



4Q12 Results Investor Conference

March 13, 2013

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

- ◆ **2012 Financial Reviews**
 - Mason Liu, Vice President
- ◆ **2012 Business Updates & 2013 Company Outlook**
 - Harrison Chang, President
- ◆ **2013 Growth Drivers**
 - Tim Kang, CTO
- ◆ **Q&A**
 - John Lee, Chairman
 - Harrison Chang, President
 - Tim Kang, CTO
 - Mason Liu, Vice President

2012 Financial Reviews

Presented by
Mason Liu
Vice President

4Q12 Consolidated Income Statement & QoQ Comparison

Unit: NT\$ million	4Q12		3Q12		增(減)
	Amt	%	Amt	%	%
Net Sales	5,536	100.0	6,210	100.0	-10.9
Cost of Goods Sold	4,672	84.4	5,280	85.0	-11.5
Gross Profit	864	15.6	930	15.0	-7.1
Operating Expenses	683	12.3	727	11.7	-6.1
Operating Income	181	3.3	203	3.3	-10.8
Non-Op. Inc. (Loss)	10	0.2	(36)	(0.6)	127.8
Income Before Tax	191	3.5	167	2.7	14.4
Net Income ¹	175	3.2	143	2.3	22.4
EPS (NT\$)	0.35		0.28		

¹ Attributable to stockholders of parent company, excluding minority interest.

4Q12 Non-op Income / Loss Breakdown & QoQ Comparison

Unit: NT\$ million

	4Q12	3Q12
Interest Gain (Expense)	(8)	(10)
FX Gain / (Loss)	7	(56)
Others	11	30
Total	<u>10</u>	<u>(36)</u>

2012 Consolidated Income Statement & YoY Comparison

Unit: NT\$ million	2012		2011		YoY Change
	Amt	%	Amt	%	%
Net Sales	24,907	100.0	25,468	100.0	-2.2
Cost of Goods Sold	21,040	84.5	21,701	85.2	-3.0
Gross Profit	3,867	15.5	3,767	14.8	2.6
Operating Expenses	2,845	11.4	2,826	11.1	0.6
Operating Income	1,022	4.1	941	3.7	8.6
Non-Op. Inc. (Loss)	(91)	(0.4)	240	1.0	-137.9
Income Before Tax	931	3.7	1,181	4.7	-21.2
Net Income ¹	716	2.9	950	3.7	-24.6
EPS (NT\$)	1.41		2.01		

¹ Attributable to stockholders of parent company, excluding minority interest.

2012 Non-op Income / Loss Breakdown & YoY Comparison

Unit: NT\$ million

	2012	2011
Interest Gain (Expense)	(41)	(30)
FX Gain / (Loss)	(77)	220
Others	27	50
Total	<u>(91)</u>	<u>240</u>

