



**中華電信**  
Chunghwa Telecom



## 2008年上半年營運報告

2008年8月28日

# 聲明

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# 2008年減資計劃時程



## ● 現金減資

- 減資比例：**16.47%**

- 減資後參考價：

$$\frac{\text{(最後交易日收盤價 - 每股退回金額)}}{\text{(減資後股本 / 減資前股本)}}$$

- 舉例：

$$(70 - 1.65) / (100\% - 16.47\%) = 81.83$$

- 減資退款無須課稅

## ● 未來資本管理計畫

- 投資於發展本業業務
- M&A計畫
- 返還股東現金



# 財務績效



## 財務績效：損益與財務指標

(NT\$bn)	ROC GAAP (合併)					
	1H 2007	1H 2008	成長率	Q2 2007	Q2 2008	成長率
營收	95.71	100.92	5.4%	50.27	49.97	(0.6%)
EBITDA	50.24	51.53	2.6%	25.20	25.39	0.8%
營業利益	30.28	32.30	6.7%	15.25	15.88	4.1%
稅後純益	24.60	23.23	(5.6%)	12.51	12.52	0.1%
EBITDA margin (%)	52.49	51.06		50.13	50.82	
淨利率 (%)	25.70	23.02		24.88	25.05	

註：成長率係以百萬為單位計算得之

# 成本與費用

(NT\$bn)	ROC GAAP (合併)					
	1H 2007	1H 2008	成長率	Q2 2007	Q2 2008	成長率
營業成本	50.26	55.20	9.8%	27.40	27.02	(1.4%)
營業費用	15.17	13.42	(11.5%)	7.62	7.06	(7.2%)
行銷費用	11.85	10.19	(14.1%)	5.83	5.45	(6.4%)
管理費用	1.68	1.66	(0.9%)	0.94	0.77	(17.4%)
研究發展費用	1.64	1.57	(4.2%)	0.86	0.84	(1.4%)
合計	65.43	68.62	4.9%	35.02	34.09	(2.7%)

註：成長率係以百萬為單位計算得之

# 各項業務營收

(NT\$bn)	ROC GAAP (合併)					
	1H 2007	1H 2008	成長率	Q2 2007	Q2 2008	成長率
網際網路	18.66	18.96	1.6%	9.34	9.32	(0.2%)
數據	5.69	5.83	2.5%	2.83	2.94	3.9%
行動	36.73	36.28	(1.2%)	18.66	18.15	(2.7%)
固網	29.65	28.74	(3.1%)	15.24	14.33	(6.0%)
市話	17.76	17.34	(2.3%)	8.99	8.69	(3.3%)
長話	4.55	4.30	(5.6%)	2.34	2.18	(6.7%)
國際	7.34	7.10	(3.2%)	3.91	3.45	(11.7%)
其他	4.98	11.11	123.3%	4.20	5.23	24.5%
合計	95.71	100.92	5.4%	50.27	49.97	(0.6%)

註：

- (1) 其他營收包括本公司及神腦手機銷售、無線電叫人、衛星通信業務及帳務處理收入等
- (2) 成長率係以百萬為單位計算得之

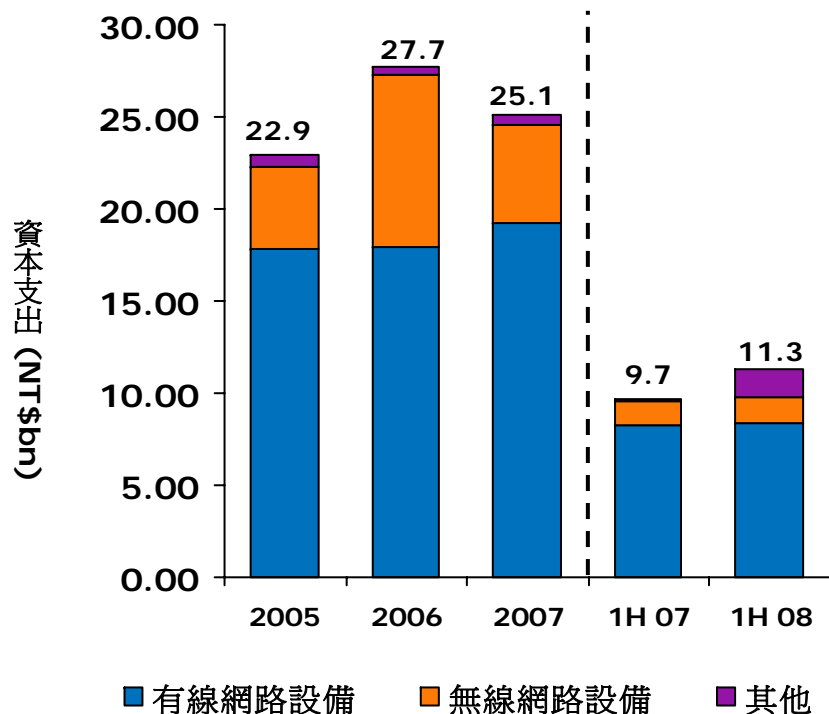
# 現金流量

(NT\$bn)	ROC GAAP (合併)					
	1H 2007	1H 2008	成長率	Q2 2007	Q2 2008	成長率
營業活動之淨現金流入	32.68	41.51	27.0%	17.12	22.92	33.9%
資本支出	(9.69)	(11.31)	16.7%	(5.05)	(5.85)	15.9%
自由現金	22.99	30.20	31.4%	12.07	17.07	41.4%
現金及約當現金	82.37	95.35	15.8%	82.37	95.35	15.8%

註：成長率係以百萬為單位計算得之

# 有效管理資本支出

## 資本支出 (NT\$ bn)



資本支出 % 佔營收比例	2005	2006	2007	1H 07	1H 08
資本支出 % 佔營收比例	12.5%	15.0%	12.7%	10.1%	11.2%

- 2008年上半年資本支出較去年同期增加**16.7%**，主要因為購地支出**12.2**億致使其他資本支出增加
- 未來投資方向將著重在核心業務及行動和數據客戶之優化
  - 3G / 3.5G
  - IP-based NGN
  - FTTx
  - xDSL

註：「有線網路設施」運用於提供「網際網路及數據」和「固網」服務，部分設備為二者共用；過去「網際網路及數據」和「固網」現合併列為「有線網路設施」



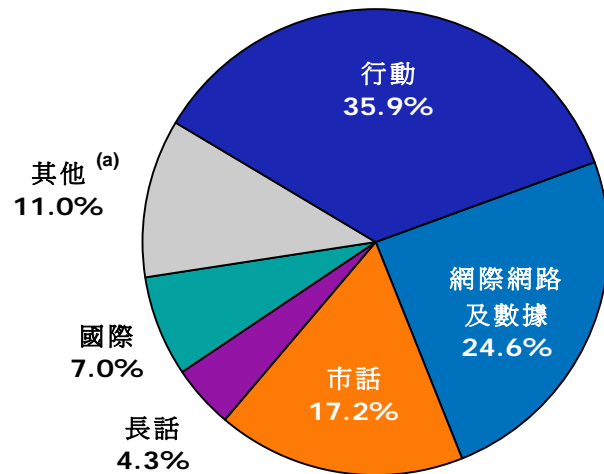
# 業務概況



# 公司業務綜覽

## 行動、網際網路&數據、固網 市場領導者

### 營收分析



總營收: NT\$1,009.2億

來源：公司資料、交通部網站、NCC統計數字

註：

- a) 其他營收包括本公司及神腦手機銷售、無線電叫人、衛星通信業務及帳務處理收入等
- b) 包括 2G, 3G 及 PHS
- c) 不含中華電信的介接電路
- d) 各項市佔率為2008年6月底資料

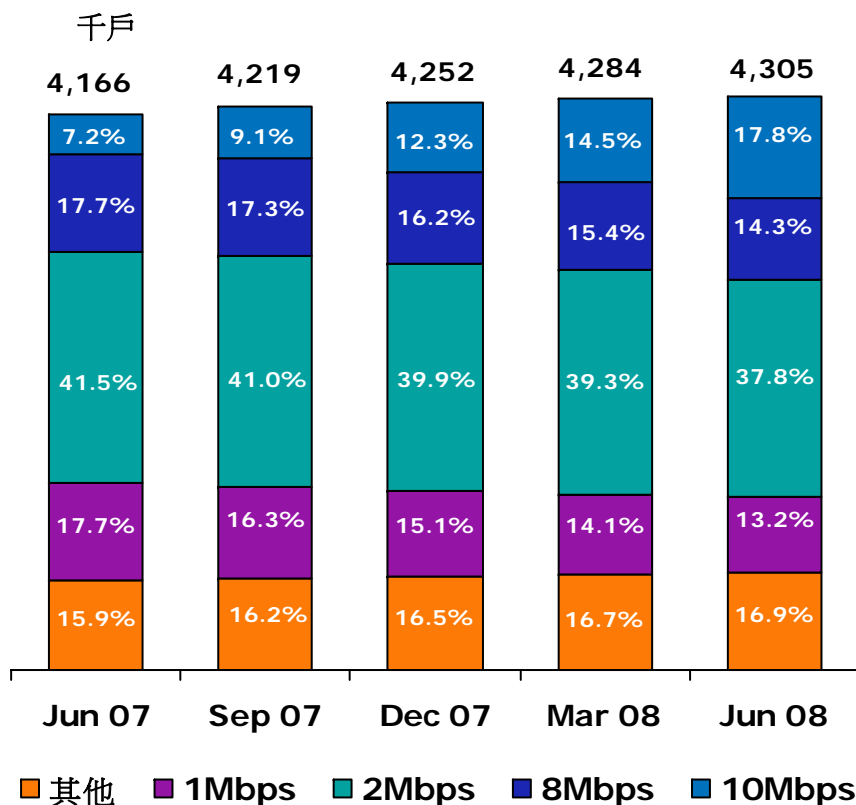
### 提供整合電信服務之市場領導者

- 行動
  - #1 用戶數
    - 市佔率 35.6%<sup>(b)</sup> (880萬客戶)
  - #1 營收
    - 市佔率 33.6%<sup>(b)</sup>
- 網際網路與數據
  - #1 ISP
    - 市佔率 68.2% (410 萬客戶)
  - #1 寬頻接取
    - 市佔率 85.4%<sup>(c)</sup> (420 萬客戶)
- 固網
  - #1 市話
    - 市佔率 97.3% (1,290 萬客戶)
    - 市佔率 89.2% (分鐘數)
  - #1 長途
    - 市佔率 85.9% (分鐘數)
  - #1 國際
    - 市佔率 60.6% (分鐘數)

