Taiwan Mobile Co., Ltd.

4Q10 Results Summary

January 27, 2011

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Result Summary

Unit: NT$m

	4Q10 Actual	YoY	Execution %	2010 Actual	YoY
Operating revenue	17,900	6%	101%	70,146	2%
Operating cost	(10,333)	28%	104%	(38,162)	15%
Marketing expense	(2,344)	-5%	91%	(9,160)	-9%
G&A expense	(1,132)	-3%	98%	(4,516)	-5%
Operating income	4,092	-21%	100%	18,308	-10%
Net non-oper. items	(81)	-78%	49%	(1,206)	-33%
Income before tax	4,011	-17%	102%	17,101	-8%
Net income	3,187	-9%	101%	13,822	0%
EPS (NT$)	1.06	-9%	100%	4.62	-1%
EBITDA	6,366	-14%	100%	27,465	-6%
EBITDA margin	35.56%	-8.44pps		39.15%	-3.63pps

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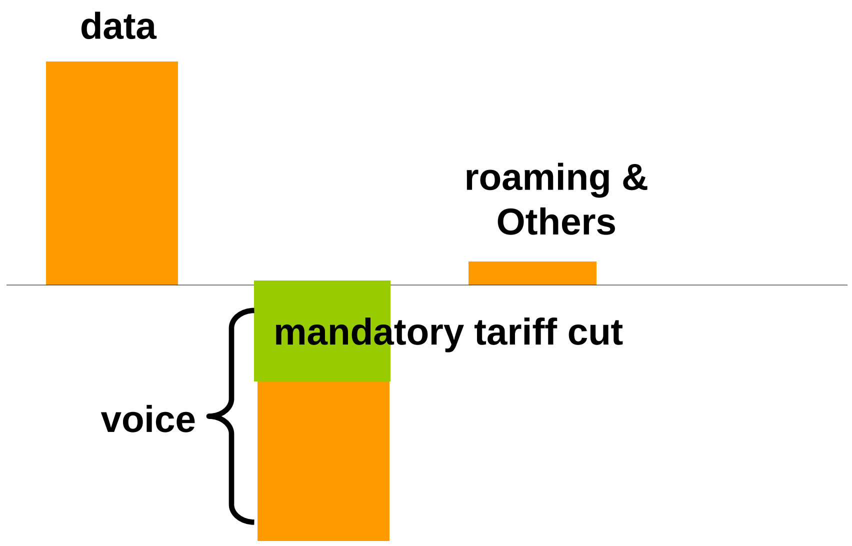
Divisional Performance

NT$bn	Revenue				EBITDA			
	CBG	HBG	EBG	Total	CBG	HBG	EBG	Total
4Q	14.0	1.5	2.4	17.9	5.0	0.7	0.6	6.4
YoY	6%	7%	7%	6%	-19%	12%	4%	-14%
QoQ	2%	2%	-2%	1%	-9%	3%	1%	-7%
2010	55.0	5.7	9.5	70.1	22.3	2.8	2.3	27.5
YoY	2%	7%	2%	2%	-10%	12%	11%	-6%

