



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

4Q09 Results Summary

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Result Summary

Unit: NT\$m

	4Q Actual	4Q Forecast	Execution %	2009 Actual	Execution %
Operating revenue	16,880	17,519	96%	68,470	99%
Cost	(8,062)	(8,272)	97%	(33,195)	102%
Marketing expense	(2,478)	(2,823)	88%	(10,057)	90%
G&A expense	(1,162)	(1,335)	87%	(4,770)	90%
Operating income	5,177	5,088	102%	20,448	101%
Net non-oper. items	(366)	(393)	93%	(1,802)	107%
Income before tax	4,811	4,695	102%	18,646	101%
Net income	3,517	3,521	100%	13,889	100%
EPS (NT\$)	1.17	1.18	99%	4.66	100%
EBITDA	7,428	7,387	101%	29,292	101%
EBITDA margin	44.00%	42.17%		42.78%	

4Q Divisional Performance

NT\$bn	CBG	YoY Chg.	HBG ¹	YoY Chg.	EBG	YoY Chg.	Consolidated	YoY Chg.
Revenue	13.27	-2%	1.37	23%	2.26	-6%	16.88	0%
EBITDA	6.18	2%	0.65	22%	0.58	34%	7.43	6%
EBITDA %	46.6%	1.7pps	47.4%	-0.5pps	25.4%	7.6pps	44.0%	2.5pps

Note:

1. HBG numbers included content business from 2009.

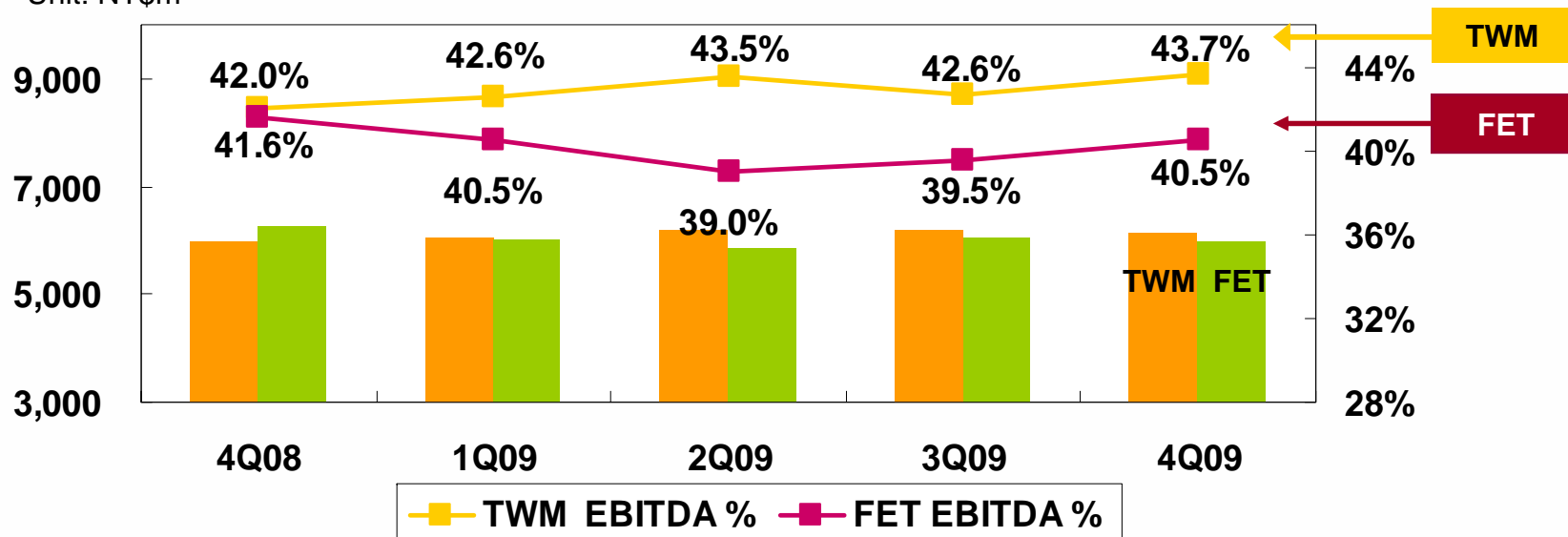
Wireless Peer Comparison

Subs (K)	CHT	FET	TWM	Total
4Q09	9,261*	6,240	6,409	21,911
4Q08	8,947	6,245	6,270	21,463
4Q YoY	3.5%	-0.1%	2.2%	2.1%

*: CHT's 4Q09 number is an estimate, assuming Dec. net adds equal to Nov.

