

Press Release**August 10, 2015**

TWM announced July consolidated revenue of NT\$9.32bn. EBITDA was NT\$2.85bn with an operating income of NT\$1.71bn and net income of NT\$1.38bn. EPS was NT\$0.51. For the first seven months of 2015, TWM reported a consolidated revenue of NT\$67.36bn, an EBITDA of NT\$18.76bn, an operating income of NT\$10.99bn and a net income of NT\$9.14bn. EPS for the first seven months was NT\$3.36.

Rosie Yu, Chief Financial Officer and Spokesperson of TWM, stated that mobile postpaid ARPU grew 3% YoY in July on the back of steady increases in 4G subscriber number, which exceeded 2mn by the end of July. July consolidated EBITDA also rose 3% YoY as a result of revenue growth in both mobile and CATV services as well as effective cost controls. In addition, non-operating expense decreased YoY, thus net income grew as well compared to the same period last year. Overall, cumulative net income for the first seven months reached 66% of the full-year guidance.

Taiwan Mobile Consolidated Results (Unaudited)

NT\$m	July 2015	July 2014	Jan.-July 2015	Jan.-July 2014
Revenue	9,320	9,181	67,365	63,843
Operating Revenue ¹	7,816	7,821	54,129	52,837
Handset Sales Revenue	1,504	1,360	13,236	11,006
EBITDA	2,849	2,765	18,756	18,701
Operating income	1,706	1,777	10,995	12,283
Pre-tax income	1,674	1,586	10,651	11,860
Net income	1,378	1,297	9,138	9,519
EPS (NT\$)	0.51	0.48	3.36	3.54

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

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Taiwan Mobile Co., Ltd.

2Q15 Results Summary

July 30, 2015

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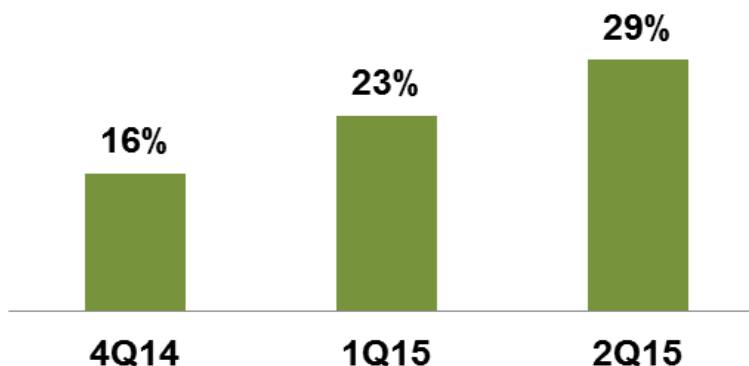


