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STARHUB LTD

Announcement of Audited Results for the Full Year ended 31 December 2013

StarHub is pleased to announce our audited results for the full year ended 31 December 2013.

Results for the Fourth Quarter and Full Year ended 31 December 2013

1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS**1.1 GROUP INCOME STATEMENT**

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013 S\$m	2012 S\$m	Incr/ (Decr) S\$m	%	2013 S\$m	2012 S\$m	Incr/ (Decr) S\$m	%
Total revenue	613.7	654.1	(40.4)	(6.2)	2,359.3	2,421.6	(62.3)	(2.6)
Operating expenses	(521.8)	(552.1)	(30.4)	(5.5)	(1,946.0)	(2,001.0)	(55.0)	(2.7)
Other income	13.3	5.0	8.3	165.7	49.9	26.7	23.2	86.8
Profit from operations	105.2	107.0	(1.8)	(1.6)	463.2	447.3	15.9	3.6
Finance income	0.7	0.7	(0.1)	(11.2)	2.8	4.1	(1.3)	(32.3)
Finance expenses ⁽¹⁾	(4.6)	(5.4)	(0.8)	(14.9)	(18.8)	(20.0)	(1.2)	(6.4)
Profit before taxation	101.3	102.3	(1.0)	(1.0)	447.2	431.4	15.8	3.7
Taxation	(17.6)	(14.4)	3.2	22.2	(76.5)	(72.1)	4.4	6.1
Profit for the period	83.7	87.9	(4.2)	(4.8)	370.7	359.3	11.4	3.2
Attributable to:								
Equity holders of the Company	83.7	87.9	(4.2)	(4.8)	370.7	359.3	11.4	3.2
	83.7	87.9	(4.2)	(4.8)	370.7	359.3	11.4	3.2
EBITDA	172.4	175.9	(3.5)	(2.0)	732.7	719.8	12.9	1.8
EBITDA as a % of service revenue	30.6%	31.2%	-0.6 %pts		32.9%	32.3%	0.6 %pts	
Free Cash Flow ⁽²⁾	15.8	19.0	(3.2)	(16.8)	291.9	416.8	(124.9)	(30.0)
<i>Profit from operations is arrived after charging the following:</i>								
<i>Allowance for doubtful receivables and bad debts written off</i>	4.2	4.3	(0.1)	(1.3)	15.5	14.8	0.7	4.6
<i>Depreciation and amortisation (net of asset grants)</i>	67.2	69.0	(1.8)	(2.6)	269.5	272.5	(3.0)	(1.1)

Notes:

(1) Finance expenses include interest and other financing charges

(2) Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement

(3) Numbers in all tables may not exactly add due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013 S\$m	2012 S\$m	Incr/(Decr) S\$m	%	2013 S\$m	2012 S\$m	Incr/(Decr) S\$m	%
Profit for the period	83.7	87.9	(4.2)	(4.8)	370.7	359.3	11.4	3.2
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	0.1	(0.1)	0.2	nm	0.3	-	0.3	nm
Effective portion of changes in fair value of cash flow hedge	0.1	0.4	(0.3)	(77.2)	2.8	(0.4)	3.2	nm
Other comprehensive income for the period (net of taxation)	0.2	0.3	(0.1)	(33.5)	3.1	(0.4)	3.5	nm
Total comprehensive income for the period	83.9	88.2	(4.3)	(4.9)	373.8	358.9	14.9	4.1
Attributable to:								
Equity holders of the Company	83.9	88.2	(4.3)	(4.9)	373.8	358.9	14.9	4.1
	83.9	88.2	(4.3)	(4.9)	373.8	358.9	14.9	4.1

nm – Not meaningful

1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2013

(A) Revenue

Against the corresponding periods last year, the Group's total revenue was 6.2% lower at S\$613.7 million for the quarter, and 2.6% decrease to S\$2,359.3 million for the full year period. This was due to lower sales of equipment with service revenue remaining stable.

Revenue from equipment sales at S\$49.9 million for the quarter was lower by 45.1% year-on-year (YoY). For the full year, revenue at S\$130.1 million, decreased S\$63.9 million or 32.9% when compared to 2012. Lower quantities sold and lower average selling prices accounted for the lower revenue in both periods.

