



Taiwan Mobile
台灣大哥大

Taiwan Mobile Co., Ltd.

4Q13 Results Summary

January 28, 2014

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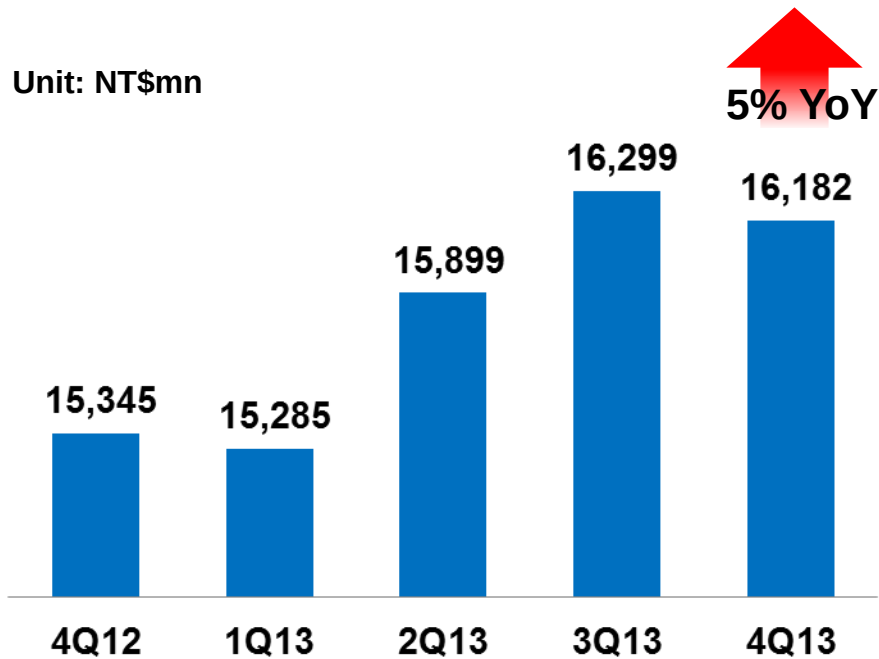
Business Overview

