



Taiwan Mobile
台湾大哥大

CLSA Investors' Forum

Taiwan Mobile Co., Ltd.

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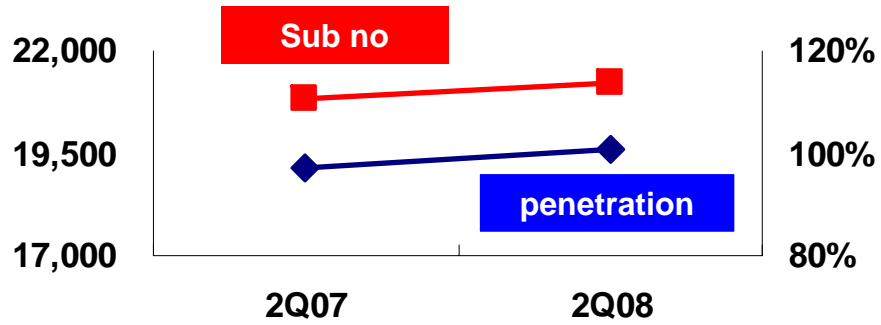
Mobile		CBG	EBG	HBG
<ul style="list-style-type: none"> • 2nd largest player, with 31% market share 		<ul style="list-style-type: none"> • consumer mobile • consumer IDD 	<ul style="list-style-type: none"> • enterprise mobile • ISR • fixed-line access & data • fixed-line internet • fixed-line telephony 	<ul style="list-style-type: none"> • basic TV • cable broadband
Cable TV	Fixed-Line			
<ul style="list-style-type: none"> • 4th largest, covering 11% households in Taiwan 	<ul style="list-style-type: none"> • 2nd largest operator in the CHT dominated market 			

Note: Info as of 2Q08

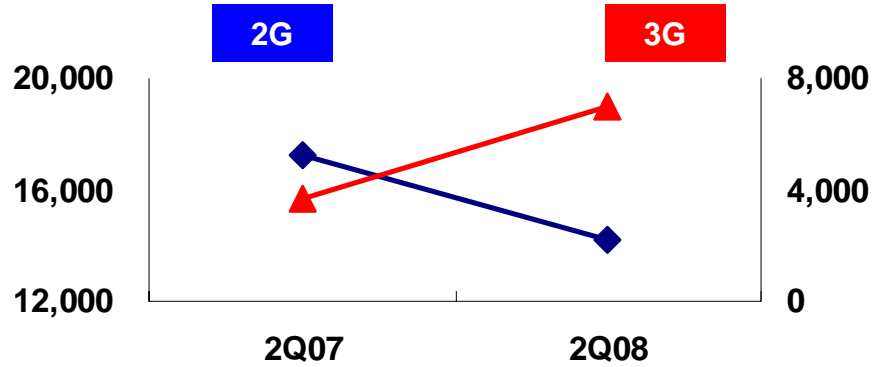


Mobile Market at a Glance

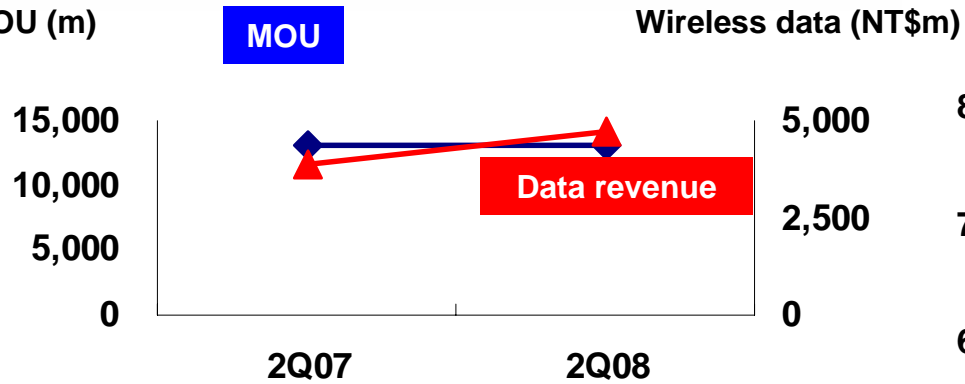
Total Mobile User (k)



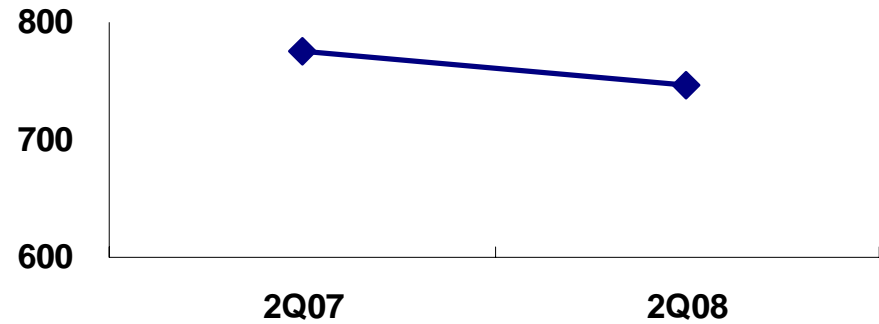
2G Sub (k)