The breakdown of total revenue and percentage mix by lines of business is tabulated below:

Revenue	Quarter ended 31 Dec				Year ended 31 Dec			
	2013	2012	Incr / (Decr)		2013	2012	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue	310.5	308.1	2.4	0.8	1,235.4	1,224.2	11.2	0.9
Pay TV revenue	99.7	97.6	2.1	2.1	385.5	396.3	(10.8)	(2.7)
Broadband revenue	56.3	62.9	(6.6)	(10.5)	240.0	249.4	(9.4)	(3.8)
Fixed Network Services revenue	97.3	94.7	2.6	2.8	368.3	357.7	10.6	3.0
Total service revenue	563.8	563.3	0.5	0.1	2,229.2	2,227.6	1.6	0.1
Sale of equipment	49.9	90.8	(40.9)	(45.1)	130.1	194.0	(63.9)	(32.9)
Total	613.7	654.1	(40.4)	(6.2)	2,359.3	2,421.6	(62.3)	(2.6)

Revenue mix	Quarter ended 31 Dec		Year ended 31 Dec	
	2013	2012	2013	2012
	Mix %	Mix %	Mix %	Mix %
Mobile revenue	50.6	47.1	52.4	50.6
Pay TV revenue	16.2	14.9	16.3	16.4
Broadband revenue	9.2	9.6	10.2	10.3
Fixed Network services revenue	15.9	14.5	15.6	14.8
Sale of equipment	8.1	13.9	5.5	8.0
Total	100.0	100.0	100.0	100.0

For the quarter the Group's service revenue was up S\$0.5 million or 0.1% YoY to S\$563.8 million. All lines of services, except Broadband, registered revenue increases YoY in 4Q-2013. Fixed Network services revenue increased S\$2.6 million or 2.8% YoY, Pay TV services was up S\$2.1 million or 2.1% YoY and Mobile services was higher by S\$2.4 million or 0.8% YoY. These YoY revenue increase was offset by lower Broadband revenue which decreased S\$6.6 million or 10.5% when compared to 4Q-2012.

The improved service revenue performance for the quarter led to the Group registering S\$1.6 million or 0.1% increase in service revenue at S\$2,229.2 million for 2013 when compared to 2012, which had included the one-time revenue from the 2012 UEFA Cup event. For 2013, Mobile service revenue was up 0.9% YoY at S\$1,235.4 million and Fixed Network services revenue was up 3.0% YoY to S\$368.3 million. Pay TV revenue at S\$385.5 million was 2.7%

lower when compared to 2012 which had the UEFA Cup event included in the revenue in 1H-2012 and Broadband services revenue decreased 3.8% YoY to S\$240.0 million for 2013.

(B) Operating expenses

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013	2012	Incr / (Decr)		2013	2012	Incr / (Decr)	
Operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of sales	269.0	306.9	(37.9)	(12.4)	941.5	1,010.9	(69.4)	(6.9)
Other operating expenses	252.8	245.2	7.6	3.1	1,004.5	990.1	14.4	1.5
Total	521.8	552.1	(30.4)	(5.5)	1,946.0	2,001.0	(55.0)	(2.7)

On the back of the lower revenue, total operating expenses for the quarter and full year decreased S\$30.4 million or 5.5% and S\$55.0 million or 2.7% respectively. This was due primarily to lower cost of sales which decreased S\$37.9 million or 12.4% in the quarter and S\$69.4 million or 6.9% for the full year when compared to the corresponding periods in 2012. The decrease in cost of sales mitigated the higher other operating expenses, which increased S\$7.6 million or 3.1% for the quarter and S\$14.4 million or 1.5% for the full year when compared to last year same periods.

As a percentage of revenue, total operating expenses for the year was 82.5% compared to 82.6% for 2012.

Details of total operating expenses are as follows:

(i) Cost of sales

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013	2012	Incr / (Decr)		2013	2012	Incr / (Decr)	
Cost of sales	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of equipment sold	130.1	166.0	(35.9)	(21.6)	376.7	440.7	(64.0)	(14.5)
Cost of services	92.8	86.8	6.0	6.9	364.3	339.7	24.6	7.3
Traffic expenses	46.1	54.1	(8.0)	(14.9)	200.5	230.5	(30.0)	(13.0)
Total	269.0	306.9	(37.9)	(12.4)	941.5	1,010.9	(69.4)	(6.9)

For the quarter, cost of sales was S\$37.9 million lower at S\$269.0 million, and for the full year, decreased S\$69.4 million or 6.9% YoY to S\$941.5 million. The lower expenses for both the quarter and full year periods were attributed to lower cost of equipment sold and traffic expenses, which were offset by higher cost of services. As a ratio of total revenue, cost of sales decreased to 43.8% in 4Q-2013 and 39.9% for the full year when compared to 46.9% in 4Q-2012 and 41.7% in 2012.

