

Mobile · Broadband · Media · International Service

**4904 (TWSE)**  
**2012 3Q Investor Update**

**Yvonne Li**  
President

## Disclaimer

This presentation contains forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation might not occur in the way we expect, or at all. You should not place undue reliance on any forward-looking information.

In preparing the information herein, FET have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to FET or which was otherwise reviewed by FET. Neither FET nor its advisors have made any representation or warranty as to the accuracy or completeness of such information and nor do they assume any undertaking to supplement such information as further information becomes available or in light of changing circumstances. None of FET, nor any of their respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. Neither this presentation nor any of its contents may be reproduced to a third party without the prior written consent of FET.

2

**FAR EASTONE**  
遠東

# Agenda

- ▶ **I. Market Overview**
- II. 2012 3Q Performance**
- III. Business Update**

3



**FAR EASTONE**  
遠東

## Taiwan Mobile Market Market Dynamic

**Mobile Service Rev Growth (3Q11 vs. 3Q12)**

Operator	Growth (%)
FET	7.4%
TWM	4.2%
CHT	2.0%

**Mobile Data Rev Growth (3Q11 vs. 3Q12)**

Operator	Growth (%)
FET	42.8%
TWM	36.9%
CHT	36.5%

**Market Update**


- In 3Q'12, FET continued to be the leader who grew the most with...
- ✓ Mobile Service Rev up 7.4% YoY
- ✓ Mobile Data Rev up 42.8% YoY
- Overall mobile competitive landscape remains quite stable

**Mobile Service Rev Share Change (3Q11 vs. 3Q12)**

Operator	2011 (%)	2012 (%)
APBW+VIBO	13.2%	12.4%
TWM	26.6%	26.8%
CHT	33.5%	33.0%
FET	26.7%	27.8%

