



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

2Q12 Results Summary

July 26, 2012



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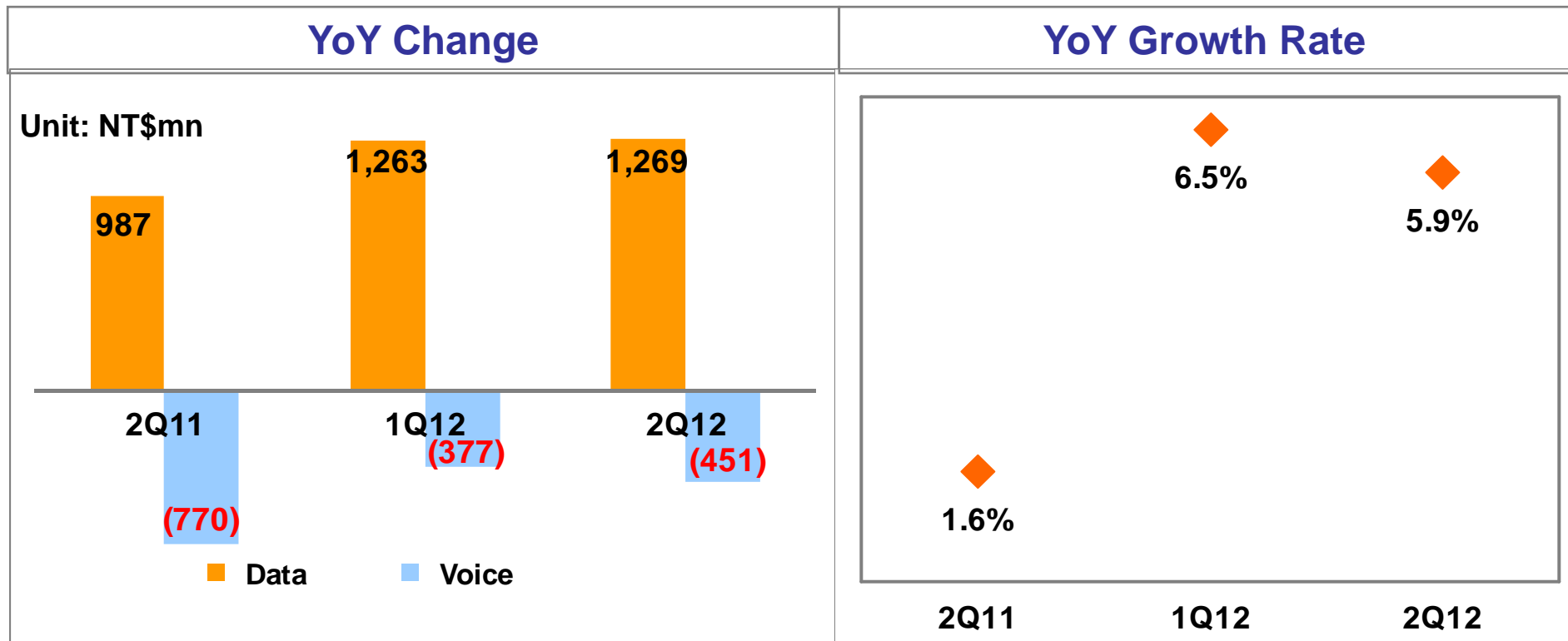