On account of the lower handset sales volume, cost of equipment sold decreased S\$35.9 million or 21.6% YoY to S\$130.1 million for the quarter, and was S\$64.0 million or 14.5% lower YoY at S\$376.7 million for the full year.

Cost of services in 4Q-2013 was 6.9% higher at S\$92.8 million when compared to S\$86.8 million in 4Q-2012. The increase was primarily attributed to higher costs incurred for Data & Internet, and Next Gen NBN services. This and the higher TV content and programming costs on new and renewed contracts, in addition to a change in accounting estimates for content

costs during the year resulted in overall cost of services increasing 7.3% to S\$364.3 million for 2013.

Traffic expenses for the quarter and full year periods were lower at S\$46.1 million and S\$200.5 million respectively, a YoY decrease of 14.9% for the quarter and 13.0% for the full year. The lower traffic expenses were due to lower traffic volumes for inter-operator SMS and international outbound services.

(ii) Other operating expenses

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013	2012	Incr / (Decr)		2013	2012	Incr / (Decr)	
Other operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Staff costs	70.0	63.4	6.6	10.4	276.6	265.9	10.7	4.0
Operating leases	32.6	31.4	1.2	3.9	129.1	131.3	(2.2)	(1.6)
Marketing and promotions	39.9	38.4	1.5	3.8	153.6	147.4	6.2	4.2
Allowance for doubtful receivables	4.2	4.3	(0.1)	(1.3)	15.5	14.8	0.7	4.6
Repair and maintenance	18.4	15.3	3.1	20.3	74.1	63.2	10.9	17.3
Other expenses	20.5	23.4	(2.9)	(12.4)	86.1	95.0	(8.9)	(9.4)
Sub total	185.6	176.2	9.4	5.3	735.0	717.6	17.4	2.4
Depreciation and amortisation (net of asset grants)	67.2	69.0	(1.8)	(2.6)	269.5	272.5	(3.0)	(1.1)
Total	252.8	245.2	7.6	3.1	1,004.5	990.1	14.4	1.5

Total other operating expenses rose 3.1% to S\$252.8 million in 4Q-2013 as compared to S\$245.2 million in 4Q-2012. The increase was mainly due to higher staff costs, repair and maintenance, marketing and promotion and operating leases, mitigated by lower other expenses and depreciation and amortisation.

For the full year, other operating expenses at S\$1,004.5 million increased 1.5% when compared to 2012. The increase was mainly from higher repair and maintenance, marketing and promotions and staff costs, which was mitigated by decrease in operating leases, depreciation and amortisation and other expenses.

Analysis of major variances is provided below:

Staff costs

For the quarter, staff costs increased 10.4% to S\$70.0 million due mainly to increased provision made for variable bonuses for the year. This and the annual salary increment in the 2nd half of the year offset the reduction in temporary staff costs and led to overall staff costs for the full year to increase 4.0% to total S\$276.6 million for 2013.

Operating leases

For the quarter, operating leases increased 3.9% to S\$32.6 million when compared to 4Q-2012, mainly due to higher leasing costs for our expanded domestic network infrastructure in the year. This was mitigated by lower costs for our international leased capacity which resulted in operating leases for the full year to be 1.6% lower YoY at S\$129.1 million.

Marketing and promotions

In the quarter, we had comparatively higher customer net additions when compared to 4Q-2012. This drove acquisition and re-contract costs higher YoY and resulted in total marketing and promotion expenses to increase 3.8% YoY to S\$39.9 million. For the full year, marketing and promotion expenses were up 4.2% YoY to S\$153.6 million, driven by higher acquisition and re-contract costs and increased marketing activities YoY.

Allowance for doubtful receivables

Allowance for doubtful receivables was S\$0.1 million or 1.3% lower at S\$4.2 million for the quarter. For the full year, this was S\$0.7 million or 4.6% higher YoY at S\$15.5 million. As a percentage of service revenue, allowance for doubtful receivables ratio, was comparable at 0.8% for the quarter and 0.7% for the full year when compared to the corresponding periods last year.

Repair and maintenance

Repair and maintenance increased 20.3% to S\$18.4 million for the quarter and up 17.3% to S\$74.1 million for the full year period. The higher expenses YoY were a result of our expanded undersea cable infrastructure and expanded domestic network infrastructure and systems.