MOU (m)



ARPU (NT\$)





Wireless Business Performance

Positive

- **YTD pre-paid revenue**
up 22% YoY
- **YTD data revenue**
up 18% YoY & driven by
 - data card user increase
 - mobile internet usage growth
 - 3G/smart phone adoption rise
 - data price plan (*catch*) take-up escalation

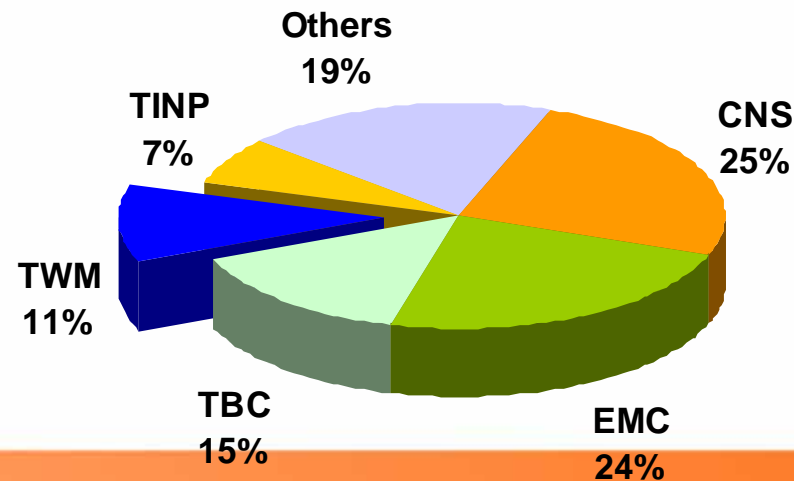
Negative

- weak economy
- mandatory price cut
implemented since Apr. 2007
- expensing employee
bonuses starting 2008



- 4.8m cable-TV households in Taiwan vs. around 0.5m IPTV subscribers
- 64% penetration rate
- low single-digit basic TV subscriber growth vs. double-digit growth in cable broadband
- monopoly/duopoly in each region
- concentrated market with top 5 MSOs making up 80% market