Dec .31' 2012 Consolidated Balance Sheet & YoY Comparison

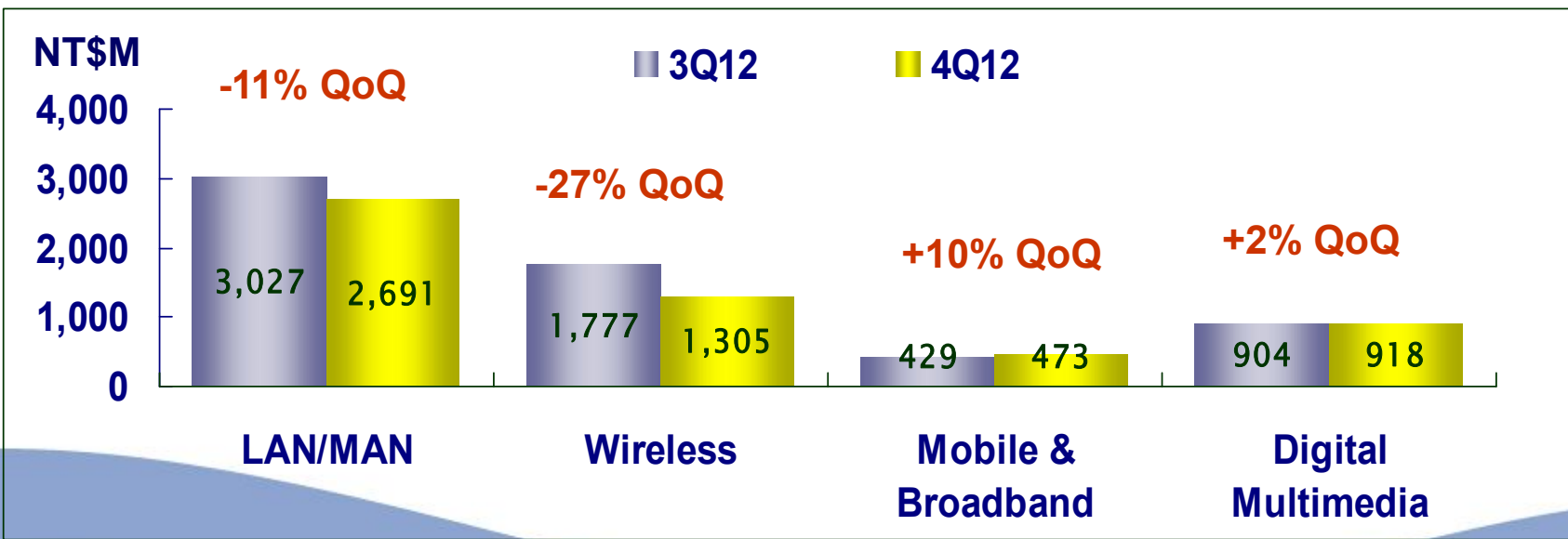
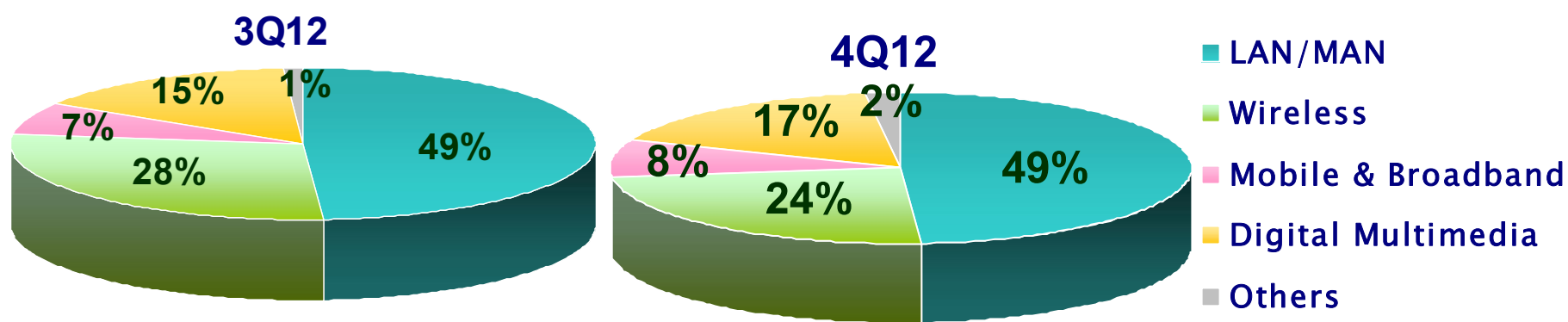
Unit: NT\$ million	Dec.31, 2012		Dec.31, 2011		YoY change
	Amt	%	Amt	%	%
Cash	2,371	14.2	3,267	16.3	-27.4
Account Receivable	5,865	35.0	7,319	36.5	-19.9
Inventory	3,625	21.7	4,787	23.9	-24.3
Other Assets	4,868	29.1	4,662	23.3	4.4
Total Assets	16,729	100.0	20,035	100.0	-16.5
Current Liabilities	6,173	36.9	9,345	46.7	-33.9
L-T & Other Liabilities	692	4.1	1,047	5.2	-33.9
Total Liabilities	6,865	41.0	10,392	51.9	-33.9
Common Stock	5,137	30.7	4,757	23.7	8.0
Shareholders' Equity	9,864	59.0	9,643	48.1	2.3