Other expenses

4Q-2013 recorded lower license fees, inventories written down and utilities expenses YoY. These, in addition to the higher cost recoveries from network construction and diversion projects helped to mitigate the higher professional fees expenses in the quarter. As a result, other expenses at S\$20.5 million in 4Q-2013 were S\$2.9 million or 12.4% lower than 4Q-2012.

For the full year, other expenses were S\$8.9 million or 9.4% lower than 2012 at S\$86.1 million. In addition to the items that contributed to the lower 4Q-2013 operating expenses, 2013 also benefited from lower provision for stock obsolescence and the absence of catch-up assessments for property tax expenses.

Depreciation and amortisation (net of asset grants)

Depreciation and amortisation expenses for the quarter and full year periods were 2.6% and 1.1% lower YoY, with discontinued depreciation from fully depreciated fixed assets, offset by higher depreciation from additions of property, plant and equipment and intangible assets.

(C) Other income

Against the corresponding periods last year, other income for the quarter increased S\$8.3 million to S\$13.3 million, and increased S\$23.2 million to S\$49.9 million for the full year. The increase was primarily due to higher adoption grant income for Next Gen NBN services driven by higher take-up.

(D) Profitability

For the quarter, profit from operations was S\$1.8 million or 1.6% lower YoY at S\$105.2 million. This was due to the lower revenue mitigated by reduced operating expenses and higher other income from the adoption grants received for the increased take-up of Next Gen NBN services. For the full year, profit from operations improved by S\$15.9 million or 3.6% to S\$463.2 million as a result of higher other income from the increased Next Gen NBN services adoption grants.

EBITDA for the current quarter was 2.0% lower YoY at S\$172.4 million with EBITDA margin on service revenue being lower at 30.6% as compared to 31.2% in 4Q-2012. For the full year, EBITDA was 1.8% higher at S\$732.7 million, with EBITDA margin at 32.9% of service revenue, an increase of 0.6 percentage point when compared to last year.

Finance income was lower YoY at S\$0.7 million for the quarter and S\$2.8 million for the full year. This was due to lower bank deposits during the year.

Finance expenses were also lower at S\$4.6 million in 4Q-2013, compared to S\$5.4 million in 4Q-2012 due to lower average bank loan balances and interest rate during the year. For the full year, finance expenses were lower by S\$1.2 million at S\$18.8 million, as the 2012 higher expenses included expenses incurred for new bank loan facilities and the Medium Term Note issue.

Year-on-year, Group's profit before taxation was 1.0% lower at S\$101.3 million for the quarter, and rose 3.7% to S\$447.2 million for 2013.

The Group's taxation for the quarter was S\$3.2 million higher at S\$17.6 million and for the full year, increased S\$4.4 million to S\$76.5 million. This approximates the corporate tax rate of 17% on taxable profit.

Profit after taxation decreased 4.8% to S\$83.7 million in 4Q-2013 and for the full year period, grew 3.2% to S\$370.7 million. This translates to an earning per share (EPS) on a diluted basis of 21.4 cents, higher than the 20.8 cents EPS last year.

2. BUSINESS REVIEW

Mobile Services

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013	2012	Incr / (Decr)		2013	2012	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue								
Post-paid	255.8	246.1	9.7	3.9	999.5	980.9	18.6	1.9
Pre-paid	54.7	62.0	(7.3)	(11.7)	235.9	243.3	(7.4)	(3.0)
Total	310.5	308.1	2.4	0.8	1,235.4	1,224.2	11.2	0.9

	Quarter ended			Year ended		YoY
	31 Dec	30 Sep	31 Dec	31 Dec		Incr/(Decr)
	2013	2013	2012	2013	2012	%
Mobile operating statistics						
Number of registered customers (in thousands)						
Post-paid	1,211	1,151	1,104	1,211	1,104	9.7
Pre-paid	1,140	1,129	1,096	1,140	1,096	4.1
Total	2,351	2,280	2,200	2,351	2,200	6.9
Monthly minutes of use per registered customer						
Post-paid	271	295	307	293	324	(9.6)
Pre-paid	340	370	438	381	454	(16.1)
Average monthly SMS per registered user (originating)						
Post-paid	125	132	167	138	191	(28.0)
Pre-paid	63	72	96	74	106	(29.6)
Mobile Data Traffic (in '000 GBytes)						
Post-paid	6,668	6,275	5,006	23,237	18,916	22.8
Pre-paid	438	392	207	1,353	734	84.4
ARPU with IDD included (S\$ per month)						
Post-paid	69	70	70	70	70	(0.3)
Pre-paid	17	18	19	18	19	(4.4)
Non-voice service as a contribution to ARPU						
Post-paid	47.9%	46.9%	42.1%	46.2%	42.0%	-
Pre-paid	20.8%	20.8%	17.8%	19.5%	17.8%	-
Average monthly churn rate (post-paid)	0.9%	1.0%	1.0%	0.9%	1.1%	-
Singapore mobile penetration ⁽¹⁾	155.4%	154.5%	151.8%	155.4%	151.8%	-
Market Share ⁽¹⁾	27.7%	27.3%	27.3%	27.7%	27.3%	-

