



Taiwan Mobile  
台湾大哥大

# Taiwan Mobile Co., Ltd.

## 3Q15 Results Summary

October 29, 2015

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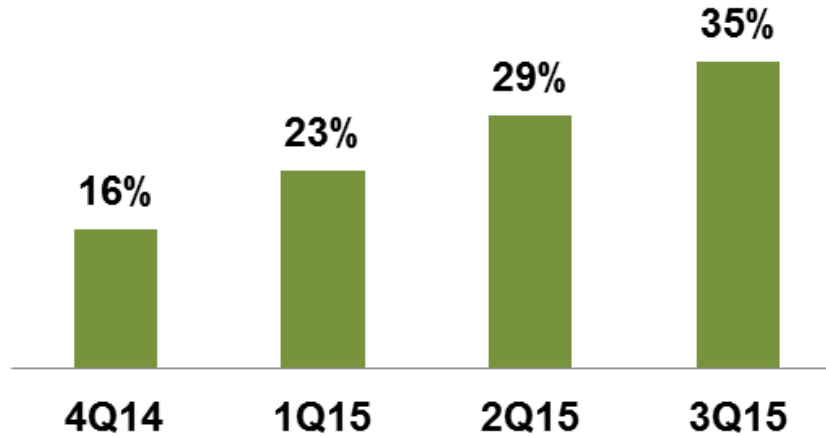


# Business Overview



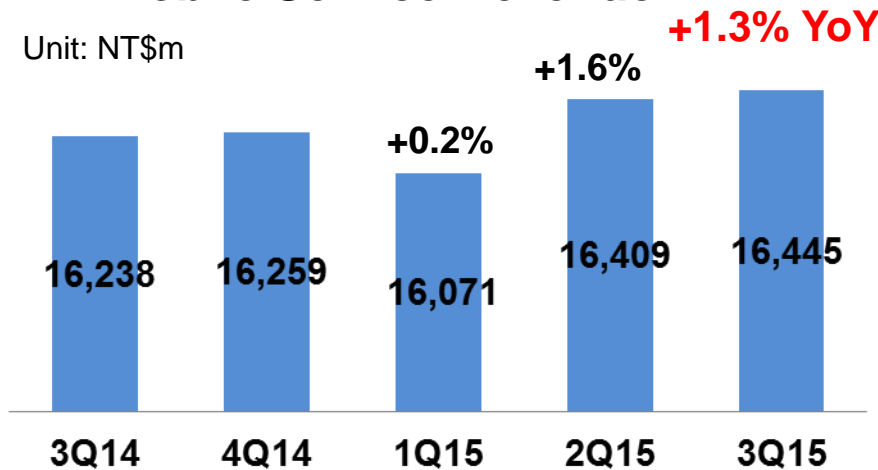
# Continuous 4G Business Expansion

## 4G Postpaid Penetration Rate



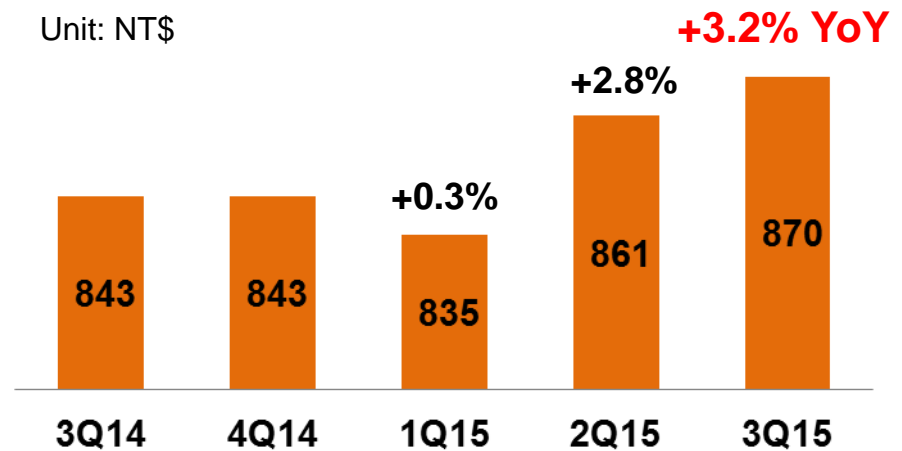
## Mobile Service Revenue<sup>1</sup>

Unit: NT\$m



## Mobile Postpaid ARPU<sup>1</sup>

Unit: NT\$



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



## Steady Growth in the CATV Business

(Unit: NT\$bn)	3Q15	3Q14	YoY
<b>CATV</b>			
<b>Total Revenue</b>	<b>1.63</b>	<b>1.60</b>	<b>2%</b>
<b>- Pay-TV related</b>	<b>1.11</b>	<b>1.10</b>	<b>1%</b>
<b>- Cable Internet</b>	<b>0.32</b>	<b>0.31</b>	<b>5%</b>
<b>- Content &amp; Others</b>	<b>0.20</b>	<b>0.19</b>	<b>2%</b>
<b>EBITDA</b>	<b>0.89</b>	<b>0.86</b>	<b>3%</b>
<b>EBITDA Margin</b>	<b>54.4%</b>	<b>53.8%</b>	<b>0.6ppts</b>



(Unit: NT\$bn)			
momo	1-3Q15	1-3Q14	YoY
Total Revenue	18.79	17.56	7%
- Online Shopping	12.47	10.86	15%
- TV Home Shopping & Others	6.32	6.70	-6%
EBITDA	0.91	1.18	-23%
EBITDA Margin	4.9%	6.7%	-1.8ppts
Net Income	0.80	0.85	-5%



