



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

1Q09 Results Summary

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Result Summary

Unit: NT\$m

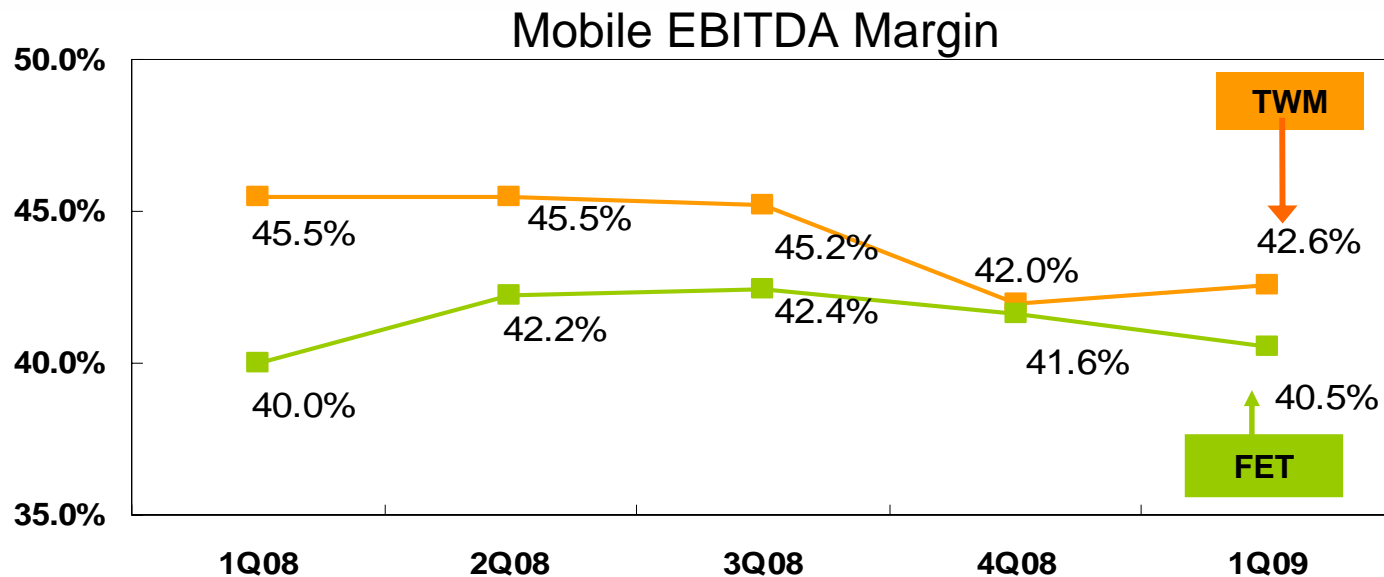
	1Q Actual	1Q Forecast	Execution %
Operating revenue	16,885	16,865	100%
Cost	(8,351)	(7,991)	104%
Marketing expense	(2,539)	(2,724)	93%
G&A expense	(1,136)	(1,289)	88%
Operating income	4,860	4,860	100%
Net non-oper. items	(516)	(406)	127%
Income before tax	4,344	4,454	98%
Net income	3,225	3,340	97%
EPS (NT\$)	1.10	1.12	98%
EBITDA	7,039	6,994	101%
EBITDA margin	41.69%	41.47%	

1Q Divisional Performance

NT\$bn	CBG	YoY Chg.	EBG	YoY Chg.	HBG	YoY Chg.	Conso- lidated	YoY Chg.
Revenue	13.48	-3%	2.29	1%	1.10	7%	16.89	-2%
EBITDA	5.98	-9%	0.44	-8%	0.57	6%	7.04	-8%
D&A	1.91	8%	0.10	98%	0.12	-1%	2.18	9%
EBIT	4.07	-16%	0.34	-20%	0.45	7%	4.86	-14%
EBITDA %	44.4%	-3.2pps	19.3%	-1.9pps	51.6%	-0.5pps	41.7%	-2.6pps

Wireless Peer Comparison

Subs (K)	CHT	FET	TWM	Total
1Q09	8,978	6,229	6,345	21,552
1Q08	8,724	6,226	6,228	21,178
1Q YoY	2.9%	0.1%	1.9%	1.8%



NT\$m	CHT		FET		TWM	
	VAS	% of service rev.	VAS	% of service rev.	VAS	% of service rev.
1Q09	2,027	11.5%	1,935	14.2%	1,649	12.1%
1Q08	1,715	9.5%	1,790	12.5%	1,353	9.3%
1Q YoY	19%		8%		22%	
4Q YoY	28%		12%		20%	

3G post-paid

1Q09	3G Service
3G SIM number*	2,528K up 78% YoY
3G device adoption	33% of 3G SIMs up 2.2x YoY
3G data revenue	up 1.6x YoY

Main VAS drivers

1Q09	YoY Growth
Mobile Internet	68%
% of total VAS	40%
Data Card Sub Number	6.1x

*: There are another 250k 3G SIM users using pre-paid service.

