



Mobile · Broadband · Media · International Service

4904 (TWSE)

2013 4Q Investor Update

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President



2

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3

Agenda

- ▶ I. Market Overview
- II. 2013 4Q Performance and Business Update
- III. 2014 Guidance






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4

Taiwan Mobile Market Market Dynamic

Market Update

- For FY2013, despite negative Impact from MTR, FET continued growing with...
- ✓ Mobile Service Rev up 3% YoY
- ✓ Mobile Data Rev up 28% YoY
- Overall mobile competitive landscape remains quite stable

Mobile Service Rev Share Change (2013 vs. 2012)

Operator	2012	2013
APBW+VIBO	12.6%	10.8%
TWM	27.3%	28.1%
FET	27.2%	27.2%
CHT	32.9%	33.8%





EBITDA Growth (2013 vs. 2012)

Operator	Growth (%)
FET	5.1%
TWM	0.9%
CHT	-1.3%

Net Income Growth (2013 vs. 2012)

Operator	Growth (%)
FET	11.0%
TWM	-4.6%
CHT	-2.3%

Source: operators' factsheets and NCC stats

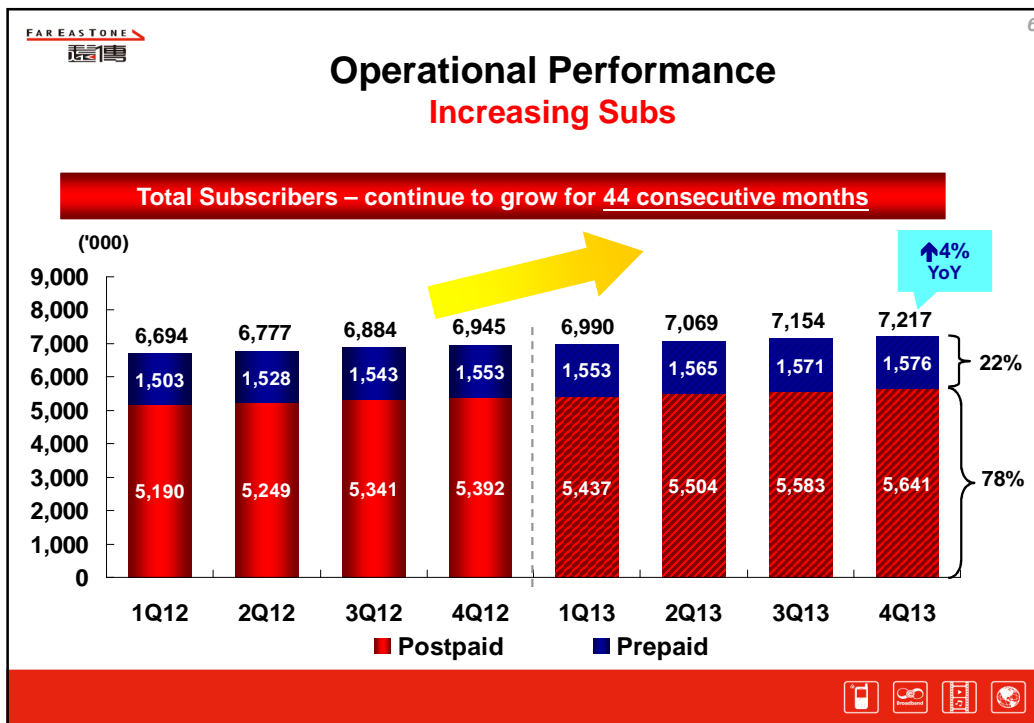





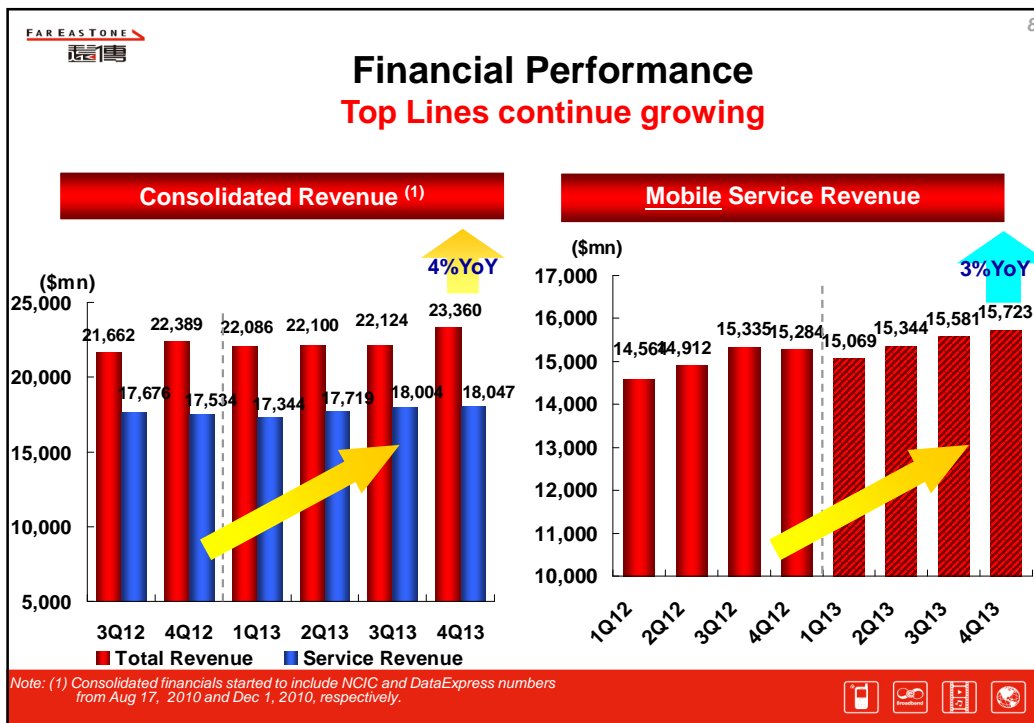
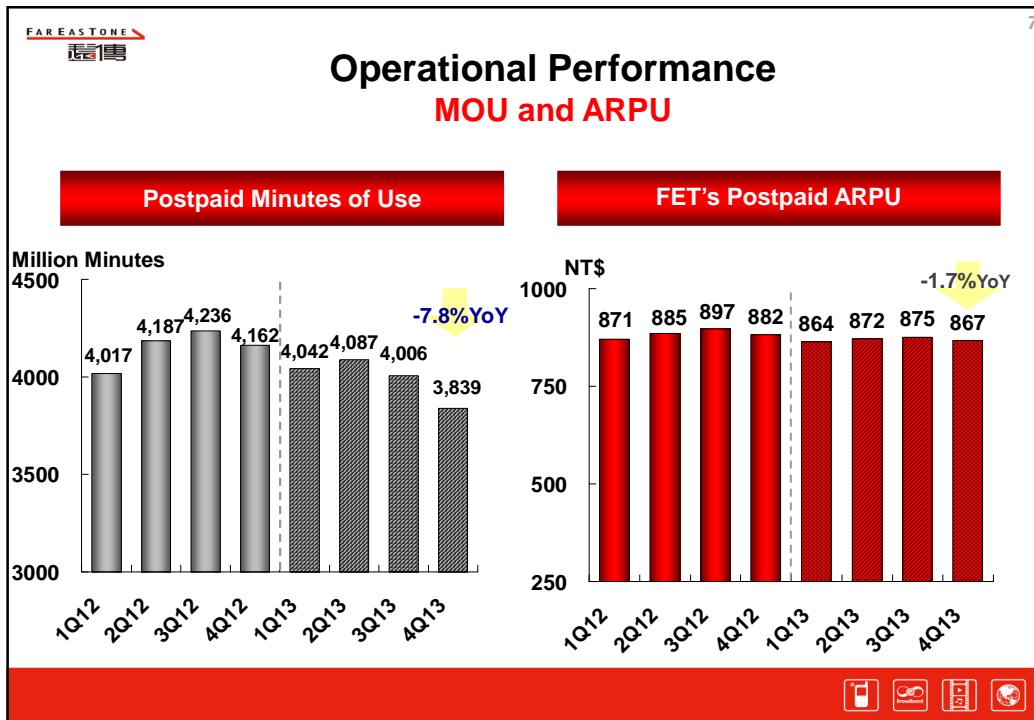
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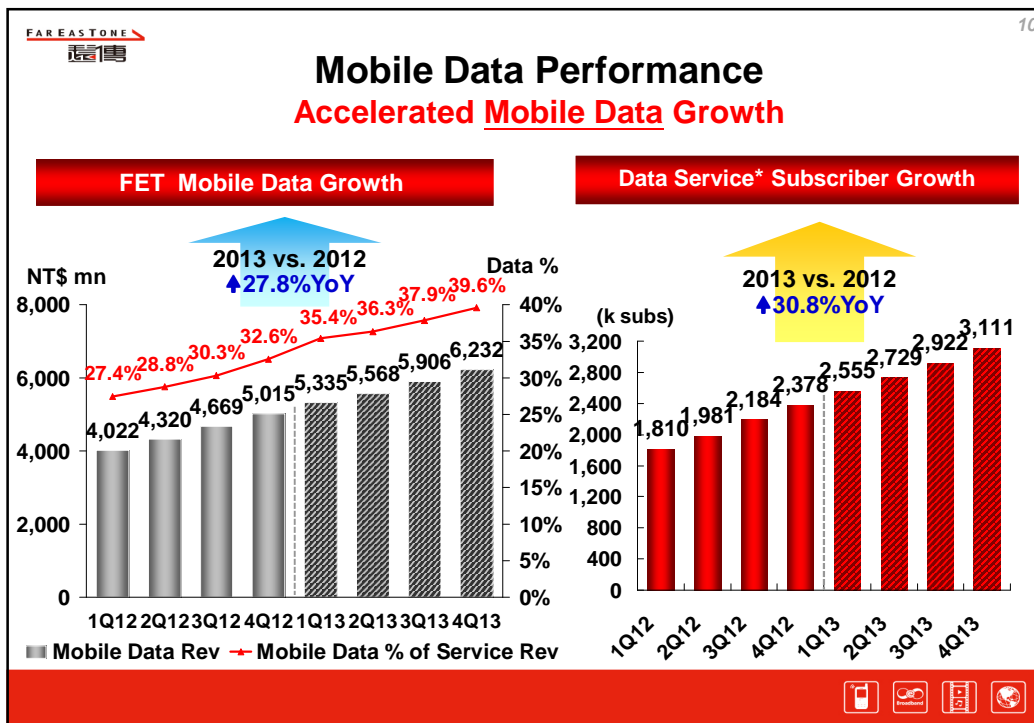
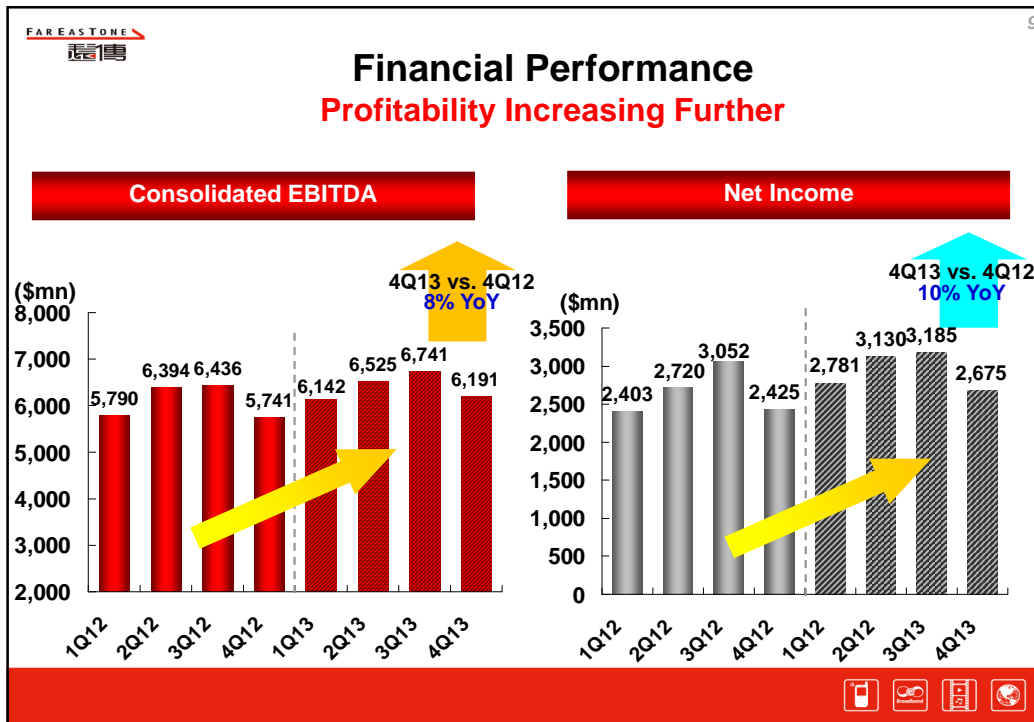
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5





