



Chunghwa Telecom

INVESTOR FACTSHEET

Chunghwa Telecom is *the largest integrated telecom service provider in Taiwan*. The goal of the company is to be a value-creating and trustworthy company in providing information & communication services.

Q2 2012

MARKET FACT



Dr. Shyue-Ching Lu
Chairman&CEO

In spite of continued regulatory pressure and intense market competition, we were very pleased that we were able to meet our earlier guidance for the first half of 2012. In an effort to stay ahead in this evolving telecom landscape, we continue to take proactive steps in key growth areas necessary to stabilize our core business, while making notable progress in capturing new business opportunities. As an example, our mobile VAS business continued its strong growth momentum this quarter with revenue growing 33.6% year-over-year. New efforts to offer customized promotional packages catering to the varied needs of new customers as well as upgrade promotions targeting our 10 million subscribers is proving successful. Building upon our leadership as the largest integrated telecommunications company in Taiwan, we believe our comprehensive services offering and new initiatives will further extend our customer reach and strengthen our foundation in Taiwan's dynamic telecom industry.

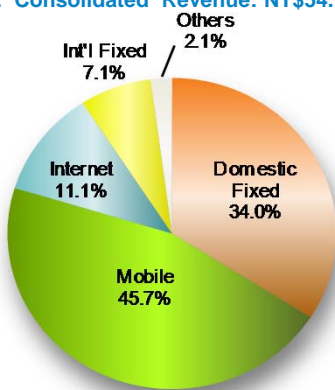
Market Cap	US\$23.26 Billion
NYSE	CHT
Share Price	US\$29.98
52 Week Low/High	US\$29.22/35.24
TSE	2412
Share Price	NT\$90.10
52 Week Low/High	NT\$87.50/104.50
Shares Outstanding	7,757 Million

as of Aug. 27, 2012 Source: Bloomberg

Taiwan's Telecom Leader

Integrated Services Provider with Dominant Market Positions

Q2 2012 Consolidated Revenue: NT\$54.19bn



- Domestic Fixed
 - #1 Local
 - 95.1% share by subs (11.9 mn subs)
 - 87.3% share by minutes
 - #1 DLD
 - 75.4% share by minutes
 - #1 Broadband access
 - 79.7% share by subs (4.55 mn subs)
- Mobile
 - #1 Mobile subscribers
 - 34.8% market share (10.13 mn subs)
 - #1 Mobile revenue
 - 31.8% market share
- Internet
 - #1 ISP
 - 69.6% share by subs (4.23 mn subs)
- International Fixed
 - #1 ILD
 - 50.9% share by minutes

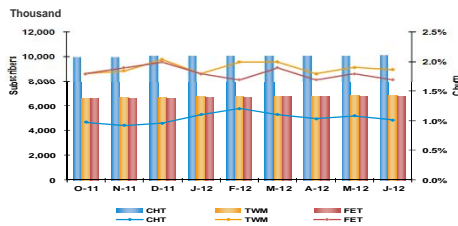
DIFFERENTIATING FACTORS

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

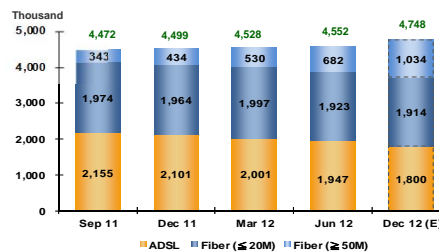
Leading Position in Mobile Market

#1 Broadband/Internet Provider

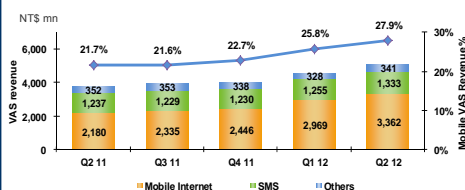
Highest Subs & Lowest Churn



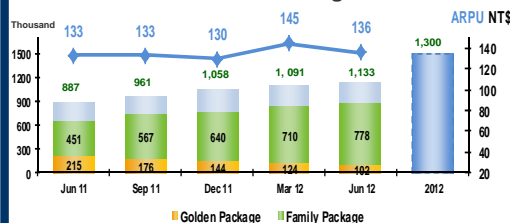
Broadband Customers Migration



Mobile VAS Revenue %



IPTV Subscribers & Package Subscribers



中華電信股份有限公司
Chunghwa Telecom Co., Ltd.
For more information visit:
www.cht.com.tw/ir

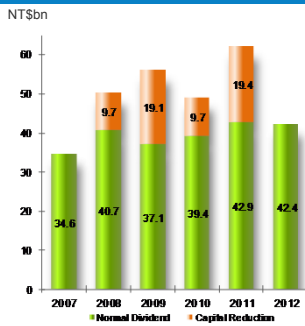


Chunghwa Telecom

Solid Financial Performance

ROC GAAP (Consolidated)						
(NT\$b)	1H 2011	1H 2012	Δ	2Q 2011	2Q 2012	Δ
Net Revenues	106.90	109.61	2.5%	54.42	54.19	(0.4%)
Income from Operations	29.36	25.78	(12.2%)	15.41	14.44	(6.3%)
Net Income	25.13	20.76	(17.4%)	13.30	11.27	(15.2%)
Net Income margin (%)	23.51	18.94		24.43	20.80	
EBITDA	45.42	41.98	(7.6%)	23.42	22.58	(3.6%)
EBITDA margin (%)	42.49	38.30		43.02	41.67	

Committed to a Stable Dividend



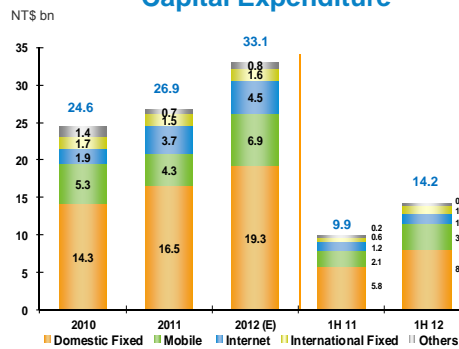
- Expect to maintain a stable dividend
- Company Act was amended on 2012/01/04:
 - A company which is profitable is allowed to directly distribute cash to shareholders from its capital surplus or legal reserve.
 - When the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

Prudent Investments for Sustainable Growth

- Moderately speed up mid-term capital expenditure
 - Focus on Fixed and Mobile broadband
- Budgeted capex for 2012: NT\$33.1 bn
- Continue to focus on core businesses for future investments
 - 2G / 3G / HSPA / HSPA+
 - FTTx
 - Wi-Fi
 - Service Platforms
 - Cloud computing

Capital Expenditure



CapEx as % of Revenue	2010	2011	2012 (E)	1H 11	1H 12
	12.2%	12.3%	17.3%	9.3%	13.0%

Commitment to Corporate Social Responsibility



Awards

- Financial Disclosure A⁺⁺ – Securities & Futures Institute
- Customer Relationship Excellence – APCSC
- Trusted Brand 2012 for 9 consecutive years – Reader Digest
- Info Tech Ranking 100 – Business Next Magazine
- Favorite Telecom Brand – 30 Young Generation Research



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