



4Q2011 Results Investor Conference

March 7, 2012

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

- ◆ **2011 Financial Reviews**
 - Mason Liu, Vice President
- ◆ **2011 Business Updates**
 - Harrison Chang, President
- ◆ **2012 Industry Outlook**
 - John Lee, Chairman
- ◆ **2012 Company Outlook**
 - Harrison Chang, President
- ◆ **Smart TV STB Live Demo**
 - Johnson Huang, Director
- ◆ **Q&A**



2011 Financial Reviews

Presented by

Mason Liu

Vice President

FA & Administration Center

4Q11 Consolidated Income Statement & QoQ Comparison

Unit: NT\$ million	4Q11		3Q11		QoQ Change
	Amt	%	Amt	%	%
Net Sales	7,158	100.0	6,383	100.0	12.1
Cost of Goods Sold	6,158	86.0	5,323	83.4	15.7
Gross Profit	1,000	14.0	1,060	16.6	-5.7
Operating Expenses	704	9.8	788	12.3	-10.7
Operating Income	296	4.2	272	4.3	8.8
Non-Op. Inc. (Loss)	118	1.6	121	1.9	-2.5
Income Before Tax	414	5.8	393	6.2	5.3
Income Tax Expense	92	1.3	75	1.2	22.7
Net Income	322	4.5	318	5.0	1.3
EPS (NT\$)	0.68		0.68		

4Q11 Non-op Income / Loss Breakdown & QoQ Comparison

Unit: NT\$ million

	4Q11	3Q11
Interest Gain (Expense)	(10)	(4)
FX Gain / (Loss)	114	99
Others	14	26
Total	<u>118</u>	<u>121</u>

2011 Consolidated Income Statement & YoY Comparison

Unit: NT\$ million	2011		2010		YoY Change
	Amt	%	Amt	%	%
Net Sales	25,468	100.0	25,851	100.0	-1.5
Cost of Goods Sold	21,701	85.2	21,854	84.5	-0.7
Gross Profit	3,767	14.8	3,997	15.5	-5.8
Operating Expenses	2,826	11.1	2,800	10.8	0.9
Operating Income	941	3.7	1,197	4.6	-21.4
Non-Op. Inc. (Loss)	240	1.0	(126)	-0.5	290.5
Income Before Tax	1,181	4.7	1,071	4.1	10.3
Income Tax Expense	233	1.0	138	0.5	68.8
Net Income	948	3.7	933	3.6	1.6
EPS (NT\$)	2.01		2.01		

2011 Non-op Income / Loss Breakdown & YoY Comparison

Unit: NT\$ million	2011	2010
Interest Gain (Expense)	(30)	(14)
FX Gain / (Loss)	220	(265)
Others	50	153
Total	<u>240</u>	<u>(126)</u>