# 國內網際網路及數據服務領導者

## 寬頻用戶及營收穩健成長

### 寬頻用戶數

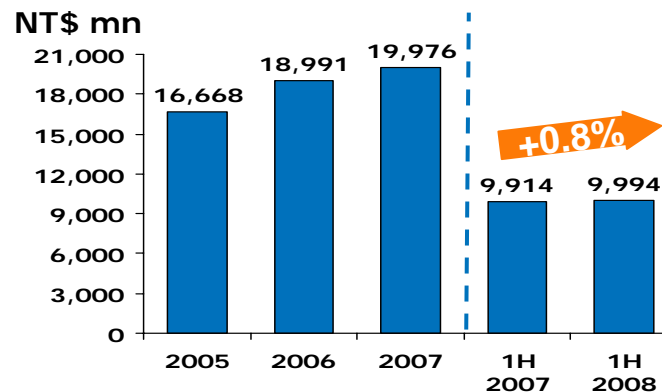


註： 1) 其他包含 256k, 768k, 4M & 6M  
 2) 8M 包含 8M, 12M 及其他 FTTB 速率

### 網際網路增值

- 主要營收項目
    - 政府便民地政服務: 佔增值營收32%
    - 健康安全上網: 佔增值營收9%
  - 主要成長項目
    - 網路廣告: 成長率 111%\*
    - 健康安全上網: 年成長率 81%
- 註: Q2 07 vs Q2 08

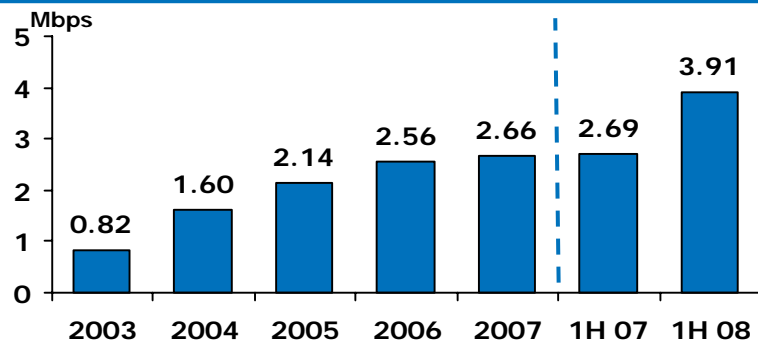
### 寬頻接取營收



# 提升寬頻速率 普及光纖服務

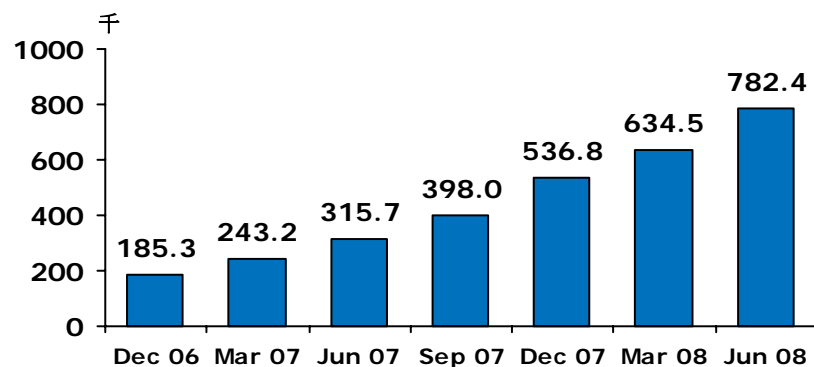
## 光纖服務滿足客戶需求

### 每人使用頻寬持續增加



註: 2008年起統計數字包含光纖用戶頻寬

### 光纖上網客戶持續增加

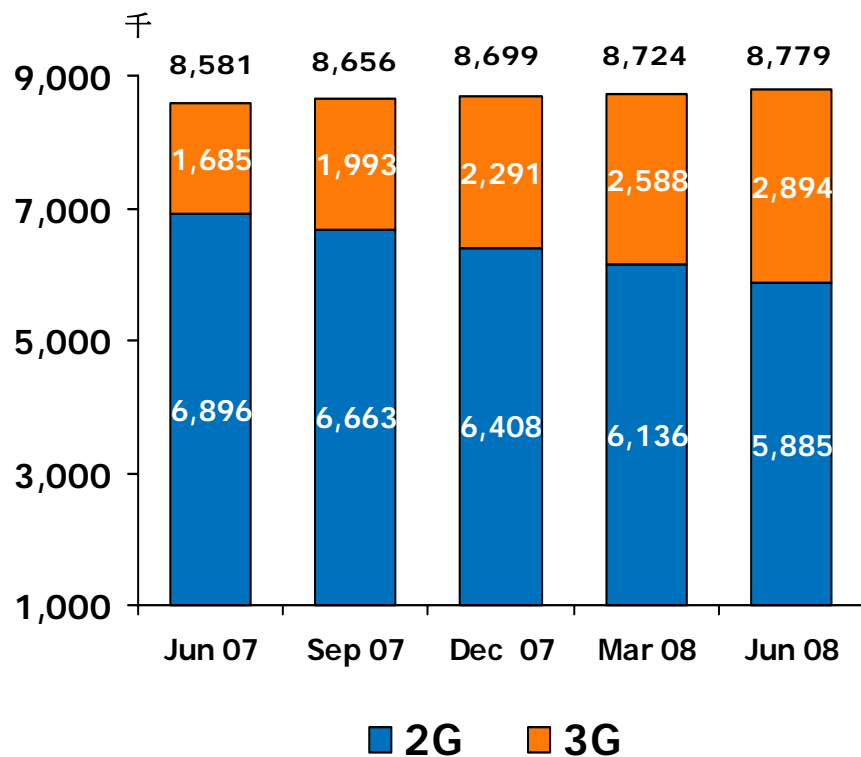


### 寬頻服務廣受好評

- 升級客戶使用高速頻寬之服務
  - 至2008年6月止，使用8 Mbps以上速率之寬頻客戶已達138.3萬，占總寬頻客戶數之32.1%
  - 提供客戶更多樣化的寬頻接取增值服務
- 於校園及住宅大樓推廣10 Mbps以上的光纖服務專案，以增進光纖網路普及率，升級客戶使用高速頻寬之服務
- 光纖服務進駐16,394棟大樓，大樓市佔率為90.7%

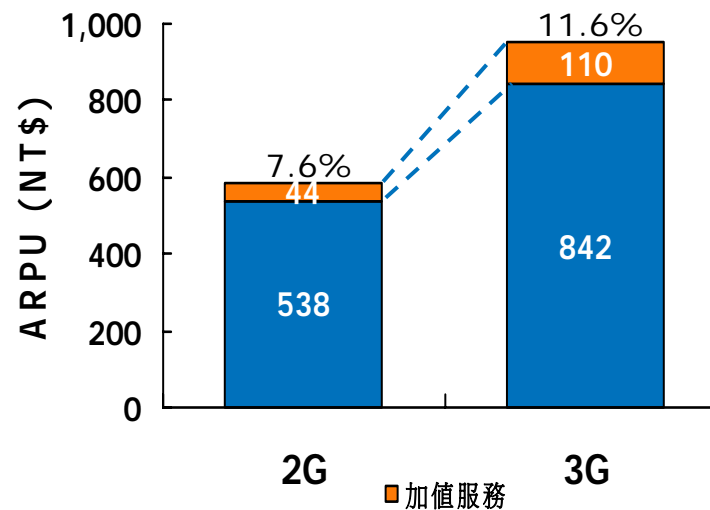
# 行動電話的市場領導者

## 行動電話客戶



## 優化客戶

- 至2008年6月止，3G客戶數已達289萬，其中持有3G手機客戶佔70%
- 2G及自其他業者原號移轉之比例佔80.4%



# 加值業務方案

## 針對主要族群推出加值方案

### mPro

專為商務菁英打造

- 提升伺服器及客戶端服務
- 客製化手機款式推陳出新
- ARPU: NT\$1,650，其中NT\$500來自加值營收

### mCool

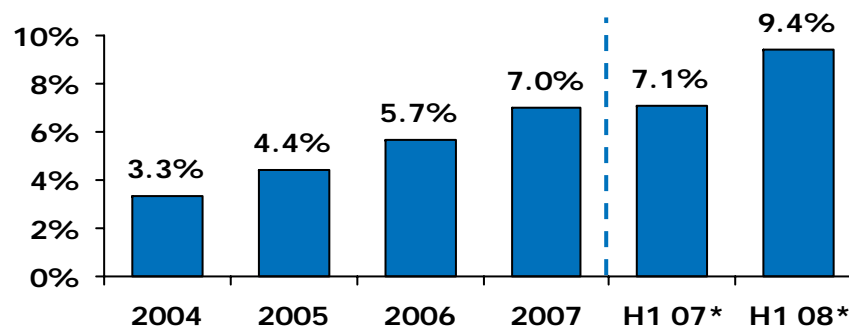
吸引年輕族群方案

- 以超優價格提供手機搭配加值服務
- ARPU: NT\$990，其中NT\$55來自加值服務

## 行動加值服務應用漸普及

- 成功推展「emome」加值服務平台，加值服務營收持續成長
  - 2008年6月止加值服務營收較去年同期成長31.7%
    - 行動上網營收成長58.2%
    - 簡訊營收成長24.9%
  - 行動網卡 ARPU: NT\$800

