

StarHub Reports 2013 First Quarter Results

- *Operating Revenue Decreased 2% To S\$580 Million*
- *Net Profit After Tax Increased 3% To S\$91 Million*
- *EBITDA Grew 3% To S\$182 Million*
- *Interim Quarterly Dividend Of 5.0 Cents Per Share*

Singapore, 9 May 2013 – StarHub Ltd today announced its results for the quarter ended 31 March 2013.

Total operating revenue decreased 2% to S\$580 million and service revenue was at S\$547 million. The Group's EBITDA grew 3% to S\$182 million from S\$177 million previously. Profit before taxation was at S\$110 million or 3% higher year-on-year (YoY) and net profit after tax grew to S\$91 million. Free cash flow at S\$92 million was 11% lower compared to last year's S\$104 million. Cash capital expenditure was 15% higher at S\$47 million compared to the same period last year.

Financial and Business Highlights

Fixed Network Services revenue registered the highest growth for the quarter at 4% YoY. This was followed by Broadband revenue at 2%. In terms of total revenue mix, Mobile continued to be the major contributor at 52%. Pay TV, Broadband, Fixed Network Services and Sales of Equipment contributed 16%, 11%, 15% and 6% respectively to the revenue mix.

- **Mobile** revenue decreased 2% to S\$302 million, contributed by lower post-paid revenue from inter-connect operators and roaming services in spite of an increase in subscription revenue from a larger subscriber base. Post-paid mobile services revenue decreased 2% to S\$241 million, accounting for 80% of the Mobile revenue mix. Post-paid ARPU decreased S\$1 to S\$68, while pre-paid ARPU was flat at S\$19.

"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 decreased 1% to S\$95 million. The lower revenue was a result of lower advertising revenue which was partly mitigated by higher subscription revenue from both commercial and residential customers. Customer base decreased by 13,000 YoY to 532,000 households and the churn rate was at 1.2%. YoY, there was a S\$1 Pay TV ARPU increase to S\$52.
- **Broadband** revenue grew 2% to S\$62 million, compared to a year ago, mainly due to a larger subscriber base and better plan mix. For the quarter, ARPU was at S\$45. The residential broadband customer base increased by 4,000 YoY to 444,000 households.
- **Fixed Network** revenue increased 4% to S\$88 million YoY. Data & Internet services revenue, which contributes 82% to the Fixed Network revenue mix, was at S\$72 million, while Voice services revenue grew to S\$16 million. This was primarily contributed by digital voice home services which became chargeable from 4Q-2012 and higher in-payments from carriers services, which were offset by lower IDD usages.
- The quarter's marketing initiatives continued to encourage customers to take up multi-services. As a result, the percentage of total **Hubbing** households that subscribed to any two or more StarHub services remained strong at 57% YoY. Triple-service households grew to 216,000, a 4% increase from a year ago.

"We are happy to report a 3% growth in net profit after tax year-on-year, despite intense competition in the market place," said Mr Tan Tong Hai, CEO of StarHub. "In the Mobile space, we have gained traction with over 75% LTE nation-wide coverage and 4G customer take-up in excess of 270,000 subscribers. The MDA's decision to make BPL subject to the cross-carriage measure is a good outcome for Singapore viewers and we will seek to comply with MDA's direction and the Media Code."

Outlook for FY2013

Based on the current outlook and barring any unforeseen circumstances, we revise our guidance for our Group operating revenue to grow in the low single-digit range YoY, and Group EBITDA margin as a percentage of service revenue is expected to be about 31%. Total CAPEX payments in 2013 are expected to be about 13% of operating revenue, which includes the capital expenditure requirements for the payment of the leasehold land and the construction of our cable TV network

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transmission centre. We intend to maintain our annual cash dividend payout of 20 cents per ordinary share for 2013.

Dividend

Following the close of the Company's Annual General Meeting on 15 April 2013, 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 2012. The dividend was paid on 3 May 2013.

For 1Q2013, the Company declares an interim dividend of 5 cents per ordinary share which will be paid on 30 May 2013.

For more details on the Group's performance for 1Q2013 and outlook for FY2013, 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 2013.

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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 HSPA+ mobile network that delivers up to 42Mbps for downlink to complement its nationwide GSM network, and an LTE network that provides connection speeds of up to 75Mbps in key business areas. 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 along with a host of advanced media-rich value-added 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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