



Chunghwa Telecom

INVESTOR FACTSHEET

Q1 2017

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 experience stable financial and operating results in the first quarter of 2017. Our operating income, net income and EPS, all outperformed our guidance during the quarter, primarily driven by our strong execution upon our growth strategy of streamlining services and strengthening profitability. In particular, in our mobile business, we maintained our leadership position with 37.3% market share in mobile subscribers and 37.2% market share in mobile revenue. Going forward, we will focus more on heavy data using customers by allocating more resources towards high-end bundled plans to strengthen our subsidy efficiency and increase ARPU. In addition, for our ICT business, we are glad to see that our recently launched IoT platform is enabling us to acquire additional enterprise customers by leveraging its service application offering of information security, big data, cloud computing, artificial intelligence and augmented reality. We will continue to capitalize on our competitive advantages in this sector and further explore the enormous potential in 5G through continued cooperation with our partners."



Mr. Yu Cheng
Chairman and CEO

Mr. Cheng continued, "In the first quarter, we did experience certain customer turnover in mobile and broadband businesses as a result of the intense market competition, but we are encouraged to see that the loss rate is gradually declining as our new pricing plans gain traction. Looking ahead, with our effective operational strategies and strong execution capabilities, as well as the new initiatives in our major business lines, we are confident that we will continue to enhance our business performance, solidify our market leadership position, and create incremental shareholder value."

MARKET FACT

Market Cap	US\$26.43 Billion
NYSE Share Price	CHT US\$34.07
52 Week Low/High	US\$31.28/38.47
TSE Share Price	2412 NT\$103.0
52 Week Low/High	NT\$100.0/124.0
Shares Outstanding	7,757 Million

as of Apr. 24, 2017 Source: Bloomberg

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

Q1 2017 Consolidated Revenue: NT\$54.53 bn (e)

- Domestic Fixed
 - #1 Local
 - 93.5% share by subs (10.90 mn subs)
 - 86.3% share by minutes
 - #1 DLD
 - 84.9% share by minutes
 - #1 Broadband access
 - 74.6% share by subs ^{(b)(c)} (4.48 mn subs)
- Mobile
 - #1 Mobile subscribers
 - 37.3% market share ^(d) (10.76 mn subs)
 - #1 Mobile revenue
 - 37.2% market share ^{(d)(e)}
- Internet
 - #1 ISP
 - 68.4% share by subs (4.17 mn subs)
- International Fixed
 - #1 ILD
 - 53.6% share by minutes

Source: Company data, MOTC, and NCC statistics

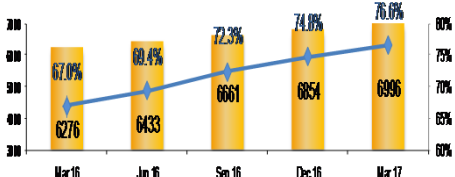
- a) Market share as of Feb. 2017
- b) CHT access circuits were not included
- c) Excluding PWLAN subscriber numbers
- d) Includes 2G, 3G and 4G
- e) Revenues are based on T-IFRSs .

DIFFERENTIATING FACTORS

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

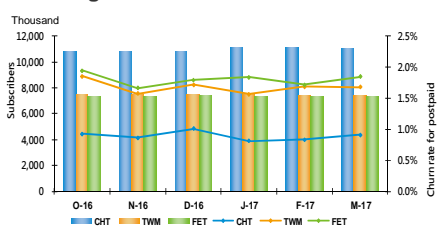
Leading Position in Mobile Market

Mobile Internet Subs as % of Postpaid Subs



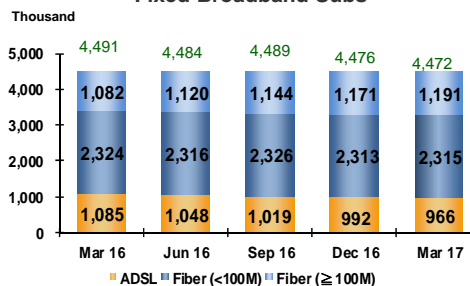
Note: Subscribers with mobile internet plan subscription.

Highest Subs & Lowest Churn

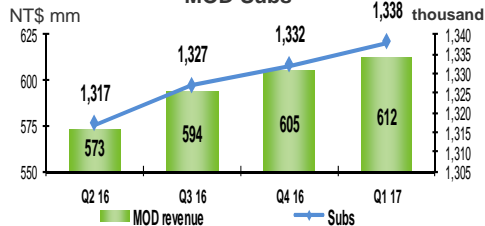


#1 Broadband Provider

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



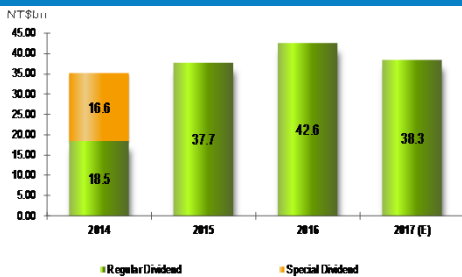
Chunghwa Telecom

Solid Financial Performance

Consolidated						
(NT\$b)	Q1 2017 (T-IFRSs)	Q1 2016 (T-IFRSs)	Growth Rate	2016 (T-IFRSs)	2015 (T-IFRSs)	Growth Rate
Revenues	54.53	56.94	(4.2)	230.00	231.79	(0.8)
Income from Operations	11.53	13.78	(16.3)	48.11	50.36	(4.5)
Net Income	9.61	11.67	(17.7)	40.07	42.81	(6.4)
Net Income Margin (%)	18.08	20.95	-	17.93	18.84	-
EPS	1.24	1.50	(17.7)	5.16	5.52	(6.4)
EBITDA	19.61	21.92	(10.5)	80.58	83.81	(3.9)
EBITDA Margin (%)	35.96	38.49	-	35.04	36.16	-

Note: Financials are prepared in accordance with T-IFRSs. Figures for Q1 2017 are unaudited. /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.

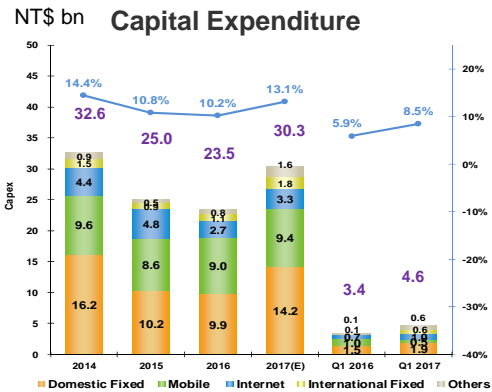
Committed to Improving Shareholder Value



- Board of directors resolved to distribute NT\$38.3 billion to shareholders
 - NT\$4.9419 per share
 - payout ratio 95.7%

Note:
 1. 1 ADR = 10 common shares
 2. 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 2017: NT\$30.3 bn
- Continue to focus on core businesses for future investments
 - FTTx
 - 4G
 - 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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