Business Overview



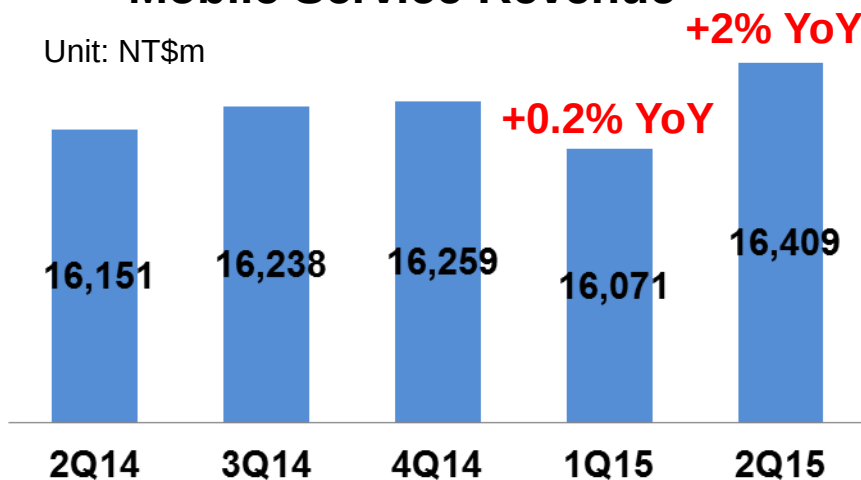
Continuous 4G Business Expansion

4G Postpaid Penetration Rate



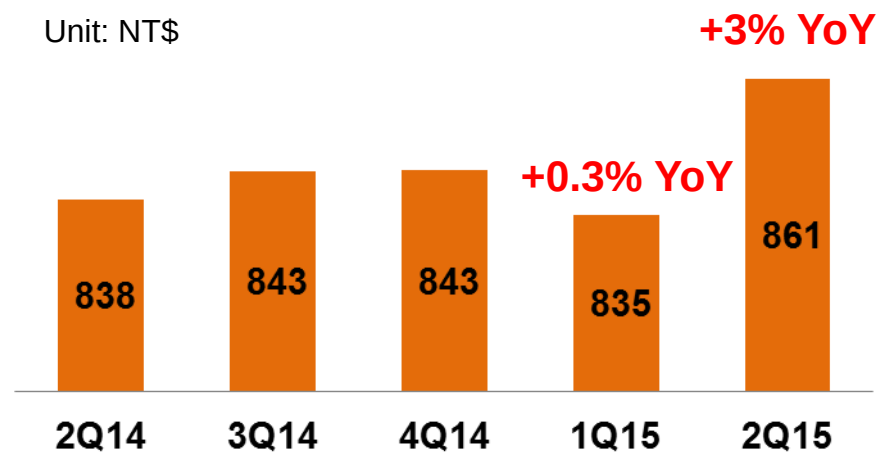
Mobile Service Revenue¹

Unit: NT\$m



Mobile Postpaid ARPU¹

Unit: NT\$



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



Steady Growth in the CATV Business

2Q15	Sub base YoY growth	ARPU
Analogue TV	1%	\$493
Cable Internet	6%	\$545
DTV	22%	\$133
Blended ARPU *	\$812	+2% YoY

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

momo (Unit: NT\$bn)	2Q15	2Q14	YoY
Total Revenue	6.20	5.62	10%
- Online Shopping	4.10	3.52	16%
- TV Home Shopping & Others	2.10	2.10	0%
EBITDA	0.30	0.40	-24%
EBITDA margin	4.9%	7.1%	-2.2ppts



Financial Overview

Results Summary

NT\$m	2Q15				1H15
	Amount	QoQ	YoY	% of 2Q Forecast	
Revenue	28,327	-5%	5%	93%	58,044
Cost	(19,056)	-9%	10%	91%	(40,036)
Operating expense	(4,323)	-2%	3%	90%	(8,719)
Operating income	4,948	14%	-8%	102%	9,289
Net non-oper. items	(117)	-40%	-41%	17%	(312)
Income before tax	4,831	17%	-7%	116%	8,977
Net income	3,947	4%	-5%	121%	7,760
EPS (NT\$)	1.45	4%	-6%	124%	2.85
EBITDA	8,313	9%	2%	101%	15,907
EBITDA margin	29.35%				27.40%



Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
2Q15	20.48	1.63	6.20	28.33	7.05	0.89	0.30	8.31
% of total	72%	6%	22%	100%	85%	11%	4%	100%
2Q15 YoY	4%	3%	10%	5%	3%	4%	-24%	2%
1Q15 YoY	6%	3%	11%	7%	-4%	3%	4%	-2%

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.

