



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

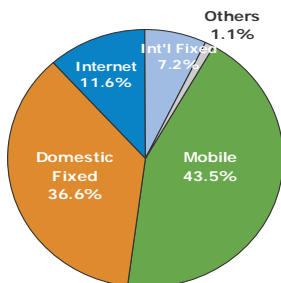
Strategic Execution

- 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

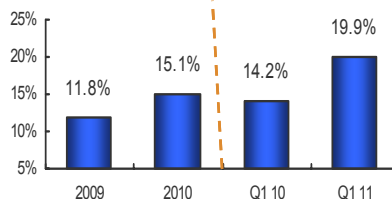
2011 Q1 Consolidated Revenue: NT\$52.48 bn



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 12,000 by 2011 Q1, expect net add 10,000 by 2011

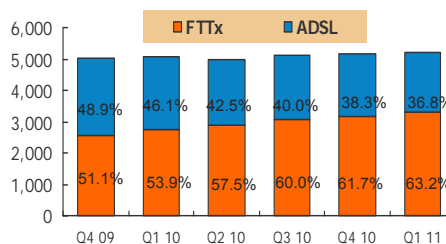
Mobile VAS Revenue %



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\$707.48 bn
NYSE	CHT
Share Price	\$31.59
52 Week Low/High	\$18.77/31.9
TSE	2412
Share Price	NT\$91.8
52 Week Low/High	NT\$60.5/92
Shares Outstanding	7,757 Million

as of April 26, 2011



Dr. Shyue-Ching Lu
Chairman & CEO

"We are pleased to report a solid performance in the first quarter of 2011. Total consolidated revenue reached NT\$52.48 billion, with growth continuing to be driven by higher fixed line revenue resulting from the shift in the pricing right of a fixed to mobile call from mobile operators to fixed network operators, as well as strong mobile value added service ("VAS") and handset sales. During the quarter, we continued to grow our traditional telecom service business, as well as gaining new Information and Communication Technology ("ICT") contracts. In order to leverage our strength in ICT, we have established a wholly owned subsidiary in China to function as an ICT solution provider. Looking ahead, we remain focused on pursuing growth by maintaining our operational focus on broadband, VAS, innovation and integration, at the same time as expanding our overseas business."



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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 is 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	Q1 2010	Q1 2011	Δ
Revenue	198.36	202.49	2.1%	49.62	52.48	5.8%
Income from Operations	56.39	57.37	1.7%	14.88	13.94	(6.3%)
Net Income	43.76	47.61	8.8%	12.06	11.84	(1.9%)
Net Income margin (%)	22.06	23.52		24.31	22.55	
EBITDA	92.70	91.41	(1.4%)	23.56	22.00	(6.6%)
EBITDA margin (%)	46.73	45.16		47.49	41.93	

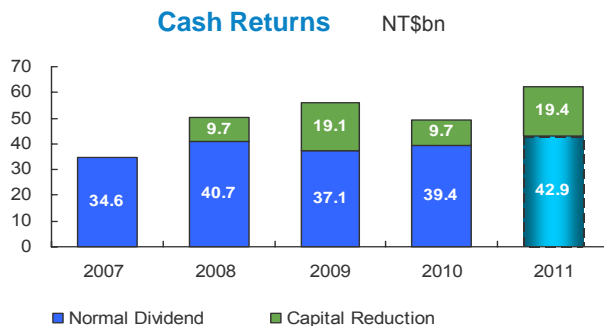
Notes: The calculation of growth rate is based on NT\$mn.

Management Highlights

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

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

- The board approved (still subject to AGM's approval) NT\$5.5243 cash dividend per share for year 2010
- Cumulative cash returns of NT\$57.9bn to shareholders in the previous four rounds of capital reduction



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
3. The cash dividend for year 2011 was calculated based on total share number 7,757,446,545



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