



2007 Q4 Results Investor Conference

February 22, 2008

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

Mason Liu

Business Updates & Outlook

Douglas Hsiao

Q&A

Financial Review

Presented by
Mason Liu
Vice President
Finance & Accounting Center

2007 vs. 2006 Consolidated Income Statement Comparison

Amount: NT\$ million	2007		2006		% change
	Amt	%	Amt	%	
Net Sales	22,351	100.00	21,469	100.00	4%
Cost of Goods Sold	18,301	81.88	18,007	83.87	2%
Gross Profit	4,050	18.12	3,462	16.13	17%
Operating Expenses	2,366	10.58	1,983	9.24	19%
Operating Income	1,684	7.54	1,479	6.89	14%
Total Non-Op. Inc. (Loss)	(127)	-0.57	(171)	-0.80	26%
Income Before Tax	1,557	6.97	1,308	6.09	19%
Income Tax Expense	263	1.18	260	1.21	1%
Net Income	1,294	5.79	1,048	4.88	23%
Earnings Per Share (NT\$)	3.26		3.10		

4Q/2007 QoQ

Consolidated Income Statement Comparison

Amount: NT\$ million	2007Q4		2007Q3		% change
	Amt	%	Amt	%	
Net Sales	5,704	100.00	6,069	100.00	-6%
Cost of Goods Sold	4,676	81.98	5,025	82.80	-7%
Gross Profit	1,028	18.02	1,044	17.20	-2%
Operating Expenses	564	9.89	592	9.75	-5%
Operating Income	464	8.13	452	7.45	3%
Total Non-Op. Inc. (Loss)	21	0.37	(32)	-0.53	166%
Income Before Tax	485	8.50	420	6.92	15%
Income Tax Expense	95	1.66	26	0.43	265%
Net Income	390	6.84	394	6.49	-1%
Earnings Per Share (NT\$)	0.98		0.99		

4Q/2007 YoY Consolidated Income Statement Comparison

Amount: NT\$ million	2007Q4		2006Q4		% change
	Amt	%	Amt	%	
Net Sales	5,704	100.00	5,604	100.00	2%
Cost of Goods Sold	4,676	81.98	4,642	82.84	1%
Gross Profit	1,028	18.02	962	17.16	7%
Operating Expenses	564	9.89	419	7.47	35%
Operating Income	464	8.13	543	9.69	-15%
Total Non-Op. Inc. (Loss)	21	0.37	(104)	-1.86	120%
Income Before Tax	485	8.50	439	7.83	10%
Income Tax Expense	95	1.66	88	1.57	8%
Net Income	390	6.84	351	6.26	11%
Earnings Per Share (NT\$)	0.98		1.04		

Non-op Income / Loss Breakdown

Amount: NT\$ million

	2007	2006
Interest Gain (Expense)	21	(27)
FX Gain / (Loss)	(49)	(44)
Inventory Loss	(62)	(117)
Others	(37)	17
Total	<u>(127)</u>	<u>(171)</u>

Non-op Income / Loss Breakdown

Amount: NT\$ million

2007Q4

2007Q3

Interest Gain (Expense)

2

12

FX Gain / (Loss)

(21)

(17)

Inventory Loss

12

(9)

Others

28

(18)

Total

21

(32)

12/31/2007 Balance Sheet YoY Comparison

Amount: NT\$ million	12/31/2007		12/31/2006		%change
	Amt	%	Amt	%	
Cash	3,135	22.91	3,097	24.16	1%
Account Receivable	5,671	41.44	5,087	39.69	12%
Inventory	2,145	15.67	2,063	16.10	4%
Fixed Assets	2,227	16.27	2,138	16.68	4%
Other Assets	507	3.71	432	3.37	17%
Total Assets	13,685	100.00	12,817	100.00	7%
Account Payable	3,687	26.94	3,331	25.99	11%
Other Current Liabilities	2,016	14.73	1,925	15.02	5%
Current Liabilities	5,703	41.67	5,256	41.01	9%
L-T & Other Liabilities	73	0.54	1,166	9.10	-94%
Total Liabilities	5,776	42.21	6,422	50.11	-10%
Common Stock	4,116	30.08	3,554	27.73	16%
Shareholders' Equity	7,909	57.79	6,395	49.89	24%

