



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

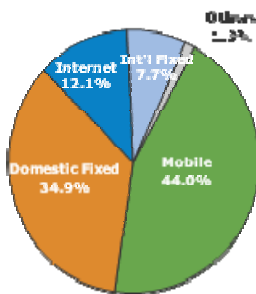
Strategic Execution

- 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

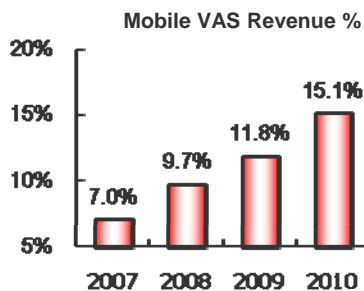
Integrated Services Provider with Dominant Market Positions

2010 Unaudited Consolidated Revenue: NT\$202.49 bn



Taiwan's #1 Mobile Services Provider:

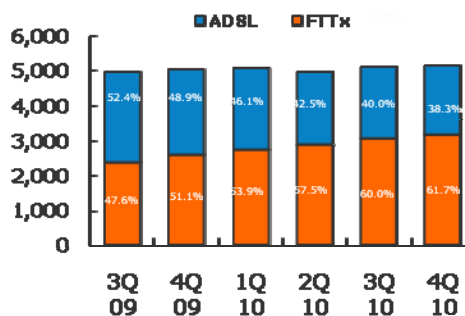
- Maintain mobile leadership by acquiring customers, minimizing churn rate, and increasing user loyalties via compelling user experiences
- Create value via smartphone and tablets services
- Increase mobile VAS revenue by offering customized and integrated Hami VAS services with mobile Internet tariff plans over 3.5G+Wi-Fi networks
- Provide alternative network by accumulating Wi-Fi APs totaled 10,000 by 2010, expect net add 10,000 by 2011



Taiwan's #1 Broadband and Internet Service Provider:

- Migrate ADSL subs to FTTx to offer services including HDTV, remote surveillance and cloud storage, etc
- Focusing on 50Mbps service in 2011
- Continue offering differentiated services such as hifree, MOD HD, cloudbox etc.

Revenue of Fixed Line Broadband



| | |
|--------------------|---------------|
| Market Cap | NT\$680.33 bn |
| NYSE | CHT |
| Share Price | \$29.44 |
| 52 Week Low/High | \$18.35/30.57 |
| TSE | 2412 |
| Share Price | NT\$87.7 |
| 52 Week Low/High | NT\$59.3/89.2 |
| Shares Outstanding | 7,757 Million |

as of Feb. 23, 2011



Dr. Shyue-Ching Lu
Chairman & CEO

"We are pleased to report another year of solid performance. Total consolidated revenue for 2010 reached NT\$202.5 billion, with the increase mainly driven by stronger mobile VAS, handset sales and internet services. We have several major achievements in 2010. The popularity of the smartphone and the economic recovery resulted in higher traffic volume, which in turn boosted the momentum of telecom industry growth. In addition to our traditional telecom service offering, we successfully launched selected Information and Communications Technology (ICT) services and were delighted to be awarded major contracts. We also introduced new initiatives relating to ICT and converged services, and were able to offer customers configured cloud computing and consolidated and repackaged solutions."



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Chunghwa Telecom

New Business Initiatives for Future Growth :

Convergence Services

- Services launched: Music (hifree, KKBOX), Video (Sports, Movie), News, Micropayment, Weather, Surveillance, Multimedia Phone etc
- Cloud-based multi-screen services available by 2011: Micropayment, Video (Movie), Weather, News, Music

Corporate ICT Business

- To focus on ICT business line and government project
- ICT business line including ITS, iEN, information security, PBX, call center, billing VAS and IDC
- Corporate ICT-related revenue: 15.4% yoy growth for 2010, expected to grow 23% for 2011

Cloud Computing

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



Solid Financial Performance

ROC GAAP (Consolidated)

| (NT\$bn) | 2009 | 2010 | Δ | Q4 2009 | Q4 2010 | Δ |
|------------------------|--------|--------|--------|---------|---------|--------|
| Revenue | 198.36 | 202.49 | 2.1% | 51.13 | 52.35 | 2.4% |
| Income from Operations | 56.39 | 57.36 | 1.7% | 13.16 | 13.13 | (0.3%) |
| Net Income | 43.76 | 47.69 | 9.0% | 10.58 | 10.75 | 1.6% |
| Net Income margin (%) | 22.06 | 23.55 | | 20.69 | 20.53 | |
| EBITDA | 92.70 | 91.4 | (1.4%) | 22.13 | 21.46 | (3.0%) |
| EBITDA margin (%) | 46.73 | 45.14 | | 43.27 | 40.99 | |

Notes:

Calculation of growth rates is based on NT\$m. The figure of 2010 was un-audited

Management Highlights

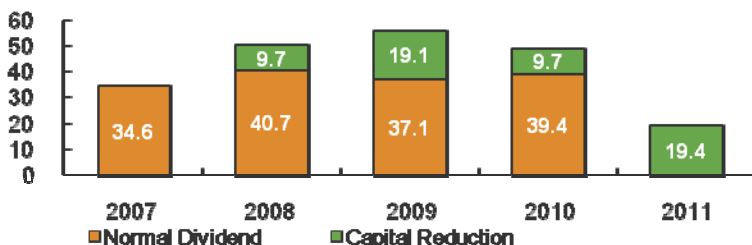
- Pursue business growth
- Focus on innovative services
- Strengthen human resources
- Continue cost efficiency
- Reinforce corporate social responsibility
- Stable dividend payout ratio

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

- Cash dividend for 2010 totaled NT\$49.1bn
- Cumulative cash returns of NT\$38.5bn to shareholders in the previous three rounds of capital reduction
- 4th capital reduction has been completed
- NT\$19.4bn of cash return (NT\$2/share) on Jan. 25, 2011

Cash Returns

NT\$bn



Note:

1. The cash return was calculated based on cash dividend and cash return from capital reduction, stock dividend was not included.
2. 1 ADR = 10 common shares



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