



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

2Q09 Results Summary

Harvey Chang - CEO
July 30, 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.

- 2Q results summary
 - 2Q P&L
 - 2Q Divisional performance
 - 2Q Mobile operational analysis
 - Balance sheet and cash flow analysis
- 3Q09 forecast
- Event update
- Key message

Result Summary

Unit: NT\$m

	2Q Actual	2Q Forecast	Execution %
Operating revenue	17,347	17,299	100%
Cost	(8,442)	(8,049)	105%
Marketing expense	(2,425)	(2,771)	88%
G&A expense	(1,280)	(1,325)	97%
Operating income	5,200	5,153	101%
Net non-oper. items	(392)	(428)	92%
Income before tax	4,808	4,725	102%
Net income	3,606	3,544	102%
EPS (NT\$)	1.21	1.19	102%
EBITDA	7,396	7,266	102%
EBITDA margin	42.63%	42.00%	

2Q Divisional Performance

NT\$bn	CBG	YoY Chg.	EBG	YoY Chg.	HBG	YoY Chg.	Conso- lidated	YoY Chg.
Revenue	13.45	-3%	2.40	-3%	1.34	22%	17.35	-1%
EBITDA	6.22	-6%	0.52	8%	0.62	15%	7.40	-4%
D&A	1.92	7%	0.10	109%	0.13	-5%	2.20	8%
EBIT	4.30	-11%	0.42	-4%	0.49	22%	5.20	-9%
EBITDA %	46.2%	-1.6pps	21.9%	2.3pps	46.0%	-2.8pps	42.6%	-1.5pps

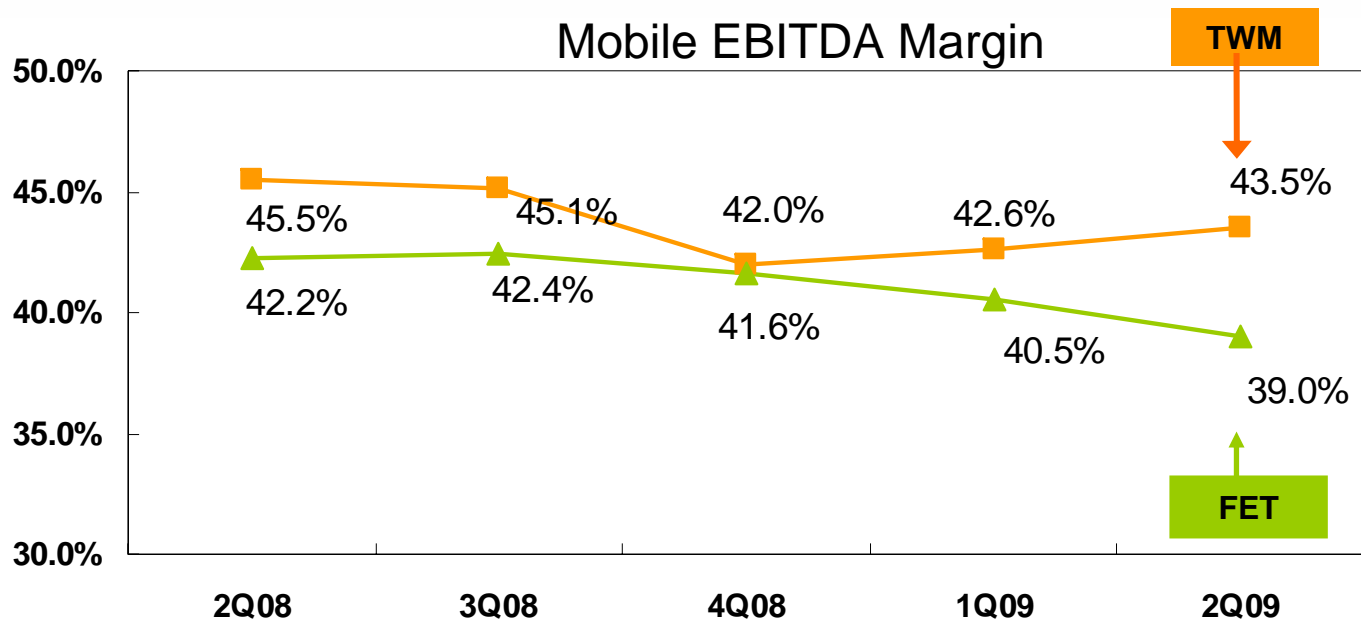
Note:

1. CBG/EBG numbers from 1Q08 are restated to include/exclude consumer blackberry service.
2. HBG numbers are restated from 1Q08 to include content business.