Market Share by Sub. Number in 2Q08





TWM's Pay-TV Business

Basic TV Revenue

YTD +3% YoY

TV-subscription revenue
+1% YoY

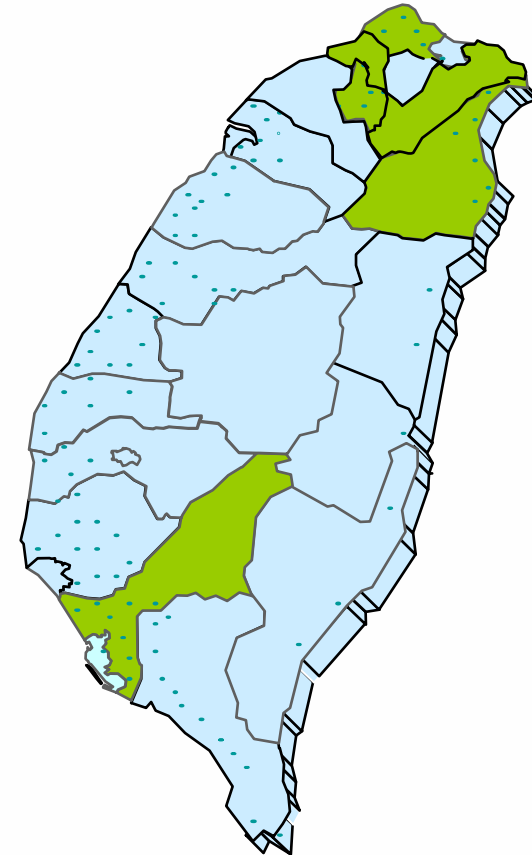
Household: 532K
+4% YoY

ARPU: N\$513
-2% YoY

Channel Leasing
+8% YoY

Advertising
+11% YoY

Foot Print





Broadband Industry in Taiwan

Broadband Penetration

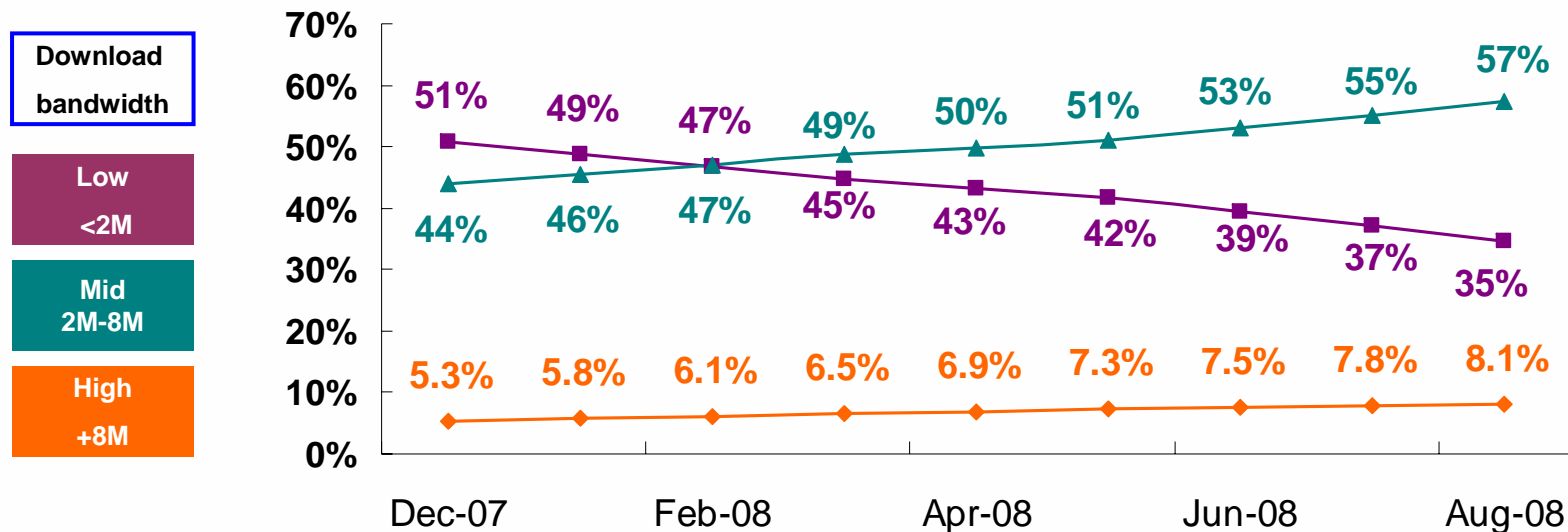
63% as of 2Q08
up 2 ppt YoY

Access Type

ADSL	FTTx	Cable	Total
74%	16%	10%	100%
YoY Change			
-8%	+145%	+16%	+5%

TWM's Growing Cable Modem User Base

- % of 2-way transmission: 77%
- Price: on average 30% lower than Chunghwa Telecom with comparable speed
- Broadband sub base: up 42% YoY in Aug. '08
- Multiple-play (TV+ Broadband) household: 15% of TV customer base
- ARPU: down by a mere 1% YoY in Aug., aided by higher mix of faster speed service





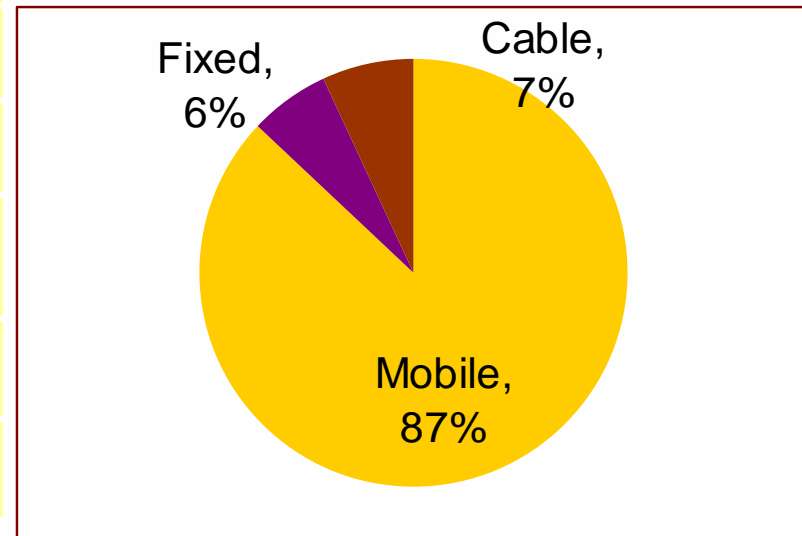
Financial & Cash Return



Year to August Performance

NT\$bn	Consolidated	YoY Chg. ¹
Revenue	46.60	9%
EBITDA	20.57	3%
D&A	5.43	-4%
EBIT	15.14	6%
EBITDA Margin	44.1%	-2.5pps
EPS(NT\$)	3.68	48%

