Taiwan Mobile

Press Release

September 10, 2014

TWM announced August consolidated revenue of NT$9.11bn. EBITDA was NT$2.68bn with an operating income of NT$1.69bn and net income of NT$1.23bn. EPS was NT$0.46. For the first eight months of 2014, TWM reported a consolidated revenue of NT$72.95bn, an EBITDA of NT$21.38bn, an operating income of NT$13.97bn and a net income of NT$10.75bn. EPS for the first eight months was NT$4.00.

Rosie Yu, Chief Financial Officer and Spokesperson of TWM, said both cable TV and momo online shopping continued to grow in August, resulting in consolidated EBITDA increasing 1% YoY. However, D&A expense related to telecom and cable TV equipment rose, resulting in net income decreasing YoY.

Taiwan Mobile Consolidated Results (Unaudited)

NT$mn	August 2014	August 2013	Jan.-August 2014	Jan.-August 2013
Revenue[2]	9,112	9,230	72,955	71,216
Operating Revenue[1&2]	7,779	7,516	60,623	58,328
Handset Sales Revenue	1,333	1,714	12,332	12,888
EBITDA[2]	2,683	2,656	21,384	20,718
Operating income[2]	1,686	1,830	13,968	14,170
Pre-tax income[2]	1,494	1,787	13,353	13,230
Net income	1,229	1,451	10,747	10,589
EPS (NT$)	0.46	0.54	4.00	3.94

Note 1: Derived from deducting handset sales revenue from the total revenue

Note 2: Due to the sale of momo's cosmetic stores and department store in March 2014 and September 2013, their financial numbers were reclassified as discontinued operations since January 2013 and are excluded at the operating level.

IR contact:

Shirley Chu
Senior Director of Investor Relations
Tel: 8862-6636-3159
E-mail: shirleychu@taiwanmobile.com

Rosie Yu
Chief Financial Officer and Spokesperson
Tel: 8862-6638-3909
E-mail: rosieyu@taiwanmobile.com

18Fl, No. 172-1, Sec.2, Ji-Lung Rd., Taipei 106, Taiwan, R.O.C.

Taiwan Mobile Co., Ltd.

2Q14 Results Summary

July 28, 2014

Disclaimer

The information contained in this presentation, including all forward-looking information, is subject to change without notice, whether as a result of new information, future events or otherwise, and Taiwan Mobile Co., Ltd. (the "Company") undertakes no obligation to update or revise the information contained in this presentation. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is the information intended to be a complete statement of the Company, markets or developments referred to in this presentation.

