

Press Release**March 9, 2017**

TWM announced February consolidated revenue of NT\$9.35bn. EBITDA was NT\$2.69bn with an operating income of NT\$1.57bn and net income of NT\$1.27bn. EPS was NT\$0.46. For the first two months of 2017, TWM reported a consolidated revenue of NT\$19.29bn, an EBITDA of NT\$5.64bn, an operating income of NT\$3.40bn and a net income of NT\$2.68bn. EPS for the first two months was NT\$0.98.

Rosie Yu, Chief Financial Officer and Spokesperson of TWM, stated that the company's continual efforts in upgrading its subscribers to 4G services have resulted in its postpaid 4G penetration rate reaching 67% by the end of February. For the first two months of 2017, consolidated EBIT and net income grew 4% and 7%, respectively, compared to the same period last year. Overall, earnings per share already reached 73% of the first quarter forecast.

Taiwan Mobile Consolidated Results (Unaudited)

NT\$m	Feb. 2017	Feb. 2016	Jan.-Feb. 2017	Jan.-Feb. 2016
Revenue	9,347	9,431	19,291	19,630
Operating Revenue ¹	7,822	7,653	16,058	15,985
Handset Sales Revenue	1,524	1,779	3,233	3,644
EBITDA	2,687	2,752	5,641	5,538
Operating income	1,565	1,615	3,398	3,265
Pre-tax income	1,521	1,560	3,290	3,175
Net income	1,270	1,244	2,679	2,506
EPS (NT\$)	0.46	0.46	0.98	0.92

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

IR contact:

Shirley Chu

Senior Director of Investor Relations

Tel: 8862-6636-3159

Email: shirleychu@taiwanmobile.com

13F, No.88, Yan Chang Rd., Xinyi Dist. Taipei City 110, Taiwan

Rosie Yu

Chief Financial Officer and Spokesperson

Tel: 8862-6638-3909

Email: rosieyu@taiwanmobile.com



Taiwan Mobile
台灣大哥大

Taiwan Mobile Co., Ltd.

4Q16 Results Summary

March 22, 2017

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.



