



4Q13 Results Investor Conference

March 14, 2014

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

- ◆ **2013 Financial Reviews**
 - Mason Liu, Vice President
- ◆ **2013 Business Updates & 2014 Company Outlook**
 - Harrison Chang, President
- ◆ **2014 Growth Drivers**
 - Tim Kang, CTO
- ◆ **Q&A**
 - John Lee, Chairman
 - Harrison Chang, President
 - Tim Kang, CTO
 - Mason Liu, Vice President



2013 Financial Reviews

Presented by

Mason Liu

Vice President

4Q13 Consolidated Income Statement & QoQ Comparison

Unit: NT\$ million	4Q13		3Q13		QoQ Changes
	Amt	%	Amt	%	%
Net Sales	6,809	100.0	6,370	100.0	6.9
Cost of Goods Sold	5,810	85.3	5,333	83.7	8.9
Gross Profit	999	14.7	1,037	16.3	-3.7
Operating Expenses	694	10.2	732	11.5	-5.2
Operating Income	305	4.5	305	4.8	-
Non-Op. Inc. (Loss)	42	0.6	18	0.3	133.3
Income Before Tax	347	5.1	323	5.1	7.4
Net Income ¹	289	4.2	241	3.8	19.9
EPS (NT\$)	0.59		0.50		

¹ Attributable to stockholders of parent company, excluding non-controlling interests.

4Q13 Non-op. Income / Loss Breakdown & QoQ Comparison

Unit: NT\$ million

	4Q13	3Q13
Interest Gain (Expense)	(6)	0
FX Gain / (Loss)	45	3
Others	3	15
Total	<u>42</u>	<u>18</u>

2013 Consolidated Income Statement & YoY Comparison

Unit: NT\$ million	2013		2012		YoY Change
	Amt	%	Amt	%	%
Net Sales	24,104	100.0	24,907	100.0	-3.2
Cost of Goods Sold	20,394	84.6	21,033	84.4	-3.0
Gross Profit	3,710	15.4	3,874	15.6	-4.2
Operating Expenses	2,876	11.9	2,826	11.4	1.8
Operating Income	834	3.5	1,048	4.2	-20.4
Non-Op. Inc. (Loss)	130	0.5	(91)	(0.4)	242.9
Income Before Tax	964	4.0	957	3.8	0.7
Net Income ¹	780	3.2	742	3.0	5.1
EPS (NT\$)	1.60		1.46		

¹ Attributable to stockholders of parent company, excluding non-controlling interests.

2013 Non-op. Income / Loss Breakdown & YoY Comparison

Unit: NT\$ million

	2013	2012
Interest Gain (Expense)	(18)	(41)
FX Gain / (Loss)	112	(77)
Others	36	27
Total	<u>130</u>	<u>(91)</u>

Dec .31' 2013 Consolidated Balance Sheet & YoY Comparison

Unit: NT\$ million	Dec.31, 2013		Dec.31, 2012		YoY change
	Amt	%	Amt	%	%
Cash	1,543	8.6	2,003	11.9	-23.0
Account Receivable	6,005	33.3	5,865	35.0	2.4
Inventory	4,394	24.3	3,625	21.6	21.2
Other Assets	6,108	33.8	5,282	31.5	15.6
Total Assets	18,050	100.0	16,775	100.0	7.6
Current Liabilities	7,187	39.8	6,259	37.3	14.8
L-T & Other Liabilities	1,076	6.0	1,022	6.1	5.3
Total Liabilities	8,263	45.8	7,281	43.4	13.5
Common Stock	4,943	27.4	5,138	30.6	-3.8
Shareholders' Equity	9,787	54.2	9,494	56.6	3.1

