Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

1Q13 Results Summary

April 30, 2013

Disclaimer

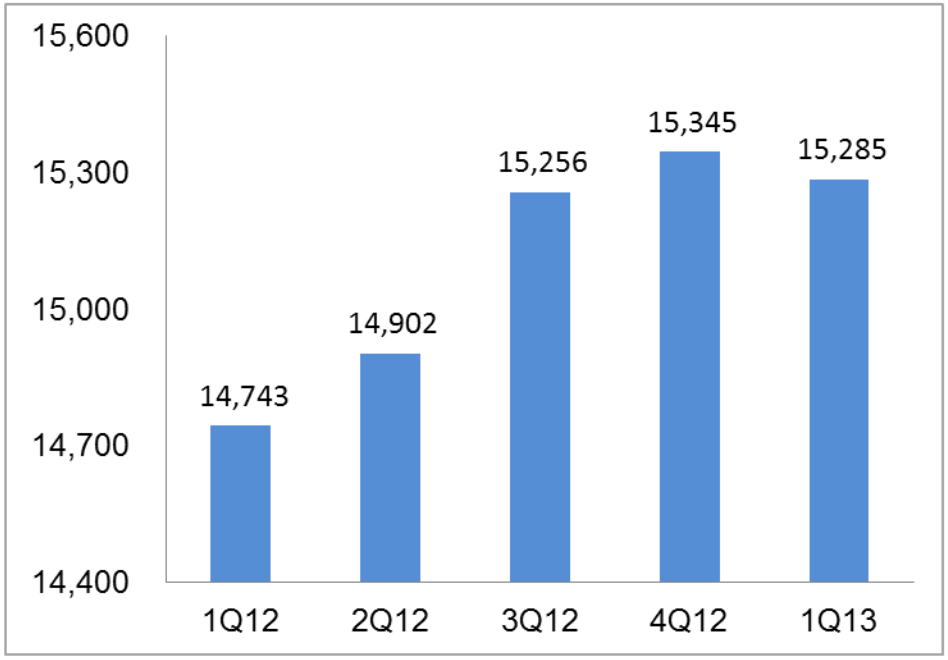
The information contained in this presentation, including all forward-looking information, is subject to change without notice, whether as a result of new information, future events or otherwise, and Taiwan Mobile Co., Ltd. (the "Company") undertakes no obligation to update or revise the information contained in this presentation. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is the information intended to be a complete statement of the Company, markets or developments referred to in this presentation.