Key Financial Ratios - Liquidity / Leverage

Unit: day, %

	<u>2007</u>	<u>2006</u>
Days A/R	88	75
Days Inventory	42	40
Current Ratio	193.66%	197.31%
Debt/Equity Ratio	42.21%	50.11%

Key Financial Ratios - Profitability

	<u>2007</u>	<u>2006</u>
Net Income/Sales	5.79%	4.88%
Net Income/Total Assets	10.05%	10.25%
Return on Equity	18.09%	18.74%
EPS (NT\$)	3.26	3.10

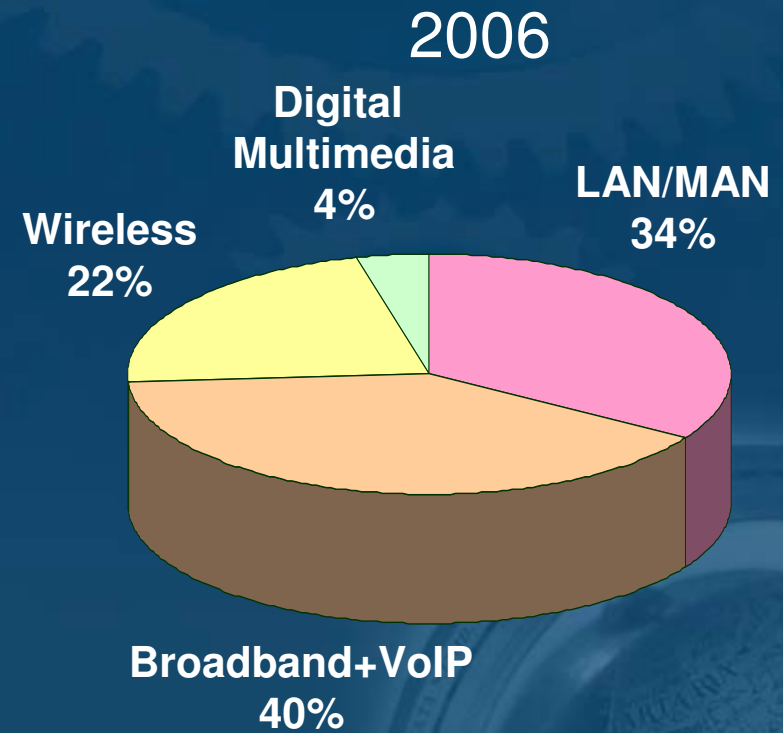
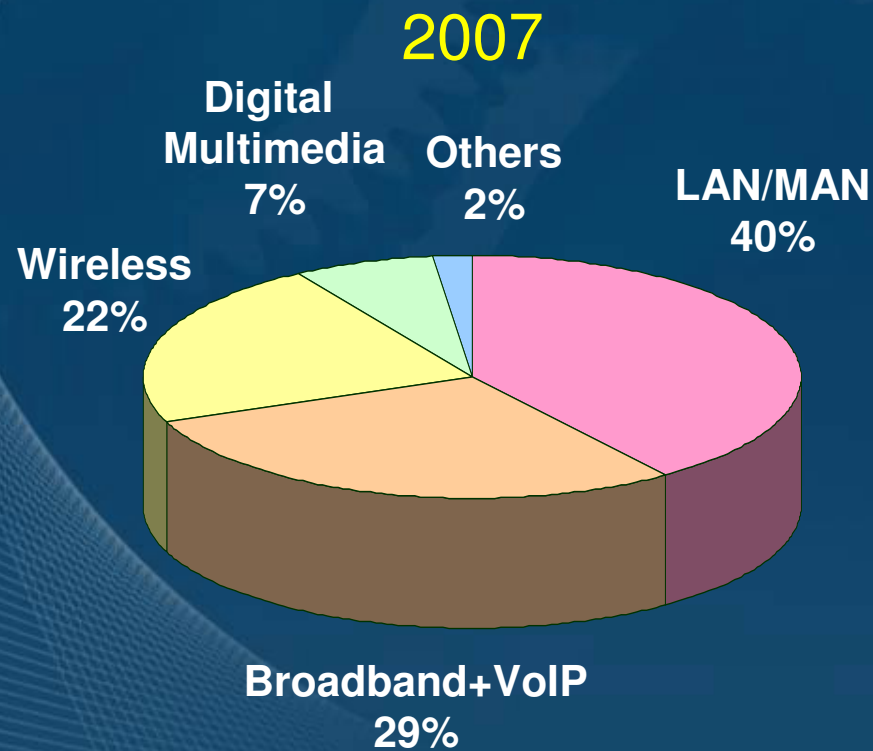
Business Updates & Outlook

