



FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES  
**CONSOLIDATED INCOME STATEMENT**  
 4Q 2008 AND 3Q, 4Q 2009  
 (In Million New Taiwan Dollars)

	3Q 2009		4Q 2009		QoQ %		4Q 2008		YoY %	
		% of Sales		% of Sales	Change	%		% of Sales	Change	%
Equipment Revenue	1,389	9	1,252	8	(137)	-10	942	6	310	33
Service Revenue	13,969	91	13,523	92	(446)	-3	14,127	94	(604)	-4
Total Operating Revenue	15,358	100	14,775	100	(584)	-4	15,069	100	(294)	-2
			0				0			
Cost of Good Sold	8,482	55	8,104	55	(378)	-4	7,956	53	147	2
Gross Profit	6,876	45	6,671	45	(205)	-3	7,112	47	(441)	-6
Operating Expenses										
Selling and Marketing Expenses	2,526	16	1,927	13	(599)	-24	2,519	17	(592)	-23
General and administrative	1,104	7	1,508	10	404	37	1,218	8	290	24
Research and development	30	0	26	0	(5)	-15	25	0	1	4
Operating Income	3,215	21	3,210	22	(5)	0	3,350	22	(140)	-4
EBITDA	6,064	39	5,977	40	(87)	-1	6,268	42	(291)	-5
EBITDA Margin (%)	39		40				42			
Service EBITDA Margin (%)	45		46				46			
Net Non Operating Income (Loss)	(98)	(1)	(238)	(2)	(140)	143	(320)	(2)	82	-26
Consolidated Earnings before Income Tax	3,117	20	2,972	20	(145)	-5	3,030	20	(58)	-2
Income Tax Expense	771	5	741	5	(30)	-4	752	5	(11)	-1
Consolidated Income before Minority Interest	2,347	15	2,231	15	(116)	-5	2,279	15	(48)	-2
Minority Interest	24	0	19	0	(5)	-20	37	0	(18)	-49
Net Income	2,371	15	2,250	15	(120)	-5	2,316	15	(66)	-3
EPS-- 3,259 mn shrs (NT\$)	0.73		0.69		(0.04)	-5	0.71		(0.02)	-3

Note: (1) All figures are based on audited draft.

(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEx.com,

KGT International Holdings, E. Word (Holdings) Ltd, Far Eastern Info Service (Holding) Ltd.



FAR EASTONE TELECOMMUNICATIONS CO., LTD.  
 CONSOLIDATED BALANCE SHEET  
 End 4Q 2008 AND End 3Q, 4Q 2009  
 (In million New Taiwan Dollars)

