



Taiwan Mobile
台湾大哥大

Taiwan Mobile Co., Ltd.

1Q15 Results Summary

April 30, 2015

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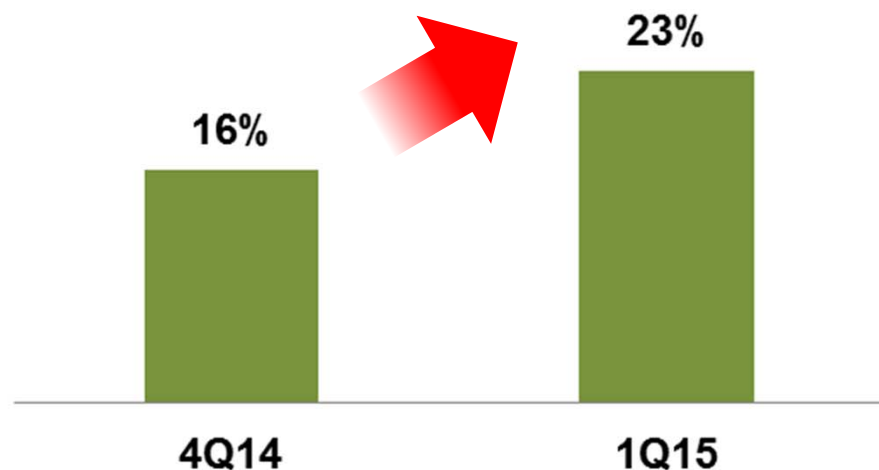


Business Overview

Continuous 4G Business Expansion

4G User Penetration Rate

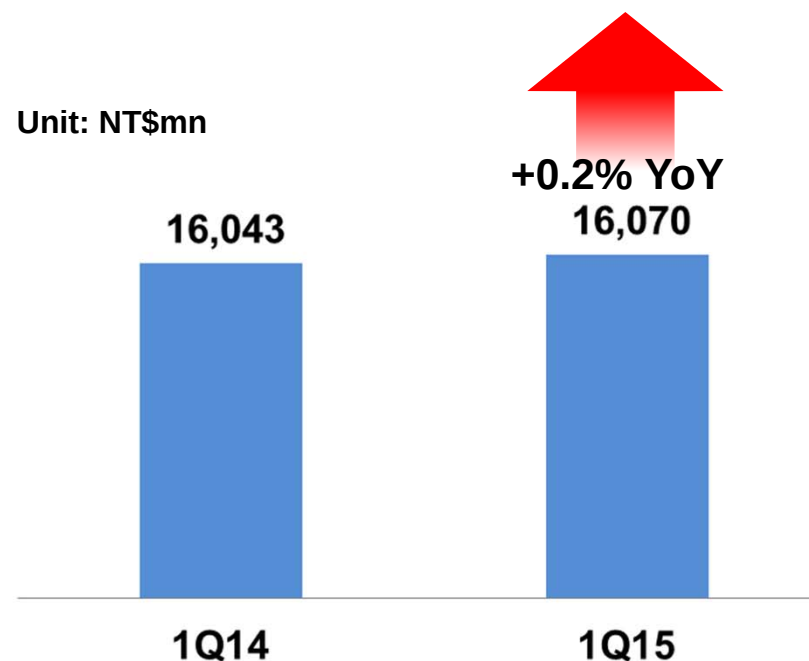
- 4G postpaid user number as % of postpaid installed base



Mobile Service Revenue¹

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

Unit: NT\$m



Note 1: Adjusting for a higher base of mobile game revenue in 1Q14, our mobile service revenue would have grown 1% YoY in 1Q15.



Steady Growth in the CATV Business

1Q15	Sub base YoY growth	ARPU
Analogue TV	1%	\$494
Cable Internet	6%	\$545
DTV	27%	\$133

Blended ARPU *	\$810	+2% YoY
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* Calculation based on total cable TV revenue excluding content agency revenue



Brisk Performance in the E-Commerce Business

momo (Unit: NT\$bn)	1Q15	1Q14	YoY
Total Revenue	6.26	5.66	11%
- Online Shopping	4.07	3.35	21%
- TV Home Shopping & Others	2.19	2.31	-5%
EBITDA	0.33	0.32	4%
EBITDA margin	5.2%	5.6%	-0.3ppts



Financial Overview



Results Summary

NT\$m	1Q15			
	Amount	YoY	QoQ	% of Forecast
Revenue	29,718	7%	-2%	98%
Cost	(20,980)	17%	-2%	99%
Operating expense	(4,397)	-5%	-5%	92%
Operating income	4,341	-15%	5%	100%
Net non-oper. items	(194)	508%	186%	103%
Income before tax	4,146	-18%	2%	99%
Net income	3,813	-7%	25%	113%
EPS (NT\$)	1.40	-8%	26%	114%
EBITDA	7,594	-2%	5%	98%
EBITDA margin	25.55%			



Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
1Q15	21.73	1.62	6.26	29.72	6.33	0.89	0.33	7.59
% of total	73%	5%	21%	100%	83%	12%	4%	100%
1Q15 YoY	6%	3%	11%	7%	-4%	3%	4%	-2%
4Q14 YoY	4%	2%	13%	6%	-8%	6%	29%	-5%

Note: The combined total of telecom, CATV and momo does not equal the consolidated total of each account due to other revenue and minor adjustments / eliminations.



