

Alpha Networks Inc. Reports Third Quarter 2016 Results

Hsinchu, Taiwan, November 9, 2016 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the third quarter of 2016.

The consolidated revenue for 3Q16 was NT\$5,075 million, down 7.2% from the prior year. Gross margin of 3Q16 was 14.8%, down 0.2 points from last quarter however, still better than the overall gross margin of 1H16. Operating expense was NT\$603 million, down 13% from last quarter. Operating income was NT\$150 million, or 3.0% of net sales. Net income was NT\$97 million, or NT\$0.22 per share. 3Q16's revenue by product categories: LAN/MAN accounted for 56% of 3Q16 consolidated revenue, followed by Wireless Broadband at 29%, and Digital Multimedia at 15%.

The consolidated revenue for the nine months ending September of 2016 was NT\$16,695 million, slightly down 5.3% on a year-over-year basis. However, gross profit increased 8.9% to NT\$2,461 million from a year ago, with gross margin improved to 14.7% as a result of better product portfolio and disciplined cost management. Operating expense was NT\$1,942 million, down 8.1% from the prior year. Operating margin was up 256% YoY to NT\$519 million. Net income after tax was NT\$486 million, or NT\$1.12 per share. 1Q-3Q'16 revenue by product categories: LAN/MAN accounted for 53% of 1Q-3Q'16 consolidated revenue, followed by Wireless Broadband at 28%, and Digital Multimedia at 19%.

Alpha Networks Inc. 3Q16 Results and QoQ comparison: (Unit: NT\$ million)

	3Q16	%	2Q16	%	QoQ Change
Net Sales	5,075	100.0	6,431	100.0	-21.1%
Gross Profit	752	14.8	962	15.0	-21.8%
Operating Income	150	3.0	269	4.2	-44.2%
Income before Tax	132	2.6	383	6.0	-65.5%
Net Income	97	1.9	312	4.9	-68.9%
Earnings Per Share (NT\$)	0.22		0.72		

Alpha Networks Inc. 1Q-3Q'16 Results and YoY comparison: (Unit: NT\$ million)

	1Q-3Q'16	%	1Q-3Q'15	%	YoY Change %
Net Sales	16,695	100.0	17,626	100.0	-5.3%
Gross Profit	2,461	14.7	2,260	12.8	8.9%
Operating Income	519	3.1	146	0.8	255.5%
Income before Tax	623	3.7	-175	-1.0	456.0%
Net Income	486	2.9	-225	-1.3	316.0%
Earnings Per Share (NT\$)	1.12		-0.48		

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