



FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES  
**CONSOLIDATED INCOME STATEMENT**  
 3Q 2008 AND 2Q, 3Q 2009  
 (In Million New Taiwan Dollars)

	2Q 2009		3Q 2009		QoQ %		3Q 2008		YoY %	
		% of Sales		% of Sales	Change	%		% of Sales	Change	%
Equipment Revenue	1,334	9	1,389	9	56	4	1,301	8	88	7
Service Revenue	13,714	91	13,969	91	255	2	14,439	92	(470)	-3
Total Operating Revenue	15,048	100	15,358	100	310	2	15,740	100	(382)	-2
Cost of Good Sold	8,483	56	8,482	55	(1)	0	8,455	54	27	0
Gross Profit	6,565	44	6,876	45	311	5	7,285	46	(409)	-6
Operating Expenses										
Selling and Marketing Expenses	2,610	17	2,526	16	(83)	-3	2,496	16	30	1
General and administrative	1,011	7	1,104	7	93	9	983	6	121	12
Research and development	24	0	30	0	6	26	40	0	(9)	-24
Operating Income	2,920	19	3,215	21	295	10	3,765	24	(550)	-15
EBITDA	5,870	39	6,064	39	194	3	6,674	42	(611)	-9
EBITDA Margin (%)	39		39				42			
Service EBITDA Margin (%)	44		45				47			
Net Non Operating Income (Loss)	119	1	(98)	(1)	(217)	-183	(319)	(2)	221	-69
Consolidated Earnings before Income Tax	3,039	20	3,117	20	78	3	3,447	22	(330)	-10
Income Tax Expense	753	5	771	5	18	2	851	5	(81)	-9
Consolidated Income before Minority Interest	2,287	15	2,347	15	60	3	2,596	16	(249)	-10
Minority Interest	22	0	24	0	2	11	33	0	(9)	-27
Net Income	2,308	15	2,371	15	62	3	2,629	17	(258)	-10
EPS-- 3,259 mn shrs (NT\$)	0.71		0.73		0.02	3	0.81		(0.08)	-10

Note: (1) All figures are based on audited draft.

(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEx.com, KGT International Holdings, E. Word (Holdings) Ltd, Far Eastern Info Service (Holding) Ltd.



FAR EASTONE TELECOMMUNICATIONS CO., LTD.  
 CONSOLIDATED BALANCE SHEET  
 End 3Q 2008 AND End 2Q, 3Q 2009  
 (In million New Taiwan Dollars)

