



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

2Q16 Results Summary

July 27, 2016

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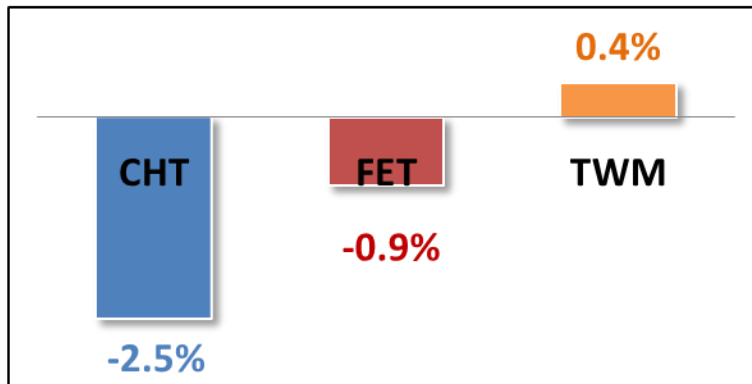
Business Overview

Mobile Growth Leading the Pack

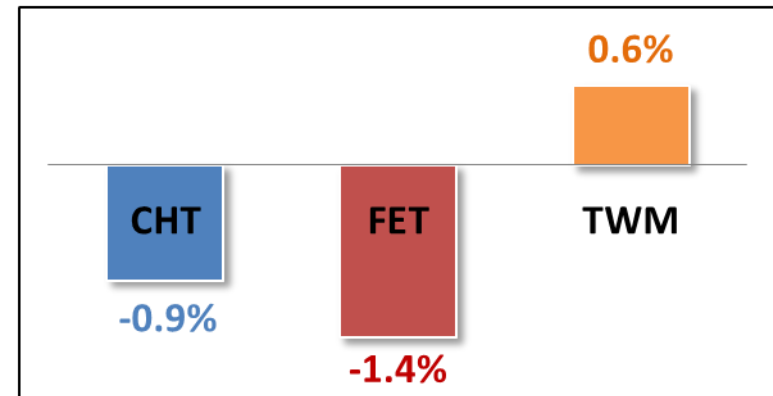
Key Operating Metrics

YoY change in 2Q16

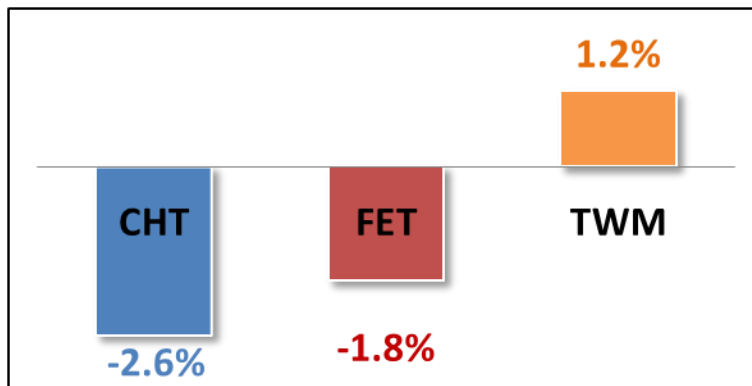
Total Subscribers



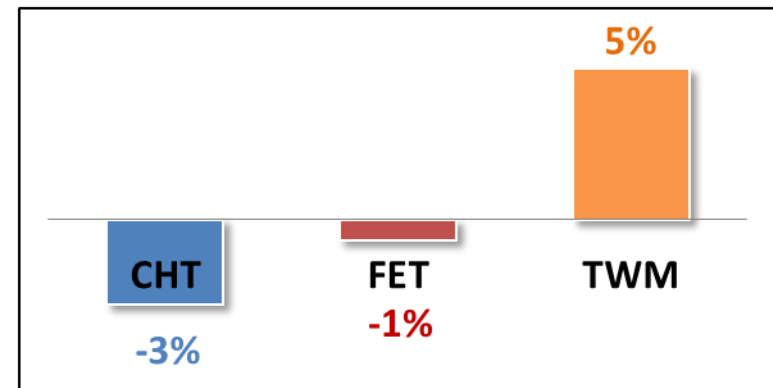
Blended ARPU¹



Mobile Service Revenue¹



Telecom EBITDA



1. Based on IFRS – Residual Value Method, i.e. excluding revenue adjustments under the current bundle sales accounting policy

Online Shopping - the Bright Spot

(Unit: NT\$bn)	2Q16	2Q15	YoY
momo			
Total Revenue	6.69	6.20	8%
- Online Shopping	4.82	4.10	18%
- TV Home Shopping & Others	1.87	2.10	-11%
EBITDA	0.34	0.30	+13%
EBITDA Margin	5.1%	4.9%	+0.2ppts



Financial Overview

Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
2Q16	20.05	1.65	6.69	28.44	7.40	0.90	0.34	8.72
% of total	70%	6%	24%	100%	85%	10%	4%	100%
2Q16 YoY	-2%	1%	8%	0%	5%	1%	13%	5%
1Q16 YoY	-6%	1%	12%	-2%	12%	1%	20%	11%

Note: The combined total of telecom, CATV and momo does not equal the consolidated total of each account due to other revenue and minor adjustments / eliminations.