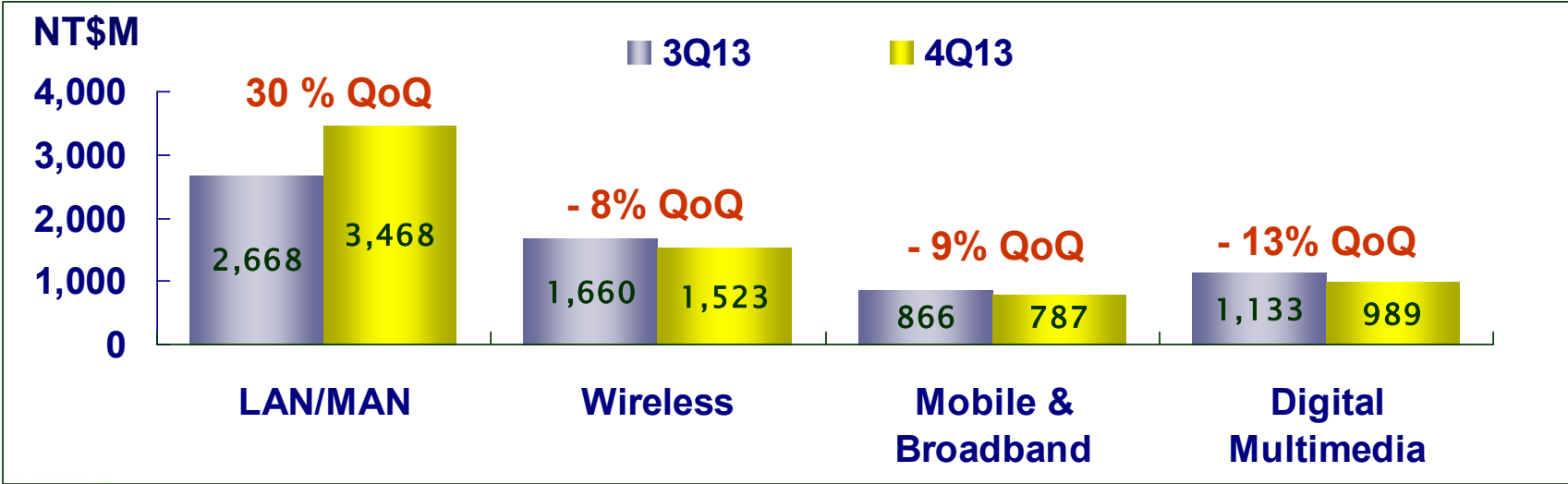
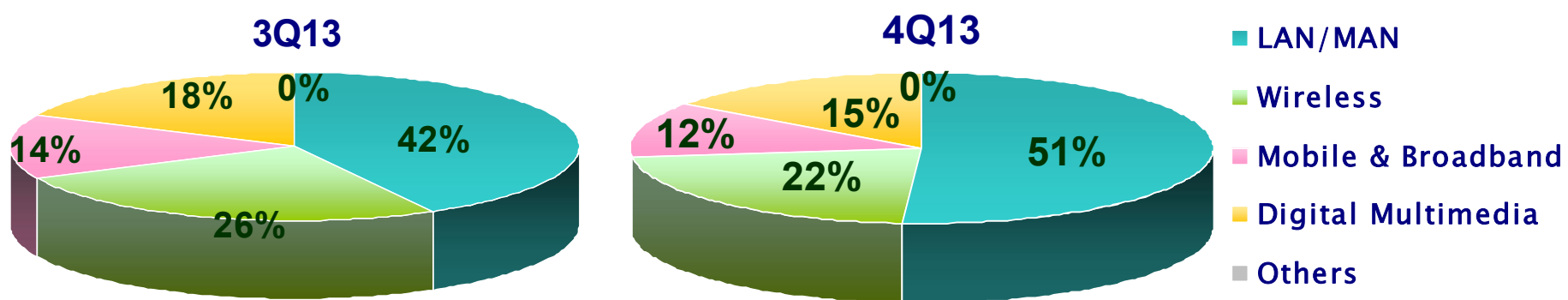