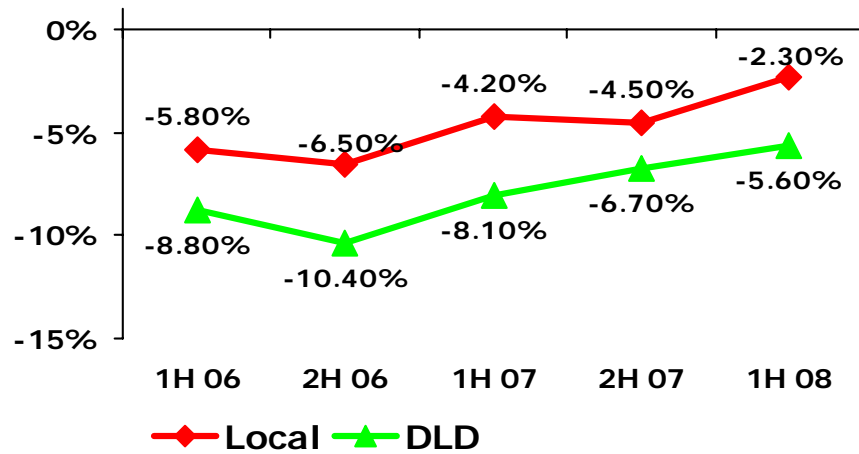
2008年上半年加值營收佔行動營收之  
9.4%



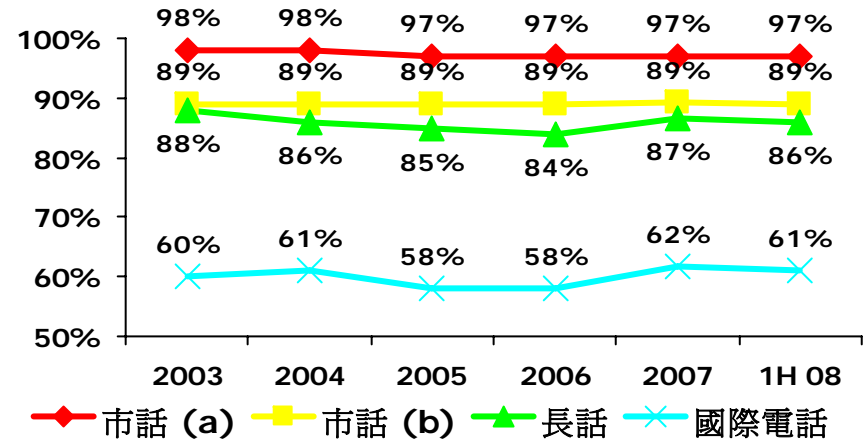
註: 1H 07 & 1H 08 加值服務營收包含簡訊空時費

# 固網業務領導業者

## 市話及長話營收下降趨勢減緩



## 固網市佔率

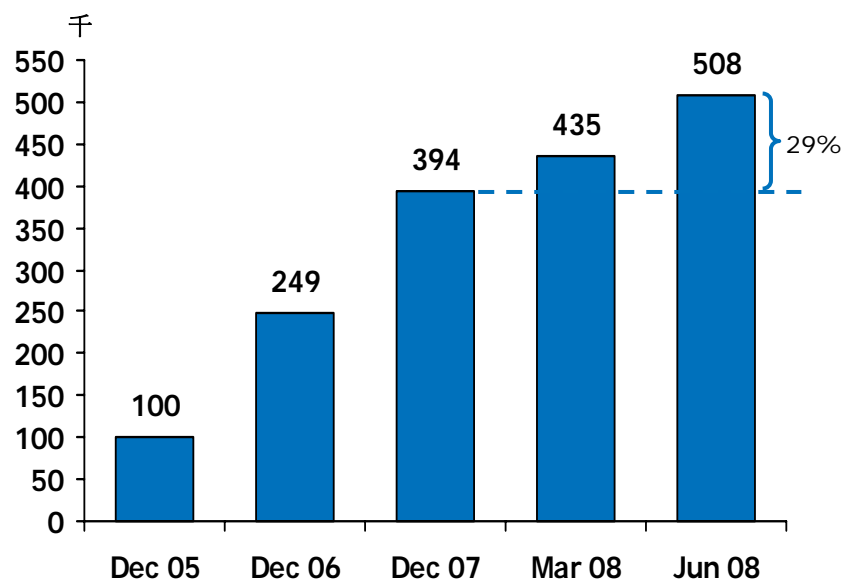


(a) 依用戶數  
(b) 依分鐘數

- 市話、長話營收下降趨勢減緩
- 批售業務有助於維持國際電話通話分鐘數市佔率

# 提供各類型客戶所需的整合服務

## MOD/IPTV 客戶



- 客戶數自2007年底起成長29%，至2008年6月底達 50.8萬

## 跨平台方案

- 跨平台服務之經營、行銷與廣告
- 提供多樣服務之整合帳單
- 銷售綜合業務儲值卡
- 改善使用介面，提高客戶忠誠度

## 服務推展

- 運動：更多運動內容(MLB、LPGA)將於MOD、emome及hiChannel播出
- 隨選內容：持續強化電影、戲劇、動漫等內容
- 互動增值服務：轉帳、遊戲、伴唱、音樂、企業客戶專屬服務
- 品質：HDTV播出運動、紀錄片、戲劇等
- 頻道：吸引更多頻道業者加入MOD開放平台

## 新媒體轉播奧運 (1)

### 奧運轉播提升客戶申裝率

- 2008年8月MOD 申裝率增加 14.3%
- 2008年8月FTTx 申裝率增加 6%

申裝	期間	申裝	成長率
MOD	2008年 1~7月	49,000*	
	2008年 8/1~8/24	56,000	14.30%
FTTx	2008年 1~7月	49,000*	
	2008年 8/1~8/24	52,000	6%

註: 2008年1-7月平均月申裝率

## 新媒體轉播奧運(2)

### 跨平台轉播奧運績效卓著

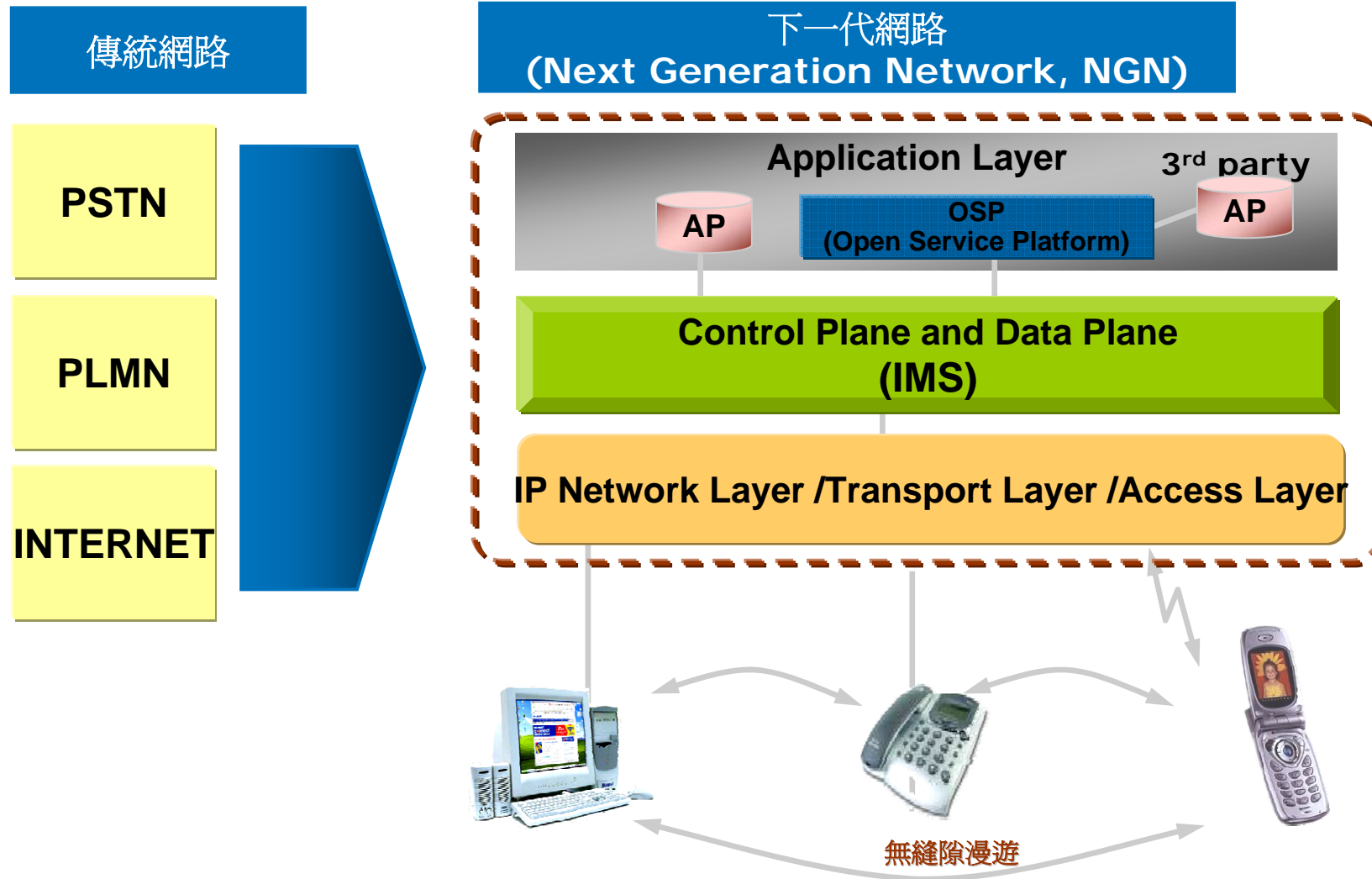
IPTV/MOD	開機率	收視戶數	隨選視訊
	1.4x	1.6x	6.8x
HiNet "hiChannel"	到訪數	頁面流量	廣告營收
	3.3x	11.3x	2.5x
Mobile "emome"	影片點閱數	頁面流量	網站瀏覽量
	15.8x	10x	10x

