



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

3Q Results Summary

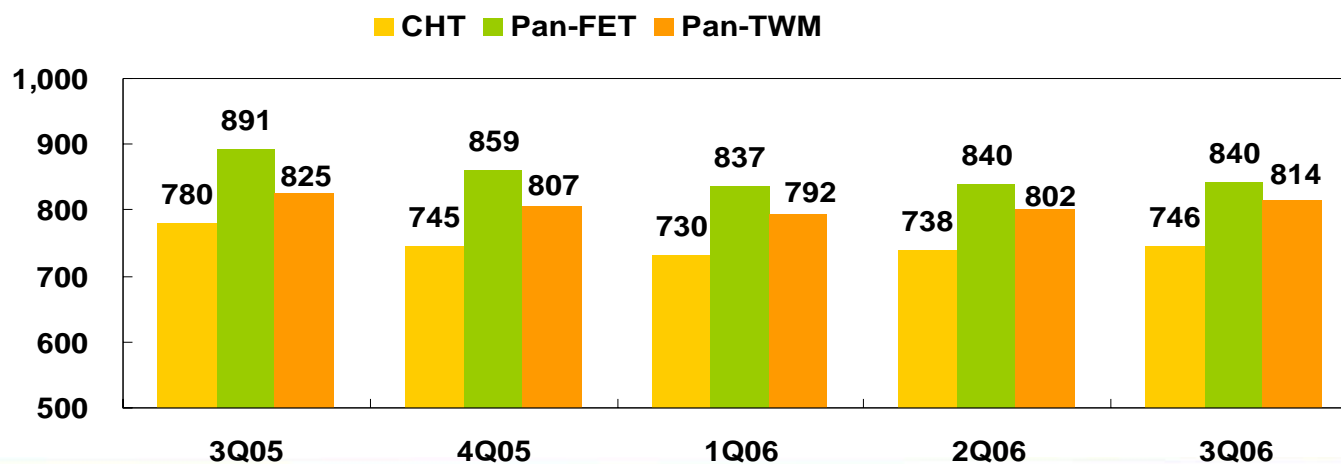
Harvey Chang - CEO

October 26, 2006

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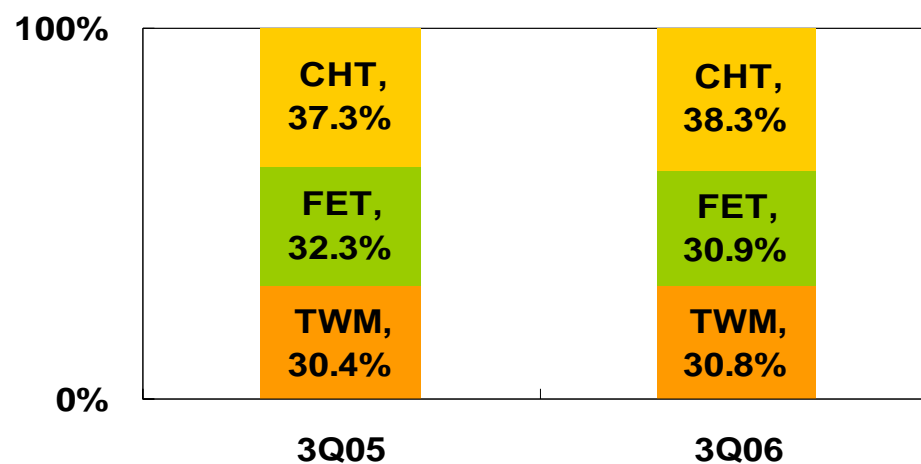
Sub (k)	CHT	FET+KGT	TWM+ TAT+MBT	Total
3Q06	8,371	5,902	6,134	20,407
3Q05	8,105	6,122	6,140	20,366
YoY	3%	-4%	0%	0%

ARPU Comparison



Service rev. (NT\$m)	CHT	FET+KGT	TWM+ TAT+MBT	Total
3Q06	18,666	15,051	14,973	48,691
3Q05	18,955	16,436	15,443	50,834
YoY	-2%	-8%	-3%	-4%

Market Share by Service Revenue



3Q06 Operational Data

	3Q06	2Q06	3Q05	QoQ	YoY
End Subscribers (K)	6,134	6,119	6,140	0%	0%
-Postpaid	5,656	5,649	5,690	0%	-1%
-Prepaid	478	471	450	1%	6%
Monthly Churn	1.9%	2.0%	3.2%		
ARPU (NT\$)	814	802	825	1%	-1%
-Postpaid	835	822	847	2%	-1%
-Prepaid	567	561	534	1%	6%

