



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

3Q16 Results Summary

October 28, 2016

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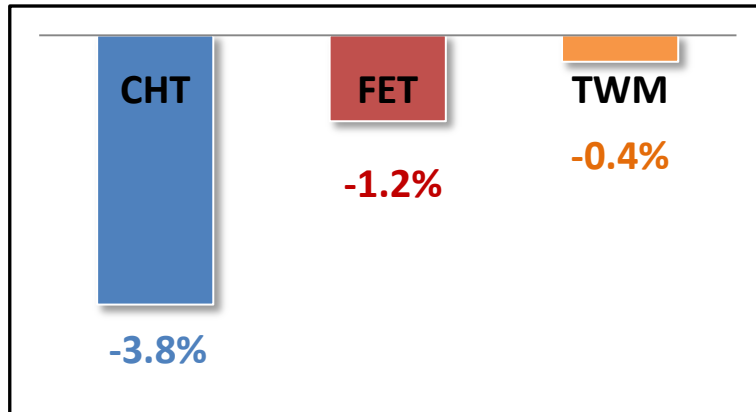
Business Overview

Mobile Growth Leading the Pack

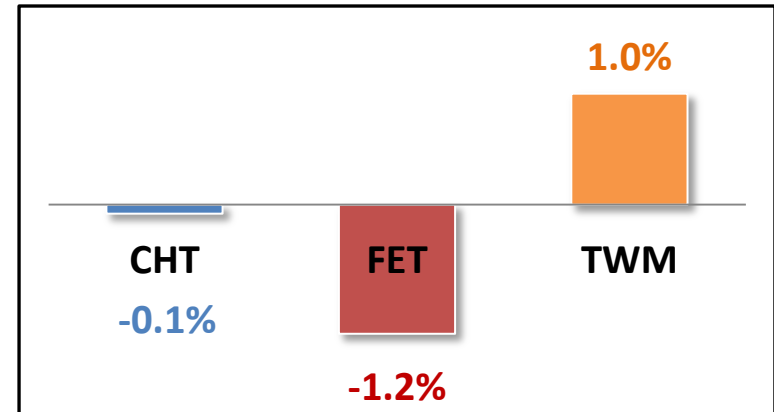
Key Operating Metrics

1-3Q16 YoY change

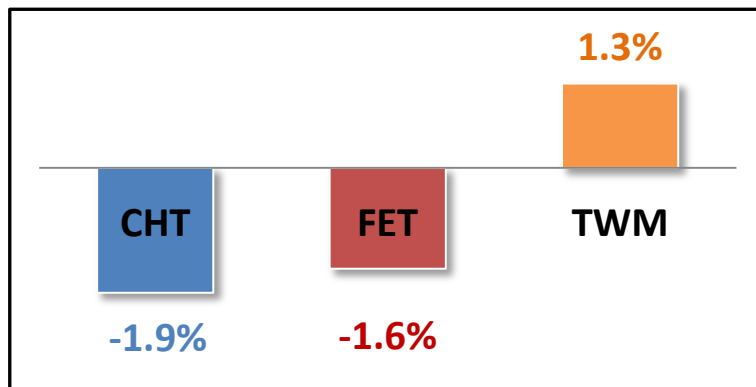
Total Subscribers



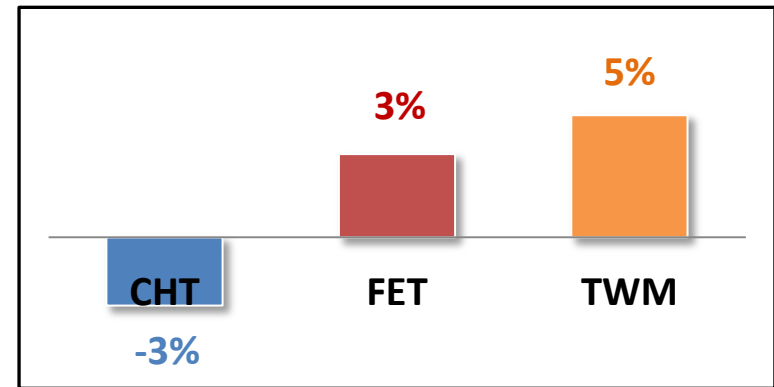
Blended ARPU¹



Mobile Service Revenue¹



Telecom EBITDA



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

Online Shopping - A Bright Spot

(Unit: NT\$bn)	3Q16	3Q15	YoY
momo			
Total Revenue	6.76	6.33	7%
- Online Shopping	4.95	4.30	15%
- TV Home Shopping & Others	1.81	2.03	-11%
EBITDA	0.30	0.28	+6%
EBITDA Margin	4.4%	4.4%	+0.0ppts



Financial Overview

Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
3Q16	20.01	1.63	6.76	28.45	7.26	0.87	0.30	8.57
% of total	70%	6%	24%	100%	85%	10%	4%	100%
3Q16 YoY	2%	0%	7%	3%	-1%	-2%	6%	0%

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.