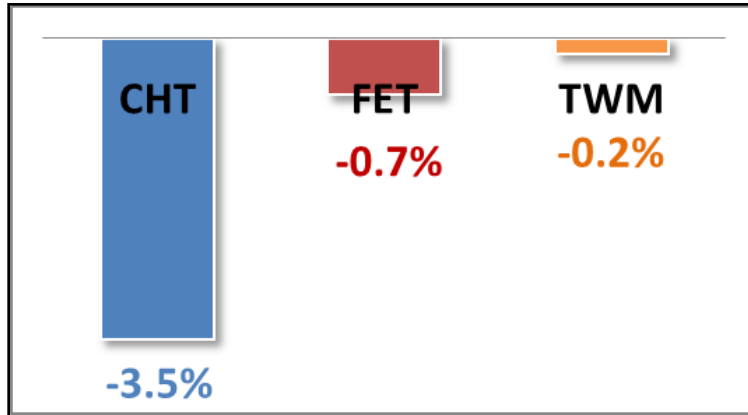
Business Overview

Mobile Growth Leading the Pack

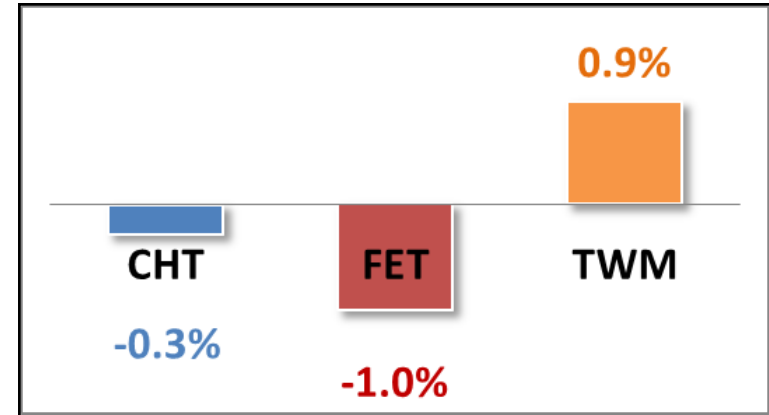
Key Operating Metrics

2016 YoY change

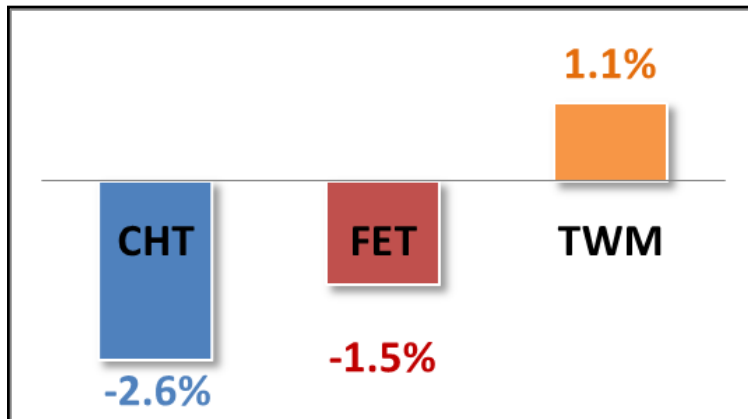
Total Subscribers



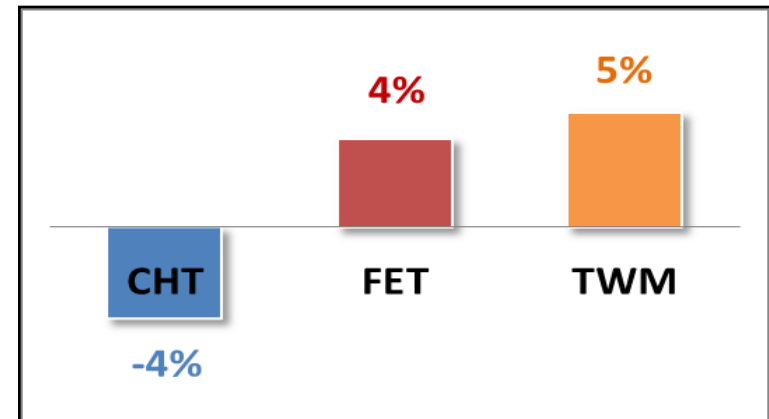
Blended ARPU¹



Mobile Service Revenue¹



Telecom EBITDA



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

Online Shopping - A Bright Spot

(Unit: NT\$bn)					
momo	4Q16	QoQ	YoY	2016	YoY
Total Revenue	7.62	13%	11%	28.08	10%
- Online Shopping	5.82	17%	22%	20.58	19%
- TV Home Shopping & Others	1.80	-1%	-14%	7.50	-11%
EBITDA	0.34	14%	21%	1.37	15%
EBITDA Margin	4.4%	0.1ppts	0.4ppts	4.9%	0.2ppts



Financial Overview

Performance by Business

NT\$bn	Revenue				EBITDA			
	Telecom	CATV	momo	Total	Telecom	CATV	momo	Total
4Q16	21.29	1.62	7.62	30.56	6.86	0.84	0.34	8.16
% of total	70%	5%	25%	100%	84%	10%	4%	100%
4Q16 YoY	-3%	-3%	11%	0%	5%	-6%	21%	5%
2016	81.85	6.53	28.08	116.65	28.57	3.50	1.37	33.87
2016 YoY	-2%	0%	10%	0%	5%	-2%	15%	5%

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.

Results Summary

NT\$m	4Q16	YoY	2016 Full-year	YoY	As % of Full-year Guidance
Revenue	30,558	0%	116,647	0%	97%
Cost	(21,274)	-1%	(78,791)	-1%	94%
Operating expenses	(4,599)	-1%	(17,837)	1%	96%
Operating income	4,684	8%	20,020	7%	108%
Net non-operating items	(344)	74%	(828)	37%	83%
Income before tax	4,340	5%	19,191	6%	110%
Net income	3,441	-9%	15,320	-2%	109%
EPS (NT\$)	1.27	-8%	5.63	-2%	109%
EBITDA	8,161	5%	33,872	5%	103%
EBITDA margin	26.71%		29.04%		



