



Mobile · Broadband · Media · International Service

4904 (TWSE) 2013 3Q Investor Update

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Agenda

- ▶ **I. Market Overview**
- II. 2013 3Q Performance**
- III. Business Update**

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Taiwan Mobile Market Market Dynamic

Market Update

- For 1-3Q13, despite negative impact from MTR, FET continued growing with...
- ✓ **Mobile Service Rev up 3% YoY**
- ✓ **Mobile Data Rev up 29% YoY**
- Overall mobile competitive landscape remains quite stable

EBITDA Growth (1-3Q13 vs. 1-3Q12)

Company	EBITDA Growth (%)
FET	4.2%
TWM	1.5%
CHT	-2.2%

Mobile Service Rev Share Change (1-3Q13 vs. 1-3Q12)

Company	2012 (%)	2013 (%)
APBW+VIBO	12.7%	11.0%
TWM	27.2%	28.0%
FET	27.2%	27.2%
CHT	32.9%	33.8%

Net Income Growth (1-3Q13 vs. 1-3Q12)

Company	Net Income Growth (%)
FET	11.3%
TWM	-2.4%
CHT	-3.9%

Source: operators' factsheets and NCC stats

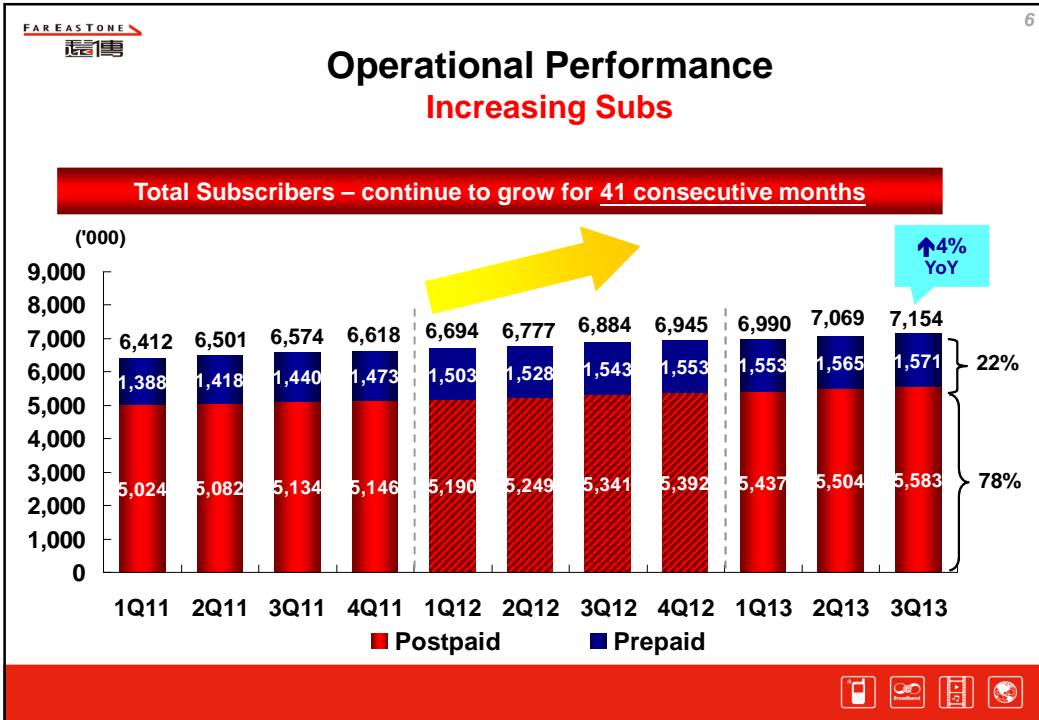
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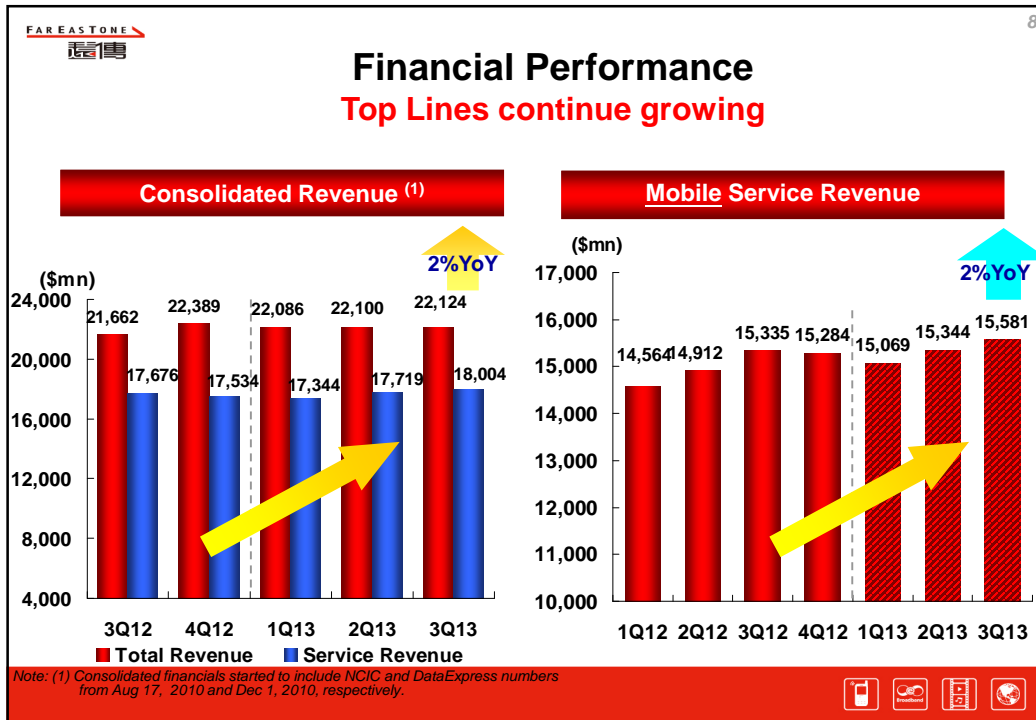
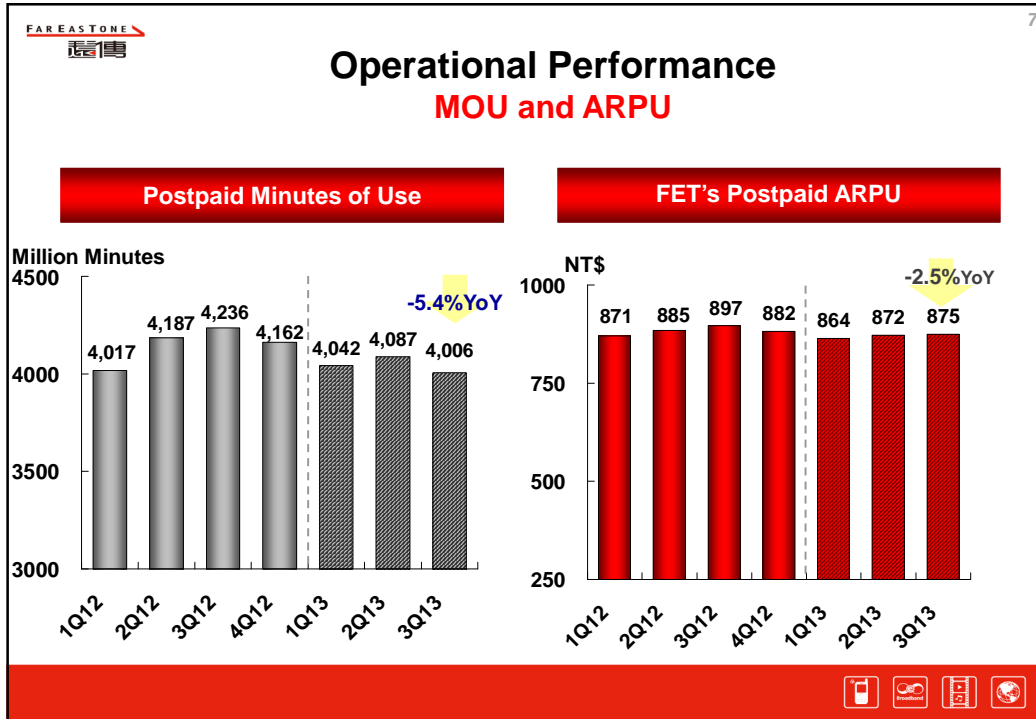
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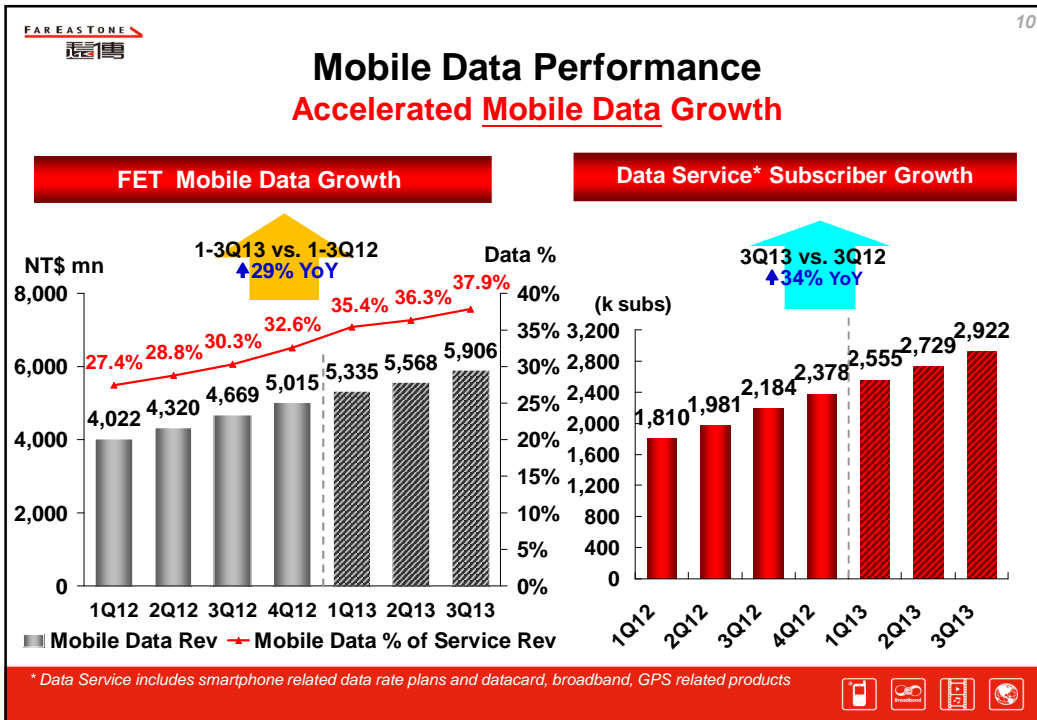
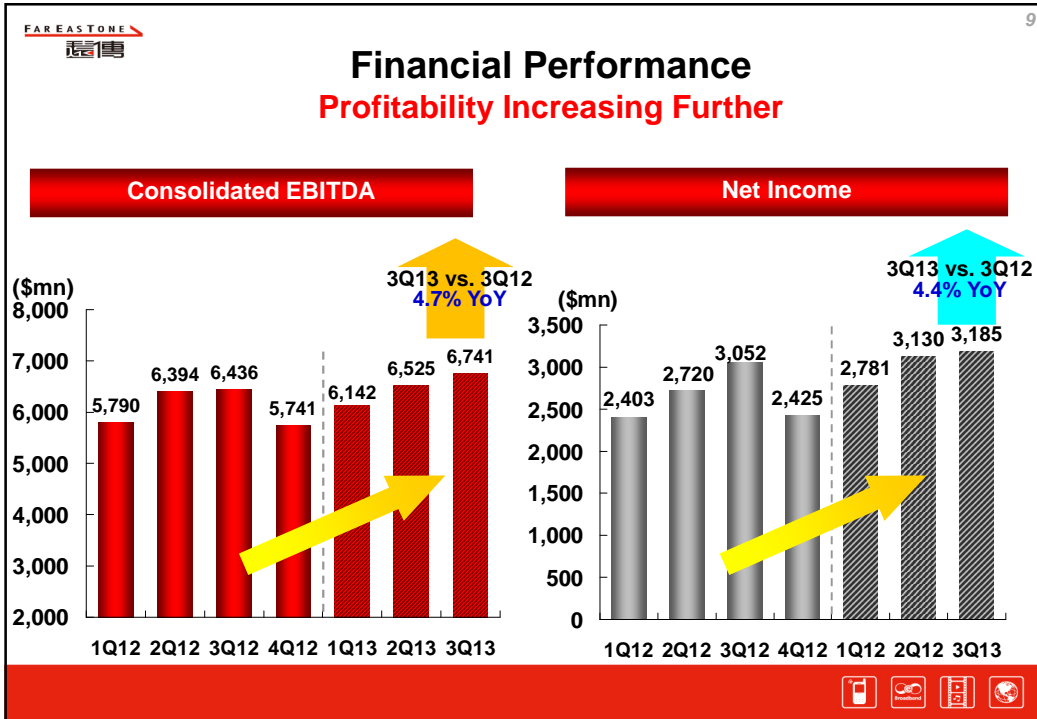


