

Alpha Networks Inc. Reports Second Quarter 2016 Results

Hsinchu, Taiwan, August 8, 2016 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the second quarter of 2016.

The consolidated revenue for 2Q16 was NT\$6,431 million, up 2.1% from the prior year and up 23.9% from last quarter, with higher gross margin of 15.0% generated from better product portfolio. Operating income was NT\$269 million, or 4.2% of net sales. Net income was NT\$312 million, or NT\$0.72 per share. 2Q16's revenue by product categories: LAN/MAN accounted for 52% of 2Q16 consolidated revenue, followed by Wireless Broadband at 26%, and Digital Multimedia at 22%.

The consolidated revenue for the first half of 2016 was NT\$11,620 million, slightly down 4.4% on a year-over-year basis. However, gross profit increased 11.3% to NT\$1,708 million from a year ago, with gross margin improved to 14.7% as a result of better product portfolio and disciplined cost management. Operating margin was up 125% YoY to NT\$370 million. Net income after tax was NT\$389 million, or NT\$0.90 per share. 1H16's revenue by product categories: LAN/MAN accounted for 52% of 1H16 consolidated revenue, followed by Wireless Broadband at 28%, and Digital Multimedia at 20%.

Alpha Networks Inc. 2Q16 Results and QoQ comparison: (Unit: NT\$ million)

	2Q16	%	1Q16	%	QoQ Change
Net Sales	6,431	100.0	5,190	100.0	23.9%
Gross Profit	962	15.0	746	14.4	28.9%
Operating Income	269	4.2	100	1.9	167.3%
Income before Tax	383	6.0	108	2.1	252.3%
Net Income	312	4.9	78	1.5	300.0%
Earnings Per Share (NT\$)	0.72		0.18		

Alpha Networks Inc. 1H16 Results and YoY comparison: (Unit: NT\$ million)

	1H16	%	1H15	%	YoY Change
Net Sales	11,620	100.0	12,158	100.0	-4.4%
Gross Profit	1,708	14.7	1,534	12.6	11.3%
Operating Income	370	3.2	164	1.3	125.0%
Income before Tax	491	4.2	91	0.7	438.5%
Net Income	389	3.3	67	0.6	480.6%
Earnings Per Share (NT\$)	0.90		0.14		

IR Contacts:

Spokesperson

Yunwen Huang, Associate Vice President
Tel: 886-3-5636666

Investor Relations

Claire Yu, Manager
Tel: 886-3-5636666 Ext.5096

Company website: <http://www.alphanetworks.com>

E-mail: IR@alphanetworks.com