



Dr. Yen-Sung Lee  
Chairman&CEO

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.

In the first quarter this year, we were able to deliver exceptional results. Specifically, we increased our mobile market share by adding over 388,000 mobile internet subscribers over quarter and increased our mobile data revenue by 42.2% year over year, which was the most among the major telecom operators. In terms of our broadband internet business, we experienced over 81.9% year-over-year growth in the number of subscribers opting for fiber offerings with speeds of 50Mbps and higher. Given these results, we remain confident that our strategy continues to prove successful for Taiwan's evolving telecom market. Looking ahead, Chunghwa Telecom will be focusing its growth effort in three major areas. Firstly, we are focused on expanding our core CT telecom services, including fixed broadband, mobile internet and voice services. Secondly, we aim to broaden our ICT and value-added services which are developed on top of our backbone and include corporate ICT solutions, cloud computing services, MOD as well as various mobile value-added services. Lastly, we will continue assessing future overseas business and investment opportunities that can leverage our core strengths. We firmly believe that this strategy will enable us to expand upon our solid foundation for continuous and sustainable growth going forward.

### MARKET FACT

<b>Market Cap</b>	<b>US\$24.80Billion</b>
<b>NYSE Share Price</b>	<b>CHT US\$31.97</b>
<b>52 Week Low/High</b>	<b>US\$29.22/32.90</b>
<b>TSE Share Price</b>	<b>2412 NT\$93.80</b>
<b>52 Week Low/High</b>	<b>NT\$87.80/95.80</b>
<b>Shares Outstanding</b>	<b>7,757 Million</b>

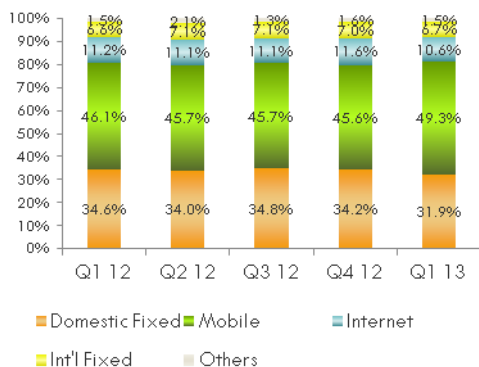
as of May 1, 2013 Source: Bloomberg

### Taiwan's Telecom Leader / Dominant Market Positions (a)

- Domestic Fixed**
  - #1 Local
    - 94.9% share by subs (12.0 mn subs)
    - 87.1% share by minutes
  - #1 DLD
    - 75.8% share by minutes
  - #1 Broadband access
    - 78.9% share by subs (c)(d) (4.56 mn subs)
- Mobile**
  - #1 Mobile subscribers
    - 35.1% market share (e) (10.35 mn subs)
  - #1 Mobile revenue
    - 35.0% market share (e)
- Internet**
  - #1 ISP
    - 69.5% share by subs (4.25 mn subs)
- International Fixed**
  - #1 ILD
    - 54.0% share by minutes

Source: Company data, MOTC, and NCC statistics  
 a) Market share as of Mar. 2013  
 b) Revenues for Q1 12 and for Q1 13 are based on T-IFRSs and are unaudited.  
 c) CHT access circuits were not included  
 d) Excluding PWLAN subscriber numbers  
 e) Includes 2G, 3G and PHS.