註: 奧運期間(2008年 8/8 ~8/24)最高量與2008年8/1~8/7期間日平均量相較

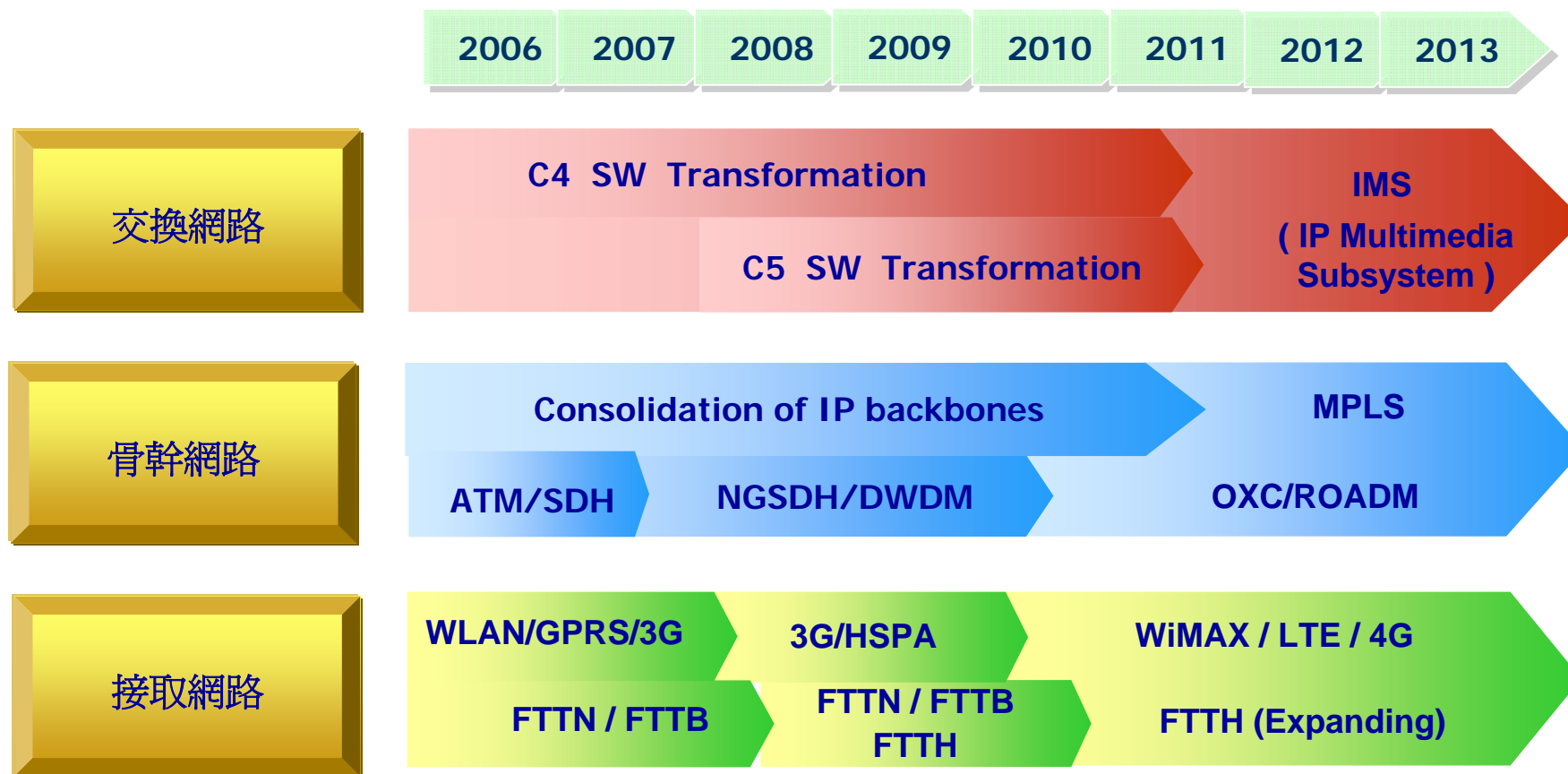
- 奧運轉播經驗鞏固CHT於加值產業之領先地位
  - 優良服務品質提昇公司專業及品牌形象

# 公司展望

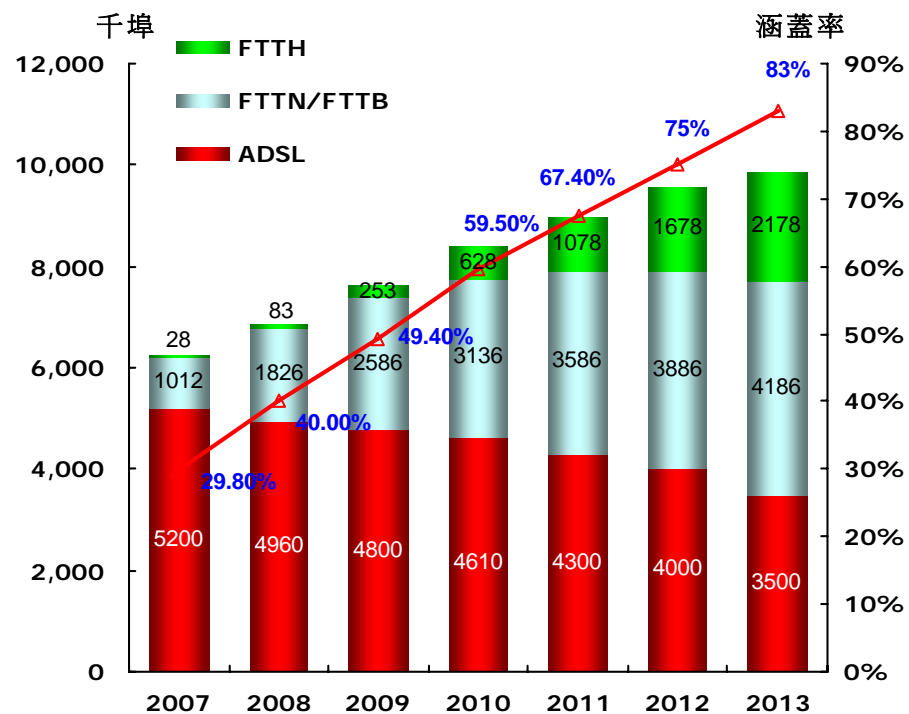
# 網路匯流



# NGN 發展概況



# 寬頻網路建設



註:

- (1) 涵蓋率係以2008年6月份內政部公佈之家戶數(757.6萬)計算
- (2) 有線=固網+網際網路及數據

## 光纖佈建計劃

- FTTx 建設量可望於2011年超越ADSL
- FTTx 涵蓋率預計於2013年達83%
- 寬頻 + ISP 營收將於近期幾年微幅成長
- 有線\* 加值營收預期成長幅度較高

# NGN策略主軸-開發新服務

## 家庭市場

- 娛樂休閒
- 居家安全
- 安養照護
- 資訊服務
- 數位學習

## 個人市場

- 影像電話
- 行動商務
- 定位服務
- 社群交友
- 即時通訊
- 隨身娛樂

## 企業市場

- 行動辦公室
- FMC (雙網整合服務)
- IP-VPN
- IP Centrex/IP PBX
- Collaboration
- Managed ICT Services
- IP 客服中心
- 節能方案

## 開創新服務發展機會

NGN 網路基礎

### 專注核心事業 創造企業價值

- 專注核心事業，掌握數位匯流趨勢
- 持續創新：藉由新產品及服務創造新的營收
- 推廣ICT及節能減碳
- 持續推動資產活化、海外投資及企業社會責任
- 善用人力資源與資本，創造企業整體價值



**Q&A**





中華電信  
Chunghwa Telecom



# 1H 2008 Operating Results

August 28, 2008

# Disclaimer

## **Note Concerning Forward-looking Statements**

Except for statements in respect of historical matters, the statements made in this presentation contain "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual performance, financial condition or results of operations of Chunghwa to be materially different from what may be implied by such forward-looking statements. Investors are cautioned that actual events and results could differ materially from those statements as a result of a number of factors including, among other things: extensive regulation of telecom industry; the intensely competitive telecom industry; our relationship with our labor union; general economic and political conditions, including those related to the telecom industry; possible disruptions in commercial activities caused by natural and human induced events and disasters, including terrorist activity, armed conflict and highly contagious diseases, such as SARS; and those risks identified in the section entitled "Risk Factors" in Chunghwa's annual reports on Form F-20 filed with the SEC.

The forward-looking statements in this press release reflect the current belief of Chunghwa as of the date of this press release and we undertake no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

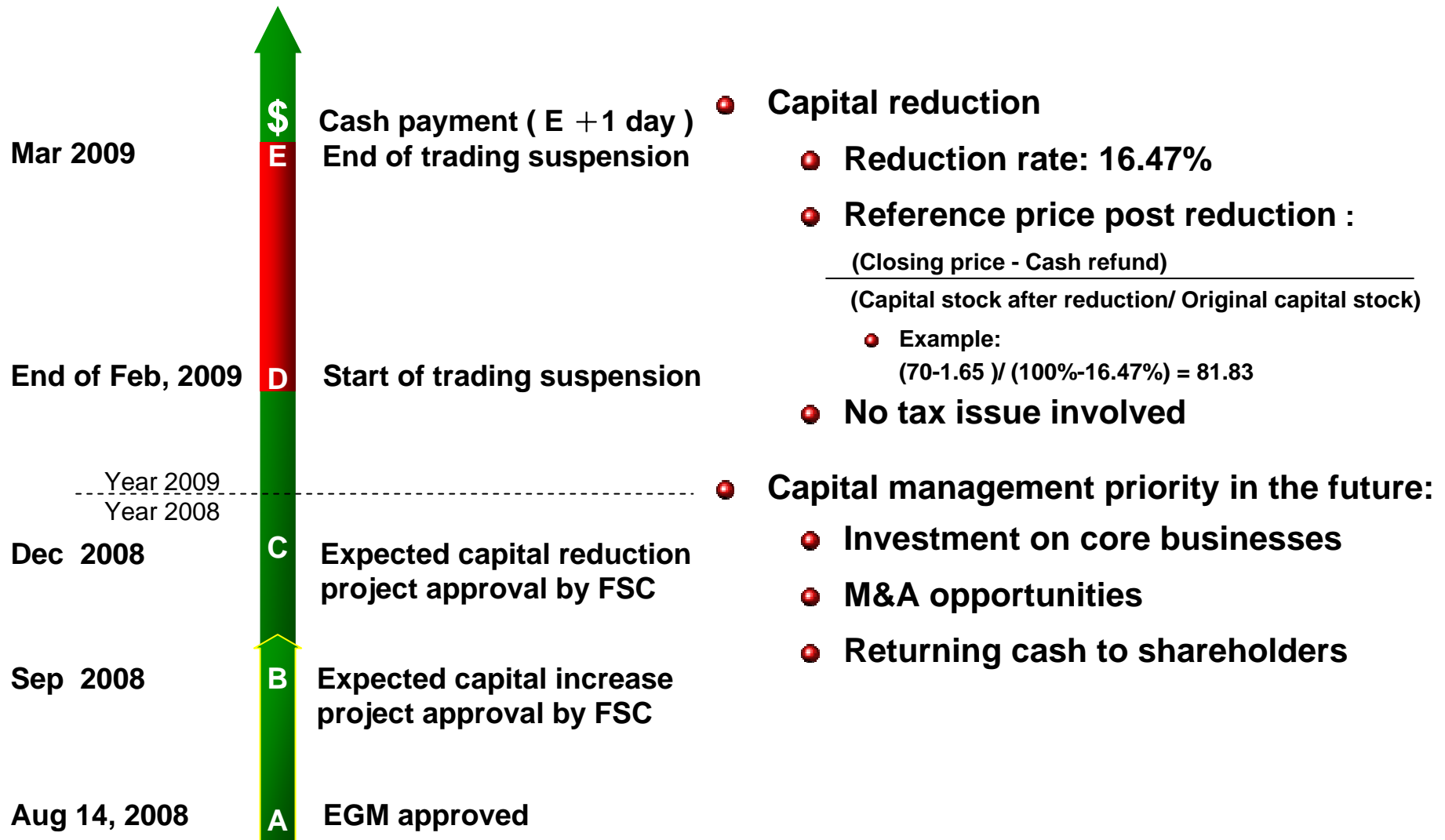
## **SPECIAL NOTE REGARDING NON-GAAP FINANCIAL MEASURES**

A body of generally accepted accounting principles is commonly referred to as "GAAP". A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable U.S. GAAP measure.