Wireless Peer Comparison

Subs (K)	CHT	FET	TWM	Total
2Q09	9,012*	6,267	6,390	21,668
2Q08	8,779	6,223	6,223	21,225
2Q YoY	2.7%	0.7%	2.7%	2.1%

*: CHT is based on May number.



NT\$m	CHT		FET		TWM	
	VAS ¹	% of service rev.	VAS	% of service rev.	VAS	% of service rev.
2Q09	2,004	11.3%	1,937	14.1%	1,653	12.0%
2Q08	1,683	9.3%	1,736	12.0%	1,309	9.0%
2Q YoY	19%		12%		26%	
1Q YoY	19%		8%		22%	

1. CHT June VAS revenue is an estimate.

3G post-paid

2Q09	3G Service
3G SIM number*	2,786K up 66% YoY
3G device adoption	41% of 3G SIMs up 2.0x YoY
3G data revenue	up 1.2x YoY

Main VAS drivers

2Q09	YoY Growth
Mobile Internet	69%
% of total VAS	43%
Data Card Sub Number	3.4x

*: There are another 280k 3G SIM users using pre-paid service.

Balance Sheet Analysis

NT\$bn	2Q09	1Q09		2Q09	1Q09
Total Assets	91.88	90.99	Liabilities	47.26	36.51
Current Assets	15.70	13.11	Current Liabilities	38.24	27.56
- Cash & Cash Equivalents	6.50	4.73	- ST Debts	7.50	8.00
- Available-for-Sale Financial Assets	0.32	0.22	- Other Current Liabilities	30.74	19.56
- Other Current Assets	8.88	8.17	Long-Term Borrowings	8.00	8.00
Investment	3.22	3.25	Other Liabilities	1.02	0.96
Property and Equipment	47.76	48.53	Shareholders' Equity	44.62	54.48
Intangible Assets	21.69	21.90	- Paid-in Capital	38.01	38.01
Other Assets	3.50	4.20	- Capital Surplus	12.37	12.30
			- Legal Reserve	13.94	12.41
			- Special Reserve	3.35	3.41
			- Un-appropriated Earnings*	2.27	2.34
			- Retained Earnings & Others	6.94	18.64
	2Q09	1Q09	- Treasury Shares	(32.27)	(32.63)
Interest Coverage (x)	46.4	37.7	*:Excluding YTD profits		
Net Debt to Equity	20%	21%			
Net Debt to EBITDA (x)	0.31	0.39			
ROE (annualized)	29%	25%			

Cash Flow Analysis

NT\$bn	2Q09	1Q09	2Q08
Operating Cash Flow ¹	4.05	6.92	6.40
Investing Cash Flow	(2.10)	(1.66)	(1.62)
Financing Cash Flow	(0.16)	(4.41)	(9.39)
Cash CAPEX	(2.09)	(1.50)	(1.44)
Free Cash Flow	1.95	5.42	4.96

Note 1: Inclusive of cashflow for cash managements.

NT\$bn	3Q09	QoQ	YoY
Revenue	17.57	1%	0%
EBITDA	7.36	-1%	-4%
<i>EBITDA Margin</i>	<i>41.87%</i>	<i>-0.77pps</i>	<i>-1.58pps</i>
Operating Income	5.09	-2%	-8%
Assets Write-off	(0.39)	1%	104%
Pre-Tax Income	4.64	-3%	-14%
Tax Expense	(1.16)	-3%	-14%
Net Income	3.48	-3%	-14%
EPS (NT\$) ¹	1.17	-3%	-14%

Note:

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

2. 3Q forecast was issued in January 2009 which did not factor in content aggregation related revenue and profits. 10

Regulatory and industry updates

- The Taiwan's authority has not yet approved the China Mobile - FET deal at this stage.
- CHT has agreed to lower the price of IP peering, effective from January 2009.
- The cabinet proposed a Company Act revision, by lowering the threshold of dividend distribution from capital surplus and legal reserve, to be passed by legislators.
- The Legislative Yuan passed the Income Tax Act to reduce corporate statutory tax rate from 25% to 20%, effective 2010.

Award and recognition

- Ranked sixth in the “Info tech 100 Taiwan” by *Business Next Magazine* and U.S. *Business Week*, ahead of telecom rivals
- Received, for the sixth year in a row, the “Gold Trusted Brand” by *Reader’s Digest*

- With on-going economic recovery, Taiwan Mobile's revenue is expected to stabilize. Continuous growth in mobile value-added service, driven largely by data cards, and expanding HBG business, particularly in cable broadband and content aggregation, together with discipline over spending is expected to help meet our 3Q target.



Q & A