Business Overview

Steady Wireless Data Growth

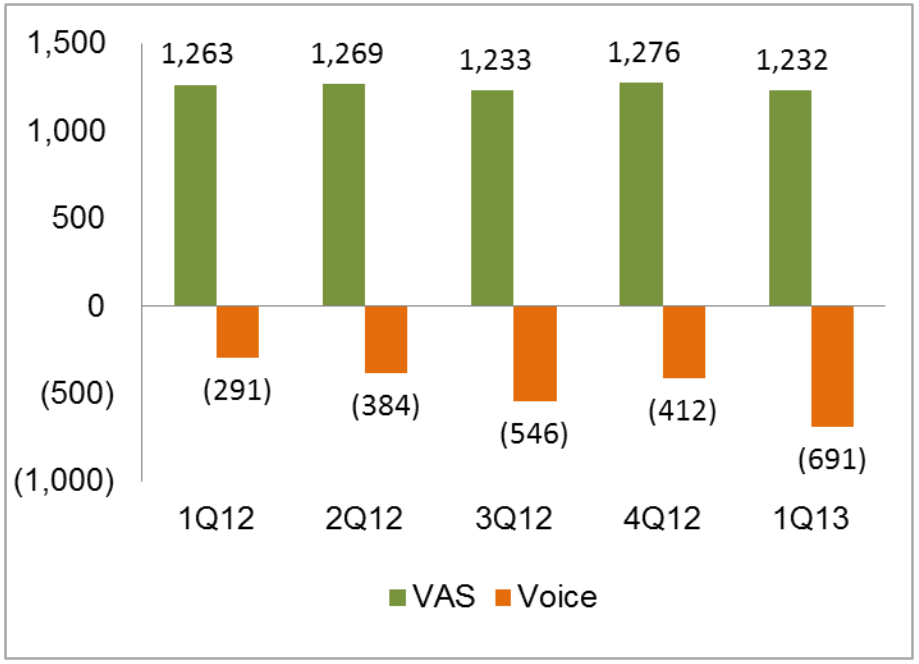
Mobile Service Revenue

Unit: NT$mn



Revenue YoY Change

Unit: NT$mn

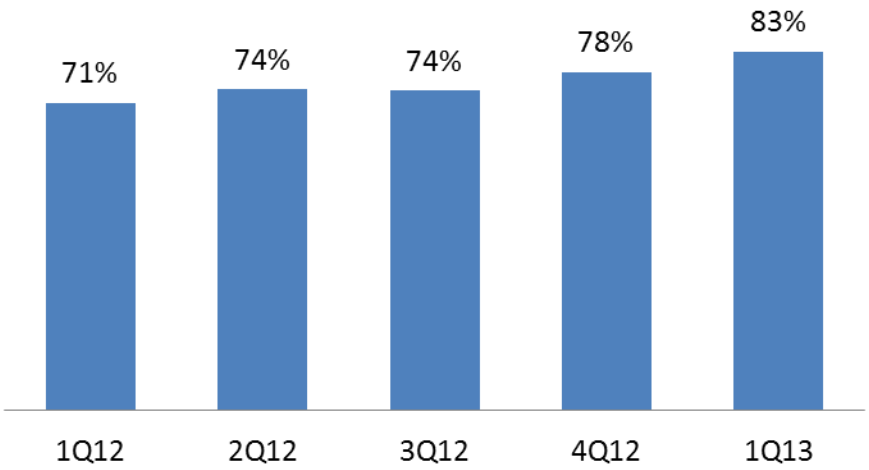


* Based on IFRS – Residual Value Method, i.e. excluding revenue adjustments under the current accounting policy.

