



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

3Q12 Results Summary

October 25, 2012

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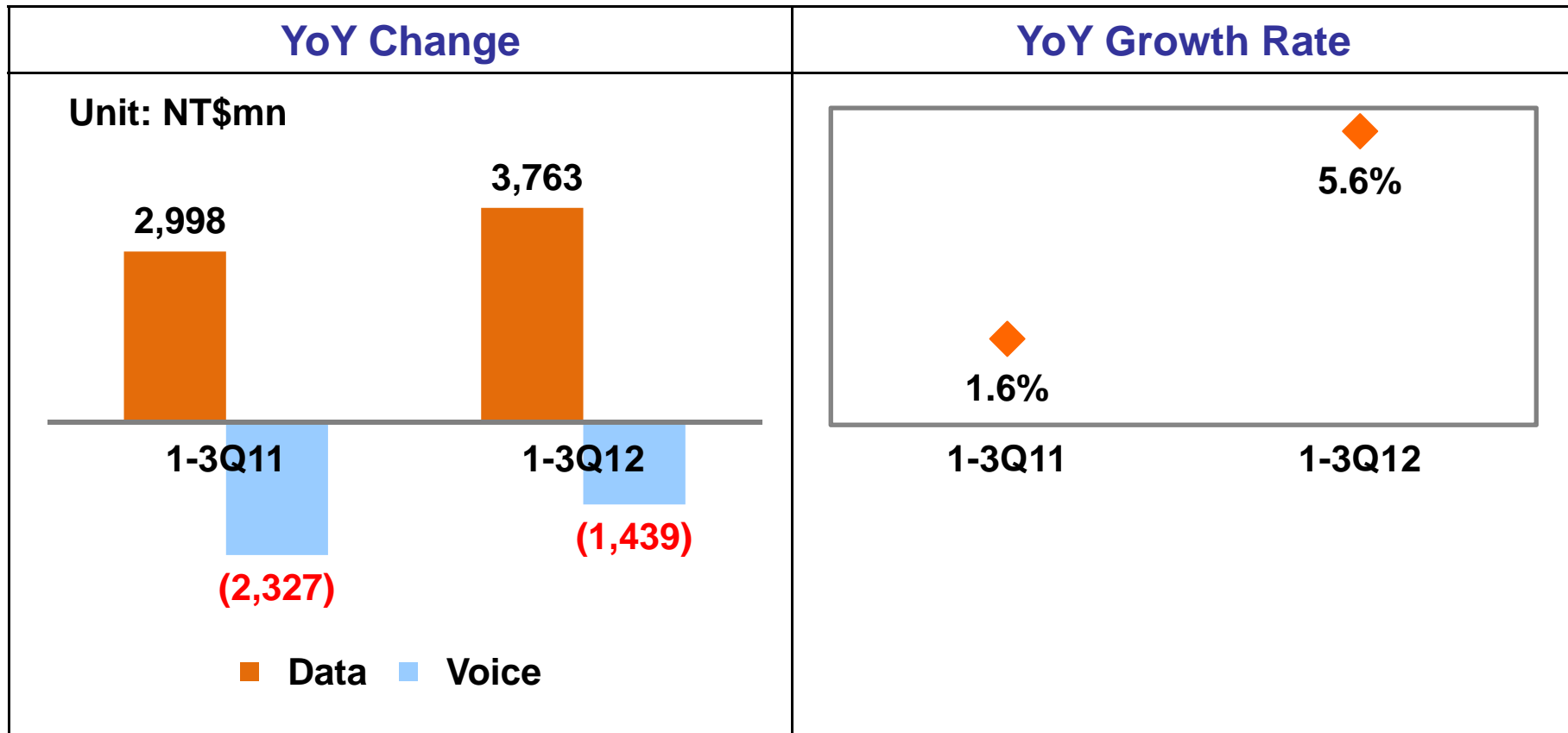