Dec .31' 2011 Consolidated Balance Sheet & YoY Comparison

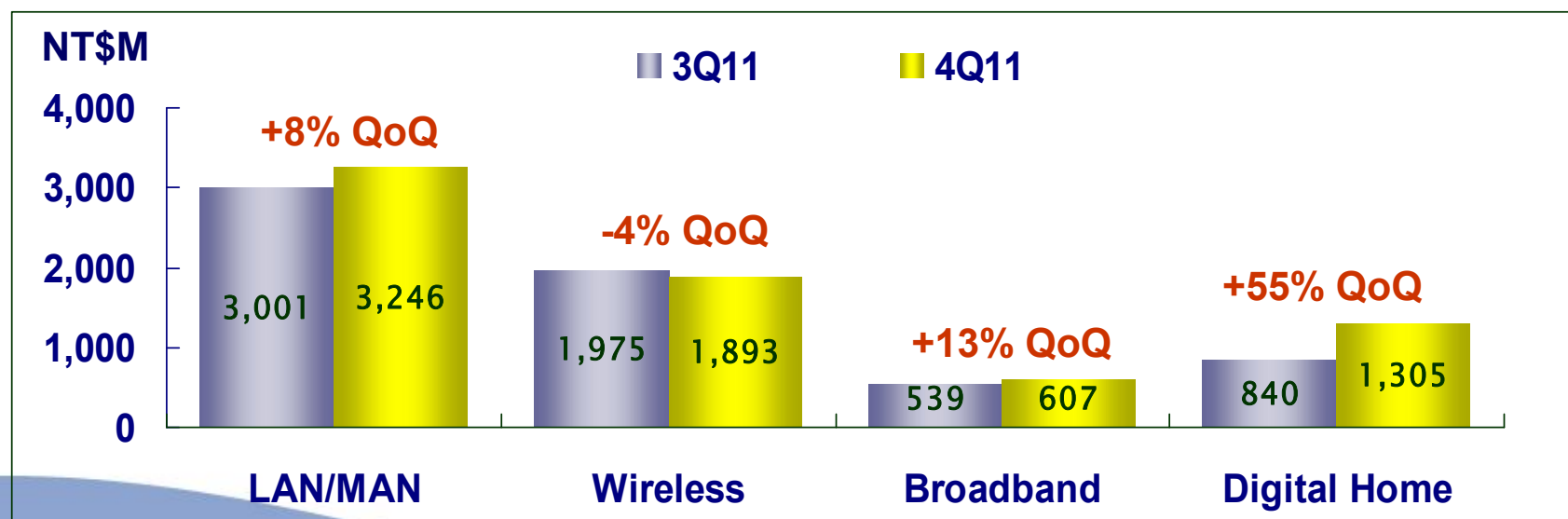
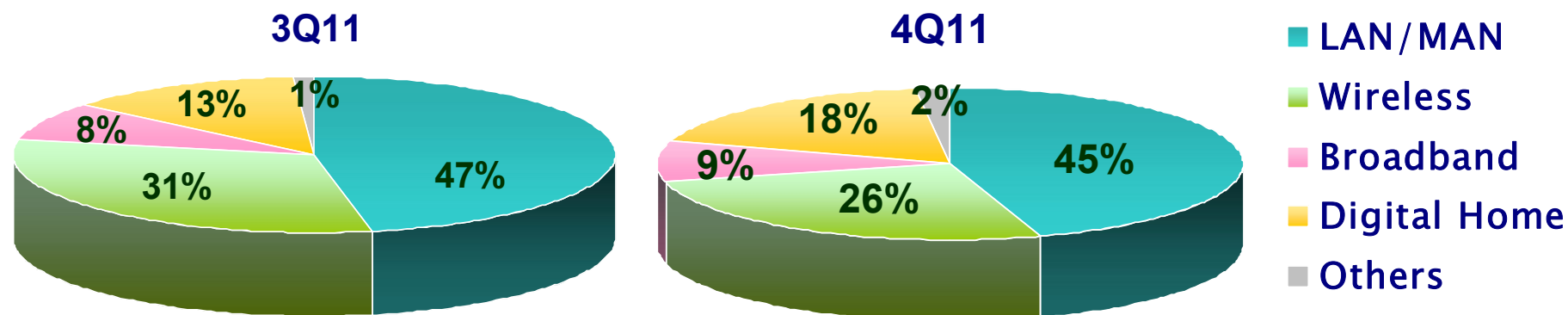
Unit: NT\$ million	Dec.31, 2011		Dec.31, 2010		YoY change
	Amt	%	Amt	%	%
Cash	3,267	16.3	2,832	16.9	15.4
Account Receivable	7,319	36.5	5,915	35.3	23.7
Inventory	4,787	23.9	4,078	24.3	17.4
Other Assets	4,662	23.3	3,943	23.5	18.2
Total Assets	20,035	100.0	16,768	100.0	19.5
Current Liabilities	9,345	46.7	7,545	45.0	23.9
L-T & Other Liabilities	1,047	5.2	140	0.8	647.9
Total Liabilities	10,392	51.9	7,685	45.8	35.2
Common Stock	4,757	23.7	4,711	28.1	1.0
Shareholders' Equity	9,643	48.1	9,083	54.2	6.2



