



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

3Q Results Summary

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Result Summary

Unit: NT\$m

	3Q Actual	3Q Forecast	Execution %	1-3Q Actual
Operating revenue	17,608	17,784	99%	52,357
Cost	8,105	8,245	98%	23,630
Marketing expense	2,681	2,849	94%	8,179
G&A expense	1,247	1,295	96%	3,648
Operating income	5,575	5,396	103%	16,900
Net non-oper. items	(158)	(433)	NM	(553)
Income before tax	5,417	4,963	109%	16,347
Net income	4,065	3,722	109%	12,225
EPS (NT\$)	1.36	1.25	109%	4.12
EBITDA	7,674	7,471	103%	23,037
EBITDA margin	43.58%	42.01%		44.00%

3Q Divisional Performance

NT\$bn	Mobile	YoY Chg.	Fixed-line	YoY Chg. ¹	Cable TV	YoY Chg.	Consolidated	YoY Chg.
Revenue	14.72	-3%	2.65	27%	1.06	5%	17.61	0%
EBITDA	6.66	-7%	0.46	20%	0.55	5%	7.67	-5%
D&A	1.90	-8%	0.04	-89%	0.13	5%	2.10	-9%
EBIT	4.76	-7%	0.42	18.9x	0.42	5%	5.57	-3%
EBITDA %	45.2%	-1.7pps	17.2%	-1.0pps	51.8%	+0.1pps	43.6%	-2.1pps

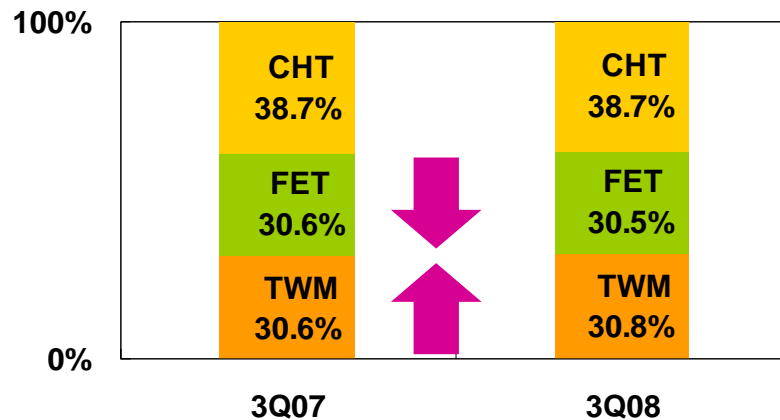
1. TTN numbers were not included until Sept. '07.

Wireless Peer Comparison

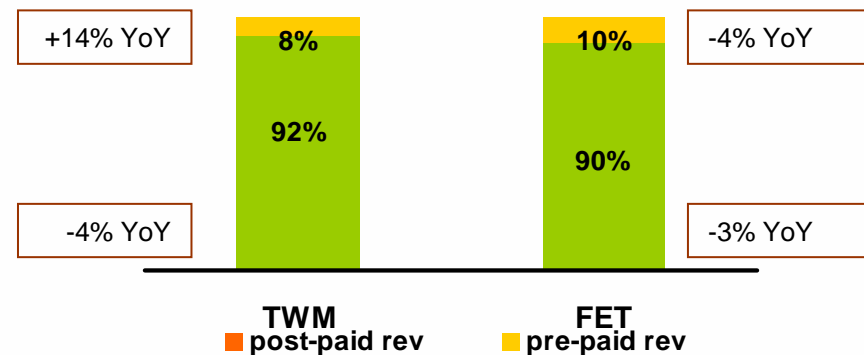
Service rev. (NT\$m)	CHT	FET	TWM	Total
3Q08	18,290	14,437	14,550	47,276
3Q07	18,941	14,899	14,912*	48,752
3Q YoY	-3%	-3%	-2%	-3%
2Q YoY	-3%	-1%	-1%	-2%

*: Excluding NT\$226m CHT lawsuit settlement in 3Q07

Market share by service revenue



Post-paid vs. Pre-paid



NT\$m	CHT		FET		TWM	
	VAS ¹	VAS %	VAS	VAS %	VAS	VAS %
3Q08	1,707	9.3%	1,779	12.3%	1,362	9.4%
3Q07	1,384	7.3%	1,548	10.4%	1,202	7.9%
3Q YoY	23%		15%		13%	
2Q YoY	38%		16%		17%	

1. CHT changed VAS definition to include SMS airtime charge starting from 2008, but not adjusted 2007 VAS accordingly, so its YoY comparison is not on the same basis. Sept. VAS revenue is an estimate.