EBITDA Mix



1. Fixed-line & cable numbers inclusions from Apr. 17, 2007

NT\$bn	Aug. 07	Aug. 08
Net Debt	32.27	21.57
Net Debt/Equity	60%	45%
Net Debt/EBITDA	107%	70%¹
ROE	22%	41%¹
Gross Debt	46.74	25.75
- Long-term portion	31%	29%
- Short-term portion	69%	71%

1. Annualized numbers



Cash Flow Generation

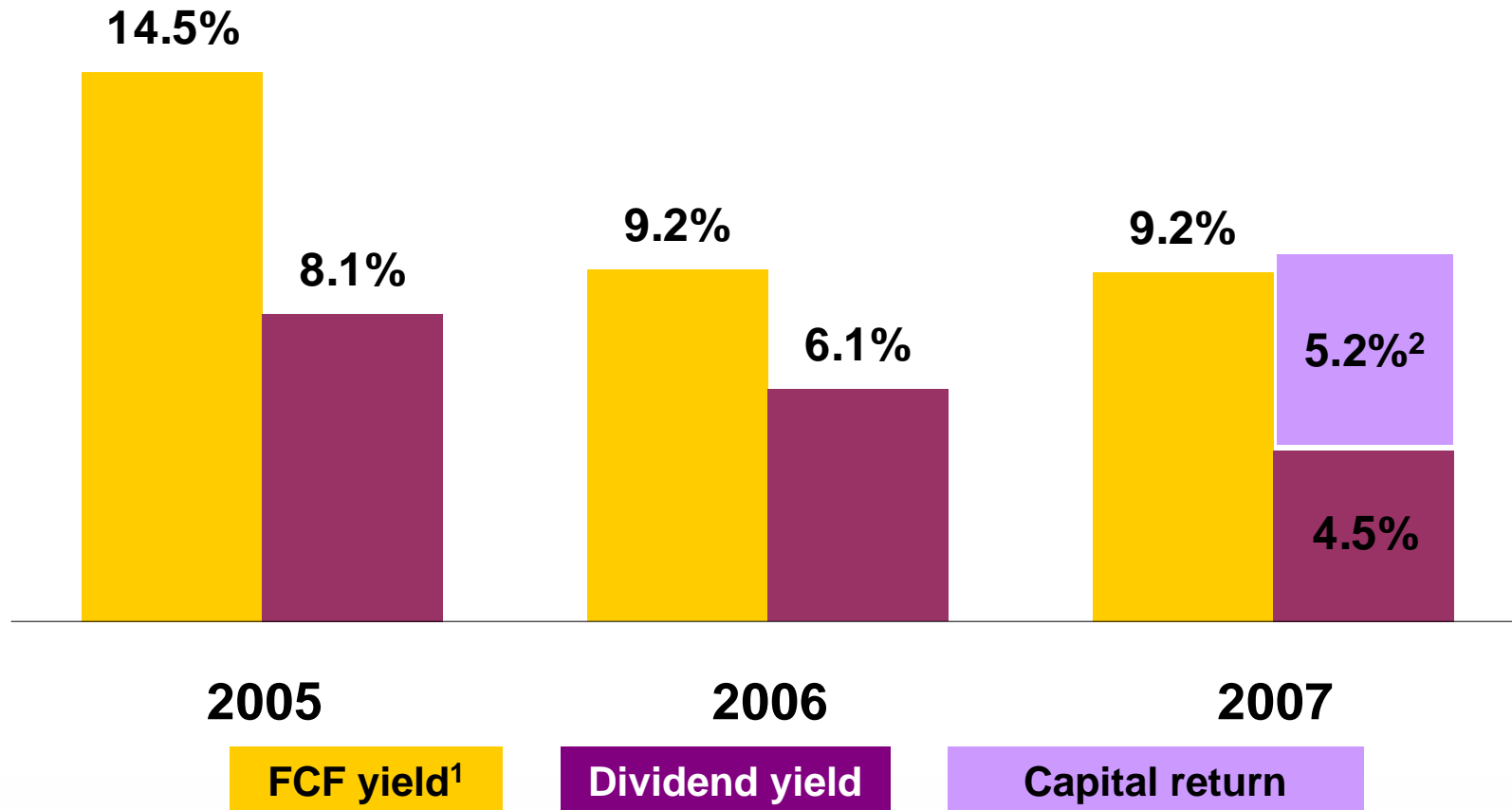
NT\$m	2007	1H08
Operation Cash Flow¹	26,735	13,837
Cash Capex	7,058	2,684
FCF	19,678	11,154
FCF Yield	9%	11%²

1. referring to recurring operating cash flow excluding treasury related cash flows

2. annualized number



Shareholder Return



Note: 1. Recurring FCF excludes treasury related cash flows

2. NT\$2.4/share divided by share price right before capital reduction

 Q & A

