



Press Release

February 15, 2016

TWM announced January consolidated revenue of NT\$10.20bn. EBITDA was NT\$2.79bn with an operating income of NT\$1.65bn and net income of NT\$1.26bn. EPS was NT\$0.46.

Rosie Yu, Chief Financial Officer and Spokesperson of TWM, stated that, in January, consolidated EBITDA and net income grew 5% and 4% YoY, respectively, primarily due to more users migrating to 4G as well as the percentage of mid-to-low end handset bundled packages increasing, which led to subsidies related expenses declining compared to last year. Overall, net income for the month reached 38% of our first quarter guidance.

Taiwan Mobile Consolidated Results (Unaudited)

NT\$m	Jan. 2016	Jan. 2015
Revenue	10,199	10,580
Service Revenue ¹	8,333	7,916
Handset Sales Revenue	1,866	2,664
EBITDA	2,785	2,642
Operating income	1,650	1,579
Pre-tax income	1,615	1,503
Net income	1,262	1,214
EPS (NT\$)	0.46	0.45

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

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Taiwan Mobile
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Taiwan Mobile Co., Ltd.

4Q15 Results Summary

January 29, 2016

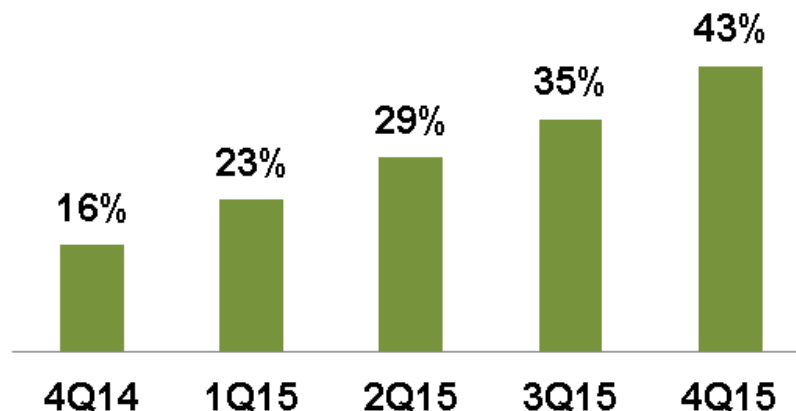
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Business Overview

Continuous 4G Business Expansion

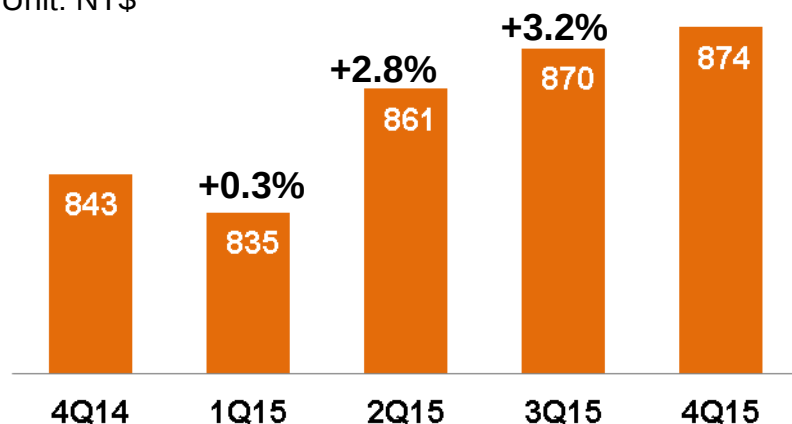
4G Postpaid Penetration Rate



Mobile Postpaid ARPU¹

Unit: NT\$

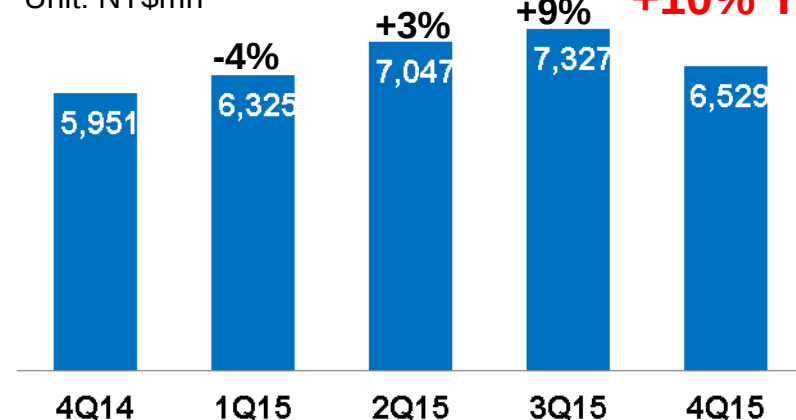
+3.7% YoY



Telecom EBITDA

Unit: NT\$mn

+10% YoY



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

(Unit: NT\$bn)					
CATV	4Q15	4Q14	YoY	2015	YoY
Total Revenue	1.67	1.61	4%	6.55	3%
- Pay-TV related	1.12	1.11	1%	4.46	2%
- Cable Internet	0.32	0.31	4%	1.28	5%
- Content & Others	0.23	0.20	18%	0.81	6%
EBITDA	0.89	0.86	4%	3.56	4%
EBITDA Margin	53.5%	53.0%	0.5ppts	54.4%	0.5ppts