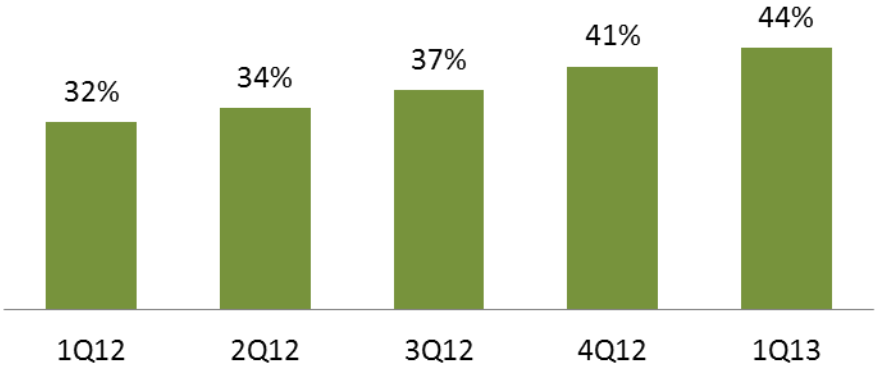
Taiwan Mobile 台湾大哥大

Our Smartphone Strategy

Smartphone as % of total handsets sold



Mobile data adoption rate



Current exclusive models

Samsung Grand Duos

BB Bold 9790

BB Z10

Sony ion

Sony Xperia P

Samsung Galaxy Ace II

Samsung Galaxy Ace

Nokia Lumia 720

HTC One SV

Samsung Mini

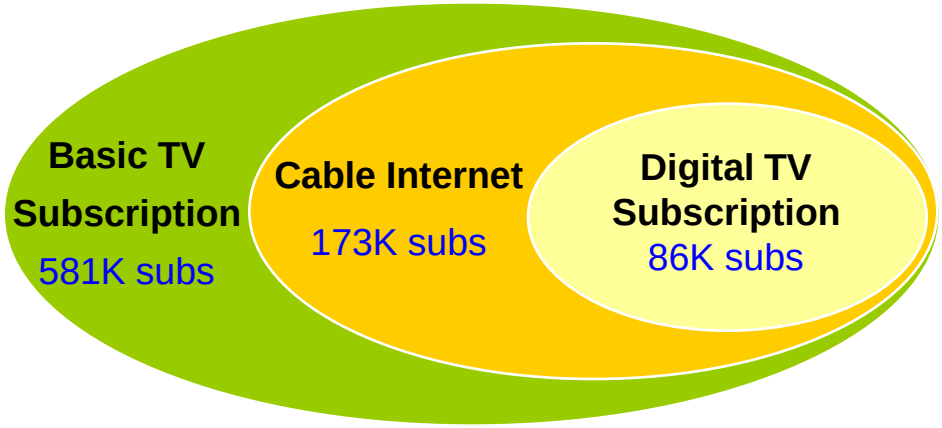
Nokia Lumia 520

Sony Sola

TWM Amazing A2

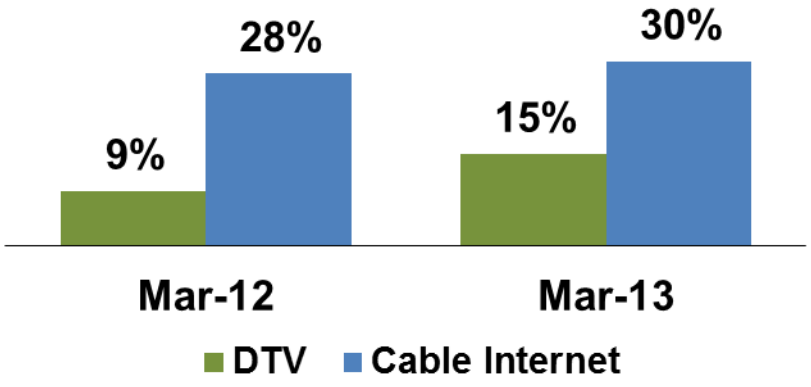
TWM Amazing A1

CATV Growth Catalysts



1Q13	Sub no. YoY growth	ARPU
Analogue TV	1%	$494
Cable internet	9%	$546
DTV	60%	$141

Penetration rates



Blended ARPU *	$776	+2% YoY

* Calculation based on total cable TV revenue excluding content revenue

New Products & Services

- myPlay1

TWM acquired exclusive agency rights to the popular 3D mobile SLG (Simulation Game), “Red Cliff in the era of Three Kingdoms”（赤壁三國）, for the areas of Taiwan, Macau and Hong Kong and launched an Android version on its mobile game platform, myPlay1, through Google Play and matchApps (TWM’s app store) in 1Q13.

- Exclusive smartphones

TWM exclusively introduced BlackBerry Z10, Samsung Grand Duos, Nokia Lumia 720 and 520 and Sony Xperia Sola for the quarter.

Financial Overview

Taiwan Mobile 台湾大哥大

Results Summary

NT$mn	1Q13	YoY	% of 1Q13 Guidance	% of Full-year Guidance
Revenue	26,557	7%	99%	24%
Telecom revenue* – Fair Value	14,542	-1%	99%	24%
Telecom revenue* – Residual Value	16,151	2%	98%	23%
Cost	(16,874)	10%	95%	23%
Operating expenses	(4,695)	11%	103%	25%
Operating income	4,987	-4%	111%	25%
Net non-operating items	(284)	51%	160%	20%
Income before tax	4,703	-6%	109%	25%
Net income	3,807	-6%	108%	25%
EPS (NT$)	1.42	-6%	108%	25%
EBITDA – Fair Value	7,456	-2%	107%	24%
EBITDA – Residual Value	6,754	0%	104%	23%
EBITDA margin – Fair Value	28.08%			

* Combined mobile and fixed-line revenues net of inter-company transactions

Taiwan Mobile 台湾大哥大

Divisional Performance

NT$bn	Revenue					EBITDA				
	CBG	EBG	HBG	momo & Others	Total	CBG	EBG	HBG	momo & Others	Total
1Q13	17.36	2.59	1.54	5.07	26.56	5.53	0.91	0.82	0.20	7.46
% of total	65%	10%	6%	19%	100%	74%	12%	11%	3%	100%
QoQ	1%	-3%	0%	2%	1%	-2%	-7%	1%	-9%	-3%
YoY	5%	-1%	2%	21%	7%	-3%	21%	2%	-34%	-2%

