

Chapter 4 Operational Highlights

Macro Environment

Consumer spending on communication and broadcasting related services is largely influenced by the macroeconomic environment. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), private consumption grew a steady 2.73% in 2014 from 2.35% a year ago, as the local economy further picked up momentum on the back of falling global crude oil prices and monetary easing by major economies. Going forward, private consumption sentiment might be overshadowed by food safety issues, but consumer confidence is expected to improve due to rising employment and wages, helping private consumption grow by 2.74% in 2015.

Overall Operating Results

The Company's consolidated revenue expanded 4% YoY in 2014, as its telecom business benefited from the launch of 4G services and robust smartphone sales, cable revenue increased 5% and revenue from online shopping business of its subsidiary surged more than 30%. Profit-wise, 4G revenue has yet to reach a scale to cover higher operating expenses from the rapid rollout of new LTE services to boost 4G takeup. Nonetheless, consolidated EBITDA still grew 1% YoY, because of increased contributions from its other business lines: CATV and retail. Quarterly operating income and net profit both beat the Company's guidance.

Performance by division

	Consumer Business Group	Enterprise Business Group	Home Business Group	Retail Business
Brand name	Taiwan Mobile	TWM Business Solution	TWM Broadband	momo
Services	<ul style="list-style-type: none"> ● Voice and data mobile services for consumers ● Mobile to international direct dialing (IDD) services 	<ul style="list-style-type: none"> ● Voice and data mobile services for enterprises ● Fixed-line services ● International simple resale (ISR) services 	<ul style="list-style-type: none"> ● Pay TV services ● Cable broadband services ● Others 	<ul style="list-style-type: none"> ● Online shopping ● TV home shopping ● Mail order