



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

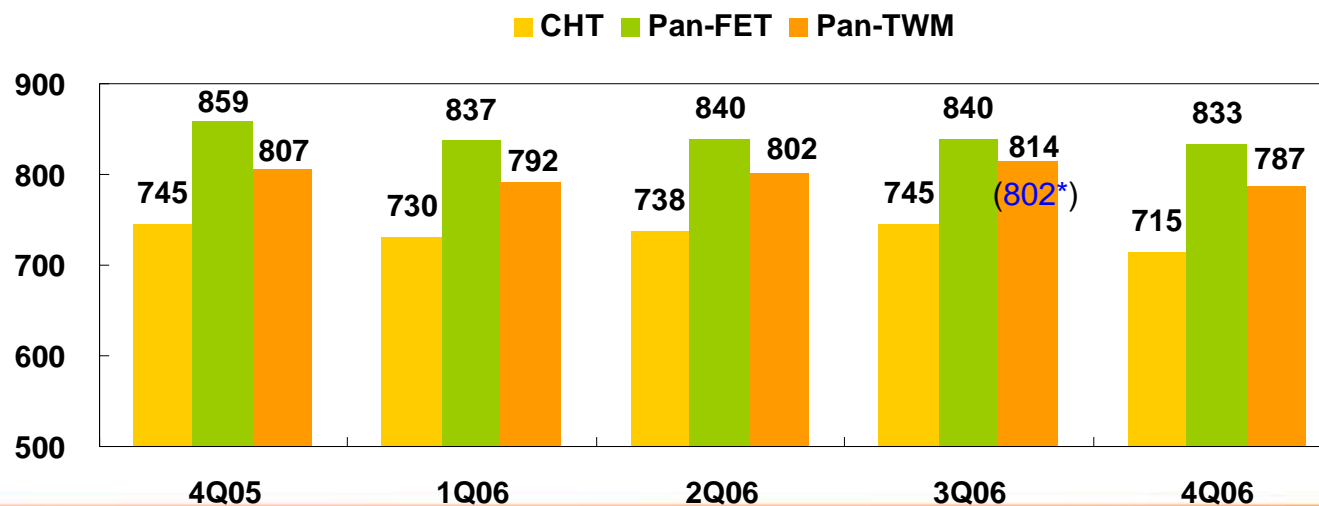
4Q Results Summary

Harvey Chang - CEO
January 25, 2007

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Sub (k)	CHT	FET+KGT	TWM+ TAT+MBT	Total
4Q06	8,459	5,971	6,151	20,582
4Q05	8,158	6,139	6,101	20,398
YoY	4%	-3%	1%	1%

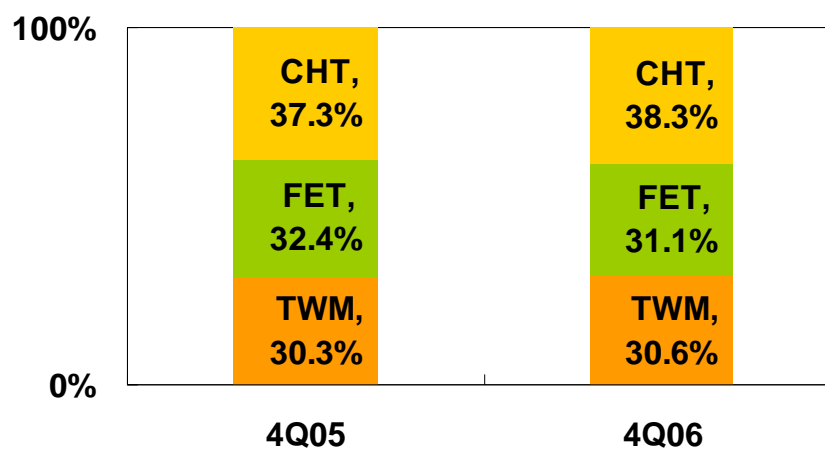
ARPU Comparison



* Excluding NT\$212m CHT lawsuit settlement

Service rev. (NT\$m)	CHT	FET+KGT	TWM+ TAT+MBT	Total
4Q06	18,127	14,712	14,484	47,324
4Q05	18,160	15,791	14,767	48,718
4Q YoY	0%	-7%	-2%	-3%

Market Share by Service Revenue



4Q06 Operational Data

	4Q06	3Q06	4Q05	QoQ	YoY
End Subscribers (K)	6,151	6,134	6,101	0%	1%
-Postpaid	5,671	5,656	5,638	0%	1%
-Prepaid	480	478	463	0%	4%
Monthly Churn	1.7%	1.9%	2.3%		
ARPU (NT\$)*	787	814	807	-3%	-2%
-Postpaid	805	835	825	-4%	-2%
-Prepaid	576	567	576	2%	0%