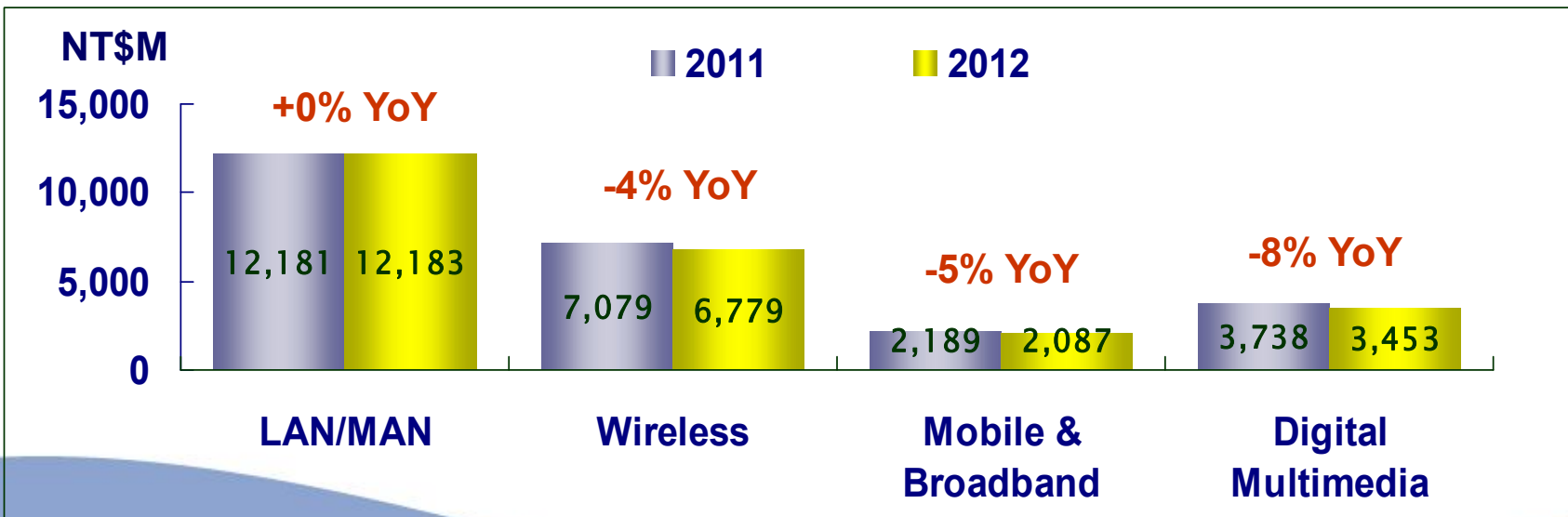
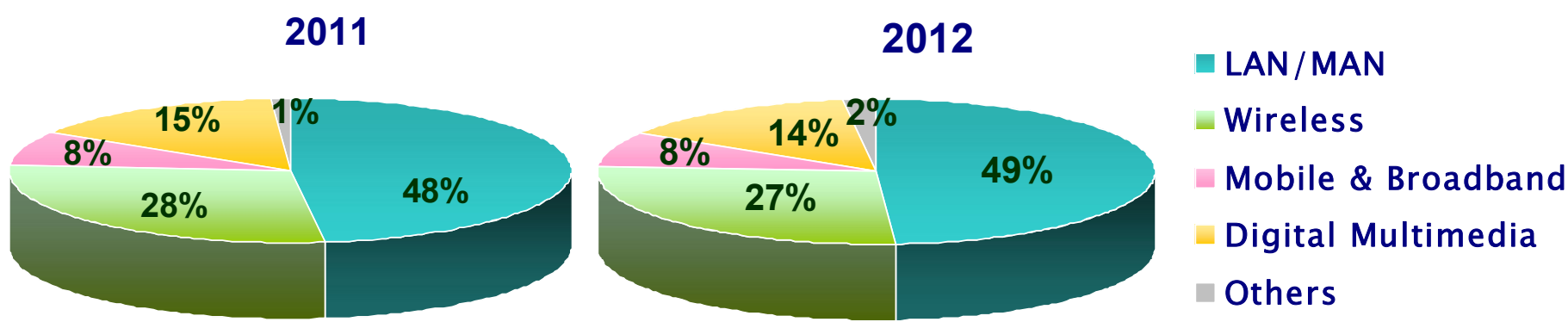
2012 Business Updates & 2013 Company Outlook

