



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

1Q Results Summary

Harvey Chang - CEO

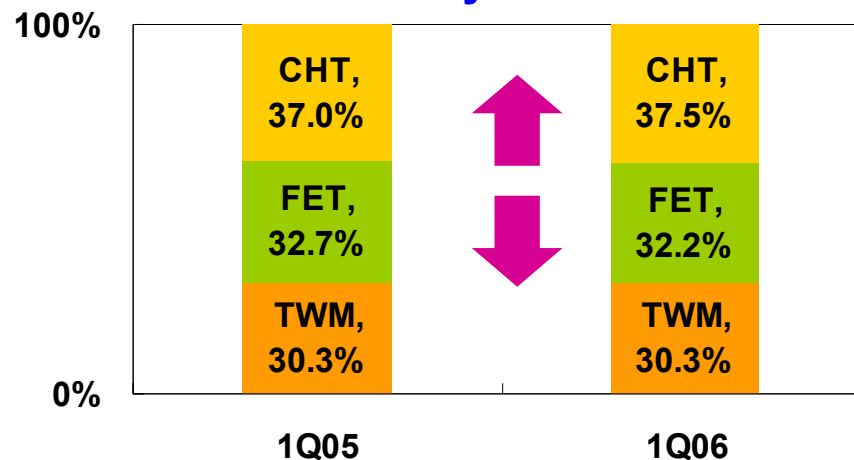
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Market updates & peer comparison

Service rev. (NT\$m)	CHT	FET+KGT	TWM+TAT+MBT	Total
1Q06	17,933	15,398	14,500	47,830
1Q05	17,408	15,371	14,266	47,045
YoY	3%	0%	2%	2%

Market share by service revenue



ARPU (NT\$)	CHT	FET+KGT	TWM+TAT+MBT	TWM
1Q06	731	837	793	833
1Q05	709	798	707	783
YoY	3%	5%	12%	6%

1Q06 Results Summary

NT\$bn	1Q06	QoQ	YoY
Revenue	14.60	-2%	1%
Telecom Service Revenue	14.49	-2%	1%
EBITDA	6.48	-4%	-7%
Operating Income	4.53	-3%	-11%
Net Non-operating Items	(0.86)	17%	156%
Pre-tax Income	3.67	-7%	-23%
(Less Tax)	(0.55)	38%	-26%
(Less Minority Interest)	(0.02)	NM	-84%
Net Income	3.10	-12%	-21%
EPS (NT\$)	0.63	-11%	-22%
EBITDA margin	44.41%		
Operating margin	31.03%		

1Q Consolidated vs Forecast

NT\$bn	1Q06 Actual	1Q06 Forecast	% of Forecast Achieved
Revenue	14.60	14.55	100%
Operating Income	4.53	4.59	99%
Pre-Tax Income	3.67	2.82	130%
(Less Tax)	(0.55)	(0.32)	170%
(Less Minority Interest)	(0.02)	(0.02)	64%
Net Income	3.10	2.48	125%
EPS (NT\$)	0.63	0.50	126%
EBITDA	6.48	6.55	99%
EBITDA Margin	44.41%	45.00%	

Balance Sheet Analysis

NT\$bn	1Q06	4Q05		1Q06	4Q05
Total Assets	123.64	119.83	Current Ratio	254%	195%
Current Assets	38.18	32.40	Interest Coverage (x)	30.2	32.7
- Cash & Cash Equivalents	21.82	14.79	Net Debt (Cash) to Equity	-5%	5%
- Available-for-Sale Financial Assets	9.18	9.28			
- Other Current Assets	7.19	8.34	ROE (annualized)	14%	17%
Long-Term Investment	4.01	4.03	ROA (annualized)	11%	12%
Property and Equipment	62.21	64.53			
Intangible Assets	15.99	16.13			
Other Assets	3.25	2.73			
Liabilities	30.70	32.03			
Current Liabilities	15.01	16.64			
- ST Debts	1.94	4.54			
- Other Current Liabilities	13.07	12.10			
Long-Term Borrowings	14.89	14.58			
Other Liabilities	0.79	0.80			
Shareholders' Equity	92.94	87.80			