NT\$m	3Q16			1-3Q 16	
	Amount	YoY	% of 3Q Forecast	Amount	YoY
Revenue	28,449	3%	97%	86,089	1%
Cost	(19,028)	5%	96%	(57,516)	-1%
Operating expense	(4,330)	2%	95%	(13,238)	2%
Operating income	5,091	-1%	103%	15,335	6%
Net non-oper. items	(125)	35%	56%	(484)	20%
Income before tax	4,965	-2%	105%	14,852	6%
Net income	3,988	-4%	106%	11,880	0%
EPS (NT\$)	1.46	-5%	106%	4.36	0%
EBITDA	8,569	0%	100%	25,711	5%
EBITDA margin	30.12%			29.87%	

Balance Sheet Analysis

NT\$bn	3Q16	2Q16	3Q15		3Q16	2Q16	3Q15
Total Assets	151.26	152.47	154.87	Liabilities	88.76	94.45	93.26
Current Assets	32.39	32.72	31.26	Current Liabilities	51.34	56.17	64.81
- Cash & Cash Equivalents	6.57	7.55	7.28	- ST Debts	27.82	17.67	42.37
- Accounts Receivable	15.66	15.97	15.90	- Other Current Liabilities	23.52	38.50	22.44
- Inventories	2.95	2.85	2.24	Non-Current Liabilities	37.42	38.28	28.45
- Other Current Assets	7.21	6.35	5.85	- Long-Term Borrowings	33.38	33.52	23.40
Non-current Assets	118.87	119.75	123.61	- Other Non-current Liabilities	4.04	4.76	5.05
- Long-term Investment	5.55	5.21	4.59	Shareholders' Equity	62.50	58.02	61.62
- Property and Equipment	46.42	46.76	48.15	- Paid-in Capital	34.21	34.21	34.21
- Concession	38.53	39.17	41.08	- Capital Surplus	14.59	14.59	14.72
- Other Non-current Assets	28.36	28.61	29.78	- Legal Reserve	24.61	24.61	23.04
	3Q16	2Q16	3Q15	- Un-appropriated Earnings	0.63	0.63	2.76
Current Ratio	63%	58%	48%	- Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to Equity	87%	75%	95%	- Non-controlling Interest	5.62	5.50	5.88
Net Debt to EBITDA (x)	1.62	1.29	1.78	- Retained Earnings & Others*	12.57	8.21	10.73
ROE (annualized)	28%	31%	30%				

* Including accumulated profits and other equity items

Cash Flow Analysis

NT\$bn	3Q16	2Q16	3Q15	1-3Q16	1-3Q15
Operating Cash Flow	7.89	5.97	7.25	23.89	18.07
Investing Cash Flow	(3.55)	(2.70)	(4.44)	(9.17)	(13.42)
Financing Cash Flow	(5.31)	(4.42)	(4.33)	(16.73)	(5.27)

NT\$bn	3Q16	2Q16	3Q15	1-3Q16	1-3Q15
Cash CAPEX	(3.05)	(2.43)	(2.96)	(8.23)	(9.82)
Free Cash Flow	4.84	3.54	4.29	15.66	8.25



Event Updates

Change of TWM's Chairman

Following Mr. Richard M. Tsai's being named the Chairman of Fubon Financial Holdings and Fubon Life Insurance, Mr. Daniel M. Tsai was elected as Taiwan Mobile's Chairman by the board on Oct. 12, 2016.

Earlier Return of Partial 2G Spectrum

To optimize mobile network resources and be better prepared for the 2G network switch-off, TWM returned its 5MHz x 2 2G spectrum in the 1800MHz frequency band, which was approved by NCC on Sep. 14, 2016.

New Products and Services

With an aim toward the Internet of Vehicle market, TWM has introduced new fleet management services, which integrate mobile communications, vehicle telematics, cloud service platform and mobile apps as well as car insurance services provided by Fubon Insurance, for enterprise customers to enhance managing efficiency on connected cars and reduce operating costs.

Awards and Recognition

- TWM was selected as a member of the DJSI's (Dow Jones Sustainability Index) Emerging Markets Index for the fifth year in a row (2012~2016).
- TWM was awarded the “Excellence in Corporate Social Responsibility” by *CommonWealth* magazine for the ninth time.
- TWM's 2015 CSR report, following the Integrated Reporting (IR) guidelines, was the first in the industry assured by KPMG.

Taiwan Mobile's optimized spectrum investments and disciplined handset subsidies led to the steady EBITDA growth in the first three quarters of 2016. The company's progress in achieving the 2016 full-year guidance is on track. A sound mobile spectrum and network investment strategy as well as healthy balance sheet management will allow the company to enhance shareholder returns in the future.



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