



Chunghwa Telecom

INVESTOR FACTSHEET

Q4 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.

Mr. Yu Cheng, Chairman and CEO of Chunghwa Telecom, stated, "We continued to see stable financial and operating performance in the fourth quarter and full year of 2016. In our mobile business, we defended our market leading position with 10.8 million mobile subscribers as of the end of 2016, or 37.3% market share, despite the fierce competition in this arena. We managed to maintain the lowest customer churn rate, primarily attributable to our entire team's streamlined marketing efforts. Furthermore, our ICT business witnessed strong growth momentum with a 42% year-over-year increase in revenue for information security and cloud service as well as a 43% increase in IoT service revenue for the full year 2016."



Mr. Yu Cheng
Chairman and CEO

Mr. Cheng continued, "Looking ahead, we expect total revenues for the full year of 2017 to increase to NT\$231.16 billion, mainly driven by growth in mobile value-added services, smart device sales and our enterprise ICT business. As the intense competition in the industry is expected to continue, we will further streamline our marketing activities, strengthen diversified digital convergence services, as well as develop new opportunities in innovative business lines, including ICT, IoT and MOD/OTT. We believe we are on the right track to fortify our market leading position and drive further growth and value to our stakeholders."

MARKET FACT

Market Cap	US\$24.94 Billion
NYSE Share Price	CHT US\$32.15
52 Week Low/High	US\$30.18/38.47
TSE Share Price	2412 NT\$101.5
52 Week Low/High	NT\$100.0/125.5
Shares Outstanding	7,757 Million

as of Jan 20, 2017 Source: Bloomberg

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

Q4 2016 Consolidated Revenue: NT\$58.35 bn (e)

- Domestic Fixed
 - #1 Local
 - 93.5% share by subs (10.96 mn subs)
 - 85.1% share by minutes
 - #1 DLD
 - 83.0% share by minutes
 - #1 Broadband access
 - 74.4% share by subs ^{(b)(c)} (4.48 mn subs)
- Mobile
 - #1 Mobile subscribers
 - 37.3% market share ^(d) (10.80 mn subs)
 - #1 Mobile revenue
 - 36.9% market share ^{(d)(e)}
- Internet
 - #1 ISP
 - 68.5% share by subs (4.18 mn subs)
- International Fixed
 - #1 ILD
 - 56.2% share by minutes

Source: Company data, MOTC, and NCC statistics

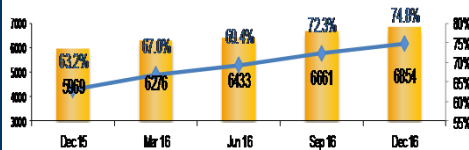
- a) Market share as of Nov. 2016
- b) CHT access circuits were not included
- c) Excluding PWLAN subscriber numbers
- d) Includes 2G, 3G and 4G
- e) Revenues are based on T-IFRSs.

DIFFERENTIATING FACTORS

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

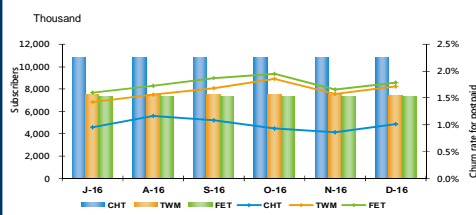
Leading Position in Mobile Market

Mobile Internet Subs as % of Postpaid Subs



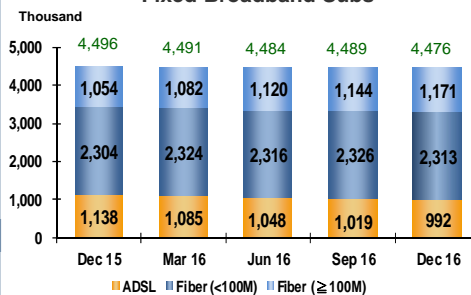
Note: Subscribers with mobile internet plan subscription.

Highest Subs & Lowest Churn

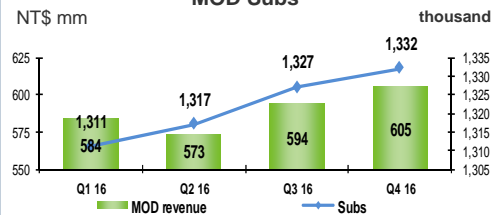


#1 Broadband Provider

Fixed Broadband Subs



MOD Subs



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

Consolidated

(NT\$b)	Q4 2016 (T-IFRSs)	Q4 2015 (T-IFRSs)	Growth Rate	2016 (T-IFRSs)	2015 (T-IFRSs)	Growth Rate
Revenues	58.35	62.22	(6.2)	230.01	231.79	(0.8)
Income from Operations	9.90	11.34	(12.7)	48.05	50.36	(4.6)
Net Income	7.72	9.45	(18.3)	40.03	42.81	(6.5)
Net Income Margin (%)	13.73	15.69	-	17.91	18.84	-
EPS	1.00	1.22	(18.0)	5.16	5.52	(6.4)
EBITDA	18.04	19.58	(7.9)	80.53	83.81	(3.9)
EBITDA Margin (%)	30.92	31.46	-	35.01	36.16	-

Note: Financials are prepared in accordance with T-IFRSs. /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. / Figures for Q4 2016 and 2016 are unaudited.

Committed to Improving Shareholder Value



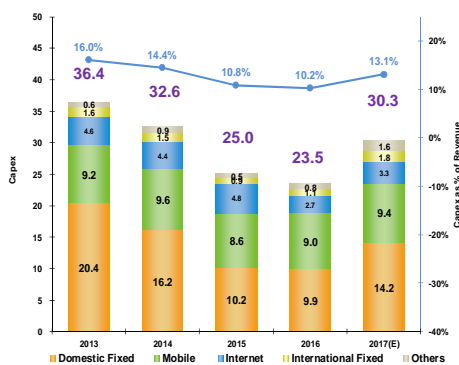
- 2016 AGM resolved to distribute NT\$42.6 billion to shareholders
- NT\$5.4852 per share
- payout ratio 99.41%

Note:

- The cash return was calculated based on cash dividend and cash return from capital surplus.
- 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 2017: NT\$30.3 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 4 years
- Trusted Brands Platinum Award– by the Reader's Digest for the successive 12 years
- Excellence in Corporate Social Responsibility Award– by the Commonwealth magazine for the successive 10 years
- 2016 Best Practices Award for Asia Pacific LTE Service Provider of the Year– by Frost & Sullivan
- Winner of the National Brand of the Year Award awarded by World Branding Forum for the two years in a row



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