Balance Sheet Analysis

NT\$bn	1Q09	4Q08		1Q09	4Q08
Total Assets	90.99	91.94	Liabilities	36.51	41.00
Current Assets	13.11	12.88	Current Liabilities	27.56	26.74
- Cash & Cash Equivalents	4.73	3.87	- ST Debts	8.00	7.50
- Available-for-Sale Financial Assets	0.22	0.24	- Other Current Liabilities	19.56	19.24
- Other Current Assets	8.16	8.77	Long-Term Borrowings	8.00	13.20
Investment	3.25	3.35	Other Liabilities	0.96	1.07
Property and Equipment	48.53	49.47	Shareholders' Equity	54.48	50.94
Intangible Assets	21.90	22.12	- Paid-in Capital	38.01	38.01
Other Assets	4.20	4.12	- Treasury Shares	(32.63)	(32.95)
			- Capital Surplus	12.30	12.30
			- Un-appropriated Earnings	2.34	2.34
			- Special Reserve	3.41	3.41
	1Q09	4Q08	- Retained Earnings & Others	31.05	27.83
Interest Coverage (x)	37.7	30.8			
Net Debt to Equity	21%	33%			
Net Debt to EBITDA (x)	0.39	0.56			
ROE (annualized)	25%	37%			

Cash Flow Analysis

NT\$bn	1Q09	4Q08	1Q08
Operating Cash Flow ¹	6.92	7.86	7.47
Investing Cash Flow	(1.66)	(2.11)	(0.37)
Financing Cash Flow	(4.41)	(5.62)	(5.35)
Cash CAPEX	(1.50)	(1.81)	1.28
Free Cash Flow	5.42	6.05	6.19

Note 1: Inclusive of cashflow for cash managements.

NT\$bn	2Q09	QoQ	YoY
Revenue	17.30	2%	-1%
EBITDA	7.27	3%	-6%
<i>EBITDA Margin</i>	<i>42.00%</i>	<i>0.32pps</i>	<i>-2.12pps</i>
Operating Income	5.15	6%	-9%
Assets Write-off	(0.44)	-10%	17%
Pre-Tax Income	4.73	9%	-11%
Tax Expense	(1.18)	8%	-11%
Net Income	3.54	9%	-11%
EPS (NT\$) ¹	1.19	8%	-10%

Note: EPS is based on 2.97bn shares, net of treasury shares.

2008 Earnings distribution

- On March 5, 2009, TWM's board meeting approved the proposal to distribute NT\$14bn out of our retained earnings as dividends to shareholders. Dividend per share is NT\$4.7 based on share count of 2.97bn, net of treasury shares held by subsidiaries and shares bought from the market.

New product and service

- Ahead of the pack launching own-brand netbooks, providing the best mobile broadband services to customers.
- Introducing DTV in our CATV operating regions in Taipei County in June and the rest regions in September.

Award and recognition

- Awarded “5th Corporate Governance Asia Recognition Awards” in Asia Pacific region by *Corporate Governance Asia* the third year in a row.
- Received “IT Best Choice” awards from Institute for Information Industry in three categories.
- Awarded for “Excellence in Corporate Social Responsibility” by *CommonWealth* magazine for the third year in a row.
- Won seven commendations from NCC, the most among peers, for the efforts of bridging digital gap in remote areas.

Regulatory updates

- On March 18, 2009, NCC announced to require SOs to provide performance guarantee on advance receipts from CATV customers. The new regulation is expected to take effect in 2010.

- The worldwide financial turmoil has affected every economy. Taiwan is no exception. Reflective of the weakness in domestic economy, Taiwan Mobile inevitably posted a decline in EBITDA in 1Q, but was able to meet the guidance. Looking ahead, the economic outlook remains bleak. Taiwan Mobile will strive to sustain EBITDA levels in line with guidance to maintain shareholder return.



Q & A