Balance Sheet Analysis

NT\$bn	1Q15	4Q14	1Q14		1Q15	4Q14	1Q14
Total Assets	157.23	153.54	142.93	Liabilities	87.10	87.04	78.52
Current Assets	33.29	32.83	28.54	Current Liabilities	56.12	53.47	49.62
- Cash & Cash Equivalents	8.22	7.90	8.18	- ST Debts	30.99	26.70	25.55
- Accounts Receivable	15.03	15.02	14.15	- Other Current Liabilities	25.13	26.77	24.06
- Inventories	3.25	3.21	2.94	Non-Current Liabilities	30.98	33.57	28.91
- Other Current Assets	6.79	6.69	3.28	- Long-Term Borrowings	25.42	27.98	23.08
Non-current Assets	123.94	120.70	114.39	- Other Non-current Liabilities	5.55	5.59	5.83
- Long-term Investment	4.77	5.07	2.47				
- Property and Equipment	47.18	47.07	42.81				
- Concession	42.30	39.10	40.02	Shareholders' Equity	70.13	66.50	64.41
- Other Non-current Assets	29.69	29.46	29.09	- Paid-in Capital	34.21	34.21	34.21
				- Capital Surplus	14.72	14.72	12.48
				- Legal Reserve	21.54	21.54	19.26
				- Un-appropriated Earnings	4.83	4.83	6.61
Current Ratio	59%	61%	58%	- Treasury Shares	(29.72)	(29.72)	(31.08)
Net Debt to Equity	69%	70%	63%	- Non-controlling Interest	6.36	6.25	3.05
Net Debt to EBITDA (x)	1.47	1.49	1.30	- Retained Earnings & Others*	18.20	14.67	19.89
ROE (annualized)	24%	20%	27%				

* Including accumulated profits and other equity items



Cash Flow Analysis

NT\$bn	1Q15	4Q14	1Q14
Operating Cash Flow	5.38	7.23	6.84
Investing Cash Flow	(6.68)	(10.23)	(0.99)
Financing Cash Flow	1.62	3.90	(5.63)

NT\$bn	1Q15	4Q14	1Q14
Cash CAPEX	(3.29)	(4.07)	(2.27)
Free Cash Flow	2.09	3.16	4.57



Event Updates

2014 Earnings Distribution

TWM's board meeting today (April 30, 2015) approved a proposal to distribute NT\$15.24bn in cash dividends, translating into a 102% payout to shareholders. Dividend per share is NT\$5.6 on 2.72bn shares, excluding treasury shares held by 100%-owned subsidiaries.

Regulatory Update

With FET's early return of part of its 2G spectrum approved by the NCC on March 25, 2015, TWM will have another 5MHz x 2 spectrum on 1800MHz for LTE use according to the Mobile Broadband Regulation. As such, TWM will utilize CA (Carrier Aggregation) technology on its current total available spectrum of 30MHz x 2 (20MHz x 2 and 10MHz x 2 on the 700 and 1800 frequency bands, respectively) and provide 210Mbps theoretical download speed, the fastest among peers.

Awards and Recognition

- Received honors in the categories of Taiwan's Best Managed Public Companies, Best Corporate Governance, Best Investor Relations and Best Committed to Paying Good Dividends in *FinanceAsia* magazine's 2015 Asia's Best Companies Poll.
- TWM's 4G download speed ranked No. 1 in speed tests independently conducted by both *Apple Daily* and *Next Magazine**.
- Outperformed peers by delivering the fastest 3G download speed in 12 counties/cities out of 22 total according to the results of an NCC speed test announced on March 4, 2015.
- TWM's 3G/4G network won highest customer satisfaction in a survey conducted by Insightxplorer Market Research.

* For details, refer to the *Apple Daily*'s report dated on March 2, 2015 and *Next Magazine*'s report dated on October 23, 2014.



Taiwan Mobile is committed to enhancing shareholder returns, evidenced by the board's resolution to maintain a stable DPS in 2015. Steady expansions in the 4G revenue streams will continue to absorb the high 4G start-up costs. The company saw a sequential improvement in EBITDA in 1Q15. Nonetheless, the speed of profitability enhancement will hinge on when the industry will have a structural change in 4G pricing.



Q & A