Assets	2Q 2009		3Q 2009		QoQ		3Q 2008		YoY	
		%		%	Change	%		%	Change	%
Cash, and Cash Equivalents	11,294	13	7,017	8	(4,277)	(38)	6,375	7	642	10
Accounts Receivable	6,262	7	6,181	7	(82)	(1)	6,525	7	(344)	(5)
Prepaid Expenses	583	1	742	1	158	1	822	1	(80)	(10)
Other Current Assets	4,451	5	4,086	5	(365)	(3)	3,575	4	511	14
<b>Total Current Assets</b>	<b>22,591</b>	<b>25</b>	<b>18,025</b>	<b>21</b>	<b>(4,565)</b>	<b>(40)</b>	<b>17,296</b>	<b>20</b>	<b>729</b>	<b>4</b>
Long Term Investment	6,467	7	6,712	8	245	2	6,258	7	454	7
Properties	132,691	148	134,535	160	1,844	16	128,718	146	5,816	5
Less Accumulated Depreciation	94,362	105	96,540	115	2,179	19	87,255	99	9,285	11
Construction in Progress and Advance Equip.	3,579	4	2,720	3	(859)	(8)	4,032	5	(1,311)	(33)
Net Properties	41,908	47	40,714	48	(1,193)	(11)	45,494	52	(4,780)	(11)
Other Assets	18,938	21	18,652	22	(286)	(3)	19,161	22	(509)	(3)
<b>Total Assets</b>	<b>89,904</b>	<b>100</b>	<b>84,104</b>	<b>100</b>	<b>(5,800)</b>	<b>(51)</b>	<b>88,210</b>	<b>100</b>	<b>(4,106)</b>	<b>(5)</b>
Short Term Debts	451	1	1,310	2	859	8	4,443	5	(3,134)	(71)
Accounts Payable and Other Payables	14,601	16	5,636	7	(8,965)	(79)	4,550	5	1,086	24
Accrued Expenses and Other Current Liabilities	5,795	6	5,500	7	(295)	(3)	7,011	8	(1,510)	(22)
Current Portion of Long Term Liabilities	238	0	229	0	(10)	(0)	1,200	1	(971)	(81)
Total Current Liabilities	21,085	23	12,674	15	(8,411)	(74)	17,205	20	(4,530)	(26)
Long Term Liabilities	0	0	0	0	0	0	179	0	(179)	(100)
Other Long Term payable	0	0	0	0	0	0	8	0	(8)	(100)
Total Long Term Liabilities	0	0	0	0	0	0	187	0	(187)	(100)
Other Liabilities	1,062	1	1,313	2	251	2	833	1	480	58
<b>Total Liabilities</b>	<b>22,147</b>	<b>25</b>	<b>13,987</b>	<b>17</b>	<b>(8,160)</b>	<b>(72)</b>	<b>18,224</b>	<b>21</b>	<b>(4,237)</b>	<b>(23)</b>
Capital Stock	32,585	36	32,585	39	0	0	32,585	37	0	0
Capital Stock to be Issued	0	0	0	0	0	0	0	0	0	0
Capital Surplus	19,487	22	19,487	23	0	0	19,487	22	0	0
Legal Reserve	9,067	10	9,067	11	0	0	8,051	9	1,016	13
Retain Earnings	5,664	6	8,035	10	2,371	21	8,879	10	(844)	(10)
Cumulative Translation Adjustments	74	0	91	0	17	0	(8)	(0)	99	(1,243)
Minority Interest	879	1	851	1	(27)	(0)	992	1	(140)	(14)
<b>Total Shareholder's Equity</b>	<b>67,757</b>	<b>75</b>	<b>70,116</b>	<b>83</b>	<b>2,360</b>	<b>21</b>	<b>69,986</b>	<b>79</b>	<b>131</b>	<b>0</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>89,904</b>	<b>100</b>	<b>84,104</b>	<b>100</b>	<b>(5,800)</b>	<b>(51)</b>	<b>88,210</b>	<b>100</b>	<b>(4,106)</b>	<b>(5)</b>

Note: (1) All figures are based on audited draft.

(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEx.com, KGT International Holdings, E. Word (Holdings) Ltd, Far Eastern Info Service (Holding) Ltd.



**FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**3-4Q 2008 AND 1-3Q 2009**  
**(In Million New Taiwan Dollars)**

	<u>3Q 2008</u>	<u>4Q 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>
Consolidated net income	2,596	2,279	2,271	2,287	2,347
Depreciation and amortization (excluding 3G concession)	2,727	2,735	2,764	2,767	2,666
Amortization of 3G concession	183	183	183	183	183
Other cash provided by / (used in) operation	-550	1,796	1,096	-1,097	-940
<b><u>Net cash provided by / (used in) operating activities</u></b>	<b><u>4,954</u></b>	<b><u>6,992</u></b>	<b><u>6,314</u></b>	<b><u>4,139</u></b>	<b><u>4,255</u></b>
Capex	2,322	2,363	1,575	1,691	1,559
% of service revenue	16	17	12	12	11
<b><u>Free Cash Flow</u></b>	<b><u>2,633</u></b>	<b><u>4,629</u></b>	<b><u>4,739</u></b>	<b><u>2,448</u></b>	<b><u>2,696</u></b>

- Note:** (1) All figures are based on audited draft.  
(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEEx.com, KGT International Holdings, E. Word  
(3) Free Cash Flow = Operation Cash Flow - Capex