



Taiwan Mobile  
台湾大哥大

# Taiwan Mobile Co., Ltd.

## 3Q10 Results Summary

Harvey Chang - CEO  
October 28, 2010

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# Result Summary

Unit: NT\$m

	3Q10 Actual	3Q09 Actual	YoY	3Q10 Forecast	Execution %
Operating revenue	17,711	17,359	2%	17,459	101%
Cost	(9,818)	(8,334)	18%	(9,435)	104%
Marketing expense	(2,282)	(2,615)	-13%	(2,330)	98%
G&A expense	(1,105)	(1,199)	-8%	(1,169)	95%
Operating income	4,506	5,211	-14%	4,525	100%
Net non-oper. items	(122)	(528)	-77%	(223)	55%
Income before tax	4,384	4,683	-6%	4,302	102%
Net income	3,641	3,512	4%	3,570	102%
EPS (NT\$)	1.22	1.18	3%	1.19	102%
EBITDA	6,820	7,429	-8%	6,811	100%
EBITDA margin	38.51%	42.80%		39.01%	



## 3Q Divisional Performance

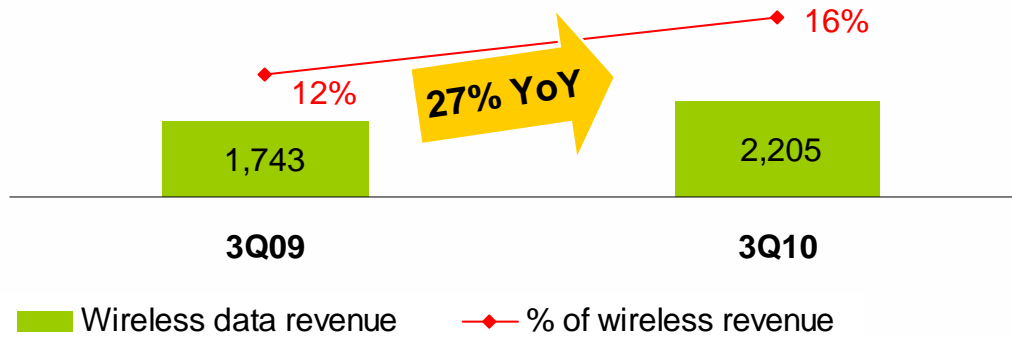
NT\$bn	CBG	YoY Chg.	HBG	YoY Chg.	EBG	YoY Chg.	Consolidated	YoY Chg.
<b>Revenue</b>	<b>13.83</b>	<b>1%</b>	<b>1.43</b>	<b>7%</b>	<b>2.46</b>	<b>4%</b>	<b>17.71</b>	<b>2%</b>
<b>EBITDA</b>	<b>5.49</b>	<b>-12%</b>	<b>0.70</b>	<b>12%</b>	<b>0.61</b>	<b>15%</b>	<b>6.82</b>	<b>-8%</b>
<b>EBITDA %</b>	<b>39.7%</b>	<b>-5.8pps</b>	<b>49.0%</b>	<b>2.3pps</b>	<b>24.8%</b>	<b>2.4pps</b>	<b>38.5%</b>	<b>-4.3pps</b>



