



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

1Q11 Results Summary

April 28, 2011

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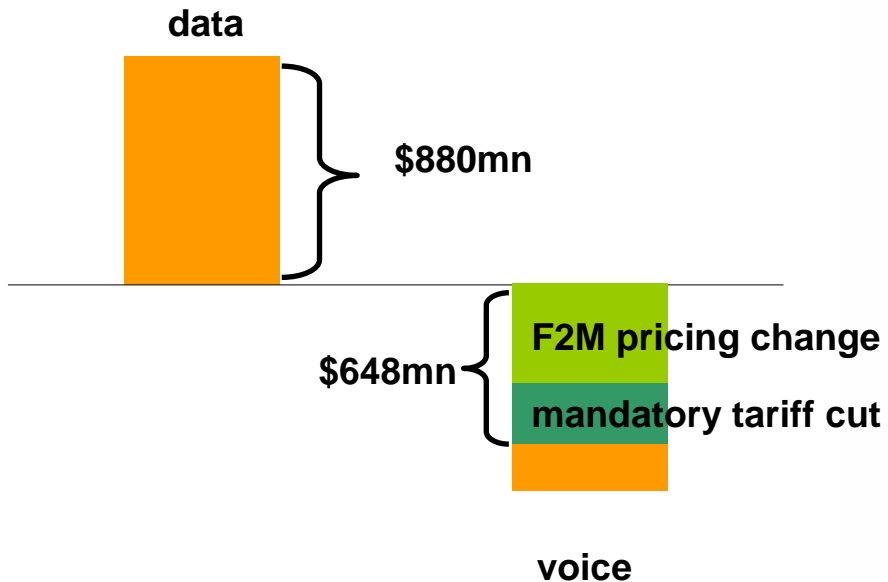
Business Overview



Robust Wireless Data Growth

Mobile Service Revenue

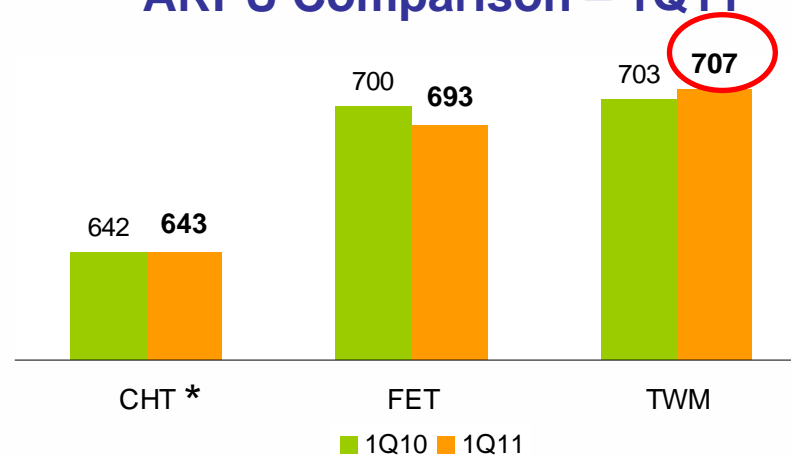
YoY Change in 1Q11



Data Business – 1Q11

NT\$: bn	CHT*	FET	TWM
Data revenue	3.52	2.73	2.80
% of service revenue	19%	20%	21%
Data rev. YoY	39%	36%	46%

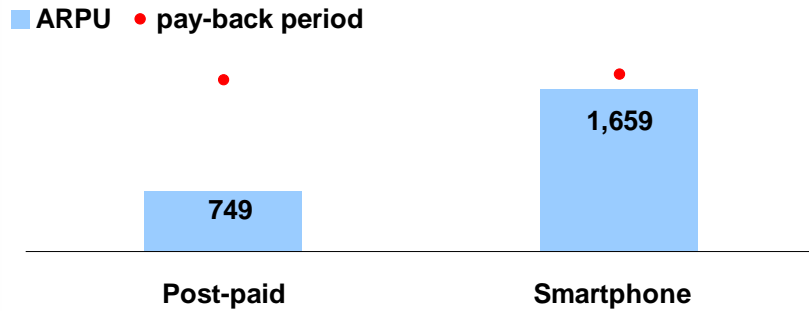
ARPU Comparison – 1Q11



* CHT's 1Q11 mobile service revenue being added back the F2M interconnection charge and transition fee paid from its fixed line division to compare with peers.