11

Consolidated Financial Achievement
Actual vs. Forecast

Item Unit: NT\$ mn, except for EPS	FY2013 Actual	FY2012 Actual	YoY %	FY 2013 Guidance	Achieve- ment %
▶ Total Revenue	89,671	86,745	↑3.4%	89,665	100%
▶ Service Revenue	71,114	69,323	↑2.6%	71,983	99%
▶ EBITDA	25,599	24,360	↑5.1%	25,599	100%
▶ EBITDA %	28.5%	28.1%	-	28.5%	-
▶ Net Income	11,771	10,600	↑11.0%	11,408	103%
▶ EPS ⁽¹⁾	<u>\$3.61</u>	<u>\$3.25</u>	↑11.0%	<u>\$3.50</u>	103%

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

12

Consolidated Financial
4Q13 Financial Stats

(NT\$ mm unless otherwise stated)

	As of 4Q13	As of 3Q13
Cash & Cash Equivalents	4,142	18,775
Available-for-Sale Financial Assets & Derivatives	811	1,216
Total Borrowing	22,389	11,608
Net Cash (Net Debt)*	(17,437)	8,382
Shareholders' Equity	73,568	70,884
Debt/Capitalization Ratio		
— Gross (%)	23.3%	14.1%
— Net (%)	18.2%	—
Free Cashflows – YTD**	11,389	7,609
Cash-based Capex – YTD	10,513	7,643
EPS(NT\$) – YTD	<u>\$3.61</u>	<u>\$2.79</u>

* Net Cash = Cash and Cash Equivalent + Available-for-Sale Financial Assets & Derivatives + Debt investments with no active market – Total Borrowing
** Free Cashflows = Operating Cash flow - acquisition of fixed-asset & intangible asset

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13

Smart Device Statistics

Strong Data Growth driven by Smart Devices Uptake

Some Statistics

- ▶ Smart devices (smartphones + tablets) accounted **94%** of total new devices sold in 4Q13
- ▶ **61%** of our postpaid subscribers now are holding smartphone devices, while only **47%** of our postpaid subscribers are actually with data rate plans

Smartphone Penetration* (%)

Quarter	Smartphone Penetration (%)
1Q12	26%
2Q12	31%
3Q12	37%
4Q12	42%
1Q13	37%
2Q13	41%
3Q13	44%
4Q13	47%

■ iOS & Android Smartphones

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

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14

2013 Achievements

Service Centric

- ▶ Continued to rank #1 in NCC network speed testing report released in Oct'13 and Jan'14
- ▶ Obtained #1 in "Excellent Service Award in Telecom" from *Global Views Magazine* (遠見雜誌) and "Top Service Award 2013 in Mobile and Communications" from *Next Media Magazine* (壹週刊)

Corp Social Responsibility

- ▶ Won "2013 CSR Award - Top 50 of CSR Report " from Taiwan Institute for Sustainable Energy (TAISE)
- ▶ Employee Care Plan laured "Role Model Award" from 9th Global Views CSR Awards