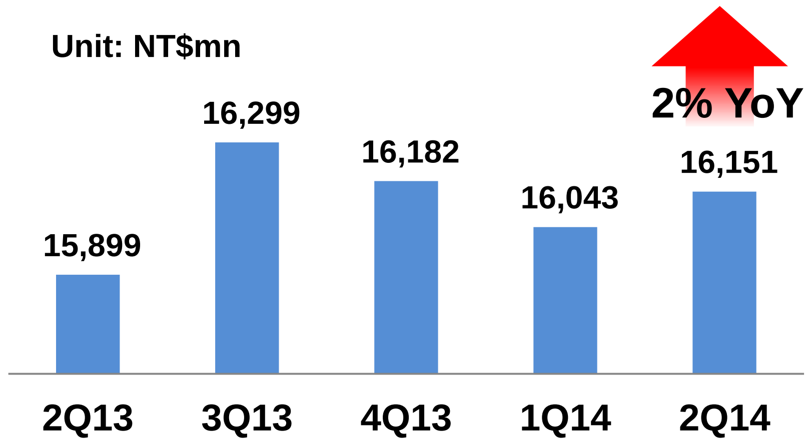
Business Overview

Taiwan Mobile 台湾大哥大

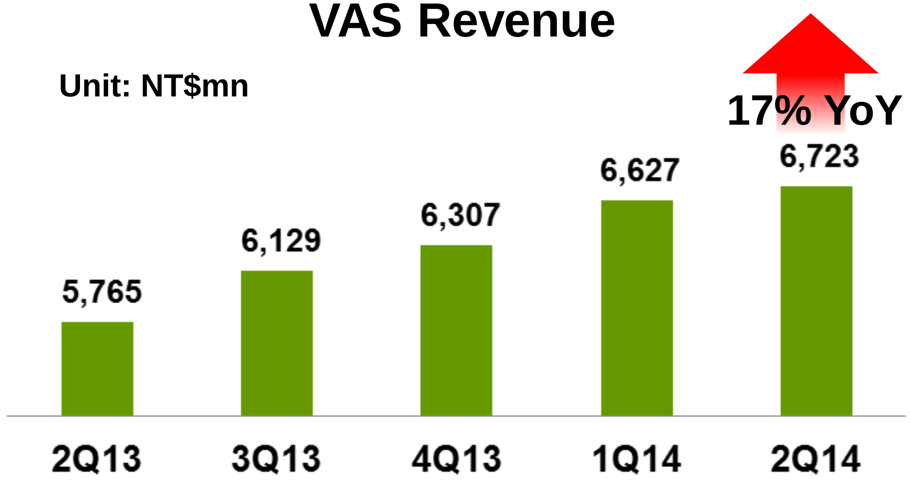
Steady Mobile Revenue Growth

TWM's Performance

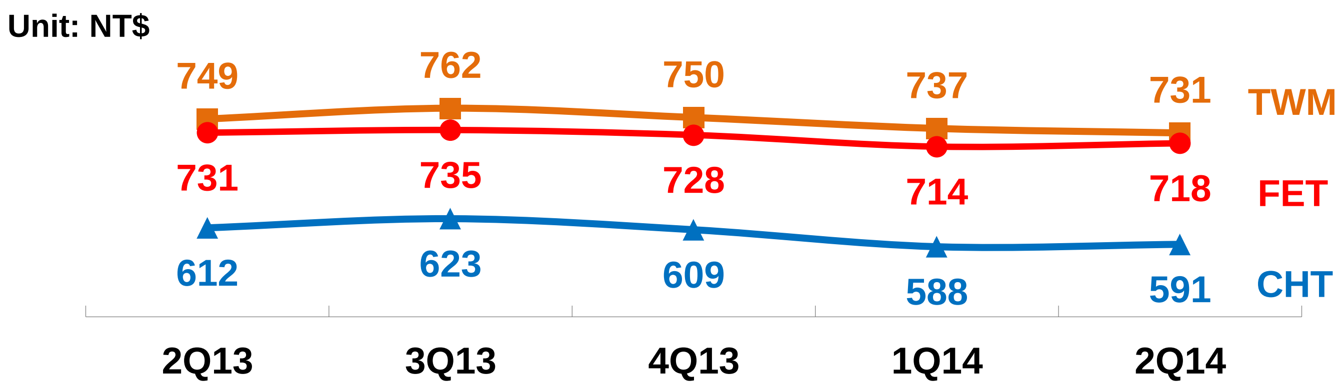
Mobile Service Revenue



VAS Revenue



Peer Comparison - ARPU

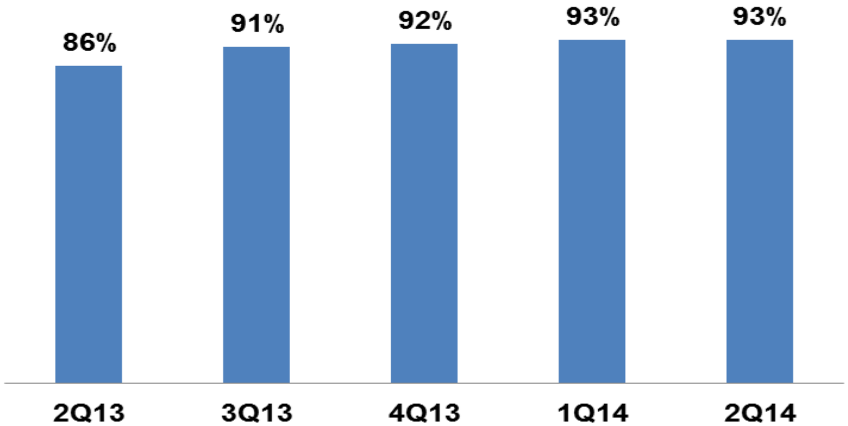


* Based on IFRS – Residual Value Method, i.e. excluding revenue adjustments under the current bundle sales accounting policy.