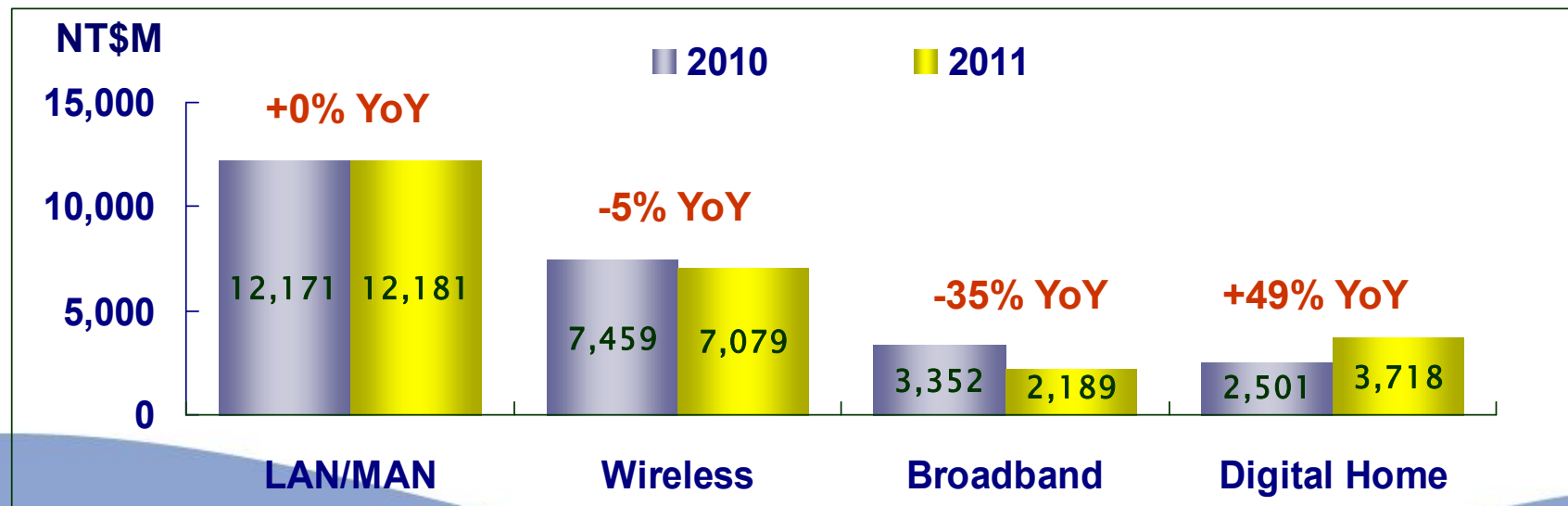
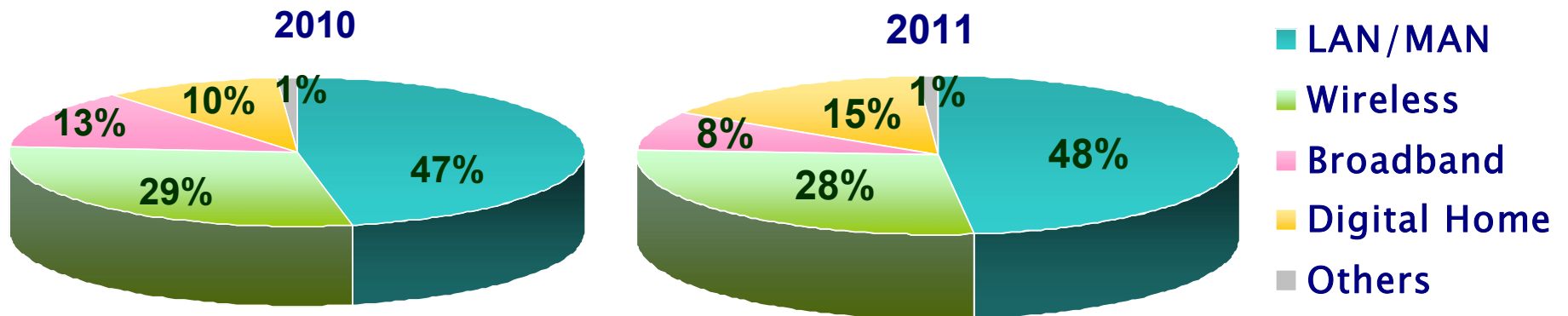
2011 Business Updates

