




Mobile · Broadband · Media · International Service

**4904 (TWSE)**  
**2012 4Q Investor Update**

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President




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# Agenda

- ▶ **I. Market Overview**
- II. 2012 4Q Performance and Business Update**
- III. 2013 Guidance**



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## Taiwan Mobile Market Market Dynamic

**Mobile Service Rev Growth (4Q11 vs. 4Q12)**

Operator	Growth (%)
FET	5.8%
TWM	5.4%
CHT	3.2%

**Mobile Data Rev Growth (4Q11 vs. 4Q12)**

Operator	Growth (%)
FET	40.4%
CHT	37.3%
TWM	35.3%


**Market Update**

- In 4Q'12, FET continued to be the leader who grew the most with...
- ✓ Mobile Service Rev up 5.8% YoY
- ✓ Mobile Data Rev up 40.4% YoY
- Overall mobile competitive landscape remains quite stable

**Mobile Service Rev Share Change (4Q11 vs. 4Q12)**

Operator	2011 (%)	2012 (%)
APBW+VIBO	13.4%	12.3%
CHT	32.9%	32.8%
FET	27.2%	27.8%
TWM	26.5%	27.0%

Source: operators' factsheet and NCC stats

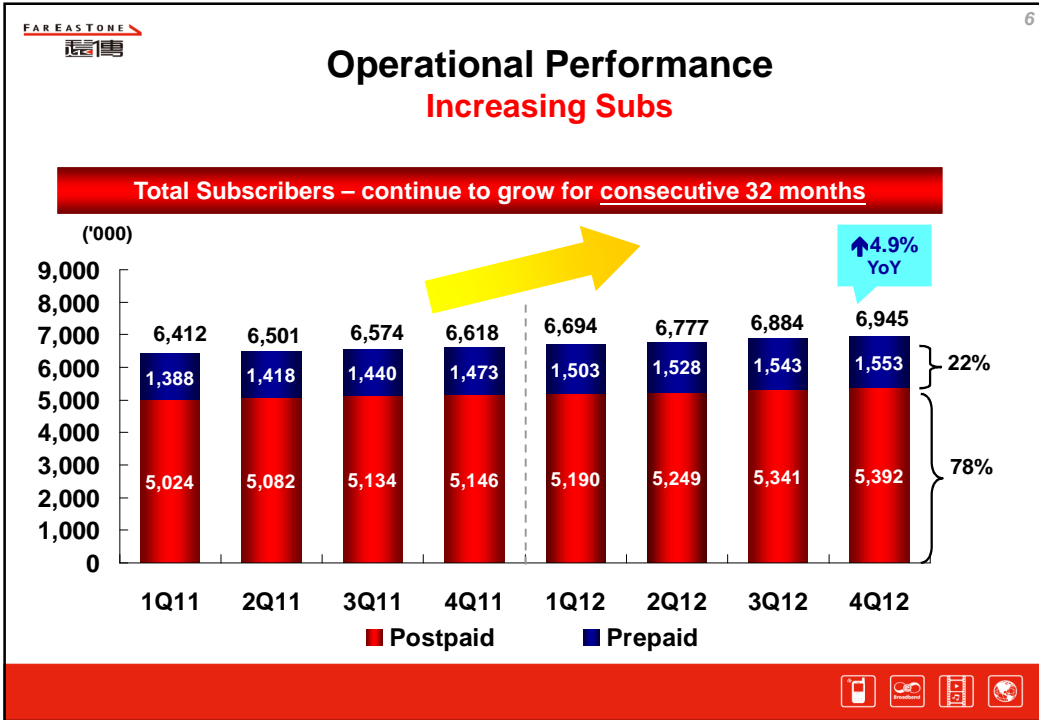


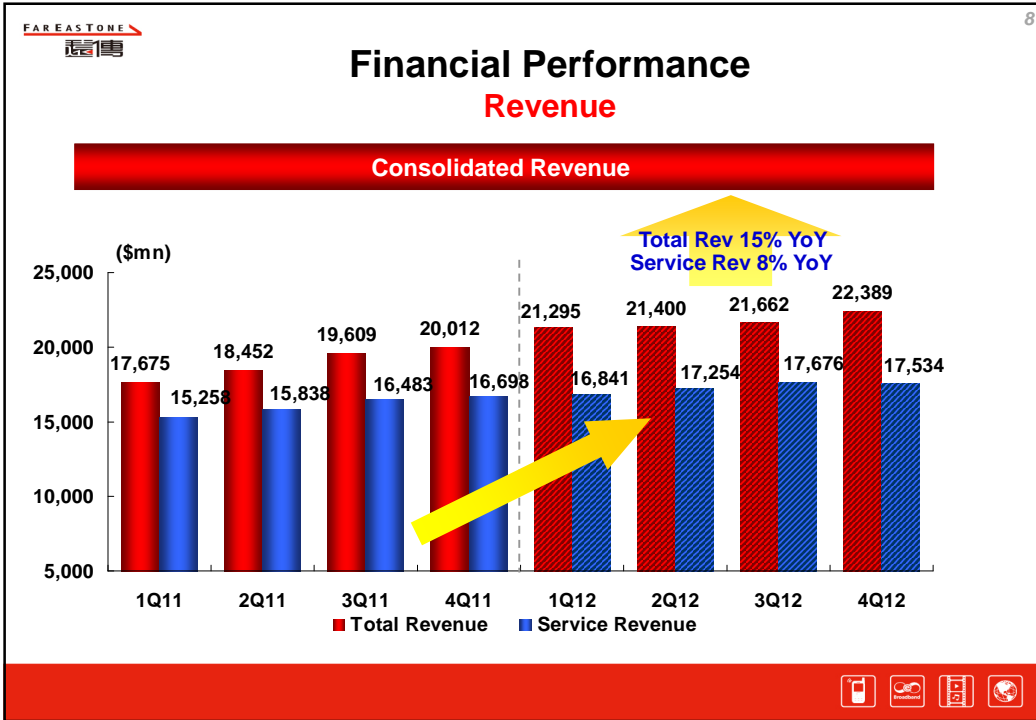
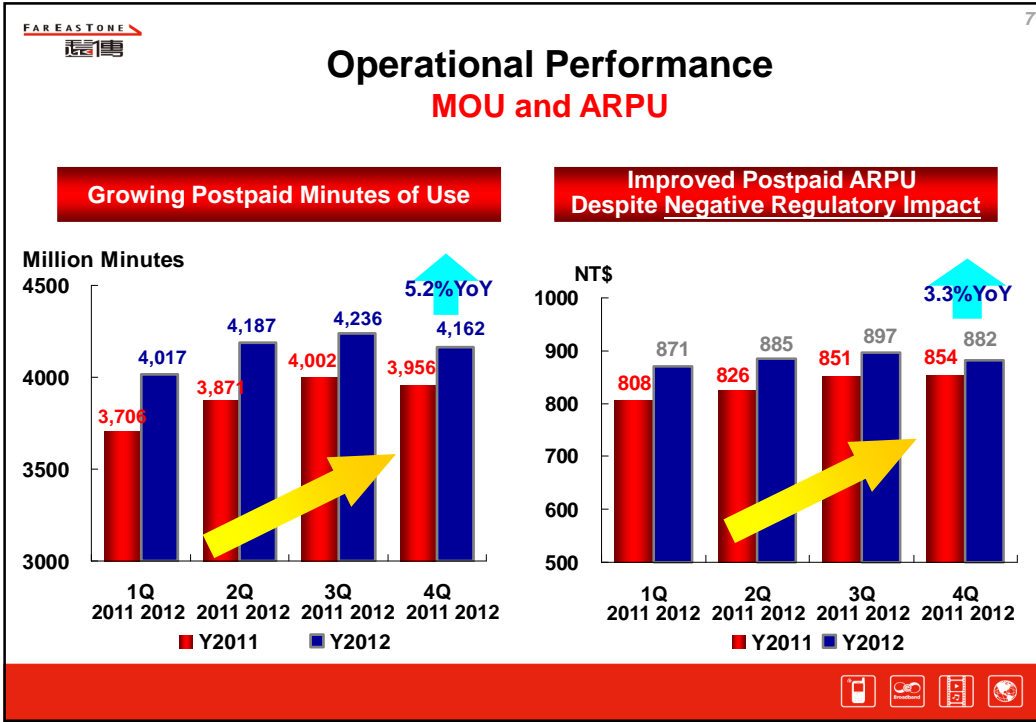
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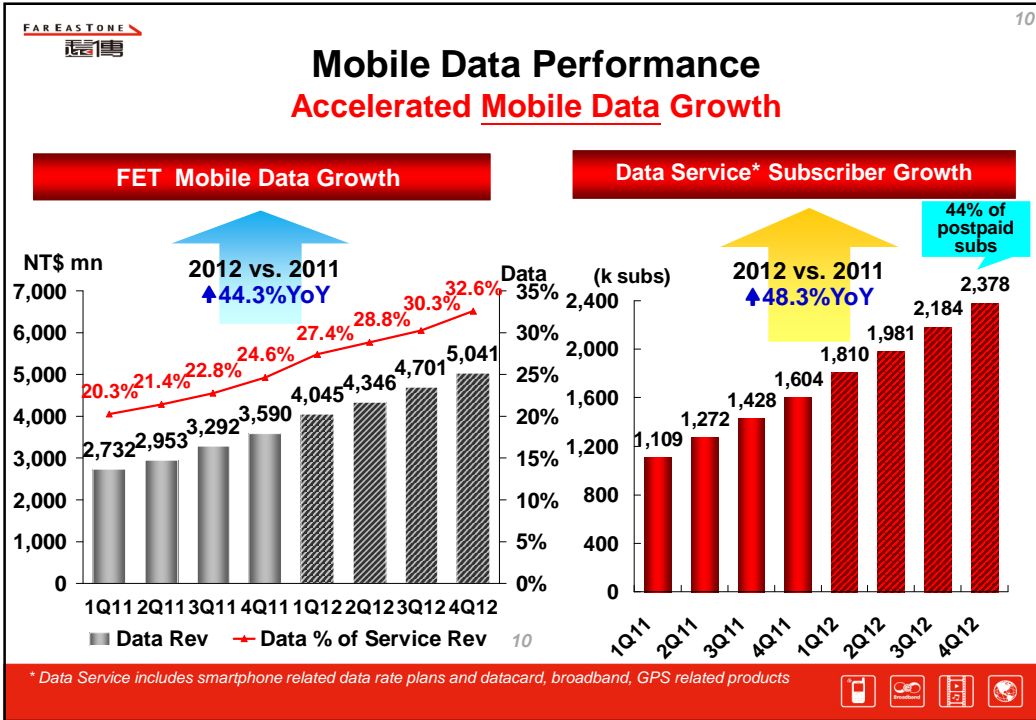
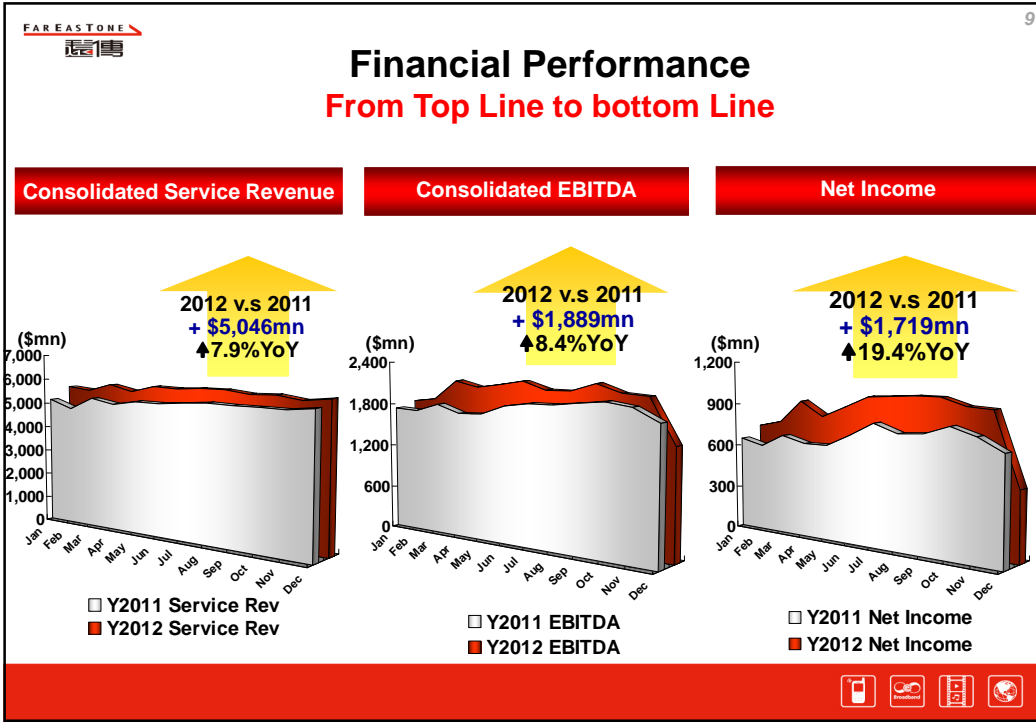


