



Taiwan Mobile
台湾大哥大

CLSA Investors' Forum

Taiwan Mobile Co., Ltd.

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- Financial Results & Guidance
- Operating Highlights
- Shareholder Return



Financial Results & Guidance



Financial Results

	Year to August	YoY Change
Revenue	50.59	9%
-- Service Revenue*	47.13	6%
EBITDA	17.83	-6%
<i>EBITDA margin</i>	35.2%	-5.7ppts
Non-operating Exp.	(1.22)	12%
Net income	8.77	-8%
EPS (NT\$)	2.97	-7%

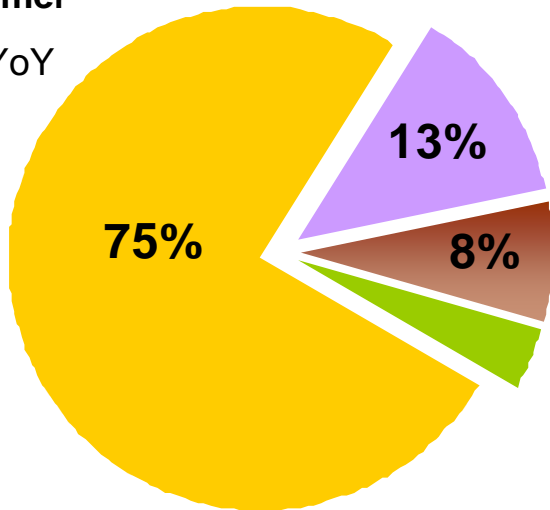
*: Derived from deducting handset sales from total revenue



Operating Revenue

Year to August

Consumer
+5% YoY



Enterprise
+4% YoY

Home
+4% YoY

Consumer Business

- Handset sales revenue up 72%
- Mobile data revenue up 49%
- Mobile voice revenue down 8%

Enterprise Business

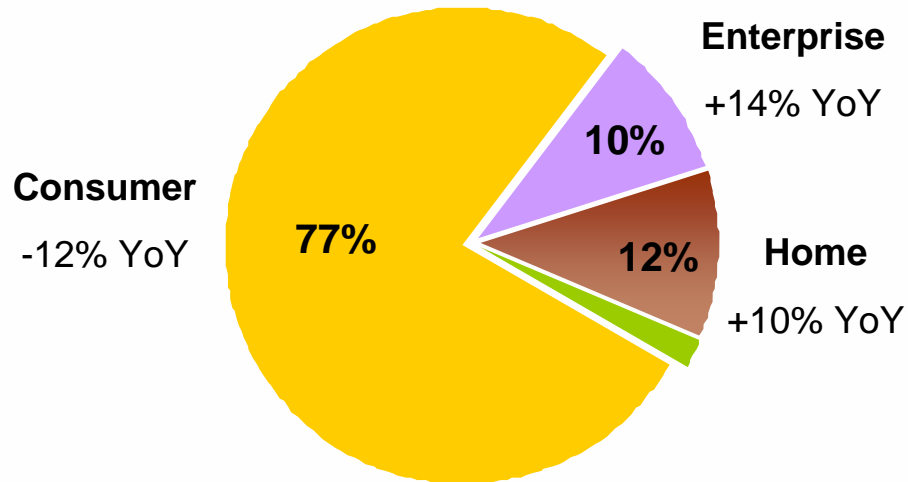
- Mobile service revenue up 3%
- Fixed-line service revenue up 4%

Home Business

- Cable internet revenue up 20%



Year to August



Consumer Business

- Handset subsidies up 54%
- Mandatory tariff cut partially offsetting mobile data growth

Enterprise Business

- EBITDA up 14% driven by a rise in enterprise mobile revenue and cost management

Home Business

- Cable internet profit up 36% on better economies of scale

In NT\$bn	2011 F	2010 A	YoY
Revenue	73.96	70.15	5%
EBITDA	25.77	27.46	-6%
Operating Income	16.29	18.31	-11%
Assets Write-off	(0.61)	(1.47)	-58%
Pre-Tax Income	15.76	17.10	-8%
Tax Expense	(2.68)	(3.28)	-18%
Net Income	13.08	13.82	-5%
EPS (NT\$) ¹	4.57	4.62	-1%
Cash Capex	7.3	6.2	18%

- 2011 EPS is based on weighted average share counts of 2.86bn, to reflect 10% capital reduction, effective Aug. 2011.

