



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

1Q Results Summary

Harvey Chang - CEO

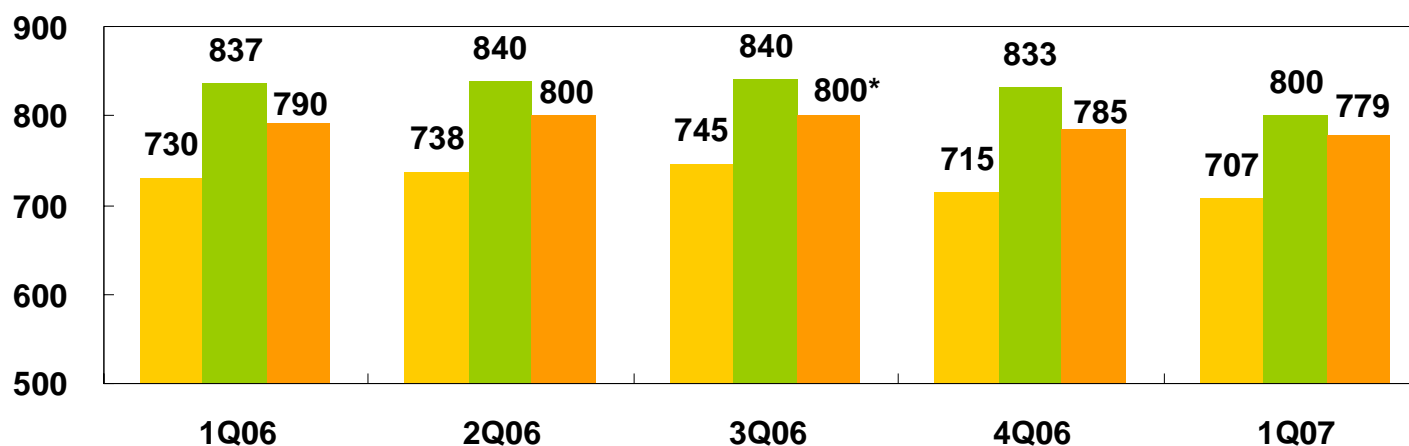
April 26, 2007

The information contained in this presentation, including all forward-looking information, is subject to change without notice, whether as a result of new information, future events or otherwise, and Taiwan Mobile Co., Ltd. (the “Company”) undertakes no obligation to update or revise the information contained in this presentation. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is the information intended to be a complete statement of the Company, markets or developments referred to in this presentation.

Sub (k)	CHT	FET	TWM	Total
1Q07	8,538	6,050	6,176	20,764
1Q06	8,208	6,102	6,090	20,400
YoY	4%	-1%	1%	2%

