



Taiwan Mobile  
台湾大哥大

**Taiwan Mobile Co., Ltd.**

**1Q Results Summary**

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- 1Q result summary
  - 1Q P&L
  - 1Q divisional performance
  - 1Q mobile operational analysis
  - Balance sheet and cash flow analysis
- 2Q08 forecast
- Event / Regulatory update
- Key message

# Result Summary

Unit: NT\$m

	1Q Actual	1Q Forecast	Execution %
Operating revenue	17,245	17,209	100%
Cost	7,626	7,452	102%
Marketing expense	2,794	2,944	95%
G&A expense	1,185	1,456	81%
Operating income	5,639	5,357	105%
Net non-oper. items	1	(158)	NM
Income before tax	5,641	5,199	108%
Net income	4,192	3,825	110%
EPS (NT\$)	1.44	1.31	110%
EBITDA	7,641	7,170	107%
EBITDA margin	44.31%	41.67%	

2008/4/29

# 1Q Divisional Performance

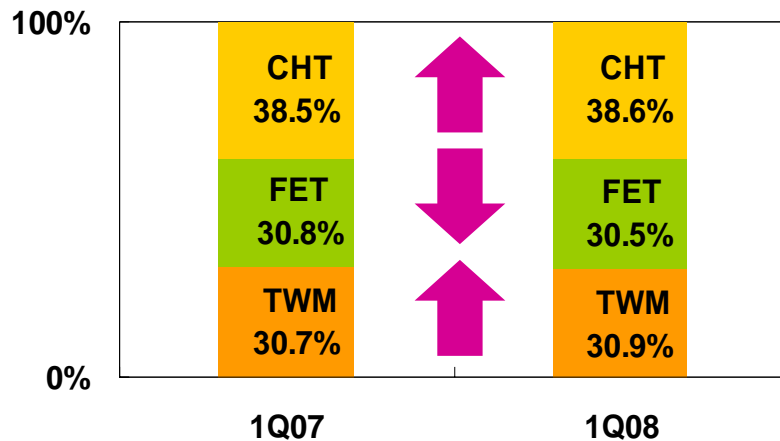
NT\$bn	Mobile	YoY Chg.	Fixed-line	YoY Chg.	Cable TV	YoY Chg.	Consolidated	YoY Chg.
<b>Revenue</b>	<b>14.62</b>	<b>1%</b>	<b>2.33</b>	<b>21%</b>	<b>1.04</b>	<b>6%</b>	<b>17.24</b>	<b>19%</b>
<b>EBITDA</b>	<b>6.65</b>	<b>-4%</b>	<b>0.45</b>	<b>69 %</b>	<b>0.55</b>	<b>8%</b>	<b>7.64</b>	<b>10%</b>
<b>D&amp;A</b>	<b>1.81</b>	<b>-8%</b>	<b>0.03</b>	<b>-91%</b>	<b>0.12</b>	<b>5%</b>	<b>2.00</b>	<b>2%</b>
<b>EBIT</b>	<b>4.84</b>	<b>-3%</b>	<b>0.42</b>	<b>vs. \$0.09bn loss</b>	<b>0.42</b>	<b>8%</b>	<b>5.64</b>	<b>13%</b>
<b>EBITDA Margin</b>	<b>45.5%</b>	<b>-2.4pps</b>	<b>19.2%</b>	<b>+5.5pps</b>	<b>52.7%</b>	<b>+1.0pps</b>	<b>44.3%</b>	<b>-3.6pps</b>

Note: 1Q07 consolidated figures include mobile business only.