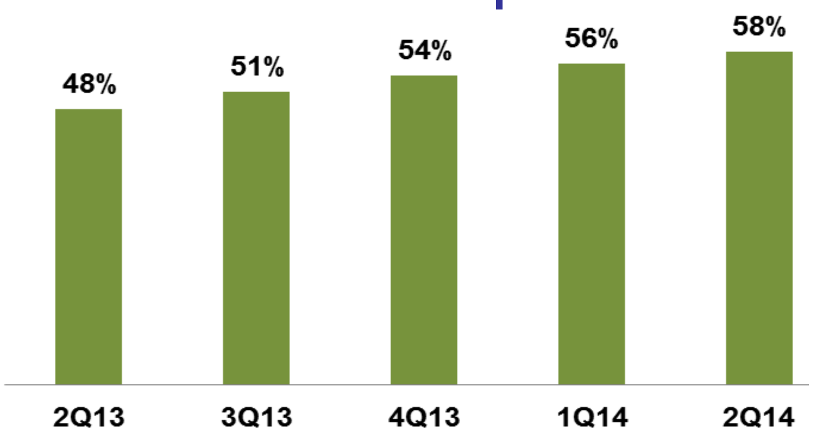
Taiwan Mobile 台灣大哥大

Our Smartphone Strategy

Smartphone as % of total handsets sold



Mobile data adoption rate



700 LTE enabled devices

Taiwan Mobile 台灣大哥大

Steady CATV Operation

2Q14	Sub base YoY growth	ARPU
Analogue TV	1%	$494
Cable Internet	5%	$546
DTV	55%	$133

Blended ARPU *	$796	+2% YoY

* Calculation based on total cable TV revenue excluding content agency revenue

Taiwan Mobile 台湾大哥大

Growing Online Shopping Business

momo (Unit: NT$bn)	2Q14	2Q13	YoY
Total Revenue	5.62	4.89	15%
- Online Shopping	3.52	2.66	32%
- TV Home Shopping & Other	2.10	2.23	-6%

EBITDA	0.39	0.28	43%
EBITDA margin	7.0%	5.6%	

Note: momo announced the sale of its cosmetics stores and department store operations on March 28, 2014 and August 30, 2013, respectively. The related operating results of the aforementioned business lines were reclassified retroactively as discontinued operations and thus were not included in the table above.

Financial Overview

Taiwan Mobile 台湾大哥大

Performance by Business

NT$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
2Q14	19.73	1.58	5.62	26.94	6.85	0.86	0.39	8.16
% of total	73%	6%	21%	100%	84%	11%	5%	100%
2Q14 YoY	-2%	2%	15%	1%	2%	3%	43%	4%
1Q14 YoY	3%	3%	15%	5%	2%	5%	35%	3%

Note: The combined total of telecom, CATV and momo does not equal the consolidated total of each account due to other revenue and minor adjustments / eliminations.

Taiwan Mobile 台湾大哥大

Results Summary

NT$mn	2Q14	YoY	as % of 2Q14 Guidance	1H14
Revenue	26,936	1%	95%	54,663
Cost	(17,333)	3%	92%	(35,323)
Operating expenses	(4,210)	-4%	92%	(8,835)
Operating income	5,394	0%	112%	10,505
Net non-operating items	(199)	-57%	45%	(231)
Income before tax	5,195	5%	118%	10,274
Net income	4,137	5%	116%	8,221
EPS (NT$)	1.54	5%	116%	3.06
EBITDA	8,164	4%	105%	15,936
EBITDA margin	30.31%			29.15%