ARPU Comparison

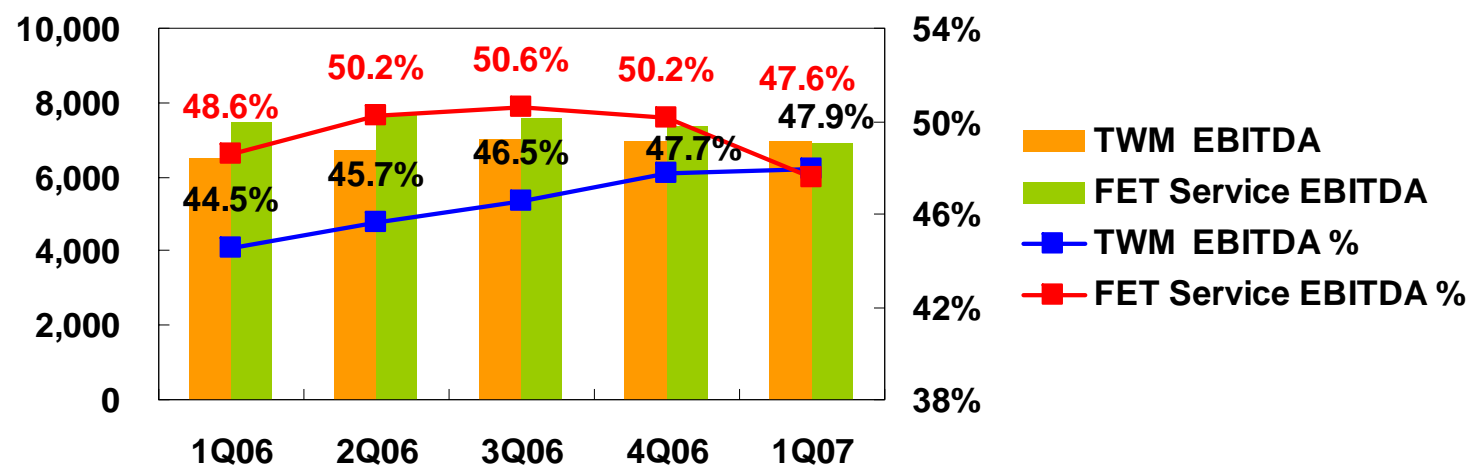
■ CHT ■ FET ■ TWM



* Excluding NT\$212m CHT lawsuit settlement

...peer comparison

Service rev. (NT\$m)	CHT	FET	TWM	Total
1Q07	18,068	14,458	14,412	46,938
1Q06	17,933	15,398	14,458	47,789
1Q YoY	1%	-6%	0%	-2%
4Q YoY	0%	-7%	-2%	-3%



VAS and 3G

NT\$m	CHT		FET		TWM	
	VAS	VAS %	VAS	VAS %	VAS	VAS %
1Q07	1,076	6.0%	1,519	10.5%	1,105	7.6%
1Q06	1,015	5.7%	1,482	9.6%	938	6.4%
1Q YoY	6%		2%		18%	
4Q YoY	33%		8%		16%	

3G

1Q07	3G Service
3G subscriber number	835K up 1.7x YoY
3G handset adoption	Over 10% of 3G subs #s up 4x YoY
3G data revenue	up 2.9x YoY

Main VAS drivers

1Q07	YoY Growth
IVR	20%
Mobile Internet	17%
SMS	13%

1Q07 Operational Data

	1Q07	4Q06	1Q06	QoQ	YoY
End Subscribers (K)	6,176	6,151	6,090	0%	1%
-Postpaid	5,689	5,671	5,633	0%	1%
-Prepaid	487	480	457	1%	7%
Monthly Churn	1.6%	1.7%	2.3%	-3%	-28%
ARPU (NT\$)	779	785	790	-1%	-1%
-Postpaid	795	805	810	-1%	-2%
-Prepaid	619	576	578	7%	7%

1Q07 Results Summary

NT\$bn	1Q07	QoQ	YoY
Revenue	14.48	0%	-1%
- Telecom Service Revenue	14.41	0%	0%
EBITDA	6.94	0%	7%
Operating Income	4.98	1%	9%
Net Non-operating Items	0.00	NM	NM
Pre-tax Income	4.98	35%	36%
(Less Tax)	(1.17)	56%	113%
(Less Minority Interest)	(0.00)		
Net Income	3.81	29%	23%
EPS (NT\$)	0.77	28%	22%
<i>EBITDA margin</i>	47.89%		
<i>Operating margin</i>	34.38%		

1Q Actual vs Forecast

NT\$bn	1Q07 Actual	1Q07 Forecast	% of Forecast Achieved
Revenue	14.48	14.40	101%
Operating Income	4.98	4.38	114%
EBITDA	6.94	6.34	109%
<i>EBITDA Margin</i>	<i>47.89%</i>	<i>44.04%</i>	
Pre-Tax Income	4.98	4.41	113%
(Less Tax)	(1.17)	(1.15)	102%
(Less Minority Interest)	(0.00)	0.00	NM
Net Income	3.81	3.26	117%
EPS (NT\$)	0.77	0.65	118%

