



Taiwan Mobile
台湾大哥大

Acquisition of Fubon Multimedia Technology Co., Ltd.

April 8, 2011

Transaction Target :

To buy 58,856,550 shares of Fubon Multimedia Technology (“Momo”) or a 51% stake based on current shares issued from Fubon Financial Holding Venture Capital

Transaction Consideration : around NT\$8.35bn

Purpose :

- To benefit from the synergy of combining traditional and virtual channels and expanding footprints to the home shopping market in mainland China.
- Incremental EPS of NT\$0.15 a year from the investment in Momo.

Transaction subject to FTC’s approval

- Founded in 2004 through a joint venture between Fubon Group and Woori, the leading home shopping company in Korea
- Launched “momo” home shopping CATV channel in Jan. 2005 and reached monthly break-even in Dec. of the same year
- Introduced online momoshop and catalogue services in May 2005.
- Set up its own cosmetic stores in Jan. 2008. Also, launched two additional home shopping channels in July of the same year.
- Opened “Momo” department store in 2010

Shareholder Structure

as of Dec. 24, 2010

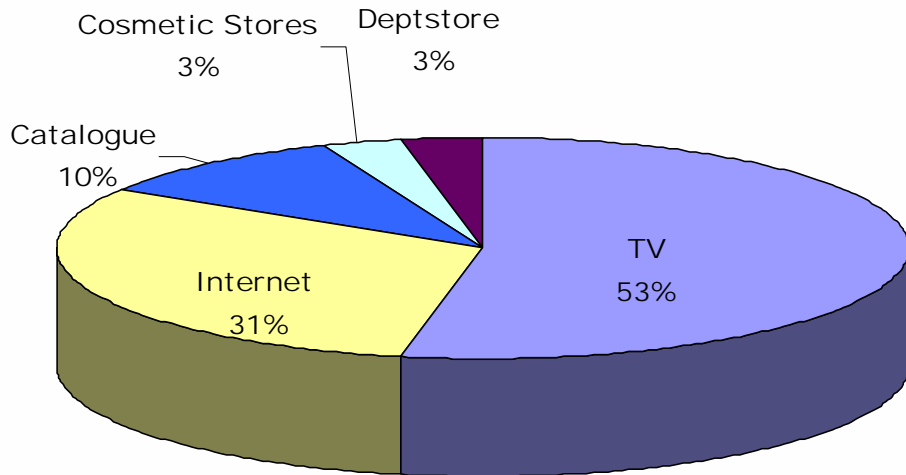
Shareholder	Stake
Fubon Financial Holding Venture Capital	67.45%
Tong-An Investment Co., Ltd.	11.04%
Woori Home Shopping (renamed as Lotte Home Shopping)	11.04%
Employees	4.46%
Others	6.01%

Board Members

Directors	7
Fubon Financial Holding Venture Capital Corp.	3
Tong-An Investment Co., Ltd.	1
Woori Home Shopping (renamed as Lotte Home Shopping)	1
Individuals	2