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15

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16

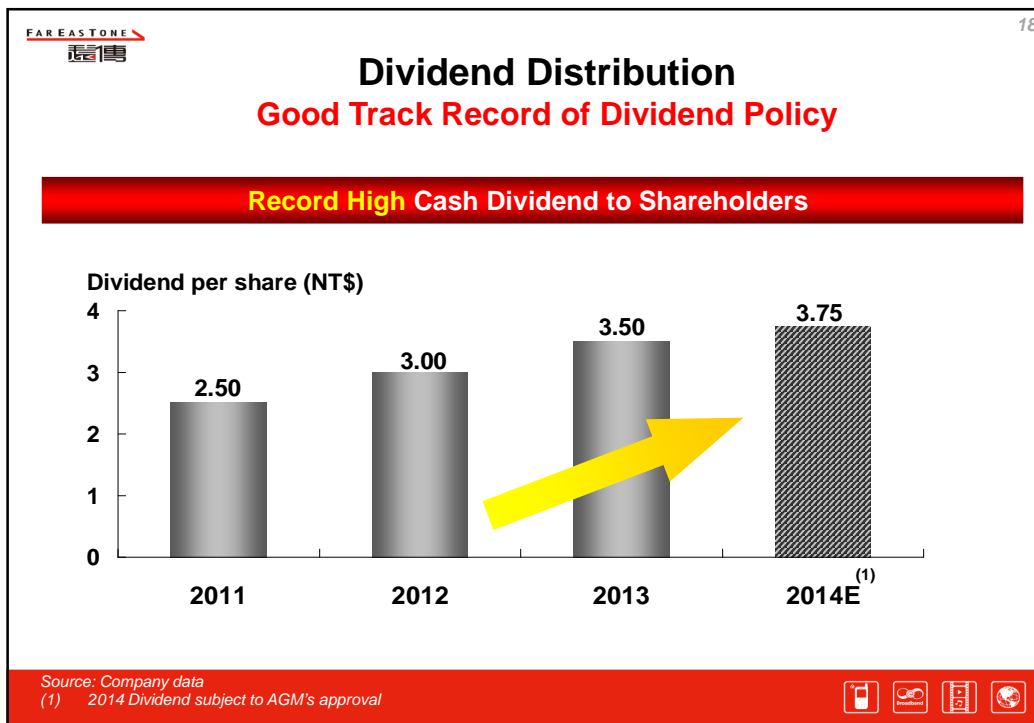
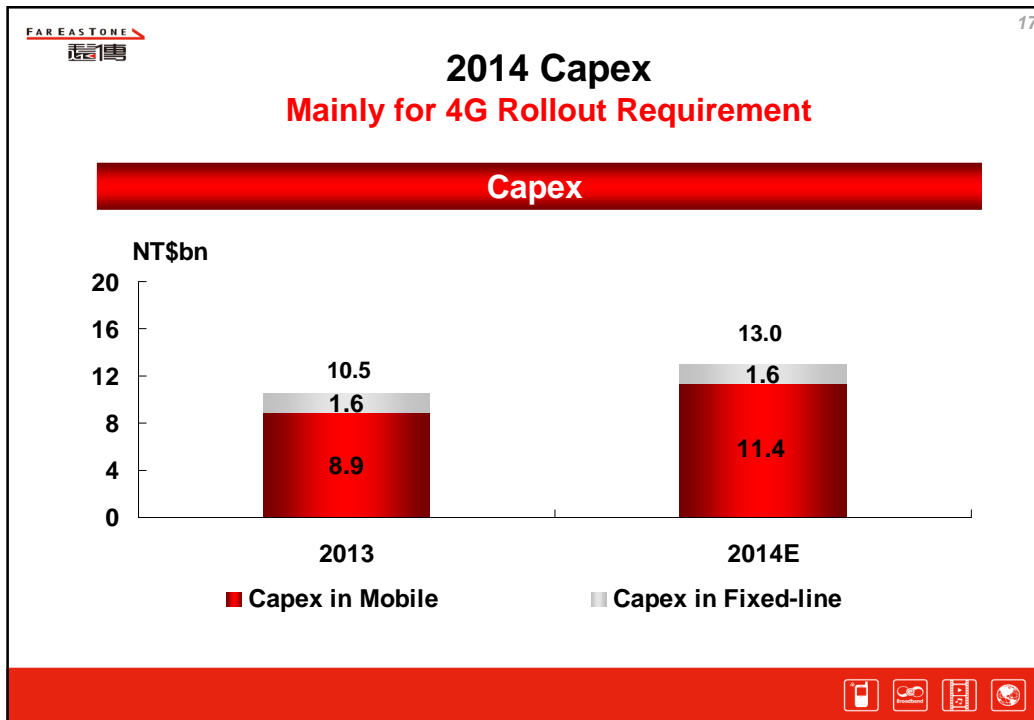
2014 Consolidated Financial Forecast


2014 Guidance vs. 2013 Actual

Item (Unit: NT\$ Million, except for EPS & margin)	FY2014 Forecast	FY2013 Actual	YoY%
■ Total Revenue	92,221	89,671	+ 2.8%
■ Service Revenue	72,620	71,114	+ 2.1%
■ EBITDA	25,983	25,599	+ 1.5%
■ EBITDA%	28.2%	28.5%	-
■ Net Income	10,920	11,771	- 7.2%
■ EPS*	<u>3.35</u>	<u>\$3.61</u>	- 7.2%

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



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Q & A

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