

CHAIRMAN'S MESSAGE



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Steven Terrell Clontz
Chairman

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Dear Shareholders

The info-comm industry is always evolving. Familiar businesses of yesterday are often replaced by new competition and business models. The info-comm sector has been described as relatively resilient given greater certainty in recurring earnings. With the challenging economic outlook, it is more important than ever that we continue to delight our existing customers, and challenge ourselves to win over new customers.

For the full year, we posted operating revenue of \$2.44 billion, up 2% from FY2014's \$2.39 billion. EBITDA was at \$712.7 million, while EBITDA margin as a percentage of service revenue was at 32.2%. Net profit was slightly higher year-on-year (YoY) at \$372.3 million. For 4Q2015, we propose a final quarterly dividend of five cents per share, keeping to our promise of 20 cents per share for the year.

Recap 2015

We are constantly enhancing our infrastructure, delivery and service. We strengthened our management team with the right talents to better execute our strategies.

In July, we brought in Mr Dennis Chia as the new Chief Financial Officer (CFO), Mr Howie Lau as the new Chief Marketing Officer (CMO) and

Recap 2015

A summary of the progress and events in 2015.

We strengthened the management team to better serve both our consumer and corporate customers.

Find out who they are, go to
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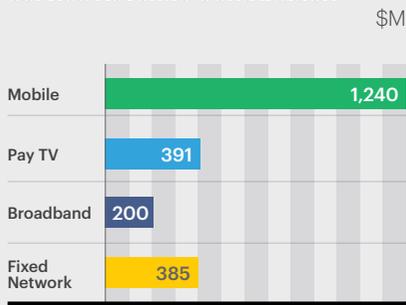
Brought the most advanced mobile network to this market.

For more details, read
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STT MediaHub will be a key location for our data centre, media headend and office & innovation activities.

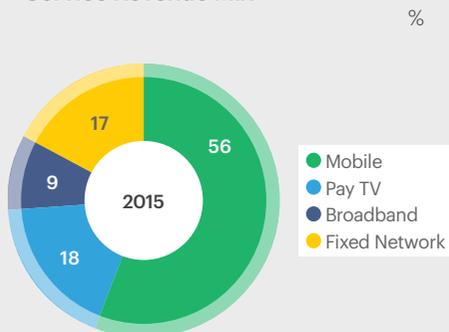
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Service Revenue Contribution



For the full year, service revenue was 0.1% lower at \$2,216 million.

Service Revenue Mix



Looking at the mix, Fixed Network services revenue at 17.4% is fast catching up with pay TV's 17.6%.

Our Hubbing strategy has served us well. As at end of 2015, we had 245,000 triple service households, up 1% from 2014's 242,000.

They have helped to underpin stability in our revenues. We will not rest on our laurels and continue to deliver even better value to our customers.

Ms Jeannie Ong relinquished her CMO role to take on the newly created Chief Strategic Partnership Officer (CSPO) role. The Board and I look forward to working closely with management to bring the Company to the next level.

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In anticipation of the potential entry of a fourth mobile operator, we developed our Hubbing proposition to a new level by adding a mobile service to our already popular *HomeHub* package. We also adapted to the new dynamics of the market and introduced enhanced *SIM Only* plans. These plans offer better value and greater choice for customers who opt not to acquire the latest smartphone from us.

Our Network team has been busy partnering with Huawei and Nokia Networks, to bring the most advanced mobile network to this market. In our Heterogonous Networks (HetNet) deployment, our infrastructure partner Huawei and us were jointly recognised with the 'Best Innovation in Heterogeneous Networks' award at LTE Asia 2015. Separately, we are proud that an independent study by OpenSignal ranked our network as the world's fastest LTE network.

For the TV business, we are working with Netflix to offer their content over our new fibre HD pay TV platform, called *Fibre TV*. *Fibre TV*, launched in April 2015, provides better viewing quality and allows our subscribers to enjoy interactive and personalised features.

In July, our strategic shareholder, ST Telemedia, took a 70% stake in our MediaHub (renamed STT MediaHub) project. ST Telemedia will have the opportunity to further expand its global data centre network footprint. On our end, we will enjoy a reduced capital expenditure (CAPEX) commitment, whilst leveraging on STT's data centre growth.

Integrated and Sustainability Reporting

The Singapore Exchange (SGX) has intimated that it will be moving away from the current voluntary sustainability reporting guidelines, to a more progressive 'comply or explain' basis for primary-listed companies. Under the proposed changes to the listing rules, companies listed before 2016 will be required to publish annual sustainability reports from the fiscal year ending 31 December 2017.

We are pleased to share that StarHub, one of the earliest adopters of voluntary sustainability reporting in Singapore, already exceeds the proposed requirements. This is our fifth annual report that includes in-depth disclosure of our environmental, social and governance (ESG) performance.