Mobile EBITDA Margin

Unit: NT\$m



NT\$m	CHT		FET		TWM	
	VAS ¹	% of service rev.	VAS	% of service rev.	VAS	% of service rev.
4Q09	2,260	12.7%	1,942	14.4%	1,842	13.4%
4Q08	1,809	10.2%	1,865	13.2%	1,489	10.7%
4Q YoY	25%		4%		24%	
3Q YoY	19%		9%		28%	

1. CHT Dec. VAS revenue is an estimate.

3G post-paid

4Q09	3G Service
3G SIM number ²	3,311K up 48% YoY
3G device adoption	39% of 3G SIMs up 85% YoY
3G data revenue	up 96% YoY

Main VAS drivers

4Q09	YoY Growth
Mobile Internet	54%
% of Total VAS	48%
Data Card Sub Number	1.4x

2. There are another 337K 3G SIM users using pre-paid service.

Cash Flow Analysis

NT\$bn	2009	4Q09	3Q09	4Q08
Operating Cash Flow	23.95	8.06	4.92	7.95
Investing Cash Flow	(6.75)	(1.86)	(1.13)	(2.21)
Financing Cash Flow	(18.07)	(6.00)	(7.49)	(5.62)
Cash CAPEX	(6.67)	(1.83)	(1.25)	(1.91)
Free Cash Flow	17.28	6.23	3.67	6.05

Balance Sheet Analysis

NT\$bn	4Q09	3Q09		4Q09	3Q09
Total Assets	85.90	87.07	Liabilities	33.82	38.46
Current Assets	11.60	11.91	Current Liabilities	24.76	27.16
- Cash & Cash Equivalents	3.00	2.81	- ST Debts	7.60	11.30
- Available-for-Sale Financial Assets	0.18	0.17	- Other Current Liabilities	17.16	15.86
- Other Current Assets	8.42	8.93	Long-Term Borrowings	8.00	10.30
Investment	3.21	3.22	Other Liabilities	1.06	1.00
Property and Equipment	46.54	46.99	Shareholders' Equity	52.08	48.61
Intangible Assets	21.21	21.44	- Paid-in Capital	38.01	38.01
Other Assets	3.33	3.51	- Capital Surplus	12.43	12.43
			- Legal Reserve	13.94	13.94
			- Special Reserve	3.35	3.35
			- Un-appropriated Earnings*	2.27	2.27
			- Retained Earnings & Others	13.97	10.49
	4Q09	3Q09	- Treasury Shares	(31.89)	(31.89)
Interest Coverage (x)	22.7	41.5	*:Excluding YTD profits		
Net Debt to Equity	24%	39%			
Net Debt to EBITDA (x)	0.43	0.64			
ROE (annualized)	28%	30%			

NT\$bn	1Q10	QoQ	YoY
Revenue	17.03	1%	1%
EBITDA	7.00	-6%	-1%
<i>EBITDA Margin</i>	41.1%	<i>-2.9pps</i>	<i>-0.6pps</i>
Operating Income	4.74	-8%	-3%
Assets Write-off	(0.28)	-3%	-41%
Pre-Tax Income	4.49	-7%	3%
Tax Expense	(0.90)	-31%	-18%
Net Income	3.59	2%	10%
EPS (NT\$) ¹	1.20	3%	9%

Note:

1. EPS is based on 2.99bn shares, net of treasury shares.

Kbro Acquisition

- Taiwan Fair Trade Commission (FTC), on December 2, 2009, issued conditional approval for TWM's acquisition of Kbro. Carlyle is still awaiting MOEA's Investment Commission (IC) approval.

Regulations

- Local governments approved the same monthly fee cap for CATV analog programs in 2010 in TWM's operating areas, but a respective 3% and 1% price reduction in Taipei City and Changhua County, Kbro's operating areas.
- NCC announced the second round of mobile tariff cut of 5.87% (CPI-X value) on outgoing SMS and mobile off-net calls, effective on April 1, 2010.

Awards

- Received “Environmental Protection Award” from the Environmental Protection Administration, Executive Yuan; the first awardee from the service industry
- Awarded “The Top Service Awards 2009” from *Next Magazine* for the second consecutive year

New Products and Services

- Promotions of HTC’s Tattoo (Android platform) and HD2 (Windows Mobile platform) in an aim to increase wireless data revenue
- Launched e-book services, which are supported on various models of Java/Android based smart phones

- We were able to meet the 2009 guidance through expense discipline. With a firmer outlook on the economic front for 2010, we still expect to face stiff challenges from regulatory interventions.
- Approval for the acquisition of Carlyle's cable assets is still pending. Before receipt of the approval, we will continue fine-tuning our businesses to meet the challenges.



Q & A

