



Taiwan Mobile  
台湾大哥大

**Taiwan Mobile Co., Ltd.**

**1Q10 Results Summary**

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## Result Summary

Unit: NT\$m

	1Q10 Actual	1Q09 Actual	YoY	1Q10 Forecast	Execution %
Operating revenue	17,085	16,885	1%	17,031	100%
Cost	(8,803)	(8,354)	5%	(8,619)	102%
Marketing expense	(2,332)	(2,539)	-8%	(2,466)	95%
G&A expense	(1,169)	(1,132)	3%	(1,208)	97%
Operating income	4,780	4,860	-2%	4,738	101%
Net non-oper. items	(256)	(516)	-50%	(247)	104%
Income before tax	4,524	4,344	4%	4,491	101%
Net income	3,619	3,255	11%	3,593	101%
EPS (NT\$)	1.21	1.10	10%	1.20	101%
EBITDA	7,062	7,039	0%	7,000	101%
EBITDA margin	41.33%	41.69%		41.10%	



# 1Q Divisional Performance

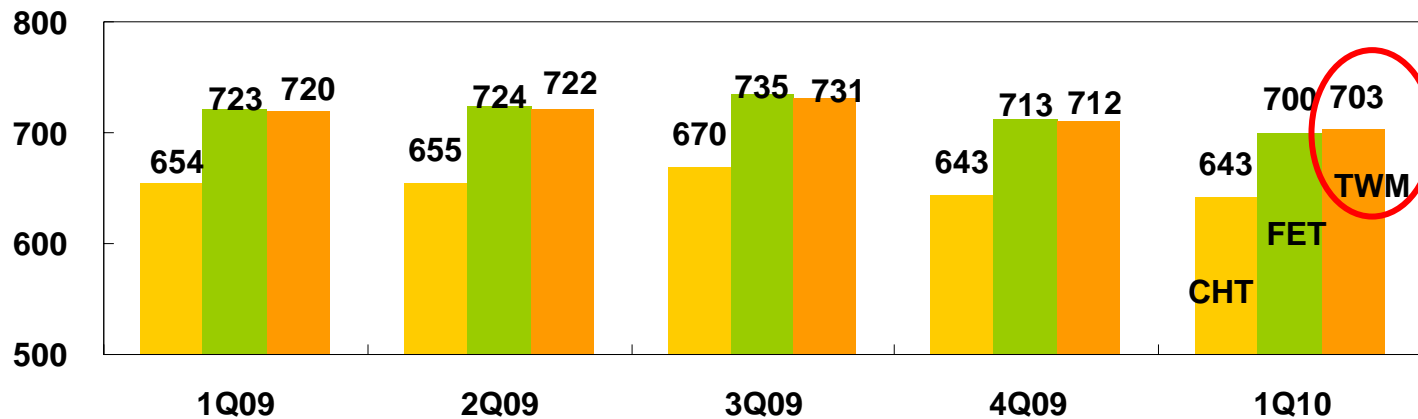
NT\$bn	CBG	YoY Chg.	HBG	YoY Chg.	EBG	YoY Chg.	Consolidated	YoY Chg.
<b>Revenue</b>	<b>13.47</b>	<b>0%</b>	<b>1.39</b>	<b>7%</b>	<b>2.24</b>	<b>-1%</b>	<b>17.08</b>	<b>1%</b>
<b>EBITDA</b>	<b>5.88</b>	<b>-3%</b>	<b>0.67</b>	<b>13%</b>	<b>0.51</b>	<b>16%</b>	<b>7.06</b>	<b>0%</b>
<b>EBITDA %</b>	<b>43.6%</b>	<b>-1.0pps</b>	<b>48.5%</b>	<b>2.9pps</b>	<b>22.6%</b>	<b>3.3pps</b>	<b>41.3%</b>	<b>-0.4pps</b>

# Wireless Peer Comparison

## Mobile Service Revenue and Mobile ARPU

(NT\$m)	CHT	FET	TWM	Total
1Q10	17,934	13,298	13,497	44,729
1Q09	17,586	13,631	13,622	44,839
1Q YoY	2.0%	-2.4%	-0.9%	-0.2%
4Q YoY	0.5%	-4.3%	-1.7%	-1.7%

■ CHT ■ FET ■ TWM



NT\$m	CHT		FET		TWM	
	VAS <sup>1</sup>	% of service rev.	VAS	% of service rev.	VAS	% of service rev.
1Q10	2,486*	13.9%	1,997	15.0%	1,918	14.2%
1Q09	2,051	11.7%	1,935	14.2%	1,649	12.1%
1Q YoY	21%		3%		16%	
4Q YoY	25%		4%		24%	

