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## **STARHUB LTD**

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### **Announcement of Audited Results for the Full Year ended 31 December 2015**

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StarHub is pleased to announce the audited results for the full year ended 31 December 2015.

**Results for the Fourth Quarter and Full Year ended 31 December 2015**

**1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS**

**1.1 GROUP INCOME STATEMENT**

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015 S\$m	2014 S\$m	Incr/ (Decr) S\$m	%	2015 S\$m	2014 S\$m	Incr/ (Decr) S\$m	%
Total revenue	633.8	647.4	(13.6)	(2.1)	2,444.3	2,387.2	57.1	2.4
Operating expenses	(555.7)	(534.8)	20.9	3.9	(2,048.6)	(1,957.1)	91.5	4.7
Other income	13.8	11.9	1.9	15.9	45.6	46.6	(1.0)	(2.2)
<b>Profit from operations</b>	<b>91.9</b>	<b>124.4</b>	<b>(32.5)</b>	<b>(26.2)</b>	<b>441.3</b>	<b>476.7</b>	<b>(35.4)</b>	<b>(7.5)</b>
Finance income	0.6	0.4	0.2	66.8	2.0	2.0	0.0	3.0
Finance expenses <sup>(1)</sup>	(5.1)	(8.2)	(3.1)	(37.6)	(17.8)	(22.6)	(4.8)	(21.2)
	<b>87.4</b>	<b>116.5</b>	<b>(29.1)</b>	<b>(25.1)</b>	<b>425.5</b>	<b>456.1</b>	<b>(30.6)</b>	<b>(6.7)</b>
Non-operating income <sup>(2)</sup>	-	-	-	-	15.0	-	15.0	-
Share of loss of associate (net of tax)	(0.1)	-	(0.1)	-	(0.3)	-	(0.3)	-
<b>Profit before taxation</b>	<b>87.3</b>	<b>116.5</b>	<b>(29.2)</b>	<b>(25.1)</b>	<b>440.2</b>	<b>456.1</b>	<b>(15.9)</b>	<b>(3.5)</b>
Taxation	(6.5)	(22.3)	(15.8)	(70.8)	(67.9)	(85.6)	(17.7)	(20.7)
<b>Profit for the period</b>	<b>80.8</b>	<b>94.2</b>	<b>(13.4)</b>	<b>(14.3)</b>	<b>372.3</b>	<b>370.5</b>	<b>1.8</b>	<b>0.5</b>
Attributable to:								
Equity holders of the Company	80.8	94.2	(13.4)	(14.3)	372.3	370.5	1.8	0.5
	<b>80.8</b>	<b>94.2</b>	<b>(13.4)</b>	<b>(14.3)</b>	<b>372.3</b>	<b>370.5</b>	<b>1.8</b>	<b>0.5</b>
<b>EBITDA</b>	<b>157.0</b>	<b>192.4</b>	<b>(35.4)</b>	<b>(18.4)</b>	<b>712.7</b>	<b>747.9</b>	<b>(35.2)</b>	<b>(4.7)</b>
<b>EBITDA as a % of service revenue</b>	<b>27.9%</b>	<b>33.8%</b>	<b>-5.9% pts</b>		<b>32.2%</b>	<b>33.7%</b>	<b>-1.6% pts</b>	
<b>Free Cash Flow <sup>(3)</sup></b>	<b>19.6</b>	<b>48.7</b>	<b>(29.1)</b>	<b>(59.8)</b>	<b>215.7</b>	<b>333.3</b>	<b>(117.6)</b>	<b>(35.3)</b>
<i>Profit from operations is arrived after charging the following:</i>								
<i>Allowance for doubtful receivables and bad debts written off</i>	7.1	4.4	2.7	61.0	18.4	15.9	2.5	15.6
<i>Depreciation and amortisation (net of asset grants)</i>	65.1	68.1	(3.0)	(4.2)	271.4	271.2	0.2	0.1
<i>Foreign currency exchange (gain) / loss</i>	(5.2)	4.8	(10.0)	nm	(1.4)	3.1	(4.5)	nm

nm – Not meaningful

**Notes:**

- (1) Finance expenses include interest and other financing charges
- (2) Non-operating income refers to the gain on deconsolidation of a subsidiary
- (3) Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement
- (4) Numbers in all tables may not exactly add due to rounding

## 1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015 S\$m	2014 S\$m	Incr/(Decr) S\$m	%	2015 S\$m	2014 S\$m	Incr/(Decr) S\$m	%
<b>Profit for the period</b>	<b>80.8</b>	<b>94.2</b>	<b>(13.4)</b>	<b>(14.3)</b>	<b>372.3</b>	<b>370.5</b>	<b>1.8</b>	<b>0.5</b>
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	-	0.5	(0.5)	(100.0)	0.5	0.5	0.0	(2.4)
Effective portion of changes in fair value of cash flow hedge	0.1	1.1	(1.0)	(85.3)	1.9	2.8	(0.9)	(31.8)
Other comprehensive income for the period (net of taxation)	0.1	1.6	(1.5)	(90.5)	2.4	3.3	(0.9)	(27.5)
<b>Total comprehensive income for the period</b>	<b>80.9</b>	<b>95.8</b>	<b>(14.9)</b>	<b>(15.6)</b>	<b>374.7</b>	<b>373.8</b>	<b>0.9</b>	<b>0.2</b>
Attributable to:								
Equity holders of the Company	80.9	95.8	(14.9)	(15.6)	374.7	373.8	0.9	0.2
	<b>80.9</b>	<b>95.8</b>	<b>(14.9)</b>	<b>(15.6)</b>	<b>374.7</b>	<b>373.8</b>	<b>0.9</b>	<b>0.2</b>

## 1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2015

## (A) Revenue

Revenue	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015 S\$m	2014 S\$m	Incr / (Decr) S\$m	%	2015 S\$m	2014 S\$m	Incr / (Decr) S\$m	%
Mobile	313.0	320.5	(7.5)	(2.3)	1,239.8	1,247.6	(7.8)	(0.6)
Pay TV	100.0	100.1	(0.1)	(0.1)	391.0	389.7	1.3	0.3
Broadband	52.1	47.7	4.4	9.2	200.3	201.9	(1.6)	(0.8)
Fixed Network Services	98.0	100.9	(2.9)	(2.9)	384.9	378.3	6.6	1.7
Total service revenue	563.1	569.2	(6.1)	(1.1)	2,216.0	2,217.5	(1.5)	(0.1)
Sale of equipment	70.7	78.2	(7.5)	(9.6)	228.3	169.7	58.6	34.5
Total	633.8	647.4	(13.6)	(2.1)	2,444.3	2,387.2	57.1	2.4

Revenue mix	Quarter ended 31 Dec		Full Year ended 31 Dec	
	2015 Mix %	2014 Mix %	2015 Mix %	2014 Mix %
Mobile	49.4	49.5	50.7	52.3
Pay TV	15.8	15.5	16.0	16.3
Broadband	8.2	7.4	8.2	8.5
Fixed Network Services	15.5	15.5	15.8	15.8
Sale of equipment	11.1	12.1	9.3	7.1
Total	100.0	100.0	100.0	100.0

Compared to 4Q-2014, the Group's total revenue was S\$13.6 million or 2.1% lower at S\$633.8 million for the quarter ended 31 December 2015. Service revenue and revenue from sale of equipment in 4Q-2015 was lower by 1.1% and 9.6% year-on-year (YoY) respectively. For the full year, total revenue rose 2.4% YoY to S\$2,444.3 million on the back of higher revenue from sale of equipment which rose 34.5%; service revenue was 0.1% lower at S\$2,216.0 million.

