



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

4Q14 Results Summary

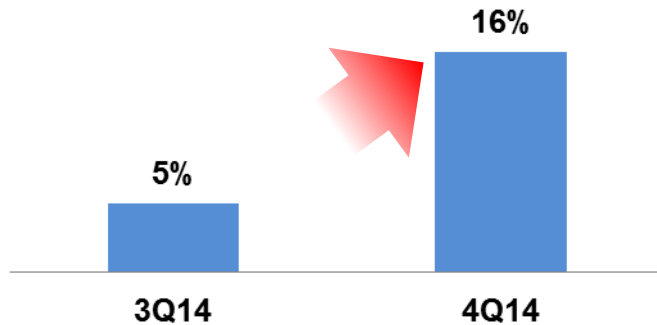
January 29, 2015

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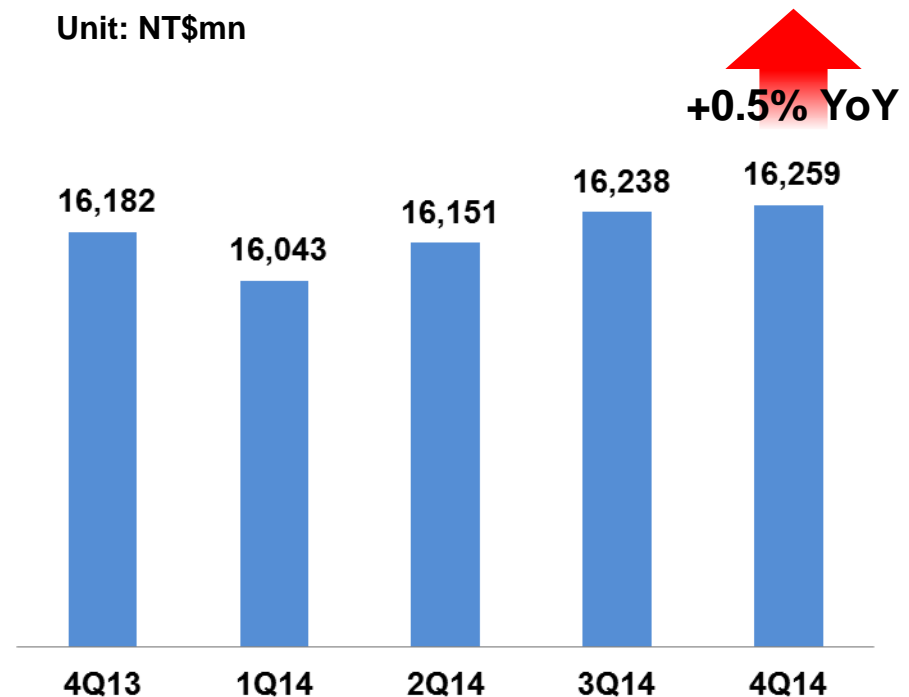
Business Overview

4G User Penetration Rate¹



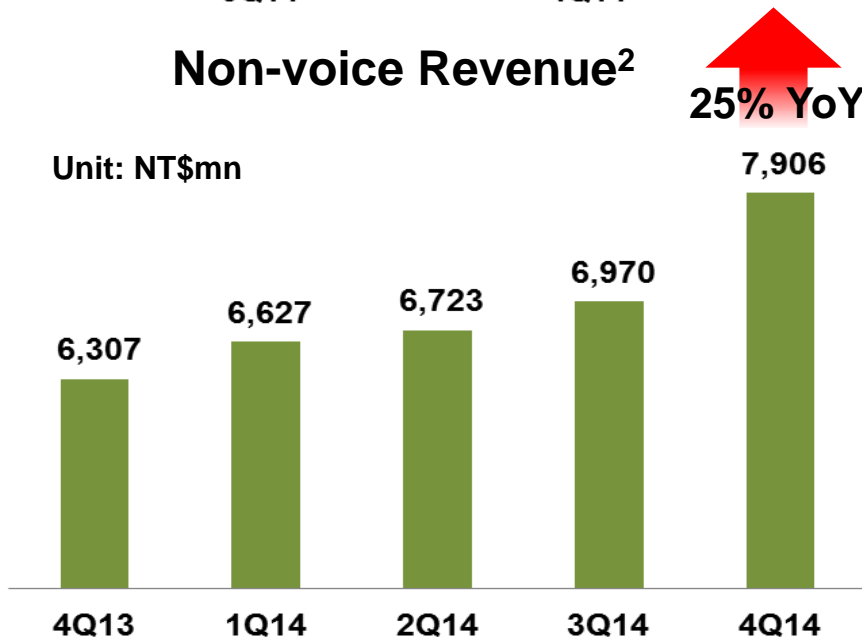
Mobile Service Revenue²

Unit: NT\$m



Non-voice Revenue²

Unit: NT\$m



Note 1: 4G postpaid user number as % of postpaid installed base

Note 2: Based on IFRS – Residual Value Method, i.e. excluding revenue adjustments under the current bundle sales accounting policy

Steady CATV Business

4Q14	Sub base YoY growth	ARPU
Analogue TV	1%	\$493
Cable Internet	5%	\$545
DTV	35%	\$133
Blended ARPU *	\$806	+2% YoY

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

Growing Online Shopping Business

momo (Unit: NT\$bn)	4Q14	YoY	2014	YoY
Total Revenue	6.33	13%	23.90	16%
- Online Shopping	4.11	24%	14.98	30%
- TV Home Shopping & Others	2.22	-2%	8.92	-1%
EBITDA	0.39	29%	1.56	50%
EBITDA margin	6.1%	+0.8ppts	6.5%	+1.5ppts