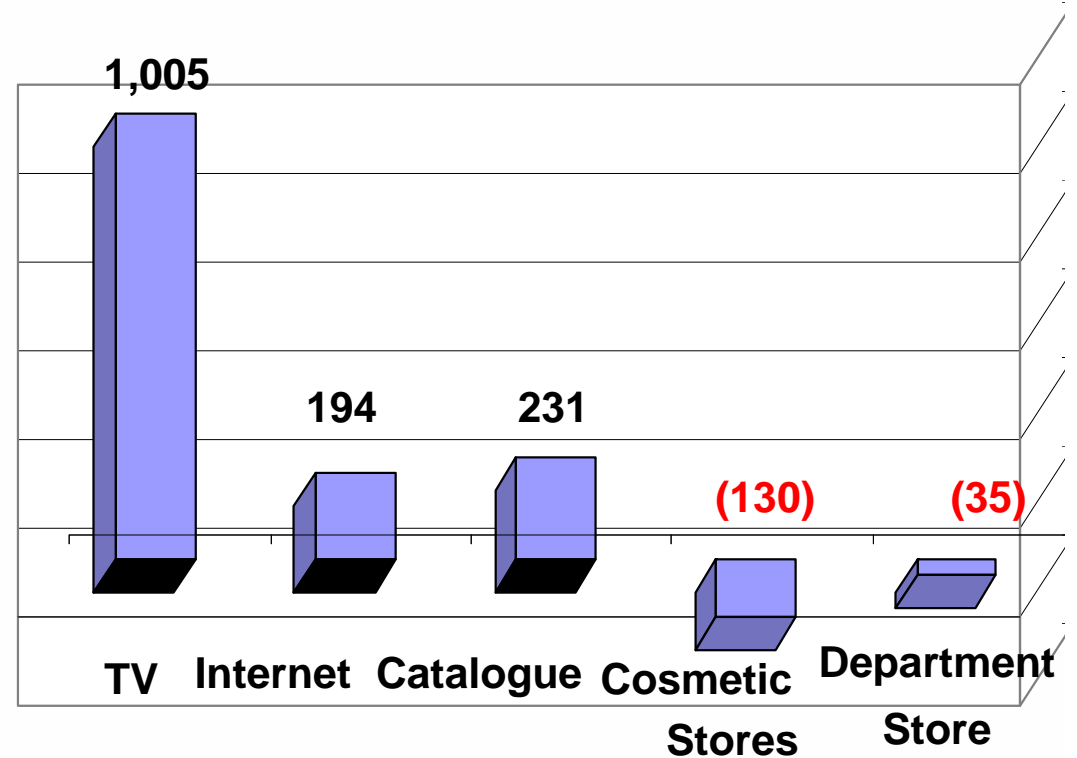
2010 Revenue/ Income Mix

Revenue Mix



Operating Income Mix

Unit: NT\$m



Source : Internal management materials

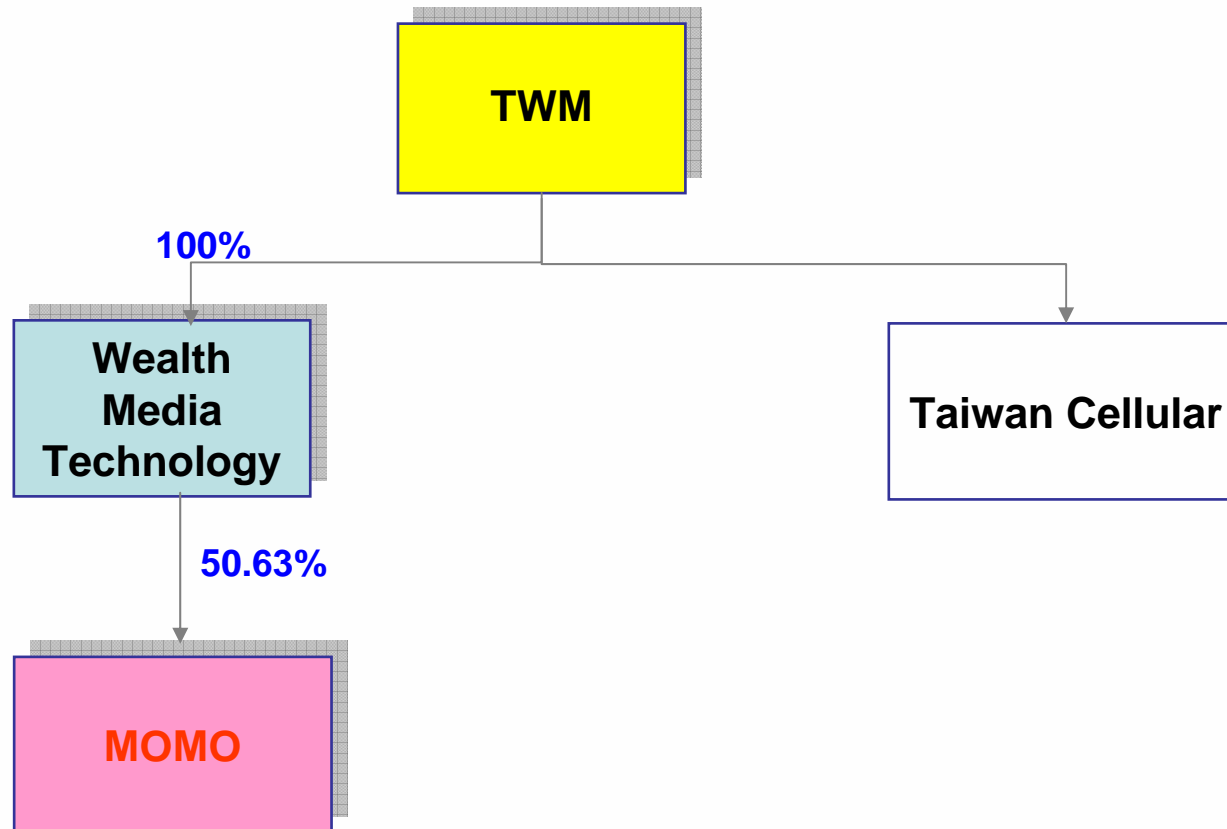
Financial Highlight – P&L

in NT\$m	2010		2009		2008	
Net sales	14,771	100%	10,981	100%	6,935	100%
Cost of goods sold	(11,731)	79%	(8,709)	79%	(5,549)	80%
Gross profit	3,040	19%	2,272	21%	1,386	20%
Operating expense	(1,811)	12%	(1,254)	11%	(899)	13%
EBITDA	1,365	9%	1,137	10%	563	8%
EBIT	1,229	8%	1,018	9%	486	7%
Non-op. income	37	0%	66	1%	20	0%
Pre-tax income	1,266	9%	1,084	10%	507	7%
Tax	(224)	2%	(258)	2%	(124)	2%
Net income	1,041	7%	826	8%	382	6%
EPS (\$)	9.08		10.09		6.07	
EPS (\$) – retroactive adjustment	9.08		7.20		3.33	

Financial Highlight – B/S

in NT\$m	2010	2009		2010	2009
Assets	4,510	3,938	Liabilities	2,194	2,224
Cash	2,551	2,339	Payable	1,542	1,659
Cash equivalent	232	621	Others	652	565
Receivable	275	218	Equity	2,317	1,713
Others	1,452	760	Capital	1,154	819
			Retained earnings	1,192	894
			Others	(29)	0

- To capitalize on Momo's platform & eco-system in E-commerce to step up M-commerce
