



Mobile · Broadband · Media · International Service

4904 (TWSE) 2015 1Q Investor Update

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President



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- ▶ I. Market Overview
- II. 2015 1Q Performance
- III. Business Update



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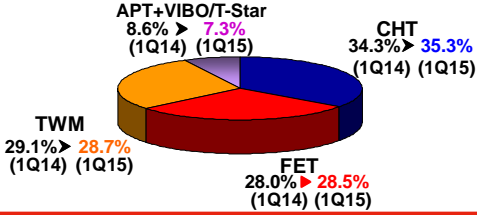


Taiwan Mobile Market Market Dynamic

Market Update

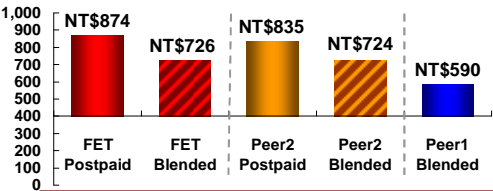
- For 1Q15, despite negative impact from MTR, FET continued growing with...
 - ✓ Mobile Service Rev up 3.4% YoY
 - ✓ Mobile Data Rev up 13.5% YoY
- Overall mobile competitive landscape remains quite stable

Mobile Service Rev Share Change (1Q15 vs. 1Q14)



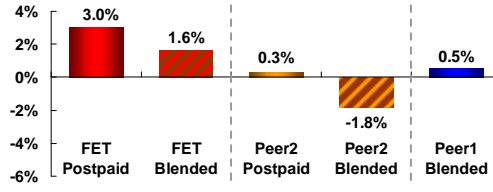
Company	1Q14	1Q15
TWM	29.1%	28.7%
FET	28.0%	28.5%
APT+VIBO/T-Star	8.6%	7.3%

Mobile ARPU Comparison (1Q15)




Category	ARPU (NT\$)
FET Postpaid	874
FET Blended	726
Peer2 Postpaid	835
Peer2 Blended	724
Peer1 Blended	590

Mobile ARPU Growth (1Q15 vs. 1Q14)



Category	Growth (%)
FET Postpaid	3.0%
FET Blended	1.6%
Peer2 Postpaid	0.3%
Peer2 Blended	-1.8%
Peer1 Blended	0.5%

