



News Release

Alpha Networks Inc. 2006 Second Quarter Report

Issued by: Alpha Networks Inc.

Issued on: 2006/08/02

Hsinchu, Taiwan, August 2, 2006 – Alpha Networks Inc. (Taiwan: 3380.TW) held an investor conference today to discuss results for the quarter ending June 30, 2006, in which revenue reached NT\$5,281 million, net income after tax was NT\$144 million, and earnings per share was NT\$0.43. On a quarterly basis, revenue increased 14%, with a 33% increase on a YoY basis.

Revenue by product categories was as follows: Broadband plus VoIP ranked number one, accounting for 41% of 2Q/06 revenue, followed by LAN/MAN at 32%, Wireless at 23%, and Digital Home at 2%. Viewed by business unit, D-Link accounted for 47% of revenues in Q2, Japan 21%, China 10%, North America 12%, and Europe 7%.

Total revenue in the first half of 2006 reached NT\$9,905 million, net income was NT\$356 million, and earnings per share was NT\$1.07. YoY comparison shows an increase in revenue, net income, and EPS of 30%, 16%, and -1%, respectively.

Alpha Networks Inc. 2006 Second Quarter Results: (Unit: NT\$ million)

	2006 Q2	2006 Q1	QoQ Change %	2005 Q2	YoY Change %
Net Sales	5,281	4,624	14%	3,961	33%
Gross Profit	707	709	0%	636	11%
Operating Income	231	287	-20%	225	3%
Income before Tax	180	260	-31%	220	-18%
Net Income	144	212	-32%	184	-22%
EPS after Tax (NT\$)	0.43	0.64	-33%	0.59	-27%

Spokesperson

Mason Liu, Vice President

Tel: (03) 563-6666

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

Email:

IR@alphanetworks.com

Media Contact

Eva Hung, Deputy Manager

Tel: (03) 563-6666 Ext. 5098