

Chapter 4 Operational Highlights

Macro Environment

Consumer spending on communication and broadcasting related services is largely influenced by macroeconomic factors. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), despite a persistent softness in external demand due to a sluggish global economy, private consumption grew a stable 2.28% in 2015, supported by the government's launch of short-term economic stimulus measures in 4Q15. For 2016, with volatile financial markets and non-economic risks likely affecting the global economy, domestic private consumption growth is expected to decelerate to 1.36%.

Overall Operating Results

The Company's consolidated revenue expanded 3% YoY in 2015 as result of the following: telecom service revenue rose due to increasing 4G adoption; cable broadband and digital TV revenues climbed 5% and 19%, respectively; and online shopping subsidiary momo's revenue surged 15%. Its EBITDA likewise grew 3% from a year ago, as the Company benefitted from 4G's expanding economies of scale, an improving operating leverage and steady profit increase from its cable TV business. Despite rising depreciation and amortization expenses because of intensive 4G network roll-out and more LTE spectrum deployment to provide the best mobile internet services for consumers, TWM's net income still increased 5% YoY in 2015 due to lower non-operating expenses and an additional one-off gain. TWM's EPS of NT\$5.76 was, once again, the highest among its peers.

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 ● IDC and cloud (IaaS) 	<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