Source: Companies' factsheets, MOPS and NCC websites

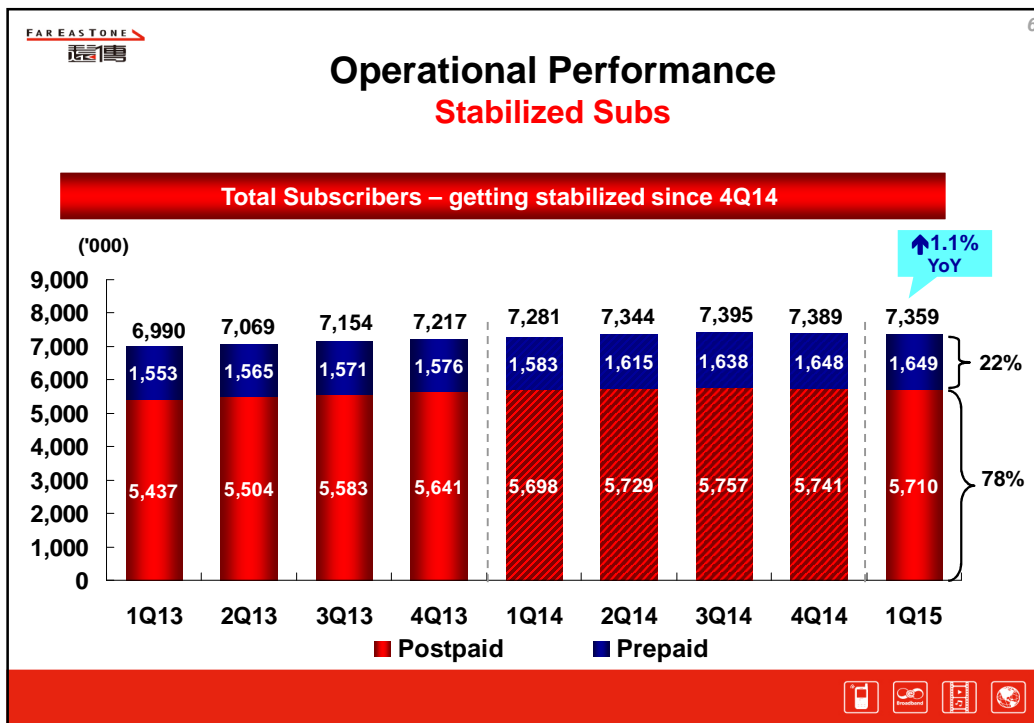


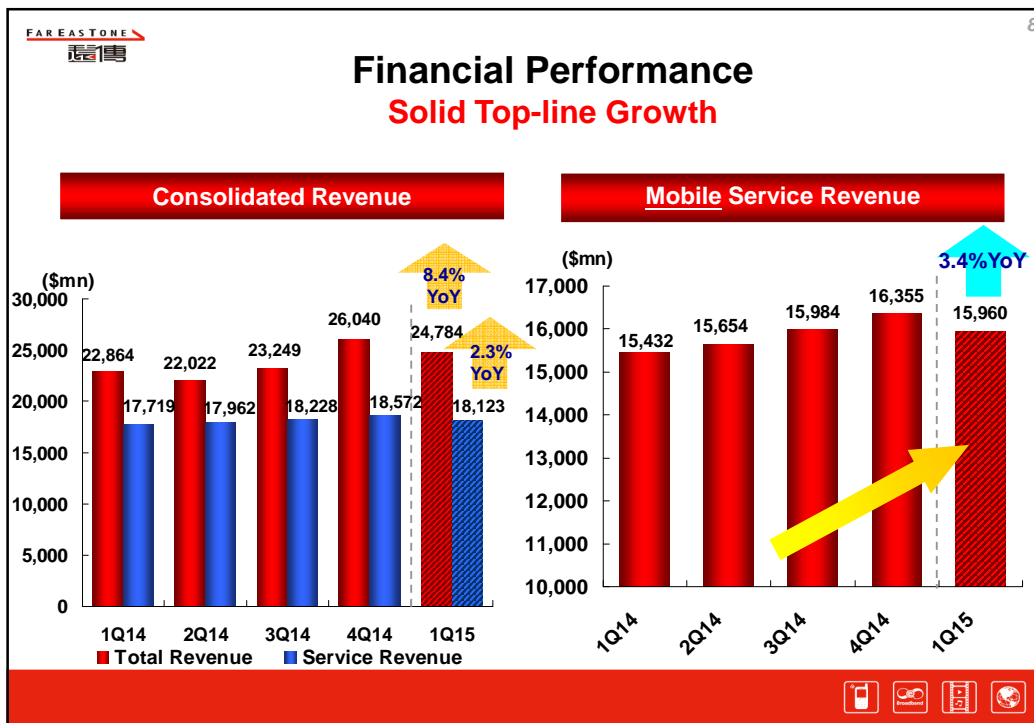
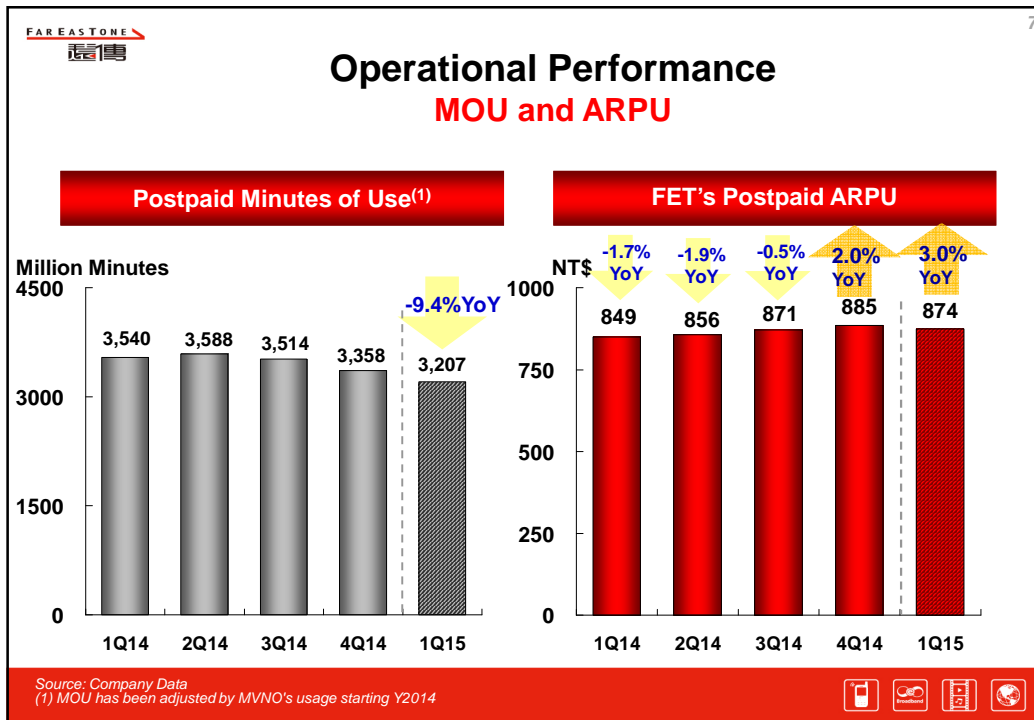
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Consolidated Financial Achievement
Actual vs. Forecast