Taiwan Mobile 台灣大哥大

Balance Sheet Analysis

NT$bn	1Q13 IFRS	4Q12 IFRS	1Q12 IFRS		1Q13 IFRS	4Q12 IFRS	1Q12 IFRS
Total Assets	**104.42**	**100.41**	**96.42**	**Liabilities**	**42.76**	**42.77**	**36.81**
Current Assets	26.21	24.87	20.60	Current Liabilities	29.67	29.95	29.44
- Cash & Cash Equivalents	7.11	7.22	5.62	- ST Debts	7.42	7.16	9.61
- Accounts Receivable	12.80	12.69	10.48	- Other Current Liabilities	22.25	22.79	19.83
- Inventories	3.48	2.57	2.48	Non-Current Liabilities	13.09	12.82	7.37
- Other Current Assets	2.82	2.39	2.02	- Long-Term Borrowings	9.00	9.00	4.00
Non-current Assets	78.21	75.54	75.81	- Deferred Income Tax Liability	2.35	2.12	1.79
- Long-term Investment	3.43	3.06	2.58	- Other Non-current Liabilities	1.74	1.70	1.58
- Property and Equipment	42.47	40.59	40.96	**Shareholders' Equity**	**61.66**	**57.64**	**59.60**
- Other Non-current Assets	32.31	31.89	32.28	- Paid-in Capital	34.21	34.21	34.21
				- Capital Surplus	12.43	12.43	12.43
	1Q13 IFRS	4Q12 IFRS	1Q12 IFRS	- Legal Reserve	18.06	18.06	16.72
Current Ratio	88%	83%	70%	- Special Reserve	0.00	0.00	0.82
Net Debt (Cash) to Equity	15%	15%	13%	- Un-appropriated Earnings	7.91	7.91	7.95
Net Debt (Cash) to EBITDA (x)	0.30	0.29	0.26	- Treasury Shares	(31.08)	(31.08)	(31.08)
ROE (annualized)	25%	28%	28%	- Retained Earnings & Others*	20.12	16.10	18.56

* Including YTD profits, minority interests and other equity items

Cash Flow Analysis

NT$bn	1Q13 IFRS	4Q12 IFRS	1Q12 IFRS
Operating Cash Flow	3.94	9.68	5.05
Investing Cash Flow	(4.31)	(2.71)	(1.84)
Financing Cash Flow	0.25	(5.49)	(4.28)

NT$bn	1Q13	4Q12	1Q12
Cash CAPEX	(3.75)	(2.35)	(1.71)
Free Cash Flow	0.19	7.33	3.34

Event Updates & Key Message

Event Updates

2012 Earnings Distribution

TWM's board meeting today (April 30) approved a proposal to distribute NT$14.8bn of cash dividends and cash returns, comprised of 90% of 2012 earnings, NT$1.3bn of un-appropriated earnings and NT$269mn of legal reserve, translating into a 101% payout to shareholders. Dividend per share is NT$5.4 and cash return per share is NT$0.1, totaled NT$5.5 based on 2.69bn shares, excluding treasury shares held by 100%-owned subsidiaries.

Awards and Recognition

- Recognized for its excellence in Corporate Governance, Taiwan Mobile was the first in the industry to be selected as a member of the DJSI (Dow Jones Sustainability Indices, the world's first and most widely used global sustainability benchmarks) Emerging Markets.
- TWM won the internationally renowned Swiss SGS Qualicert certification for the quality of its direct store channel and customer service system.

Key Message

Our efforts in committing resources over a wider range of areas continues to pay off as reflected in the 2% YoY EBITDA growth of the telecom business, when compared to our peers on a like-for-like basis. We will continue our endeavors to strengthen our market position and are confident in achieving our goals for the year.

Q & A