The lower service revenue in 4Q-2015 was primarily due to Mobile and Fixed Network services revenue which was lower by 2.3% and 2.9% YoY respectively. This was mitigated by higher revenue from Broadband services which registered a 9.2% YoY increase in 4Q-2015.

Mobile service revenue in 4Q-2015 was lower by S\$7.5 million or 2.3% at S\$313.0 million. For the full year, Mobile revenue decreased S\$7.8 million or 0.6% YoY to S\$1,239.8 million for 2015. The current periods' decrease was mainly due to lower prepaid and roaming revenue. 4Q-2015 Pay TV service revenue was steady at S\$100.0 million, and for the full year, grew S\$1.3 million or 0.3% YoY. Broadband service revenue at S\$52.1 million in 4Q-2015 continued to register growth, driven by increased subscription revenue and take-ups. Compared to 4Q-2014, Broadband revenue in 4Q-2015 recorded S\$4.4 million or 9.2% increase YoY. For the year, Broadband revenue at S\$200.3 million was S\$1.6 million or 0.8% lower when compared to 2014. Fixed Network service revenue was S\$2.9 million or 2.9% lower YoY at S\$98.0 million in 4Q-2015. For the full year, Fixed Network service revenue was S\$6.6 million higher, primarily due to Data & Internet services.

Revenue from sale of equipment was S\$7.5 million or 9.6% lower at S\$70.7 million in 4Q-2015 due to lower sales volume of new phone models. For the full year, revenue from sale of

equipment was up S\$58.6 million or 34.5% at S\$228.3 million driven by increased quantities sold and increased mix of higher end phones.

**(B) Operating expenses**

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015	2014	Incr / (Decr)		2015	2014	Incr / (Decr)	
Operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of sales	305.2	286.8	18.4	6.4	1,053.1	949.0	104.1	11.0
Other operating expenses	250.5	248.1	2.4	1.0	995.5	1,008.1	(12.6)	(1.2)
Total	555.7	534.8	20.9	3.9	2,048.6	1,957.1	91.5	4.7

For 4Q-2015, total operating expenses was up by 3.9% YoY at S\$555.7 million, driven by higher cost of sales and other operating expenses. For the full year, total operating expenses was 4.7% higher at S\$2,048.6 million due mainly to the higher cost of sales.

As a percentage of revenue, total operating expenses was higher at 87.7% for the quarter and 83.8% for the full year, compared to 82.6% and 82.0% in the corresponding periods last year.

A breakdown of total operating expenses is as follows:

**(i) Cost of sales**

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015	2014	Incr / (Decr)		2015	2014	Incr / (Decr)	
Cost of sales	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of equipment sold	143.4	166.3	(22.9)	(13.7)	487.1	411.4	75.7	18.4
Cost of services	119.4	89.6	29.8	33.2	415.8	382.9	32.9	8.6
Traffic expenses	42.4	30.9	11.5	37.3	150.2	154.7	(4.5)	(2.9)
Total	305.2	286.8	18.4	6.4	1,053.1	949.0	104.1	11.0

For 4Q-2015, cost of sales was higher by 6.4% at S\$305.2 million. The increase was attributed to higher cost of services and traffic expenses, which was partially mitigated by lower cost of equipment sold. For the full year, cost of sales increased 11.0% to S\$1,053.1 million, driven by higher cost of equipment sold and cost of services.

Cost of equipment sold in 4Q-2015 was S\$22.9 million or 13.7% lower at S\$143.4 million when compared to 4Q-2014, in line with lower quantities of handsets sold. For the full year, cost of equipment sold was S\$75.7 million or 18.4% higher at S\$487.1 million driven by increased quantities sold and a higher mix of high end models which were costlier.

Compared to 4Q-2014, cost of services at S\$119.4 million in 4Q-2015 was 33.2% higher. This YoY increase would have been 15.2% if compared to 4Q-2014 which had included adjustments to previous quarters' costs in that year. For the full year, cost of services at S\$415.8 million was S\$32.9 million or 8.6% higher YoY driven mainly by the higher NGNBN service costs and increased services' costs of the enterprise solutions and projects.

4Q-2015 traffic expenses at S\$42.4 million would have been 10.1% higher when compared to 4Q-2014 which had included adjustments of prior periods' accruals no longer required in

2014. For the full year, traffic expenses decreased S\$4.5 million or 2.9% to S\$150.2 million, primarily due to lower international traffic volume and lower interconnection rates in 2015.

**(ii) Other operating expenses**

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015	2014	Incr / (Decr)		2015	2014	Incr / (Decr)	
Other operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Staff costs	66.1	67.1	(1.0)	(1.5)	270.7	275.0	(4.3)	(1.6)
Operating leases	33.0	29.5	3.5	11.7	121.7	128.4	(6.7)	(5.2)
Marketing and promotions	42.0	41.1	0.9	2.0	144.6	156.2	(11.6)	(7.5)
Allowance for doubtful receivables	7.1	4.4	2.7	61.0	18.4	15.9	2.5	15.6
Repair and maintenance	24.3	9.0	15.3	172.2	86.0	69.2	16.8	24.4
Other expenses	12.9	28.9	(16.0)	(55.1)	82.7	92.2	(9.5)	(10.3)
Sub total	185.4	180.0	5.4	3.0	724.1	736.9	(12.8)	(1.7)
Depreciation and amortisation (net of asset grants)	65.1	68.1	(3.0)	(4.2)	271.4	271.2	0.2	0.1
Total	250.5	248.1	2.4	1.0	995.5	1,008.1	(12.6)	(1.2)

Total other operating expenses for the quarter was 1.0% higher at S\$250.5 million, and for the full year, decreased 1.2% to S\$995.5 million.

As a percentage of revenue, other operating expenses was higher at 39.5% in 4Q-2015 as compared to 38.3% in 4Q-2014, and for the full year, was 40.7% compared to 42.2% in 2014.

Analysis of major variances in other operating expenses is provided below:

Staff costs

Staff costs at S\$66.1 million for the quarter and S\$270.7 million for the full year was lower by 1.5% and 1.6% YoY respectively, due to lower temporary staff costs.

Operating leases

Operating lease expenses at S\$33.0 million in 4Q-2015 was comparatively higher when compared to 4Q-2014, which had been lowered by the reclassification of certain expenses to cost of services in that quarter. In the current period, the increase in operating lease expenses was attributable to higher office rental rates. For the full year, operating lease expenses was 5.2% lower at S\$121.7 million as the higher leases and related expenses were mitigated by the reversals of accruals no longer required in 1Q-2015 for international capacity leases.

