

Results For The Third Quarter And Nine Months Ended 30 September 2015

Singapore, 6 November 2015 – StarHub Ltd today announced its results for the third quarter and year-to-date (YTD) ended 30 September 2015.

For the quarter, operating revenue increased 2% year-on-year (YoY) to S\$603.1 million compared to S\$592.0 million. The increase was contributed by higher sales of equipment. For the YTD, it grew 4% to S\$1,810.5 million. For the quarter, the Group's EBITDA was higher by 4% YoY at S\$199.1 million and grew slightly YTD to S\$555.7 million. EBITDA margin as a percentage of service revenue was 35.7% for the quarter and 33.6% YTD.

In 3Q2015, net profit after tax was at S\$118.7 million and free cash flow at S\$139.3 million. Compared to a year ago, net profit after tax increased 22% YoY for the quarter and 6% YTD to S\$291.5 million. Free cash flow increased 18% YoY for the quarter but decreased 31% YTD to S\$196.1 million, as cash flow from operating activities was utilised to fund the higher working capital needs and tax payment in the first half this year. Cash capital expenditure (capex) was at S\$67.0 million for the quarter or 8% lower YoY and 4% lower YTD at S\$225.8 million.

Business Highlights

Service revenues for both YoY and YTD periods were higher. For the YoY period, this was primarily attributed to the increase in Broadband and Fixed Network services revenues.

Mobile revenues were stable for the quarter and YTD periods. Compared to a year ago, post-paid ARPU increased by S\$3 to S\$71 for the quarter and S\$2 to S\$70 for the YTD. The higher Post-paid ARPU in both periods were attributable to take-up of

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new 4G tiered data plans with higher monthly subscriptions and higher data usages with the increased base of customers on these plans. Pre-paid ARPU was stable for the quarter and higher by S\$1 to S\$18 YTD.

Pay TV revenue was slightly lower for the quarter and increased 1% YTD to S\$291.0 million, driven by higher subscription revenue from a larger customer base but offset by lower advertising revenue. For both periods, Pay TV ARPUs were stable at S\$51. The customer base was higher YoY at 542,000 and the average monthly churns were kept at an all-time low of 0.7% for the current periods.

Broadband revenue increased 4% to S\$51.1 million for the quarter compared to a year ago, due to higher installation and other revenue as the quarter net added 2,100 subscribers. YTD, revenue was 4% lower at S\$148.2 million. We saw a S\$1 ARPU decrease YoY for the quarter to S\$34 and a S\$4 decrease YTD to S\$33. The decreases resulted mainly from price competition which lowered subscription revenue from both re-contracting and new customers. This was despite a 4% increase YoY in our residential broadband customer base, ending the quarter with 477,000 customers. The average monthly churns for the quarter was at 1.0% and YTD was at 0.9%.

Fixed Network revenue increased 4% YoY for the quarter and 3% YTD respectively. Data & Internet services revenue, which makes up over 80% of the Fixed Network revenue, increased 6% to S\$85.0 million from a year ago. The higher revenue was driven by increase in subscription for our internet services and managed services for enterprises. Voice services revenue decreased 5% YoY for the quarter to S\$14.3 million and YTD, Voice services revenue at S\$40.8 million was 6% lower. The lower revenues were primarily due to lower IDD usages.

The number of triple services Hub Club households grew to 246,000 households. This was an increase of 8,000 households as compared to 238,000 Hub Club households a year ago. The total number of hubbing households with at least one StarHub service totalled 776,000. The number of households taking two or more StarHub services was higher by 1% point at 60% YoY.

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“We are pleased with our overall performance this quarter. Net profits from operations increased by 6.5%, with continued revenue growth in our post-paid Mobile, residential Broadband and Fixed Network services,” said Mr Tan Tong Hai, CEO, StarHub. “This is the third consecutive quarter that we have seen growth in our residential Broadband revenue.”

“Our investment in upgrading our 4G network to serve our customers better has reaped rewards as a recent study done by independent wireless coverage checker *OpenSignal* rated us as having the world’s fastest 4G network¹,” added Mr Tan.

Outlook for FY2015

Based on the current outlook, we expect our Group’s 2015 service revenue to be maintained at about the level of 2014. Group EBITDA margin is expected to be about 32% on service revenue, and CAPEX payment at about 13% of our total revenue.

We intend to maintain our annual cash dividend of 20 cents per ordinary share for 2015.

For more details on the Group's performance for 3Q2015 and outlook for FY2015, please visit www.starhub.com/ir. Materials available at this website include the audio conference link, investor presentation and unaudited results for the quarter ended 30 September 2015.

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¹ [“The State of LTE”](#) report by OpenSignal (June 2015 - August 2015)

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About StarHub

StarHub is Singapore's fully-integrated info-communications company, offering a full range of information, communications and entertainment services for both consumer and corporate markets. StarHub operates a mobile network that provides 4G, 3G and 2G services. It also manages an island-wide HFC network that delivers multi-channel pay TV services (including HDTV, Internet TV and on-demand services) as well as ultra-high speed residential broadband services. StarHub operates an extensive fixed business network that provides a wide range of data, voice and wholesale services. Over Singapore's fibre-based Next Generation Nationwide Broadband Network, StarHub offers a broad range of home and business broadband plans, as well as commercial and residential IPTV services.

Launched in 2000, StarHub has become one of Singapore' most innovative info-communications providers, and the pioneer in 'hubbing' - the ability to deliver unique integrated and converged services to all its customers. StarHub, listed on the main board of the Singapore Exchange since October 2004, is a component stock of the Straits Times Index and the MSCI Singapore Free Index.

For investor enquiries, please contact:

Eric LOH
AVP, Investor Relations
StarHub
Office: (65) 6825 5171
Email: ericloh@starhub.com

For media enquiries, please contact:

Caitlin FUA
AVP, Corporate Communications
StarHub
Office: (65) 6825 5177
Email: caitlin@starhub.com

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