



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

3Q11 Results Summary

October 27, 2011

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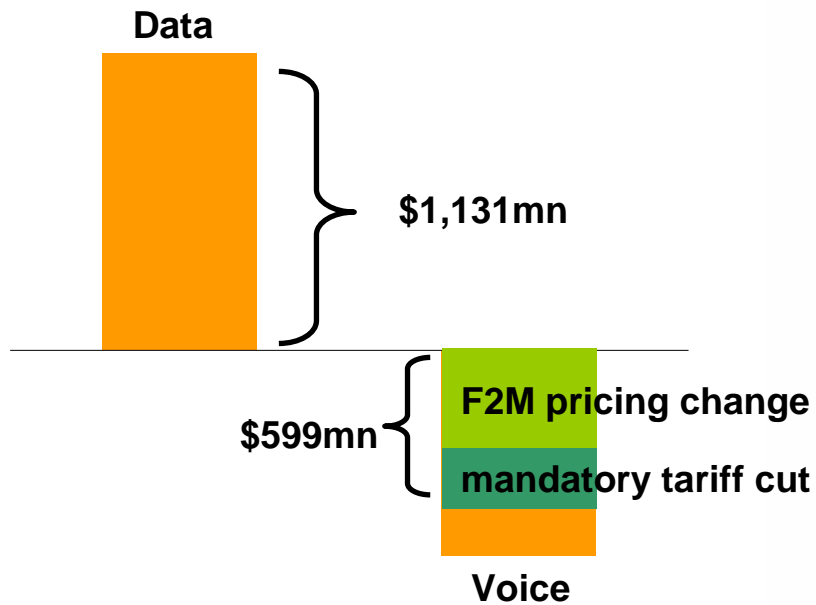
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Business Overview



Robust Wireless Data Growth

Mobile Service Revenue YoY Change in 3Q11

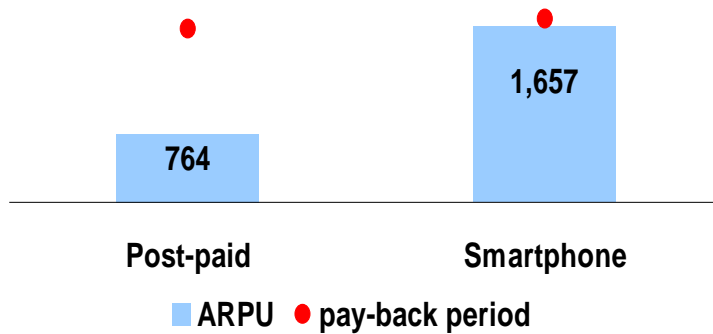


Data Business – 3Q11

NT\$: bn	CHT	FET	TWM
Data revenue	3.92	3.29	3.34
% of service revenue	21.6%	22.8%	23.2%
Data revenue YoY growth	40%	44%	51%