2013 Business Updates

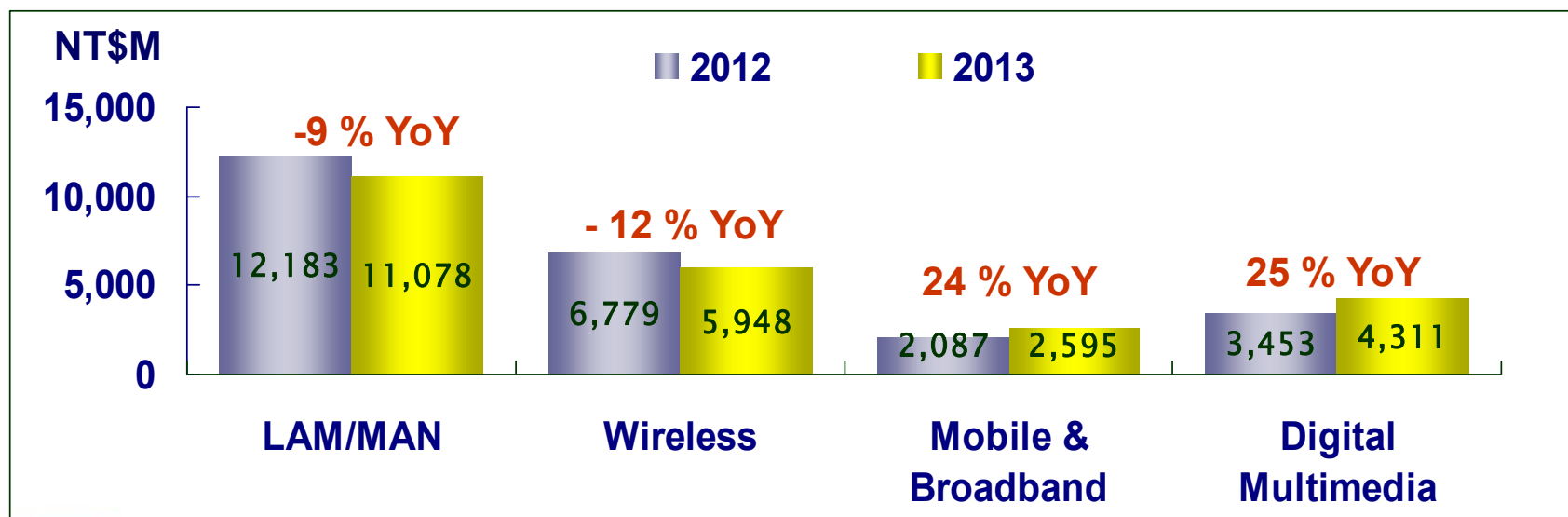
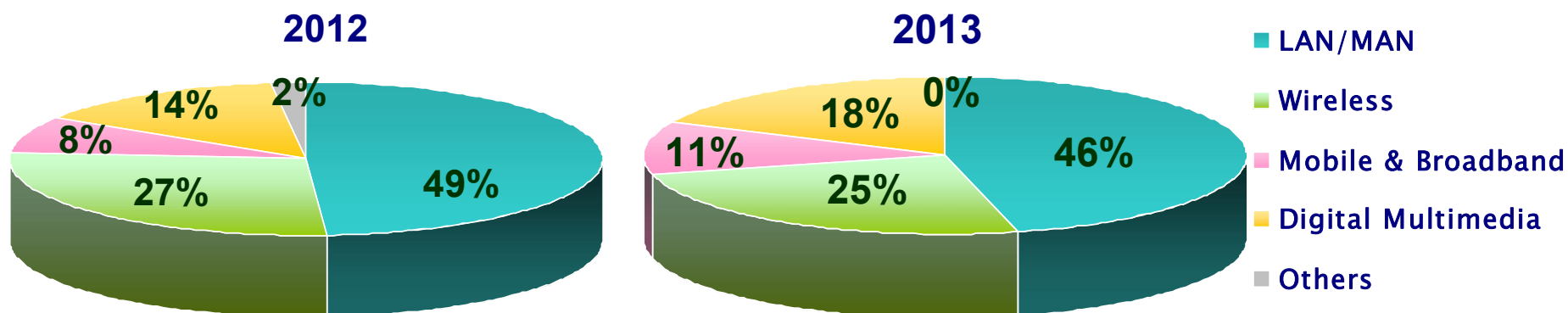
2014 Company Outlook