In managing our business we rely on EBITDA as a means of assessing our operating performance. We believe that EBITDA can be useful to facilitate comparisons of operating performance between periods and with other companies because it excludes the effect of (i) depreciation and amortization, which represents a non-cash charge to earnings, (ii) certain financing costs, which are significantly affected by external factors, including interest rates, foreign currency exchange rates and inflation rates, which have little or no bearing on our operating performance, (iii) income tax and tax on assets and statutory employee profit sharing, which is similar to a tax on income and (iv) other expenses or income not related to the operation of the business. EBITDA is also a useful basis of comparing our results with those of other companies because it presents operating results on a basis unaffected by capital structure and taxes.

EBITDA is not a measure of financial performance under U.S. GAAP or ROC GAAP. EBITDA should not be considered as an alternate measure of net income or operating income, as determined on a consolidated basis using amounts derived from statements of operations prepared in accordance with ROC GAAP, as an indicator of operating performance or as cash flows from operating activity or as a measure of liquidity. EBITDA has material limitations that impair its value as a measure of a company's overall profitability since it does not address certain ongoing costs of our business that could significantly affect profitability such as financial expenses and income taxes, depreciation, pension plan reserves or capital expenditures and associated charges. The EBITDA presented herein relates to ROC GAAP, which we use to prepare our consolidated financial statements.

# 2008 Capital Reduction Timeline





# Financials Overview



# Financials: Income Statement

(NT\$bn)	ROC GAAP (Consolidated)					
	1H 2007	1H 2008	Growth Rate	Q2 2007	Q2 2008	Growth Rate
<b>Revenue</b>	95.71	100.92	5.4%	50.27	49.97	(0.6%)
<b>EBITDA</b>	50.24	51.53	2.6%	25.20	25.39	0.8%
<b>Operating Profit</b>	30.28	32.30	6.7%	15.25	15.88	4.1%
<b>Net Income</b>	24.60	23.23	(5.6%)	12.51	12.52	0.1%
<b>EBITDA margin (%)</b>	52.49	51.06		50.13	50.82	
<b>Net Income Margin (%)</b>	25.70	23.02		24.88	25.05	

Note : The calculation of growth rate is based on NT\$mm

# Financials: Costs & Expenses

(NT\$bn)	ROC GAAP (Consolidated)					
	1H 2007	1H 2008	Growth Rate	Q2 2007	Q2 2008	Growth Rate
<b>Operating costs</b>	50.26	55.20	9.8%	27.40	27.02	(1.4%)
<b>Operating Expenses</b>	15.17	13.42	(11.5%)	7.62	7.06	(7.2%)
<b>Marketing</b>	11.85	10.19	(14.1%)	5.83	5.45	(6.4%)
<b>General and Administrative</b>	1.68	1.66	(0.9%)	0.94	0.77	(17.4%)
<b>R&amp;D Expense</b>	1.64	1.57	(4.2%)	0.86	0.84	(1.4%)
<b>Total</b>	65.43	68.62	4.9%	35.02	34.09	(2.7%)

Note : The calculation of growth rate is based on NT\$mm

# Financials: Business Segment Revenues

(NT\$bn)	ROC GAAP (Consolidated)					
	1H 2007	1H 2008	Growth Rate	Q2 2007	Q2 2008	Growth Rate
<b>Internet</b>	<b>18.66</b>	<b>18.96</b>	<b>1.6%</b>	<b>9.34</b>	<b>9.32</b>	<b>(0.2%)</b>
<b>Data</b>	<b>5.69</b>	<b>5.83</b>	<b>2.5%</b>	<b>2.83</b>	<b>2.94</b>	<b>3.9%</b>
<b>Mobile</b>	<b>36.73</b>	<b>36.28</b>	<b>(1.2%)</b>	<b>18.66</b>	<b>18.15</b>	<b>(2.7%)</b>
<b>Fixed line</b>	<b>29.65</b>	<b>28.74</b>	<b>(3.1%)</b>	<b>15.24</b>	<b>14.33</b>	<b>(6.0%)</b>
Local	17.76	17.34	(2.3%)	8.99	8.69	(3.3%)
DLD	4.55	4.30	(5.6%)	2.34	2.18	(6.7%)
ILD	7.34	7.10	(3.2%)	3.91	3.45	(11.7%)
<b>Other</b>	<b>4.98</b>	<b>11.11</b>	<b>123.3%</b>	<b>4.20</b>	<b>5.23</b>	<b>24.5%</b>
<b>Total</b>	<b>95.71</b>	<b>100.92</b>	<b>5.4%</b>	<b>50.27</b>	<b>49.97</b>	<b>(0.6%)</b>

Note:

- 1) Other revenue includes revenues from handset sales of CHT and Senao, paging, satellite, and billing handling services, etc.
- 2) The calculation of growth rate is based on NT\$mm

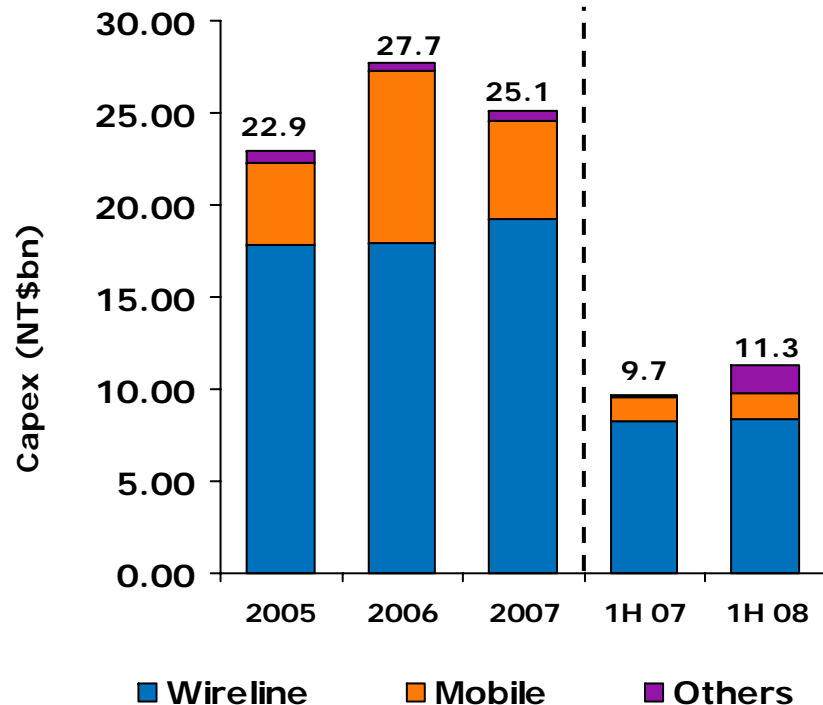
# Financials: Cash Flow

(NT\$bn)	ROC GAAP (Consolidated)					
	1H 2007	1H 2008	Growth Rate	Q2 2007	Q2 2008	Growth Rate
<b>Net Cash Flow from Operating Activities</b>	<b>32.68</b>	<b>41.51</b>	<b>27.0%</b>	<b>17.12</b>	<b>22.92</b>	<b>33.9%</b>
<b>CAPEX</b>	<b>(9.69)</b>	<b>(11.31)</b>	<b>16.7%</b>	<b>(5.05)</b>	<b>(5.85)</b>	<b>15.9%</b>
<b>Free Cash Flow</b>	<b>22.99</b>	<b>30.20</b>	<b>31.4%</b>	<b>12.07</b>	<b>17.07</b>	<b>41.4%</b>
<b>Cash and Cash Equivalent at the end of period</b>	<b>82.37</b>	<b>95.35</b>	<b>15.8%</b>	<b>82.37</b>	<b>95.35</b>	<b>15.8%</b>

Note : The calculation of growth rate is based on NT\$mm

# Effective and Efficient Capital Expenditures

## Capital Expenditure (NT\$ bn)



CapEx as % of Revenue	2005	2006	2007	1H 07	1H 08
CapEx as % of Revenue	12.5%	15.0%	12.7%	10.1%	11.2%

- 1H2008 capex increased by 16.7% YoY mainly due to land purchases worth NT\$1.2 bn
- Future investments will focus on core businesses and on migrating mobile and data customers to higher revenue platforms
  - 3G / 3.5G
  - IP-based NGN
  - FTTx
  - xDSL

(Note1) Wireline equipment used to provide fixed line services and internet & data services.  
Some wireline equipment is jointly used by fixed line and data and internet services.