Robust Wireless Data Growth

Mobile Service Revenue

YoY Change in 2010



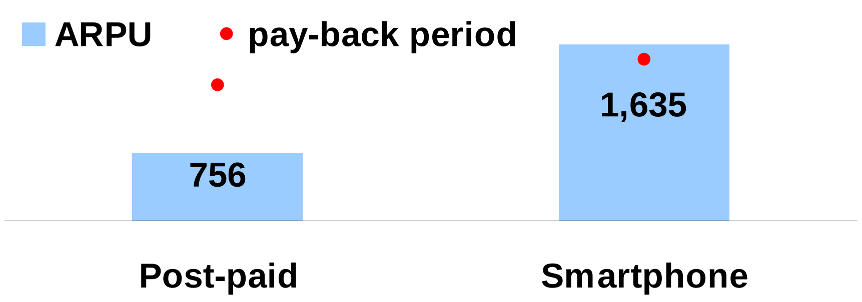
ARPU Comparison - 2010

Data Business - 2010

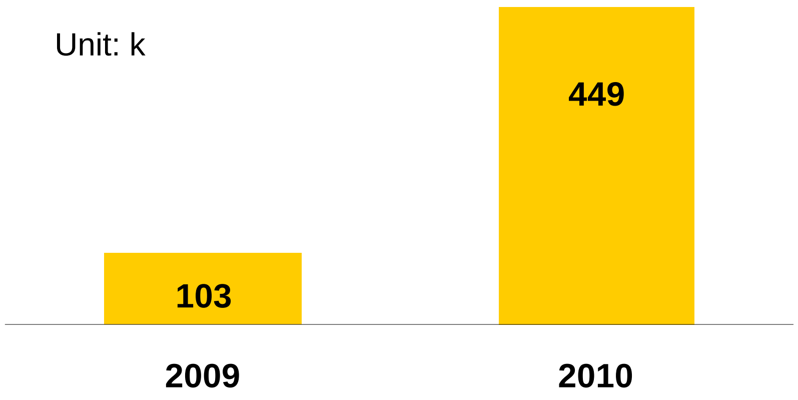
NT$: bn	CHT	FET	TWM
Data revenue	11.05	8.93	8.67
% of service revenue	15%	16%	16%
Data rev. YoY	31%	15%	26%

Our Smartphone Strategy

Contribution comparison in 2010



Smartphone sales volume



Products introduced in 4Q10

HTC Desire HD | HTC HD7 | BB Torch | Nokia N8 | Samsung Galaxy Tab

Price of NT$15,000

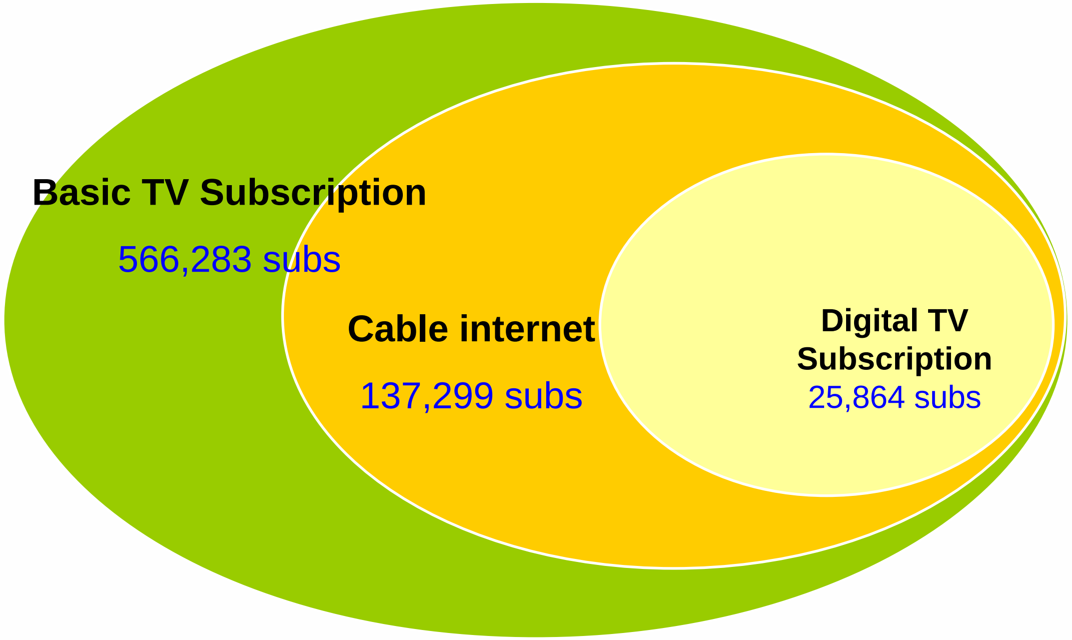
Moto DEFY

Price of NT$8,999

SE X8

TWM MyPad P1

CATV Growth Catalysts



2010	Sub no. growth	ARPU
Analogue TV	3%	510
Cable internet	20%	504
DTV	258%	187

Blended ARPU	726, +5% YoY

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Cash Flow Analysis

NT$bn	4Q10	3Q10	2010	2009
Operating Cash Flow	7.63	5.78	25.99	23.95
Investing Cash Flow	(1.53)	(1.82)	(6.32)	(6.75)
Financing Cash Flow	(2.80)	(7.08)	(16.63)	(18.06)

