



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

3Q Results Summary

Harvey Chang - CEO
October 31, 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.

- 3Q and YTD results
 - 3Q P&L
 - 3Q Mobile operational analysis
 - Balance sheet and cash flow analysis
 - YTD results
- 4Q07 and 2007 full-year forecast revisions
- Event update
- Key message

Divisional Result

3Q07 P&L (NT\$ m)	Mobile	Fixed-line	Cable TV	Others and inter- company transaction adjustment	Total
Total revenue	15,221	2,084	1,012	(709)	17,609
Operating cost	6,507	1,759	433	(923)	7,776
Gross profit	8,715	325	579	214	9,833
Marketing	2,532	187	60	(22)	2,757
G&A	1,089	118	116	1	1,324
Operating expense	3,621	305	176	(21)	4,081
EBIT	5,094	21	403	235	5,752
EBITDA	7,147	381	523	(2)	8,049
EBITDA MARGIN	46.95%	18.26%	51.70%		45.71%

3Q Result Summary

NT\$bn	3Q07 Actual	3Q07 Forecast	% of Forecast Achieved
Revenue	17.61	17.23	102%
Operating Income	5.75	5.20	111%
EBITDA	8.05	7.55	107%
<i>EBITDA Margin</i>	<i>45.70%</i>	<i>43.78%</i>	
Pre-Tax Income	5.09	4.77	107%
(Less Tax)	(1.30)	(1.13)	115%
(Less Minority Interest)	(0.07)	0.00	NM
Net Income	3.72	3.60	103%
EPS (NT\$)	1.02	1.00	102%

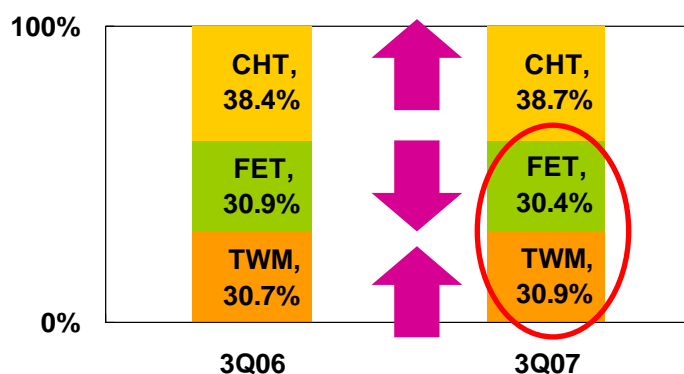
YTD segmental performance

NT\$bn	Mobile	YoY Chg.	Fixed-line	YoY Chg.	Cable TV	YoY Chg.	Consolidated
Revenue	44.51	0%	5.93	4%	3.00	9%	48.78
EBITDA	21.21	5%	0.94	65%	1.56	9%	22.81
D&A	6.01	3%	1.07	-37%	0.36	-11%	6.46
EBIT	15.21	6%	(0.13)	-88% loss reduction	1.21	17%	16.35
PBT							15.67
Tax							(3.86)
Minority Interest							(0.09)
Net profit							11.72

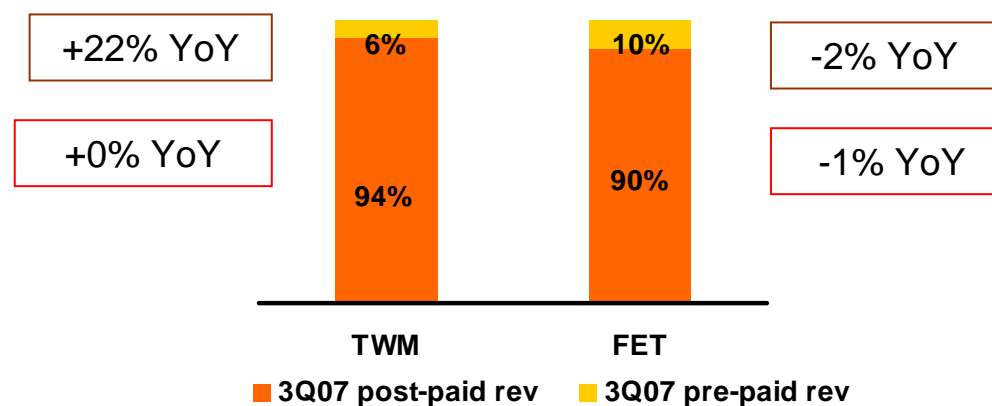
Wireless Peer Comparison

Service rev. (NT\$m)	CHT	FET	TWM	Total
3Q07	18,941	14,899	15,138	48,977
3Q06	18,666	15,051	14,939	48,656
3Q YoY	1%	-1%	1%	1%
2Q YoY	2%	-5%	1%	0%