Marketing and promotions

Marketing and promotions was 2.0% higher at S\$42.0 million for the quarter, and decreased 7.5% to S\$144.6 million for the full year. The decrease was mainly driven by directing marketing budgets more effectively and efficiently through data analytics as customer acquisition and retention programs were rolled out.

Allowance for doubtful receivables

Against the corresponding periods last year, allowance for doubtful receivables was higher at S\$7.1 million for the quarter and S\$18.4 million for the full year. Additional allowance for

doubtful debts was made in 4Q-2015 for certain accounts receivables' that were assessed to be of higher risk of collection.

#### Repair and maintenance

For the quarter and full year, repair and maintenance was higher at S\$24.3 million and S\$86.0 million respectively as a result of the expanded network and systems infrastructure. This would have been higher by 7.2% in 4Q-2015 or 2.1% for 2015 when compared to corresponding periods last year, which had been lowered by adjustments for accruals no longer required.

#### Other expenses

4Q-2015 other expenses at S\$12.9 million were lowered by gains on exchange differences and disposal of fixed assets totaling S\$8.4 million. In the quarter, outsourcing expenses was also lower YoY. For the full year, other expenses at S\$82.7 million was S\$9.5 million or 10.3% lower when compared to 2014. Gains on exchange differences, compared to a loss last year; and disposal of fixed assets were the main contributing factors to the decrease YoY.

### **(C) Other income**

Compared to 4Q-2014, other income rose S\$1.9 million to S\$13.8 million in 4Q-2015, due mainly to increased take-up of NGNBN services. For the year, other income was S\$1.0 million lower at S\$45.6 million. The impact from higher NGNBN adoption grants recognised during the year was lowered as certain NGNBN rollout grants became fully amortised in 2015.

### **(D) Profitability**

The current periods' profit from operations was impacted by the lower service revenue and increased operating expenses in the quarter and full year. Profit from operations in 4Q-2015 was S\$32.5 million or 26.2% lower at S\$91.9 million, and for the full year, decreased S\$35.4 million or 7.5% to S\$441.3 million when compared to 2014.

EBITDA was S\$35.4 million or 18.4% lower at S\$157.0 million in 4Q-2015 as a result of S\$13.6 million lower revenue and S\$23.9 million higher cash operating expenses. This led to the full year EBITDA decreasing S\$35.2 million or 4.7% to S\$712.7 million. As a percentage of service revenue, EBITDA margin was 27.9% in 4Q-2015, pulling down the EBITDA margin for the full year to 32.2%, down from 33.8% and 33.7% in the corresponding periods last year.

Finance income grew S\$0.2 million to S\$0.6 million in 4Q-2015 due to more deposits placed. Compared to 2014, finance income maintained at S\$2.0 million in 2015.

Finance expenses was lower at S\$5.1 million as 4Q-2014 included financing expenses for new bank loan facilities taken. This resulted in the full year 2015 financing expenses at S\$17.8 million to be S\$4.8 million or 21.2% lower when compared to 2014.

Profit before taxation totaled S\$87.3 million in 4Q-2015. This was S\$29.2 million or 25.1% lower YoY. For the full year, profit before taxation at S\$440.2 million was boosted by a non-operating income of S\$15.0 million, being gain from the deconsolidation of SHINE Systems Assets Pte. Ltd. (SSAPL) in 3Q-2015.

Taxation for the quarter was 70.8% lower at S\$6.5 million as the tax expense for the current period's taxable profits was reduced by adjustments for prior periods' group tax relief benefits. This resulted in the full year taxation to be S\$17.7 million or 20.7% lower at S\$67.9 million when compared to 2014. Excluding this adjustment, the Group's effective tax rate was approximately 18% for the quarter and full year (excluding the gain on deconsolidation of a subsidiary), due mainly to certain non-deductible expenses for tax purposes.

Profit after taxation was S\$13.4 million or 14.3% lower YoY at S\$80.8 million in 4Q-2015, and S\$1.8 million or 0.5% higher YoY at S\$372.3 million for the full year.



2. BUSINESS REVIEW

Mobile Services

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015	2014	Incr / (Decr)		2015	2014	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue	313.0	320.5	(7.5)	(2.3)	1,239.8	1,247.6	(7.8)	(0.6)

Mobile operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec		Incr/(Decr) %
				2015	2014	
Number of registered customers (in thousands)						
Post-paid	1,325	1,320	1,277	1,325	1,277	3.8
Pre-paid	862	857	871	862	871	(1.0)
Total	2,188	2,177	2,147	2,188	2,147	1.9
Monthly minutes of use per registered customer						
Post-paid	220	228	245	226	252	(10.1)
Pre-paid	253	274	313	280	310	(9.7)
ARPU with IDD included (S\$ per month)						
Post-paid	72	71	71	70	68	2.4
Pre-paid	17	18	19	18	17	2.9
Non-voice service as a contribution to ARPU						
Post-paid	58.2%	56.9%	53.0%	56.9%	51.2%	-
Pre-paid	29.4%	28.6%	24.0%	27.6%	22.9%	-
Average monthly churn rate (post-paid)	1.2%	1.0%	1.1%	1.0%	0.9%	-
Singapore mobile penetration <sup>(1)</sup>	147.6%	147.5%	148.0%	147.6%	148.0%	-
Market Share <sup>(1)</sup>	26.7%	26.7%	26.5%	26.7%	26.5%	-

Note:

(1) Source : IDA (As at November 2015)

Overall mobile service revenue was S\$7.5 million or 2.3% lower YoY at S\$313.0 million in 4Q-2015. Disruptive OTT (Over-The-Top) services in both Pre-paid and Post-paid continued to erode revenue especially in voices services, IDD, domestic and roaming voice. While higher subscription revenue was registered from an expanded base and data consumption increased with corresponding revenue growth, this was not sufficient to fully mitigate the erosion in traditional voice services. This led to the full year's mobile service revenue decreasing S\$7.8 million or 0.6% YoY to S\$1,239.8 million in 2015.

Post-paid mobile services

As at 31 December 2015, Post-paid mobile subscriber base was 1,325,000 subscribers after the quarter's net addition of 5,400 subscribers. Compared to a year ago, Post-paid customer base expanded by 48,900 customers or 3.8%. 65% of these subscribers are on tiered data mobile subscription plans, up from 61% a year ago.

Compared to 4Q-2014, Post-paid mobile ARPU in 4Q-2015 was S\$1 higher at S\$72, and for the full year, was up by S\$2 YoY to S\$70 in 2015. The higher Post-paid ARPU in the current periods was attributable to an increasing mix of customers on the new 4G tiered data plans in an expanded customer base.

As a percentage of Post-paid mobile ARPU, Post-paid non-voice was higher at 58.2% in 4Q-2015 and 56.9% for the full year, up from 53.0% and 51.2% in the corresponding periods last year.