Source: operators' factsheet and NCC stats

4

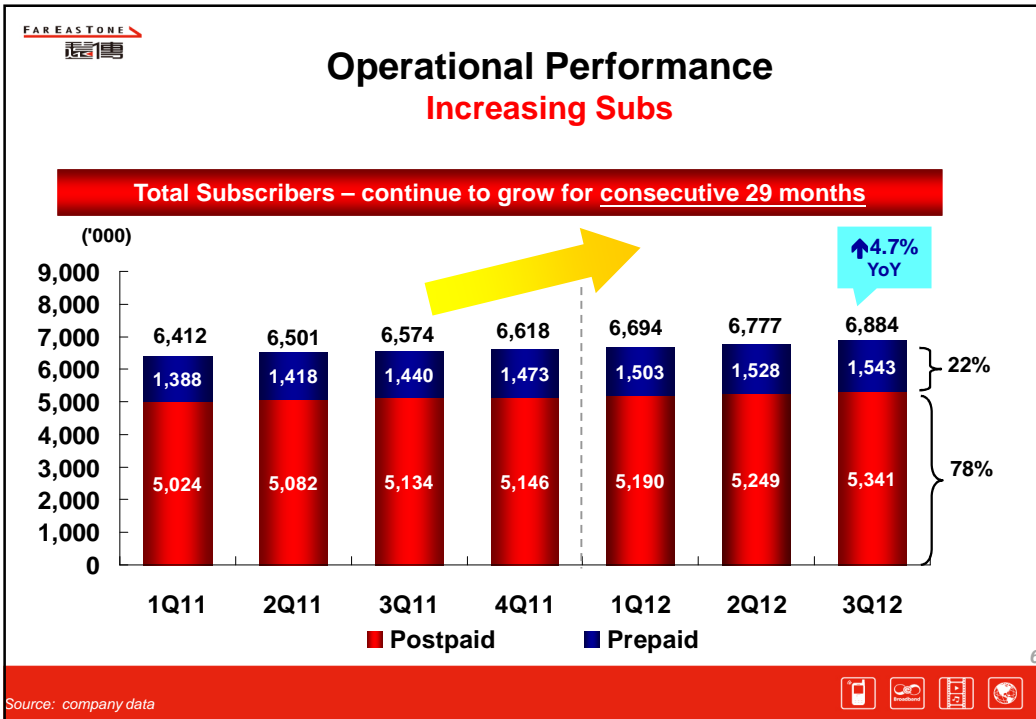


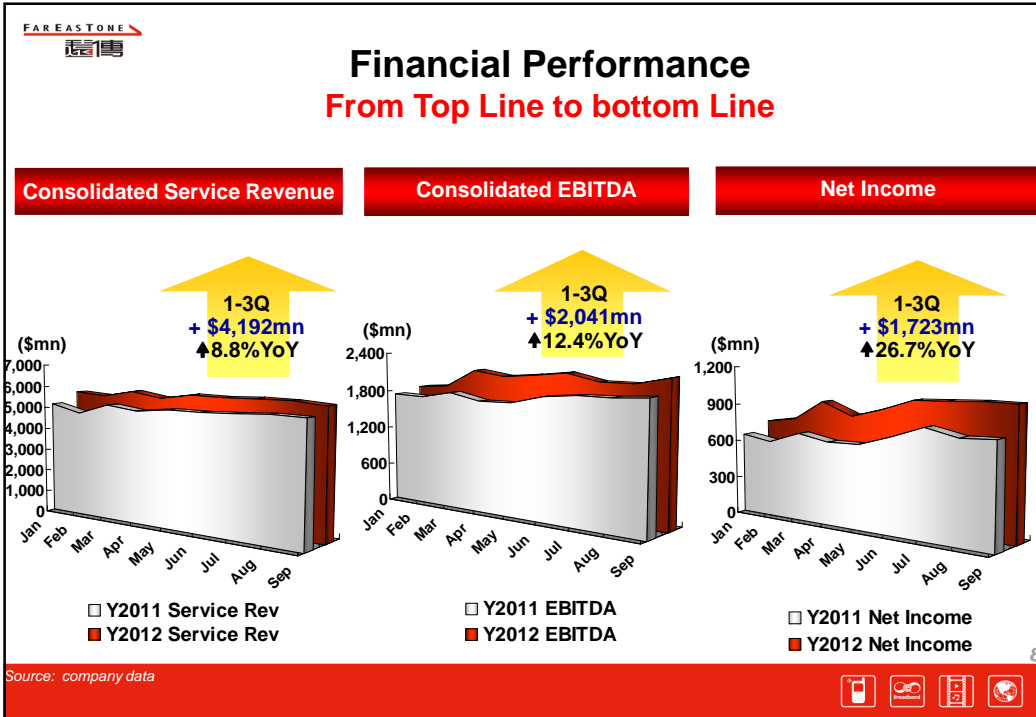
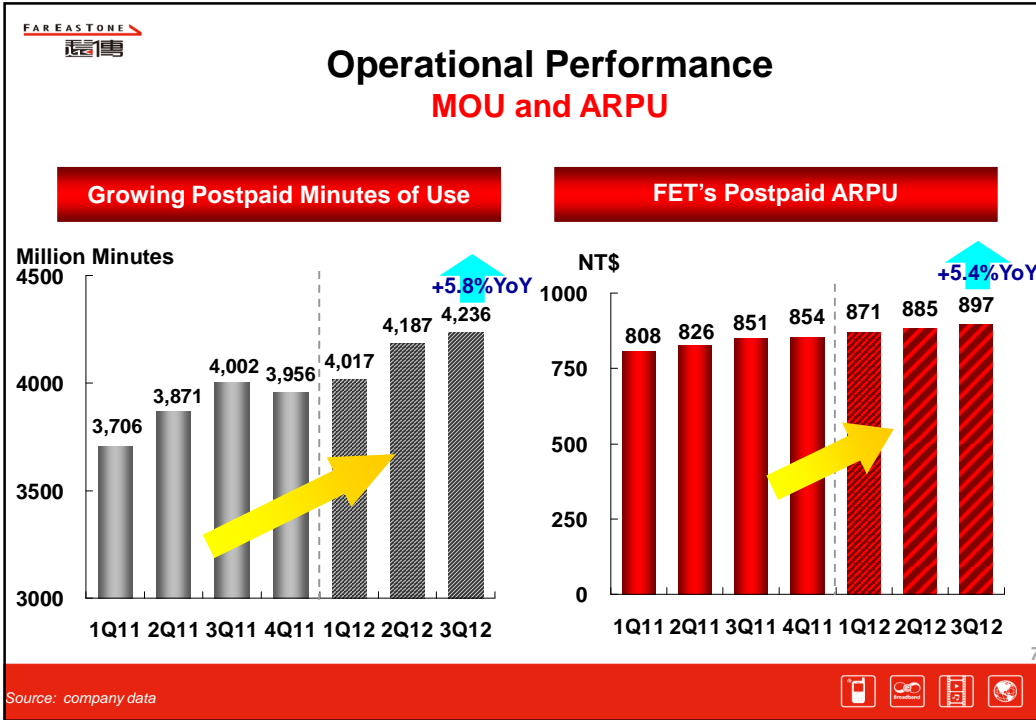
**FAR EASTONE**  