Cash Flow Analysis

Unit: NT\$bn	1Q06	4Q05	1Q05
Operating cashflow	8.12	6.46	10.40
Investing cashflow	1.45	(1.19)	(0.97)
Financing cashflow	(2.58)	0.01	(9.47)
CAPEX	1.43	1.07	0.82
Free Cash Flow	6.69	5.39	9.57

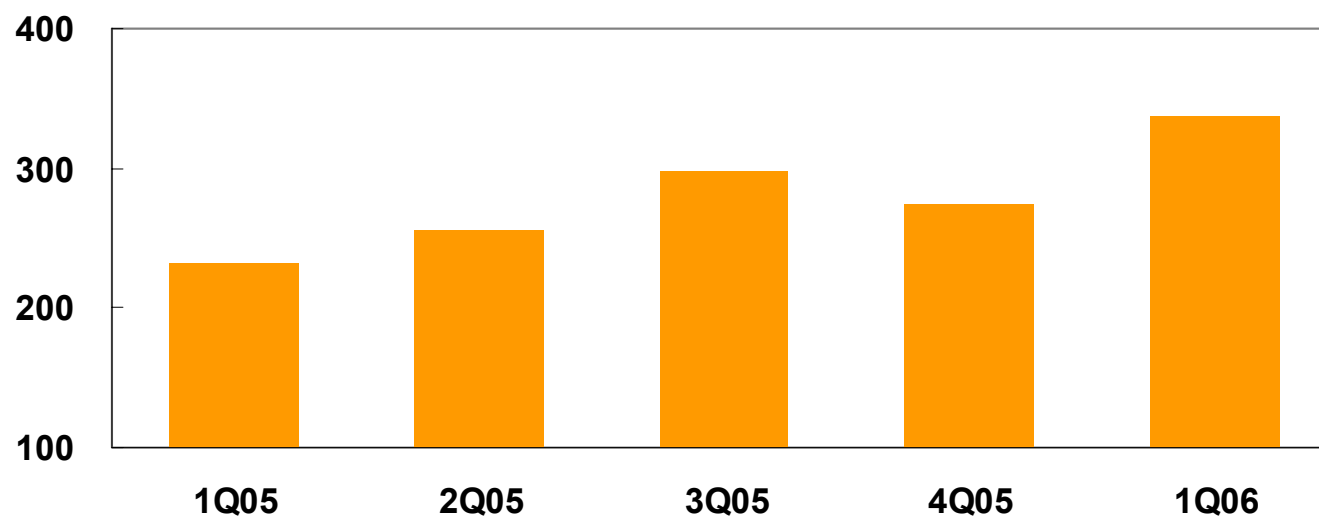
1Q06 Operational Data

	1Q06	4Q05	1Q05	QoQ	YoY
End Subscribers (K)	6,090	6,101	6,625	0%	-8%
-Postpaid	5,633	5,638	6,010	0%	-6%
-Prepaid	457	463	615	-1%	-26%
Monthly Churn	2.3%	2.3%	2.8%		
ARPU (NT\$)	793	807	707	-2%	12%