	3Q 2009		4Q 2009		QoQ		4Q 2008		YoY	
		%		%	Change	%		%	Change	%
<b>Assets</b>										
Cash, and Cash Equivalents	7,017	8	9,674	11	2,656	38	7,236	8	2,438	34
Accounts Receivable	6,181	7	5,569	6	(612)	(9)	6,181	7	(612)	(10)
Prepaid Expenses	742	1	588	1	(154)	(2)	696	1	(108)	(16)
Other Current Assets	4,086	5	5,237	6	1,151	16	3,909	4	1,327	34
<b>Total Current Assets</b>	<b>18,025</b>	<b>21</b>	<b>21,067</b>	<b>24</b>	<b>3,042</b>	<b>43</b>	<b>18,022</b>	<b>20</b>	<b>3,045</b>	<b>17</b>
Long Term Investment	6,712	8	6,692	8	(20)	(0)	6,114	7	579	9
Properties	134,535	160	135,426	157	892	13	129,838	147	5,589	4
Less Accumulated Depreciation	96,540	115	98,439	114	1,899	27	89,290	101	9,150	10
Construction in Progress and Advance Equip.	2,720	3	3,321	4	600	9	4,881	6	(1,560)	(32)
Net Properties	40,714	48	40,308	47	(407)	(6)	45,428	51	(5,121)	(11)
			0				0			
Other Assets	18,652	22	18,402	21	(251)	(4)	18,934	21	(533)	(3)
<b>Total Assets</b>	<b>84,104</b>	<b>100</b>	<b>86,468</b>	<b>100</b>	<b>2,365</b>	<b>34</b>	<b>88,499</b>	<b>100</b>	<b>(2,030)</b>	<b>(2)</b>
<b>Liabilities and Shareholder's Equity</b>										
Short Term Debts	1,310	2	717	1	(593)	(8)	1,689	2	(973)	(58)
Accounts Payable and Other Payables	5,636	7	6,088	7	452	6	7,644	9	(1,555)	(20)
Accrued Expenses and Other Current Liabilities	5,500	7	5,544	6	44	1	5,667	6	(123)	(2)
Current Portion of Long Term Liabilities	229	0	19	0	(210)	(3)	238	0	(219)	(92)
Total Current Liabilities	12,674	15	12,368	14	(307)	(4)	15,239	17	(2,871)	(19)
Long Term Liabilities	0	0	200	0	200	3	19	0	181	950
Other Long Term payable	0	0	0	0	0	0	8	0	(8)	(100)
Total Long Term Liabilities	0	0	200	0	200	3	27	0	173	630
Other Liabilities	1,313	2	1,526	2	213	3	991	1	534	54
<b>Total Liabilities</b>	<b>13,987</b>	<b>17</b>	<b>14,093</b>	<b>16</b>	<b>106</b>	<b>2</b>	<b>16,257</b>	<b>18</b>	<b>(2,164)</b>	<b>(13)</b>
Capital Stock	32,585	39	32,585	38	0	0	32,585	37	0	0
Capital Stock to be Issued	0	0	0	0	0	0	0	0	0	0
Capital Surplus	19,487	23	19,487	23	0	0	19,487	22	0	0
Legal Reserve	9,067	11	9,067	10	0	0	8,051	9	1,016	13
Retain Earnings	8,035	10	10,285	12	2,250	32	11,195	13	(910)	(8)
Cumulative Translation Adjustments	91	0	118	0	28	0	(22)	(0)	140	(644)
Minority Interest	851	1	833	1	(19)	(0)	945	1	(113)	(12)
<b>Total Shareholder's Equity</b>	<b>70,116</b>	<b>83</b>	<b>72,375</b>	<b>84</b>	<b>2,259</b>	<b>32</b>	<b>72,241</b>	<b>82</b>	<b>134</b>	<b>0</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>84,104</b>	<b>100</b>	<b>86,468</b>	<b>100</b>	<b>2,365</b>	<b>34</b>	<b>88,499</b>	<b>100</b>	<b>(2,030)</b>	<b>(2)</b>

Note: (1) All figures are based on audited draft.

(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEx.com, KGT International Holdings, E. Word (Holdings) Ltd, Far Eastern Info Service (Holding) Ltd.

**FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**4Q 2008 AND 1-4Q 2009**  
**(In Million New Taiwan Dollars)**

	<u>4Q 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>	<u>4Q 2009</u>
Consolidated net income	2,279	2,271	2,287	2,347	2,231
Depreciation and amortization (excluding 3G concession)	2,735	2,764	2,767	2,666	2,585
Amortization of 3G concession	183	183	183	183	183
Other cash provided by / (used in) operation	1,796	1,096	-1,097	-940	2,248
<b><u>Net cash provided by / (used in) operating activities</u></b>	<b><u>6,992</u></b>	<b><u>6,314</u></b>	<b><u>4,139</u></b>	<b><u>4,255</u></b>	<b><u>7,246</u></b>
Capex	2,363	1,575	1,691	1,559	1,586
% of service revenue	17	12	12	11	12
<b><u>Free Cash Flow</u></b>	<b><u>4,629</u></b>	<b><u>4,739</u></b>	<b><u>2,448</u></b>	<b><u>2,696</u></b>	<b><u>5,660</u></b>

**Note:** (1) All figures are based on audited draft.

(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEx.com, KGT International Holdings, E. Word

(3) Free Cash Flow = Operation Cash Flow - Capex