### Q1 2013 Consolidated Revenue: NT\$56.63bn (b)

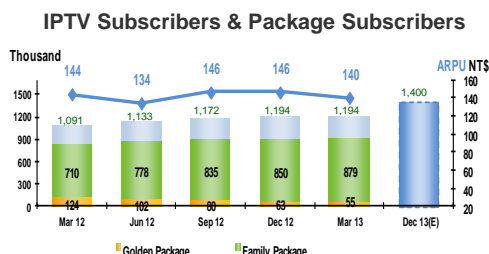
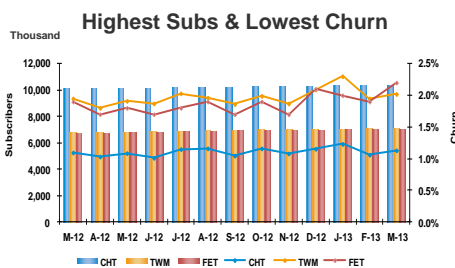
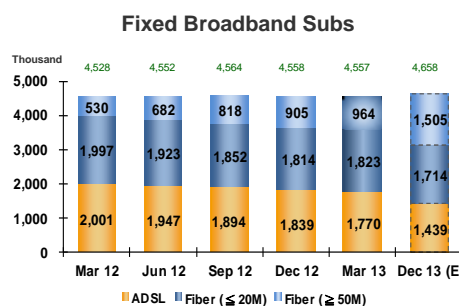
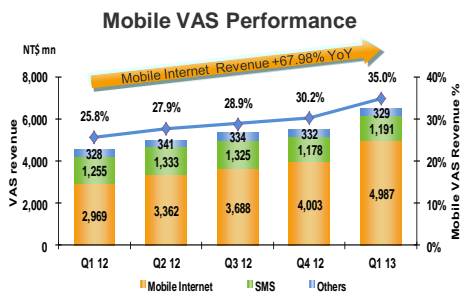


### DIFFERENTIATING FACTORS

- 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)

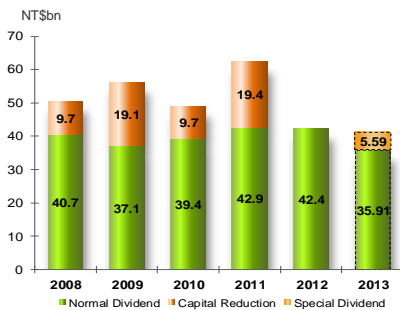


## Solid Financial Performance

Consolidated (NT\$bbn)	audited			unaudited		
	2011 (ROC GAAP)	2012 (ROC GAAP)	Δ	Q1 2012 (T-IFRSs)	Q1 2013 (T-IFRSs)	Δ
Net Revenues	217.49	220.13	1.2%	55.48	56.63	2.1%
Income from Operations	55.08	48.91	(11.2%)	11.47	11.24	(2.0%)
Net Income	47.07	39.90	(15.2%)	9.60	9.14	(4.7%)
Net Income margin (%)	21.64	18.13	(16.2%)	17.30	16.14	(6.7%)
EBITDA	87.37	81.42	(6.8%)	19.54	19.26	(1.4%)
EBITDA margin (%)	40.17	36.99	(7.9%)	35.21	34.02	(3.4%)

Note: Net income attributable to owners of the parent. / The calculation of figures is based on NT\$mnn.

## Committed to Improving Shareholder Value



- Board resolved to distribute special cash dividend of NT\$0.7205 per share from capital surplus
- Total payment will be NT\$5.35 per share or NT\$41.5 billion including the earnings distribution of NT\$4.6295 per share for fiscal year 2012

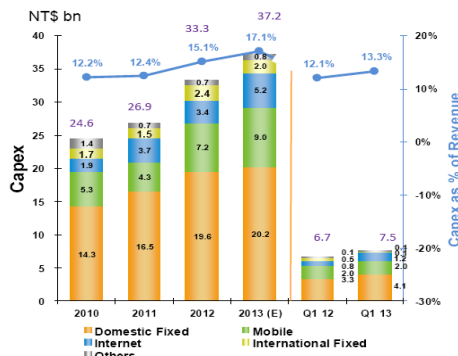
Note:

- The special dividend for year 2013 will be distributed from capital surplus.
- The cash return was calculated based on cash dividend and cash return from capital reduction, stock dividend was not included.
- 1 ADR = 10 common shares
- The cash dividend has been calculated based on total share number 7,757,446,545 since year 2012.

## Effective and Efficient Capital Expenditure

- 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.

## Commitment to Corporate Social Responsibility



## Awards

- Included in Dow Jones Sustainability Emerging Markets Index in Feb. 2013
- Favorite Telecom Brand – 2013 Young Generation Research
- Most Effective Brand – Manager Today Magazine 2013 Research
- Financial Disclosure A++ – Securities & Futures Institute
- Customer Relationship Excellence – APCSC
- Trusted Brand 2012 for 9 consecutive years – Reader Digest



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