Presented by
Douglas Hsiao
President



Revenue Breakdown By Product Line

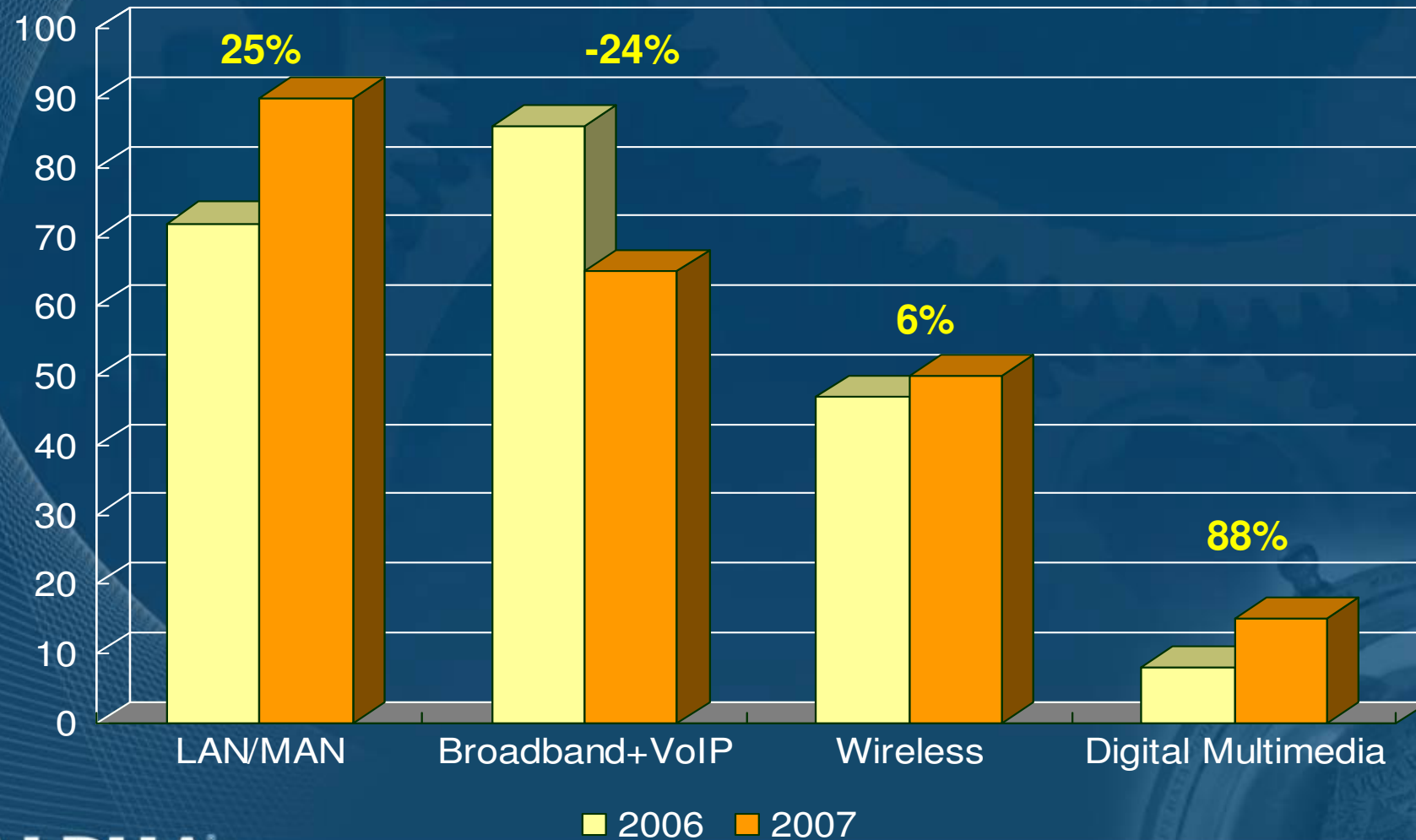
Revenue Breakdown By Product Line 2007 vs. 2006