Presented by
Harrison Chang
President

4Q13 Revenue Breakdown by Products & QoQ Comparison



2013 Revenue Breakdown by Products & YoY Comparison



2014 Company Outlook

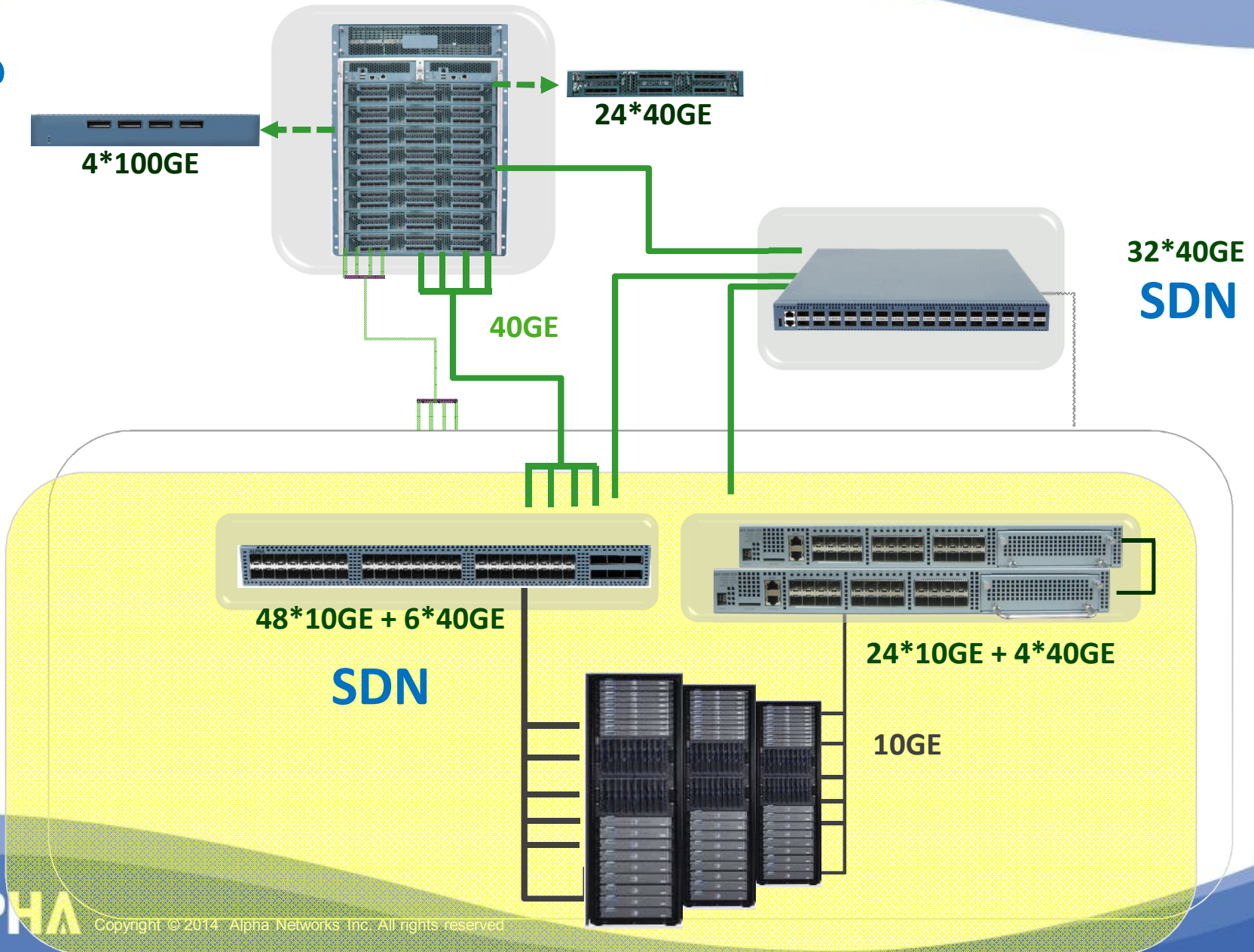
- Expanding cloud business and first-tier customers
- Taking off with 4G/LTE
- Evolving with Internet of Things (IoT)
- Capacity expansion in Changshu, China.
- A more favorable product mix