Monthly average Post-paid mobile churn was higher at 1.2% for the quarter and 1.0% for the full year, up marginally from 1.1% and 0.9% in the corresponding periods last year. The increase in churn was mainly due to customers terminating their SharePlus subscription contracts (previously offered FOC or at very low promotional subscription prices) when the promotional periods ended.

#### Pre-paid mobile services

As at 31 December 2015, Pre-paid mobile customer base was 862,000 customers after the quarter's net addition of 5,800 customers. Compared to a year ago, Pre-paid customer base was lower by 8,400 customers or 1.0% decrease YoY.

Pre-paid mobile ARPU at S\$17 in 4Q-2015 was S\$2 lower compared to 4Q-2014 as a result of the lower usage revenue. For the full year, ARPU at S\$18 was S\$1 higher than last year. Pre-paid non-voice component as a percentage of Pre-paid mobile ARPU rose to 29.4% in 4Q-2015 and 27.6% for the full year, up from 24.0% and 22.9% in the corresponding periods last year. This was driven by the substitution of traditional voice services including IDD by the usage of OTT services via cellular or WiFi data networks.

Pay TV Services

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015	2014	Incr / (Decr)		2015	2014	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Pay TV revenue	100.0	100.1	(0.1)	(0.1)	391.0	389.7	1.3	0.3

Pay TV operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec	30 Sep	31 Dec	31 Dec		Incr/(Decr)
	2015	2015	2014	2015	2014	%
Number of residential Pay TV customers (in thousands)	536	542	542	536	542	(1.2)
ARPU (S\$ per month)	51	51	52	51	51	(0.5)
Average monthly churn rate	0.8%	0.7%	0.8%	0.8%	0.9%	-
StarHub's penetration	39.7%	40.5%	41.5%	39.7%	41.5%	-

Pay TV service revenue in 4Q-2015 was 0.1% lower at S\$100.0 million, and for the full year, increased 0.3% YoY to S\$391.0 million. For the current periods, the decrease in subscription revenue from the lower subscriber's base had been mitigated by increased subscription revenue from HD and hubbing services by new and existing customers who upgraded their services.

As at 31 December 2015, Pay TV subscriber base was 536,000 subscribers after the quarter's net churn of 6,200 subscribers. Compared to a year ago, Pay TV subscriber base decreased 6,500 subscribers or 1.2% YoY.

Pay TV ARPU at S\$51 in 4Q-2015 was S\$1 lower than 4Q-2014, and for the full year, was comparable to 2014 at S\$51.

Compared to 4Q-2014, Pay TV monthly average churn in 4Q-2015 was comparable at 0.8%. For the full year, the average churn decreased from 0.9% in 2014 to 0.8% in 2015.

**Broadband Services**

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015	2014	Incr / (Decr)		2015	2014	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Broadband revenue	52.1	47.7	4.4	9.2	200.3	201.9	(1.6)	(0.8)

Broadband operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec	30 Sep	31 Dec	31 Dec		Incr/(Decr)
	2015	2015	2014	2015	2014	%
Number of residential total broadband customers - subscription-based (in thousands)	476	477	469	476	469	1.3
Number of total fibre broadband customers - subscription-based (in thousands)	270	245	179	270	179	51.1
ARPU (S\$ per month)	35	34	33	34	36	(5.9)
Average monthly churn rate	1.1%	1.0%	0.8%	0.9%	1.0%	-

Broadband service revenue grew 9.2% from S\$47.7 million in 4Q-2014 to S\$52.1 million in 4Q-2015, due mainly to higher subscription revenue from an increased mix of customers on the higher speed fibre plans and an expanded customer base. For the full year, service revenue was S\$1.6 million or 0.8% lower at S\$200.3 million. This was a significant improvement in the current periods when compared to last year, where the decrease year-on-year totaled S\$39.9 million or 16.5%.

As at 31 December 2015, Broadband residential subscriber base was 476,000 subscribers after the quarter's net churn of 1,200 subscribers. Compared to a year ago, Broadband customer base was higher by 6,100 customers or 1.3% increase YoY. Total fibre broadband customer base at 270,000 subscribers was 51.1% above last year.

Broadband average monthly churn was higher at 1.1% in 4Q-2015, up from 0.8% in 4Q-2014. For the full year, the average churn decreased from 1.0% in 2014 to 0.9% this year.

**Fixed Network Services**

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2015	2014	Incr / (Decr)		2015	2014	Incr / (Decr)	
<b>Fixed Network Services Revenue</b>	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>	<b>%</b>	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>	<b>%</b>
Data & Internet	85.0	86.6	(1.6)	(1.9)	331.1	320.9	10.2	3.2
Voice services	13.0	14.3	(1.3)	(8.8)	53.8	57.4	(3.6)	(6.3)
Total	98.0	100.9	(2.9)	(2.9)	384.9	378.3	6.6	1.7

Fixed Network service revenue in 4Q-2015 was S\$98.0 million or 2.9% lower than same quarter last year. Voice services continued to be impacted by lower usage and rate. Data & Internet registered lower revenue due to timing differences for completion of several customer projects. For the full year, Fixed Network service revenue was up by 1.7% to S\$384.9 million, contributed by higher Data & Internet service revenue, which offset the lower Voice service revenue.

Data & Internet service revenue was 1.9% lower at S\$85.0 million in 4Q-2015 due to lower revenue from domestic and international leased circuits' services. For the full year, Data & Internet service revenue grew 3.2% YoY to S\$331.1 million, mainly due to the increased take up of managed Data & Internet services by enterprise customers.

Compared to the corresponding periods last year, Voice service revenue was 8.8% lower at S\$13.0 million in 4Q-2015 and decreased 6.3% to S\$53.8 million for the full year. The decrease in the current periods was due mainly to lower IDD usage and rate.

**Hubbing (Multi-Service Households)**

Hubbing Metrics	As at			YoY Incr/(Decr) %
	31 Dec 2015	30 Sep 2015	31 Dec 2014	
Total hubbing households with at least one service of post-paid mobile, pay TV and/or broadband services (in thousands)	774.2	775.6	774.3	(0.0)
Percentage of total hubbing households which subscribe to any two services	28.0%	28.2%	28.3%	(0.3)% pts
Percentage of total hubbing households which subscribe to all three services	31.7%	31.7%	31.3%	0.4% pts
Percentage of total hubbing households which subscribe to two or more services	59.7%	59.9%	59.6%	0.1% pts
Total Singapore occupied homes (in thousands, estimated) <sup>(1)</sup>	1,245	1,230	1,230	1.2

Note:

(1) Source: Nielsen Media Research for 2015 estimates

As at 31 December 2015, the total number of households who subscribed to at least one of the hubbing service was 774,200 households, comparable to last year's households of 774,300.

As a percentage of total hubbing households, the triple service households were higher at 31.7% as of 31 December 2015, when compared to 31.3% a year ago. The triple hubbing services households was 245,000 households as at 31 December 2015, up from 242,000 households or 1.4% higher YoY.

