



2008 Q2 Results Investor Conference

August 7, 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

2008.1H vs. 2007.1H

Consolidated Income Statement Comparison

Amount: NT\$ million	2008.1H		2007.1H		% change
	Amt	%	Amt	%	
Net Sales	11,366	100.00	10,579	100.00	7%
Cost of Goods Sold	9,321	82.01	8,601	81.30	8%
Gross Profit	2,045	17.99	1,978	18.70	3%
Operating Expenses	1,413	12.43	1,210	11.44	17%
Operating Income	632	5.56	768	7.26	-18%
Total Non-Op. Inc. (Loss)	(115)	-1.01	(116)	-1.10	1%
Income Before Tax	517	4.55	652	6.16	-21%
Income Tax Expense	75	0.66	142	1.34	-47%
Net Income	442	3.89	510	4.82	-13%
Earnings Per Share (NT\$)	1.06		1.41		

2008Q2 vs. 2008Q1

Consolidated Income Statement Comparison

Amount: NT\$ million	2008Q2		2008Q1		% change
	Amt	%	Amt	%	
Net Sales	6,029	100.00	5,337	100.00	13%
Cost of Goods Sold	4,965	82.35	4,356	81.62	14%
Gross Profit	1,064	17.65	981	18.38	8%
Operating Expenses	741	12.29	672	12.59	10%
Operating Income	323	5.36	309	5.79	5%
Total Non-Op. Inc. (Loss)	51	0.85	(166)	-3.11	131%
Income Before Tax	374	6.21	143	2.68	162%
Income Tax Expense	54	0.90	21	0.39	157%
Net Income	320	5.31	122	2.29	162%
Earnings Per Share (NT\$)	0.77		0.29		

2008Q2 vs. 2007Q2

Consolidated Income Statement Comparison

Amount: NT\$ million	2008Q2		2007Q2		% change
	Amt	%	Amt	%	
Net Sales	6,029	100.00	5,544	100.00	9%
Cost of Goods Sold	4,965	82.35	4,530	81.70	10%
Gross Profit	1,064	17.65	1,014	18.30	5%
Operating Expenses	741	12.29	597	10.78	24%
Operating Income	323	5.36	417	7.52	-23%
Total Non-Op. Inc. (Loss)	51	0.85	(94)	-1.70	154%
Income Before Tax	374	6.21	323	5.82	16%
Income Tax Expense	54	0.90	75	1.35	-28%
Net Income	320	5.31	248	4.47	29%
Earnings Per Share (NT\$)	0.77		0.68		

Non-op Income / Loss Breakdown

Amount: NT\$ million

	2008.1H	2007.1H
Interest Gain (Expense)	5	7
FX Gain / (Loss)	(125)	(10)
Inventory Gain / (Loss)	6	(64)
Others	(1)	(49)
Total	<u>(115)</u>	<u>(116)</u>

Non-op Income / Loss Breakdown

Amount: NT\$ million

2008Q2

2008Q1

Interest Gain (Expense)

9

(4)

FX Gain / (Loss)

29

(154)

Inventory Gain / (Loss)

17

(11)

Others

(4)

3

Total

51

(166)

6/30/2008 Balance Sheet YoY Comparison

Amount: NT\$ million	6/30/2008		6/30/2007		%change
	Amt	%	Amt	%	
Cash	3,778	26.19	2,954	22.69	28%
Account Receivable	5,549	38.46	4,947	38.00	12%
Inventory	2,258	15.65	2,510	19.28	-10%
Fixed Assets	2,143	14.85	2,172	16.68	-1%
Other Assets	700	4.85	435	3.35	61%
Total Assets	14,428	100.00	13,018	100.00	11%
Account Payable	4,297	29.78	3,347	25.71	28%
Other Current Liabilities	2,599	18.01	2,758	21.19	-6%
Current Liabilities	6,896	47.79	6,105	46.90	13%
L-T & Other Liabilities	92	0.64	74	0.57	24%
Total Liabilities	6,988	48.43	6,179	47.47	13%
Common Stock	4,483	31.07	4,001	30.74	12%
Shareholders' Equity	7,440	51.57	6,839	52.53	9%

Key Financial Ratios - Liquidity / Leverage

Unit: day, %

	<u>2008/6/30</u>	<u>2008/3/31</u>	<u>2007/6/30</u>
Days A/R	91	90	87
Days Inventory	42	43	49
Current Ratio	169.07%	197.98%	172.16%
Debt/Assets Ratio	48.43%	42.03%	47.47%