Note:

(1) Source : IDA (As at November 2013)

Total mobile services

Against the same periods last year, total mobile services revenue was up 0.8% to S\$310.5 million in 4Q-2013 and was 0.9% higher at S\$1,235.4 million for the full year. The revenue growth was contributed by higher Post-paid mobile services revenue, offset by lower Pre-paid mobile services revenue.

Post-paid mobile services

Post-paid mobile services revenue grew S\$9.7 million or 3.9% YoY to S\$255.8 million for the quarter, and was up S\$18.6 million or 1.9% to S\$999.5 million for the full year. The increase was due to higher subscription revenue driven from a larger subscriber base and an increased mix of subscribers on tiered data subscription plans, offset by lower inter-connection revenue from carriers.

As at 31 December 2013, Post-paid mobile subscriber base was 1,211,000 after the quarter's net additions of 60,100 subscribers. Compared to a year ago, the Post-paid mobile subscriber base was 106,900 subscribers or 9.7% higher this year.

For the quarter, the dilutive impact from the increased base offset the higher subscription and roaming revenue on ARPU, which led to Post-paid mobile ARPU being lower at S\$69. For the full year, this was comparable to 2012 at S\$70 per month.

With more customers using smart phones, devices and applications on the go, mobile data traffic continues to expand, while voice and SMS traffic volume declines. YoY, Post-paid mobile minutes of use per customer decreased 9.6% while the average SMS per customer was 28.0% lower this year. On the other hand, Post-paid mobile data traffic expanded 22.8% when compared to last year. As a result, non-voice component of the Post-paid mobile ARPU was higher at 47.9% for the quarter and 46.2% for the full year, when compared to 42.1% and 42.0% in the corresponding periods last year.

In the current periods, churn management improved through proactive initiatives. Monthly average Post-paid mobile churn reduced to 0.9% for the quarter and full year periods, down from 1.0% and 1.1% in the corresponding periods last year.

Pre-paid mobile services

Lower usages of voice, SMS and IDD were the main contributing factors for lower Pre-paid mobile services revenue in the current periods. For the quarter, Pre-paid mobile services revenue was 11.7% lower at S\$54.7 million and for the full year, decreased 3.0% to S\$235.9 million.

As at 31 December 2013, Pre-paid mobile customer base was 1,140,000 after the quarter's net additions of 11,300 customers. Compared to a year ago, this was 44,700 customers or 4.1% higher.

Pre-paid mobile ARPU decreased to S\$17 for the quarter and S\$18 for the full year, as compared to S\$19 last year.

On account of higher data traffic which was up 84.4%, the non-voice component of the Pre-paid mobile ARPU was higher at 20.8% for the quarter and 19.5% for the full year, up from 17.8% last year.

Pay TV Services

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013	2012	Incr / (Decr)		2013	2012	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Pay TV revenue	99.7	97.6	2.1	2.1	385.5	396.3	(10.8)	(2.7)

Pay TV operating statistics	Quarter ended			Year ended		YoY
	31 Dec	30 Sep	31 Dec	31 Dec		Incr/(Decr)
	2013	2013	2012	2013	2012	%
Number of residential Pay TV customers (in thousands)	533	531	536	533	536	(0.4)
ARPU (S\$ per month)	52	51	51	52	52	(1.1)
Average monthly churn rate	0.8%	1.0%	1.3%	1.0%	1.2%	-
StarHub's penetration	42.5%	42.6%	43.6%	42.5%	43.6%	-

Compared to 4Q-2012, Pay TV revenue in this quarter was S\$2.1 million or 2.1% higher at S\$99.7 million, from increased advertising revenue. For the full year, Pay TV revenue was S\$10.8 million or 2.7% lower at S\$385.5 million. The YoY decrease was mainly due to lower subscription revenue and advertising revenue. 2012 revenue was also boosted by the one-off revenue from the UEFA EURO event in 1H-2012.