Item Unit: NT\$ mn, except for EPS	1Q15 Actual	1Q14 Actual	YoY %	1Q15 Forecast	Achieve- ment %
▶ Total Revenue	24,784	22,864	↑8.4%	23,092	107%
▶ Service Revenue	18,123	17,719	↑2.3%	17,923	101%
▶ EBITDA	6,529	6,698	↓2.5%	6,243	105%
▶ Net Income	2,985	3,110	↓4.0%	2,736	109%
▶ EPS	<u>\$0.92</u>	<u>\$0.95</u>	↓4.0%	<u>\$0.84</u>	109%

Source: Company Data

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Consolidated Financial
1Q15 Financial Stats

(NT\$ mm unless otherwise stated)

	As of 1Q15	As of 4Q14
Cash & Cash Equivalents	8,664	6,262
Available-for-Sale Financial Assets & Derivatives	714	757
Total Borrowing	26,294	24,961
Net Debt ⁽¹⁾	16,916	17,942
Shareholders' Equity	76,589	73,532
Debt/Capitalization Ratio		
– Gross (%)	25.6%	25.3%
– Net (%)	16.4%	18.2%
Free Cashflows – YTD ⁽²⁾	1,013	12,412
Cash-based Capex – YTD	3,238	13,173
EPS(NT\$) – YTD	<u>\$0.92</u>	<u>\$3.52</u>

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

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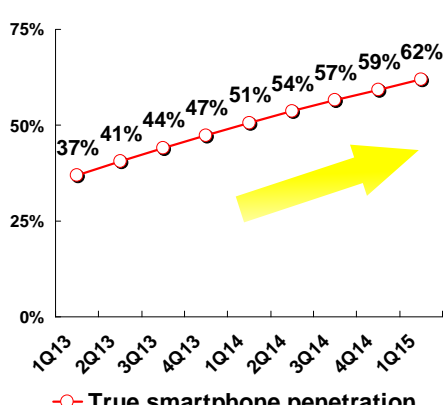
Smart Device Statistics

Strong Data Growth driven by Smart Devices Uptake

Some Statistics

- ▶ Smart devices (smartphones + tablets) accounted **98%** of total new devices sold in 1Q15
- ▶ **Smartphone Penetration:**
62% of our postpaid subscribers are actually holding smartphones and signing up data rate plans.
 And 4G customers accounts **24%** of postpaid subscribers by 1Q15.





Smartphone Penetration* (%)




Quarter	True smartphone penetration (%)
1Q13	37%
2Q13	41%
3Q13	44%
4Q13	47%
1Q14	51%
2Q14	54%
3Q14	57%
4Q14	59%
1Q15	62%

○ True smartphone penetration

Note: * smartphone penetration means iOS, Android & WM8 smartphone users with data rate plan as % of total postpaid subs excluding data only subs

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Q & A

For Further Information:

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