2010 EPS is based on 2.99bn shares.



Sound Financial Position

In NT\$m	2010	YTD
Operating Cash Flow	25,994	16,641
Cash Capex	6,196	4,543
FCF	19,797	12,098
FCF Yield	6.4%	6.1% ¹
Net Debt	7,953	14,890 ²
Net Debt / Equity	16%	33%
Net Debt / EBITDA	29%	56% ¹

1. annualized number

2. Including NT\$12.4bn borrowings for dividend payment



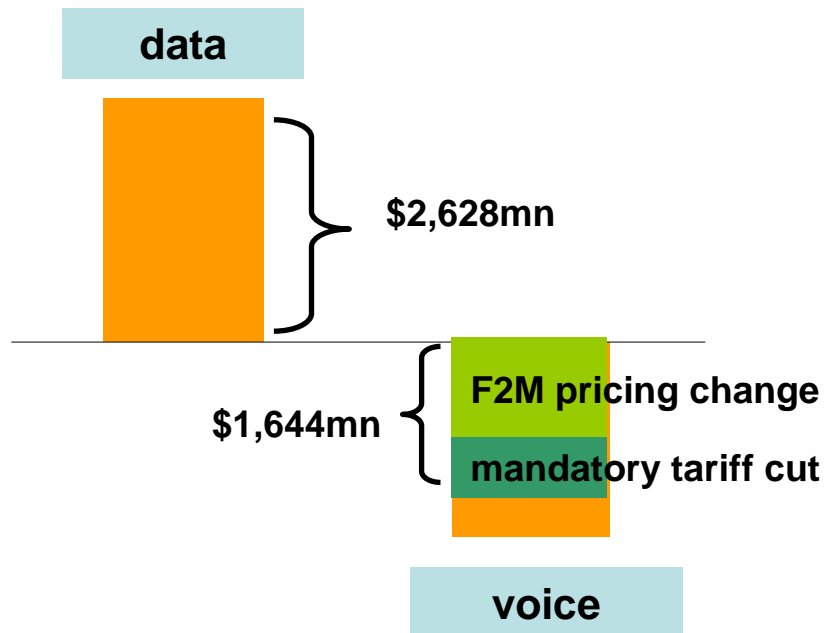
Operating Highlights



Robust Wireless Data Growth

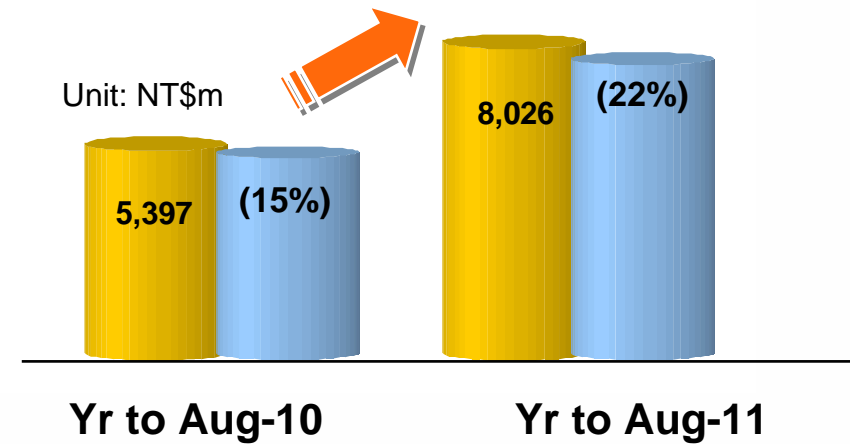
