



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, "We are glad to report top-line growth of 4.2% year-over-year for the quarter. Our mobile business retained its leading market position with 6.23 million 4G subscribers as of September 30th, and over 37% market share for overall mobile subscribers, despite the increased market competition in Taiwan. Additionally, our channel marketing efforts helped us to maintain the lowest postpaid subscriber churn rate among our peers. We are confident in our mobile strategy. By introducing the Big 4G plan two quarters ago, we helped the market move towards tiered pricing plans, and we expect the market will return to growth territory eventually. In our ICT business, we continued to witness strong growth in the third quarter, supported by our competitive advantages in network infrastructure, IDC and CDN. Our highest-rated cloud IDC is also enabling us to further expand IDC business opportunities and to boost our development in this segment."

Dr. Tsai continued, "In the third quarter, although we continued experiencing the increased competition, we believe we are on the right track to further develop our business. By continuing to execute our highly effective marketing and business expansion strategies, and by leveraging our vast integrated telecom network, we are confident we can maintain our market leadership position in all of our major businesses."



Dr. Rick L. Tsai Chairman and CEO

MARKET FACT

Market Cap	US\$27.07 Billion
NYSE Share Price	CHT US\$34.90
52 Week Low/High	US\$29.31/38.47
TSE Share Price	2412 NT\$111.5
52 Week Low/High	NT\$97.3/124.0
Shares Outstanding	7,757 Million

as of Oct 26, 2016 Source: Bloomberg

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

Q3 2016 Consolidated Revenue: NT\$56.18 bn (e)

Domestic Fixed

- #1 Local
 - 93.6% share by subs (11.01 mn subs)
 - 85.1% share by minutes
- #1 DLD
 - 82.6% share by minutes
- #1 Broadband access
 - 74.6% share by subs (b)(c) (4.49 mn subs)

Mobile

- #1 Mobile subscribers
 - 37.3% market share (d) (11.22 mn subs)
- #1 Mobile revenue
 - 37.1% market share (d)(e)

Internet

- #1 ISP
 - 68.5% share by subs (4.19 mn subs)

International Fixed

- #1 ILD
 - 56.0% share by minutes

Source: Company data, MOTC, and NCC statistics

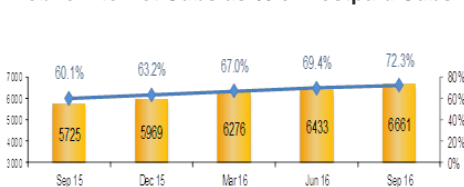
- a) Market share as of Aug, 2016
- b) CHT access circuits were not included
- c) Excluding PWWAN subscriber numbers
- d) Includes 2G, 3G and 4G
- e) Revenues are based on T-IFRSs.

DIFFERENTIATING FACTORS

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

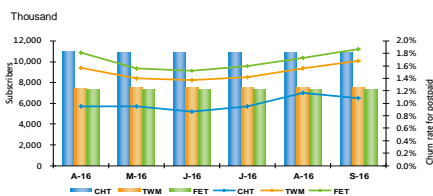
Leading Position in Mobile Market

Mobile Internet Subs as % of Postpaid Subs



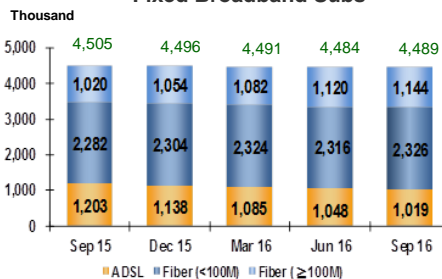
Note : Subscribers with mobile internet plan subscription.

Highest Subs & Lowest Churn

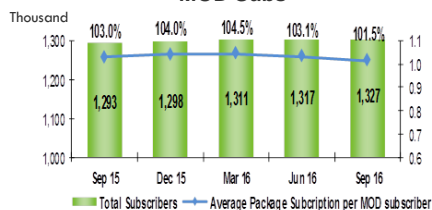


#1 Broadband Provider

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

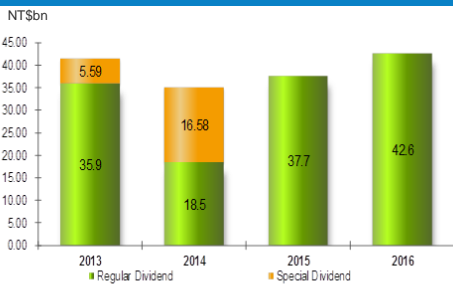


Solid Financial Performance

Consolidated						
(NT\$bn)	Q3 2016 (T-IFRSs)	Q3 2015 (T-IFRSs)	Growth Rate	2016/9 (T-IFRSs)	2015/9 (T-IFRSs)	Growth Rate
Revenues	58.52	56.18	4.2	171.66	169.57	1.2
Income from Operations	11.49	14.04	(18.1)	38.15	39.02	(2.2)
Net Income	9.60	11.80	(18.7)	32.33	33.35	(3.1)
Net Income Margin (%)	16.99	21.30	-	19.34	19.99	-
EPS	1.24	1.52	(18.4)	4.17	4.30	(2.9)
EBITDA	19.59	22.30	(12.2)	62.49	64.24	(2.7)
EBITDA Margin (%)	33.47	39.70	-	36.40	37.88	-

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 of 2016 are unaudited.

Committed to Improving Shareholder Value

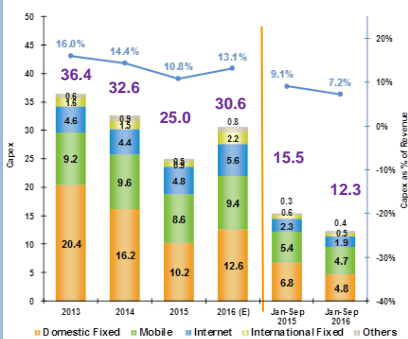


- 2016 AGM resolved to distribute NT\$42.6 billion to shareholders
- NT\$5.4852 per share
- payout ratio 99.41%

- Note:
- The cash return was calculated based on cash dividend and cash return from capital 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

NT\$ bn 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 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 Best 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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