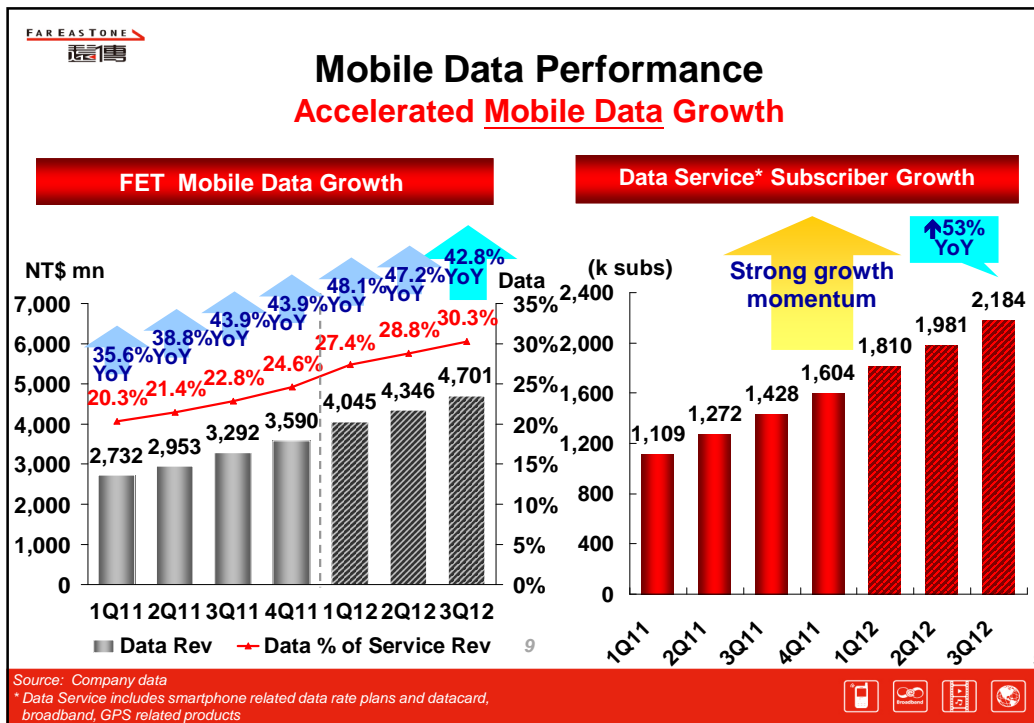

# Agenda

- I. Market Overview
- II. 2012 3Q Performance**
- III. Business Update

5






### Consolidated Financial Achievement Actual vs. Forecast

Item	2012 Q3 Actual (A)	2011 Q3 Actual (B)	Growth (A/B)	2012 Q3 Forecast	Achievement %
▶ Total Revenue	21,662	19,609	110%	20,588	105%
▶ Service Revenue	17,676	16,483	107%	17,317	102%
▶ EBITDA	6,436	5,916	109%	6,198	104%
▶ Net Income	3,052	2,443	125%	2,538	120%
▶ EPS <sup>(1)</sup>	\$0.94	\$0.75	125%	\$0.78	120%

Source: Company Data  
(1) EPS was based on current outstanding shares of 3,258,501K