Mobile Service Revenue

YTD YoY Change



Mobile data revenue

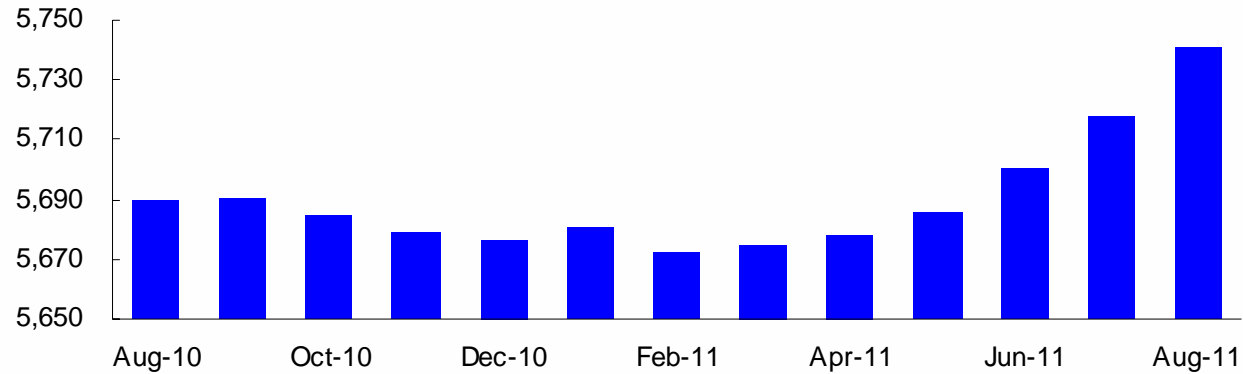
(as % of service revenue)



Customer Gains in Postpaid

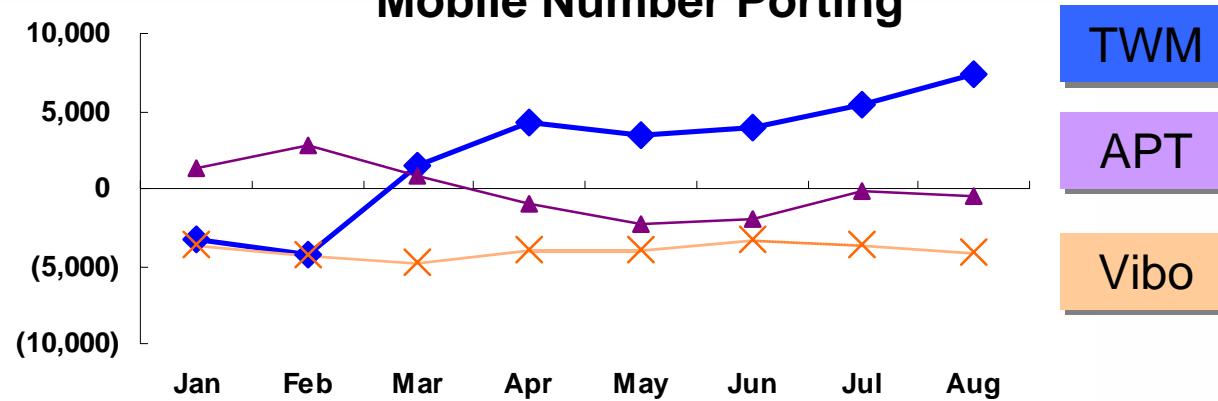
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Postpaid Customer Base



(subs)

Mobile Number Porting



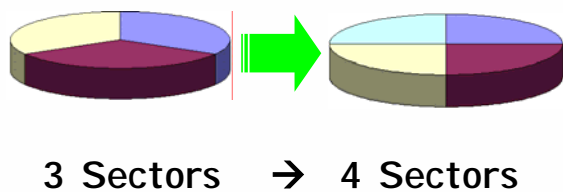
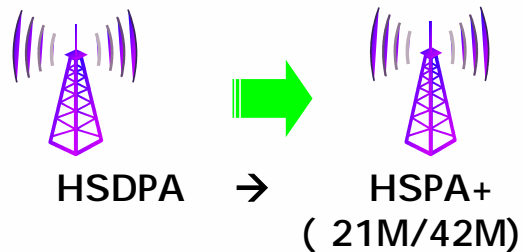
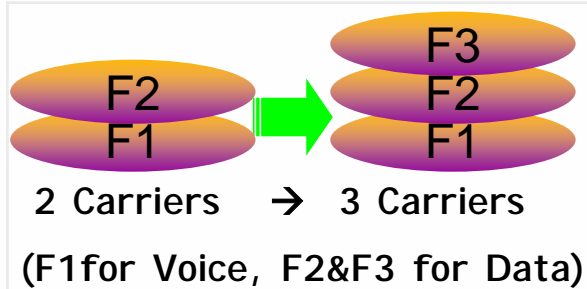


