



Chunghwa Telecom

INVESTOR FACTSHEET

Q2 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, "The second quarter of 2017 was another quarter of stable financial and operating performance, during which we experienced in-line revenue and better-than-expected profits. 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, as well as the lowest churn rate in the market. Additionally, we effectively executed our strategy to enhance subsidy efficiency by re-allocating resources to guide mobile subscription toward high-end plans with the goal of increasing the number of new, high-end customers and ARPU. In our broadband segment, we were encouraged to experience a small quarter-over-quarter increase in the number of broadband subscribers. We remain focused on strengthening our high speed service adoption and have bundled the high-quality IPTV service that will carry OTT service in the near future to drive subscriber growth. Additionally, we continued to showcase applications developed on our IoT platform in smart cities projects in Taiwan. Going forward, we remain committed to building upon our competitive advantages, offering reliable, customized and comprehensive ICT solutions to our enterprise customers and establishing a comprehensive ecosystem in this sector."



Mr. Yu Cheng
Chairman and CEO

Mr. Cheng continued, "While there were challenges in the market, we remain confident in our ability to solidify our market leadership position and create incremental shareholder value. Looking ahead, we will continue to leverage our expertise in cutting-edge communications technology, our deep marketing resources, as well as our effective operational strategies and strong execution capabilities to strengthen our user acquisition, diversify our product offerings and develop new initiatives in our innovative business lines."

MARKET FACT

Market Cap	US\$26.62 Billion
NYSE Share Price	CHT US\$34.31
52 Week Low/High	US\$31.28/37.39
TSE Share Price	2412 NT\$103.5
52 Week Low/High	NT\$100.0/116.5
Shares Outstanding	7,757 Million

as of Jul. 25, 2017 Source: Bloomberg

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

Q2 2017 Consolidated Revenue: NT\$55.67 bn (e)

- Domestic Fixed
 - #1 Local
 - 93.4% share by subs (10.85 mn subs)
 - 84.9% share by minutes
 - #1 DLD
 - 83.4% share by minutes
 - #1 Broadband access
 - 74.2% share by subs ^{(b)(c)} (4.47 mn subs)
- Mobile
 - #1 Mobile subscribers
 - 37.3% market share ^(d) (10.74 mn subs)
 - #1 Mobile revenue
 - 37.2% market share ^{(d)(e)}
- Internet
 - #1 ISP
 - 68.1% share by subs (4.16 mn subs)
- International Fixed
 - #1 ILD
 - 59.9% share by minutes

Source: Company data, MOTC, and NCC statistics

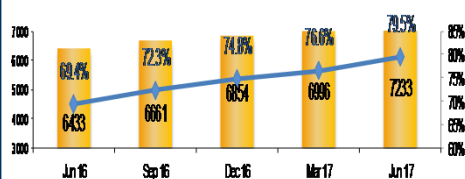
- a) Market share as of May. 2017
- b) CHT access circuits were not included
- c) Excluding PWLAN subscriber numbers
- d) Includes 2G, 3G and 4G
- e) Revenues are based on T-IFRSs

DIFFERENTIATING FACTORS

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

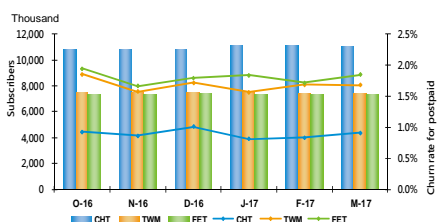
Leading Position in Mobile Market

Mobile Internet Subs as % of Postpaid Subs



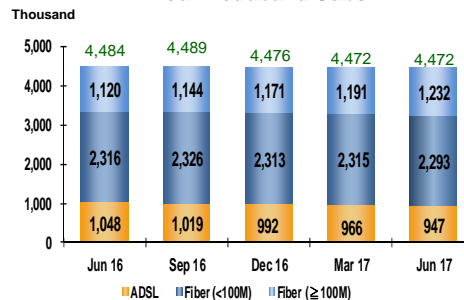
Note: Subscribers with mobile internet plan subscription.

Highest Subs & Lowest Churn

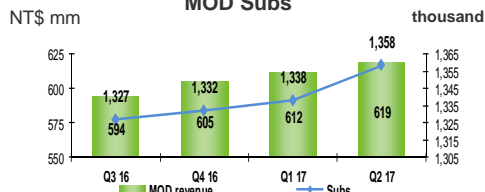


#1 Broadband Provider

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



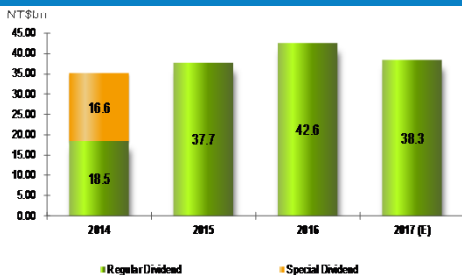
Chunghwa Telecom

Solid Financial Performance

Consolidated						
(NT\$b)	Q2 2017 (T-IFRSs)	Q2 2016 (T-IFRSs)	Growth Rate	1H 2017 (T-IFRSs)	1H 2016 (T-IFRSs)	Growth Rate
Revenues	55.67	56.20	(0.9)	110.20	113.14	(2.6)
Income from Operations	12.32	12.88	(4.3)	23.85	26.66	(10.5)
Net Income	10.44	11.06	(5.6)	20.04	22.73	(11.8)
Net Income Margin (%)	19.36	20.17	-	18.71	20.56	-
EPS	1.35	1.43	(5.6)	2.58	2.93	(11.8)
EBITDA	20.35	20.99	(3.1)	39.95	42.90	(6.9)
EBITDA Margin (%)	36.54	37.35	-	36.25	37.92	-

Note: Financials are prepared in accordance with T-IFRSs. Figures for Q2 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.

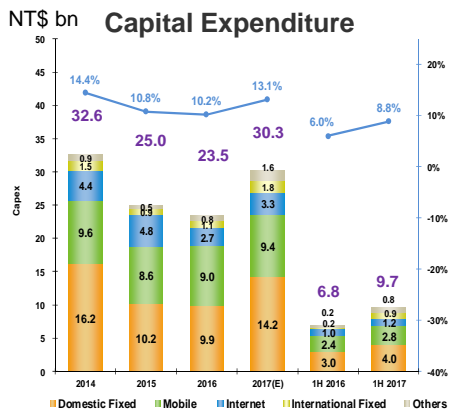
Committed to Improving Shareholder Value



- 2017 AGM 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 13 years
- Excellence in Corporate Social Responsibility Award– by the Global Views Monthly magazine for the successive 2 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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