Balance Sheet Analysis

NT$bn	2Q14	1Q14	2Q13
Total Assets	**143.08**	**142.93**	**111.81**
Current Assets	26.81	28.54	31.74
- Cash & Cash Equivalents	6.00	8.18	11.28
- Accounts Receivable	14.33	14.15	13.00
- Inventories	3.06	2.94	3.18
- Other Current Assets	3.42	3.27	4.28
Non-current Assets	116.27	114.39	80.08
- Long-term Investment	2.57	2.47	3.27
- Property and Equipment	45.27	42.81	42.38
- Concession	39.70	40.02	4.11
- Other Non-current Assets	28.73	29.09	30.32

	2Q14	1Q14	2Q13
Current Ratio	48%	58%	75%
Net Debt to Equity	73%	63%	16%
Net Debt to EBITDA (x)	1.22	1.30	0.27
ROE (annualized)	33%	27%	32%

	2Q14	1Q14	2Q13
Liabilities	**89.70**	**78.51**	**61.36**
Current Liabilities	55.39	49.62	42.31
- ST Debts	15.88	25.55	4.77
- Other Current Liabilities	39.51	24.07	37.54
Non-Current Liabilities	34.31	28.89	19.05
- Long-Term Borrowings	29.08	23.08	14.79
- Deferred Income Tax Liability	2.44	2.66	2.48
- Other Non-current Liabilities	2.79	3.15	1.78
Shareholders' Equity	**53.38**	**64.42**	**50.46**
- Paid-in Capital	34.21	34.21	34.21
- Capital Surplus	12.48	12.48	12.43
- Legal Reserve	21.54	19.26	19.26
- Un-appropriated Earnings	4.83	6.61	6.61
- Treasury Shares	(31.08)	(31.08)	(31.08)
- Retained Earnings & Others*	11.40	22.94	9.02

* Including accumulated profits, minority interest and other equity items

Taiwan Mobile 台湾大哥大

Cash Flow Analysis

NT$bn	2Q14	1Q14	2Q13
Operating Cash Flow	6.68	6.84	7.42
Investing Cash Flow	(4.79)	(0.99)	(5.12)
Financing Cash Flow	(4.07)	(5.63)	2.90

NT$bn	2Q14	1Q14	2Q13
Cash CAPEX	(4.78)	(2.27)	(2.71)
Free Cash Flow	1.90	4.57	4.70

3Q14 Guidance &
Board Resolutions

Taiwan Mobile 台灣大哥大

3Q14 Guidance

NT$bn	3Q14F	3Q13	YoY
Revenue	28.30	27.08	5%
EBITDA	7.89	8.02	-2%
Operating Income	4.72	5.54	-15%
Non-operating Expense	0.62	0.29	115%
Net Income	3.44	4.27	-19%
EPS (NT$)	1.28	1.58	-19%

Board Resolution

ECB Issuance

The board today (July 28, 2014) approved the issuance of a 5-year Euro-Convertible Bond of no more than US$500mn with a zero coupon, zero yield to maturity, conversion premium of 20% to 32.5%, and no conversion price adjustment for dividend yield below 5.8%.

Capex Guidance Revision

The board today (July 28, 2014) approved an additional NT$1.82bn capex budget for 2014 mainly to reflect momo’s investment of its logistics and warehousing center. Thus, 2014 capex is revised to be NT$15.4bn: NT$9.8bn for mobile, NT$2.1bn for fixed-line, NT$1bn for cable TV, and NT$2.5bn for momo and other subsidiaries.

Event Updates

Regulatory Update

NCC approved TWM and FET returning their respective 5MHz 2G spectrums on the 1800MHz band on July 16, 2014. Accordingly, TWM will be able to launch 1800 LTE service by the end of September.

Awards and Recognition

- Won the "Trusted Brand Gold Award" by *Reader's Digest* for the eleventh consecutive year.
- Received the highest "A^{++}" rating among listed companies in "Transparency and Information Disclosure" from Taiwan's Securities and Futures Institute for the ninth year in a row.
- For the eighth time, winner of the "Corporate Social Responsibility Award" by *Global Views Monthly*.

台湾大哥大 Taiwan Mobile

Key Message

Acceleration in the deployment of the 4G network, growing number and greater variety of LTE devices and the earlier-than-expected availability of the 1800MHz LTE spectrum will propel customers' migration to 4G services. TWM is best positioned to capture the business upside of the LTE services.

Q & A