Driving Smartphone Adoption

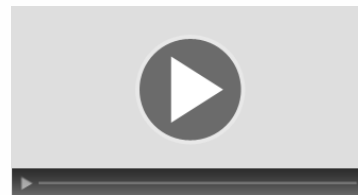
- Rising smartphone sales volume to 54% of total handset sold in 1H11 vs. 26% a year ago
- Exclusive models from leading vendors to differentiate
- A more diversified handset portfolio to sustain margins
- More mid-end products to boost adoptions
- Two-thirds of new smartphone/data bundled users subscribing to unlimited data plans
- Doubled smartphone penetration to be expected to reach some 20% by 2011 year-end

Network Capacity Management

Expansion



Optimization



Control / Off-load





Fast Growth in Cable Broadband

Wireline Access Type in Taiwan

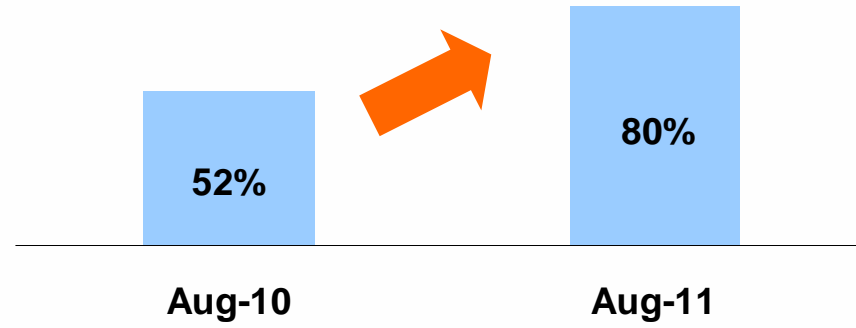
ADSL + FTTx	Cable	Total
82%	18%	100%
YoY Change		
+3%	+11%	+4%

Competitive pricing

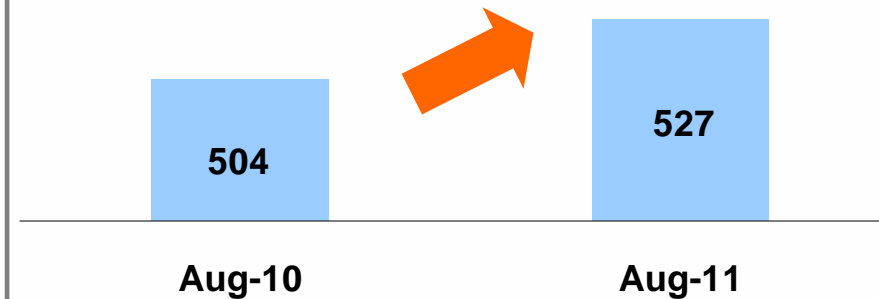
20% lower than Chunghwa Telecom with comparable speed

Up selling service & effective bundling with DTV

% of TWM's gross adds subscribing to 10M & above



TWM's cable Broadband ARPU(NT\$)





CATV Future Growth Drivers

- Enlarging broadband economies of scale
- Incremental ARPU from the same household
- Inorganic growth

