

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
 1Q, 4Q 2007 AND 1Q 2008
 (In Million New Taiwan Dollars)

	1Q 2008		4Q 2007		QoQ %		1Q 2007		YoY %	
		% of Sales		% of Sales	Change	%		% of Sales	Change	%
Equipment Revenue	1,526	10	1,703	10	(177)	-10	1,318	8	208	16
Service Revenue	14,331	90	14,557	90	(226)	-2	14,458	92	(127)	-1
Total Operating Revenue	15,858	100	16,260	100	(402)	-2	15,776	100	81	1
Cost of Good Sold	8,409	53	8,712	54	(302)	-3	8,260	52	149	2
Gross Profit	7,448	47	7,548	46	(100)	-1	7,516	48	(68)	-1
Operating Expenses										
Selling and Marketing Expenses	2,647	17	2,829	17	(183)	-6	2,445	15	202	8
General and administrative	1,297	8	1,058	7	239	23	1,308	8	(11)	-1
Research and development	45	0	77	0	(33)	-42	65	0	(20)	-31
Operating Income	3,460	22	3,584	22	(124)	-3	3,698	23	(238)	-6
EBITDA	6,350		6,586		(236)	-4	6,679		(329)	-5
EBITDA Margin (%)	40		41				42			
Service EBITDA Margin (%)	45		47				48			
Net Non Operating Income (Loss)	(278)	(2)	(229)	(1)	(49)	21	(61)	(0)	(217)	353
Consolidated Earnings before Income Tax	3,182	20	3,355	21	(173)	-5	3,637	23	(455)	-13
Income Tax Expense	786	5	734	5	52	7	768	5	18	2
Consolidated Income before Minority Interest	2,395	15	2,620	16	(225)	-9	2,868	18	(473)	-16
Minority Interest	32	0	75	0	(42)	-57	27	0	5	19
Net Income	2,428	15	2,695	17	(267)	-10	2,896	18	(468)	-16
EPS--3,873 mn shrs for 2007 (NT\$)	0.72		0.70		0.02	3	0.75		(0.03)	-4
3,378 mn shrs for 1Q 2008 (NT\$)										

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, 4Q 2007 AND End 1Q 2008
 (In million New Taiwan Dollars)

Assets	1Q 2008		1-4Q 2007		QoQ		1Q 2007		YoY	
		%		%	Change	%		%	Change	%
Cash, and Cash Equivalents	8,628	9	10,278	11	(1,650)	(16)	11,263	12	(2,635)	(23)
Accounts Receivable	6,061	7	6,507	7	(446)	(7)	5,747	6	314	5
Prepaid Expenses	804	1	706	1	98	14	995	1	(192)	(19)
Other Current Assets	3,411	4	3,235	3	176	5	3,555	4	(145)	(4)
Total Current Assets	18,904	20	20,726	21	(1,822)	(9)	21,561	23	(2,658)	(12)
Long Term Investment	6,755	7	7,043	7	(288)	(4)	680	1	6,075	893
Properties	125,821	136	124,665	129	1,156	1	120,641	127	5,180	4
Less Accumulated Depreciation	82,263	89	79,672	83	2,592	3	71,927	76	10,336	14
Construction in Progress and Advance Equip.	3,566	4	3,936	4	(370)	(9)	3,758	4	(192)	(5)
Net Properties	47,123	51	48,929	51	(1,805)	(4)	52,471	55	(5,348)	(10)
Other Assets	19,526	21	19,730	20	(204)	(1)	20,359	21	(833)	(4)
Total Assets	92,308	100	96,427	100	(4,120)	(4)	95,072	100	(2,764)	(3)
Short Term Debts	1,611	2	269	0	1,342	499	175	0	1,436	819
Accounts Payable and Other Payables	5,212	6	4,705	5	508	11	5,054	5	158	3
Accrued Expenses and Other Current Liabilities	7,461	8	7,489	8	(28)	(0)	8,005	8	(544)	(7)
Current Portion of Long Term Liabilities	2,000	2	2,670	3	(670)	(25)	1,570	2	430	27
Total Current Liabilities	16,285	18	15,133	16	1,152	8	14,804	16	1,481	10
Long Term Liabilities	48	0	57	0	(10)	(17)	86	0	(38)	(44)
Other Long Term payable	8	0	17	0	(8)	(50)	2,107	2	(2,098)	(100)
Total Long Term Liabilities	56	0	74	0	(18)	(24)	2,192	2	(2,136)	(97)
Other Liabilities	887	1	805	1	82	10	402	0	485	121
Total Liabilities	17,228	19	16,012	17	1,216	8	17,399	18	(171)	(1)
Capital Stock	32,585	35	40,330	42	(7,745)	(19)	38,727	41	(6,142)	(16)
Capital Stock to be Issued	0	0	0	0	0	0	0	0	0	0
Capital Surplus	19,487	21	19,487	20	0	0	15,004	16	4,483	30
Legal Reserve	6,889	7	6,889	7	0	0	5,573	6	1,316	24
Retain Earnings	15,040	16	12,612	13	2,428	19	17,563	18	(2,523)	(14)
Cumulative Translation Adjustments	31	0	15	0	16	103	(30)	(0)	61	(201)
Minority Interest	1,047	1	1,081	1	(34)	(3)	836	1	211	25
Total Shareholder's Equity	75,079	81	80,415	83	(5,336)	(7)	77,673	82	(2,593)	(3)
Total Liabilities and Shareholder's Equity	92,308	100	96,427	100	(4,120)	(4)	95,072	100	(2,764)	(3)

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

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FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
1Q, 4Q 2007 AND 1Q 2008
(In Million New Taiwan Dollars)

	<u>1Q 2007</u>	<u>4Q 2007</u>	<u>1Q 2008</u>
Consolidated net income	2,868	2,620	2,395
Depreciation and amortization (excluding 3G	2,799	2,819	2,707
Amortization of 3G concession	183	183	183
Other cash provided by / (used in) operation	1,325	1,218	1,635
<u>Net cash provided by / (used in) operating activities</u>	<u>7,175</u>	<u>6,839</u>	<u>6,920</u>
Capex	1,368	2,262	1,235
% of service revenue	9	16	9
<u>Free Cash Flow</u>	<u>5,807</u>	<u>4,578</u>	<u>5,685</u>

'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

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