

## StarHub Reports 2013 Second-Quarter and Half-Year Results

- *Operating Revenue Decreased 1% To S\$1,167 Million*
- *EBITDA Increased 5% To S\$374 Million*
- *Net Profit After Tax Rose 10% To S\$192 Million*
- *Declares Interim Dividend Of 5.0 Cents Per Share*

**Singapore, 6 August 2013** – StarHub Ltd today announced its results for the second quarter and first half ended 30 June 2013.

Operating revenue, for the quarter, was at S\$587 million, 1% lower compared to a year ago. On a half-year basis, it was at S\$1,167 million. The Group's EBITDA increased 7% for the quarter and 5% for the first half to S\$192 million and S\$374 million, respectively. EBITDA margin as a percentage of service revenue was 34.1% for the quarter, which was a 2.1 percentage point increase from the year before. On a half-year basis, it was at 33.7%.

Profit from operations, for the quarter, was an increase of 13% to S\$125 million and net profit after tax was at S\$101 million, an increase of 16% year-on-year (YoY). For the half-year, profit from operations increased 9% to S\$239 million while net profit after tax rose 10% to S\$192 million. Free cash flow was S\$64 million, for the quarter, compared to S\$143 million in 2Q2012. Cash capital expenditure (capex) was S\$33 million higher at S\$90 million compared to a year ago. On a half-year basis, free cash flow was S\$156 million while cash capex was S\$137 million.

### **Business Highlights**

For the quarter and half-year, Mobile services revenue increased 3% and 1%, respectively. Pay TV revenue decreased 8% for the quarter and 5% for the half-year. Broadband revenue decreased 1% for the quarter and was stable for the half-year,

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while Fixed Network services revenue increased 2% for the quarter and 3% for the half-year.

**Mobile** revenue grew to S\$314.7 million from S\$306.2 million for the quarter and to S\$616.6 million for the half-year period. Post-paid mobile services revenue was 3% higher at S\$253.9 million for the quarter. The YoY increase was attributed to higher subscription and usage revenue from a larger subscriber base, offset by lower revenue from inter-connect operators. Comparing to 2Q2012, pre-paid mobile services revenue increased 2% to S\$60.8 million for the quarter. YoY, post-paid ARPU increased S\$1 to S\$72, while pre-paid ARPU stayed at S\$18.

**Pay TV** revenue decreased 8% to S\$95.6 million from S\$103.7 million for the quarter, and 5% lower YoY at S\$190.3 million for the half-year period. The UEFA EURO 2012 broadcast contributed to the higher Pay TV services revenue a year ago. The lower advertising revenue and a lower subscriber base also partly affected the reduced revenue. Pay TV ARPU at S\$52 for the quarter and half-year periods were comparable to last year after excluding the impact of UEFA EURO revenue earned in 2012.

**Broadband** revenue decreased 1% YoY to S\$61.7 million for the quarter. For the half year, Broadband services revenue was up S\$0.3 million to S\$124.1 million. The residential broadband customer base grew 1% YoY, ending the quarter with 442,000 customers. Broadband ARPU for the quarter and half-year periods were S\$1 lower at S\$45. The lower ARPU was mainly due to higher subscription discounts offered in response to market competition.

**Fixed Network** revenue increased to S\$90.0 million for the quarter and S\$178.3 million for the half-year period, a YoY increase of 2% and 3% respectively. Data and Internet revenue grew 1% to S\$73.2 million for the quarter, and increased by S\$2.0 million or 1% to S\$145.2 million in 1H-2013. The increase was driven by higher take-up of our Internet and Next Gen NBN services, which was partially offset by lower revenue from leased circuits businesses. Voice services revenue at S\$16.8 million for the quarter was S\$1.6 million or 11% higher when compared to 2Q-2012, and for the half-year period, increased 11% to S\$33.1 million in 1H-2013.

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The total number of **Hubbing** households with at least one StarHub service was 777K for the quarter. In our triple-services households, we increased it to 219,000 or 5%. The ratio of households who subscribed to multiple StarHub services stayed strong at 57%.

"We are pleased to see a 10% increase in our net profit after tax on a half-year basis driven by the Mobile and Enterprise businesses, despite the competitive market environment," said Mr Tan Tong Hai, CEO of StarHub. "While we are happy with the growth of our 4G SmartSurf tiered data plans, we have also introduced the industry's first unlimited voice/SMS HD SmartSurf plans with smaller data bundles, to address the needs of high-voice usage customers. This will help to augment our mobile offerings and differentiate us from the competition."

"We recently won two major awards in the 2013 Asia Communication Awards - Operator of the Year & Best Brand: "Home Is Where The Heart Is" Campaign. This dovetails with my vision of StarHub being an innovative company and one that serves customers from the heart," added Mr Tan.

### **Outlook for FY2013**

Based on the current outlook and barring any unforeseen circumstances, we maintain our Group operating revenue to grow in the low single-digit range. 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 transmission centre. We intend to maintain our annual cash dividend payout of 20 cents per ordinary share for 2013.

For more details on the Group's performance for 2Q2013 and outlook for FY2013, 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 quarter ended 30 June 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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