Revenue Growth By Product Line

2007 vs. 2006

Unit: NT\$ 0.1 billion



ALPHA

2007 figures are non-auditing

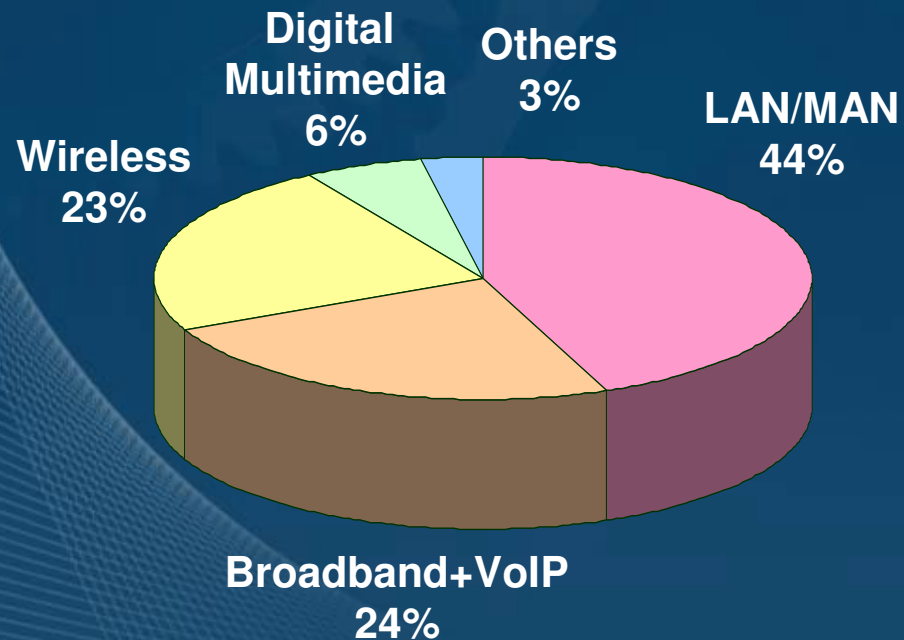
Confidential

2008/2/22

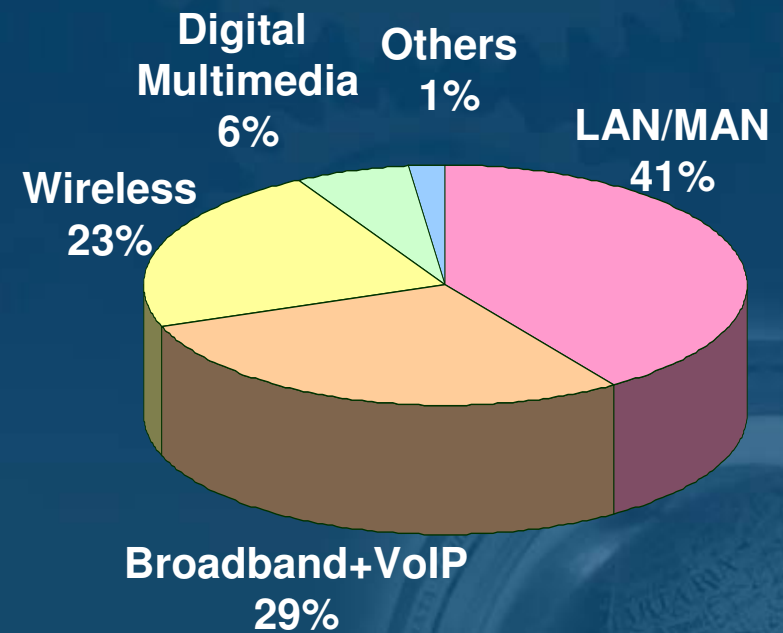
Revenue Breakdown By Product Line

4Q/2007 vs. 3Q/2007

2007/Q4



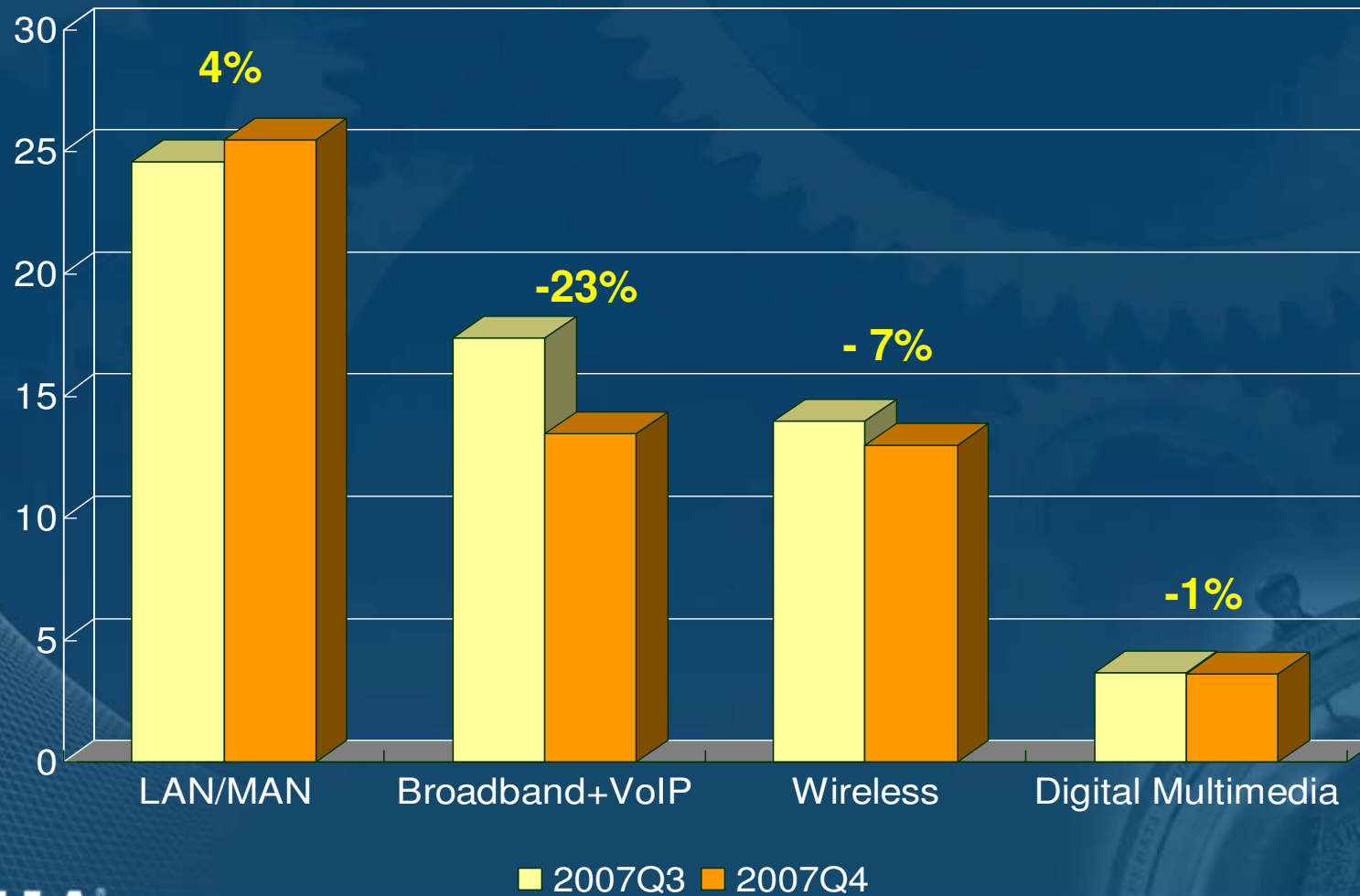
2007/Q3



Revenue Growth By Product Line

4Q/2007 vs. 3Q/2007

Unit: NT\$ 0.1 billion



ALPHA