Key Financial Ratios - Profitability

	<u>2008/6/30</u>	<u>2008/3/31</u>	<u>2007/6/30</u>
Net Income/Sales	3.89%	2.28%	4.82%
Net Income/Total Assets	6.80%	4.12%	8.16%
Return on Equity	11.52%	6.11%	15.40%
EPS (NT\$)	0.77	0.29	0.68

Business Updates & Outlook

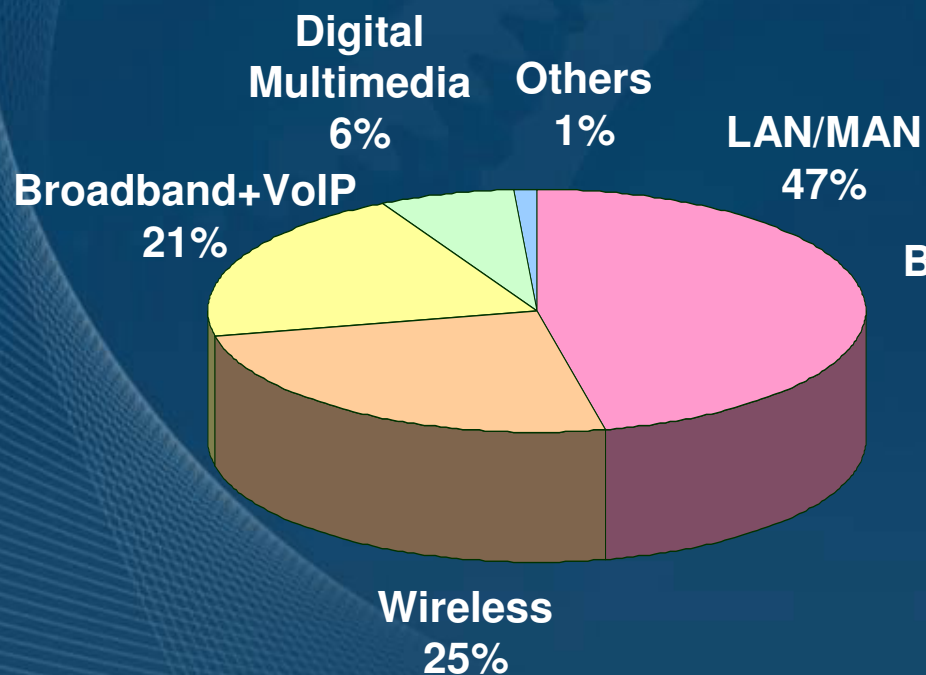
Presented by
Douglas Hsiao
President

