

### **StarHub Reports 2017 Third-Quarter and Nine Months Results**

**Singapore, 2 November 2017** – StarHub Ltd today announced its results for the quarter and nine months ended 30 September 2017.

For the quarter and nine months, the Group's total revenues were both 1% year-on-year (YoY) lower. This was a result of lower service revenues from Mobile, Pay TV and Broadband services. In 3Q2017, service revenue was slightly lower at S\$545 million while year-to-date (YTD), it was 1% lower at S\$1,625 million.

Looking at the quarter period, EBITDA of S\$176 million was lower by S\$3 million compared to the same period a year ago and EBITDA margin decreased by 0.5% points to 32.3%. On a nine-month period, EBITDA was 7% YoY lower to S\$517 million and EBITDA margin as a percentage of service revenue was at 31.8%. Net profit after tax for 3Q2017 was 11% YoY lower at S\$77 million and for the YTD was at S\$235 million or 18% YoY lower.

In 3Q2017, free cash flow was at S\$120 million and cash CAPEX was at S\$52 million. In YTD2017, free cash flow was 10% higher YoY at S\$253 million mainly due to lower CAPEX payments. The Group's cash CAPEX was 17% lower at S\$201 million as compared to the same nine-month period last year.

#### **Business Highlights**

For the quarter and YTD periods, the Group grew revenue for Enterprise Fixed services. In terms of total revenue mix for the nine months, Mobile continued to be the major contributor at 51%. Enterprise Fixed services were the second largest contributor at 18%. Pay TV, Broadband, and Sales of Equipment contributed 15%, 9% and 7% respectively.

"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."

- Total **Mobile** revenue was 1% YoY lower at S\$896 million compared to YTD2016. The post-paid customer base decreased by 11,000 YoY. This was due to the one-time termination of 23,000 inactive legacy data-only lines. For the nine months, the post-paid ARPU and pre-paid ARPU were both lower by S\$1 to S\$69 and S\$15 respectively.
- In YTD2017, **Pay TV** revenue was lower YoY at S\$262 million due to a 40,000 decrease in subscriber base to 467,000. Comparing the same corresponding nine-month period, churn rate was at 1.0% and ARPU remained stable at S\$51.
- For the nine months, **Broadband** revenue decreased 2% YoY to S\$160 million, impacted by a lower subscriber base, partially mitigated by higher mix of customers on fibre plans. In YTD2017, ARPU was stable at S\$37. The residential broadband customer base was at 466,000.
- **Enterprise Fixed** revenue increased 11% YoY to S\$109 million for the quarter and 5% YoY to S\$307 million in YTD2017. For YTD, the Data & Internet services revenue was at S\$273 million. Voice services revenue decreased 13% YoY to S\$34 million due to lower traffic from IDD and international interconnect services.

“This quarter, we are further seeing the fruits of our growth strategy as shown by the encouraging double-digit increase in our Enterprise Fixed revenue. We will continue investing in the enterprise space to drive our future growth,” said Mr Tan Tong Hai, CEO, StarHub. “We have recently struck Singapore’s first bank-telco strategic partnership with OCBC Bank. By harnessing our collective data insights, we can better understand customers’ needs and deliver even more relevant services to enhance their connected lifestyles.”

### **Outlook for FY2017**

Based on the current outlook, we maintained the Group’s 2017 service revenue to be at about 2016’s level and Group EBITDA margin to be between 26% to 28% of service revenue. We expect our CAPEX payment, excluding spectrum payment, to decrease to 10% of our total revenue as a result of better terms from vendors and timing of commissioning of certain projects. For 2017, we intend to maintain our annual cash dividend of four cents per quarter per ordinary share.

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For more details on the Group's performance for 3Q & YTD2017 and outlook for FY2017, please visit [www.starhub.com/ir](http://www.starhub.com/ir). Materials available at this website include the audio conference link, investor presentation and unaudited results for the third quarter and nine months ended 30 September 2017.

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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 and 3G 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, the MSCI Singapore Free Index, the SGX Sustainability Leaders Index and the SGX Sustainability Leaders Enhanced Index.

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