The percentage of households who subscribed to two or more services was 59.7% as at 31 December 2015, marginally higher than the 59.6% recorded a year ago.

## 3. GROUP CASH FLOW STATEMENT

	Quarter ended 31 Dec		Full Year ended 31 Dec	
	2015 S\$m	2014 S\$m	2015 S\$m	2014 S\$m
<b>Operating Activities</b>				
Profit before taxation	87.3	116.5	440.2	456.1
Adjustments for :				
Depreciation and amortisation (net of asset grants)	65.1	68.1	271.4	271.2
Income related grants	(13.6)	(11.9)	(45.4)	(46.6)
Share-based payments expenses	2.4	2.1	9.5	9.2
Changes in fair value of financial instruments	3.9	(0.1)	(1.0)	0.9
Net finance expenses	4.5	7.8	15.8	20.6
Share of loss of associate (net of tax)	0.1	-	0.3	-
Non-operating income	-	-	(15.0)	-
Others	(2.3)	0.2	(1.9)	0.7
Operating cash flow before working capital changes	147.4	182.7	673.9	712.1
Changes in working capital	(23.6)	(47.9)	(36.7)	8.1
Income tax paid	(1.2)	(0.0)	(92.7)	(65.3)
<b>Net cash from operating activities</b>	<b>122.6</b>	<b>134.8</b>	<b>544.5</b>	<b>654.9</b>
<b>Investing Activities</b>				
Proceeds from disposal of fixed assets	1.1	0.1	1.6	0.8
Purchase of fixed assets	(103.0)	(86.1)	(328.8)	(321.6)
Interest received	0.6	0.4	2.0	2.0
Repayment of loan from an associate	-	-	36.9	-
Investment in an associate	-	-	(12.0)	-
<b>Net cash used in investing activities</b>	<b>(101.3)</b>	<b>(85.6)</b>	<b>(300.3)</b>	<b>(318.8)</b>
<b>Financing Activities</b>				
Proceeds from exercise of share options	-	0.3	0.3	0.6
Grants received	10.1	6.1	30.0	28.1
Dividends paid	(86.5)	(86.3)	(345.9)	(345.2)
Finance expenses paid	(3.9)	(5.3)	(19.7)	(22.5)
<b>Net cash used in financing activities</b>	<b>(80.3)</b>	<b>(85.2)</b>	<b>(335.3)</b>	<b>(339.0)</b>
<b>Net change in cash and cash equivalents</b>	<b>(59.0)</b>	<b>(36.0)</b>	<b>(91.1)</b>	<b>(2.9)</b>
Exchange difference on cash and cash equivalents	-	0.2	0.3	0.2
Cash and cash equivalents at beginning of the period	232.4	300.0	264.2	266.9
<b>Cash and cash equivalents at end of the period</b>	<b>173.4</b>	<b>264.2</b>	<b>173.4</b>	<b>264.2</b>

The Group's net cash from operating activities was S\$12.2 million lower at S\$122.6 million in 4Q-2015. This was due to lower cash flows from operations which were mitigated by lower working capital needs. For the full year, the Group's total net cash from operating activities was S\$110.4 million lower at S\$544.5 million. This was attributable to lower cash flows from operations which accounted for S\$38.2 million, higher working capital needs of S\$44.8 million and higher income tax paid of S\$27.4 million.

The Group's negative working capital changes of S\$23.6 million in 4Q-2015 and S\$36.7 million for the full year were mainly due to lower trade and other payables, coupled with higher inventories balances. This was mitigated by lower trade receivables, and higher net balances due to related parties.

Compared to 4Q-2014, net cash outflow from investing activities in 4Q-2015 was S\$15.7 million higher at S\$101.3 million, due mainly to higher CAPEX payments of S\$16.9 million. For the full year, net cash outflow from investing activities amounted to S\$300.3 million. CAPEX payments were S\$7.2 million higher at S\$328.8 million compared to S\$321.6 million in 2014. The higher net cash used in CAPEX investments was mitigated by the net proceeds from the loan repayment by the associate company – SSAPL, net of an additional S\$12.0 million investment in SSAPL pursuant to an equity call post dilution of the Group's equity interest from 100% to 30% in SSAPL in 3Q-2015.

The Group's CAPEX payments at S\$103.0 million in 4Q-2015 and S\$328.8 million for the full year represented 16.3% and 13.5% of the corresponding quarter and full year's total revenue respectively.

As a result of the lower cash from operating activities and higher CAPEX payments, the Group's free cash flow was lower at S\$19.6 million in 4Q-2015 and S\$215.7 million for the full year. This was S\$29.1 million lower for the quarter and S\$117.6 million lower for the full year when compared to S\$48.7 million and S\$333.3 million in the same periods last year.

Net cash outflow from financing activities was S\$4.9 million lower at S\$80.3 million in 4Q-2015, and S\$3.7 million lower at S\$335.3 million for the full year. Cash used for dividends payment totaled S\$86.5 million in 4Q-2015 and S\$345.9 million for the full year, slightly higher than last year. This increased cash in financing activities was mitigated by the higher grants received and lower payment of finance expenses.

The increased net cash used in the current periods resulted in a lower cash balance as at 31 December 2015 of S\$173.4 million, compared to S\$264.2 million a year ago.

#### Capital expenditure commitments

As of 31 December 2015, the Group's total outstanding capital expenditure commitments amounted to S\$285.4 million. The outstanding commitments included the balance of S\$80 million for the 4G spectrum rights, capital expenditures committed for IT and business support systems, expansion and enhancement of network infrastructure.



## 4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 15 S\$m	31 Dec 14 S\$m	31 Dec 15 S\$m	31 Dec 14 S\$m
<b>Non-current assets</b>				
Property, plant and equipment	890.0	911.1	411.4	400.5
Intangible assets	388.1	404.5	70.6	79.3
Subsidiaries	-	-	1,758.1	1,692.1
Associate	27.5	-	27.8	-
Balances with related parties	-	-	344.2	106.0
	<b>1,305.6</b>	<b>1,315.6</b>	<b>2,612.1</b>	<b>2,277.9</b>
<b>Current assets</b>				
Inventories	54.3	42.4	50.1	36.8
Trade receivables	153.3	161.7	137.5	147.7
Other receivables, deposits and prepayments	196.8	185.9	34.1	34.0
Balances with related parties	26.0	17.4	110.8	272.6
Cash and cash equivalents	173.4	264.2	154.2	176.0
	<b>603.8</b>	<b>671.6</b>	<b>486.7</b>	<b>667.1</b>
Less:				
<b>Current liabilities</b>				
Trade and other payables	687.3	795.8	297.7	342.9
Balances with related parties	122.5	99.2	404.4	385.6
Borrowings	137.5	200.0	137.5	200.0
Provision for taxation	80.6	97.9	49.1	35.5
	<b>1,027.9</b>	<b>1,192.9</b>	<b>888.7</b>	<b>964.0</b>
<b>Net current liabilities</b>	<b>(424.1)</b>	<b>(521.3)</b>	<b>(402.0)</b>	<b>(296.9)</b>
<b>Non-current liabilities</b>				
Trade and other payables	22.7	23.3	22.7	23.3
Borrowings	550.0	487.5	550.0	487.5
Deferred income	1.1	7.3	1.1	-
Deferred tax liabilities	120.1	127.2	61.3	75.9
	<b>693.9</b>	<b>645.3</b>	<b>635.1</b>	<b>586.7</b>
<b>Net assets</b>	<b>187.6</b>	<b>149.0</b>	<b>1,575.0</b>	<b>1,394.3</b>
<b>Shareholders' equity</b>				
Share capital	293.5	282.6	293.5	282.6
Reserves	(105.9)	(133.6)	1,281.5	1,111.7
<b>Total equity</b>	<b>187.6</b>	<b>149.0</b>	<b>1,575.0</b>	<b>1,394.3</b>

