



Taiwan Mobile  
台湾大哥大

**Taiwan Mobile Co., Ltd.**

**4Q and 2008 Results Summary**

**Harvey Chang - CEO**  
**January 22, 2009**

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.

- Results summary
  - P&L
  - Divisional performance
  - Mobile operational analysis
  - Balance sheet and cash flow analysis
- 2009 full-year forecast
- Key message

## Result Summary

Unit: NT\$m

	4Q Actual	4Q Forecast	Execution %	2008 Actual	YoY
Operating revenue	16,939	17,455	97%	69,296	5%
Cost	(8,057)	(8,385)	96%	(31,687)	9%
Marketing expense	(2,778)	(2,668)	104%	(10,957)	6%
G&A expense	(1,222)	(1,294)	94%	(4,870)	-6%
Operating income	4,883	5,109	96%	21,782	2%
Net non-oper. items	(693)	(558)	124%	(1,246)	-90%
Income before tax	4,190	4,550	92%	20,537	129%
Net income	3,146	3,412	92%	15,371	132%
EPS (NT\$)	1.06	1.15	93%	5.18	208%
EBITDA	7,030	7,331	96%	30,066	0%
EBITDA margin	41.50%	42.00%		43.39%	

## 4Q Divisional Performance

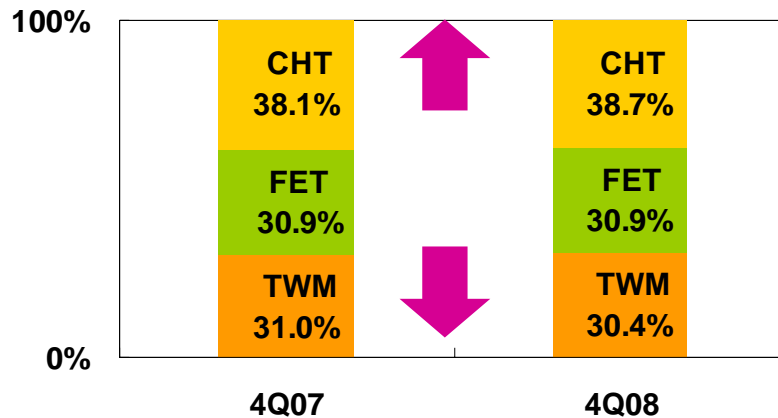
NT\$bn	Mobile	YoY Chg.	Fixed-line	YoY Chg.	Cable TV	YoY Chg.	Consolidated	YoY Chg.
<b>Revenue</b>	<b>14.21</b>	<b>-4%</b>	<b>2.49</b>	<b>8%</b>	<b>1.08</b>	<b>5%</b>	<b>16.94</b>	<b>-2%</b>
<b>EBITDA</b>	<b>5.96</b>	<b>-5%</b>	<b>0.49</b>	<b>-6%</b>	<b>0.54</b>	<b>0%</b>	<b>7.03</b>	<b>-4%</b>
<b>D&amp;A</b>	<b>(1.94)</b>	<b>-7%</b>	<b>(0.05)</b>	<b>-88%</b>	<b>(0.12)</b>	<b>-4%</b>	<b>2.15</b>	<b>-9%</b>
<b>EBIT</b>	<b>4.02</b>	<b>-4%</b>	<b>0.45</b>	<b>1.99x</b>	<b>0.42</b>	<b>2%</b>	<b>4.88</b>	<b>-2%</b>
<b>EBITDA %</b>	<b>41.9%</b>	<b>-0.6pps</b>	<b>19.8%</b>	<b>-2.9pps</b>	<b>50.6%</b>	<b>-2.4pps</b>	<b>41.50%</b>	<b>-0.9pps</b>

# Wireless Peer Comparison

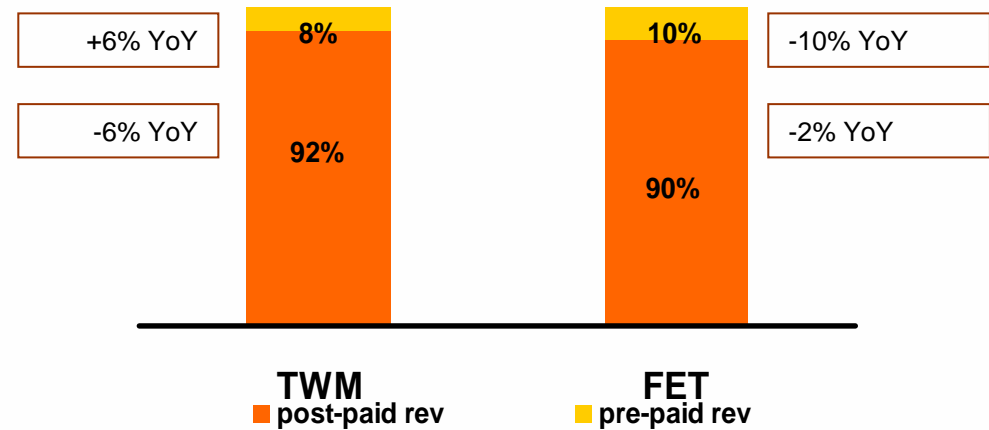
Service rev. (NT\$m)	CHT	FET	TWM	Total
4Q08	17,723	14,127	13,930	45,780
4Q07	17,978	14,557	14,650	47,185
4Q YoY	-1.4%	-3.0%	-4.9%	-3.0%
3Q YoY	-3.4%	-3.1%	-2.4%*	-3.0%