Revenue Breakdown By Product Line

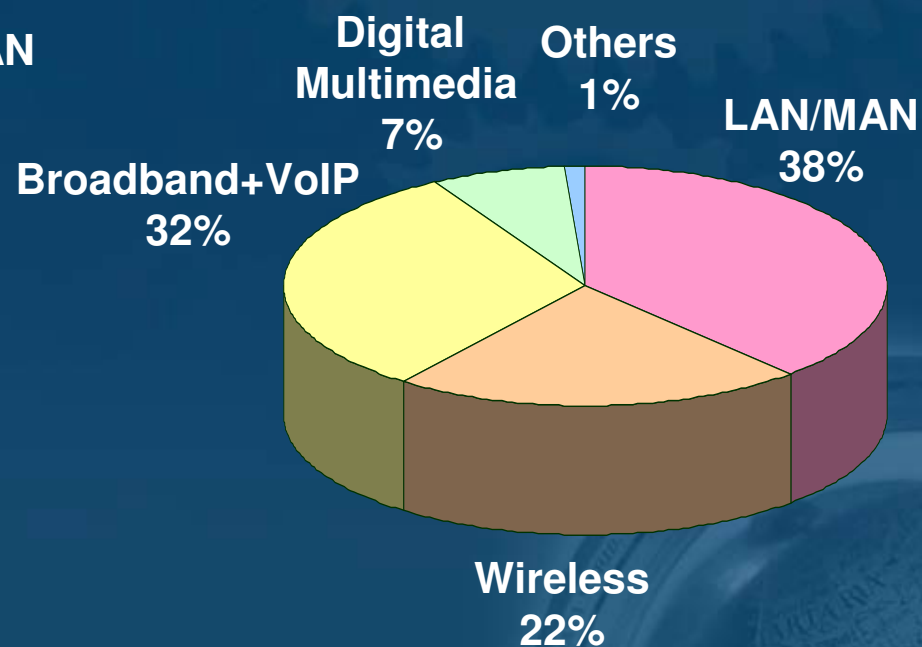
Revenue Breakdown By Product Line

2008 1H vs. 2007 1H

2008 1H



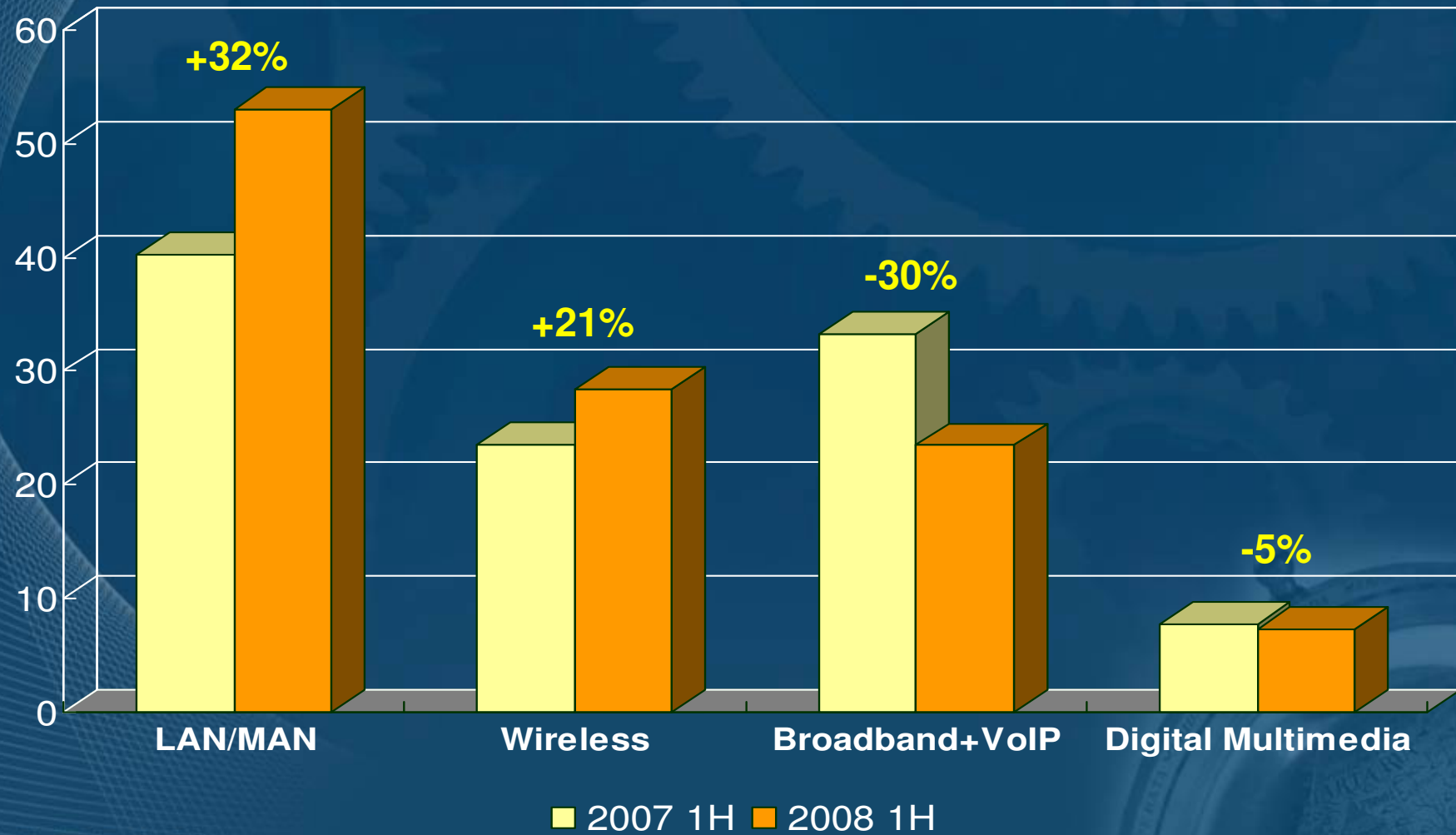
2007 1H



Revenue Growth By Product Line

2008 1H vs. 2007 1H

Unit: NT\$ 0.1 billion



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2008 figures are non-auditing