# Robust Wireless Data Growth

Unit: NT\$m

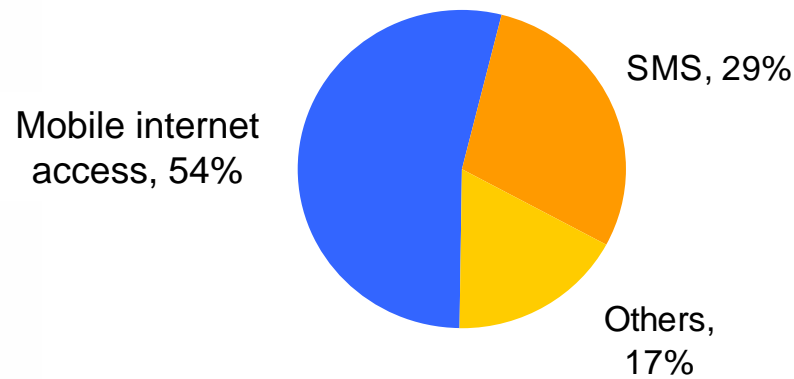
## Wireless data revenue



ARPU (NT\$)	CHT	FET	TWM
3Q10	649	721	731
3Q09	670	735	731
YoY	-3.2%	-1.8%	0%

## YTD wireless data

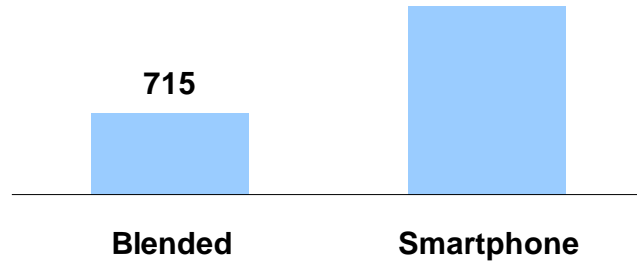
### revenue mix



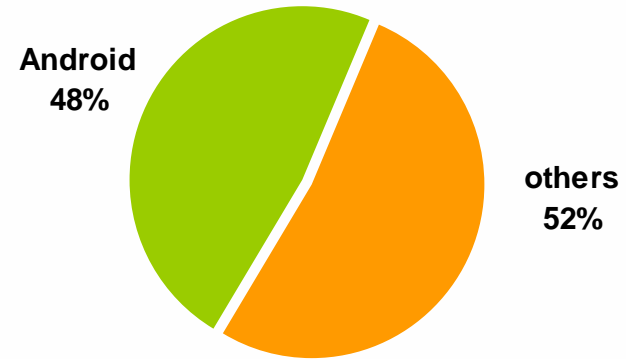


# Our Smartphone Strategy

YTQ mobile ARPU  
(NT\$)



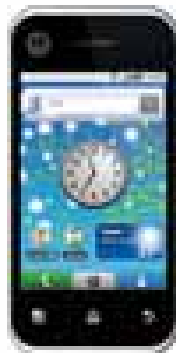
YTQ smartphone mix



Exclusive models added in 3Q10



Samsung  
i9000



Moto  
Backflip



HTC  
Wildfire



LG  
GT540





Samsung  
Spica



TWM  
T2



## CATV Growth Catalysts

-  Continuous thrust into enlarging cable broadband penetration
-  New revenue streams from DTV (with 4% penetration currently)



# Cash Flow Analysis

NT\$bn	3Q10	2Q10	3Q09
Operating Cash Flow	5.78	4.68	4.92
Investing Cash Flow	(1.82)	(1.48)	(1.13)
Financing Cash Flow	(7.08)	(0.31)	(7.49)
Cash CAPEX	(1.97)	(1.36)	(1.25)
Free Cash Flow	3.81	3.32	3.67





