

	Telecom business		Cable business	Retail business
	Mobile business	Fixed-line business		
Market position	Second-largest mobile operator in a five-player market, with a market share of around 29% in terms of mobile service revenue	A market share of around 1% for ADSL/FTTx business. One of the top three internet service providers (ISP), with a market share of 3.5% (including 190K cable broadband subscribers from its cable business)	Fourth-largest multisystem operator (MSO), covering about 11% of households in Taiwan	Ranked among the top three in both online shopping and TV home shopping businesses
Subscriber base	● 7,430K mobile subscribers	● Around 70K ADSL/FTTx internet access users	● 588K CATV subscribers ● 190K cable broadband subscribers	Not applicable
2014 revenue*	82,356		6,380	23,897
As a % of group revenue	73%		6%	21%
2014 EBITDA*	26,106		3,438	1,562
As a % of group EBITDA	83%		11%	5%

\* Source: 2014 financial reports. The difference between the sum of each division and consolidated number was due to inter-division adjustments and eliminations.

## Operating Results Review

### Telecom Business

Benefiting from a continuous increase in mobile data subscriptions bundled with smartphones, the Company's mobile internet adoption rate among postpaid subscribers hit 62% by the end of 2014, compared with 54% a year ago, boosting its mobile broadband revenue by 24% YoY, while wireless data revenue as a percentage of mobile service revenue rose to 51%. As a result, total telecom revenue, including handset sales, expanded 1% YoY.

### Cable Business

Revenue in 2014 rose 2% from a year ago, driven by growth in digital TV and cable broadband businesses. Growth was attributed to a successful bundling strategy, which lifted the Company's digital TV penetration rate and cable broadband service adoption rate. Accordingly, EBITDA from the cable TV business rose 5% YoY.

## Retail Business

The main growth driver came from the continuous expansion of the online shopping business, which surged 30% YoY in 2014. Full-year EBITDA from the retail business jumped 50% YoY in 2014 due to cost savings from the disposal of cosmetic chain store operation and reductions in the number of channels broadcasting TV shopping programs.

## Scope of Business

### Business overview

#### Telecom Business

#### 1. Telecom products and services

##### Consumer Business Group (CBG)

The Consumer Business Group is mainly engaged in providing mobile communication services to individual users. The Company offers a wide range of products, including SIM cards for postpaid subscribers, as well as SIM and reloadable cards for prepaid subscribers that can be used for making/receiving calls and other services, such as short messaging service (SMS), data, multimedia and other value-added services.

Target customers	Service category	Description	Highlights
Individual consumers	Mobile	Voice	Basic telecommunication voice services, including calling and receiving calls from fixed-line and mobile phones
		Data	Value-added services, including voice mail, call forwarding, call waiting, conferencing, SMS, roaming, call barring, video calls, multimedia and content (e.g. mobile TV, music, games, financial information, online bookstore, messaging apps, video clips, video streaming), and internet access using 4G/HSDPA/3G transmission
	IDD	International direct dialing services	