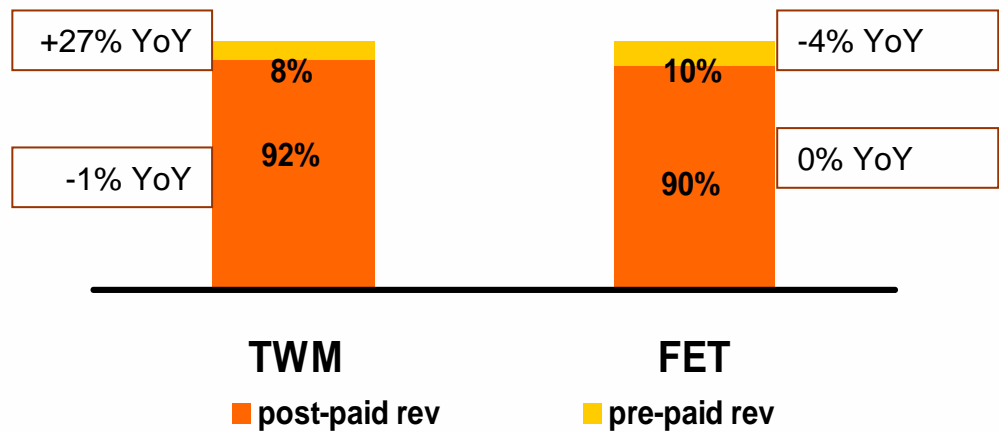
# Wireless Peer Comparison

Service rev. (NT\$m)	CHT	FET	TWM	Total
1Q08	18,124	14,331	14,517	46,972
1Q07	18,068	14,458	14,412	46,938
1Q YoY	0%	-1%	1%	0%
4Q YoY	-1%	-1%	1%	0%

Market share by service revenue



Post-paid vs. Pre-paid



NT\$m	CHT		FET		TWM	
	VAS	VAS %	VAS	VAS %	VAS	VAS %
1Q08	1,522	8.4%	1,788	12.5%	1,346	9.3%
1Q07	1,169	6.5%	1,519	10.5%	1,107	7.7%
1Q YoY	30%		18%		22%	
4Q YoY	28%		12%		24%	

## 3G

1Q08	3G Service
3G SIM number	1,508K up 80% YoY
3G device adoption	c. 20% of 3G SIMs up 1.9x YoY
3G data revenue	up 1.1x YoY

## Main VAS drivers

1Q08	YoY Growth
IVR	11%
Mobile Internet	80%

## Balance Sheet Analysis

NT\$bn	1Q08	4Q07		1Q08	4Q07
<b>Total Assets</b>	<b>97.49</b>	<b>98.03</b>	<b>Liabilities</b>	<b>48.86</b>	<b>65.63</b>
Current Assets	17.08	17.69	Current Liabilities	40.90	57.65
- Cash & Cash Equivalents	8.77	7.03	- ST Debts	23.69	25.88
- Available-for-Sale Financial Assets	0.31	2.10	- Other Current Liabilities	17.21	31.78
- Financial assets at fair value	0.00	0.13	Long-Term Borrowings	7.50	7.50
- Other Current Assets	8.01	8.43	Other Liabilities	0.45	0.47
Investment	3.06	3.03	<b>Shareholders' Equity</b>	<b>48.63</b>	<b>32.41</b>
Property and Equipment	50.29	50.98	- Paid-in Capital	38.01	38.01
Intangible Assets	22.71	21.84	- Treasury Shares	(31.89)	(40.84)
Other Assets	4.35	4.49	- Capital Surplus	12.27	8.79

	1Q08	4Q07
<b>Current Ratio</b>	42%	31%
<b>Interest Coverage (x)</b>	29.3	10.5
<b>Net Debt to Equity</b>	46%	81%
<b>ROE (annualized)</b>	41%	11%
<b>ROA (annualized)</b>	18%	7%



## Cash Flow Analysis

NT\$bn	1Q08	4Q07	1Q07
Operating Cash Flow	7.45	8.97	13.51
Investing Cash Flow	(0.35)	(2.38)	(14.29)
Financing Cash Flow	(5.35)	(11.23)	12.51
Cash CAPEX	(1.25)	(1.92)	(1.76)
Free Cash Flow	6.19	7.06	11.75

NT\$bn	2Q08E	QoQ	YoY
Revenue	17.96	4%	8%
EBITDA	7.54	-1%	-4%
<i>EBITDA Margin</i>	<i>42.02%</i>		
Operating Income	5.53	-2%	-2%
(Assets Write-off)	(0.40)	94%	114%
Pre-Tax Income	5.01	-11%	-10%
(Tax Expense)	(1.25)	-13%	-10%
(Minority Interest)	(0.00)	-90%	-90%
Net Income	3.76	-10%	-10%
EPS (NT\$) <sup>1</sup>	1.25	-13%	19%

Note: 2Q08 EPS is based on 3.0bn shares, net of treasury shares.

## New product and service

- Introduced new convergent triple-play product, “TWM Family”, combining mobile, cable broadband and pay-TV services in our CATV covered area in April.

## Regulatory update

- Executive Yuan overruled the draft of convergence bill and suggested NCC to adopt a more progressive regulation changes.

- 1Q08 results came in better than expected with efforts made across all businesses.
- After buying back our own shares and the 24% capital reduction, our balance sheet has become more efficient, so has ROE.
- Growth driven initiatives remain on the top of our agenda for the year.
- We are geared up to provide a complete array of multimedia products on our platform in the face of diverse competition ahead.



# Q & A