Our Smartphone Strategy

Contribution comparison in 1Q11



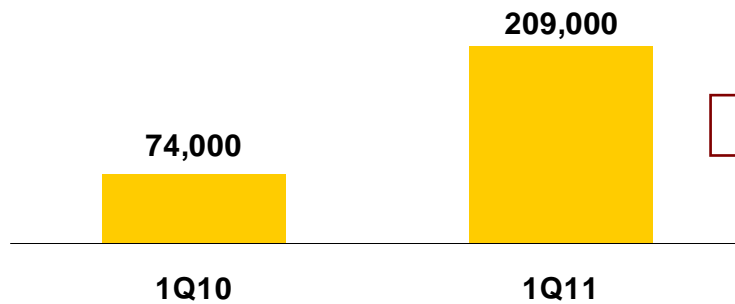
YTD new products introduced



Price of NT\$15,000

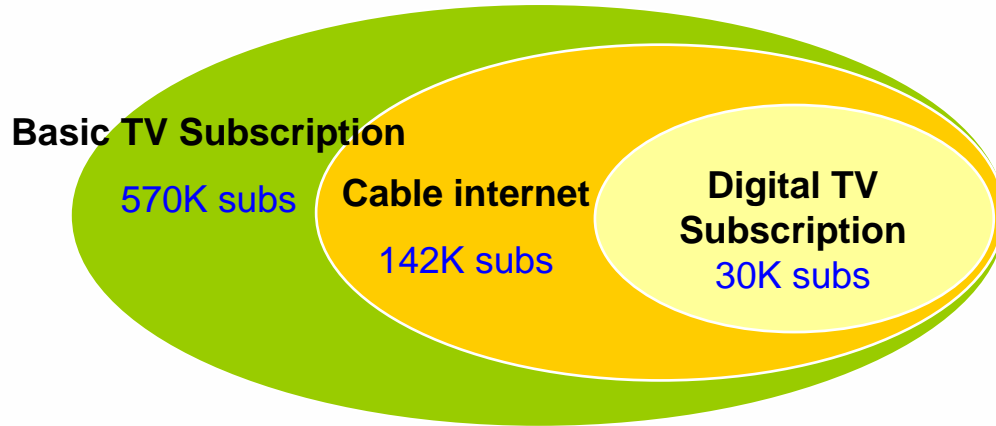
Price of NT\$8,999

Smartphone sales volume

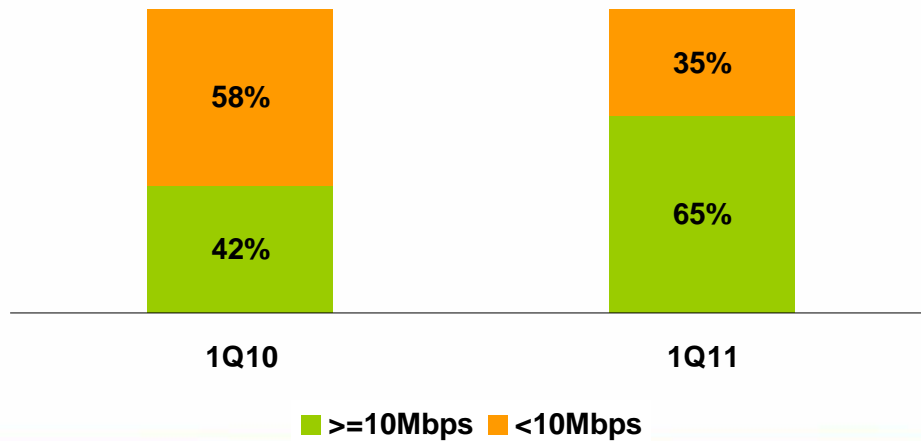




CATV Growth Catalysts



Cable internet
New adds speed mix



1Q11	Sub no. YoY growth	ARPU
Analogue TV	3%	506
Cable internet	18%	516
DTV	155%	172

Blended ARPU	735, +3% YoY
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Financial Overview

Result Summary

Unit: NT\$m

	1Q11	1Q10	YoY	2011 Forecast	Execution
Operating revenue	18,222	17,085	7%	73,956	25%
Operating cost	(10,911)	(8,803)	24%	(43,430)	25%
Marketing expense	(2,252)	(2,332)	-3%	(9,496)	24%
G&A expense	(1,078)	(1,169)	-8%	(4,737)	23%
Operating income	3,981	4,780	-17%	16,294	24%
Net non-oper. items	(15)	(256)	NM	(537)	3%
Income before tax	3,967	4,524	-12%	15,757	25%
Net income	3,289	3,619	-9%	13,081	25%
EPS (NT\$)	1.10	1.21	-9%	4.57	24%
EBITDA	6,289	7,062	-11%	25,771	24%
EBITDA margin	34.51%	41.33%		34.85%	