Business Overview



Robust Wireless Data Growth

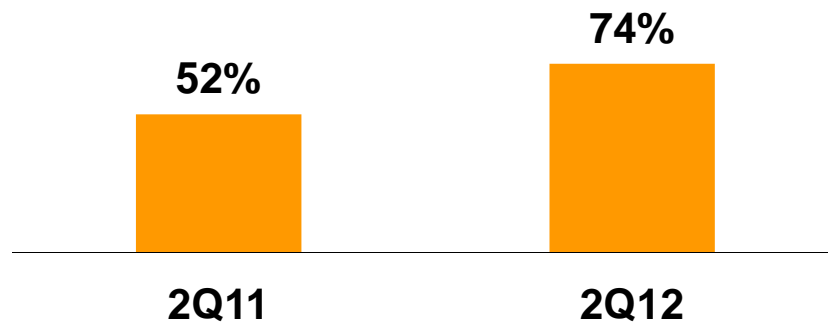
Mobile Service Revenue



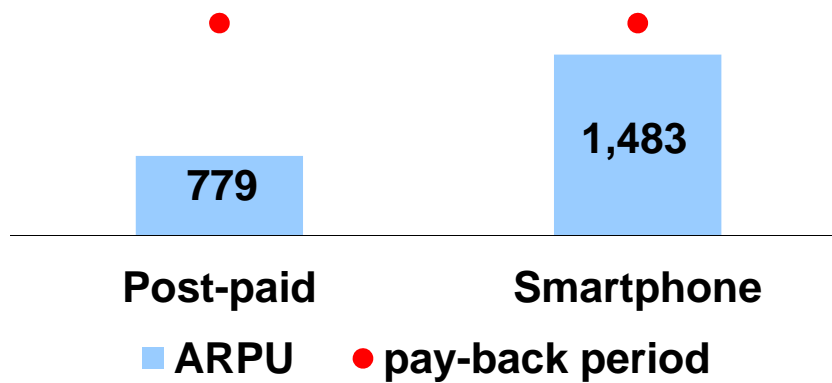


Our Smartphone Strategy

Smartphone as % of total handsets sold



2012 YTD Contribution comparison



Current exclusive models



Samsung SIII 32G



Sony ion



Moto XT910



Nokia LUMIA 610



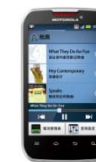
LG Optimus L7



Sony Xperia P



Samsung Galaxy Ace



Moto XT550



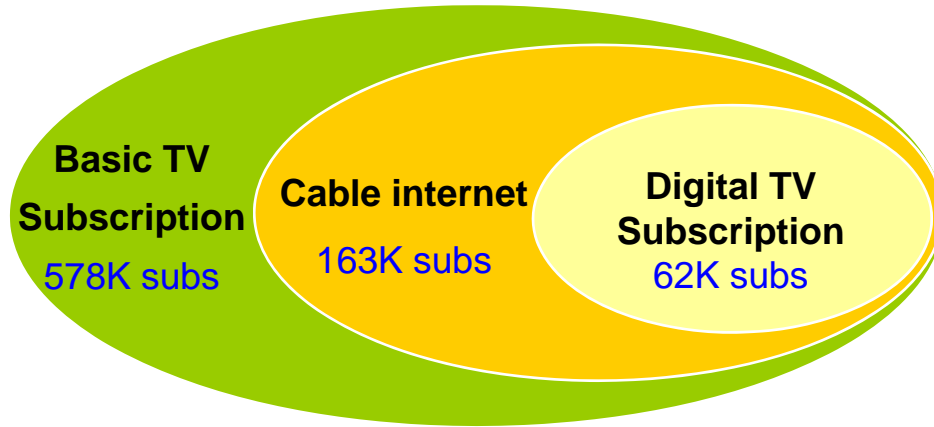
TWM T3



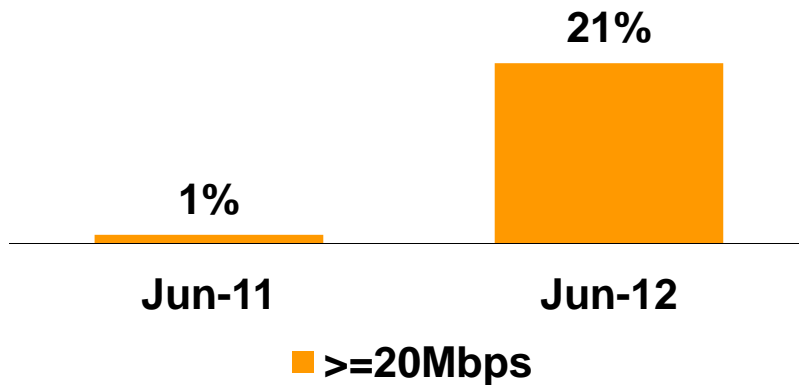
TWM Amazing A1



CATV Growth Catalysts



High speed cable internet mix



2Q12	Sub no. YoY growth	ARPU
Analogue TV	1%	503
Cable internet	11%	544
DTV	79%	138

Blended ARPU *	763, +3% YoY
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* Calculation based on total cable TV revenue excluding content revenue



New Product & Service

- Exclusively introduced Samsung SIII 32G, Sony Xperia ion, Nokia LUMIA 610, LG Optimus L7, Moto XT550, and our own-brand smartphone Amazing.
- Launched a low-price bundled rate plan catered to light users featuring as low as NT\$50 for 1GB data usage per month for the first six months of the 30-month contract period.
- Introduced a new prepaid rate plan that includes 100 free on-net voice minutes, 100 MB mobile internet usage and all off-net calls charged at the low on-net rate, all for only NT\$299, the lowest price of its kind.