\*: Excluding NT\$226m CHT lawsuit settlement in 3Q07

## Market share by service revenue



## Post-paid vs. Pre-paid



NT\$m	CHT		FET		TWM	
	VAS <sup>1</sup>	VAS %	VAS	VAS %	VAS	VAS %
<b>4Q08</b>	<b>1,725</b>	<b>9.7%</b>	<b>1,865</b>	<b>13.2%</b>	<b>1,489</b>	<b>10.7%</b>
<b>4Q07</b>	<b>1,398</b>	<b>7.8%</b>	<b>1,660</b>	<b>11.4%</b>	<b>1,242</b>	<b>8.5%</b>
<b>4Q YoY</b>	<b>23%</b>		<b>12%</b>		<b>20%</b>	
<b>3Q YoY</b>	<b>26%</b>		<b>15%</b>		<b>14%</b>	

1. CHT changed VAS definition to include SMS airtime charge starting from 2008, but not adjusted 2007 VAS accordingly, so its YoY comparison is not on the same basis. Dec. VAS revenue is an estimate.

### 3G post-paid

4Q08	3G Service
<b>3G SIM number*</b>	<b>2,242K</b> up 88% YoY
<b>3G device adoption</b>	<b>c. 30% of 3G SIMs</b> up 2.2x YoY
<b>3G data revenue</b>	<b>up 1.5x YoY</b>

### Main VAS drivers

4Q08	YoY Growth
<b>Mobile Internet</b>	<b>67%</b>
<b>% of total VAS</b>	<b>33%</b>
<b>Data Card Sub Number</b>	<b>11.5x</b>

\*: There are another 201k 3G SIM users using pre-paid service.

## Balance Sheet Analysis

NT\$bn	4Q08	3Q08		4Q08	3Q08
<b>Total Assets</b>	<b>91.94</b>	<b>91.81</b>	<b>Liabilities</b>	<b>41.00</b>	<b>42.98</b>
Current Assets	12.88	13.24	Current Liabilities	26.74	35.04
- Cash & Cash Equivalents	3.87	3.73	- ST Debts	7.50	17.74
- Available-for-Sale Financial Assets	0.24	0.30	- Other Current Liabilities	19.24	17.30
- Other Current Assets	8.77	9.21	Long-Term Borrowings	13.20	7.50
Investment	3.35	3.04	Other Liabilities	1.07	0.45
Property and Equipment	49.47	48.98	<b>Shareholders' Equity</b>	<b>50.94</b>	<b>48.83</b>
Intangible Assets	22.12	22.34	- Paid-in Capital	38.01	38.01
Other Assets	4.12	4.21	- Treasury Shares	(32.95)	(31.89)
			- Capital Surplus	12.30	12.27
			- Un-appropriated Earnings	2.34	2.34
			- Special Reserve	3.41	3.41
			- Retained Earnings & Others	27.83	24.69
	<b>4Q08</b>	<b>3Q08</b>			
<b>Interest Coverage (x)</b>	30.8	31.6			
<b>Net Debt to Equity</b>	33%	44%			
<b>Net Debt to EBITDA (x)</b>	0.56	0.71			
<b>ROE (annualized)</b>	37%	40%			



## Cash Flow Analysis

NT\$bn	2008	4Q08	3Q08	4Q07
Operating Cash Flow <sup>1</sup>	27.39	7.86	5.70	8.42
Investing Cash Flow	(5.85)	(2.11)	(1.78)	(2.38)
Financing Cash Flow	(24.82)	(5.62)	(4.45)	(10.68)
Cash CAPEX	(6.54)	(1.81)	(2.04)	(1.92)
Free Cash Flow	20.85	6.05	3.65	6.51

Note 1: Inclusive cashflow for cash managements.

NT\$bn	1Q09	QoQ	2009	YoY
Revenue	16.86	0%	69.25	0%
EBITDA	6.99	-1%	29.00	-4%
<i>EBITDA Margin</i>	<i>41.47%</i>	<i>-3bps</i>	<i>41.88%</i>	<i>-151bps</i>
Operating Income	4.86	0%	20.19	-7%
Assets Write-off	(0.42)	-41%	(1.63)	10%
Pre-Tax Income	4.45	6%	18.52	-10%
Tax Expense	(1.11)	6%	(4.63)	-10%
Net Income	3.34	6%	13.89	-10%
EPS (NT\$) <sup>1</sup>	1.12	6%	4.66	-10%

Note: EPS is based on 2.98bn shares, net of treasury shares.

- We concluded year 2008 with net profits of NT\$15.4 billion, a little shy of our annual target. To enhance shareholder return, TFN's board has approved forfeiting dividends from TWM, leading to a 27% increase in DPS for other TWM shareholders. For 2009, though the financial crisis isn't yet over, we have stepped up efforts to drive growth from wireless data and cable TV/broadband. We are in firm belief that these efforts will pay off over time and will enhance shareholder value.



# Q & A