3Q06 Results Summary

NT\$bn	3Q06	QoQ	YoY
Revenue	15.03	2%	-4%
- Telecom Service Revenue	14.97	2%	-3%
EBITDA	6.99	4%	-3%
Operating Income	5.04	5%	-4%
Net Non-operating Items	1.20	140%	NM
Pre-tax Income	6.24	18%	24%
(Less Tax)	(0.77)	23%	47%
(Less Minority Interest)	0.00	NM	NM
Net Income	5.48	18%	23%
EPS (NT\$)	1.11	18%	22%
<i>EBITDA margin</i>	46.51%		
<i>Operating margin</i>	33.53%		

3Q Consolidated vs Forecast

NT\$bn	3Q06 Actual	3Q06 Forecast	% of Forecast Achieved
Revenue	15.03	15.34	98%
Operating Income	5.04	4.86	104%
EBITDA	6.99	6.82	103%
<i>EBITDA Margin</i>	<i>46.51%</i>	<i>44.43%</i>	
Pre-Tax Income	6.24	5.89	106%
(Less Tax)	(0.77)	(0.81)	94%
Net Income	5.48	5.07	108%
EPS (NT\$)	1.11	1.03	108%

Balance Sheet Analysis

NT\$bn	3Q06	2Q06		3Q06	2Q06
Total Assets	114.20	124.90	Current Ratio	229%	143%
Current Assets	30.92	40.18	Interest Coverage (x)	47.6	40.4
- Cash & Cash Equivalents	9.13	14.36	Net Debt (Cash) to Equity	-5%	-10%
- Available-for-Sale Financial Assets	0.37	8.78	ROE (annualized)	20%	18%
- Financial assets at fair value thru P&L	10.49	9.57	ROA (annualized)	15%	13%
- Other Current Assets	10.94	7.48			
Long-Term Investment	3.88	4.01			
Property and Equipment	60.36	61.38			
Intangible Assets	15.99	16.18			
Other Assets	3.04	3.16			
Liabilities	27.92	42.89			
Current Liabilities	13.51	28.10			
- ST Debts	1.34	1.59			
- Other Current Liabilities	12.17	26.51			
Long-Term Borrowings	14.10	14.47			
Other Liabilities	0.31	0.32			
Shareholders' Equity	86.28	82.01			

Cash Flow Analysis

NT\$bn	3Q06	2Q06	3Q05
Operating Cash Flow	4.60	(3.00)	7.36
Investing Cash Flow	3.51	(1.64)	1.06
Financing Cash Flow	(13.34)	(2.82)	(12.18)
CAPEX	(1.32)	(1.40)	(0.69)
Free Cash Flow	3.29	(4.40)	6.67

CHT ADR disposal

- Volume sold through ADR: 58.959m shares
- ADR price per unit: US\$16.99
- Disposal gains: NT\$602m approximately, net of taxes and transaction fees

Hurray investment

- During the past quarter, TWM acquired 1,079,925 ADS (5.02%) of Hurray! in the open market for a total cost of US\$5.8M
- Hurray is one of the top wireless value added service providers in China
- We consider our investment in Hurray! a financial investment, pending further evaluations

Appointment of CSO

- The board today (October 26) approved the appointment of Dr. JC Dornig as the Chief Strategy Officer. Dr. Dornig has more than 20 years experience in high-tech product and technology developments. Prior to joining Taiwan Mobile, JC headed Networks and Multimedia Institute (NMI) at The Institute for Information Industry (III, Taiwan's leading IT research organization).

NT\$bn	TWM Consolidated	QoQ	YoY
Revenue	14.41	-4%	-3%
- Telecom Service Revenue	14.37	-4%	-3%
Operating Income	4.59	-9%	-2%
EBITDA	6.50	-7%	-4%
<i>EBITDA Margin</i>	<i>45.09%</i>		
Pre-Tax Income	3.55	-43%	-10%
(Less Tax)	(0.54)	-30%	35%
Net Income	3.02	-45%	-15%
EPS (NT\$)	0.61	-45%	-14%

- TWM delivered better-than-expected EBITDA in 3Q and expects to see a stable trend moving into 4Q.
- Looking ahead, we are still closely following NCC's new initiatives, which might add uncertainties to our 2007 operations.
- In light of a solid profit outlook for the year, we are committed to a stable dividend payment in 2007.



Q & A