Balance Sheet Analysis

NT\$bn	4Q16	3Q16	4Q15		4Q16	3Q16	4Q15
Total Assets	151.38	151.26	156.09	Liabilities	85.19	88.76	90.79
Current Assets	34.28	32.39	34.16	Current Liabilities	38.14	51.34	59.23
- Cash & Cash Equivalents	7.70	6.57	8.58	- ST Debts	13.62	27.82	35.28
- Accounts Receivable	15.42	15.66	15.70	- Other Current Liabilities	24.53	23.52	23.95
- Inventories	4.07	2.95	4.19	Non-Current Liabilities	47.05	37.42	31.56
- Other Current Assets	7.09	7.21	5.69	- Long-Term Borrowings	42.91	33.38	26.48
Non-current Assets	117.10	118.87	121.93	- Other Non-current Liabilities	4.14	4.04	5.08
- Long-term Investment	5.41	5.55	4.96				
- Property and Equipment	45.37	46.42	47.58				
- Concession	37.86	38.53	40.45	Shareholders' Equity	66.19	62.50	65.29
- Other Non-current Assets	28.45	28.36	28.95	- Paid-in Capital	34.21	34.21	34.21
				- Capital Surplus	14.99	14.59	14.59
	4Q16	3Q16	4Q15	- Legal Reserve	24.61	24.61	23.04
Current Ratio	90%	63%	58%	- Un-appropriated Earnings	0.63	0.63	2.76
Net Debt to Equity	74%	87%	81%	- Treasury Shares	(29.72)	(29.72)	(29.72)
Net Debt to EBITDA (x)	1.44	1.62	1.65	- Non-controlling Interest	5.77	5.62	5.74
ROE (annualized)	23%	28%	25%	- Retained Earnings & Others*	15.71	12.57	14.67

* Including accumulated profits and other equity items

Cash Flow Analysis

NT\$bn	4Q16	3Q16	2016	2015
Operating Cash Flow	7.94	7.89	31.83	25.81
Investing Cash Flow	(2.36)	(3.55)	(11.53)	(15.18)
Financing Cash Flow	(4.44)	(5.31)	(21.17)	(9.95)

NT\$bn	4Q16	3Q16	2016	2015
Cash CAPEX	(2.26)	(3.05)	(10.49)	(12.62)
Free Cash Flow	5.68	4.84	21.34	13.19



2017 Guidance & Event Updates

NT\$bn	2017F	2016A	YoY
Revenue	118.85	116.65	2%
EBITDA	32.43	33.87	-4%
D&A Expense	13.88	13.85	0%
Operating Income	18.56	20.02	-7%
Non-operating Expense	0.66	0.83	-20%
Pre-tax Income	17.90	19.19	-7%
Net Income	14.38	15.32	-6%
EPS ¹ (NT\$)	5.28	5.63	-6%

1. EPS is based on total share counts of 2.722bn.

Capex Guidance

The board today (January 25, 2017) approved a NT\$8.5bn capex for 2017, including NT\$5.0bn for mobile, NT\$1.0bn for fixed-line, NT\$1.4bn for CATV and NT\$1.1bn for momo and other subsidiaries.

Awards and Recognition

- Received the most (six) awards among telecom peers from the Taiwan Institute for Sustainable Energy Research for the third consecutive year: “Taiwan’s Top 10 Role Model Company for Sustainability”, the “Integrity and Transparency Award”, the “Growth through Innovation Award”, the “Role Model Award for Community Service and Outreach”, the “Climate Leadership Award”, and the “2016 Taiwan’s Top 50 Corporate Sustainability Report Award – Gold Award in ICT Sector”
- Received the internationally renowned Swiss SGS Qualicert certification for its quality direct stores channel and customer service system for the fifth year in a row (2012~2016)

Our advantage in 4G spectrum and infrastructure investments delivered solid EBITDA growth in 2016. In 2017, we still expect to grow our free cash flow as we continue to invest for growth. Looking ahead, we're committed to sustaining the long-term health of our business so we can deliver above-market returns to our shareholders.



Q & A