

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

(In Millions of New Taiwan or U.S. Dollars, Except Earnings Per Share That Are in New Taiwan or U.S. Dollars)

	Notes	Year Ended December 31			
		2009 NT\$	2010 NT\$	2011 NT\$	US\$ (Note 3)
NET REVENUES	29	\$ 198,361	\$ 202,430	\$ 217,493	\$ 7,185
OPERATING COSTS	29	112,736	115,332	131,531	4,345
GROSS PROFIT		85,625	87,098	85,962	2,840
OPERATING EXPENSES	29				
Marketing		22,293	22,469	23,172	766
General and administrative		3,765	4,012	4,180	138
Research and development		3,173	3,250	3,525	116
Total operating expenses		29,231	29,731	30,877	1,020
INCOME FROM OPERATIONS		56,394	57,367	55,085	1,820
NON-OPERATING INCOME AND GAINS	29				
Interest income		479	475	682	22
Equity in earnings of equity method investees, net		-	151	364	12
Gain on disposal of financial instruments, net		-	-	20	1
Gain on disposal of property, plant and equipment, net		-	-	298	10
Foreign exchange gain, net		89	-	81	3
Dividend income		55	26	34	1
Valuation gain on financial instruments, net		99	-	-	-
Others		700	380	402	13
Total non-operating income and gains		1,422	1,032	1,881	62
NON-OPERATING EXPENSES AND LOSSES					
Impairment loss on assets		110	125	148	5
Valuation loss on financial instruments, net		-	11	37	1
Interest expense		15	107	31	1
Loss on disposal of property, plant and equipment, net		7	216	-	-
Loss on disposal of financial instruments, net		142	157	-	-
Foreign exchange loss, net		-	17	-	-
Loss arising from natural calamities		149	19	1	-
Equity in losses of equity method investees, net		23	-	-	-
Others		132	60	50	2
Total non-operating expenses and losses		578	712	267	9
INCOME BEFORE INCOME TAX		57,238	57,687	56,699	1,873
INCOME TAX EXPENSE	2, 26	12,743	9,129	8,604	284
CONSOLIDATED NET INCOME		\$ 44,495	\$ 48,558	\$ 48,095	\$ 1,589

(Continued)