



Chunghwa Telecom

- Taiwan's market leader in mobile, broadband and fixed line services
- #1 brand with high quality service and network

Investment Thesis: Building Sustainable Value

Differentiating Factors

- Leading Position in Customer Access
- Extensive Product Portfolio with High Quality Services
- Branding & Scale Advantages
- Advanced Network & Technology Capabilities
- Financial Strengths

Create
Long-term
Sustainable
Shareholder
Value

GROW

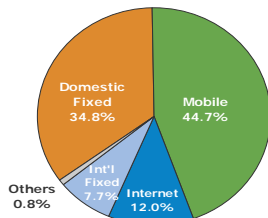
Strategic Execution

- Satisfy mobile customer demand for high-quality access and services for increasingly sophisticated usage needs
- Invest in innovation to drive the next wave of broadband development and transformation from pure telecom operator
- Step up commitment in preserving environment and social responsibilities

Taiwan's Telecom Leader – Solid Performance

Integrated Services Provider with Dominant Market Positions

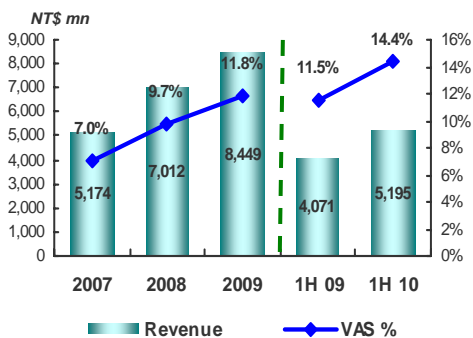
1H 10 Consolidated Revenue: NT\$99.28 bn



Taiwan's #1 Mobile Services Provider:

- Maintaining leadership by building customer loyalty through compelling services
- Smartphone customers account for 17% of the total handsets CHT offered in 1H2010 and the percentage is expected to reach 20% by 2010

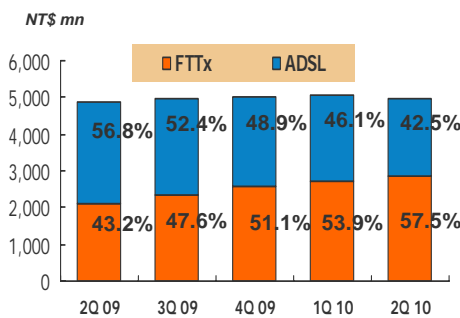
Mobile VAS Revenue %



Taiwan's #1 Broadband and Internet Service Provider:

- Migrating users to higher-speed platform and services

Revenue of Fixed Line Broadband



New Business Initiatives for Future Growth :

Convergence Services

- Services launched: Music (hifree, KKBOX), Video (Sports, Movie), Surveillance, Multimedia Phone
- Expecting single sign-on available on 3 platforms in 4Q 10

Corporate ICT Business

- To focus on ICT business lines and government project
- ITS, iEN, information security, PBX, call center, billing VAS and IDC
- Internet of Things

Cloud Computing

- Offer services to Public Cloud customers such as SME, public users and to Private Cloud customers including enterprises and government

Market Cap	\$19.57 Billion
NYSE	CHT
Share Price	\$20.18
52 Week Low/High	\$17.36/21.85
TSE	2412
Share Price	NT\$64.90
52 Week Low/High	NT\$55.6/69.0
Shares Outstanding	9,697 Million
as of August 23, 2010	



Dr. Shyue-Ching Lu
Chairman & CEO

"I am pleased to report another quarter of solid results, boosted by the continuing economic recovery and the execution of our marketing initiatives. Despite the mandated National Communications Commission ("NCC") tariff reduction effective April 1 this year, consolidated revenue increased 3.3% to NT\$49.7 billion during the second quarter of 2010, mainly due to higher handset sales and increased revenue from both mobile value-added services ("VAS") and Internet services. Our prudent cost management initiatives enabled us to deliver stable operating income, and the income tax reduction from 25% to 17% starting from 2010 resulted in a 12.7% year-over-year rise in net income to NT\$12.9 billion."



For more information visit:
www.cht.com.tw/ir



Chunghwa Telecom

Solid Performance

- Strong brand awareness and customer service
- Solid EBITDA margins and free cash flows



Solid Financial Performance

ROC GAAP (Consolidated)						
(NT\$bn)	1H 2009	1H 2010	Δ	Q2 2009	Q2 2010	Δ
Revenue	97.18	99.28	2.2%	48.06	49.66	3.3%
EBITDA	47.41	47.07	(0.7%)	24.05	23.51	(2.2%)
Income from Operations	29.05	29.79	2.6%	14.92	14.91	(0.1%)
Net Income	22.26	24.99	12.3%	11.48	12.93	12.7%
EBITDA margin (%)	48.79	47.41		50.05	47.33	
Net Income margin (%)	22.91	25.17		23.89	26.04	

Notes:

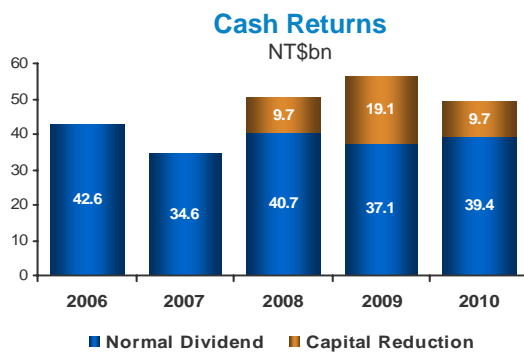
Calculation of growth rates is based on NT\$mn.

Management Highlights

- Continued to be leading domestic player in all business segments
- Further strengthened capability to provide integrated telecommunication services with rapidly catching up mobile VAS and IPTV services
- Continue to drive cost efficiency
- Sustainable dividend payout with strong balance sheet and prudent capital management
- Exploring into future growth opportunities with innovative service offerings and leading edge technology in domestic and overseas markets

Committed to Shareholder Returns: Strong Dividend Policy; Prudent Financial Management

- Strong dividend payout ratio
- Cash dividend for 2009 totaled NT\$39.4bn
- Cumulative cash returns of NT\$38.5bn to shareholders in the previous three rounds of capital reduction
- 4th Round approved by The board and AGM .Cash return expected to be NT\$19.4bn in 1Q2011



Note:

- The cash return was calculated based on cash dividend and cash return from capital reduction, stock dividend was not included.
- 1 ADR = 10 common shares

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