



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

1Q14 Results Summary

April 29, 2014

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.

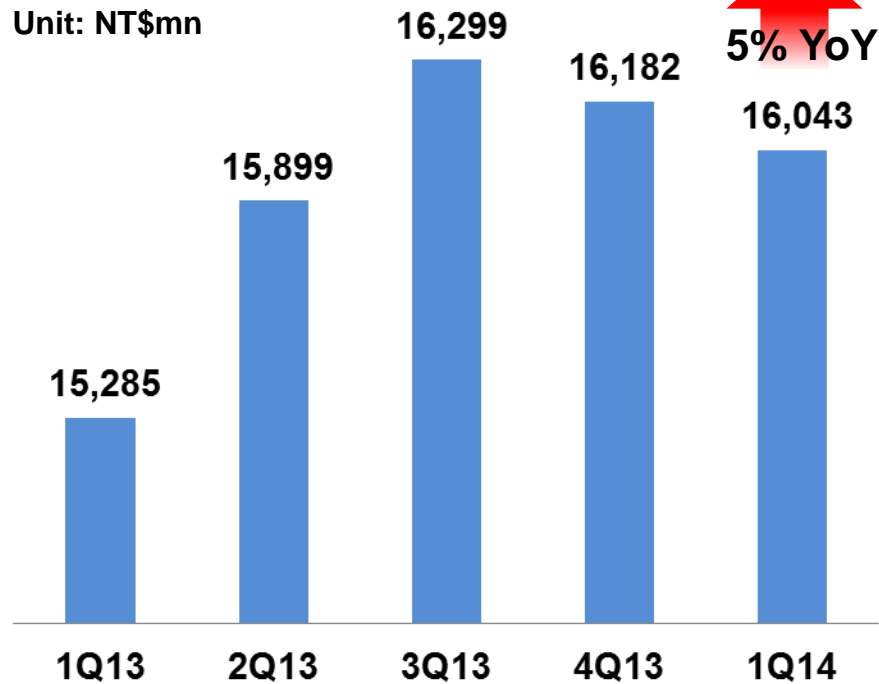


Business Overview

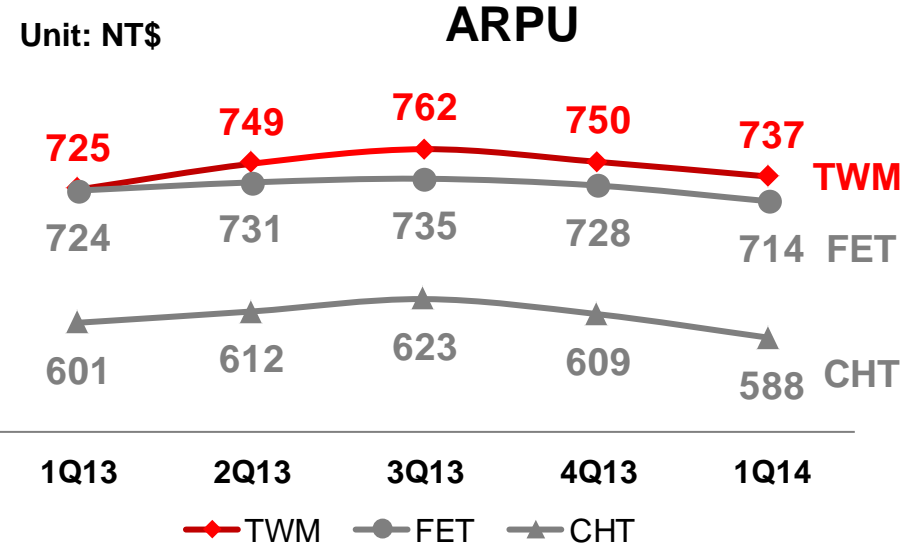
Healthy Mobile Revenue Growth

TWM's

Mobile Service Revenue



Peer Comparison



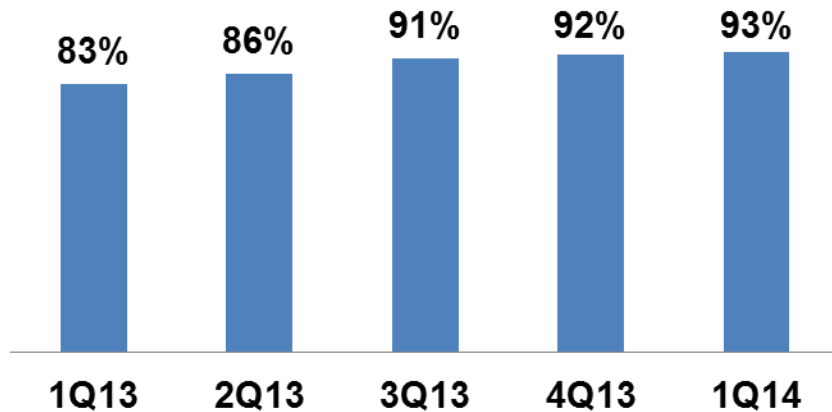
	1Q14 YoY	TWM	FET	CHT
Mobile Service Revenue	5%	5%	2%	1%
Voice Revenue		-5%	-8%	-10%
VAS Revenue		23%	21%	23%

* Based on IFRS – Residual Value Method, i.e. excluding revenue adjustments under the current bundle sales accounting policy.

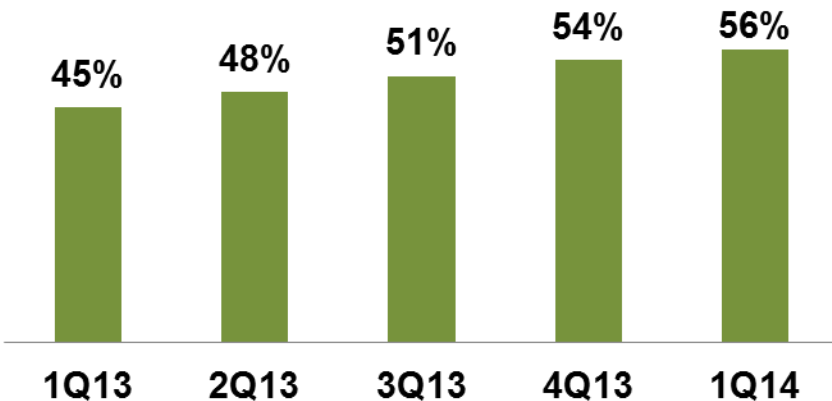


Our Smartphone Strategy

Smartphone as % of total handsets sold



Mobile data adoption rate



TWM's own-brand smartphones

Amazing Series	Street Price	Features
A3S	NT\$1,990	3.5" screen Dual-core 2M pixels
A4C	NT\$2,990	4" screen Dual-core 5M pixels
A5C	NT\$3,690	4.5" screen Dual-core 5M pixels
A6S	NT\$4,690	4.7" screen Quad-core 8M pixels
A7	NT\$5,990	5.5" screen Quad-core 8M pixels

Steady CATV Operation

1Q14	Sub base YoY growth	ARPU
Analogue TV	1%	\$495
Cable Internet	5%	\$543
DTV	64%	\$137
Blended ARPU *	\$791	+2% YoY

* Calculation based on total cable TV revenue excluding content agency revenue

Growing Online Shopping Business

momo (Unit: NT\$bn)	1Q14	1Q13	YoY
Total Revenue	5.66	4.94	15%
- Online Shopping	3.35	2.65	27%
- TV Home Shopping & Other	2.31	2.29	1%
EBITDA	0.32	0.23	35%
EBITDA margin	5.6%	4.8%	

Note: momo announced the sale of its cosmetics stores and department store operations on March 28, 2014 and August 30, 2013, respectively. The related operating results of the aforementioned business lines were reclassified retroactively as discontinued operations and thus were not included in the table above.



Financial Overview

Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
1Q14	20.53	1.58	5.66	27.73	6.57	0.86	0.32	7.77
% of total	74%	6%	20%	100%	85%	11%	4%	100%
1Q14 YoY	3%	3%	15%	5%	2%	5%	35%	3%
4Q13 YoY	7%	3%	15%	8%	-2%	-1%	31%	1%

Note: The combined total of telecom, CATV and momo does not equal the consolidated total of each account due to other revenue and minor adjustments / eliminations.