Balance Sheet Analysis

NT\$bn	2Q15	1Q15	2Q14		2Q15	1Q15	2Q14
Total Assets	156.51	157.23	143.08	Liabilities	98.53	87.10	89.72
Current Assets	32.15	33.29	26.81	Current Liabilities	69.51	56.12	55.39
- Cash & Cash Equivalents	8.79	8.22	6.00	- ST Debts	31.25	30.99	15.88
- Accounts Receivable	15.28	15.03	14.33	- Other Current Liabilities	38.26	25.13	39.51
- Inventories	2.92	3.25	3.06	Non-Current Liabilities	29.02	30.98	34.33
- Other Current Assets	5.16	6.79	3.42	- Long-Term Borrowings	23.44	25.42	29.08
Non-current Assets	124.36	123.94	116.28	- Other Non-current Liabilities	5.58	5.55	5.25
- Long-term Investment	5.18	4.77	2.57				
- Property and Equipment	48.05	47.18	45.27	Shareholders' Equity	57.98	70.13	53.36
- Concession	41.71	42.30	39.70	- Paid-in Capital	34.21	34.21	34.21
- Other Non-current Assets	29.42	29.69	28.73	- Capital Surplus	14.72	14.72	12.48
				- Legal Reserve	23.04	21.54	21.54
				- Un-appropriated Earnings	2.77	4.83	4.83
Current Ratio	46%	59%	48%	- Treasury Shares	(29.72)	(29.72)	(31.08)
Net Debt to Equity	79%	69%	73%	- Non-controlling Interest	5.80	6.36	2.96
Net Debt to EBITDA (x)	1.40	1.47	1.22	- Retained Earnings & Others*	7.17	18.20	8.43
ROE (annualized)	30%	24%	33%				

* Including accumulated profits and other equity items

Cash Flow Analysis

NT\$bn	2Q15	1Q15	2Q14
Operating Cash Flow	5.44	5.38	6.68
Investing Cash Flow	(2.30)	(6.68)	(4.79)
Financing Cash Flow	(2.56)	1.62	(4.07)

NT\$bn	2Q15	1Q15	2Q14
Cash CAPEX	3.57	3.29	4.78
Free Cash Flow	1.87	2.09	1.90



Event Updates

2.6GHz Spectrum Auction

NCC scheduled a 2.5 / 2.6GHz spectrum auction in mid-to-late October 2015 to release a total bandwidth of 190MHz split into four paired and two unpaired spectrum blocks with an aggregate reserve price of NT\$14.4bn. TWM's board today (July 30, 2015) resolved to participate in the aforementioned auction.

	2500MHz						2690MHz			
	Uplink				Downlink					
Block	D1	D2	D3	D4	D5	D6	D1	D2	D3	D4
Bandwidth	20MHz	20MHz	20MHz	10 MHz	25MHz	25MHz	20MHz	20MHz	20MHz	10 MHz
Reserve price					NT\$0.9bn	NT\$0.7bn	\$3.5bn	\$3.7bn	\$3.7bn	\$1.9 bn
Occupied by						Global Mobile 30MHz				
WiMAX license expires on						Dec. 10, 2015				

THSR to Buy Back Its Preferred Shares

Taiwan High Speed Rail (THSR) announced on July 6, 2015 to buy back and cancel its issued preferred shares. Accordingly, TCC Investment, TWM's 100%-owned subsidiary, expects to receive NT\$500mn from its investment in THSR at cost.

New Mobile Rate Plans

Launched two new 4G rate plans, 298 and 698, offering a respective fixed 1.5GB and 5GB data allowance per month plus the choice of one value-added service from online books, music, and videos, to target the lower-end segment.

Awards and Recognition

- Ranked within top 5 percent of listed companies in the first Corporate Governance Evaluation conducted jointly by the Taiwan Stock Exchange and Taipei Exchange (GreTai Securities Market)
- Received the “Corporate Social Responsibility Award” in the category of service and telecom industries from *Global Views Monthly*, the sole recipient from the telecom field.

Deeper 4G penetration has enabled us to record a historical high postpaid ARPU and consolidated EBITDA. Should tiered-pricing be implemented, it will pave the way for a brighter industry outlook. We expect the growth momentum to continue and endeavor to deliver stronger shareholder value.



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Q & A