



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

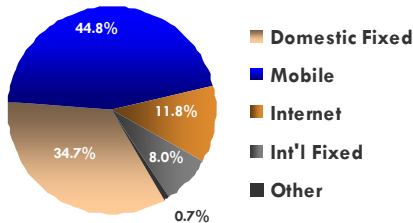
Strategic Execution

- 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 Q1 Consolidated Revenue: NT\$49.6bn



Undisputed Leader in Fixed-Line Services:

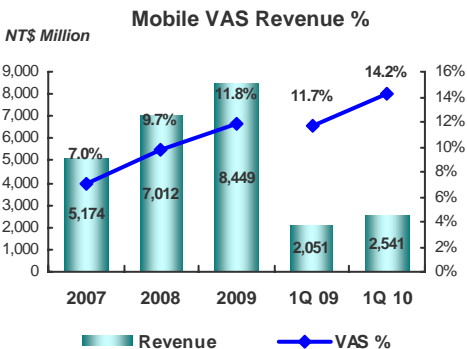
Stable market share maintained

Taiwan's #1 broadband and Internet service provider:

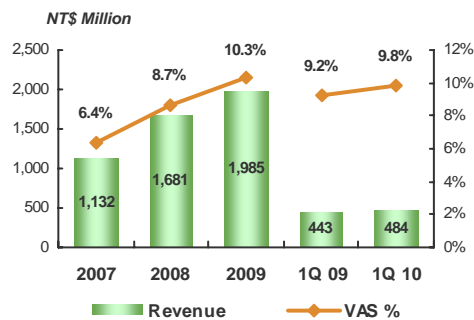
Migrating users to higher-speed platform and services

Taiwan's #1 Mobile Services Provider:

Maintaining leadership by building customer loyalty through compelling services



Internet VAS Revenue %



Broadband & Mobile Revenue Drivers:

Value added services play key role in driving both mobile and Internet segment revenue

- Expanding MOD/IPTV for on-demand services
- Focusing on customized mobile VAS to satisfy diversified customer demand and increase usage



Market Cap	\$18.99 Billion
NYSE	CHT
Share Price	\$19.58
52 Week Low/High	\$16.87/20.49
TSE	2412
Share Price	NT\$61.30
52 Week Low/High	NT\$57.29/65.76
Shares Outstanding	9,697 Million
as of April 20, 2010	
Source: Bloomberg	



Dr. Shyue-Ching Lu
Chairman & CEO

"There is no doubt that 2009 was a challenging year – but it was not without its bright spots. We are proud to have sustained our overall market leadership position in our Mobile Communications, Internet and Domestic and International Fixed Line Businesses, and we think it is fair to say that we finished the year in a much better position than we started. We implemented cost controlling initiatives in response to the economic conditions, while also offering enhancements to our value-added services ("VAS"), MOD/IPTV offering and key Enterprise solutions.

We are firmly committed to investments in innovation, and, moving forward, we plan to further enhance our VAS, accelerate our fiber deployment and further enrich our MOD/IPTV content in order to continue our growth momentum."



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



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Solid Financial Performance

ROC GAAP (Consolidated)						
(NT\$bn)	2008	2009	Δ	Q1 2009	Q1 2010	Δ
Revenue	201.67	198.36	(1.6%)	49.12	49.62	1.0%
EBITDA	96.74	92.70	(4.2%)	23.36	23.56	0.9%
Income from Operations	58.57	56.39	(3.7%)	14.13	14.88	5.3%
Net Income	45.01	43.76	(2.8%)	10.79	12.06	11.8%
EBITDA margin (%)	47.97	46.73		47.55	47.49	
Net Income margin (%)	22.32	22.06		21.96	24.31	

Notes:

- Calculation of growth rates is based on NT\$m.
- Some 2008 figures are reclassified according to ROC SFAS 10 "Inventories"

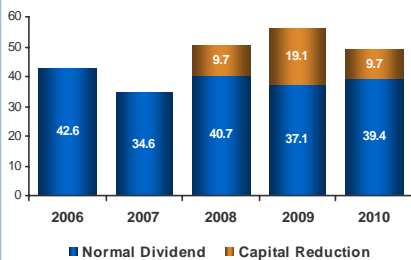
Consistent Strategy

- Enhance value-added services to increase revenue growth
- Reduce costs and revitalize fixed assets while maintaining innovation and quality
- Shareholder returns via high cash dividend payout and capital structure management
- Commitment to research and develop world-class telecommunications technologies

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

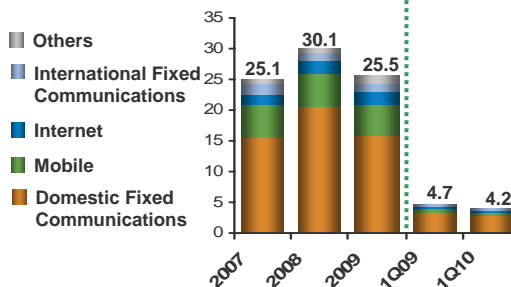
- Strong dividend payout ratio
- Cumulative cash returns of NT\$38.5 bn to shareholders in the last three rounds of capital reduction
- Total cash return of NT\$56.2bn in 2009.
- Board approved 4th round of capital returns in March 2010. Return expected to be NT\$19.4bn
- Future capital expenditure investments to focus on core business and on migrating mobile and data customers to higher revenue platforms:
 - 3G / 3.5G / LTE
 - FTTX
 - IP-based NGN
 - Service Platforms

Cash Returns
NT\$bn



Note:
 The cash return was calculated based on cash dividend and cash return from capital reduction, stock dividend was not included.

Capital Expenditure
NT\$bn



CapEx as % of Revenue 12.7% 14.9% 12.8% 9.6% 8.4%