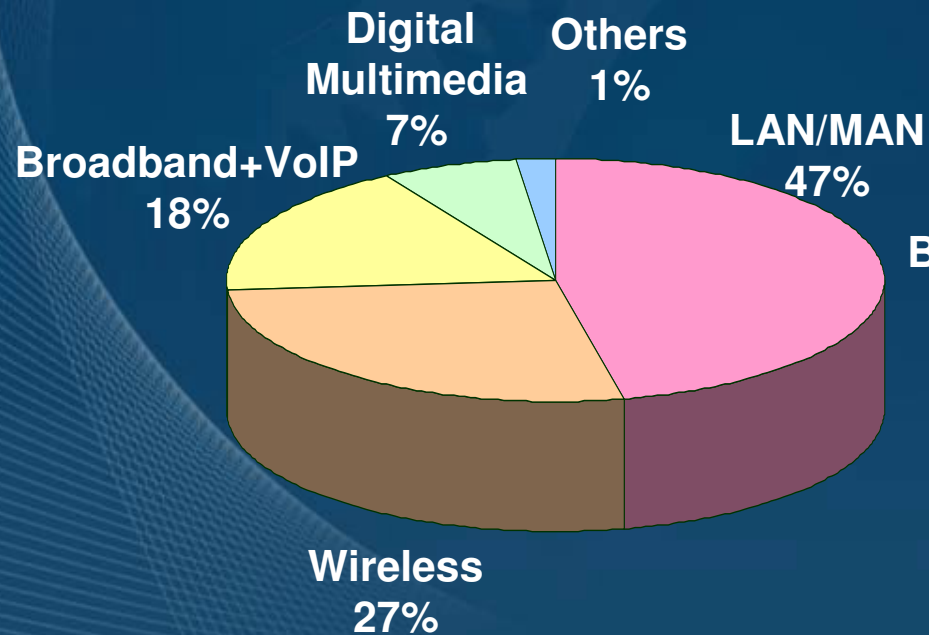
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2008/8/7