NT$bn	4Q10	3Q10	2010	2009
Cash CAPEX	(1.40)	(1.97)	(6.20)	(6.67)
Free Cash Flow	6.23	3.81	19.80	17.28

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Balance Sheet Analysis

NT$bn	4Q10	4Q09
Total Assets	**85.48**	**85.89**
Current Assets	15.24	11.56
- Cash & Cash Equivalents	6.05	3.00
- Available-for-Sale Financial Assets	0.20	0.18
- Other Current Assets	8.99	8.39
Investment	3.20	3.21
Property and Equipment	43.61	46.54
Intangible Assets	20.35	21.21
Other Assets	3.08	3.35

	4Q10	4Q09
Liabilities	**34.58**	**33.80**
Current Liabilities	23.23	24.75
- ST Debts	3.70	7.60
- Other Current Liabilities	19.53	17.15
Long-Term Borrowings	10.30	8.00
Other Liabilities	1.05	1.06
Shareholders' Equity	**50.90**	**52.08**
- Paid-in Capital	38.01	38.01
- Capital Surplus	12.43	12.43
- Legal Reserve	15.33	13.94
- Special Reserve	0.82	3.35
- Un-appropriated Earnings*	2.27	2.27
- Retained Earnings & Others	13.93	13.97
- Treasury Shares	(31.89)	(31.89)

*:Excluding YTD profits

	4Q10	4Q09
Interest Coverage (x)	49.1	22.7
Net Debt to Equity	16%	24%
Net Debt to EBITDA (x)	0.29	0.43
ROE (annualized)	26%	28%

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2011 Forecast

NT$bn	2011	2010	YoY
Revenue	**73.96**	**70.15**	**5%**
EBITDA	**25.77**	**27.46**	**-6%**
EBITDA Margin	***34.85%***	***39.15%***	***-4.31pps***
Operating Income	**16.29**	**18.31**	**-11%**
Assets Write-off	**(0.61)**	**(1.47)**	**-58%**
Pre-Tax Income	**15.76**	**17.10**	**-8%**
Tax Expense	**(2.68)**	**(3.28)**	**-18%**
Net Income	**13.08**	**13.82**	**-5%**
EPS (NT$)[1]	**4.57**	**4.62**	**-1%**

1. 2011 EPS is based on weighted average share counts of 2.86bn, to reflect 10% capital reduction, effective Aug. 2011. 2010 EPS is based on 2.99bn shares.

Event update

2011 Capex

2011 capex guidance of NT$6.4bn, consisted of NT$4.6bn in mobile, NT$1.2bn in fixed-line, and NT$0.6bn in cable TV operations.

Management Change

Announced the appointment of George C. Chou as President of TFN, Rosie Yu as CFO of TWM and Steve HS Wang as acting CTO

Regulatory Update

On January 1, 2011, the pricing right of fixed-to-mobile (F2M) calls has been returned to fixed-line service providers from mobile players. Separately, with the benefit of the consumer in mind, NCC has regulated a gradual reduction of the amount consumers pay for F2M calls. Accordingly, both the tariff that fixed-line service providers can receive and the interconnection revenue mobile operators can generate will decrease gradually from the end of 2010 to the end of 2016.

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Event update – Cont'd

Awards

- Awarded for the fourth time "Best Corporate Governance Award" from *Euromoney*
- Received "Environmental Protection Award" from the Environmental Protection Administration, Executive Yuan, two years in a row
- TWM's "match" mobile internet service was awarded the "Outstanding I.T. Applications/Products Award" at the 2010 ICT Exhibition

New Products and Services

- TWM completed an integrated platform to launch a pioneering digital convergence service "4 screens and a cloud" , which includes "my Photo", "ezPeer (on-line music) " and the "Connect TV service" (surfing internet on TV by simply using a remote control), ahead of peers in 1Q11.
- Due to the popularity of iPad and tablet products, TWM has introduced its own brand tablet PC, "myPad P1", to establish a market foothold.

Key message

Our growth strategy of wireless data starts to pay off in 2011. Regulatory intervention, however, will weigh on our mobile operations this year. But, comparatively, our 21% EBITDA contribution from cable TV and fixed network will mitigate the impact to a certain degree. Our commitment to growth to both minimize earnings fluctuations and enhance shareholder returns will continue.

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Q & A