**FAR EASTONE**  


## Consolidated Financial Achievement Actual vs. Forecast

Item (Unit: NT\$ Million, except for EPS & margin)	2012 1-3Q Actual	FY 2012 Guidance	Achievement %
■ Total Revenue	64,356	81,123	79%
■ Service Revenue	51,771	68,372	76%
■ EBITDA	18,619	24,358	76%
■ Net Income	8,176	10,050	81%
■ EPS <sup>(1)</sup>	<u>\$2.51</u>	<u>\$3.08</u>	81%

Source: Company Data  
 (1) EPS was based on current outstanding shares of 3,258,501K

11

**FAR EASTONE**  


## Consolidated Financial FY2012 Q3 Financial Stats

(NT\$ mm unless otherwise stated)

	As of 2012 Q3	As of 2012 Q2
Cash & Cash Equivalents	12,604	13,126
Available-for-Sale Financial Assets & Derivatives	2,626	2,512
Total Borrowing	5,464	1,266
<b>Net Cash*</b>	<b>9,765</b>	<b>14,372</b>
Shareholders' Equity	71,252	68,091
Debt/Capitalization Ratio		
— Gross (%)	7.1%	1.8%
— Net (%)	—	—
Free Cashflows – YTD	9,930	5,851
Cash-based Capex – YTD	6,906	4,984
EPS(NT\$) – YTD	<u>\$2.51</u>	<u>\$1.57</u>

Source: Company Data  
 \* Net Cash = Cash and Cash Equivalent + Available-for-Sale Financial Assets & Derivatives – Total Borrowing

12

**FAR EAST ONE**  



# Agenda

- I. Market Overview
- II. 2012 3Q Performance
- ▶ III. Business Update

13

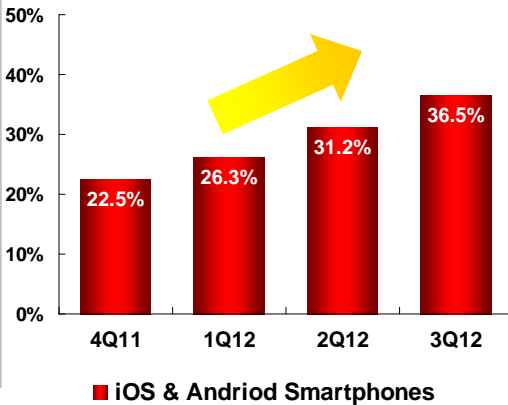





**FAR EAST ONE**  






## Smart Device Statistics

### Strong Data Growth driven by Smart Devices Uptake

Some Statistics	Smartphone Penetration* (%)										
<ul style="list-style-type: none"> <li>▶ Smart devices (smartphones + tablets ) accounted <b>82%</b> of total new devices sold in 3Q'12</li> <li>▶ Smartphone penetration* reached <b>36.5%</b> of total postpaid subs in 3Q'12 (we now count iOS &amp; Androids only)</li> <li>▶ <b>APRU:</b> Average smartphone user's ARPU is <b>\$1470</b></li> </ul>	 <table border="1" style="margin: 0 auto; border-collapse: collapse;"> <caption>Smartphone Penetration* (%)</caption> <thead> <tr> <th>Quarter</th> <th>Penetration (%)</th> </tr> </thead> <tbody> <tr> <td>4Q11</td> <td>22.5%</td> </tr> <tr> <td>1Q12</td> <td>26.3%</td> </tr> <tr> <td>2Q12</td> <td>31.2%</td> </tr> <tr> <td>3Q12</td> <td>36.5%</td> </tr> </tbody> </table> <p style="text-align: center;">■ iOS &amp; Android Smartphones</p>	Quarter	Penetration (%)	4Q11	22.5%	1Q12	26.3%	2Q12	31.2%	3Q12	36.5%
Quarter	Penetration (%)										
4Q11	22.5%										
1Q12	26.3%										
2Q12	31.2%										
3Q12	36.5%										

\* Smartphone penetration means iOS and Android smartphone users as % of total postpaid subs excluding data only subs

14



# Q & A

## For Further Information:

Websites	email
<p><a href="http://corporate.fetnet.net">http://corporate.fetnet.net</a> <a href="http://www.fetnet.net">http://www.fetnet.net</a></p>	<p>Investor Relations <a href="mailto:IR@fareastone.com.tw">IR@fareastone.com.tw</a></p>

15