# Financial Overview

NT\$m	3Q15				1-3Q15	
	Amount	QoQ	YoY	% of 3Q Forecast	Amount	YoY
Revenue	27,566	-3%	-1%	89%	85,610	4%
Cost	(18,193)	-5%	-1%	86%	(58,229)	9%
Operating expense	(4,229)	-2%	-3%	85%	(12,949)	-2%
Operating income	5,144	4%	1%	104%	14,432	-7%
Net non-oper. items	(93)	-21%	-83%	35%	(405)	-48%
Income before tax	5,050	5%	11%	108%	14,028	-5%
Net income	4,159	5%	11%	111%	11,919	0%
EPS (NT\$)	1.53	6%	10%	113%	4.38	-2%
EBITDA	8,575	3%	6%	101%	24,482	2%
EBITDA margin	31.11%				28.60%	



# Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
<b>3Q15</b>	<b>19.56</b>	<b>1.63</b>	<b>6.33</b>	<b>27.57</b>	<b>7.33</b>	<b>0.89</b>	<b>0.28</b>	<b>8.58</b>
<b>% of total</b>	<b>71%</b>	<b>6%</b>	<b>23%</b>	<b>100%</b>	<b>85%</b>	<b>10%</b>	<b>3%</b>	<b>100%</b>
<b>3Q15 YoY</b>	<b>-2%</b>	<b>2%</b>	<b>1%</b>	<b>-1%</b>	<b>9%</b>	<b>3%</b>	<b>-39%</b>	<b>6%</b>
<b>2Q15 YoY</b>	<b>4%</b>	<b>3%</b>	<b>10%</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>-24%</b>	<b>2%</b>

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.

# Balance Sheet Analysis

NT\$bn	3Q15	2Q15	3Q14		3Q15	2Q15	3Q14
<b>Total Assets</b>	<b>154.87</b>	<b>156.51</b>	<b>146.66</b>	<b>Liabilities</b>	<b>93.26</b>	<b>98.53</b>	<b>89.41</b>
Current Assets	31.26	32.15	28.71	Current Liabilities	64.81	69.51	55.14
- Cash & Cash Equivalents	7.28	8.79	6.99	- ST Debts	42.37	31.25	28.17
- Accounts Receivable	15.90	15.28	14.77	- Other Current Liabilities	22.44	38.26	26.97
- Short-term Investment	1.06	1.70	0.94	Non-Current Liabilities	28.45	29.02	34.27
- Other Current Assets	7.03	6.38	6.01	- Long-Term Borrowings	23.40	23.44	28.98
Non-current Assets	123.61	124.36	117.95	- Other Non-current Liabilities	5.04	5.58	5.29
- Long-term Investment	4.59	5.18	2.51	<b>Shareholders' Equity</b>	<b>61.62</b>	<b>57.98</b>	<b>57.25</b>
- Property and Equipment	47.85	48.05	47.24	- Paid-in Capital	34.21	34.21	34.21
- Concession	41.08	41.71	39.37	- Capital Surplus	14.72	14.72	12.49
- Other Non-current Assets	30.09	29.42	28.83	- Legal Reserve	23.04	23.04	21.54
	<b>3Q15</b>	<b>2Q15</b>	<b>3Q14</b>	- Un-appropriated Earnings	2.77	2.77	4.83
<b>Current Ratio</b>	48%	46%	52%	- Treasury Shares	(29.72)	(29.72)	(31.08)
<b>Net Debt to Equity</b>	95%	79%	88%	- Non-controlling Interest	5.88	5.80	3.16
<b>Net Debt to EBITDA (x)</b>	1.78	1.40	1.61	- Retained Earnings & Others*	10.72	7.17	12.10
<b>ROE (annualized)</b>	30%	30%	28%				

\* Including accumulated profits and other equity items

# Cash Flow Analysis

NT\$bn	3Q15	2Q15	3Q14
Operating Cash Flow	7.25	5.44	7.59
Investing Cash Flow	(4.44)	(2.30)	(3.66)
Financing Cash Flow	(4.33)	(2.56)	(2.94)

NT\$bn	3Q15	2Q15	3Q14
Cash CAPEX	2.96	3.57	3.59
Free Cash Flow	4.29	1.87	4.00



# Event Updates

 **New Product and Service**

Launched an annual upgrade program for iPhone 6s customers which 1) enables those customers to renew their contract with a subsidized next generation iPhone one year later by trading in their old iPhone 6s and 2) offers a handset warranty within the contract period for an additional charge of only NT\$258 per month.

 **Awards and Recognition**

- TWM was selected as a member of the DJSI's (Dow Jones Sustainability Index) Emerging Markets Index for the fourth year in a row (2012~2015).
- TWM was awarded “Excellence in Corporate Social Responsibility” by *CommonWealth* magazine for the eighth time.
- TWM's CSR report received the ISAE (International Standards on Assurance Engagements) 3000 certification for the second consecutive year, the only awardee of telecom industry in Taiwan.

**The 6% and 11% YoY growth in EBITDA and net profit for 3Q15 reflects our solid execution of 4G strategy. We will continue to scale up our 4G business and strengthen our LTE network leadership through sensible spectrum investments aimed at enhancing both customer experience and shareholder value.**