Business Overview



Robust Wireless Data Growth

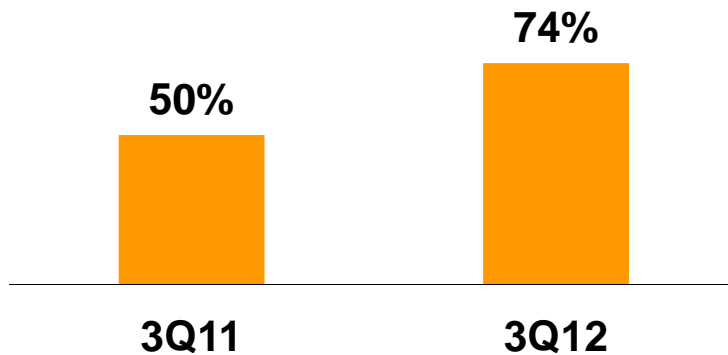
Mobile Service Revenue



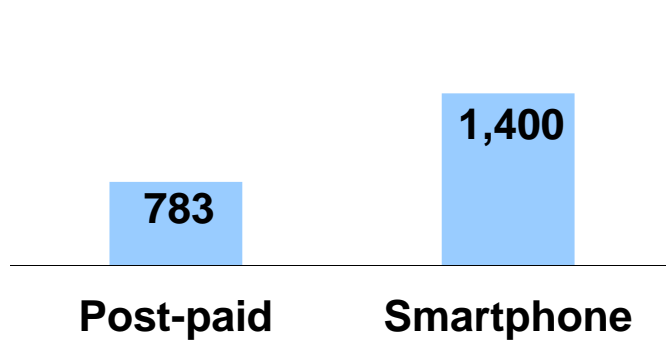


Our Smartphone Strategy

Smartphone as % of total handsets sold



YTD ARPU comparison



Current exclusive models



Samsung Galaxy Note II 32G



HTC J



Samsung Galaxy SIII, red color



Sony ion



LG Optimus L7



Sony Xperia P



Samsung Galaxy Ace II



Moto XT550

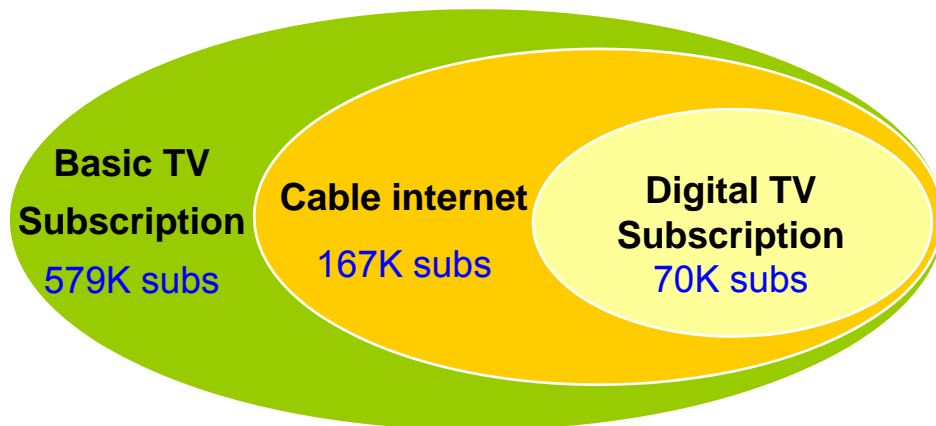


TWM Amazing A2

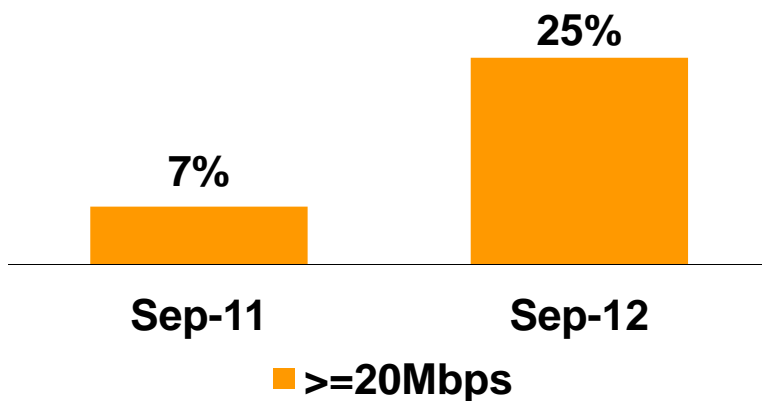


TWM Amazing A1

CATV Growth Catalysts



High speed cable internet mix



3Q12	Sub no. YoY growth	ARPU
Analogue TV	1%	502
Cable internet	10%	544
DTV	73%	135

Blended ARPU *	770, +3% YoY
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* Calculation based on total cable TV revenue excluding content revenue



New Product & Service

- Exclusively introduced Samsung Galaxy Note II 32G, Samsung Galaxy SIII (red color), HTC J, Samsung Ace II and our own brand Amazing A2.
- Entered an exclusive partnership in Taiwan with Evernote, a world-class cloud service provider, to offer the premium version of the note-taking service, which includes greater storage space and uploads as well as other advanced features, to TWM's smart device users for free.
- Launched Super MOD (Multi-media on Demand) service, which was the first in Taiwan to provide high definition on-demand video, audio and interactive applications/contents by combining video on demand (VOD), Internet TV, cable TV and digital TV onto a single platform.