Healthy Mobile Revenue Growth

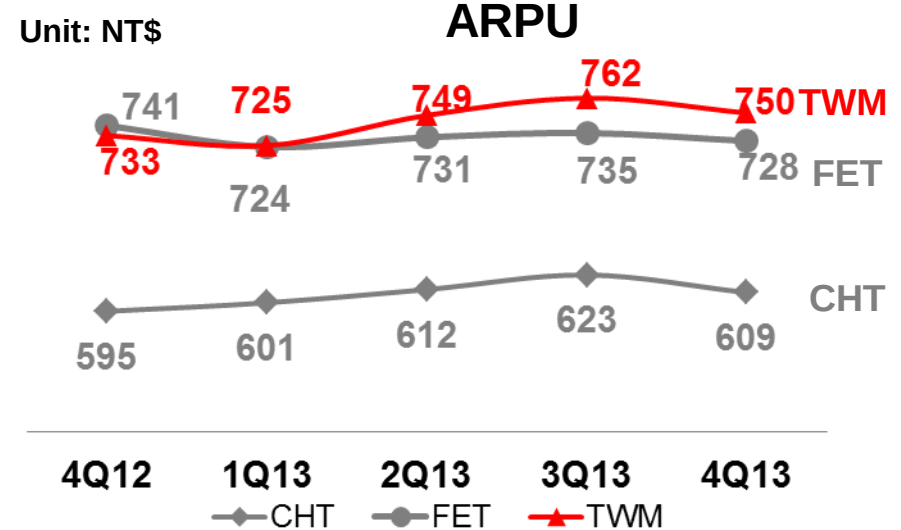
TWM's

Mobile Service Revenue

Unit: NT\$mn



Peer Comparison



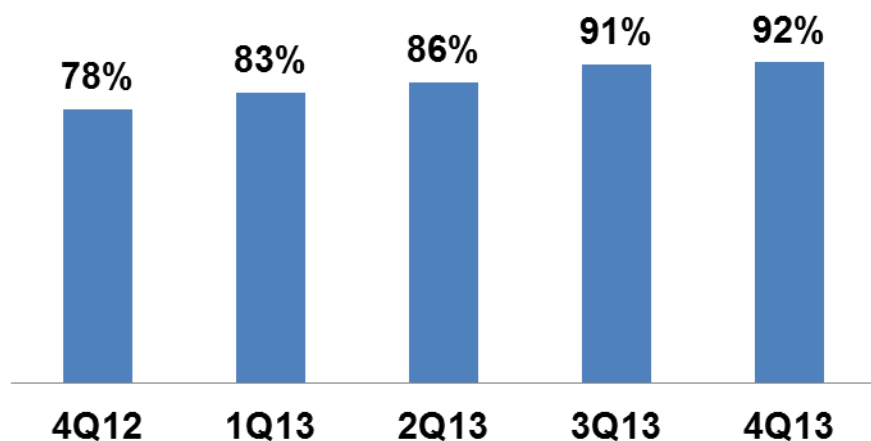
4Q13 YoY	TWM	FET	CHT
Mobile Service Revenue	5%	3%	6%
Voice Revenue	-5%	-8%	-8%
VAS Revenue	27%	24%	39%

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

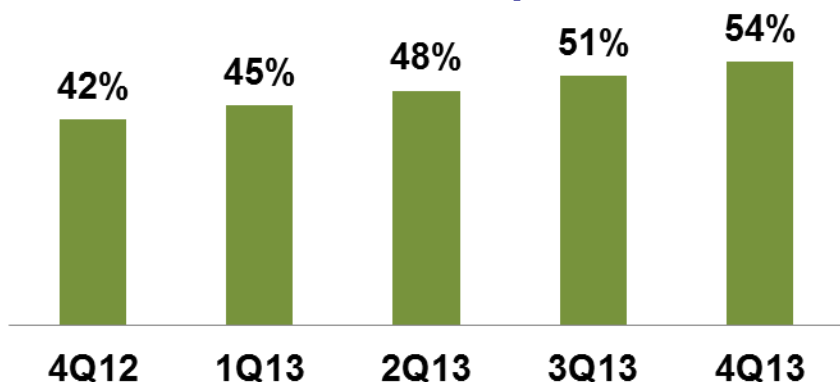


Our Smartphone Strategy

Smartphone as % of total
handsets sold



Mobile data adoption rate



Current Exclusive Models

 Taiwan Mobile	TWM Amazing A1~A7, A3S, A5C, A6S	10
	Grand Duos, Mini, Ace II, Core, Grand Duos 2	6
	One SV, Desire 200, Desire 500, Desire 300	4
	Xperia P, Xperia sola, Xperia ZR	3
	Z10, Q5	2
	Lumia 520, Lumia 720	2
	L4 II	1
 HUAWEI	Ascend P6	1
Total		29

CATV Growth Catalysts

4Q13	Sub base YoY growth	ARPU
Analogue TV	1%	\$493
Cable internet	6%	\$539
DTV	65%	\$138
Blended ARPU *	\$792	+2% YoY

* Calculation based on total cable TV revenue excluding content agency revenue

2GB data pack

Introduced new post-paid data pack for 2GB usage at NT\$299 with 90 days usage period, and the ability to reload back up to 2GB at any time.

Cloud IDC

TWM's green cloud IDC (Internet Data Center) received the ISO 50001 Certification as well as the Uptime Institute Tier III Certification in both the design and construction categories for its stable and efficient energy management.

High speed cable broadband

Launched 120Mbps cable internet services for only NT\$888 a month, which includes complete HD channel selections, "Home Play" multi-screen convergence service and "Super MOD" (Multi-media on Demand) service, all for free.



Financial Overview

Divisional Performance

NT\$bn	Revenue					EBITDA				
	CBG	EBG	HBG	momo	Total	CBG	EBG	HBG	momo	Total
2013	71.20	10.73	6.24	21.28	109.14	22.95	3.75	3.28	0.83	30.80
% of total	65%	10%	6%	19%	100%	75%	12%	11%	3%	100%
YoY	8%	3%	2%	20%	9%	0%	9%	1%	2%	1%

Note: The combined total of CBG, EBG, HBG and momo does not equal the consolidated total of each account due to minor adjustments and eliminations.

