



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.

Chunghwa Telecom continues to make solid strides in growing our 4G, ICT and enterprise businesses, as well as maintaining control of our operational costs and expenses, as evidenced by our financial and operating results in the first quarter of 2016. First, we were able to boost our profitability at a faster pace than our peers, with EPS increasing by 11.9% year over year. Second, on the mobile side, we grew mobile internet revenue by 8.7% year over year, and accumulated 5.21 million 4G subscribers by the end of the first quarter, propelling our market share to reach 38.6%.

In addition, we led the way in deploying our 2.6G frequency band on March 24, and on top of that we also launched the new Big 4G promotion plans to cater to demands of a wide spectrum of customers from high-to low-end. We believe these initiatives will help us to improve data speeds and attract additional mobile internet customers.



Dr. Rick L. Tsai Chairman and CEO

### MARKET FACT

Market Cap	US\$26.47 Billion
NYSE Share Price	CHT US\$34.12
52 Week Low/High	US\$28.49/34.62
TSE Share Price	2412 NT\$110.0
52 Week Low/High	NT\$94.9/111.5
Shares Outstanding	7,757 Million

as of April 26, 2016

Source: Bloomberg

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

Q1 2016 Consolidated Revenue: NT\$56.94 bn (e)

#### Domestic Fixed

- #1 Local
  - 93.9% share by subs (11.13 mn subs)
  - 86.8% share by minutes
- #1 DLD
  - 84.4% share by minutes
- #1 Broadband access
  - 75.5% share by subs (b)(c) (4.50 mn subs)

#### Mobile

- #1 Mobile subscribers
  - 37.9% market share (d) (11.10 mn subs)
- #1 Mobile revenue
  - 37.8% market share (e)

#### Internet

- #1 ISP
  - 68.9% share by subs (4.20 mn subs)

#### International Fixed

- #1 ILD
  - 56.9% share by minutes

Source: Company data, MOTC, and NCC statistics  
 a) Market share as of Feb. 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.

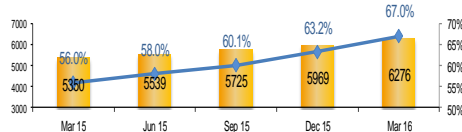
### DIFFERENTIATING FACTORS

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

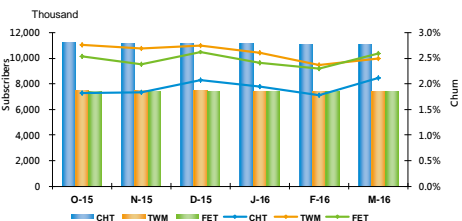
### Leading Position in Mobile Market

#### Mobile Internet Adoption

Mobile Internet Subs as % of Postpaid Subs

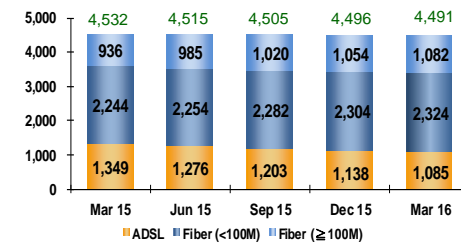


#### Highest Subs & Lowest Churn

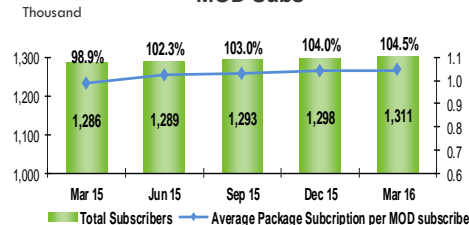


### #1 Broadband Provider

#### 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](http://www.cht.com.tw/ir)

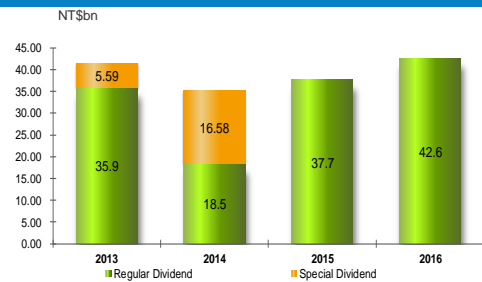


## Solid Financial Performance

Consolidated						
(NT\$bn)	Q1 2015 (T-IFRSs)	Q1 2016 (T-IFRSs)	Growth Rate	2014 (T-IFRSs)	2015 (T-IFRSs)	Growth Rate
Revenues	56.47	56.94	0.8	226.91	231.79.	2.3
Income from Operations	11.79	13.78	17.0	44.80	50.36	12.4
Net Income	10.42	11.66	11.9	38.62	42.81	10.9
Net Income Margin (%)	18.71	20.93	-	17.28	18.84	-
EBITDA	20.34	21.92	7.8	78.91	83.81	6.2
EBITDA Margin (%)	36.01	38.49	-	34.83	36.16	-

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 and reviewed.

## Committed to Improving Shareholder Value

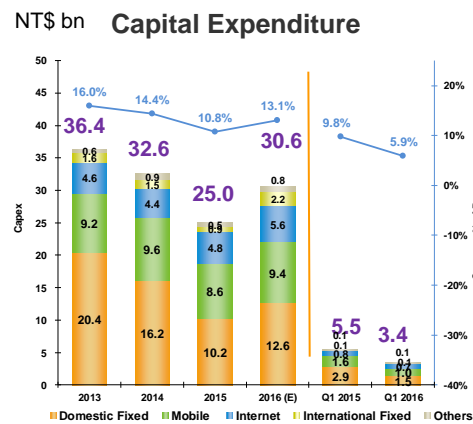


- Board of directors resolved to distribute NT\$42.6 billion to shareholders
  - NT\$5.4852 per share
  - payout ratio 99.41%

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 since year 2011.

## Effective and Efficient 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



### Contact:

**Fu-Fu Shen**  
 Director of Investor Relations  
 Public Affairs Department  
 +886-2-2344-5488  
 chtir@cht.com.tw

For more information visit:  
[www.cht.com.tw/ir](http://www.cht.com.tw/ir)