**Presented by
Harrison Chang
President**

4Q12 Revenue Breakdown by Products & QoQ Comparison



2012 Revenue Breakdown by Products & YoY Comparison



2013 Company Outlook

- The investment in Mobile Broadband
- Capture the opportunities of Cloud applications
- Capacity expansion in Changshu, China.
- A more favorable product mix
- Focus on expanding first-tier customers

2013 Growth Drivers

Presented by
Tim Kang
CTO

10G/40G/100G Switch

- Data Center Switch (Cloud)
- 20% -> 25%
- Support OpenFlow (SDN)

192 40Gbit Ports

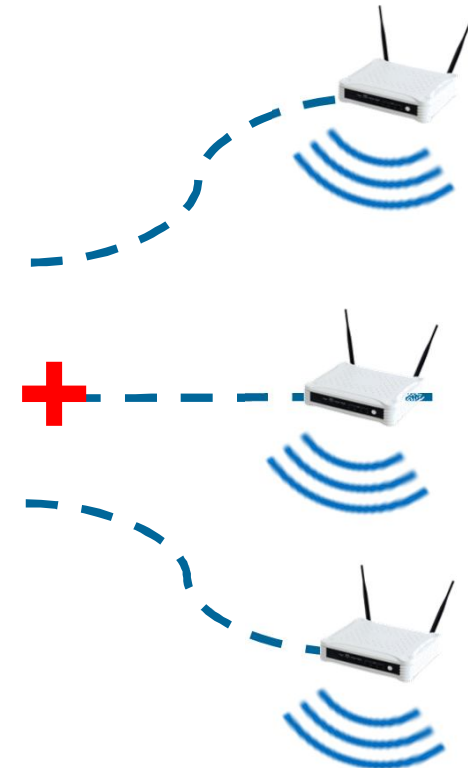
768 10Gbit Ports



Unified Switch

- Alpha's software (KAPWAP)
- Telco, Enterprise, SMB

Unified Switch



IEEE 802.11ac

- 1x1, 2x2, 3x3
- 10% to 15% of Wi-Fi Router



Enterprise AP / Hotspot AP

- Deployed with Alpha's software
- Hotspot 2.0



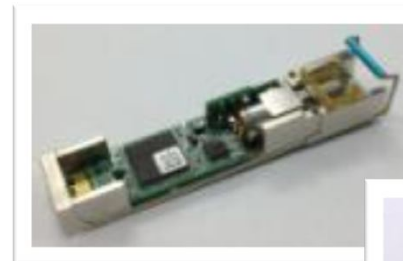
3G/LTE Small Cell

- Alpha's software (LuH standard)
- 3G/Wi-Fi dual mode
- IOT with Telco



G-PON SFP & ONT

- Alpha's software (OMCI, eCos)
- Smallest footprint



IP-Cam

- Cloud Device (Smart phone, ..., etc.)
- Retail -> Telco



OTT Box

- AOS (Alpha Operating System)
- DLNA, UPnP, Miracast
- Hybrid IP-STB



Q&A