Results Summary

NT\$mn	2013		
	Amount	YoY	% of Forecast
Revenue	109,143	9%	97%
Cost	(70,033)	14%	96%
Operating expenses	(18,315)	6%	97%
Operating income	20,795	0%	102%
Net non-oper. items	(1,676)	99%	118%
Income before tax	19,119	-4%	101%
Net income	15,583	-5%	101%
EPS (NT\$)	5.79	-5%	101%
EBITDA	30,797	1%	101%
EBITDA margin	28.22%		

Balance Sheet Analysis

NT\$bn	4Q13 IFRS	3Q13 IFRS	4Q12 IFRS		4Q13 IFRS	3Q13 IFRS	4Q12 IFRS
Total Assets	138.35	109.35	100.39	Liabilities	79.83	54.49	42.75
Current Assets	29.49	28.86	23.77	Current Liabilities	58.61	35.41	29.93
- Cash & Cash Equivalents	7.95	7.79	6.19	- ST Debts	34.00	12.73	7.16
- Accounts Receivable	14.63	14.20	12.13	- Other Current Liabilities	24.60	22.69	22.77
- Inventories	3.78	3.15	2.57	Non-Current Liabilities	21.23	19.08	12.82
- Other Current Assets	3.12	3.72	2.88	- Long-Term Borrowings	16.79	14.79	9.00
Non-current Assets	108.86	80.49	76.62	- Deferred Income Tax Liability	2.60	2.49	2.12
- Long-term Investment	4.19	4.20	3.06	- Other Non-current Liabilities	1.83	1.80	1.70
- Property and Equipment	42.99	42.52	40.74				
- Other Non-current Assets	61.69	33.77	32.82	Shareholders' Equity	58.52	54.86	57.64
				- Paid-in Capital	34.21	34.21	34.21
				- Capital Surplus	12.46	12.43	12.43
				- Legal Reserve	19.26	19.26	18.06
Current Ratio	50%	81%	79%	- Un-appropriated Earnings	6.61	6.61	7.91
Net Debt to Equity	73%	36%	17%	- Treasury Shares	(31.08)	(31.08)	(31.08)
Net Debt to EBITDA (x)	1.39	0.65	0.33	- Retained Earnings & Others*	17.06	13.42	16.10
ROE (annualized)	25%	32%	28%				

* Including accumulated profits, minority interests and other equity items

Cash Flow Analysis

NT\$bn	4Q13	3Q13	2013	2012
Operating Cash Flow	7.58	5.93	24.83	25.98
Investing Cash Flow	(30.40)	(2.57)	(42.35)	(10.23)
Financing Cash Flow	22.98	(6.86)	19.27	(16.13)

NT\$bn	4Q13	3Q13	2013	2012
Cash CAPEX	(2.67)	(2.67)	(11.98)	(8.29)
Free Cash Flow	4.91	3.26	12.85	17.69



Business Outlook & Event Updates

1Q14 Guidance

NT\$bn	1Q14	1Q13	YoY
Revenue	27.98	26.56	5%
EBITDA	7.46	7.46	0%
Operating Income	4.82	4.99	-3%
Non-operating expense	0.07	0.28	-74%
Net Income	3.91	3.81	3%
EPS (NT\$)	1.45	1.42	3%

Maintaining EBITDA stability for our telecom operations will be management's top focus this year. Separately, we expect profit additions from momo and much less non-operating expenses in 2014. Nonetheless, a D&A rise in the wake of the LTE service launch would affect short-term earnings.

Capex Guidance

The board today (January 28, 2014) approved a NT\$12.8bn capex for 2014, lower than the NT\$15.1bn expenditure budget in 2013, due to reductions in 3G expenditure expected to be larger than rises in 4G capex.

Regulatory Update

TWM is one of the first two operators to have received approval from the NCC to apply for the 4G network roll-out.

Awards and Recognition

- Received “2013 Taiwan Corporate Sustainability Awards - Excellence in Telecom Sector” as well as “Role Model Award for Community Service and Outreach” from the Taiwan Institute for Sustainable Energy Research.
- The Company (comprising of its office buildings, internet data centers, base stations and company stores) achieved the ISO 14064-1 standard for greenhouse gas (GHG) emissions and removals as well as received the ISO 50001 certification for energy management.
- Awarded "2013 Most Prestigious Company in Taiwan" by *CommonWealth* magazine, ranking No.1 in the telecom sector.



Q & A

