



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.



**Dr. Shyue-Ching Lu**  
Chairman&CEO

We are proud to announce that we met our 2012 guidance and maintained our market leadership. As Taiwan's largest integrated telecommunications company, 2012 marked a year of tremendous strides towards the strengthening and expansion of our drivers including Fiber broadband and wireless internet businesses. Heading into 2013, we continue to face the headwinds associated with on-going regulatory changes as well as increasing competition, but we remain encouraged. We aim to leverage our capex investments by growing mobile internet subscribers by 40 percent to 3.5 million, expand our fiber broadband user base to over 1.5 million subscribers using 50 mbps or higher speed connections or higher speed, as well as broaden our ICT and cloud enterprise services platform. Our goal remains to be providing retail and enterprise customers unmatched speed and reliability in accessing the Internet network in the most seamless way possible via any device, any location, and at any time.

## MARKET FACT

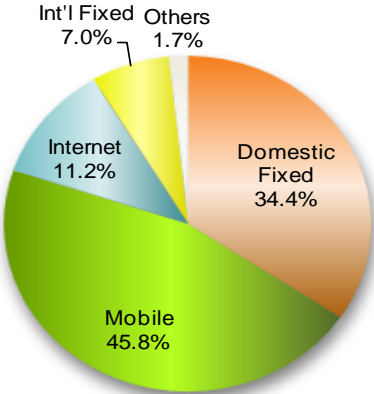
<b>Market Cap</b>	<b>US\$24.96 Billion</b>
<b>NYSE Share Price</b>	<b>CHT US\$32.18</b>
<b>52 Week Low/High</b>	<b>US\$29.22/32.90</b>
<b>TSE Share Price</b>	<b>2412 NT\$94.50</b>
<b>52 Week Low/High</b>	<b>NT\$87.50/96.80</b>
<b>Shares Outstanding</b>	<b>7,757 Million</b>

as of Jan. 28, 2013 Source: Bloomberg

## Taiwan's Telecom Leader

### Integrated Services Provider with Dominant Market Positions

**FY 2012 Consolidated Revenue: NT\$56.27bn**



- ③ **Domestic Fixed**
  - #1 Local
    - 95.0% share by subs (11.8 mn subs)
    - 87.1% share by minutes
  - #1 DLD
    - 75.5% share by minutes
  - #1 Broadband access
    - 79.3% share by subs <sup>(b)(c)</sup> (4.56 mn subs)
- ③ **Mobile**
  - #1 Mobile subscribers
    - 34.8% market share <sup>(d)</sup> (10.27 mn subs)
  - #1 Mobile revenue
    - 33.0% market share <sup>(d)</sup>
- ③ **Internet**
  - #1 ISP
    - 69.6% share by subs (4.24 mn subs)
- ③ **International Fixed**
  - #1 ILD
    - 50.8% share by minutes

Source: Company data, MOTC, and NCC statistics

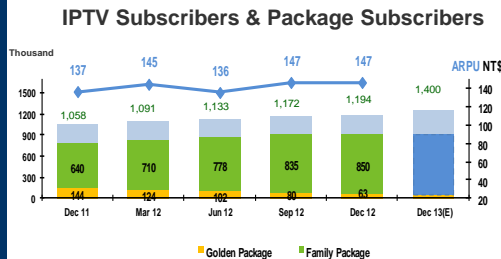
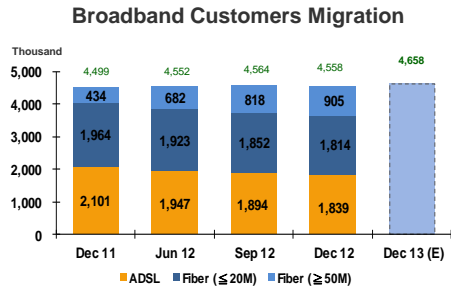
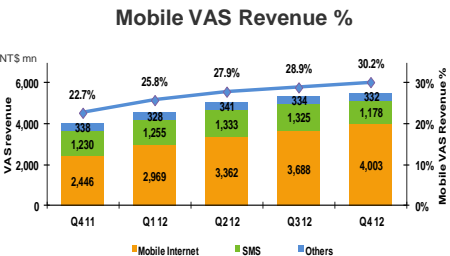
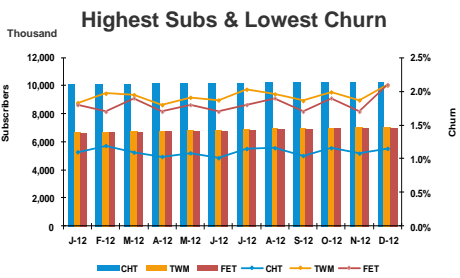
- a) Market share as of Nov. 2012
- b) CHT access circuits were not included
- c) Excluding PWLAN subscriber numbers
- d) Includes 2G, 3G and PHS

## 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



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

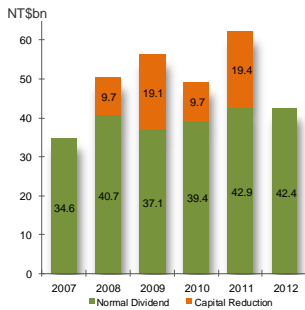


## Solid Financial Performance

ROC GAAP (Consolidated)

(NT\$b)	FY 2011	FY 2012	Δ	4Q 2011	4Q 2012	Δ
Net Revenues	217.49	220.28	1.3%	54.89	56.27	2.5%
Income from Operations	55.08	49.06	(10.9%)	11.85	11.19	(5.6%)
Net Income	47.07	40.07	(14.9%)	10.00	9.11	(8.9%)
Net Income margin (%)	21.64	18.19		18.22	16.19	
EBITDA	87.37	81.54	(6.7%)	20.02	19.30	(3.6%)
EBITDA margin (%)	40.17	37.02		36.47	34.30	

## Committed to a Stable Dividend



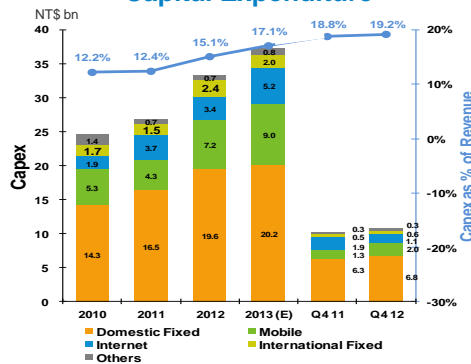
- Expect to maintain a stable dividend
- The company's legal reserve is expected to amount to the total authorized capital in 2~3 years. As a profitable company, our legal reserve and capital surplus is allowed to directly distribute cash to shareholders. Only the portion of legal reserve which exceeds 25% of the paid-in capital may be distributed.

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

- Increase capital expenditure
  - Fixed and Mobile broadband
  - Cloud deployment including cloud data center build out
- Budgeted capex for 2013: NT\$37.2 bn
- Continue to focus on core businesses for future investments
  - 3G / HSPA / HSPA+
  - FTTx
  - Wi-Fi
  - Service Platforms
  - Cloud computing

### Capital Expenditure



Note: Figures are on consolidated basis. The figure of 2012 was un-audited.

## 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
- Global Views Service Excellent Service - Global Views Monthly Magazine
- Info Tech Ranking 100 – Business Next Magazine
- Favorite Telecom Brand – 30 Young Generation Research



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