1. CHT Mar. VAS revenue is an estimate.

### 3G post-paid

1Q10	3G Service
3G SIM number <sup>2</sup>	3,508K up 39% YoY
3G device adoption	40% of 3G SIMs up 63% YoY
3G data revenue	up 71% YoY

### Main VAS drivers

1Q10	YoY Growth
Mobile Internet	46%
% of Total VAS	49%
Data Card Sub Number	89%

2. There are another 372K 3G SIM users using pre-paid service.

## Cash Flow Analysis

NT\$bn	1Q10	4Q09	1Q09
Operating Cash Flow	7.90	8.06	6.92
Investing Cash Flow	(1.49)	(1.86)	(1.66)
Financing Cash Flow	(6.45)	(6.00)	(4.41)
Cash CAPEX	(1.46)	(1.83)	(1.50)
Free Cash Flow	6.44	6.23	5.42



## Balance Sheet Analysis

NT\$bn	1Q10	4Q09		1Q10	4Q09
<b>Total Assets</b>	<b>84.43</b>	<b>85.90</b>	<b>Liabilities</b>	<b>28.74</b>	<b>33.82</b>
Current Assets	11.49	11.60	Current Liabilities	19.68	24.76
- Cash & Cash Equivalents	2.96	3.00	- ST Debts	1.15	7.60
- Available-for-Sale Financial Assets	0.17	0.18	- Other Current Liabilities	18.53	17.16
- Other Current Assets	8.36	8.42	Long-Term Borrowings	8.00	8.00
Investment	3.20	3.21	Other Liabilities	1.06	1.06
Property and Equipment	45.48	46.54	<b>Shareholders' Equity</b>	<b>55.69</b>	<b>52.08</b>
Intangible Assets	20.98	21.21	- Paid-in Capital	38.01	38.01
Other Assets	3.27	3.33	- Capital Surplus	12.43	12.43
			- Legal Reserve	13.94	13.94
			- Special Reserve	3.35	3.35
			- Un-appropriated Earnings*	2.27	2.27
			- Retained Earnings & Others	17.58	13.97
	<b>1Q10</b>	<b>4Q09</b>	- Treasury Shares	(31.89)	(31.89)
<b>Interest Coverage (x)</b>	57.9	22.7	*:Excluding YTD profits		
<b>Net Debt to Equity</b>	11%	24%			
<b>Net Debt to EBITDA (x)</b>	0.23	0.43			
<b>ROE (annualized)</b>	27%	28%			

NT\$bn	2Q10	QoQ	YoY
Revenue	16.88	-1%	-3%
EBITDA	6.53	-8%	-12%
<i>EBITDA Margin</i>	<i>38.7%</i>	<i>-2.7pps</i>	<i>-4.0pps</i>
Operating Income	4.22	-12%	-19%
Assets Write-off	(0.35)	19%	-8%
Pre-Tax Income	3.89	-14%	-19%
Tax Expense	(0.78)	-14%	-35%
Net Income	3.11	-14%	-14%
EPS (NT\$) <sup>1</sup>	1.04	-14%	-14%

1. EPS is based on 2.99bn shares, net of treasury shares.

## Dividend Proposal

- TWM's board meeting approved a proposal to distribute NT\$15bn cash dividends to shareholders. Dividend per share is NT\$5.03 based on 2,989m shares, which excluded treasury shares held by subsidiaries.

### Regulations

- NCC approved a bill amendment for easing restriction on state ownership of media companies up to 10% indirect holdings. The draft is under Executive Yuan's review.
- NCC proposed to lift the restriction on cable TV operators branching out to different service areas, and centralize authority for reviewing price cap of basic channels to NCC from local governments. The revision will require a public hearing before NCC can finalize the proposal, followed by Executive Yuan and Legislative Yuan's review.
- Executive Yuan approved the bill of mobile TV license releasing, authorizing NCC to facilitate bidding process. The bid is expected to be held at year's end at the earliest.

- Mandatory price cut has phased in to affect our 2Q earnings. SG&A savings are expected to mitigate the impact to an extent. With our stepped-up efforts in data, more resources will be deployed to beef up the take-up rate to ensure growth. We expect to see these efforts pay off for the longer term.

- Received IR Global Rankings' (IRGR) 2010 “Best Financial Disclosure Award” in Asia Pacific and Greater China regions, and “Best IR Program Award”, “Best IR Officer Award” and 3rd place for the “IR Website Award” in Taiwan region, placing TWM as the biggest winner of IRGR this year
- Awarded for the third time “Best Corporate Governance Award” from *Euromoney*, the only awardee among peers
- Won the “2010 Corporate Social Responsibility Award” at *Global Views Monthly's* sixth annual awards



# Q & A