2014 Growth Drivers

Presented by
Tim Kang
CTO

Alpha Data Center Experience

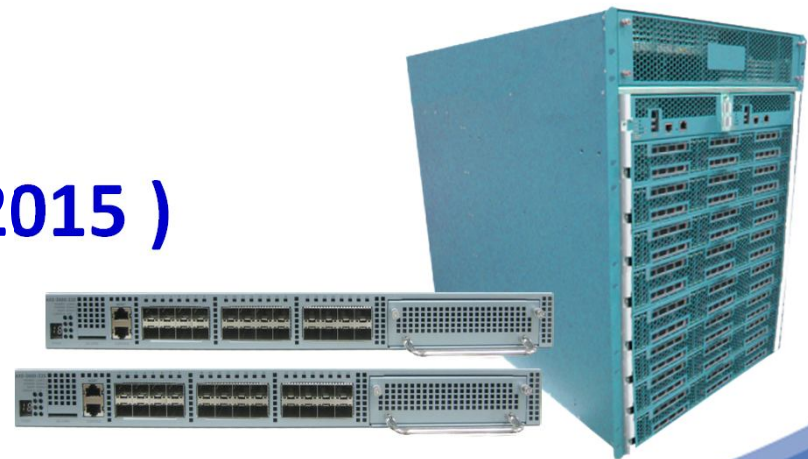
Core
Aggregation
Access



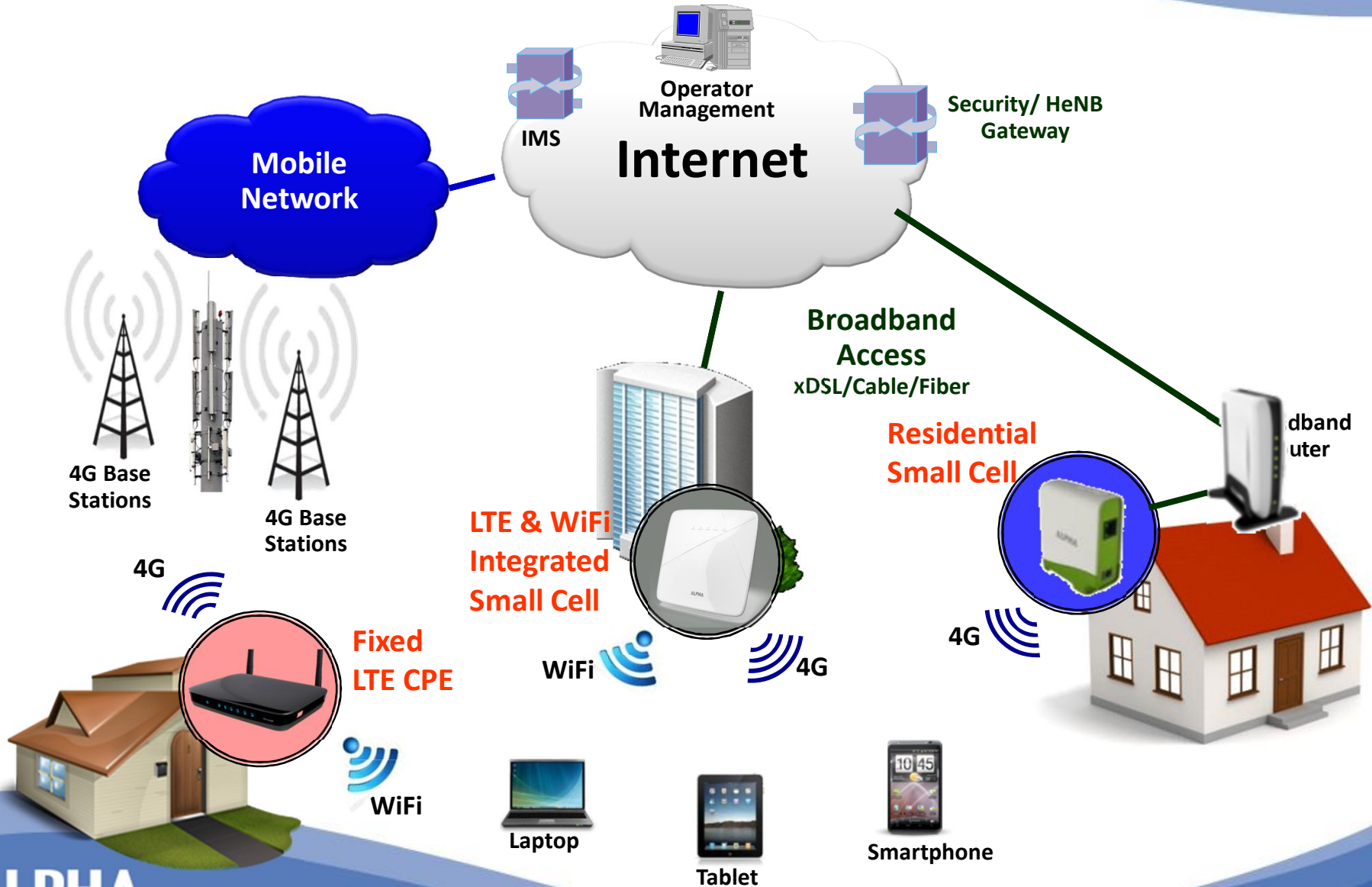
Data Center/SDN Switch

- SDN/Legacy Software
- Experience on 40G/100G, Data Center, Chassis based Switch
- White Box Switch (10% by 2015)

192* 40GE Ports
768 *10GE Ports



LTE Small Cell & Fixed CPE Application



LTE Small Cell & Fixed CPE

- IAD (CSFB, VoLTE)
- 3G/4G + WiFi + PoE
- IOT experience with Alpha software



Smart Home Gateway Application



Smart Home Gateway

- Be able to meet specific requirements
 - Telco, Internet Company, Retail
- Complete Solutions
 - VoLTE, DLNA, Z-Wave, etc.
 - OpenWRT, OSGI, TR-069, oneM2M, etc.



IEEE 802.11ac

- Router (White Box)
- Enterprise AP (Hotspot 2.0, KAPWAP)
- Indoor & Outdoor



24 GHz Intelligent Sensor

■ Patent

- Detect Range for Short/Long Range
- Existence of the Object
- Distinguish the Object

■ Application

- Automotive Radar System
- Lighting Control
- Oil Level sensor
- Security Surveillance
- Contactless Health Monitoring



IP-Cam

- Cloud Device (Smart phone, Tablet, etc.)
- LinknLook (Cloud Software Platform)
- Retail -> Telco



OTT Box / STB

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



Q&A

Thank You.

www.alphanetworks.com