## GROUP BALANCE SHEET REVIEW

As at 31 December 2015, the Group's non-current assets was S\$1,305.6 million, S\$10.0 million lower than 31 December 2014. The decrease was largely due to the de-consolidation of SSAPL's non-current assets, mainly fixed assets, following the dilution of the equity interest

from 100% to 30% at fair value in 3Q-2015, with a corresponding increase in investment in associate (SSAPL). Fixed assets additions to the network infrastructure and systems during the year also contributed to the movements in this non-current assets balance YoY.

Total current assets as at 31 December 2015 was lower at S\$603.8 million when compared to S\$671.6 million as at 31 December 2014. The decrease of S\$67.8 million was made up of lower cash and cash equivalents, and trade receivables, higher inventories, other receivables, deposits and prepayments, and balances due from related parties.

Against 31 December 2014, total current liabilities was S\$165.0 million lower at S\$1,027.9 million as at 31 December 2015. This was attributed to lower trade and other payables, provision for taxation, higher balances due to related parties and a lower current portion of borrowings that became due in the year. In the quarter, the Group refinanced the S\$200 million current bank borrowing as at 31 December 2014 with a new term loan. This new loan has now been included as Borrowings under the non-current liabilities.

For non-current liabilities, the balance as at 31 December 2015 amounted to S\$693.9 million, an increase of S\$48.6 million from a year ago. This was attributed to "Borrowings" where a new bank term loan was taken to refinance the S\$200 million current borrowings on its maturity date and a reclassification of S\$137.5 million bank loans that will become due within the next 12 months.

Compared to 31 December 2014, the Group's shareholders' equity was up S\$38.6 million to S\$187.6 million as at 31 December 2015, contributed by higher share capital and increased retained profits.

## 5. GROUP UNSECURED BORROWINGS

<b>Unsecured borrowings</b>	<b>31 Dec 15 S\$m</b>	<b>31 Dec 14 S\$m</b>
Amount repayable in one year or less		
Bank loans	137.5	200.0
	137.5	200.0
Amount repayable after one year		
Bank loans	330.0	267.5
Medium term note	220.0	220.0
	550.0	487.5
<b>Total</b>	<b>687.5</b>	<b>687.5</b>

As at 31 December 2015, the Group's total borrowings were maintained at S\$687.5 million.

The lower cash balances as at 31 December 2015 resulted in higher net debt of S\$514.1 million, compared to S\$423.3 million last year. As a percentage of 2014 EBITDA, the Group's net debt was higher at 0.69 times as at 31 December 2015 when compared to 0.57 times as at 31 December 2014.

6. STATEMENT OF CHANGES IN EQUITY

Group	Share capital S\$m	Goodwill written off S\$m	Share- based payments reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2015	282.6	(276.3)	13.4	(1.4)	0.8	129.9	(133.6)	149.0
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	291.5	291.5	291.5
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	0.5	-	0.5	0.5
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	1.8	-	-	1.8	1.8
Total comprehensive income for the period	-	-	-	1.8	0.5	291.5	293.8	293.8
<b>Transactions with equity holders of the Company, recognised directly in equity</b>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	10.9	-	(10.6)	-	-	-	(10.6)	0.3
Share-based payments expenses	-	-	7.1	-	-	-	7.1	7.1
Dividends paid	-	-	-	-	-	(259.4)	(259.4)	(259.4)
Total transactions with equity holders of the Company	10.9	-	(3.5)	-	-	(259.4)	(262.9)	(252.0)
At 30 Sep 2015	293.5	(276.3)	9.9	0.4	1.3	162.0	(102.7)	190.8
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	80.8	80.8	80.8
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	0.1	-	-	0.1	0.1
Total comprehensive income for the period	-	-	-	0.1	-	80.8	80.9	80.9
<b>Transactions with equity holders of the Company, recognised directly in equity</b>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	2.4	-	-	-	2.4	2.4
Dividends paid	-	-	-	-	-	(86.5)	(86.5)	(86.5)
Total transactions with equity holders of the Company	-	-	2.4	-	-	(86.5)	(84.1)	(84.1)
At 31 Dec 2015	293.5	(276.3)	12.3	0.5	1.3	156.3	(105.9)	187.6

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Group	Share capital S\$m	Treasury shares S\$m	Goodwill written off S\$m	Share-based payments reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2014	271.4	(0.2)	(276.3)	15.0	(4.2)	0.3	104.6	(160.8)	110.6
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	276.2	276.2	276.2
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	1.8	-	-	1.8	1.8
Total comprehensive income for the period	-	-	-	-	1.8	-	276.2	278.0	278.0
<b>Transactions with equity holders of the Company, recognised directly in equity</b>									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	10.9	-	-	(10.6)	-	-	-	(10.6)	0.3
Share-based payments expenses	-	-	-	7.1	-	-	-	7.1	7.1
Transfer from treasury shares to share-based payments reserve	-	0.2	-	(0.2)	-	-	-	(0.0)	(0.0)
Dividends paid	-	-	-	-	-	-	(258.9)	(258.9)	(258.9)
Total transactions with equity holders of the Company	10.9	0.2	-	(3.7)	-	-	(258.9)	(262.4)	(251.5)
At 30 Sep 2014	282.3	-	(276.3)	11.3	(2.5)	0.3	122.0	(145.2)	137.1
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	94.2	94.2	94.2
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	0.5	-	0.5	0.5
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	1.1	-	-	1.1	1.1
Total comprehensive income for the period	-	-	-	-	1.1	0.5	94.2	95.8	95.8
<b>Transactions with equity holders of the Company, recognised directly in equity</b>									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	0.3	-	-	-	-	-	-	-	0.3
Share-based payments expenses	-	-	-	2.1	-	-	-	2.1	2.1
Dividends paid	-	-	-	-	-	-	(86.3)	(86.3)	(86.3)
Total transactions with equity holders of the Company	0.3	-	-	2.1	-	-	(86.3)	(84.2)	(83.9)
At 31 Dec 2014	282.6	-	(276.3)	13.4	(1.4)	0.8	129.9	(133.6)	149.0