- To jointly expand physical stores to form a cluster effect and enjoy synergy from cost reductions (e.g. logistics, merchandise procurement and store decoration in a larger scale)
- To beef up future growth momentum of Taiwan Mobile and increase non-voice revenue streams
- To leverage Momo's partnership with Beijing Gehua CATV Network Co., Ltd., a leading MSO in Beijing, to explore future business opportunities in China



Note: On a fully-diluted basis factoring in 845,000 new share to be issued for its employee stock option plan

Transaction Value

- Enterprise value : NT\$14bn, approx. 10x 2010 EBITDA
- Equity value : NT\$16.5bn, approx.16x 2010 net profit

Items	Unit: NT\$000
EV	14,000,000
Cash & adjustment	2,488,379
Equity	16,488,379
Shareholding %-fully diluted	50.63%
Transaction value	8,347,949

New Shareholding Structure

Shareholders	Ownership % ¹
Taiwan Mobile Co., Ltd.	50.63%
Fubon Financial Holding Venture Capital	14.89%
Tong-An Investment Co., Ltd.	10.96%
Woori Home Shopping (Renamed as Lotte Home Shopping)	10.96%
China Chemical & Pharmaceutical Co., Ltd.	1.44%
Employees & other individuals	11.12%

1. On a fully-diluted basis factoring in 845,000 new share to be issued for its employee stock option plan

Estimated Timetable