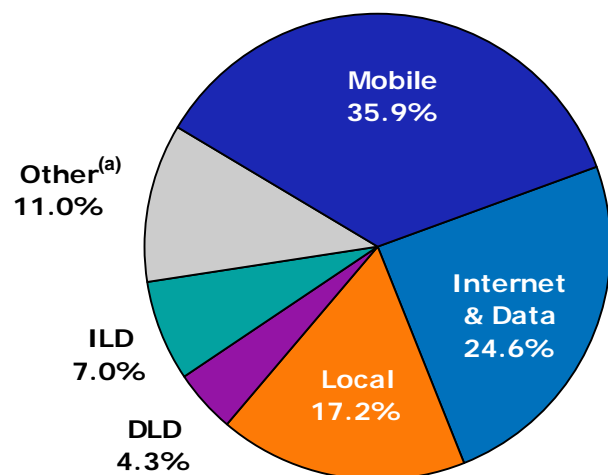
# **Business Overview**



# Chunghwa Telecom Overview

## Market Leader in Mobile Communication, Internet & Data and Fixed-line Services

### Revenue Breakdown



**Total Revenue: NT\$100.92bn**

Source: Company data, MOTC, and NCC statistics

a) Other revenue includes revenues from handset sales of CHT and Senao, paging, satellite, and billing handling services, etc.

b) Includes 2G, 3G and PHS

c) CHT access circuits were not included

(Note) Market share numbers are as of Jun. 2008

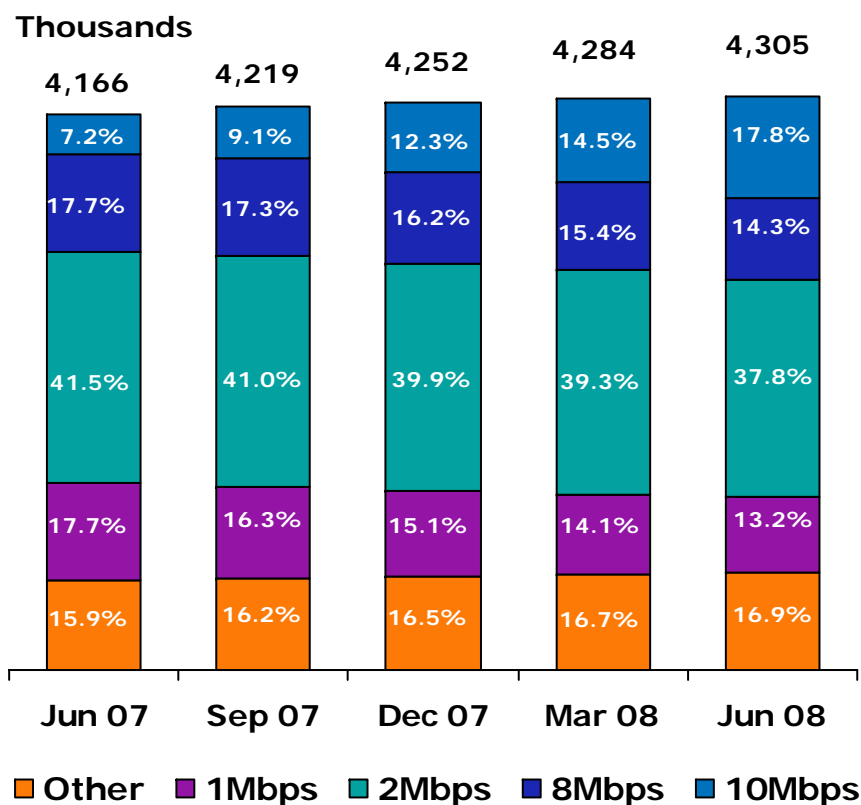
### Integrated Services Provider with Dominant Market Positions

- Mobile
  - #1 Mobile subscribers
    - 35.6% market share<sup>(b)</sup> (8.8 mm subs)
  - #1 Mobile revenue
    - 33.6% market share<sup>(b)</sup>
- Internet and Data
  - #1 ISP subscribers
    - 68.2% market share (4.1 mm subs)
  - #1 Broadband access
    - 85.4% market share<sup>(c)</sup> (4.2 mm subs)
- Fixed-line
  - #1 Local subscribers
    - 97.3% share (12.9 mm subs)
    - 89.2% share by minutes
  - #1 DLD minutes
    - 85.9% share by minutes
  - #1 ILD minutes
    - 60.6% share by minutes

# Taiwan's Leading Internet and Data Provider

## Steadily growing broadband subscriptions and revenue

### Broadband Subscribers



Note: 1) Others include 256k, 768k, 4M & 6M services

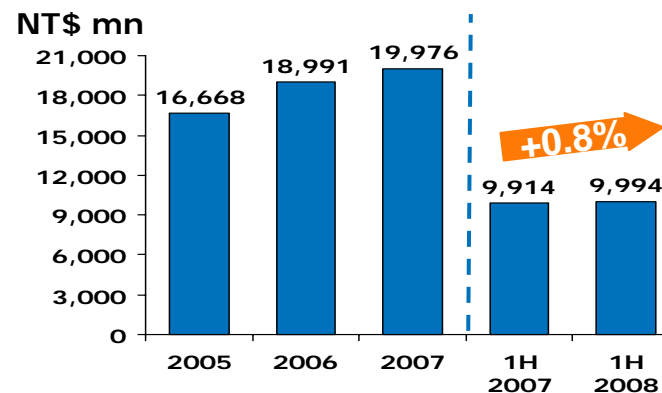
2) 8M include 8M, 12M and other FTTB services

### Internet VAS

- Revenue drivers
  - Land Administration Information Service: 32% of VAS revenue
  - Internet pornography gatekeeper: 9% of VAS revenue
- Fast growing VAS
  - Internet advertisements: exhibited 111%\* growth as of June 2008
  - Internet pornography gatekeeper: exhibited 81% growth YoY as of June 2008

Note: Q2 07 vs Q2 08

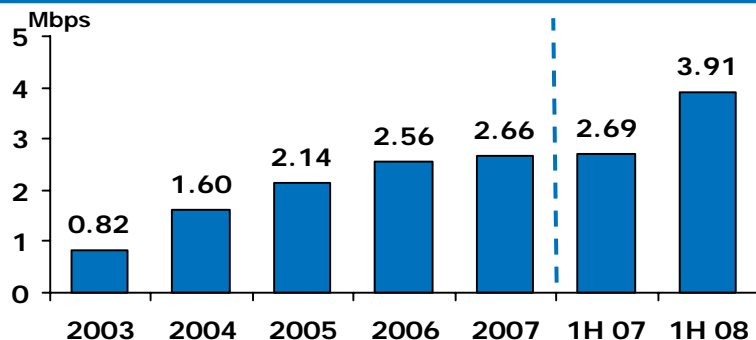
### Broadband Access Revenue



# Increasing Access Speeds and Fiber Deployment

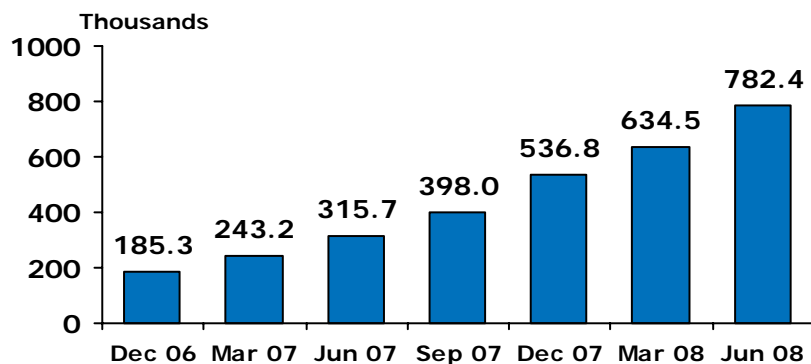
## Expanding offerings at the speed of light

### Rising Average Bandwidth Per User



Note: Fiber subscription was included starting from 2008.

### FTTx Subscriptions

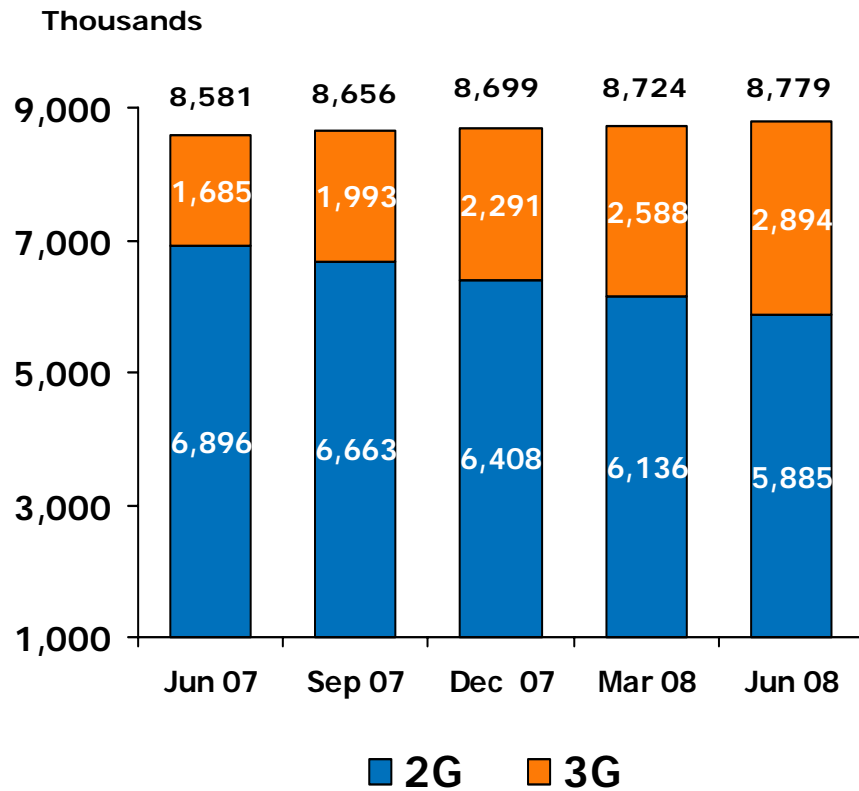


### Well-received Broadband Services

- Transitioning subscribers to higher access speeds and expanded bandwidth
  - As of Jun. 2008, subscribers with >8Mbps services reached 1,383k, representing 32.1% of total broadband subscribers
  - Enabling access to and adoption of greater variety of Internet VAS services
- Promoting >10Mbps FTTx projects in residential buildings and campuses to increase penetration rate of fiber networks
- Providing FTTx service in 16,394 buildings, representing 90.7% market share among all operators