Market share by service revenue



Post-paid vs. Pre-paid



NT\$m	CHT		FET		TWM	
	VAS	VAS %	VAS	VAS %	VAS	VAS %
3Q07	1,347	7.1%	1,551	10.4%	1,195	7.9%
3Q06	1,045	5.6%	1,411	9.4%	945	6.3%
3Q07 YoY	29%		10%		26%	
2Q07 YoY	23%		5%		21%	

3G

3Q07	3G Service
3G SIM number	1,023K up 1.1x YoY
3G handset adoption	13% of 3G SIMs up 3.9x YoY
3G data revenue	up 1.7x YoY

Main VAS drivers

3Q07	YoY Growth
IVR	16%
Mobile Internet	62%
SMS	16%

Balance Sheet Analysis

NT\$bn	3Q07	2Q07		3Q07	2Q07
Total Assets	115.64	119.85	Current Ratio	51%	51%
Current Assets	23.21	26.50	Interest Coverage (x)	24.9	31.0
- Cash & Cash Equivalents	11.66	14.65	Net Debt (Cash) to Equity	60%	51%
- Available-for-Sale Financial Assets	2.74	3.31			
- Financial assets at fair value	0.13	0.00	ROE (annualized)	22%	23%
- Other Current Assets	8.67	8.55	ROA (annualized)	14%	14%
Long-Term Investment	3.22	2.89			
Property and Equipment	64.94	65.69			
Intangible Assets	21.83	22.16			
Other Assets	2.45	2.62			
Liabilities	60.62	67.77			
Current Liabilities	45.74	52.43			
- ST Debts	30.49	26.78			
- Other Current Liabilities	15.25	25.65			
Long-Term Borrowings	14.17	14.58			
Other Liabilities	0.71	0.76			
Shareholders' Equity	55.02	52.09			

Cash Flow Analysis

NT\$bn	3Q07	2Q07	3Q06
Operating Cash Flow	6.56	11.78	4.60
Investing Cash Flow	(3.16)²	(18.47)¹	3.51
Financing Cash Flow	(6.61)	(6.73)	(13.34)
Cash CAPEX	(2.01)	(1.37)	(1.32)
Free Cash Flow	4.56	10.41	3.29

1. Inclusive of NT\$3.92bn cash assumed from TFN in 2Q07.
2. Inclusive of NT\$0.22bn cash assumed from TTN in 3Q07.

NT\$bn	4Q07 (old)	4Q07 (new)	2007 ¹
Revenue	17.00	17.41	66.19
Operating Income	4.97	5.25	21.60
EBITDA	7.37	7.61	30.42
<i>EBITDA Margin</i>	<i>43.37%</i>	<i>43.72%</i>	<i>45.95%</i>
(Assets Write-off)	(14.15)	(11.28)	(12.33)
Pre-Tax Income (Loss)	(9.48)	(6.24)	9.43
Tax Credit (Expense)	2.42	1.45	(2.40)
(Minority Interest)	(0.03)	(0.05)	(0.13)
Net Income	(7.08)	(4.83)	6.89
EPS (NT\$) ²	-1.64	-1.12	1.72

1. 2007 forecast equals to 1-3Q actual plus 4Q (new) forecast.

2. Note 2: EPS calculation in 4Q and 2007 full-year is based on 4.3bn and 4.0bn shares outstanding, respectively.

 Capital Reduction

- Received Securities and Futures Bureau's (SFB) approval on Oct. 17.
- The board today (Oct.31, 2007) set the record date on Dec.1, 2007 with estimated cash payment date to be Feb. 20, 2008.

 TFN Integration

- Received NCC approval on Oct. 25 for TIT's cash merger with TFN.
- As of Oct. 31, 2007, TIT owned 86.22% of TFN, up from 84.6% in 2Q.

M&A

- To spend no more than US\$5.3m of cash acquiring Hurray! Times to enrich TWM's value-added service offerings.
- Acquired a 52.35% stake in TTN from PCCW as of Oct. 5; expect to have around 96% of stake in TTN by Nov.

Awards

- Received “Happy Worker Award – Best Employer” by Cheers Magazine and Watson Wyatt jointly.

- We have finally obtained the approval from NCC for TIT/TFN merger. The kick-off time for triple play is expected for 1Q08. Business-wise, the synergies from the acquisition have bode well for Taiwan Mobile's growth ahead. On the finance front, the lower-than-expected asset write-down in 2007 will make room for us to distribute more dividend to the shareholders. Again, we reiterate our commitment to enhancing shareholder value as always.



Q & A