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Merger/ Capital reserve S\$m	Share- based payments reserve S\$m	Hedging reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
<b>At 1 Jan 2015</b>	<b>282.6</b>	<b>276.5</b>	<b>13.4</b>	<b>(1.4)</b>	<b>823.2</b>	<b>1,111.7</b>	<b>1,394.3</b>
<b><u>Total comprehensive income for the period</u></b>							
Profit for the period	-	-	-	-	188.1	188.1	188.1
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	1.8	-	1.8	1.8
Total comprehensive income for the period	-	-	-	1.8	188.1	189.9	189.9
<b><u>Transactions with equity holders of the Company, recognised directly in equity</u></b>							
<i>Contributions by and distributions to equity holders of the Company</i>							
Issue of shares pursuant to share plans	10.9	-	(10.6)	-	-	(10.6)	0.3
Share-based payments expenses	-	-	7.1	-	-	7.1	7.1
Dividends paid	-	-	-	-	(259.4)	(259.4)	(259.4)
Total transactions with equity holders of the Company	10.9	-	(3.5)	-	(259.4)	(262.9)	(252.0)
<b>At 30 Sep 2015</b>	<b>293.5</b>	<b>276.5</b>	<b>9.9</b>	<b>0.4</b>	<b>751.9</b>	<b>1,038.7</b>	<b>1,332.2</b>
<b><u>Total comprehensive income for the period</u></b>							
Profit for the period	-	-	-	-	326.8	326.8	326.8
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	0.1	-	0.1	0.1
Total comprehensive income for the period	-	-	-	0.1	326.8	326.9	326.9
<b><u>Transactions with equity holders of the Company, recognised directly in equity</u></b>							
<i>Contributions by and distributions to equity holders of the Company</i>							
Share-based payments expenses	-	-	2.4	-	-	2.4	2.4
Dividends paid	-	-	-	-	(86.5)	(86.5)	(86.5)
Total transactions with equity holders of the Company	-	-	2.4	-	(86.5)	(84.1)	(84.1)
<b>At 31 Dec 2015</b>	<b>293.5</b>	<b>276.5</b>	<b>12.3</b>	<b>0.5</b>	<b>992.2</b>	<b>1,281.5</b>	<b>1,575.0</b>

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Treasury shares S\$m	Merger/ Capital reserve S\$m	Share-based payments reserve S\$m	Hedging reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2014	271.4	(0.2)	276.5	15.0	(4.2)	661.3	948.4	1,219.8
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	130.0	130.0	130.0
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	1.8	-	1.8	1.8
Total comprehensive income for the period	-	-	-	-	1.8	130.0	131.8	131.8
<b>Transactions with equity holders of the Company, recognised directly in equity</b>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	10.9	-	-	(10.6)	-	-	(10.6)	0.3
Share-based payments expenses	-	-	-	7.1	-	-	7.1	7.1
Transfer from treasury shares to share-based payments reserve	-	0.2	-	(0.2)	-	-	(0.0)	(0.0)
Dividends paid	-	-	-	-	-	(258.9)	(258.9)	(258.9)
Total transactions with equity holders of the Company	10.9	0.2	-	(3.7)	-	(258.9)	(262.4)	(251.5)
At 30 Sep 2014	282.3	-	276.5	11.3	(2.5)	532.5	817.7	1,100.1
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	377.0	377.0	377.0
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	1.1	-	1.1	1.1
Total comprehensive income for the period	-	-	-	-	1.1	377.0	378.1	378.1
<b>Transactions with equity holders of the Company, recognised directly in equity</b>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	0.3	-	-	-	-	-	-	0.3
Share-based payments expenses	-	-	-	2.1	-	-	2.1	2.1
Dividends paid	-	-	-	-	-	(86.3)	(86.3)	(86.3)
Total transactions with equity holders of the Company	0.3	-	-	2.1	-	(86.3)	(84.2)	(83.9)
At 31 Dec 2014	282.6	-	276.5	13.4	(1.4)	823.2	1,111.7	1,394.3

## 7. CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

As at 31 December 2015, the share capital of the Company was S\$293.5 million comprising 1,729,795,128 issued ordinary shares. As at 31 December 2014, this was S\$282.6 million or 1,726,321,609 ordinary shares.

#### Treasury Shares

As at 31 December 2015, the Company did not hold any treasury shares (31 December 2014: nil treasury shares).

There was no purchase of shares from the market in the current and comparative periods.

#### Issue of new shares

For the quarter ended 31 December 2015, there was no new issue of ordinary shares.

For the year ended 31 December 2015, the Company issued a total of 3,473,519 new ordinary shares to participants pursuant to the Company's obligations under its share options and share-based plans as follows:

<b>Number of new ordinary shares issued:</b>	<b>Full Year 2015</b>
For the exercise of options by participants pursuant to the Company's share option plans (exercise price at S\$1.52)	176,486
For payout to participants of the Company's Performance and Restricted Share Plans via the transfer from the Company's share-based payment reserve	3,297,033
<b>Total</b>	<b>3,473,519</b>

### Outstanding Shares – Share Options and Share-Based Plans

#### Share Option Plans

As at 31 December 2015, there was no share options outstanding under the Company's share option plans (31 December 2014: 234,011). The last exercisable date of the options granted under the StarHub Share Option Plan 2004 was 30 May 2015, and all outstanding unexercised options granted under this plan had lapsed on 30 May 2015.

#### Performance Share Plans

As at 31 December 2015, the outstanding balance of conditional awards under the Performance Share Plans was 1,533,800 ordinary shares (31 December 2014: 1,948,766 ordinary shares).

#### Restricted Stock Plans

As at 31 December 2015, the outstanding balance of conditional awards under the Restricted Stock Plans was 5,329,733 ordinary shares (31 December 2014: 4,772,900 ordinary shares).

**8. AUDIT**

The results of the financial year have been audited.

**9. AUDITORS' REPORT**

A copy of the Auditor's report is attached.

**10. ACCOUNTING POLICIES**

The Group and the Company have applied the same accounting policies and method of computation in the financial statements for the current financial period consistent with those of the audited financial statements for the year ended 31 December 2014.

In the current financial period, the Group and the Company have adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2015.

The adoption of these new/revised FRSs and INT FRSs did not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

**11. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES**

Not applicable.

**12. GROUP EARNINGS PER ORDINARY SHARE**

	Quarter ended 31 Dec		Full Year ended 31 Dec	
	2015	2014	2015	2014
<b>Basic</b>				
Earnings per share	4.7 cents	5.5 cents	21.5 cents	21.5 cents
Weighted average number of shares ('000)	1,729,795	1,726,282	1,729,101	1,725,351
<b>Diluted</b>				
Earnings per share	4.6 cents	5.4 cents	21.4 cents	21.4 cents
Weighted average number of shares ('000)	1,736,659	1,733,188	1,735,965	1,732,401

**13. NET ASSET VALUE PER ORDINARY SHARE**

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net asset value per share	10.8 cents	8.6 cents	91.1 cents	80.8 cents



#### 14. ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

For the year ended 31 December 2015, the Group's service revenue was lower by 0.1% YoY, compared to the guidance for full year service revenue to maintain at about the level of 2014.

