



FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
 1Q 2010 AND 1Q, 4Q 2009
 (In Million New Taiwan Dollars)

	4Q 2009		1Q 2010		QoQ %		1Q 2009		YoY %	
		% of Sales		% of Sales	Change	%		% of Sales	Change	%
Equipment Revenue	1,252	8	1,417	10	165	13	1,250	8	167	13
Service Revenue	13,523	92	13,298	90	(225)	-2	13,631	92	(333)	-2
Total Operating Revenue	14,775	100	14,715	100	(60)	0	14,881	100	(167)	-1
Cost of Good Sold	8,104	55	8,185	56	81	1	8,252	55	(67)	-1
Gross Profit	6,671	45	6,529	44	(142)	-2	6,629	45	(100)	-2
Operating Expenses	3,461		3,419				3,543			
Selling and Marketing Expenses	1,927	13	2,282	16	355	18	2,447	16	(165)	-7
General and administrative	1,508	10	1,122	8	(386)	-26	1,072	7	50	5
Research and development	26	0	14	0	(11)	-44	24	0	(10)	-40
Operating Income	3,210	22	3,110	21	(100)	-3	3,086	21	24	1
EBITDA	5,977	40	5,806	39	(171)	-3	6,033	41	(227)	-4
EBITDA Margin (%)	40		39				41			
Service EBITDA Margin (%)	46		46				46			
Net Non Operating Income (Loss)	(238)	(2)	(192)	(1)	46	-19	(64)	(0)	(128)	198
Consolidated Earnings before Income Tax	2,972	20	2,918	20	(54)	-2	3,022	20	(103)	-3
Income Tax Expense	741	5	601	4	(140)	-19	751	5	(150)	-20
Consolidated Income before Minority Interest	2,231	15	2,318	16	87	4	2,271	15	47	2
Minority Interest	19	0	2	0	(17)	-90	30	0	(28)	-94
Net Income	2,250	15	2,320	16	70	3	2,301	15	19	1
EPS-- 3,259 mn shrs (NT\$)	0.69		0.71		0.02	3	0.71		0.01	1

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 1Q 2010 AND End 1Q, 4Q 2009
 (In million New Taiwan Dollars)

Assets	4Q 2009		1Q 2010		QoQ		1Q 2009		YoY	
		%		%	Change	%		%	Change	%
Cash, and Cash Equivalents (include. ST invest)	12,217	14	15,925	18	3,708	30	11,482	13	4,443	39
Accounts Receivable	5,569	6	5,402	6	(167)	(1)	5,940	7	(538)	(9)
Prepaid Expenses	588	1	716	1	128	1	609	1	108	18
Other Current Assets	2,693	3	3,018	3	325	3	2,449	3	569	23
Total Current Assets	21,067	24	25,061	28	3,994	33	20,479	23	4,582	22
Long Term Investment	6,692	8	6,707	7	14	0	6,411	7	296	5
Properties	135,426	157	135,949	152	523	4	130,810	146	5,139	4
Less Accumulated Depreciation	98,439	114	100,478	112	2,038	17	91,807	102	8,671	9
Construction in Progress and Advance Equip.	3,321	4	4,196	5	875	7	4,561	5	(365)	(8)
Net Properties	40,308	47	39,667	44	(641)	(5)	43,565	49	(3,898)	(9)
	0		0				0			
Other Assets	18,402	21	18,159	20	(242)	(2)	19,158	21	(999)	(5)
Total Assets	86,468	100	89,594	100	3,126	26	89,613	100	(19)	(0)
Short Term Debts	717	1	702	1	(14)	(0)	531	1	171	32
Accounts Payable and Other Payables	6,088	7	7,184	8	1,096	9	7,844	9	(660)	(8)
Accrued Expenses and Other Current Liabilities	5,544	6	5,214	6	(330)	(3)	5,299	6	(85)	(2)
Current Portion of Long Term Liabilities	19	0	0	0	(19)	(0)	238	0	(238)	(100)
Total Current Liabilities	12,368	14	13,100	15	732	6	13,913	16	(813)	(6)
Long Term Liabilities	200	0	200	0	0	0	10	0	190	2,000
Other Long Term payable	0	0	0	0	0	0	0	0	0	0
Total Long Term Liabilities	200	0	200	0	0	0	10	0	190	2,000
Other Liabilities	1,526	2	1,595	2	69	1	1,119	1	476	43
Total Liabilities	14,093	16	14,895	17	801	7	15,041	17	(146)	(1)
Capital Stock	32,585	38	32,585	36	0	0	32,585	36	0	0
Capital Stock to be Issued	0	0	0	0	0	0	0	0	0	0
Capital Surplus	19,487	23	19,487	22	0	0	19,487	22	0	0
Legal Reserve	9,067	10	9,067	10	0	0	8,051	9	1,016	13
Retain Earnings	10,285	12	12,605	14	2,320	19	13,496	15	(891)	(7)
Cumulative Translation Adjustments	118	0	125	0	6	0	52	0	73	140
Minority Interest	833	1	831	1	(2)	(0)	901	1	(70)	(8)
Total Shareholder's Equity	72,375	84	74,699	83	2,324	19	74,572	83	128	0
Total Liabilities and Shareholder's Equity	86,468	100	89,594	100	3,126	26	89,613	100	(19)	(0)

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FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
4Q 2008 AND 1-4Q 2009 AND 1Q 2010
(In Million New Taiwan Dollars)

	<u>4Q 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>	<u>4Q 2009</u>	<u>1Q 2010</u>
Consolidated net income	2,279	2,271	2,287	2,347	2,231	2,320
Depreciation and amortization (excluding 3G	2,735	2,764	2,767	2,666	2,585	2,513
Amortization of 3G concession	183	183	183	183	183	183
Other cash provided by / (used in) operation	<u>1,796</u>	<u>1,096</u>	<u>-1,097</u>	<u>-940</u>	<u>2,248</u>	<u>868</u>
<u>Net cash provided by / (used in) operating activities</u>	<u>6,992</u>	<u>6,314</u>	<u>4,139</u>	<u>4,255</u>	<u>7,246</u>	<u>5,883</u>
Capex	2,363	1,575	1,691	1,559	1,586	2,145
% of service revenue	17	12	12	11	12	16
<u>Free Cash Flow</u>	<u>4,629</u>	<u>4,739</u>	<u>2,448</u>	<u>2,696</u>	<u>5,660</u>	<u>3,739</u>

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(3) Free Cash Flow = Operation Cash Flow - Capex