



# Chunghwa Telecom

## INVESTOR FACTSHEET

Q2 2016

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, "Continued focus on streamlining our expansion efforts, operations and expense controls enabled us to outperform our guidance for operating income, net income and EPS during the second quarter of 2016. Our mobile internet revenue grew by 6.6% year over year, as our 4G subscriber base expanded to 5.7 million as of the end of June. Additionally, our competitive advantages in offering scalable, reliable, and comprehensive ICT solutions to enterprise customers, resulted in continued solid enterprise adoption of our ICT services during the quarter."

Dr. Tsai continued, "Moving forward, we will continue to execute upon our expansion strategies surrounding our core growth areas including 4G adoption, ICT expansion, and enterprise cloud growth in Taiwan. In addition to the introduction of the Big 4G plans in April, We are focusing more on channel marketing to retain customers and increase their contribution. Lastly, we are extremely proud to have begun operation at our CHT Taipei IDC, one of the four highest-rated data centers in the world. This cutting-edge IDC will significantly strengthen CHT's cloud-based business capabilities by connecting Asia Pacific companies looking for high-speed, reliable data access connections to the rest of the world. We are confident that these new initiatives will continue to strengthen our leadership position and further boost our growth momentum going forward."



**Dr. Rick L. Tsai**  
Chairman and CEO

### MARKET FACT

Market Cap	US\$28.13 Billion
NYSE Share Price	CHT US\$36.26
52 Week Low/High	US\$28.49/38.47
TSE Share Price	2412 NT\$116.0
52 Week Low/High	NT\$95.1/124.0
Shares Outstanding	7,757 Million

as of July 26, 2016

Source: Bloomberg

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

Q2 2016 Consolidated Revenue: NT\$56.20 bn (e)

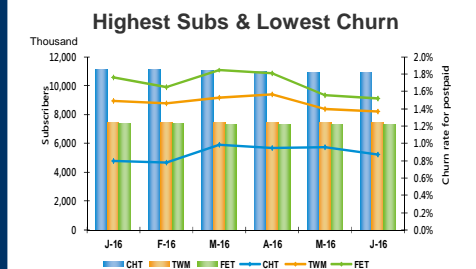
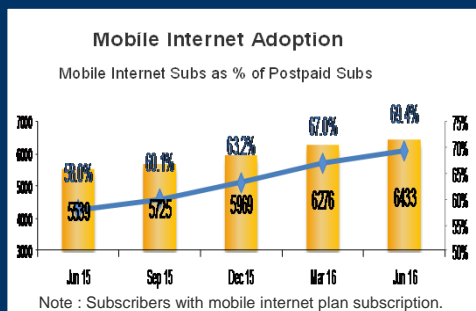
- Domestic Fixed
  - #1 Local
    - 93.7% share by subs (11.07 mn subs)
    - 86.8% share by minutes
  - #1 DLD
    - 82.6% share by minutes
  - #1 Broadband access
    - 75.1% share by subs <sup>(b)(c)</sup> (4.48 mn subs)
- Mobile
  - #1 Mobile subscribers
    - 37.5% market share <sup>(d)</sup> (10.90 mn subs)
  - #1 Mobile revenue
    - 37.2% market share <sup>(e)</sup>
- Internet
  - #1 ISP
    - 68.7% share by subs (4.18 mn subs)
- International Fixed
  - #1 ILD
    - 55.1% share by minutes

Source: Company data, MOTC, and NCC statistics  
 a) Market share as of May 2016  
 b) CHT access circuits were not included  
 c) Excluding PWWAN subscriber numbers  
 d) Includes 2G, 3G and 4G  
 e) Revenues are based on T-IFRSs.