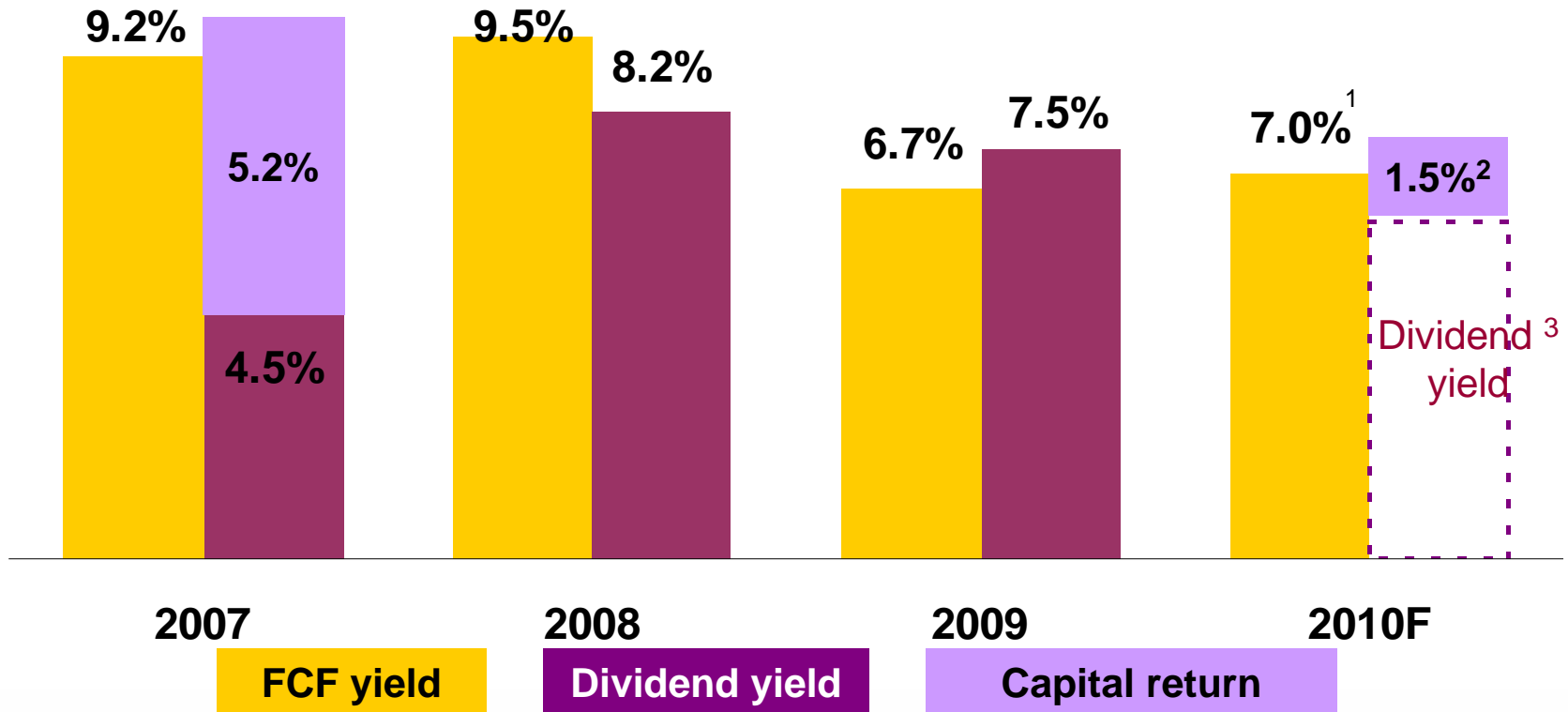


NT\$bn	4Q10	2010 <sup>1</sup>	YoY
Revenue	17.78	70.03	2%
EBITDA	6.38	27.48	-6%
<i>EBITDA Margin</i>	<b>35.89%</b>	<b>39.24%</b>	<b>-3.54pps</b>
Operating Income	4.11	18.33	-10%
Assets Write-off	(0.18)	(1.49)	-9%
Pre-Tax Income	3.95	17.04	-9%
Tax Expense	(0.78)	(3.24)	-32%
Net Income	3.17	13.80	-1%
EPS (NT\$) <sup>2</sup>	1.06	4.62	-1%

1. 2010 full-year forecast refers to 1-3Q actuals plus 4Q estimates
2. EPS is based on 2.99bn shares, net of treasury shares.



# Stable Shareholder Return



Note: 1. Based on annualized YTD FCF.

2. NT\$1/share divided by share price on Oct. 27, 2010.

3. Dividend will be decided by the board in early 2011.

 Awards

- Received an “A+” ranking and ranked as one of the top 10 listed companies in “Transparency and Information Disclosure” for the fifth consecutive year.
- Awarded for “Excellence in Corporate Social Responsibility” by *CommonWealth* magazine for the fourth year in a row.
- Placed 1<sup>st</sup> in both the mobile/fixed-line communications and the 3C store channels categories in *Next* magazine’s “2010 Top Service Awards”.



- **With succession made internally following Harvey Chang's resignation as the CEO & President, a smooth transition of management is expected.**
- **Enhancing shareholder value remains a priority of TWM.**
- **Growth of data revenue continues to be an important initiative for management the coming quarter.**
- **TWM is confident in concluding the year with an EPS of NT\$4.62 as guided.**

 Q & A

