



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. Rick L. Tsai, Chairman and CEO of Chunghwa Telecom stated "Since joining Chunghwa six months ago, we have been working tirelessly, reviewing the company's operational strategies and promoting business development, with an emphasis on 4G, fiber broadband, MOD, and the enterprise business."

"Our second quarter was very exciting, being the first 4G operator in Taiwan with our launch at the end of May, we accelerated our 4G deployment and capital expenditure investment timeline so that we could offer our customers enhanced and faster user experience, and to gain an advantage over our competitors," Dr. Tsai continued. "We are still confident that by the end of this year, we will reach our target goal of acquiring at least 40% of the 4G market, and reach more than 90% population coverage by the end of 2015, further moving towards our goal of providing Taiwan's leading full-service, digital convergence services."

"Additionally, this quarter we carefully reviewed our capital expenditures and resource allocations. We believe that capital expenditures will be lower than what we previously budgeted due to greater operational efficiencies realized from reviewing capital utilization carefully as well as improved resource integration among business lines. By improving our efficiencies through strengthened resource allocation, we will continue to better position Chunghwa Telecom for strong long-term growth."



Dr. Rick L. Tsai Chairman and CEO

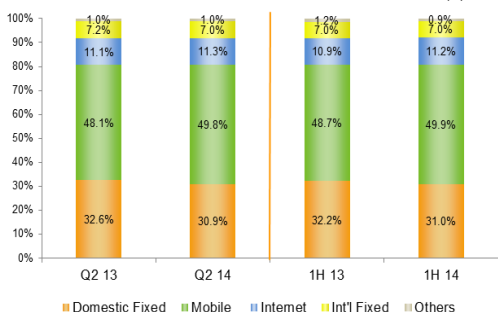
MARKET FACT

Market Cap	US\$23.71Billion
NYSE Share Price	CHT US\$30.57
52 Week Low/High	US\$28.41/31.73
TSE Share Price	2412 NT\$91.60
52 Week Low/High	NT\$87.74/94.68
Shares Outstanding	7,757 Million

as of Jul 25, 2014 Source: Bloomberg

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

Q2 2014 Consolidated Revenue: NT\$55.78bn (e)



Source: Company data, MOTC, and NCC statistics

- a) Market share as of May 2014
- b) CHT access circuits were not included
- c) Excluding PWWAN subscriber numbers
- d) Includes 2G, 3G and PHS
- e) Revenues are based on T-IFRSs.

- Domestic Fixed
 - #1 Local
 - 94.5% share by subs (11.46 mn subs)
 - 85.2% share by minutes
 - #1 DLD
 - 78.6% share by minutes
 - #1 Broadband access
 - 77.0% share by subs ^{(b)(c)} (4.54 mn subs)
- Mobile
 - #1 Mobile subscribers
 - 36.2% market share ^(d) (10.92 mn subs)
 - #1 Mobile revenue
 - 35.4% market share ^(d)
- Internet
 - #1 ISP
 - 68.5% share by subs (4.24 mn subs)
- International Fixed
 - #1 ILD
 - 56.0% share by minutes