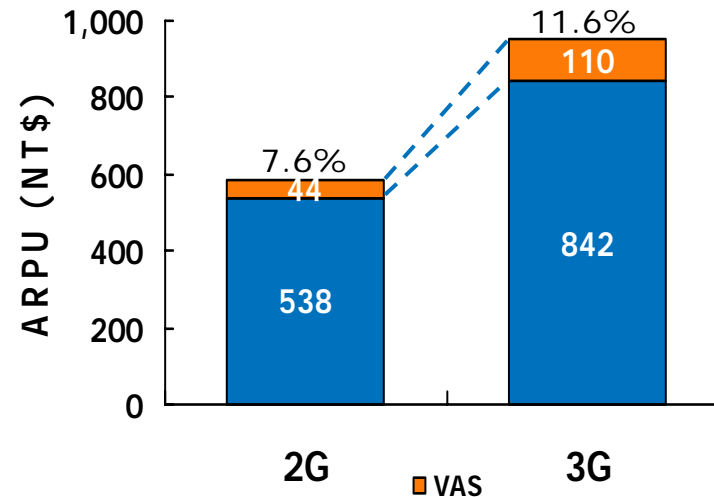
# Number One Mobile Provider

## Mobile Subscribers



## Healthy Mobile Migration

- 2.89 million 3G subscribers as of June 2008, 70% of which are utilizing 3G handsets
- 80.4% of 3G subscribers migrated from Chunghwa Telecom 2G services + NP from peers



# VAS Promotional Initiatives

## Targeting Key User Groups

### mPro

Customized for business elite

- Enhanced services on server and user ends
- More customized handset models
- ARPU: NT\$1,650, NT\$500 is from VAS

### mCool

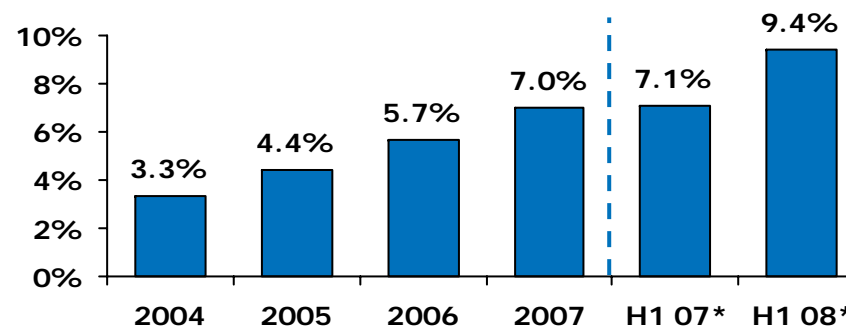
Attracting young users Optimized VAS packages and handsets with affordable price plans

- ARPU: NT\$990, of which NT\$55 is from VAS

## Successful Mobile VAS Rollout

- Successful "emome" VAS platform continuing to generate growth
  - Total VAS grew by 31.7% YoY as of Jun 2008
    - Mobile Internet exhibited 58.2% YoY growth
    - SMS exhibited 24.9% YoY growth
  - Data Card ARPU: NT\$800

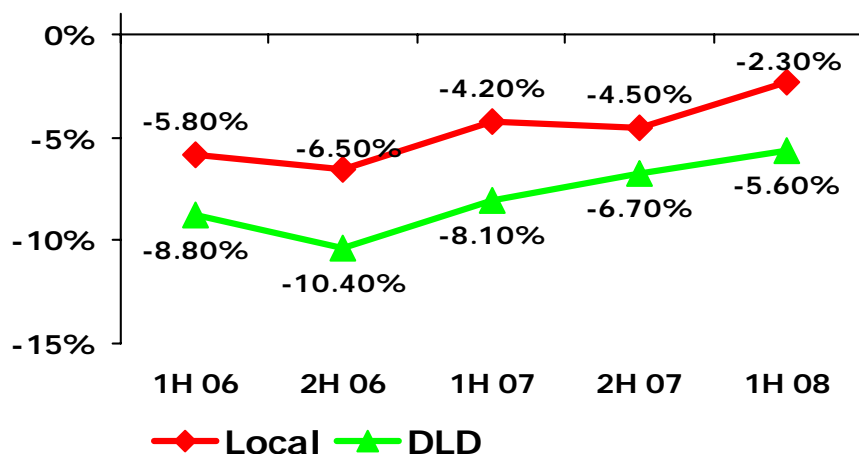
## 1H08 Data Revenue: 9.4 % of Mobile Revenue



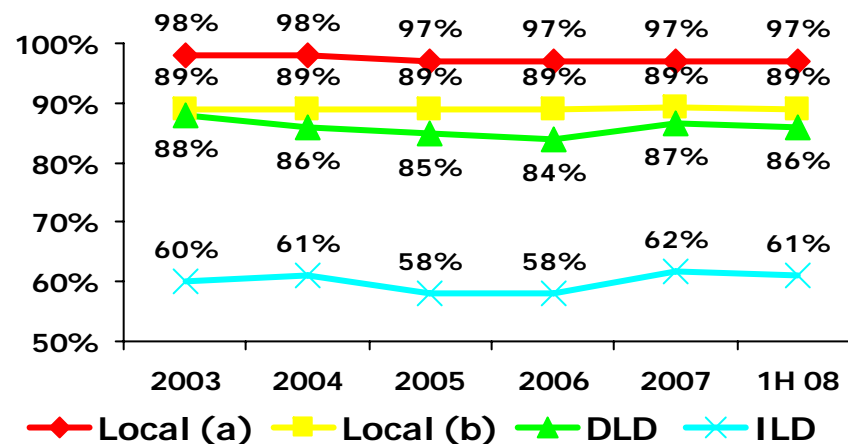
Note: Data revenue include airtime charge of SMS 1H 07 & 1H 08.

# Undisputed Leader in Fixed-Line Services

## Local & DLD Revenue Decline Decelerating



## Fixed-Line Market Share



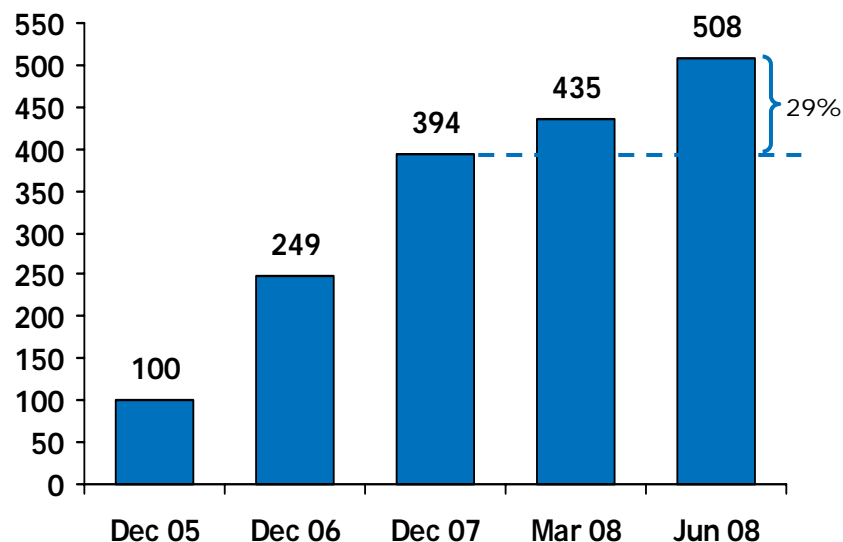
(a) By subscribers  
(b) By minutes

- Local & DLD revenue declining is slowing down.
- Wholesale business contributed to maintenance of international long distance minute market share

# Meeting Customer Demand for Convergence

## MOD/IPTV Subscribers

Thousands



- As of June 2008, subscribers reached 508k, a 29% increase since the end of 2007

## Cross-Platform Solutions

- Conduct cross-platform service operation, marketing and advertising
- Provide integrated bill for multiple services
- Supply debit cards for services
- Improve customer interface to enhance loyalty

## Service Perspective

- Sports: More (MLB, LPGA) to come on MOD, emome and hiChannel platforms
- VOD: Enhance content of movies, dramas, and cartoons etc.
- Interactive VAS: Home banking, Karaoke, games, music, and corporate dedicated service
- Quality: HDTV for Sports (MLB, Beijing Olympics), documentary, drama, etc.
- More channel aggregators on MOD open platform

# Olympic Games through New Media (1)

## Increase Subscription through Olympic Games Broadcasting

- MOD subscription increased at least 14.3% in August 2008
- FTTx subscription increase at least 6% in August 2008

Subscription	Period	Subscription	Growth Rate
MOD	Jan ~ Jul, 2008	49,000*	
	Aug. 1 ~ Aug. 24, 2008	56,000	14.3%
FTTx	Jan ~ Jul, 08	49,000*	
	Aug. 1 ~ Aug. 24, 2008	52,000	6%

Note: Average subscription per month starting from Jan ~ Jul 2008

## Olympic Games through New Media (2)

### Excellent Performance of Olympic Games Programming via Cross-Platform Solutions

<b>IPTV/MOD</b>	Home use	View Household	VOD
	1.4x	1.6x	6.8x
<b>HiNet "hiChannel"</b>	Visitors	Page Views	Ad Revenue
	3.3x	11.3x	2.5x
<b>Mobile "emome"</b>	Video Clips	Page Views	Traffic
	15.8x	10x	10x

Note: Highest volume from Aug. 8 to Aug. 24, 2008 compared with the average volume per day from Aug.1 to Aug.7, 2008