Financial Overview

Result Summary

NT\$m	2Q12	2Q11	YoY	% of 2Q12 Guidance	1H12 as % of Full Year Guidance
Revenue	23,722	17,975	32%	96%	47%
Cost	(14,732)	(10,358)	42%	94%	46%
Marketing expense	(2,992)	(2,321)	29%	94%	47%
G&A expense	(1,215)	(1,038)	17%	101%	49%
Operating income	4,784	4,258	12%	101%	48%
Net non-oper. items	(21)	(78)	NM	21%	9%
Income before tax	4,762	4,180	14%	102%	50%
Net income	3,914	3,472	13%	104%	51%
EPS (NT\$)	1.45	1.16	25%	104%	51%
EBITDA	7,198	6,598	9%	100%	48%
EBITDA margin	30.34%	36.71%			

Divisional Performance

NT\$bn	Revenue					EBITDA				
	CBG	EBG	HBG	momo & Others	Total	CBG	EBG	HBG	momo & Others	Total
2Q12	15.34	2.60	1.52	4.26	23.72	5.30	0.93	0.81	0.16	7.20
% of total	65%	11%	6%	18%	100%	74%	13%	11%	2%	100%
QoQ	-1%	2%	1%	-4%	-1%	10%	34%	1%	-44%	9%
YoY	9%	9%	4%	NM	32%	2%	44%	6%	NM	9%



Balance Sheet Analysis

NT\$bn	2Q12	1Q12	2Q11		2Q12	1Q12	2Q11
Total Assets	90.38	89.81	87.16	Liabilities	47.08	36.34	41.93
Current Assets	17.96	17.01	19.21	Current Liabilities	41.63	30.92	32.80
- Cash & Cash Equivalents	6.13	5.62	9.87	- ST Debts	5.85	9.61	1.03
- Available-for-Sale Financial Assets	0.20	0.20	0.21	- Other Current Liabilities	35.78	21.31	31.78
- Inventories	2.60	2.56	1.39	Long-Term Borrowings	4.00	4.00	8.00
- Other Current Assets	9.03	8.65	7.74	Other Liabilities	1.46	1.42	1.13
Investment	2.22	2.16	3.28	Shareholders' Equity	43.30	53.47	45.23
Property and Equipment	40.11	40.65	41.09	- Paid-in Capital	34.21	34.21	38.01
Intangible Assets	27.25	27.06	20.45	- Capital Surplus	12.43	12.43	12.43
Other Assets	2.84	2.94	3.14	- Legal Reserve	18.06	16.72	16.72
				- Special Reserve	0.00	0.82	0.82
				- Un-appropriated Earnings*	1.33	2.27	2.27
				- Retained Earnings & Others	8.35	18.11	6.87
Current Ratio	43%	55%	59%	- Treasury Shares	(31.08)	(31.08)	(31.89)
Net Debt (Cash) to Equity	9%	15%	-2%				
Net Debt (Cash) to EBITDA (x)	0.13	0.28	-0.03				
ROE (annualized)	32%	26%	28%				

*:Excluding YTD profits



Cash Flow Analysis

NT\$bn	2Q12	1Q12	2Q11
Operating Cash Flow	6.38	5.04	5.84
Investing Cash Flow	(1.87)	(1.85)	(1.56)
Financing Cash Flow	(4.00)	(4.26)	(0.33)

NT\$bn	2Q12	1Q12	2Q11
Cash CAPEX	(1.68)	(1.74)	(1.34)
Free Cash Flow	4.70	3.30	4.50



Recognitions & Key Message

Award & Recognition

- Ranked 1st in the “Info Tech 100 Taiwan” and 8th in the “Info Tech 100 Asia” by *Business Next* Magazine.
- Won the “Trusted Brand Gold Award” by *Reader’s Digest* for the ninth consecutive year.
- For the fifth time, winner of the “Corporate Social Responsibility Award” by *Global Views Monthly*, this year, in the categories of Community Care and Overall Performance.
- Received the highest rating of A⁺⁺ and ranked as one of the top 10 listed companies in “Transparency and Information Disclosure” by the Securities and Futures Institute for the seventh consecutive year.



To meet increased demand for data, we have stepped up our efforts to further build out our network. These efforts will continue prudently. Overall, we reiterate our confidence in achieving our 2012 targets.

 Q & A