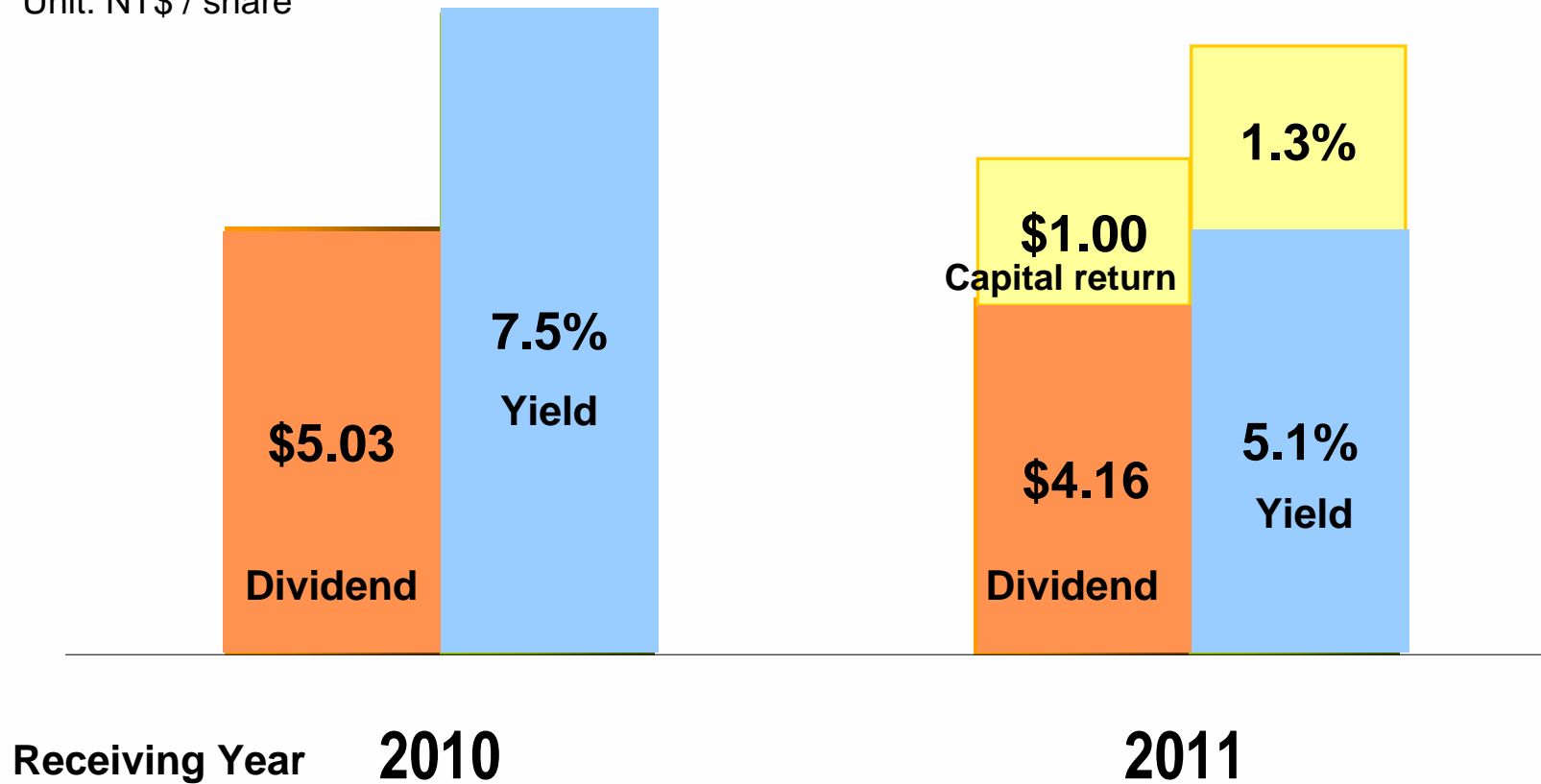


Shareholder Return



Stable Shareholder Return

Unit: NT\$ / share



- A much solidified convergence player
 - integrated bundles, multimedia content over multi-platform
- Strong free cash flow & balance sheet
- Rising wireless data / cable broadband growth momentum
- Exploring non-connectivity businesses to enhance shareholder return

 Q & A