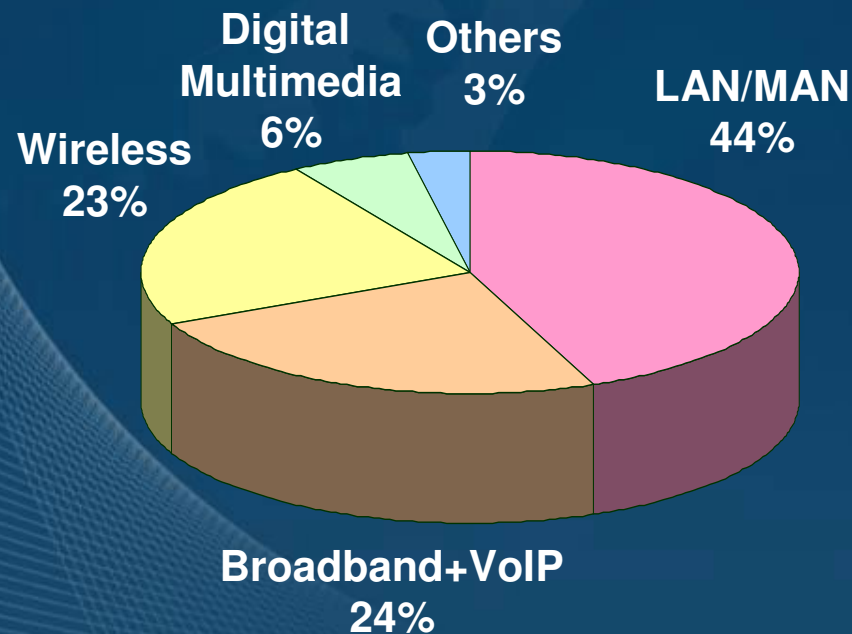
2007 figures are non-auditing

Confidential

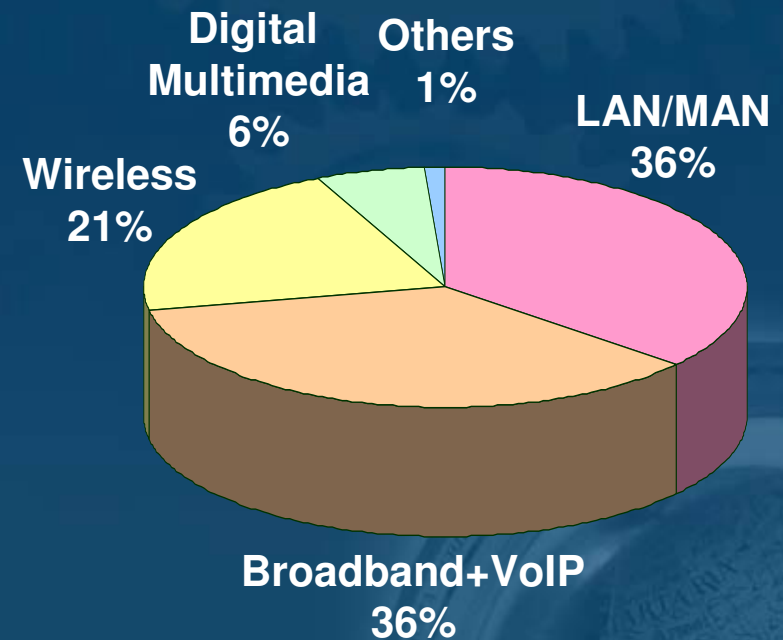
2008/2/22

Revenue Breakdown By Product Line 2007/Q4 vs. 2006/Q4

2007/Q4



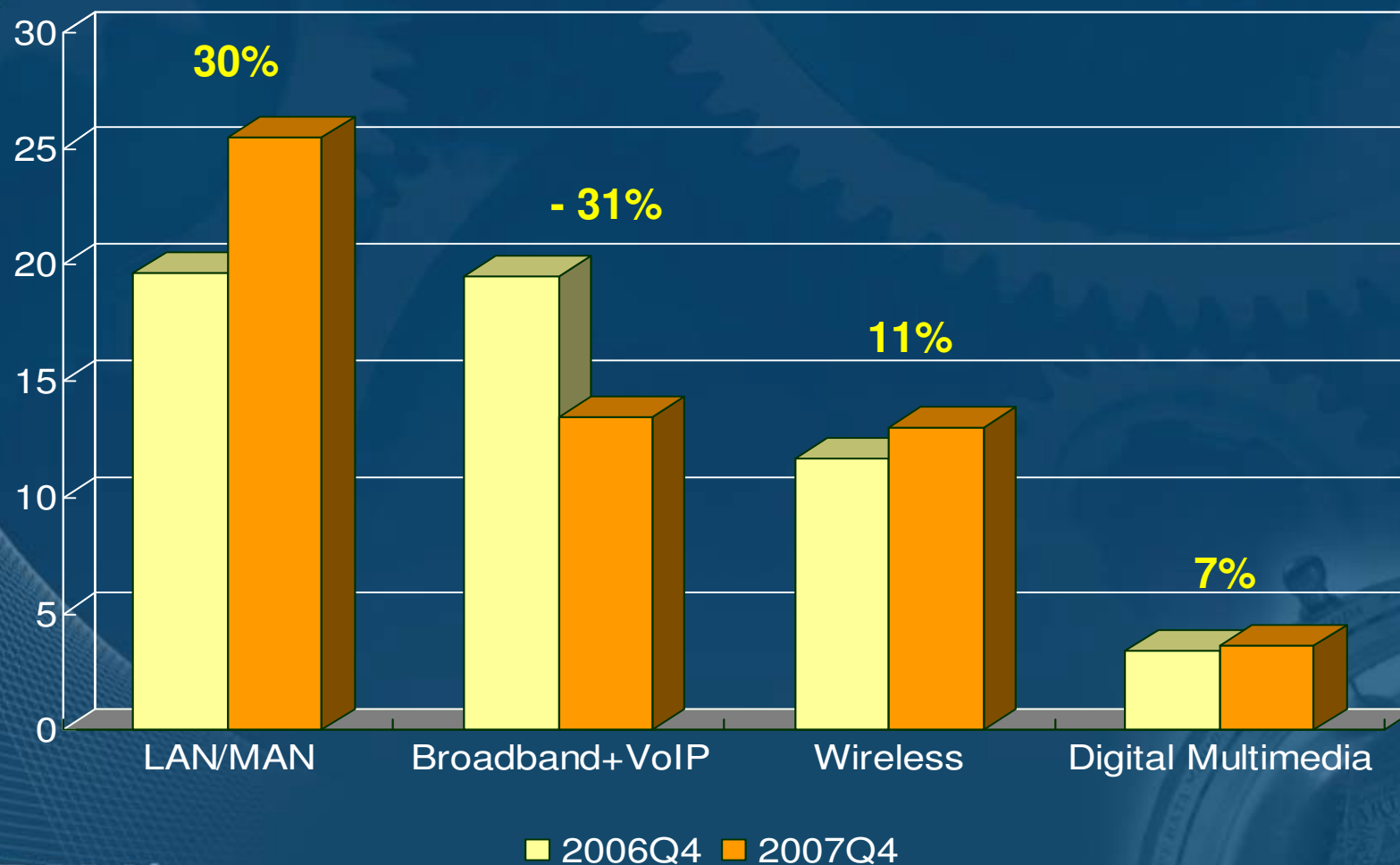
2006/Q4



Revenue Growth By Product Line

4Q/2007 vs. 4Q/2006

Unit: NT\$ 0.1 billion



ALPHA

2007 figures are non-auditing

Confidential

2008/2/22

Industry Overview

- Switch companies release more ODM business to Taiwanese vendors
- Telcos are building ADSL and VDSL infrastructure with surprisingly fast pace and strength on a global basis
- WiMAX applications initiate from 2H/2008
- Market of Digital Home and Networking Multimedia get more mature
- Global warming and aging population create new needs for network technology

Company Outlook

- Solid business from US customers
- Strong demand from emerging markets
- Maintain leading position in enterprise Ethernet switch ODM market
- Margin growth will mainly come from Switch, Digital Multimedia, and VDSL
- More marketing efforts to build worldwide awareness and gain more business
- Expanding R&D and manufacturing facilities overseas to meet company's growth requirement
- Better top line growth of 2008 than 2007



www.alphanetworks.com

IR@alphanetworks.com

ALPHA[®]
明泰科技
Alpha Networks Inc.