3G Post-paid

3Q08	3G Service
3G SIM number	1,938K up 82% YoY
3G device adoption	c. 30% of 3G SIMs up 1.6x YoY
3G data revenue	up 1.1x YoY

Main VAS drivers

3Q08	YoY Growth
Mobile Internet	61%
% of total VAS	31%

Balance Sheet Analysis

NT\$bn	3Q08	2Q08		3Q08	2Q08
Total Assets	91.81	92.56	Liabilities	42.98	47.80
Current Assets	13.24	13.33	Current Liabilities	35.04	38.91
- Cash & Cash Equivalents	3.73	4.26	- ST Debts	17.74	13.45
- Available-for-Sale Financial Assets	0.30	0.31	- Other Current Liabilities	17.30	25.47
- Other Current Assets	9.21	8.76	Long-Term Borrowings	7.50	8.40
Investment	3.04	3.02	Other Liabilities	0.45	0.49
Property and Equipment	48.98	49.33	Shareholders' Equity	48.83	44.76
Intangible Assets	22.34	22.59	- Paid-in Capital	38.01	38.01
Other Assets	4.21	4.30	- Treasury Shares	(31.89)	(31.89)
			- Capital Surplus	12.27	12.27
			- Un-appropriated Earnings	2.34	2.34
			- Special Reserve	3.41	3.41

	3Q08	2Q08
Interest Coverage (x)	31.6	30.6
Net Debt to Equity	44%	39%
Net Debt to EBITDA (x)	0.71	0.59
ROE (annualized)	40%	42%

Debt Maturity Schedule

Year - end	Maturity Amt (NT\$bn)	Bond	Coupon
2008	2.5	First unsecured corporate bond	2.80%
2009	7.5	First unsecured corporate bond	2.45% / 2.80%
2010	0.0		
2011	0.0		
2012	4.0	Second unsecured straight bond ¹	2.88%
2013	4.0	Second unsecured straight bond ¹	2.88%

1. To be issued in November, 2008

2. Any drawn down from the NT\$13.5bn syndicate loan will be matured by May 2011

Cash Flow Analysis

NT\$bn	3Q08	2Q08	3Q07
Operating Cash Flow	5.70	6.39	7.11
Investing Cash Flow	(1.78)	(1.61)	(3.16)
Financing Cash Flow	(4.45)	(9.39)	(7.16)
Cash CAPEX	(2.04)	(1.43)	(2.01)
Free Cash Flow	3.65	4.96	5.10

NT\$bn	4Q08E	QoQ	YoY	2008F
Revenue	17.46	-1%	-1%	69.81
EBITDA	7.33	-4%	0%	30.37
<i>EBITDA Margin</i>	<i>42.0%</i>	<i>-1.6pps</i>	<i>-0.4pps</i>	<i>43.5%</i>
Operating Income	5.11	-8%	3%	22.01
(Assets Write-off)	(0.52)	175%	-95%	(1.29)
Pre-Tax Income	4.55	-16%	NM	20.90
(Tax Expense)	(1.14)	-16%	NM	(5.25)
(Minority Interest)	(0.00)	219%	-99%	(0.01)
Net Income	3.41	-16%	NM	15.64
EPS (NT\$) ¹	1.15	-15%	NM	5.27

Note: 4Q08 EPS is based on 3.0bn shares, net of treasury shares.

Shares buy-back plan

- On Oct. 7, the BOD resolved 25mn shares (0.66% of total issued shares) buy-back plan for employees with a price range of NT\$45~60 for two months effective on Oct. 8.

Award and Recognition

- Awarded the highest customer satisfaction in a 2008 survey conducted by the Consumers' Foundation.

- For the past three quarters, we were able to outperform our peers and our guidance, despite the competitive landscape. We are looking to achieve over NT\$30bn in EBITDA and NT\$15.6bn in net profits for the whole year, translating into an EPS of NT\$5.27. With all out efforts towards strengthening our foothold in the marketplace as well as enhanced financial stability, we are confident in our ability to navigate the economic storm and increase shareholder value.



Q & A