*3Q06 ARPU Including NT\$212m CHT lawsuit settlement

4Q06 Results Summary

NT\$bn	4Q06	QoQ	YoY
Revenue	14.53	-3%	-3%
- Telecom Service Revenue	14.48	-3%	-2%
EBITDA	6.93	-1%	3%
Operating Income	4.94	-2%	6%
Net Non-operating Items	(1.25)	NM	70%
Pre-tax Income	3.70	-41%	-6%
(Less Tax)	(0.75)	-2%	89%
(Less Minority Interest)	(0.00)	-171%	-115%
Net Income	2.94	-46%	-17%
EPS (NT\$)	0.60	-46%	-15%
<i>EBITDA margin</i>	<i>47.7%</i>		
<i>Operating margin</i>	<i>34.03%</i>		

4Q Actual vs Forecast

NT\$bn	4Q06 Actual	4Q06 Forecast	% of Forecast Achieved
Revenue	14.53	14.41	101%
Operating Income	4.94	4.59	108%
EBITDA	6.93	6.50	107%
<i>EBITDA Margin</i>	<i>47.7%</i>	<i>45.1%</i>	
Pre-Tax Income	3.70	3.55	104%
(Less Tax)	(0.75)	(0.54)	140%
(Less Minority Interest)	(0.00)	--	NM
Net Income	2.94	3.02	98%
EPS (NT\$)	0.60	0.61	98%

Balance Sheet Analysis

NT\$bn	4Q06	3Q06		4Q06	3Q06
Total Assets	118.41	114.20	Current Ratio	192%	229%
Current Assets	34.43	30.92	Interest Coverage (x)	45.8%	47.6
- Cash & Cash Equivalents	12.42	9.13	Net Debt (Cash) to Equity	-14%	-5%
- Available-for-Sale Financial Assets	0.38	0.37	ROE (annualized)	18%	20%
- Financial assets at fair value thru P&L	14.08	10.49	ROA (annualized)	14%	15%
- Other Current Assets	7.56	10.94			
Long-Term Investment	3.88	3.88			
Property and Equipment	60.91	60.36			
Intangible Assets	15.81	15.99			
Other Assets	3.38	3.04			
Liabilities	28.52	27.92			
Current Liabilities	17.98	13.51			
- ST Debts	3.81	1.34			
- Other Current Liabilities	14.17	12.17			
Long-Term Borrowings	10.00	13.75			
Other Liabilities	0.54	0.66			
Shareholders' Equity	89.89	86.28			

Cash Flow Analysis

NT\$bn	4Q06	3Q06	4Q05
Operating Cash Flow	3.79	4.60	6.46
Investing Cash Flow	0.14	3.51	(1.19)
Financing Cash Flow	(0.64)	(13.34)	0.01
CAPEX	(3.19)	(1.32)	(1.07)
Free Cash Flow	0.60	3.29	5.39

● Regulation

- NCC announced a 4.88% 2G price cut on 1) pre-paid, 2) F2M and 3) the price plan with the highest tariff/min.
- NCC's delayed regulation revision, which allows us to remove redundant 2G BTS is expected to go through in this quarter.

● Product and Service

- Introduced BlackBerry services in December 2006, with more than 600 users signing up
- Launched HSDPA (3.5G) service for data cards and new rate plan "myZone 968" in January 07

● TWM's ex-CFO Vivien Hsu was appointed as the president of TFN, more synergies could be expected afterwards.

● To improve communication efficiency, TWM bought other floors of the same headquarter building from TFN with total transaction amount of NT\$ 1.6bn.

1Q07 Forecast

NT\$bn	TWM Consolidated	QoQ	YoY
Revenue	14.40	-1%	-1%
- Telecom Service Revenue	14.28	-1%	-1%
Operating Income	4.38	-11%	-4%
EBITDA	6.34	-8%	-2%
<i>EBITDA Margin</i>	<i>44.04%</i>		
Pre-Tax Income	4.41	19%	20%
(Less Tax)	(1.15)	53%	109%
Net Income	3.26	11%	5%
EPS (NT\$)	0.65	8%	3%

Earnings Distribution

	2003	2004	2005	2006
Total Cash Dividend (NT\$m)	11,071	12,127	12,844	12,880
Payout Ratio	83%	73%	79%	80%
Cash Dividend (NT\$/share)	2.38	2.47	2.62	2.60
Implied Dividend Yield	7%	8%	9%	8%

*Accumulated unappropriated earnings plus special reserve after distribution of 2006 dividend : NT\$7.47bn

- Given the solid foundations that we have built in the past few years, our objective in 2007 is to ensure the stability of our operations.
- Strategies to cement our market position include:
 - Capitalize our success in “myZone strategy” to root deeper into each regional market
 - Increase focuses on quality customer acquisition and existing customer relationship management
 - Drive growth in VAS and 3G, paced with market evolvement and readiness
 - Improve channel controls and proliferate alternative channels to differentiate from competitors’ channel strategy



Q & A