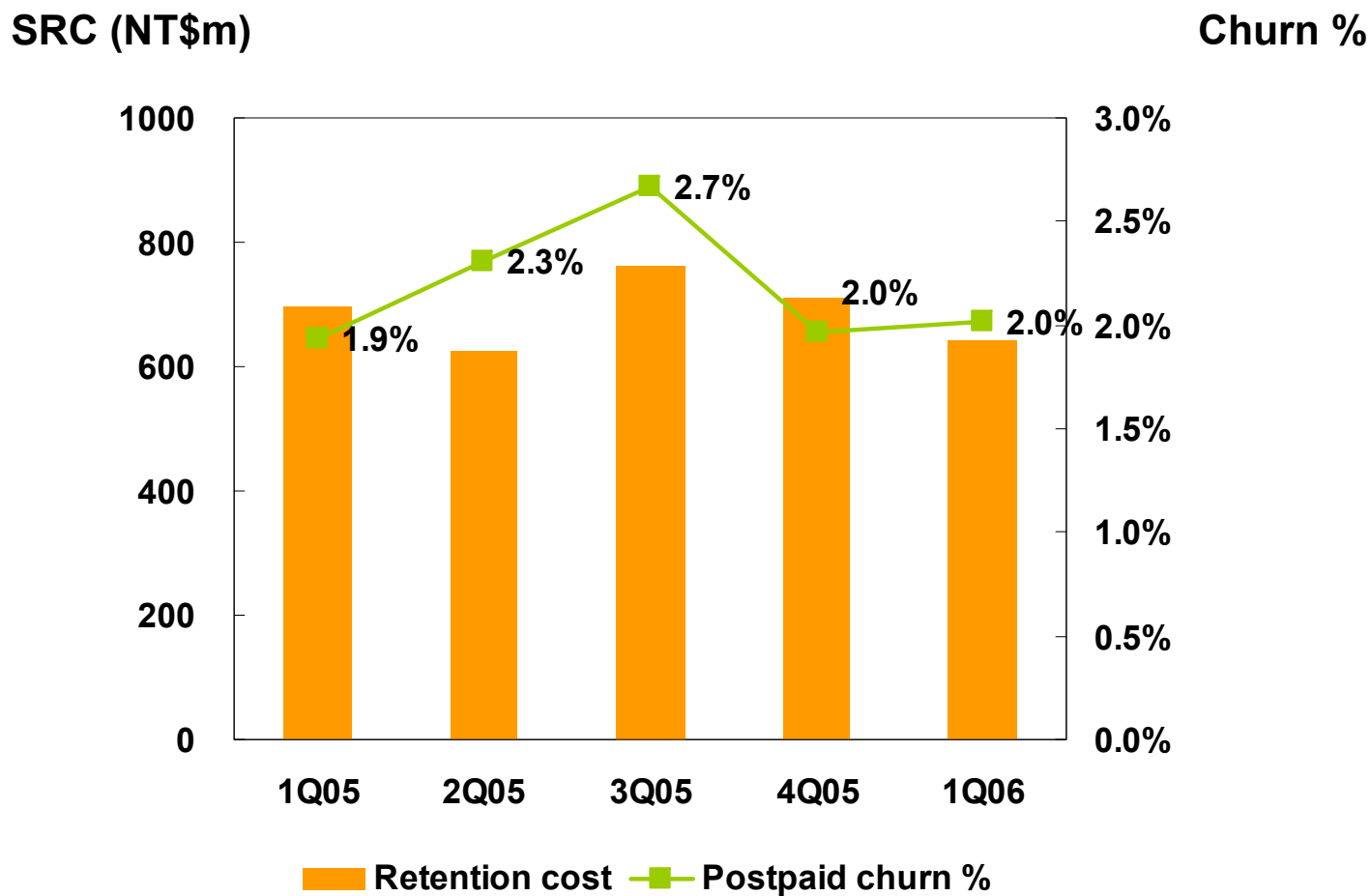
Increasing Gross Adds

Unit: K

Quarterly Postpaid Gross Adds



Declining Churn Rate with Flat SRC



Network deployment

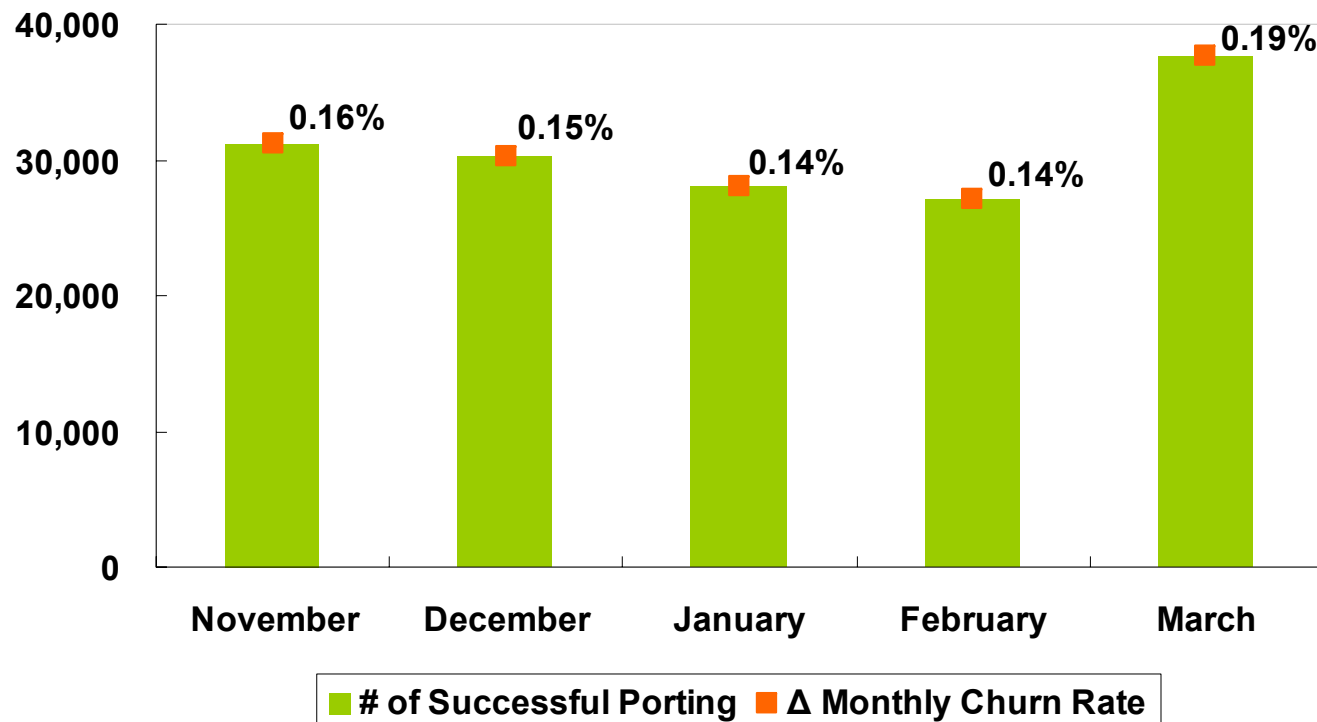
- NT\$4.5bn 3G capex including HSDPA trial in 2006
- Total cumulative spending on 3G to be around NT\$11bn
- Total 3,200 sites focusing metropolitan by year-end
- 80% population coverage

Customer behavior

- 310K USIM customers as of 1Q end (5% of total subscriber base)
- 3G subscribers have 3x data penetration rate than 2G
- 3G handset users have more than doubled ARPU than 2G

Mobile Number Portability

- Accumulative NP successful cases (excluding internal NP within the same business group) from Oct. 2005 through mid April 2006 represented only 0.85% of total mobile users in Taiwan.



2Q06 Forecast

NT\$bn	TWM Consolidated	YoY	QoQ	1H06
Revenue	15.11	0%	4%	29.71
-Telecom Service Revenue	15.04	1%	4%	29.54
Operating Income	4.87	-8%	8%	9.40
Pre-Tax Income	5.26	3%	43%	8.92
(Less Tax)	(0.77)	6%	40%	(1.32)
(Less Minority Interest)	(0.01)	-91%	-43%	(0.02)
Net Income	4.48	4%	44%	7.58
EPS (NT\$)	0.91	3%	44%	1.54
EBITDA	6.77	-6%	4%	13.25
EBITDA Margin	44.82%			44.62%

Investment updates

- TWM's ownership of MBT rose to 100% (from 94.28%) in Jan. 06
- TT&T (95.88%-owned before) has become wholly-owned since Apr. 5
- TWM's various subsidiaries will conduct capital reduction exercises to upstream around NT\$2.6bn cash to TWM this year

AGM

- TWM's annual general shareholders' meeting will be held on Jun. 15, 2006

Share buyback

- The Board approved to buy back 60m shares or no more than NT\$2bn worth of shares
- Price range: NT\$25.48 ~ NT\$37.17 per share
- Buyback period: Apr. 28 ~ Jun. 27, 2006

- TWM posted a relatively healthy operating result in 1Q despite heightened competition. Looking into 2Q, we expect competitive environment to improve and new entrants are unlikely to post any meaningful threat, same as the situation in the previous quarter.
- Compared to one year ago, TWM has successfully further upgraded its customer quality and closed the gap with its competitor on the acquisition front. Our ARPM continues its rising trend while churn rate is declining. All these accomplishments will build momentums for our future growth and we are confident that we are capable of living up to our new challenges in the future.



Q & A