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Consolidated Financial Achievement
1-3Q Actual vs. Forecast

Item Unit: NT\$ mn, except for EPS	1-3Q13 Actual	1-3Q12 Actual	YoY %	1-3Q13 Forecast	Achievement %
▶ Total Revenue	66,311	64,356	↑3%	66,231	100%
▶ Service Revenue	53,067	51,789	↑3%	53,427	99%
▶ EBITDA	19,408	18,619	↑4%	19,104	102%
▶ Net Income	9,096	8,176	↑11%	8,536	107%
▶ EPS ⁽¹⁾	<u>\$2.79</u>	<u>\$2.51</u>	↑11%	<u>\$2.62</u>	107%

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





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Consolidated Financial
3Q13 Financial Stats

(NT\$ mm unless otherwise stated)

	As of 3Q13	As of 2Q13
Cash & Cash Equivalents	18,064	21,474
Available-for-Sale Financial Assets & Derivatives	1,216	2,820
Total Borrowing	11,608	6,190
Net Cash*	7,672	18,104
Shareholders' Equity	70,884	67,871
Debt/Capitalization Ratio		
— Gross (%)	14.1%	8.4%
— Net (%)	—	—
Free Cashflows – YTD**	7,609	5,437
Cash-based Capex – YTD	7,643	5,092
EPS(NT\$) – YTD	<u>\$2.79</u>	<u>\$1.81</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

- ▶ Smart devices (smartphones + tablets) accounted **97%** of total new devices sold in 3Q13
- ▶ **57%** of our postpaid subscribers now are holding smartphone devices, **while only 44%** of our postpaid subscribers are actually with data rate plans;
- ▶ **APRU:**
ARPU of average smartphone user with data rate plan is **around \$1460**

Smartphone Penetration* (%)

Quarter	Smartphone Penetration (%)
1Q12	26%
2Q12	31%
3Q12	37%
4Q12	42%
1Q13	37%
2Q13	41%
3Q13	44%

■ iOS & Android Smartphones

* Smartphone penetration means iOS, Android & WM8 smartphone users as % of total postpaid subs excluding data only subs

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2013 Q3 Awards and Recognitions

Network Quality

- ▶ Ranked **Number 1** in NCC network speed testing report released in Oct 2013



Service

- ▶ Won **Golden Medal Award** in “2013 Service Survey in Taiwan” from Commercial Times for second straight year
- ▶ Awarded **Number 1** in Mobile and fixed communications sector from Next Media Magazine - Best Service Award 2013 (壹週刊2013服務第壹大獎)









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Q & A

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