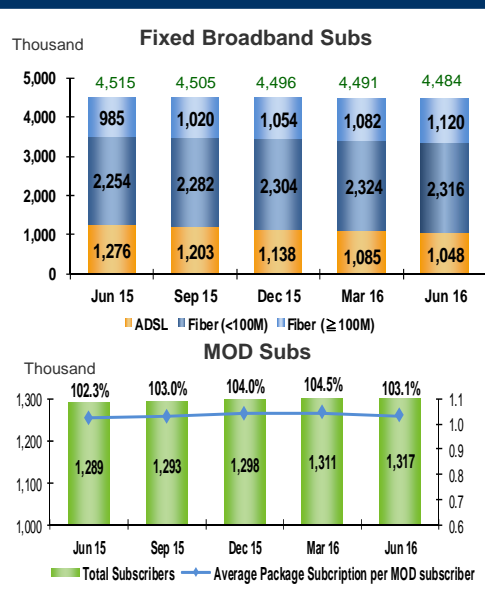
### DIFFERENTIATING FACTORS

- 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 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)



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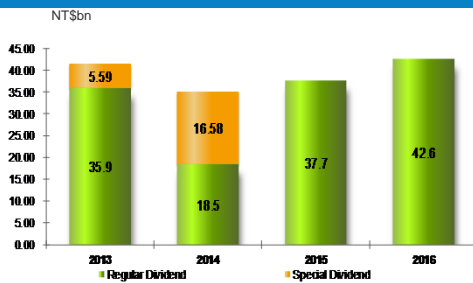
## Solid Financial Performance

### Consolidated

(NT\$b)	Q2 2016 (T-IFRSs)	Q2 2015 (T-IFRSs)	Growth Rate	H1 2016 (T-IFRSs)	H1 2015 (T-IFRSs)	Growth Rate
Revenues	56.20	56.92	(1.3)	113.14	113.39	(0.2)
Income from Operations	12.88	13.20	(2.4)	26.66	24.98	6.7
Net Income	11.06	11.13	(0.7)	22.73	21.55	5.5
Net Income Margin (%)	20.17	19.96	-	20.56	19.34	-
EPS	1.43	1.44	(0.7)	2.93	2.78	5.5
EBITDA	20.99	21.60	(2.8)	42.90	41.94	2.3
EBITDA Margin (%)	37.35	37.94	-	37.92	36.98	-

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 growth rates is based on NT\$m. / The figures of 2015 are audited/reviewed.

## Committed to Improving Shareholder Value



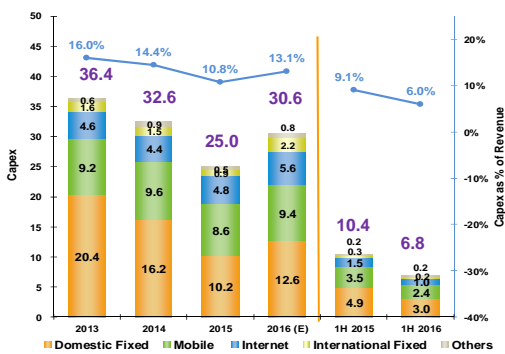
- 2016 AGM resolved to distribute NT\$42.6 billion to shareholders
  - NT\$5.4852 per share
  - payout ratio 99.41%

Note:

- The cash return was calculated based on cash dividend and cash return from capital reduction.
- 1 ADR = 10 common shares
- The normal dividend has been calculated based on total share number 7,757,446,545.

## Effective and Efficient Capital Expenditure

### Capital Expenditure



- Budgeted capex for 2016: NT\$30.6 bn
- Continue to focus on core businesses for future investments
  - 4G
  - FTTx
  - Service Platforms
  - IDC/ Cloud

## Commitment to Corporate Social Responsibility



## Awards

- Included in Dow Jones Sustainability World Index and Emerging Markets Index simultaneously for the successive 3 years
- Trusted Brands Platinum Award– by the Reader's Digest for the successive 11 years
- Excellence in Corporate Social Responsibility Award– by the Commonwealth magazine for the successive 9 years
- 2015 Best Practices Award for Taiwan Mobile Service Providers– by Frost & Sullivan
- Brand of the Year– Taiwan, 2015 World Branding Award– by World Branding Forum



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