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**Consolidated Financial Achievement**  
**Actual vs. Forecast**

Item Unit: NT\$ mn, except for EPS	FY2012 Actual	FY2011 Actual	YoY %	FY 2012 Guidance	Achieve ment %
▶ Total Revenue	86,745	75,749	▲14.5%	81,123	107%
▶ Service Revenue	69,323	64,277	▲7.9%	68,372	101%
▶ EBITDA	24,360	22,471	▲8.4%	24,358	100%
▶ Net Income	10,600	8,881	▲19.4%	10,050	105%
▶ EPS*	<u>\$3.25</u>	<u>\$2.73</u>	▲19.4%	<u>\$3.08</u>	105%

\* EPS was based on current outstanding shares of 3,258,501K

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**Consolidated Financial**  
**FY2012 Q4 Financial Stats**

(NT\$ mm unless otherwise stated)

	As of 2012 Q4	As of 2012 Q3
Cash & Cash Equivalents	13,002	12,604
Available-for-Sale Financial Assets & Derivatives	2,320	2,626
Total Borrowing	1,247	5,464
<b>Net Cash*</b>	<b>14,076</b>	<b>9,765</b>
Shareholders' Equity	73,675	71,252
Debt/Capitalization Ratio		
— Gross (%)	1.7%	7.1%
— Net (%)	—	—
Free Cashflows – YTD**	14,803	9,930
Cash-based Capex – YTD	8,751	6,906
EPS(NT\$) – YTD	<u>\$3.25</u>	<u>\$2.51</u>

\* Net Cash = Cash and Cash Equivalent + Available-for-Sale Financial Assets & Derivatives – Total Borrowing  
\*\* Free Cashflows = Operating Cash flow - acquisition of fixed-asset & intangible asset

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**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>87%</b> of total new devices sold in 4Q'12</li> <li>▶ Smartphone penetration* reached <b>42%</b> of total postpaid subs by the end of Y2012 (we count iOS &amp; Androids only)</li> <li>▶ <u>APRU:</u> Average smartphone user's ARPU is around <b>\$1400</b></li> </ul>	<table border="1"> <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> <tr> <td>4Q12</td> <td>42.0%</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%	4Q12	42.0%
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\* Smartphone penetration means iOS and Android smartphone users as % of total postpaid subs excluding data only subs