(Unit: NT\$bn)					
momo	4Q15	QoQ	YoY	2015	YoY
Total Revenue	6.85	8%	8%	25.64	7%
- Online Shopping	4.76	11%	16%	17.22	15%
- TV Home Shopping & Others	2.10	3%	-6%	8.42	-6%
EBITDA	0.28	0%	-28%	1.19	-24%
EBITDA Margin	4.1%	-0.3ppts	-2.0ppts	4.6%	-1.9ppts



Financial Overview

Results Summary

NT\$m	4Q15	YoY	2015 Full-year	YoY	As % of Full-year Guidance
Revenue	30,534	1%	116,144	3%	93%
Cost	(21,556)	0%	(79,785)	6%	92%
Operating expenses	(4,641)	0%	(17,591)	-1%	90%
Operating income	4,337	5%	18,769	-5%	99%
Net non-operating items	(198)	192%	(603)	-29%	41%
Income before tax	4,138	2%	18,166	-4%	104%
Net income	3,767	24%	15,686	5%	113%
EPS (NT\$)	1.38	24%	5.76	4%	114%
EBITDA	7,803	8%	32,285	3%	98%
EBITDA margin	25.56%		27.80%		

Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
4Q15	21.93	1.67	6.85	30.53	6.53	0.89	0.28	7.80
% of total	72%	5%	22%	100%	84%	11%	4%	100%
4Q15 YoY	-1%	4%	8%	1%	10%	4%	-28%	8%
3Q15 YoY	-2%	2%	1%	-1%	9%	3%	-39%	6%

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

* Including accumulated profits and other equity items

Cash Flow Analysis

NT\$bn	4Q15	3Q15	2015	2014
Operating Cash Flow	7.74	7.25	25.81	28.34
Investing Cash Flow	(1.76)	(4.44)	(15.18)	(19.66)
Financing Cash Flow	(4.68)	(4.33)	(9.95)	(8.74)

NT\$bn	4Q15	3Q15	2015	2014
Cash CAPEX	2.80	2.96	12.62	14.70
Free Cash Flow	4.94	4.29	13.19	13.63



2016 Guidance & Event Updates

NT\$bn	2016F	2015A	YoY
Revenue	120.60	116.14	4%
EBITDA	32.84	32.28	2%
D&A Expense	(14.32)	(13.52)	6%
Operating Income	18.52	18.77	-1%
Non-operating Expense	(1.00)	(0.60)	65%
Pre-tax Income	17.52	18.17	-4%
Net Income	14.01	15.69	-11%
EPS¹ (NT\$)	5.15	5.76	-11%
Recurring EPS² (NT\$)	5.15	5.31	-3%

1. EPS is based on total share counts of 2.722bn for both 2016 and 2015.
2. One-off gains and tax savings were excluded from 2015 EPS.

Capex Guidance

The board today (January 29, 2016) approved a NT\$11.1bn capex for 2016, including NT\$6.0bn for mobile, NT\$2.2bn for fixed-line, NT\$1.3bn for CATV and NT\$1.6bn for momo and other subsidiaries.

Implications of 2.6GHz Auction Result

TWM announced its exit from the 2.6GHz spectrum auction in 4Q15 as its current spectrum holdings are sufficient enough for future growth in demand. Cash savings from payments for concession, capex and related opex will be used to enhance our marketing flexibility and accelerate the monetization of our 4G investment better than our peers.

Corporate Social Responsibility Awards and Recognition

- Received the following four awards from the Taiwan Institute for Sustainable Energy Research for the second consecutive year: “Taiwan’s Top 10 Role Model Company of Sustainability”, the “Integrity and Transparency Award”, the “Role Model Award for Community Service and Outreach” and the “2015 Taiwan’s Top 50 Corporate Sustainability Report Award – Gold Award in Telecom Sector”
- Received the internationally renowned Swiss SGS Qualicert certification for its quality direct stores channel and customer service system for the fourth year in a row (2012~2015)

An increase in the forecast for telecom EBITDA coupled with over NT\$3bn reduction in telecom capex are expected to enhance Taiwan Mobile's free cash flow generation capability in 2016. With sufficient LTE spectrum holdings and no exposure to 2.6GHz investments, we will have less burden from depreciation and amortization, compared to our peers. As such, we will continue to endeavor to enhance shareholder returns.



Taiwan Mobile

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Q & A