**Presented by
Harrison Chang
President**

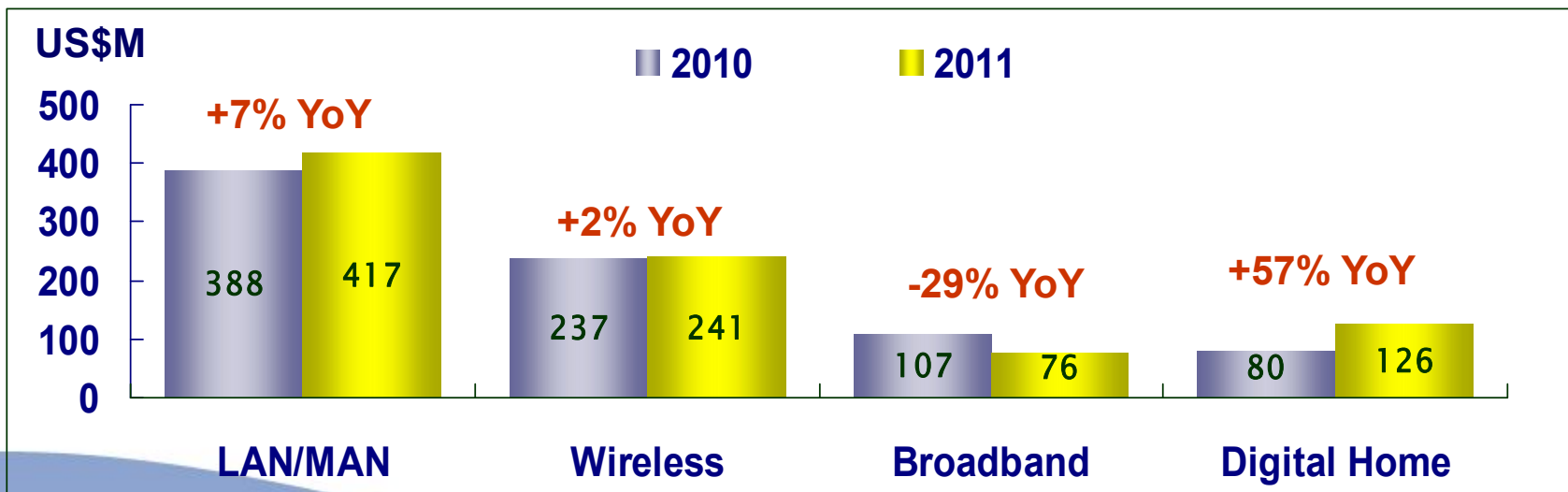
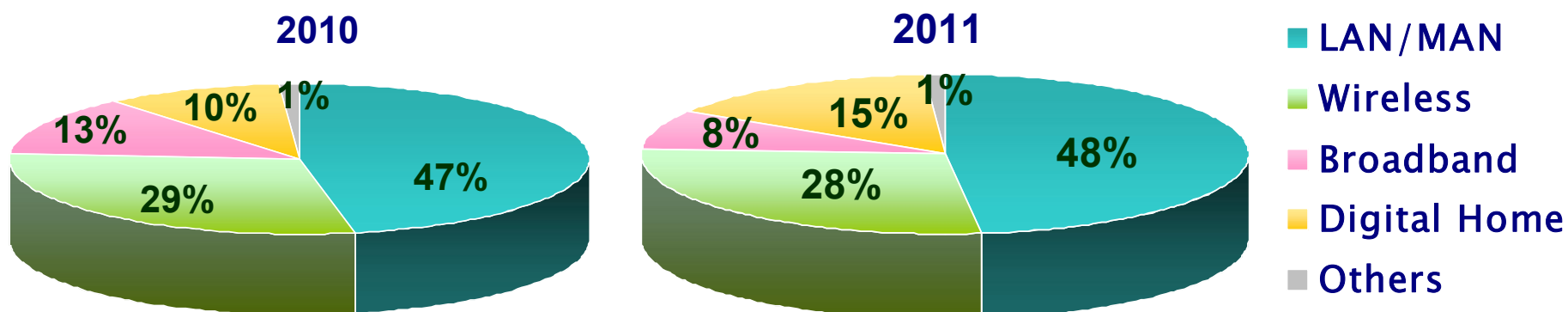
4Q11 Revenue Breakdown by Products & QoQ Comparison