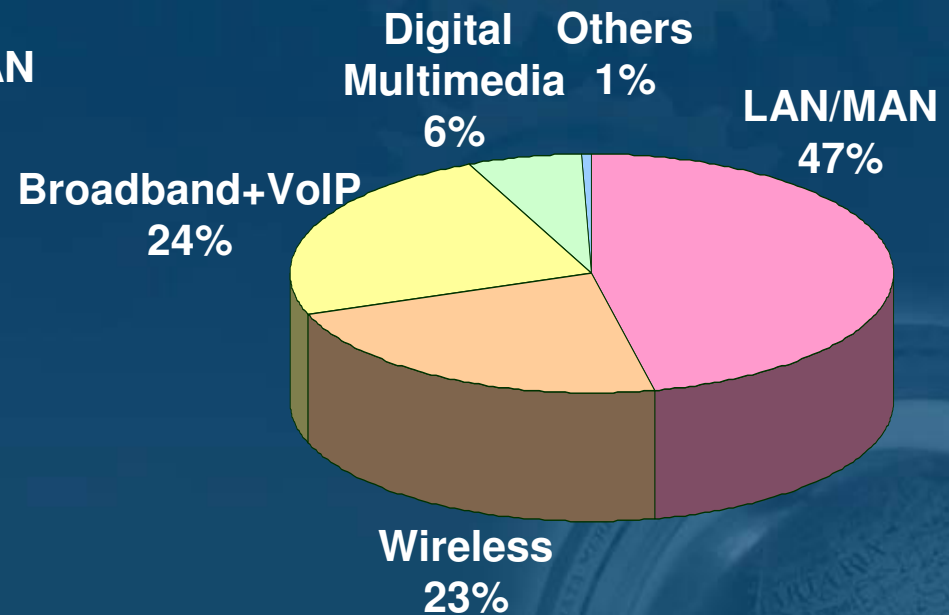
Revenue Breakdown By Product Line

2008Q2 vs. 2008Q1

2008Q2

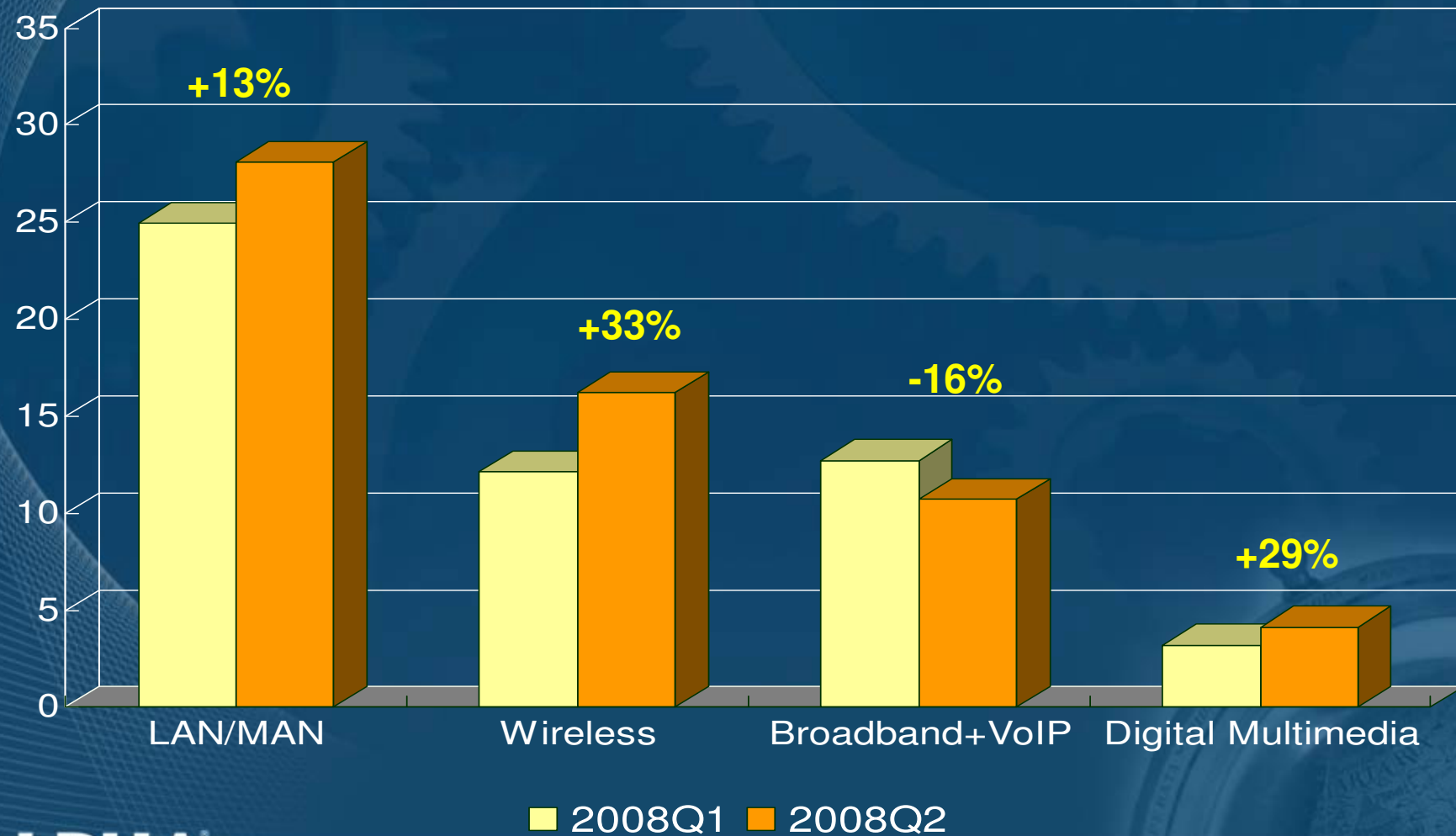


2008Q1



Revenue Growth By Product Line 2008Q2 vs. 2008Q1

Unit: NT\$ 0.1 billion



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Confidential

2008/8/7

Company Outlook

- Enhance developing high-end products and software capability to maintain the leading position in the industry
- Diversified client base
- Expand RD and capacity in China
- Keep both revenue and profit growth

Diversified Products

Telco

- Telco Switch
- Fiber
- VDSL
- WiMAX

Enterprise

- Enterprise Switch
- VoIP
- Storage

Home

- IP-STB
- 11n
- IP CAM
- Digital Media Player

Future

- Digital Health Device
- Power saving/Green

Products



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