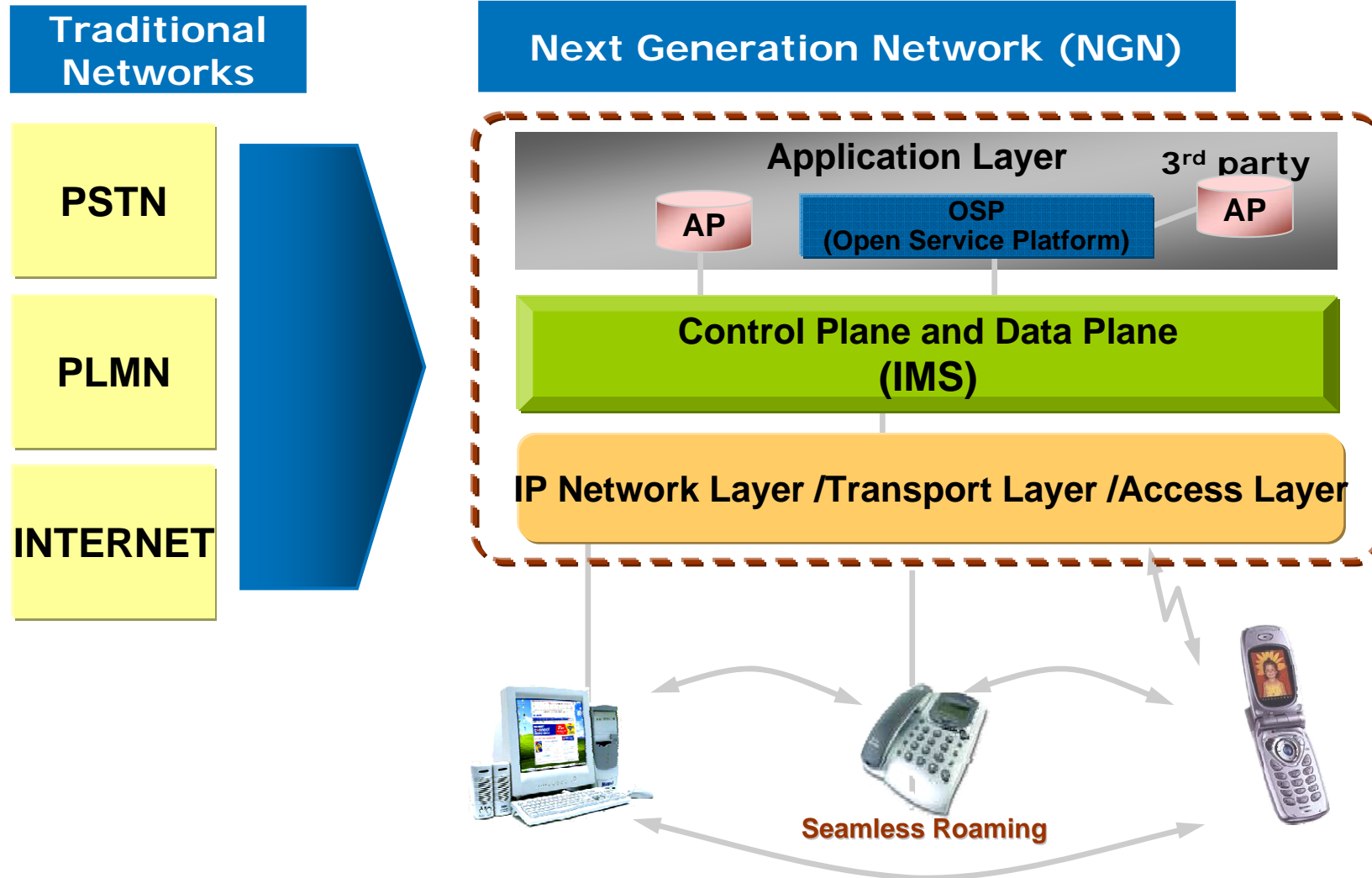
- Olympic Games offering allows CHT to establish leadership position in VAS
  - Quality and depth of service offering improves brand equity and promotes CHT's expertise in the space



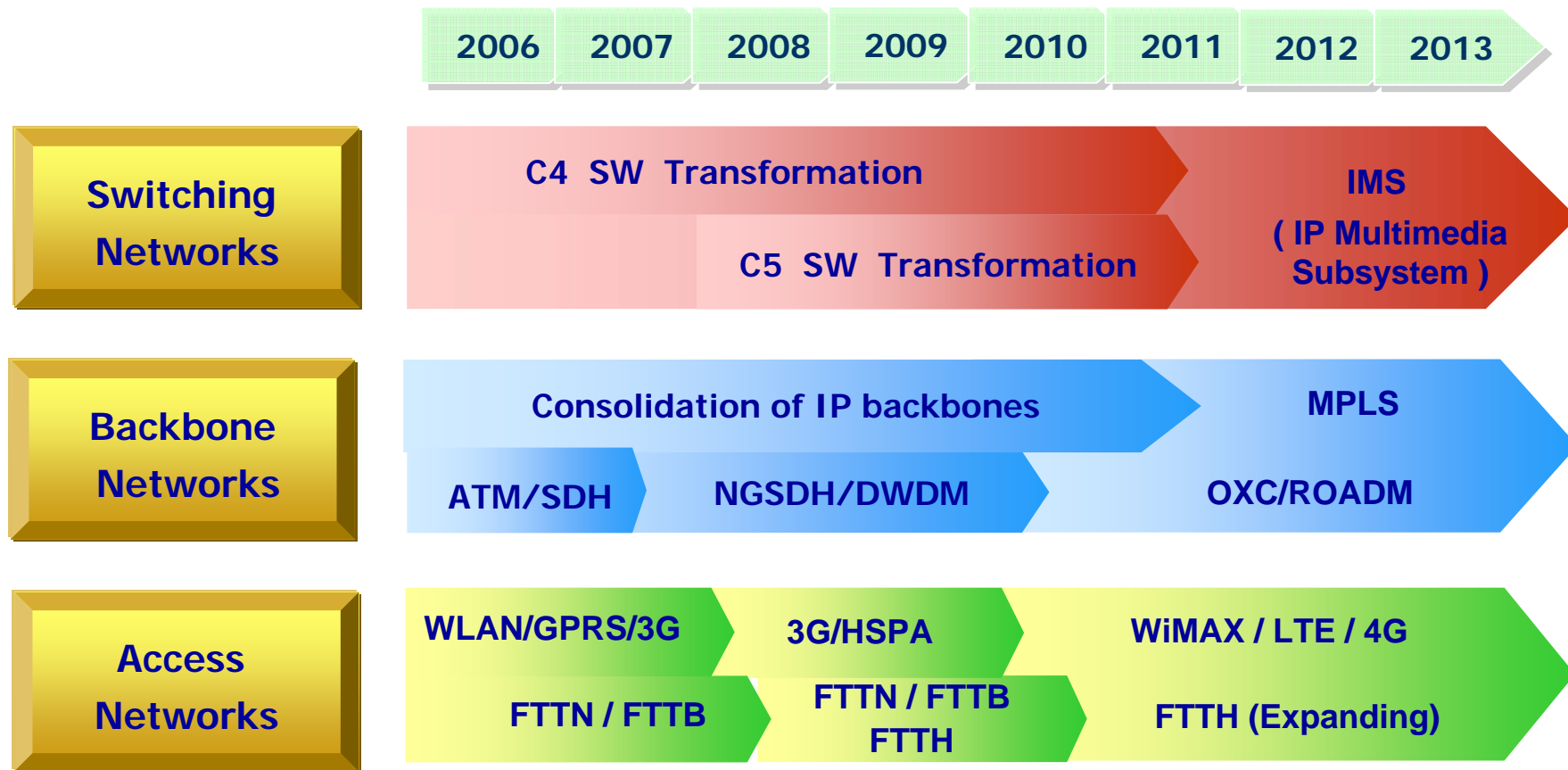
# Outlook



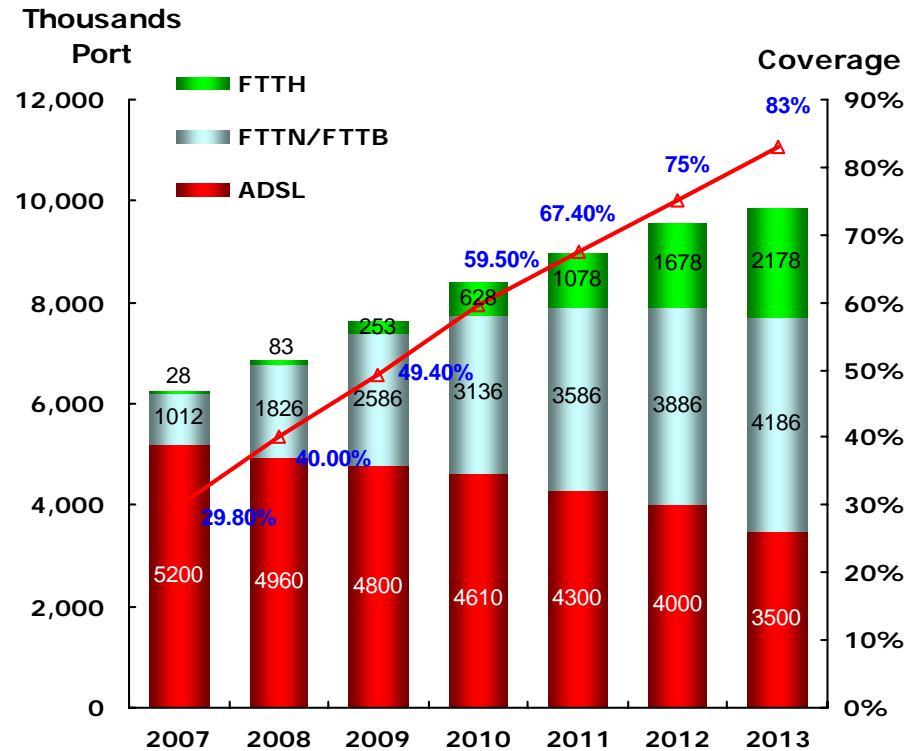
# Network Convergence



# NGN Roadmap



# Continuing Broadband Network Construction



Note:

(1) The Coverage rate is based on the household number (7.576mn) as of Jun 08 by Ministry of Interior.

(2) Wireline = Fixed + Internet & Data

## Fiber Deployment Plan

- FTTx access expected to exceed ADSL access by year 2011
- FTTx coverage expected to reach 83% by year 2013
- Broadband access + ISP revenue slightly growing in upcoming years
- Wireline\* VAS revenues expected to have higher growth

# New Opportunities via NGN

## Home Market

- Entertainment
- Surveillance
- Health Care
- Information
- Education

## Personal Market

- Video Phone
- M-commerce
- Location Based Services
- Social Networking
- Instant Message
- M-Entertainment

## Enterprise Market

- M-Office
- FMC
- IP-VPN
- IP Centrex/IP PBX
- Collaboration
- Managed ICT Services
- IP Call Center
- Energy Saving

## New Service Opportunities

NGN Infrastructure

# Operational Priorities

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## Do the right thing at the right time with the right people

- Focus on core business and capitalize on the digital convergence trend
- Be innovative: New revenue stream from new products and services
- Enable low carbon economy via telecommunication services and ICT solutions
- Continue to work on property revitalization, overseas opportunities and corporate social responsibility
- Make the best use of our human and capital resources



**Q&A**