Our Smartphone Strategy

YTD Contribution comparison



3Q11 new products introduced



ASUS Slider



HTC EVO 3D

Price of NT\$15,000



SAM Galaxy S Plus



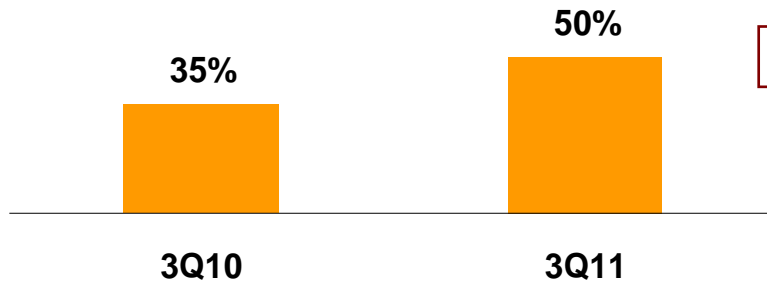
SE Ray



Nokia 701

Price of NT\$9,000

Smartphone as % of total handsets sold



TWM myPad P2



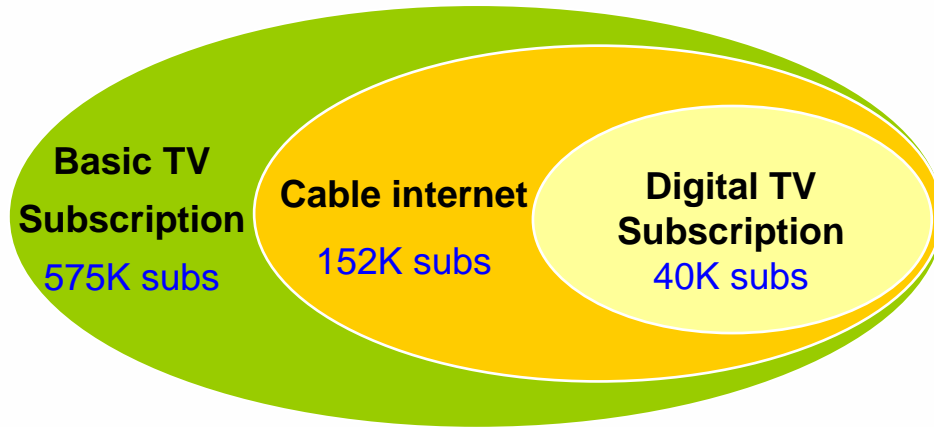
SE Mini



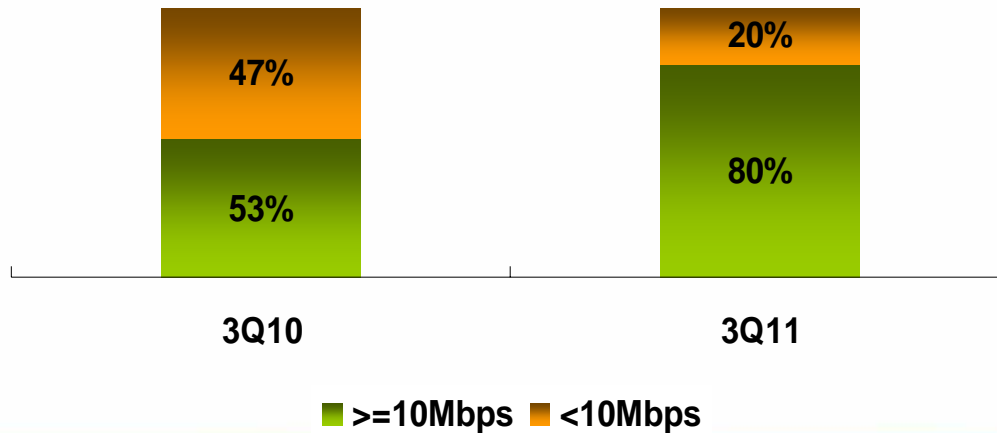
TWM Fantastic



CATV Growth Catalysts



**Cable internet
New adds speed mix**



3Q11	Sub no. YoY growth	ARPU
Analogue TV	2%	505
Cable internet	14%	527
DTV	86%	167

Blended ARPU	748, +3% YoY
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New Product & Service

- For a limited time only, launched “On-net Free Program” for newly subscribed, contract renewal and number portability customers. By bundling unlimited data service with a voice rate plan of \$401 or \$699, users are entitled to upgrade to try out TWM’s premium 21Mbps internet access for free as well as unlimited free on-net calls.
- In the third quarter, introduced an exclusive variety of smartphones and tablet PCs such as the Sony Ericsson Xperia Ray, HTC EVO 3D, an own-brand smartphone called the Fantastic T3, and an own-brand Tablet PC called the myPad P2, providing our customers with even more choices.
- Introduced IaaS (Infrastructure as a Service) cloud computing solutions for enterprise customers to outsource their IT infrastructure and to provide them with a more flexible B2B pricing model to enhance their cost-efficiency.

