

StarHub Reports 2016 First Quarter Results

Singapore, 5 May 2016 – StarHub Ltd today announced its results for the quarter ended 31 March 2016.

For the quarter, the Group's EBITDA increased 13% to S\$183 million from S\$162 million previously. Correspondingly, EBITDA margin was higher at 33.8% versus 30.0% a year ago. Net profit after tax was also higher by 26% at S\$93 million year-on-year (YoY). Service revenue was slightly higher YoY at S\$542 million while total revenue was 4% lower YoY at S\$591 million due to the lower revenue from sale of equipment.

StarHub also saw a significantly improved free cash flow for the quarter, a positive S\$90 million compared to the negative S\$46 million YoY. It also had cash CAPEX which was 57% lower at S\$42 million compared to the same period last year.

Business Highlights

For the quarter, StarHub achieved customer growth for both pre and post-paid Mobile and also grew revenue for Broadband and Enterprise Fixed services. Broadband revenue registered 11% growth YoY whilst Enterprise Fixed revenue grew 5% YoY. In terms of total revenue mix, Mobile continued to be the major contributor at 50%. Pay TV, Broadband, Enterprise Fixed services and Sales of Equipment contributed 16%, 9%, 16% and 8% respectively.

- Total **Mobile** revenue was 2% lower at S\$298 million compared to the same period a year ago. The pre-paid and post-paid customer base grew by 9,000 and 42,000 respectively YoY. Comparing a year ago, the post-paid ARPU increased S\$1 to S\$69 and pre-paid ARPU was lower by S\$1 to S\$17.

"Some of the statements in this news release constitute 'forward-looking statements' that do not directly or exclusively relate to historical facts. These forward-looking statements reflect StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub Ltd's 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 StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this news release with caution."

- **Pay TV** revenue was slightly lower at S\$95 million as a result of a 17,000 drop in customer base to 528,000 households. YoY, churn rate was kept low at 0.8% and ARPU remained stable at S\$51.
- **Broadband** revenue increased 11% to S\$54 million compared to a year ago, contributed mainly by an increased mix of customers on the fibre and higher speed plans. For the quarter, ARPU also saw an uplift of S\$3 to S\$36. The residential broadband customer base remained stable at 473,000 households.
- **Enterprise Fixed** revenue increased 5% to S\$96 million YoY. Data & Internet services revenue, which contributed 86% to the Enterprise Fixed revenue mix, was at S\$82 million. Voice services revenue increased 7% to S\$14 million due to a higher traffic volume from international services.
- The percentage of total **Hubbing** households that subscribed to any two or more StarHub services remained strong at 59%. Triple-service households were at 243,000.

“StarHub’s continual focus on our customers’ needs have paid off, not only in our business results but also in the latest third-party CSISG findings which measured customer satisfaction across sectors in Singapore. We are pleased to see our steadfastness in customer service, translated into StarHub being consistently ranked higher than the industry average across all lines of business. We even clinched top honours for Pay TV and Broadband, and came in a close second in the Mobile category,” said Mr Tan Tong Hai, CEO of StarHub.

“In the quarter, our attractive Hubbing packages helped maintain low churn rates across all our lines of business. We are especially pleased to see continued growth in our Broadband revenue for the fifth sequential quarter. We also witnessed a steady increase in the Enterprise Fixed revenue, and are on track to grow this business to be the second largest contributor to our growth story,” added Mr Tan.

Outlook for FY2016

Based on the current outlook, we maintain the Group’s 2016 service revenue to grow in the low single-digit range and Group EBITDA margin at about 31% of service revenue. We expect our CAPEX payments, excluding the S\$80 million spectrum

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payment due in 2016, to be about 13% of our total revenue. For 2016, we intend to maintain our annual cash dividend of 20 cents per ordinary share.

Dividend

Following the close of the Company's Annual General Meeting on 19 April 2016, the Company declared a final dividend of 5 cents per share on a one-tier tax exempt basis in respect of the financial year ended 31 December 2015. The dividend will be paid on 6 May 2016.

For 1Q2016, the Company declares an interim dividend of 5 cents per ordinary share which will be paid on 27 May 2016.

For more details on the Group's performance for 1Q2016 and outlook for FY2016, 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 31 March 2016.

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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's 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.

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