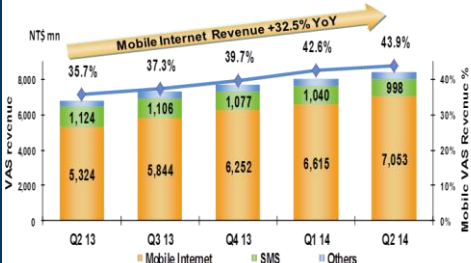
DIFFERENTIATING FACTORS

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

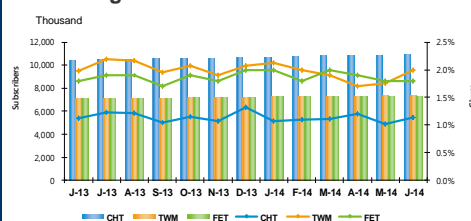
Leading Position in Mobile Market

#1 Broadband/Internet Provider

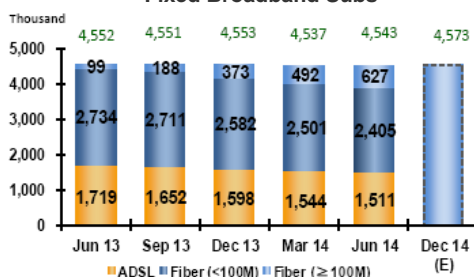
Mobile VAS Performance



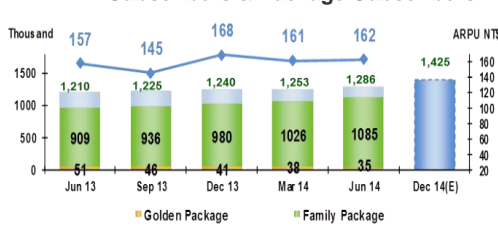
Highest Subs & Lowest Churn



Fixed Broadband Subs



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

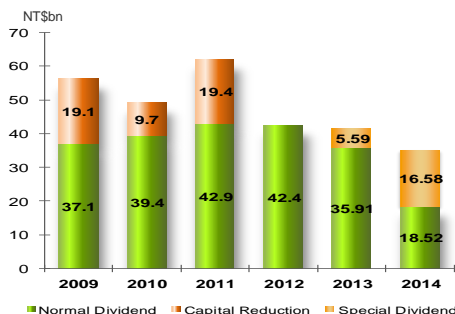


Solid Financial Performance

Consolidated						
(NT\$bn)	Q2 2013 (T-IFRSs)	Q2 2014 (T-IFRSs)	Growth Rate	1H 2013 (T-IFRSs)	1H 2014 (T-IFRSs)	Growth Rate
Revenues	55.84	55.78	(0.1)	112.45	110.83	(1.4)
Income from Operations	12.65	12.32	(2.6)	23.88	24.22	1.4
Net Income	10.64	10.60	(0.3)	19.84	20.84	5.0
Net Income Margin (%)	19.50	19.21	-	18.23	19.04	-
EBITDA	20.59	20.85	1.3	39.85	41.12	3.2
EBITDA Margin (%)	36.88	37.38	-	35.44	37.10	-

Note: Net income attributable to owners of the parent. / Net income margin is based on consolidated net income (including net income attributable to NCI). / The calculation of figures is based on NT\$m. / The figures of 2014 are un-audited.

Committed to Improving Shareholder Value



- 2014 AGM resolved to distribute NT\$35.1 billion or NT\$4.5251 per share to shareholders
 - NT\$2.3881 per share from earnings distribution for 2013
 - NT\$2.137 per share from capital surplus
- Special dividend from capital surplus is allocated to compensate for the decrease of earnings upon the first adoption of T-IFRSs in 2013

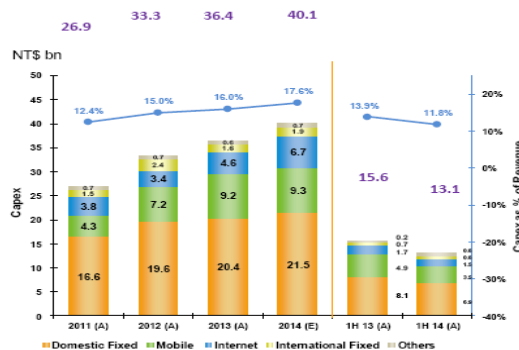
Note:

- 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 normal dividend has been calculated based on total share number 7,757,446,545 since year 2011.

Effective and Efficient Capital Expenditure

Capital Expenditure

- Budgeted capex for 2014: NT\$40.1 bn
- Continue to focus on core businesses for future investments
 - 4G / 3G
 - FTTx
 - Service Platforms
 - Cloud / IDC



Note: Figures are on consolidated basis

Commitment to Corporate Social Responsibility



Awards

- Financial Disclosure A+ – by Securities & Futures Institute for the successive 9 years
- Trusted Brand – by Readers Digest for the successive 10 years
- Golden Service Awards in the Telecom Sector - by the Commonwealth magazine
- Bronze Class Sustainability Award 2014 from RobecoSAM
- Certificate of Corporate Governance System CG6008 Advanced Assessment
- Included in Dow Jones Sustainability Emerging Markets Index and World Index



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