Divisional Performance

NT\$bn	Revenue				EBITDA			
	CBG	HBG	EBG	Total	CBG	HBG	EBG	Total
1Q11	14.37	1.45	2.41	18.22	4.92	0.75	0.61	6.29
% of total	79%	8%	13%	100%	78%	12%	10%	100%
QoQ	2%	0%	-1%	2%	-2%	5%	-1%	-1%
YoY	6%	4%	8%	7%	-16%	12%	16%	-11%

Balance Sheet Analysis

NT\$bn	1Q11	4Q10		1Q11	4Q10
Total Assets	84.44	85.48	Liabilities	30.25	34.58
Current Assets	15.66	15.24	Current Liabilities	21.16	23.23
- Cash & Cash Equivalents	5.93	6.05	- ST Debts	1.36	3.70
- Available-for-Sale Financial Assets	0.20	0.20	- Other Current Liabilities	19.80	19.53
- Inventories	2.00	1.13	Long-Term Borrowings	8.00	10.30
- Other Current Assets	7.53	7.86	Other Liabilities	1.09	1.05
Investment	3.19	3.20	Shareholders' Equity	54.19	50.90
Property and Equipment	42.33	43.61	- Paid-in Capital	38.01	38.01
Intangible Assets	20.11	20.35	- Capital Surplus	12.43	12.43
Other Assets	3.15	3.08	- Legal Reserve	15.33	15.33
			- Special Reserve	0.82	0.82
			- Un-appropriated Earnings*	2.27	2.27
			- Retained Earnings & Others	17.21	13.93
			- Treasury Shares	(31.89)	(31.89)
Interest Coverage (x)	56.8	49.1			
Net Debt to Equity	6%	16%			
Net Debt to EBITDA (x)	0.13	0.29			
ROE (annualized)	25%	26%			

*:Excluding profits since January 2010



Cash Flow Analysis

NT\$bn	1Q11	4Q10	1Q10
Operating Cash Flow	6.00	7.63	7.90
Investing Cash Flow	(1.48)	(1.53)	(1.49)
Financing Cash Flow	(4.64)	(2.80)	(6.45)

NT\$bn	1Q11	4Q10	1Q10
Cash CAPEX	(1.28)	(1.40)	(1.46)
Free Cash Flow	4.71	6.23	6.44

Looking into 2Q, we expect both revenue & EBITDA to trend up sequentially. With higher asset write-off losses in 2Q, our 2Q EPS is forecasted to be NT\$1.10, flattish QoQ.

Event Update & Key Message

2010 Earnings Distribution

- TWM's board meeting today (April 28) approved a proposal to distribute NT\$12.4bn of cash dividends or 90% payout to shareholders. Dividend per share is NT\$4.16 based on 2,989m shares, which excluded treasury shares held by 100%-owned subsidiaries.

Regulatory Update

- In March, the Executive Yuan drafted the following major law revisions and put them on the high priority list for the Legislative Yuan's review.
 - In the “Radio and Television Act”, the “Cable Radio and Television Act” and the “Satellite Broadcasting Act”: To relax regulations from the current 0% to 10% on direct and indirect government ownership in companies offering these services.
 - In the “Cable Radio and Television Act”: To permit cable TV system operators to provide services across regions, but not to exceed the current limit of 1/3 market share, in order to promote competition.

Awards

- Won a 2011 Asian Excellence Recognition Award for “Best Corporate Investor Relations” in Taiwan from *Corporate Governance Asia* magazine.

New Products and Services

- In March, introduced a smartphone promotion specifically targeting students where students can choose from a variety of smartphones with great savings in both handset price and monthly fees .
- In addition to high-end smartphones such as Google’s Nexus S, HTC’s Incredible S, Dell’s Streak 5, and Sony Ericsson’s Play, TWM also exclusively launched mid-level models like Samsung’s Ace and Galaxy Mini in the 1st quarter to further boost smartphone penetration.

Our thrust into smartphone penetration has paid off in the first quarter in helping mitigate the impact from regulatory intervention.

Pending approval from the FTC, the Momo acquisition as announced will further support our drive to diversify into other core businesses. Meanwhile, regulatory uncertainties remain. TWM will step up our efforts to grow non-voice businesses to enhance shareholder return.

 Q & A