Pay TV ARPU at S\$52 for the quarter was higher when compared to S\$51 in 4Q-2012. For the full year, the monthly ARPU was 1.1% lower when compared to last year's ARPU at S\$52.

For the quarter, we added 2,100 subscribers to our Pay TV base as we continued to market the availability of the Barclays Premier League (BPL) sport content, cross-carried on our Pay TV platform for the new 2013/2014 – 2015/2016 seasons which kicked off in 3Q-2013. This resulted in our Pay TV subscriber base increasing to 533,000 subscribers as at 31 December 2013. Compared to a year ago, this was 2,300 subscribers or 0.4% lower as a result of the intense competition for viewership.

Pay TV monthly average churn also trended lower at 0.8% for the quarter and for the full year period, averaged 1.0% per month, down from 1.3% and 1.2% in the corresponding periods last year.

Broadband Services

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013	2012	Incr / (Decr)		2013	2012	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Broadband revenue	56.3	62.9	(6.6)	(10.5)	240.0	249.4	(9.4)	(3.8)

Broadband operating statistics	Quarter ended			Year ended		YoY
	31 Dec	30 Sep	31 Dec	31 Dec		Incr/(Decr)
	2013	2013	2012	2013	2012	%
Number of residential broadband customers - subscription-based (in thousands)	448	445	444	448	444	1.0
ARPU (S\$ per month)	42	44	46	44	46	(4.0)
Average monthly churn rate	1.1%	1.3%	1.4%	1.3%	1.5%	-

YoY, Broadband services revenue decreased 10.5% to S\$56.3 million for the quarter and was 3.8% lower at S\$240.0 million for the full year period. The decrease was attributed to lower subscription revenue driven by lower ARPU despite a larger subscriber base.

Broadband ARPU was lower at S\$42 for the quarter and S\$44 for the full year, compared to S\$46 last year, due to price competition in the market as players compete for subscribers on the Next Gen NBN network.

As at 31 December 2013, Broadband subscriber base was 448,000 after the quarter's net additions of 2,800 subscribers. Compared to a year ago, this was 4,400 subscribers or 1.0% higher.

Broadband average monthly churn improved to 1.1% for the quarter and 1.3% for the full year period when compared to 1.4% and 1.5% in the corresponding periods last year when the Next Gen NBN services first became available.

Fixed Network Services

	Quarter ended 31 Dec				Year ended 31 Dec			
	2013	2012	Incr / (Decr)		2013	2012	Incr / (Decr)	
Fixed Network Services Revenue	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Data & Internet	81.6	77.4	4.2	5.4	303.6	295.0	8.6	2.9
Voice services	15.7	17.3	(1.6)	(9.1)	64.7	62.7	2.0	3.2
Total	97.3	94.7	2.6	2.8	368.3	357.7	10.6	3.0

Compared to 4Q-2012, this quarter's Fixed Network services revenue rose 2.8% to S\$97.3 million, with Data & Internet services revenue increasing S\$4.2 million or 5.4% YoY, offset by S\$1.6 million or 9.1% decrease in Voice services revenue YoY. For the full year, both services recorded increases YoY which resulted in Fixed Network services revenue to be 3.0% higher YoY at S\$368.3 million.

For the quarter and full year periods, the higher Data & Internet services revenue was attributed to higher take-up of domestic leased circuits, Internet and Next Gen NBN services, offset by lower revenue from international leased circuits and solutions sales.

Voice services revenue decreased 9.1% to S\$15.7 million in 4Q-2013 when compared to 4Q-2012, primarily due to reduced local voice services impacted by price erosion. For the full year, voice services revenue grew 3.2% to S\$64.7 million with higher in-payments from carriers' and other voice services, but offset by lower IDD usages.

Hubbing (Multi-Service Households)

Hubbing Metrics	31 Dec	As at	31 Dec	YoY
	2013	30 Sep	2012	Incr/(Decr)
		2013		%
Total Singapore occupied homes (in thousands, estimated) ⁽¹⁾	1,210	1,197	1,197	1.1
Total hubbing households with at least one service of post-paid mobile, pay TV and/or broadband services (in thousands)	774	774	784	(1.3)
Percentage of total hubbing households which subscribe to any two services	28.3%	28.6%	29.6%	(1.3)% pts
Percentage of total hubbing households which subscribe to all three services	29.4%	28.8%	27.4%	2.0% pts
Percentage of total hubbing households which subscribe to two or more services	57.7%	57.4%	57.0%	0.7% pts

Note:

(1) Source: Nielsen Media Research for 2013 estimates

The number of triple services households was 227,000 households as at 31 December 2013 after the quarter's net add of 4,300 households. This was 6.1% higher compared to a year ago. As a ratio of total hubbing households, the triple services households grew to 29.4% this year from 27.4% in 2012.