Financial Overview

Result Summary

NT\$m	3Q12			YTD	
	Amount	YoY	% of Forecast	YoY	% of '12 Forecast
Revenue	24,511	13%	94%	25%	71%
Service revenue*	18,009	3%	98%	5%	74%
Cost	(15,411)	23%	92%	35%	70%
Operating expenses	(4,306)	6%	95%	19%	72%
Operating income	4,794	-6%	99%	3%	74%
Net non-oper. items	(39)	-97%	13%	-92%	14%
Income before tax	4,755	23%	105%	14%	77%
Net income	3,911	15%	107%	10%	78%
EPS (NT\$)	1.46	20%	107%	20%	78%
EBITDA	7,227	-4%	98%	3%	74%
EBITDA margin	29.49%				

* Total Revenue deducted momo and handset sales revenues.

Divisional Performance

NT\$bn	Revenue					EBITDA				
	CBG	EBG	HBG	Momo* & Others	Total	CBG	EBG	HBG	momo* & Others	Total
3Q12	15.63	2.63	1.54	4.71	24.51	5.40	0.85	0.81	0.17	7.23
% of total	64%	11%	6%	19%	100%	75%	12%	11%	2%	100%
QoQ	2%	1%	1%	11%	3%	2%	-8%	0%	1%	0%
YoY	8%	5%	3%	NM	13%	-5%	0%	5%	NM	-4%

* momo's financials were included in consolidated P&L since July 13, 2011.



Balance Sheet Analysis

NT\$bn	3Q12	2Q12	3Q11		3Q12	2Q12	3Q11
Total Assets	90.17	90.38	93.22	Liabilities	42.93	47.08	46.56
Current Assets	17.67	17.96	18.85	Current Liabilities	37.43	41.63	37.20
- Cash & Cash Equivalents	5.74	6.13	7.72	- ST Debts	17.39	5.85	14.30
- Available-for-Sale Financial Assets	0.20	0.20	0.22	- Other Current Liabilities	20.04	35.78	22.90
- Inventories	2.30	2.60	1.90	Long-Term Borrowings	4.00	4.00	8.00
- Other Current Assets	9.42	9.03	9.01	Other Liabilities	1.50	1.46	1.37
Investment	2.76	2.22	2.17	Shareholders' Equity	47.24	43.30	46.66
Property and Equipment	39.95	40.11	41.32	- Paid-in Capital	34.21	34.21	34.21
Intangible Assets	27.01	27.25	27.74	- Capital Surplus	12.43	12.43	12.43
Other Assets	2.78	2.84	3.15	- Legal Reserve	18.06	18.06	16.72
				- Special Reserve	0.00	0.00	0.82
	3Q12	2Q12	3Q11	- Un-appropriated Earnings*	1.33	1.33	2.27
Current Ratio	47%	43%	51%	- Retained Earnings & Others	12.29	8.35	11.29
Net Debt (Cash) to Equity	33%	9%	31%	- Treasury Shares	(31.08)	(31.08)	(31.08)
Net Debt (Cash) to EBITDA (x)	0.55	0.13	0.54				
ROE (annualized)	35%	32%	30%				

*:Excluding YTD profits



Cash Flow Analysis

NT\$bn	3Q12	2Q12	3Q11
Operating Cash Flow	5.02	6.38	5.68
Investing Cash Flow	(3.08)	(1.87)	(11.00)
Financing Cash Flow	(2.32)	(4.00)	0.84

NT\$bn	3Q12	2Q12	3Q11
Cash CAPEX	(2.35)	(1.68)	(2.37)
Free Cash Flow	2.66	4.70	3.30



Event updates & Key Message

Board Resolution

- TWM's board meeting today (October 25) approved to issue in tranches unsecured straight corporate bonds with a maximum amount of NT\$16bn and a maximum duration of 7 years.

Award & Recognition

- Awarded for “Excellence in Corporate Social Responsibility” by *CommonWealth* magazine for the sixth year in a row. Taiwan Mobile finished fourth in the large enterprise group and first in the telecommunication services category.



Certain high-profile smartphone product launches are expected in 4Q, which is likely to increase quarterly earnings uncertainties. Nevertheless, healthy service revenue growth and solid results from the first three quarters will provide us the confidence to achieve our full-year guidance.

 Q & A