NT\$m	2Q16			1H16	
	Amount	YoY	% of 2Q Forecast	Amount	YoY
Revenue	28,442	0%	98%	57,641	-1%
Cost	(18,807)	-1%	95%	(38,488)	-4%
Operating expense	(4,395)	2%	97%	(8,908)	2%
Operating income	5,240	6%	111%	10,245	10%
Net non-oper. items	(123)	5%	72%	(358)	15%
Income before tax	5,117	6%	112%	9,886	10%
Net income	4,118	4%	113%	7,891	2%
EPS (NT\$)	1.51	4%	113%	2.90	2%
EBITDA	8,725	5%	105%	17,142	8%
EBITDA margin	30.68%			29.74%	

Balance Sheet Analysis

NT\$bn	2Q16	1Q16	2Q15		2Q16	1Q16	2Q15
Total Assets	152.47	153.75	156.51	Liabilities	94.45	84.09	98.53
Current Assets	32.72	32.96	32.15	Current Liabilities	56.17	49.84	69.51
- Cash & Cash Equivalents	7.55	8.70	8.79	- ST Debts	17.67	25.53	31.25
- Accounts Receivable	15.97	15.70	15.28	- Other Current Liabilities	38.50	24.31	38.26
- Inventories	2.85	2.78	2.92	Non-Current Liabilities	38.28	34.25	29.02
- Other Current Assets	6.35	5.77	5.16	- Long-Term Borrowings	33.52	29.39	23.44
Non-current Assets	119.75	120.79	124.36	- Other Non-current Liabilities	4.76	4.86	5.58
- Long-term Investment	5.21	5.37	5.18	Shareholders' Equity	58.02	69.66	57.98
- Property and Equipment	46.40	46.46	48.05	- Paid-in Capital	34.21	34.21	34.21
- Concession	39.17	39.81	41.71	- Capital Surplus	14.59	14.59	14.72
- Other Non-current Assets	28.97	29.15	29.42	- Legal Reserve	24.61	23.04	23.04
	2Q16	1Q16	2Q15	- Un-appropriated Earnings	0.63	2.76	2.76
Current Ratio	58%	66%	46%	- Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to Equity	75%	66%	79%	- Non-controlling Interest	5.50	5.90	5.80
Net Debt to EBITDA (x)	1.29	1.39	1.40	- Retained Earnings & Others*	8.21	18.89	7.18
ROE (annualized)	31%	24%	30%				

* Including accumulated profits and other equity items

Cash Flow Analysis

NT\$bn	2Q16	1Q16	2Q15	1H16	1H15
Operating Cash Flow	5.97	10.03	5.44	16.00	10.82
Investing Cash Flow	(2.70)	(2.91)	(2.30)	(5.61)	(8.98)
Financing Cash Flow	(4.42)	(7.00)	(2.56)	(11.41)	(0.94)

NT\$bn	2Q16	1Q16	2Q15	1H16	1H15
Cash CAPEX	(2.43)	(2.75)	(3.57)	(5.18)	(6.86)
Free Cash Flow	3.54	7.29	1.87	10.83	3.95



Event Updates

Awards and Recognition

- Won awards in the categories of Taiwan’s “Best Investor Relations”, “Best Corporate Social Responsibility”, and “Best CFO “ in the *Corporate Governance Asia’s* 2016 Asian Excellence Awards. Taiwan Mobile was the only telecom operator in Taiwan awarded.
- Ranked within top 5 percent of listed companies in the second annual Corporate Governance Evaluation conducted jointly by the Taiwan Stock Exchange and Taipei Exchange (GreTai Securities Market).
- Received the 2016 CSR award in the “Annual CSR Survey – Service Sector” from *Global Views Monthly*.
- Awarded the ISO 14001 environmental management system certification, the first in Taiwan telecommunications industry.



The big three's rational moves regarding the 4G rate plans and contained handset subsidies set the tone for a healthier growth path for the industry. Taiwan Mobile will continue to create shareholder value through discipline in both mobile spectrum investments and handset subsidies.



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Q & A