Balance Sheet Analysis

NT\$bn	1Q07	4Q06		1Q07	4Q06
Total Assets	134.97	118.41	Current Ratio	170%	192%
Current Assets	52.06	34.43	Interest Coverage (x)	63.9	45.8
- Cash & Cash Equivalents	24.14	12.42	Net Debt (Cash) to Equity	-6%	-14%
- Available-for-Sale Financial Assets	0.36	0.38	ROE (annualized)	17%	18%
- Financial assets at fair value thru P&L	7.91	14.08	ROA (annualized)	12%	14%
- Other Current Assets	19.65	7.56			
Long-Term Investment	3.88	3.88			
Property and Equipment	58.74	60.91			
Intangible Assets	15.62	15.81			
Other Assets	4.67	3.38			
Liabilities	41.24	28.52			
Current Liabilities	30.71	17.98			
- ST Debts	16.30	3.81			
- Other Current Liabilities	14.41	14.17			
Long-Term Borrowings	10.00	10.00			
Other Liabilities	0.53	0.54			
Shareholders' Equity	93.73	89.89			

Cash Flow Analysis

NT\$bn	1Q07	4Q06	1Q06
Operating Cash Flow	13.51	3.79	8.12
Investing Cash Flow	(14.29)	0.14	1.45
Financing Cash Flow	12.51	(0.64)	(2.60)
Cash CAPEX	(1.76)	(3.19)	(1.43)
Free Cash Flow	11.75	0.60	6.69

- TWM's 100%-owned TIT spent NT\$39.7bn and acquired 4,782m shares or 74.09% of TFN through a tender offer. Plus the original 9.95% stake in TFN (carrying cost of NT\$3.7bn), TWM in total controls 84.04% of TFN.

In NT\$bn

Source of Fund		Use of Fund	
Capital injections from TWM	NT\$12.74	TFN acquisition (74.09% stake)	NT\$39.69
Inter-company loans to TIT	12.50	TIT working capital	1.95
Bank borrowings	16.40		
Total	NT\$41.64		NT\$41.64

- TFN's AGM will propose a merger resolution with TIT on June 29.
- Cable TV business with organic growth and higher margins will offer growth momentum for TWM.
- TWM will leverage integration synergies to attain better operation and network efficiency by streamlining business among mobile, fixed-line, and cable TV business.

Regulatory Development

- WiMAX license will be awarded in June. A prudent strategy will be adopted before we see 1) more matured commercialized WiMAX equipment and CPE available in the market and 2) a viable business case.

TWM +TFN Consolidated Forecast

NT\$bn	2Q07	1Q07 ¹	1H07
Revenue	16.40	14.48	30.88
- Telecom Service Revenue	15.49	14.41	29.90
Operating Income	4.95	4.98	9.93
EBITDA	7.24	6.94	14.18
<i>EBITDA Margin</i>	<i>44.17%</i>	<i>47.89%</i>	<i>45.91%</i>
Pre-Tax Income	4.71	4.98	9.69
(Less Tax)	(1.10)	(1.17)	(2.27)
Net Income	3.62	3.81	7.43
EPS (NT\$) ²	1.01	0.77	1.78

2Q Mobile Division's Forecast

NT\$bn	2Q07	QoQ	YoY
Revenue	14.60	1%	-1%
- Telecom Service Revenue	14.54	1%	-1%
Operating Income	4.67	-6%	-3%
EBITDA	6.67	-4%	-1%
<i>EBITDA Margin</i>	<i>45.65%</i>		
Pre-Tax Income	4.59	-8%	-13%
(Less Tax)	(1.04)	-11%	66%
Net Income	3.55	-7%	-24%

1. 1Q07 numbers do not include TFN numbers

2. EPS calculation in 2Q is based on 3.59bn shares outstanding, which treats TWM shares held by TFN as treasury shares, while that in 1Q is based on 4.95bn shares outstanding.

- The successful completion of TFN tender offer has created a new platform for us to explore how TWM can synergize among mobile, fixed line and cable businesses to differentiate us from the competition. Combination with TFN does enable TWM to embrace a new triple play vision. Formulating a critical mass to achieve the end, though time consuming, would be our major task ahead. We would direct our focus on the task in the next few months.
- On the mobile front, Taiwan Mobile reiterated our endeavors to create the best mobile experience and lifestyle for our customers in the past few months which apparently paid off as reflected in the operation results. The improvement was most pronounced in our overall churn rate, coming off from 2.3% a year ago to 1.6% in 1Q 2007, and EBITDA margin, surpassing our competitor, first time since 2004. TWM will continue the efforts to strengthen our foothold in the marketplace.



Q & A