In fact, we are raising the bar with this year's report, by incorporating the International Integrated Reporting Council's Integrated Reporting principles whilst continuing to use the Global Reporting Initiative's

CHAIRMAN'S MESSAGE

G4 framework to present a more holistic account of our sustainability performance.

We believe our progressive approach toward integrated reporting will allow us to assess and communicate how we create value over the short, medium and long term for our investors, as well as for other stakeholders including employees, customers, suppliers, business partners, local communities, regulators and the government.

In 2016, we will review how we can use our expertise in info-comm technology to support the recently launched UN Sustainable Development Goals. We believe that the landmark international agreement on climate change in Paris in December 2015 to keep temperature rises below 2°C, will open new opportunities for the info-comm sector. More businesses will be encouraged to invest in low carbon technologies, including the ones that are driven by telecommunications services.

Internally, we plan to review our own climate change mitigation initiatives and options to align with the new climate change agreement.

Our sustainability performance continues to receive global recognition. In 2015, we ranked 24th on the Corporate Knights' Global 100 list, a global ranking of the world's most sustainable corporations with market value above US\$2 billion. Our ranking in 2014 was 29th jumping from the 66th in the preceding year. We remained the only Singapore telco and one of the few local companies to be ranked in this list.

Looking Ahead

To us, a business owner at work, is a consumer at home too. A lot of what we have been doing, and are going to do, is to bring the same level of excitement enjoyed by our Hubbing households to the office environment.

With Singapore's Smart Nation initiatives underway, this will be an increasingly vibrant space. We believe we have the right pieces in place to capture our fair share of the market in this exciting new chapter in Singapore's growth.

In the Mobile market, some might proposition that a fourth operator will be good for consumers, as they have more choices brought about by competition. Singapore is a highly penetrated and competitive market. No service provider, certainly not us, is complacent. Regardless of the regulator's decision, we are ready. Our Hubbing strategy will continue to put us in good stead to take on competition.

Emerging ways of consuming video content and consumer behavior changes have added pressure to our pay TV business. But there is no reason why we cannot continue to improve our content offerings and the way we deliver our content to suit what consumers want. We intend to stay relevant, and acquire our fair share of the market.

Our StarHub 2016 Strategy



mobile

49K
POST-PAID
NET ADDS

We expanded the post-paid base by 48,900, partly contributed by our ability to serve our customers well, especially enterprise ones.



pay tv

52%
HD
CHANNELS

52% of our TV channels are on HD. We continue to curate the best programmes for our customers.

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51.1%
YOY GROWTH
IN FIBRE
CUSTOMERS

Total fibre broadband customer base at 270k was 51.1% above last year.



1.7%
2015
REVENUE GROWTH

Data & Internet service revenue grew 3.2% YoY to \$331.1 million, mainly due to the increased take up of managed Data & Internet services by enterprise customers.

The Broadband business has been challenged over the past two years, with intense price competition. We note that the drop in our Broadband revenue has turned the corner. We will grow our business by offering better value and bundled packages.

As a leading player in this industry, we have built a solid foundation and reputation for being the first with a long list of innovative products and services that has encouraged the competition to follow suit. Consumers, and increasingly, business customers, will enjoy better value and services from us.

Board Changes

On behalf of the Board and Company, I would like to thank Mr Tan Guong Ching, our long-serving Chairman who retired on 15 July 2015, for his leadership of the Company.

Guong Ching was first appointed to StarHub's Board on 8 August 1998 and became our non-executive Chairman on 1 April 2001. Under his 17-year guidance, the Company's revenue grew from \$778 million in 2001 to \$2.4 billion in 2014. He also led the Company to its successful IPO in 2004.

In September, another of our long-serving non-executive director Mr Kua Hong Pak, who was also chairman of the Audit Committee, stepped down. We thank him for his 14 years of dedicated and invaluable service.

Please also join me in welcoming two new independent directors. Mr Paul Ma Kah Woh is the chairman of Mapletree Logistics Trust Management Ltd, and was a senior partner of KPMG Singapore. He replaced Hong Pak as chairman of the Audit Committee.

Ms Rachel Eng Yaag Ngee, is the Joint Managing Partner at WongPartnership LLP. She is a well regarded and outstanding corporate lawyer. We will tap into her vast experience in the capital markets.

I look forward to working closely with my fellow board members, and Tong Hai and his team, to continue to deliver more value to our business partners, stakeholders, and of course, our customers. Most important of all, I hope to rely on you, my fellow shareholders, for your support.

We look forward to meeting you at the upcoming Annual General Meeting.

Steven Terrell Clontz
Chairman



**CORPORATE KNIGHTS'
GLOBAL 100 LIST**

Ranked 24th

A global ranking of the world's most sustainable corporations with market value of at least US\$2 billion.



STARHUB REMAINS THE

Only Telco in Singapore

to receive the above global recognition.