Results Summary

NT\$m	1Q14		
	Amount	YoY	% of Forecast
Revenue	27,726	5%	99%
Cost	(17,991)	7%	96%
Operating expense	(4,625)	3%	103%
Operating income	5,111	1%	106%
Net non-oper. items	(32)	-89%	43%
Income before tax	5,079	6%	107%
Net income	4,084	7%	104%
EPS (NT\$)	1.52	7%	105%
EBITDA	7,772	3%	104%
EBITDA margin	28.03%		

Balance Sheet Analysis

NT\$bn	1Q14	4Q13	1Q13		1Q14	4Q13	1Q13
Total Assets	142.93	138.35	104.34	Liabilities	78.51	79.83	42.69
Current Assets	28.54	29.49	25.19	Current Liabilities	49.62	58.61	29.60
- Cash & Cash Equivalents	8.18	7.95	6.08	- ST Debts	25.55	34.00	7.42
- Accounts Receivable	14.15	14.27	12.10	- Other Current Liabilities	24.07	24.60	22.18
- Inventories	2.94	3.78	3.48	Non-Current Liabilities	28.89	21.23	13.09
- Other Current Assets	3.27	3.49	3.54	- Long-Term Borrowings	23.08	16.79	9.00
Non-current Assets	114.39	108.86	79.15	- Deferred Income Tax Liability	2.66	2.60	2.35
- Long-term Investment	2.47	4.19	3.43	- Other Non-current Liabilities	3.15	1.83	1.74
- Property and Equipment	42.81	42.99	42.62	Shareholders' Equity	64.42	58.52	61.66
- Other Non-current Assets	69.11	61.68	33.10	- Paid-in Capital	34.21	34.21	34.21
	1Q14	4Q13	1Q13	- Capital Surplus	12.48	12.46	12.43
Current Ratio	58%	50%	85%	- Legal Reserve	19.26	19.26	18.06
Net Debt to Equity	63%	73%	17%	- Un-appropriated Earnings	6.61	6.61	7.91
Net Debt to EBITDA (x)	1.30	1.39	0.34	- Treasury Shares	(31.08)	(31.08)	(31.08)
ROE (annualized)	27%	25%	25%	- Retained Earnings & Others*	22.94	17.06	20.12

* Including accumulated profits, minority interest and other equity items

Cash Flow Analysis

NT\$bn	1Q14	4Q13	1Q13
Operating Cash Flow	6.84	7.58	3.95
Investing Cash Flow	(0.99)	(30.40)	(4.32)
Financing Cash Flow	(5.63)	22.98	0.25

NT\$bn	1Q14	4Q13	1Q13
Cash CAPEX	(2.27)	(2.67)	(3.99)
Free Cash Flow	4.57	4.91	(0.04)



2Q14 Guidance & Board Resolutions

NT\$bn	2Q14F	2Q13	YoY
Revenue	28.28	26.56	6%
EBITDA	7.74	7.83	-1%
Operating Income	4.83	5.38	-10%
Non-operating expense	0.44	0.46	-5%
Net Income	3.57	3.96	-10%
EPS (NT\$)	1.33	1.47	-10%

2013 Earnings Distribution

TWM's board meeting today (April 29, 2014) approved a proposal to distribute NT\$15.1bn in cash dividends, comprised of 90% of 2013 earnings and NT\$1.0bn of un-appropriated earnings, translating into a 97% payout to shareholders. Dividend per share is NT\$5.6 on 2.69bn shares, excluding treasury shares held by 100%-owned subsidiaries.

Capex Guidance Revision

The board today (April 29, 2014) approved an additional NT\$0.8bn capex budget for 2014, by adding NT\$0.2bn IT capex and NT\$0.6bn spending related to our 49.9%-held Taipei New Horizon. Thus, 2014 capex is revised to be NT\$13.6bn: NT\$9.8bn for mobile, NT\$2.1bn for fixed-line, NT\$1bn for cable-TV, and the remaining balance for other subsidiaries.

Regulatory Update

TWM has obtained the system technology validation approval for the roll-out of 4G base stations from NCC and has also filed an application for the 4G commercial launch.

The LTE network deployment, expected service offerings and handset availabilities have been very promising. TWM is aiming to maintain operating stability in the near term and as always to ensure shareholders' returns.



Q & A