2015 full year's EBITDA margin was 32.2% of service revenue, in line with the guidance of EBITDA margin at about 32% of service revenue for the year.

Total CAPEX payments for the full year was 13.5% of total revenue, compared to the guidance for 2015 CAPEX to be at about 13% of total revenue.

#### 15. GROUP OUTLOOK

Growth in the consumer businesses, comprising mainly our Mobile, Pay TV and Broadband services may be impacted by the uncertain economic outlook.

In the Mobile business, we expect our customer base on tiered data plan subscriptions to continue to grow. Usage-based revenue such as Roaming, may be lower due to the availability of other options. The spectrum auction under the proposed framework for the allocation of spectrum for international mobile telecommunications has not been released, and as such we have not included the impact, if any, in our guidance for 2016 below.

We expect the Broadband business to continue to grow in 2016. In addition to the various "HomeHub" subscription plans we offer, we will continue to leverage our cable broadband network to provide customers with true redundancy over the NGNBN with the hubbing plans. Adoption grant income from fibre broadband on the NGNBN is expected to decrease in 2016 as the grant period expires.

In 2016, we expect the Pay TV business to remain fairly resilient. We expect to offer customers with a wide range of branded content, accessible at their own convenience and on their preferred viewing screens.

In the enterprise space, the challenging economic environment will drive businesses to reduce their operating costs through closer scrutiny of spending and project prioritisation. While this may impact overall demand, we believe the need for greater diversity, security, analytics/insights and productivity solutions will continue to spur demand for our solutions.

Based on the current outlook, we expect the Group's 2016 service revenue to grow in the low single digit range. Group EBITDA margin is expected to be lower at about 31% of service revenue. In 2016, CAPEX payment, excluding the S\$80 million spectrum payment due in 2016, is expected to be at about 13% of the total revenue.

For 2016, we intend to maintain the annual cash dividend of 20 cents per ordinary share.

***Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual***

*results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this release with caution.*

**16. DIVIDENDS**

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Proposed Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Proposed Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(c) Date payable

The Directors have proposed a final dividend of S\$0.05 per ordinary share, tax exempt (1-tier) for approval by shareholders at the forthcoming annual general meeting to be convened. Details on payment of dividend will be announced in due course.

(d) Book closure date

Details on closure of books will be announced in due course.

**17. IF NO DIVIDEND HAVE BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT**

Not applicable.

**18. INTERESTED PERSON TRANSACTIONS**

	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000) 1 January 2015 to 31 December 2015 S\$m	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual) 1 January 2015 to 31 December 2015 S\$m
<b>Transactions for the Sale of Goods &amp; Services</b>		
SATS Ltd. & its associates	0.1	-
SIA Engineering Company Limited and its associates	0.2	-
Singapore Airlines Limited & its associates	0.1	-
Singapore Power Limited & its associates	0.1	-
Singapore Telecommunications Limited & its associates	29.5	-
SMRT Corporation Ltd & its associates	0.1	-
STATS ChipPAC Ltd & its associates	0.1	-
TeleChoice International Ltd & its associates	115.7	-
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	3.2	64.9
	<b>149.1</b>	<b>64.9</b>
<b>Transactions for the Purchase of Goods &amp; Services</b>		
CapitaLand Limited & its associates	4.3	-
Mapletree Commercial Trust & its associates	2.2	-
SembCorp Industries Ltd & its associates	8.7	-
Singapore Power Limited & its associates	25.8	-
Singapore Technologies Engineering Ltd & its associates	1.1	-
Singapore Telecommunications Limited & its associates	79.5	-
TeleChoice International Ltd & its associates	255.4	-
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	143.3	12.0
	<b>520.3</b>	<b>12.0</b>

**19. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS**

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 702(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.

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**ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
PURSUANT TO SGX APPENDIX 7.2 PART II**


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**1. SEGMENT REPORTING**

	<b>2015 S\$m</b>	<b>2014 S\$m</b>
Mobile	1,239.8	1,247.6
Pay TV	391.0	389.7
Broadband	200.3	201.9
Fixed Network services	384.9	378.3
Sale of equipment	228.3	169.7
<b>Total revenue</b>	<b>2,444.3</b>	<b>2,387.2</b>
EBITDA	712.7	747.9
Depreciation & amortisation (net of asset grants)	(271.4)	(271.2)
Finance income	2.0	2.0
Finance expenses	(17.8)	(22.6)
Non-operating income	15.0	-
Share of loss of associate (net of tax)	(0.3)	-
<b>Profit before taxation</b>	<b>440.2</b>	<b>456.1</b>
Taxation	(67.9)	(85.6)
<b>Profit for the year</b>	<b>372.3</b>	<b>370.5</b>
<b>Assets and liabilities</b>		
Non-current assets	1,305.6	1,315.6
Current assets	603.8	671.6
<b>Total assets</b>	<b>1,909.4</b>	<b>1,987.2</b>
Borrowings	687.5	687.5
Other non-current liabilities	143.9	157.8
Current liabilities	890.4	992.9
<b>Total liabilities</b>	<b>1,721.8</b>	<b>1,838.2</b>
<b>Other information</b>		
Capital expenditure	289.0	349.8
Free cash flow <sup>(1)</sup>	215.7	333.3

*Note:*

<sup>(1)</sup> Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement

**2. SEGMENT PERFORMANCE**

For review of the segment performance, please refer to Section 1.3 “Group Performance Review”.

**3. BREAKDOWN OF SALES**

	2015	2014	Incr / (Decr)	
	S\$m	S\$m	S\$m	%
Total revenue reported for first half year	1,207.4	1,147.8	59.6	5.2
Operating profit after tax before deducting minority interests reported for first half year	172.8	178.5	(5.7)	(3.2)
Total revenue reported for second half year	1,236.9	1,239.4	(2.5)	(0.2)
Operating profit after tax before deducting minority interests reported for second half year	199.5	192.0	7.5	3.9

**4. TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE LATEST FULL YEAR AND PREVIOUS FULL YEAR**

	Year ended 31 Dec	
	2015 S\$m	2014 S\$m
Ordinary shares (tax exempt 1-tier)		
Interim	259.5	258.9
Final (Proposed)	86.5	86.3
<b>Total Annual Dividend</b>	<b>346.0</b>	<b>345.2</b>

**5. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER**

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Company declares that the Directors, Chief Executive Officer and substantial shareholders of the Company are not related to any person occupying a managerial position in the Company or any of the subsidiaries of the Company as at 25 January 2016.



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## **Independent auditors' report**

Members of the Company  
StarHub Ltd

### **Report on the financial statements**

We have audited the accompanying financial statements of StarHub Ltd ("the Company") and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group, and the income statement and statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS54.

#### *Management's responsibility for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

#### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position, the income statement and statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



**KPMG LLP**  
*Public Accountants and  
Chartered Accountants*

**Singapore**  
16 February 2016