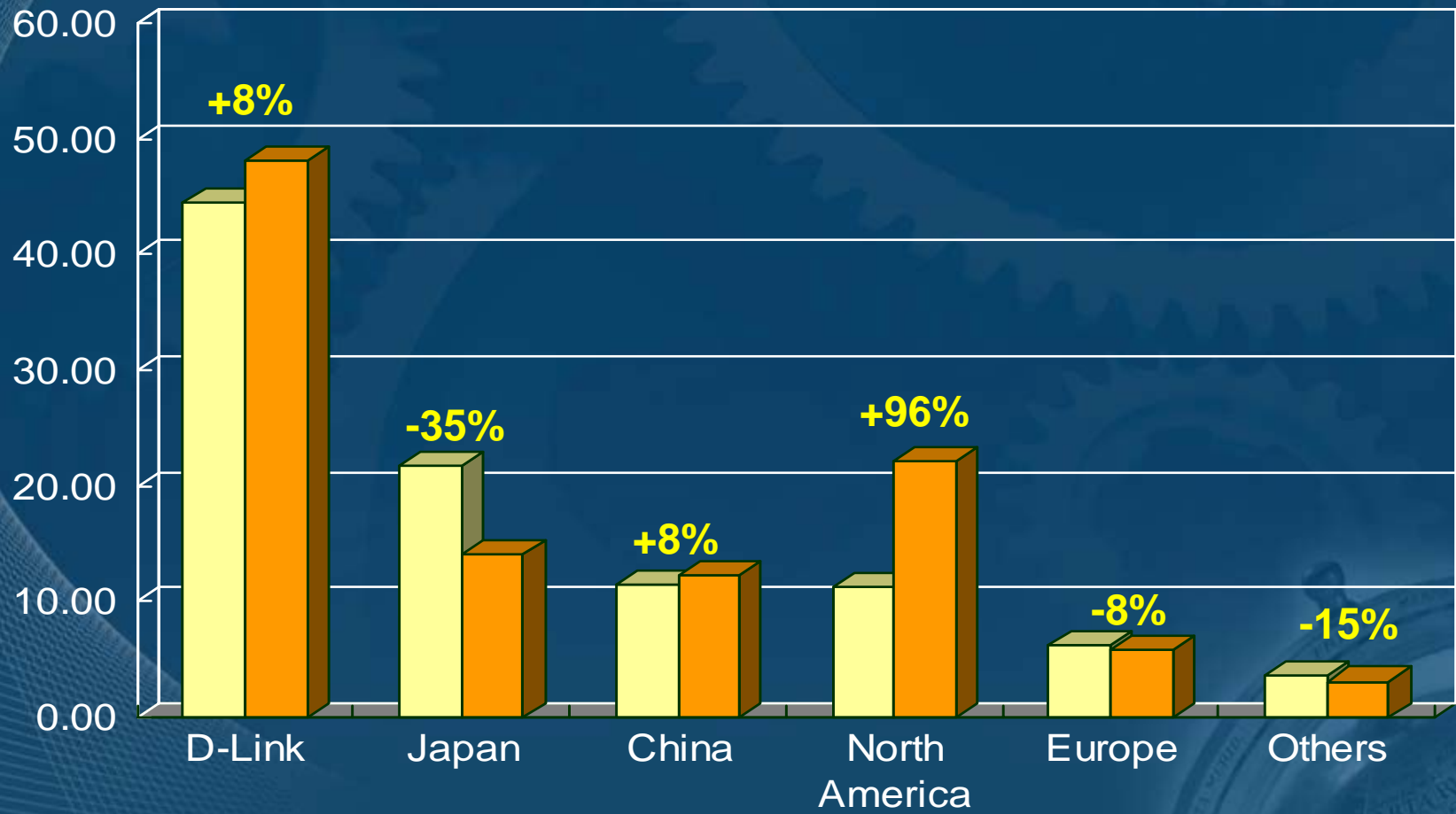


20061H



Revenue Growth By Business Unit 20071H vs. 20061H

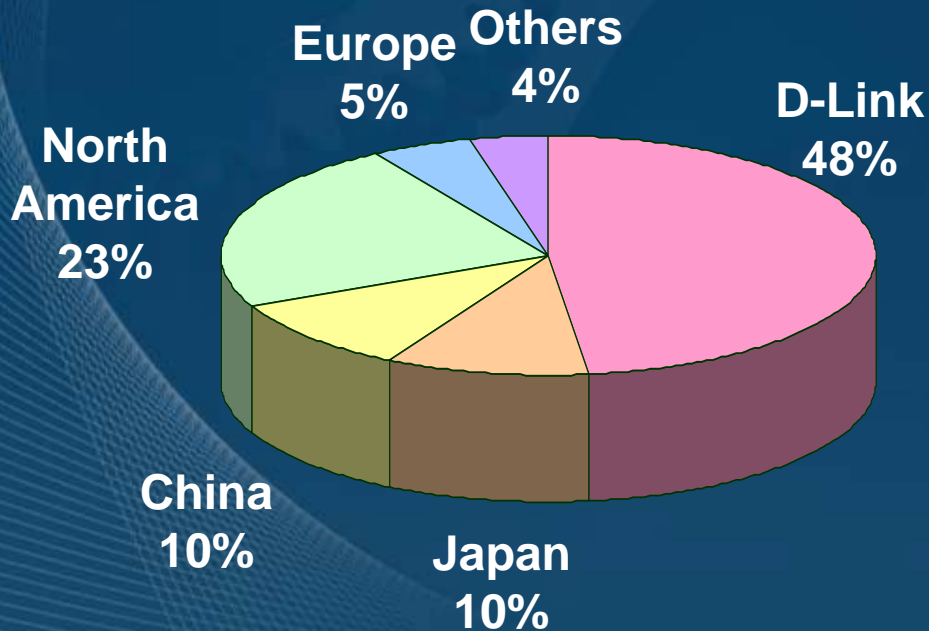
Unit: NT\$ 0.1 billion



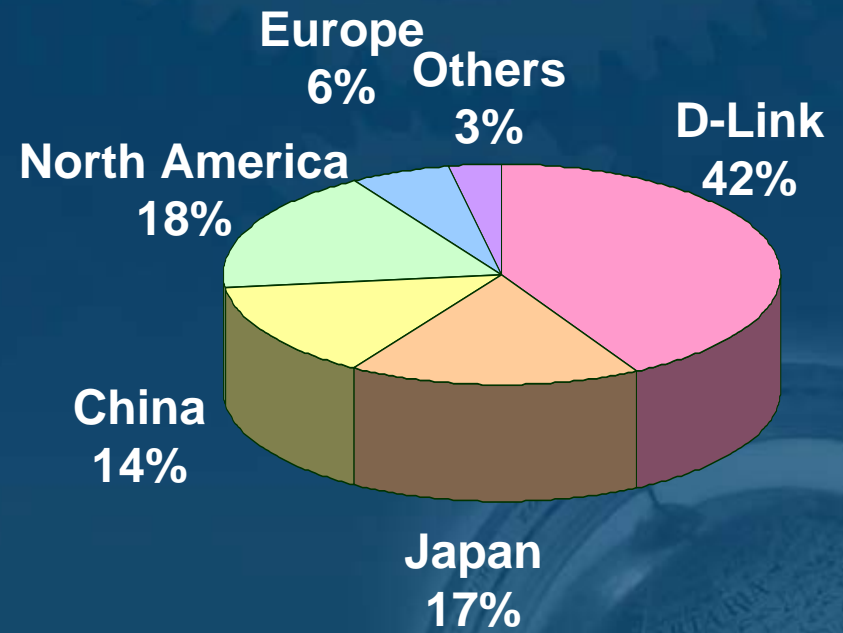
■ 20061H ■ 20071H

Revenue Breakdown By Business Unit 2007/Q2 vs. 2007/Q1

2007Q2

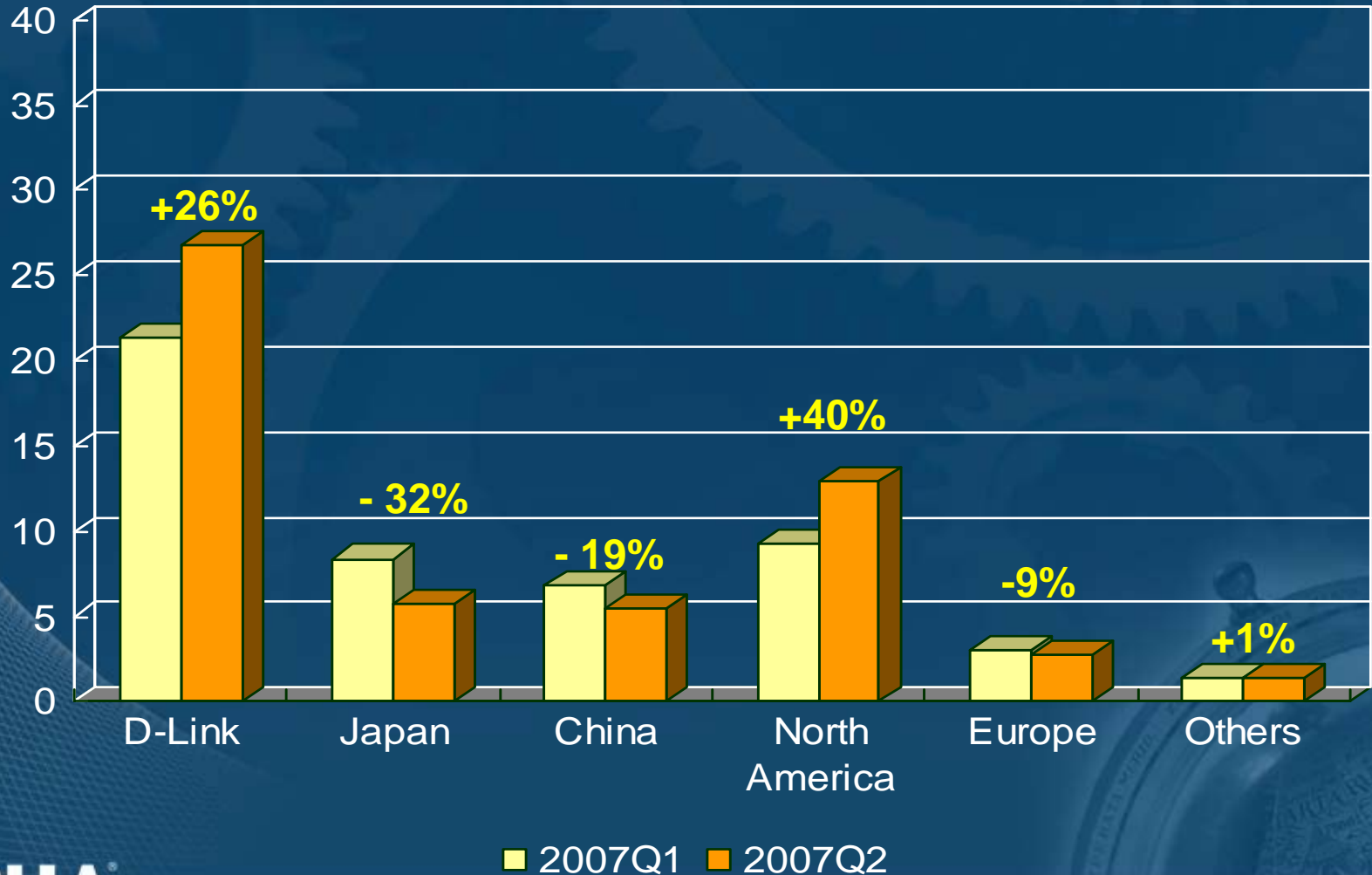


2007Q1



Revenue Growth By Business Unit 2007/Q2 vs. 2007/Q1

Unit: NT\$ 0.1 billion



Industry Outlook

FTTx

VDSL

Telco Switch

WiMAX

Wide Area
Network(WAN)
Infrastructure

Internet
Growth

Local Area
Network(LAN)
Upgrade

Applications of
Digital Audio &
Video and VoIP

Surveillance

Storage

IPTV

Intelligent
Switch

802.11n

Company Outlook

- Maintain the leading position in the industry
- Complete and diversified product offerings
- Increase the % of Telco and high-end products
- Aggressively develop the Digital Multimedia market
- High-end and integrated products are the driving force of company's revenue and profit growth



www.alphanetworks.com

IR@alphanetworks.com

ALPHA[®]
明泰科技
Alpha Networks Inc.