As a percentage of the total hubbing households, the ratio of households who subscribed to two or more services rose to 57.7% as at 31 December 2013, up from 57.0% a year ago.

3. GROUP CASH FLOW STATEMENT

	Quarter ended 31 Dec		Year ended 31 Dec	
	2013 S\$m	2012 S\$m	2013 S\$m	2012 S\$m
Operating Activities				
Profit before taxation	101.3	102.3	447.2	431.4
Adjustments for :				
Depreciation and amortisation (net of asset grants)	67.2	69.0	269.5	272.5
Loss / (Profit) on disposal of fixed assets	(0.1)	(0.2)	0.1	0.4
Income related grants	(13.3)	(5.0)	(49.9)	(26.7)
Share-based payments expenses	1.6	1.8	8.8	6.4
Changes in fair value of financial instruments	(1.5)	0.0	(1.7)	0.6
Net finance expenses	3.9	4.7	16.0	15.9
Other non-cash items	0.2	0.2	0.9	1.0
Operating cash flow before working capital changes	159.3	172.8	690.9	701.5
Changes in working capital	(55.8)	(38.5)	(7.2)	42.0
Income tax paid	(0.1)	(0.0)	(89.0)	(54.0)
Net cash from operating activities	103.4	134.3	594.7	689.5
Investing Activities				
Proceeds from disposal of fixed assets	0.1	0.5	0.6	1.0
Purchase of fixed assets	(87.6)	(115.3)	(302.8)	(272.7)
Interest received	0.7	1.1	2.8	4.0
Net cash used in investing activities	(86.8)	(113.7)	(299.4)	(267.7)
Financing Activities				
Proceeds from exercise of share options	0.2	0.3	0.8	1.1
Proceeds from bank loans	-	-	-	80.0
Proceeds from issuance of medium term notes	-	-	-	220.0
Grants received	6.1	3.5	21.7	50.5
Repayment of bank loans	-	(200.0)	-	(275.0)
Dividends paid	(86.0)	(85.9)	(344.2)	(343.4)
Finance expenses paid	(1.7)	(2.9)	(19.2)	(19.9)
Purchase of treasury shares	-	-	-	(2.3)
Net cash used in financing activities	(81.4)	(285.0)	(340.9)	(289.0)
Net change in cash and cash equivalents	(64.8)	(264.4)	(45.6)	132.8
Exchange difference on cash and cash equivalents	0.0	-	0.5	-
Cash and cash equivalents at beginning of the period	331.7	576.4	312.0	179.2
Cash and cash equivalents at end of the period	266.9	312.0	266.9	312.0

YoY, net cash from operating activities was lower at S\$103.4 million for the quarter and S\$594.7 million for the full year, primarily due to higher income tax paid, increased working capital needs and lower profits from operations.

Increased working capital requirements of S\$55.8 million in 4Q-2013 was attributed to higher prepayments and inventories balance, coupled with lower net balance due to related parties. For the full year, the S\$7.2 million negative change in working capital was due to higher other receivables and inventories balance, mitigated by lower trade receivables and higher net balance due to related parties.

CAPEX payments for the quarter were comparatively lower at S\$87.6 million when compared to S\$115.3 million in 4Q-2012 which resulted in net cash outflow from investing activities being lower at S\$86.8 million for the quarter. For the full year period, CAPEX payments were up by S\$30.1 million due mainly to the payment for the leasehold land acquired for the construction of the media and network transmission centre. CAPEX payment for 2013 totaled S\$302.8 million or 12.8% of revenue this year. As a result, net cash outflow from investing activities was higher at S\$299.4 million for the full year when compared to S\$267.7 million in 2012.

On account of the lower net cash from operating activities and higher capex payments this year, free cash flow decreased 16.8% YoY to S\$15.8 million for the quarter and was 30.0% lower at S\$291.9 million for the full year period.

The quarter's net cash outflow from financing activities at S\$81.4 million comprised mainly the quarterly dividend payment of S\$86.0 million less grant receipts of S\$6.1 million. For the full year, net cash used in financing activities amounted to S\$340.9 million, with dividend payment totaling S\$344.2 million, grant receipts of S\$21.7 million and finance expenses paid of S\$19.2 million. In the comparative figures last year, in addition to the dividend payment and grant receipts, 4Q-2012 cash used in financing activity included bank loan repayments totaling S\$200.0 million and for the full year of 2012, amounted to S\$275.0 million while proceeds from Notes issued and bank loans totaled S\$220 million and S\$80 million respectively.

