



Press Release

March 10, 2016

TWM announced February consolidated revenue of NT\$9.43bn. EBITDA was NT\$2.75bn with an operating income of NT\$1.61bn and net income of NT\$1.24bn. EPS was NT\$0.46. For the first two months of 2016, TWM reported a consolidated revenue of NT\$19.63bn, an EBITDA of NT\$5.54bn, an operating income of NT\$3.27bn and a net income of NT\$2.51bn. EPS for the first two months was NT\$0.92.

Rosie Yu, Chief Financial Officer and Spokesperson of TWM, stated that, in February, mainly driven by increased profits from the telecom business operations in addition to stable profit contributions from the cable and retail businesses, consolidated EBITDA and net income grew 18% and 8%, respectively, compared to the same period last year. Overall, cumulative net income for January and February reached 76% of the first quarter earnings forecast.

Taiwan Mobile Consolidated Results (Unaudited)

NT\$m	Feb. 2016	Feb. 2015	Jan.-Feb. 2016	Jan.-Feb. 2015
Revenue	9,431	9,466	19,630	20,046
Operating Revenue ¹	7,652	7,477	15,986	15,393
Handset Sales Revenue	1,779	1,989	3,644	4,653
EBITDA	2,752	2,332	5,538	4,974
Operating income	1,615	1,247	3,265	2,826
Pre-tax income	1,560	1,196	3,175	2,699
Net income	1,244	1,155	2,506	2,369
EPS (NT\$)	0.46	0.42	0.92	0.87

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

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Taiwan Mobile
台灣大哥大

Taiwan Mobile Co., Ltd.

4Q15 Results Summary

January 29, 2016

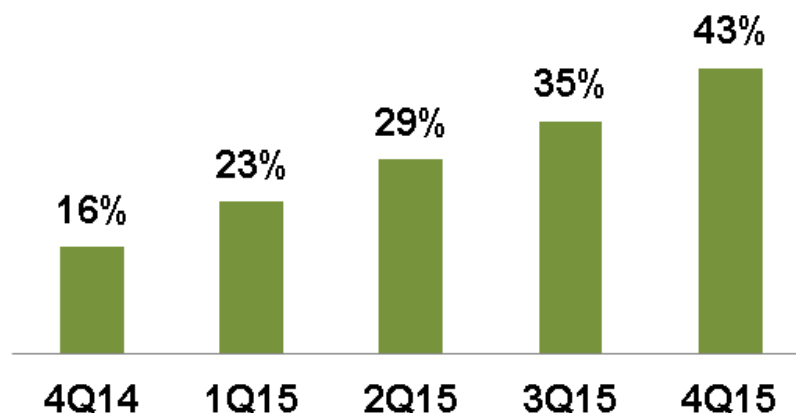
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Business Overview

Continuous 4G Business Expansion

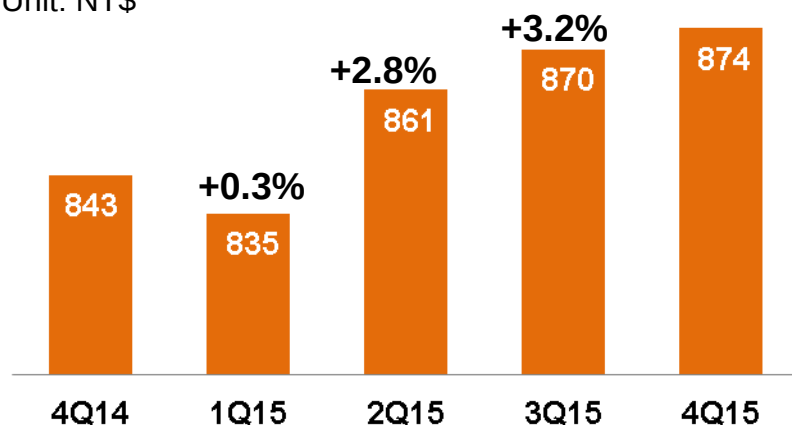
4G Postpaid Penetration Rate



Mobile Postpaid ARPU¹

Unit: NT\$

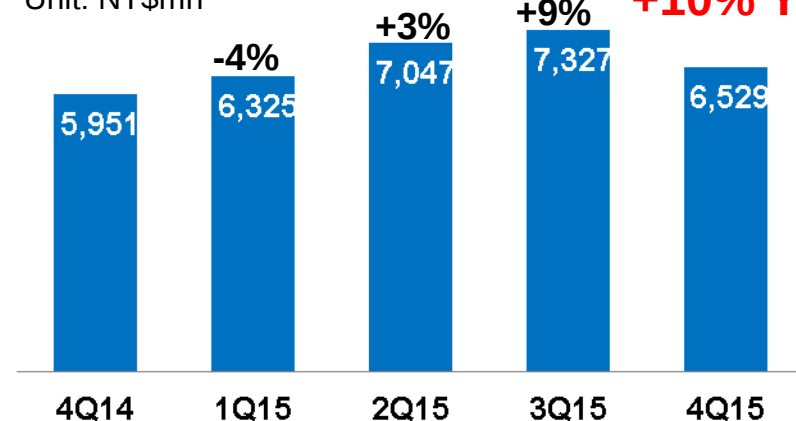
+3.7% YoY



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

NT\$bn	4Q15	3Q15	4Q14		4Q15	3Q15	4Q14
Total Assets	156.09	154.87	153.54	Liabilities	90.79	93.26	87.04
Current Assets	34.16	31.26	32.83	Current Liabilities	59.23	64.81	53.47
- Cash & Cash Equivalents	8.58	7.28	7.90	- ST Debts	35.28	42.37	26.70
- Accounts Receivable	15.70	15.90	15.02	- Other Current Liabilities	23.95	22.44	26.77
- Inventories	4.19	2.24	3.21	Non-Current Liabilities	31.56	28.45	33.57
- Other Current Assets	5.69	5.85	6.69	- Long-Term Borrowings	26.48	23.40	27.98
Non-current Assets	121.93	123.61	120.70	- Other Non-current Liabilities	5.08	5.04	5.59
- Long-term Investment	4.96	4.59	5.07				
- Property and Equipment	47.25	47.85	47.07				
- Concession	40.45	41.08	39.10	Shareholders' Equity	65.29	61.62	66.50
- Other Non-current Assets	29.28	30.09	29.46	- Paid-in Capital	34.21	34.21	34.21
				- Capital Surplus	14.59	14.72	14.72
				- Legal Reserve	23.04	23.04	21.54
Current Ratio	58%	48%	61%	- Un-appropriated Earnings	2.76	2.76	4.83
Net Debt to Equity	81%	95%	70%	- Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to EBITDA (x)	1.65	1.78	1.49	- Non-controlling Interest	5.74	5.88	6.25
ROE (annualized)	25%	30%	20%	- Retained Earnings & Others*	14.67	10.72	14.67

* 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.