2011 Revenue Breakdown by Products & YoY Comparison (In NT Dollars)



2011 Revenue Breakdown by Products & YoY Comparison (In US dollars)

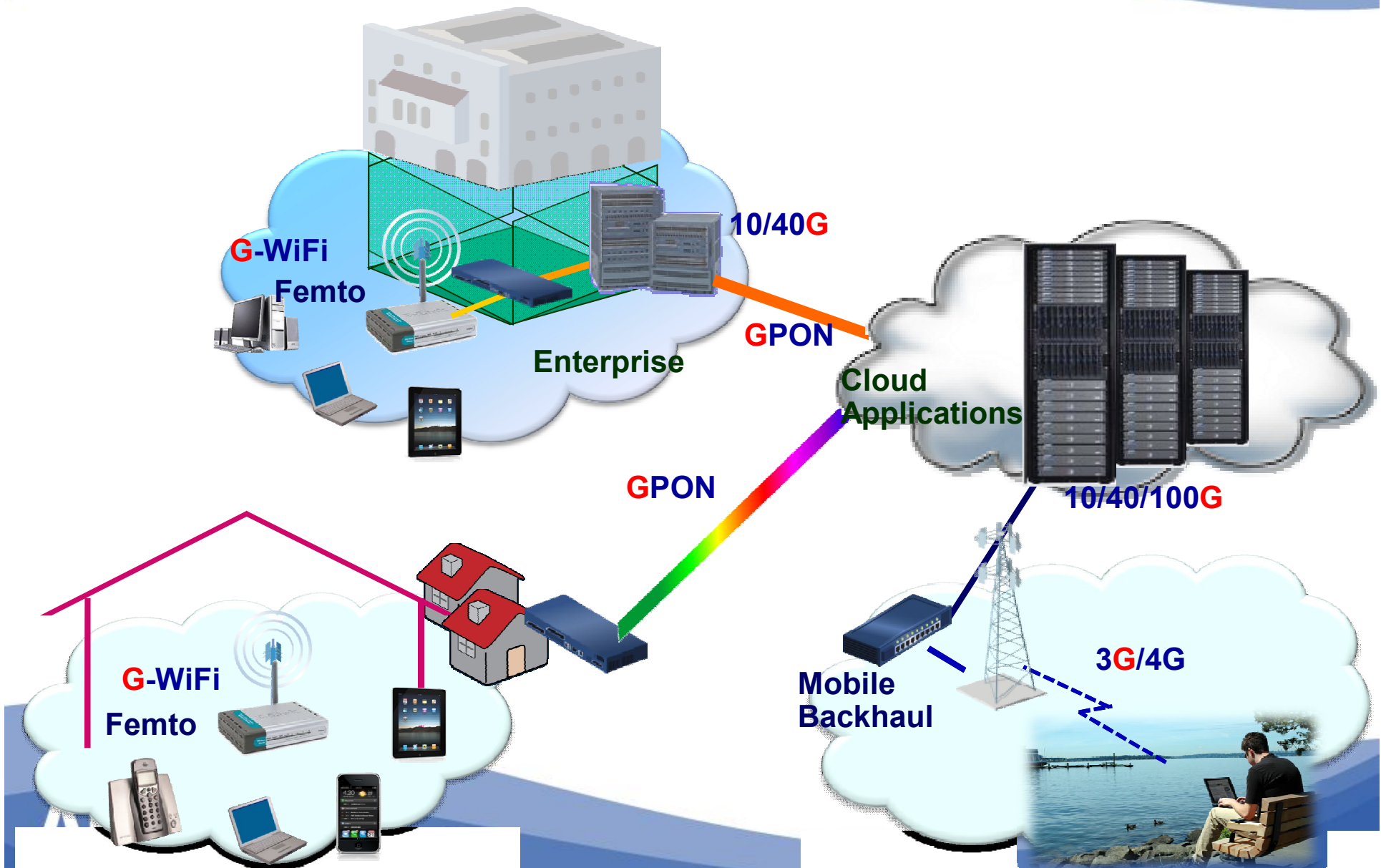




2012 Industry Outlook

Presented by
John Lee
Chairman

Growth = $G^4 = 3G/4G + G\text{-WiFi} + GPON + 10/40G$





2012 Company Outlook

**Presented by
Harrison Chang
President**

2012 Company Outlook

- Closer cooperation with partners and strategic suppliers
- Capacity expansion in Changshu, China.
- Global logistics footprint plan
- A more favorable product mix

Smart TV STB Live Demo

Presented by
Johnson Huang
Director
Product Marketing & Planning Div.

Smart TV STB Live Demo

- OTT Services
- Alpha Open Platform
- Google Android Platform



Q&A