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
4Q14	22.22	1.61	6.33	30.19	5.96	0.86	0.39	7.26
% of total	74%	5%	21%	100%	83%	12%	5%	100%
4Q14 YoY	4%	2%	13%	6%	-8%	6%	29%	-5%
3Q14 YoY	-3%	2%	23%	3%	-4%	5%	113%	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	4Q14	YoY	as % of 4Q14 Guidance	2014 Full-year	YoY
Revenue	30,194	6%	100%	112,624	4%
Cost	(21,456)	14%	98%	(75,098)	8%
Operating expenses	(4,618)	1%	101%	(17,815)	0%
Operating income	4,120	-18%	106%	19,711	-6%
Net non-operating items	(68)	-89%	12%	(846)	-49%
Income before tax	4,052	-9%	121%	18,865	-3%
Net income	3,047	-14%	105%	15,005	-4%
EPS (NT\$)	1.11	-16%	105%	5.56	-4%
EBITDA	7,256	-5%	102%	31,295	1%
EBITDA margin	24.03%			27.79%	

Balance Sheet Analysis

NT\$bn	4Q14	3Q14	4Q13		4Q14	3Q14	4Q13
Total Assets	153.54	146.66	138.35	Liabilities	87.03	89.39	79.83
Current Assets	32.83	28.71	29.49	Current Liabilities	53.47	55.14	58.61
- Cash & Cash Equivalents	7.90	6.99	7.95	- ST Debts	26.70	28.17	34.00
- Accounts Receivable	15.02	14.77	14.63	- Other Current Liabilities	26.77	26.97	24.60
- Inventories	3.21	3.31	3.78	Non-Current Liabilities	33.56	34.25	21.23
- Other Current Assets	6.69	3.64	3.12	- Long-Term Borrowings	27.98	28.98	16.79
Non-current Assets	120.70	117.95	108.86	- Other Non-current Liabilities	5.58	5.28	4.43
- Long-term Investment	5.07	2.51	4.19	Shareholders' Equity	66.51	57.27	58.52
- Property and Equipment	47.07	47.24	42.99	- Paid-in Capital	34.21	34.21	34.21
- Concession	39.10	39.37	32.75	- Capital Surplus	14.72	12.49	12.46
- Other Non-current Assets	29.46	28.83	28.93	- Legal Reserve	21.54	21.54	19.26
	4Q14	3Q14	4Q13	- Un-appropriated Earnings	4.83	4.83	6.61
Current Ratio	61%	52%	50%	- Treasury Shares	(29.72)	(31.08)	(31.08)
Net Debt to Equity	70%	88%	73%	- Non-controlling Interest	6.25	3.16	1.09
Net Debt to EBITDA (x)	1.49	1.61	1.38	- Retained Earnings & Others*	14.68	12.11	15.97
ROE (annualized)	20%	28%	25%				

* Including accumulated profits and other equity items

Cash Flow Analysis

NT\$bn	4Q14	3Q14	2014	2013
Operating Cash Flow	7.23	7.59	28.34	24.83
Investing Cash Flow	(10.23)	(3.66)	(19.66)	(42.37)
Financing Cash Flow	3.90	(2.94)	(8.74)	19.29

NT\$bn	4Q14	3Q14	2014	2013
Cash CAPEX	(4.07)	(3.59)	14.70	12.01
Free Cash Flow	3.16	4.00	13.63	12.82



2015 Guidance & Event Updates

NT\$bn	2015F	2014A	YoY
Revenue	125.23	112.62	11%
EBITDA	32.94	31.29	5%
D&A Expense	(13.99)	(11.58)	21%
Operating Income	18.95	19.71	-4%
Non-operating Expense	(1.48)	(0.85)	75%
Net Income	13.91	15.01	-7%
EPS* (NT\$)	5.05	5.56	-9%

* EPS is based on total share counts of 2.756bn for 2015 and 2.698bn for 2014.

Capex Guidance

The board today (January 29, 2015) approved a NT\$13.9bn capex for 2015, including NT\$9.8bn for mobile, NT\$1.7bn for fixed-line, NT\$0.9bn for CATV and NT\$1.5bn for momo and other subsidiaries.

Regulatory Update

NCC has approved TWM's 5MHz spectrum purchase from Ambit on January 7, 2015, making TWM the owner of the largest contiguous 20MHz on the 700 frequency band. With the same total 4G spectrum holding of 35MHz, TWM's license cost is NT\$6.6bn lower than that of the other competitor.

Awards and Recognition

- Named a recipient of “The Best of Asia: Icon on Corporate Governance” award for the second year in a row (2013~2014)
- Received the international renowned Swiss SGS Qualicert certification for its quality direct stores channel and customer service system for the second year in a row (2013~2014)
- Received the following four awards from the Taiwan Institute for Sustainable Energy Research: “Taiwan’s Top 10 Role Model Company of Sustainability”, the “Integrity and Transparency Award”, the “Role Model Award for Community Service and Outreach” and the “2014 Taiwan’s Top 50 Corporate Sustainability Report Award – Gold Award in Telecom Sector”

Taiwan Mobile will be reaping the benefits of the 4G LTE service in 2015 from the extra spectrum acquired on the 700 frequency band and more spectrum to be freed up on the 1800 frequency band.



Q & A