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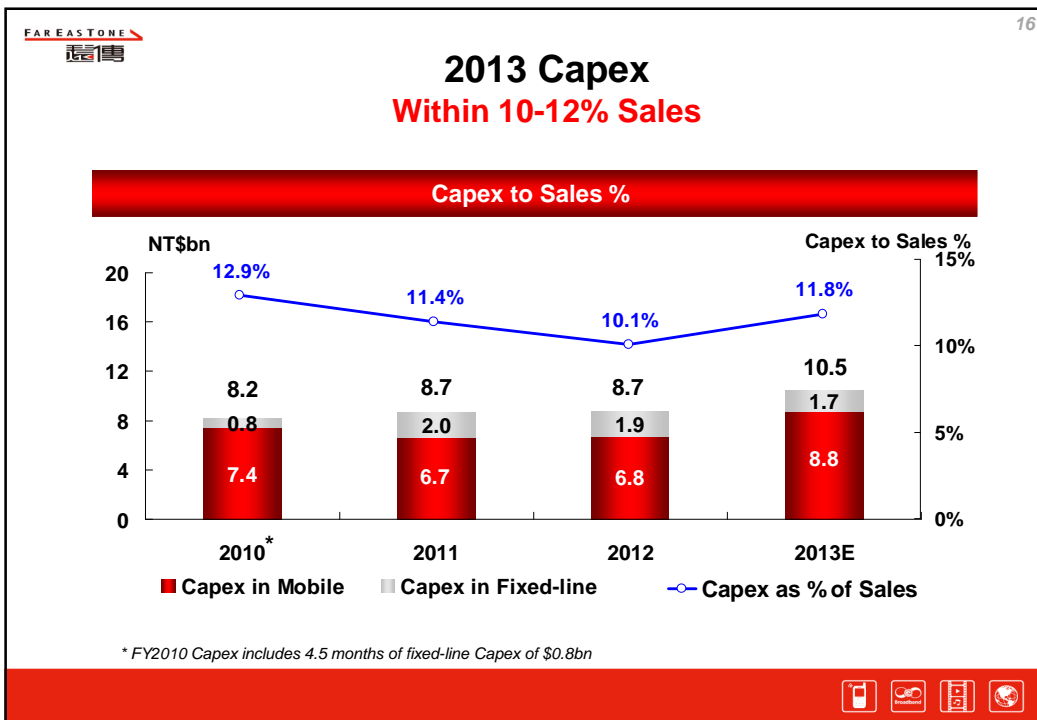
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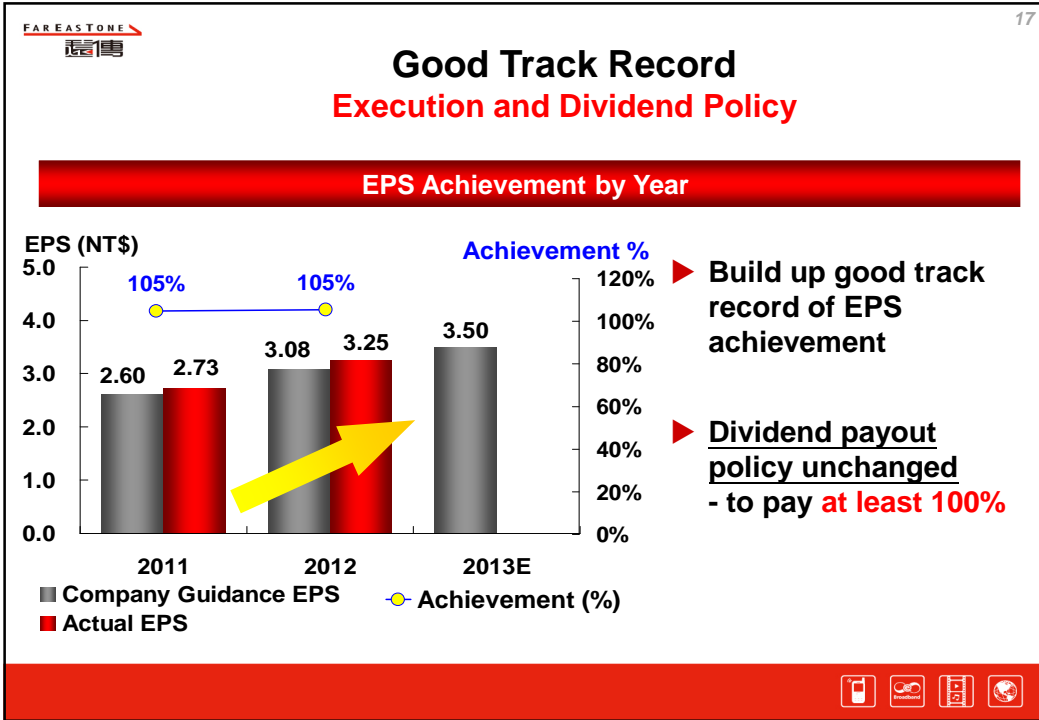
**2013 Consolidated Financial Forecast**  
**2013 Guidance vs. 2012 Actual**

Item (Unit: NT\$ Million, except for EPS & margin)	2013 Forecast	2012 Actual	YoY%
■ Total Revenue	89,665	86,745	+ 3%
■ Service Revenue	71,983	69,323	+ 4%
■ EBITDA	25,599	24,360	+ 5%
■ EBITDA%	28.5%	28.1%	-
■ Net Income	11,408	10,600	+ 8%
■ EPS*	<u>\$3.50</u>	<u>\$3.25</u>	+ 8%

\* EPS was based on current outstanding shares of 3,258,501K







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**Q & A**

**For Further Information:**

Websites	email
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