Financial Overview

Result Summary

Unit: NT\$m

	3Q11	3Q10	YoY	YTD Actual	% of Full Year
Operating revenue	21,729	17,711	23%	57,926	78%
Operating cost	(12,570)	(9,818)	28%	(33,839)	78%
Marketing expense	(3,050)	(2,282)	34%	(7,623)	80%
G&A expense	(965)	(1,105)	-13%	(3,104)	66%
Operating income	5,144	4,506	14%	13,360	82%
Net non-oper. items	(1,264)	(122)	NM	(1,334)	NM
Income before tax	3,880	4,384	-12%	12,026	76%
Net income	3,395	3,641	-7%	10,156	78%
EPS (NT\$)	1.22	1.22	0%	3.48	76%
EBITDA	7,582	6,820	11%	20,446	79%
EBITDA margin	34.89%	38.51%		35.30%	



Divisional Performance

NT\$bn	Revenue					EBITDA				
	CBG	HBG	EBG	Momo & Others	Total	CBG	HBG	EBG	Momo & Others	Total
3Q11	14.49	1.50	2.51	3.24	21.73	5.76	0.77	0.83	0.22	7.58
% of Total	67%	7%	11%	15%	100%	76%	10%	11%	3%	100%
QoQ	3%	2%	5%	NM	21%	11%	1%	33%	NM	15%
YoY	4%	5%	2%	NM	23%	5%	10%	36%	NM	11%

Balance Sheet Analysis

NT\$bn	3Q11	2Q11		3Q11	2Q11
Total Assets	93.22	87.16	Liabilities	46.56	41.93
Current Assets	18.85	19.21	Current Liabilities	37.20	32.80
- Cash & Cash Equivalents	7.72	9.87	- ST Debts	14.30	1.03
- Available-for-Sale Financial Assets	0.22	0.21	- Other Current Liabilities	22.90	31.78
- Inventories	1.90	1.39	Long-Term Borrowings	8.00	8.00
- Other Current Assets	9.01	7.74	Other Liabilities	1.37	1.13
Investment	2.17	3.28	Shareholders' Equity	46.66	45.23
Property and Equipment	41.87	41.69	- Paid-in Capital	34.21	38.01
Intangible Assets	27.19	19.88	- Capital Surplus	12.43	12.43
Other Assets	3.15	3.11	- Legal Reserve	16.72	16.72
			- Special Reserve	0.82	0.82
			- Un-appropriated Earnings*	2.27	2.27
			- Retained Earnings & Others	11.29	6.87
			- Treasury Shares	(31.08)	(31.89)
Interest Coverage (x)	43.8	71.5			
Net Debt (Cash) to Equity	31%	-2%			
Net Debt (Cash) to EBITDA (x)	0.54	-0.03			
ROE (annualized)	30%	28%			

*:Excluding YTD profits



Cash Flow Analysis

NT\$bn	3Q11	2Q11	3Q10
Operating Cash Flow	5.59	5.83	5.78
Investing Cash Flow	(10.91)	(1.55)	(1.81)
Financing Cash Flow	0.84	(0.33)	(7.09)

NT\$bn	3Q11	2Q11	3Q10
Cash CAPEX	(2.22)	(1.45)	(1.97)
Free Cash Flow	3.37	4.38	3.81

Event Update & Key Message

Regulatory Update

NCC approved a proposal to expand the CATV service areas based on city/county and to open licenses to new entrants. The implementation announcement is expected to be made in the first quarter of next year at the earliest as the details are still under deliberation.

Award & Recognition

- Received an “A+” ranking and ranked as one of the top 10 listed companies in “Transparency and Information Disclosure” for the sixth consecutive year by the Securities and Futures Institute.
- Awarded for “Excellence in Corporate Social Responsibility” by *CommonWealth* magazine for the fifth year in a row.



Strong smartphone sales have laid a solid foundation for revenue growth. Increasing subsidies are expected to be offset by a rise in revenues, hence making a positive contribution to EBITDA. However, the timing of the iPhone 4S launch can still have a final defining impact on 4Q results.

 Q & A

