



News Release

Alpha Networks Inc. 2008 First Quarter Report

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Alpha Networks Inc. (Taiwan: 3380.TW) today announced the results for the quarter ending March 31, 2008.

Consolidated revenue from January to March of 2008 was NT\$5,337 million, an increase of 6% on a YoY basis, net income after tax was NT\$122 million, a decrease of 53% YoY, and EPS after tax was NT\$0.29. Revenue by product categories was as follows: LAN/MAN accounted for 47% of Q1/08 revenue, Broadband plus VoIP 24%, Wireless 23%, and Digital Multimedia represented 6%.

Although the NT dollar appreciated and material costs rose, the company's Q1 gross margin remained at 18% because the percentage of high margin products increased. The expense rate was 12% due to the effect of employee bonuses. There was a NT\$150 million FX loss in the non-operating part due to the impact of NT dollar appreciation in the first quarter.

The second quarter's consolidated revenue is expected to grow sequentially, mainly from the Wireless and Digital Multimedia product lines.

Alpha Networks Inc. 2008 First Quarter Results: (Unit: NT\$ million)

	2008 Q1	2007 Q1	YoY Change %	2007 Q4	QoQ Change %
Net Sales	5,337	5,035	6%	5,704	-6%
Gross Profit	982	964	2%	1,028	-4%
Operating Income	309	351	-12%	464	-33%
Income before Tax	143	329	-57%	485	-71%
Net Income	122	262	-53%	390	-69%
EPS after Tax (NT\$)	0.29	0.73		0.98	

*2008 & 2007Q1 figures are non-auditing

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