As at 31 December 2013, the Group's cash and cash equivalents was S\$266.9 million, reflecting net cash used of S\$45.6 million from last year's position at S\$312.0 million.

Capital expenditure commitments

As of 31 December 2013, the Group's total outstanding capital expenditure commitments amounted to S\$376.1 million. The outstanding commitments comprised mainly commitments for the 4G spectrum rights of S\$120 million, new business support systems, expansion and enhancement of our international and domestic network infrastructure and systems.

4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 13 S\$m	31 Dec 12 S\$m	31 Dec 13 S\$m	31 Dec 12 S\$m
Non-current assets				
Property, plant and equipment	857.4	791.1	384.1	367.7
Intangible assets	380.6	397.0	92.1	105.9
Subsidiaries	-	-	1,692.1	1,202.1
Balances with related parties	-	-	123.0	600.0
Deferred tax assets	-	2.5	-	-
	1,238.0	1,190.6	2,291.3	2,275.7
Current assets				
Inventories	43.2	28.1	36.7	21.2
Trade receivables	123.5	142.3	108.5	130.9
Other receivables, deposits and prepayments	154.4	123.6	29.8	20.4
Balances with related parties	24.0	12.0	111.3	48.2
Cash and cash equivalents	266.9	312.0	207.5	245.7
	612.0	618.0	493.8	466.4
Less:				
Current liabilities				
Trade and other payables	753.7	728.1	335.3	344.5
Balances with related parties	76.5	56.5	402.8	321.5
Provision for taxation	71.4	94.6	35.0	51.4
	901.6	879.2	773.1	717.4
Net current (liabilities)/assets	(289.6)	(261.2)	(279.3)	(251.0)
Non-current liabilities				
Trade and other payables	28.9	37.5	28.9	37.5
Borrowings	687.5	687.5	687.5	687.5
Deferred income	21.3	41.7	-	-
Deferred tax liabilities	128.0	119.2	75.8	72.4
	865.7	885.9	792.2	797.4
Net assets	82.7	43.5	1,219.8	1,227.3
Shareholders' equity				
Share capital	271.4	263.1	271.4	263.1
Reserves	(188.7)	(219.6)	948.4	964.2
Total equity	82.7	43.5	1,219.8	1,227.3

GROUP BALANCE SHEET REVIEW

Compared to a year ago, the Group's total non-current assets were S\$47.4 million higher at S\$1,238.0 million as at 31 December 2013. This was due to S\$66.3 million higher net book

value for property, plant and equipment, offset by lower net book value of intangible assets of S\$16.4 million and utilisation of deferred tax assets of S\$2.5 million.

Total current assets were lower at S\$612.0 million as at 31 December 2013 when compared to S\$618.0 million as at 31 December 2012. Cash and cash equivalents and trade receivables this period were comparatively lower than last year, while other receivables, deposits and prepayments, inventories and balance due from related parties were higher when compared to last year.

As at 31 December 2013, total current liabilities amounted to S\$901.6 million. This was S\$22.4 million higher than a year ago, with increase attributed to higher trade and other payables, and balance due to related parties, mitigated by lower provision for taxation.

Total non-current liabilities was lower at S\$865.7 million, primarily due to lower deferred income, trade and other payables, offset by higher deferred tax liabilities.

As at 31 December 2013, the Group's shareholders' equity was S\$39.2 million higher at S\$82.7 million from higher share capital for shares issued pursuant to employees' option and share plans and profits retained in the business.

5. GROUP UNSECURED BORROWINGS

Unsecured borrowings	31 Dec 13 S\$m	31 Dec 12 S\$m
Amount repayable after one year		
Bank loans	467.5	467.5
Medium term note	220.0	220.0
Total	687.5	687.5

Compared to a year ago, the Group's total borrowings as at 31 December 2013 remained unchanged at S\$687.5 million.

Net debt was S\$420.6 million as at 31 December 2013, was S\$45.1 million or 12.0% higher compared to a year ago as a result of lower cash balances. As a percentage of 2012 EBITDA, the Group's net debt rose to 0.58 times as at 31 December 2013 from 0.52 times a year ago.

6. STATEMENT OF CHANGES IN EQUITY

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 2013	263.1	(0.2)	(276.3)	13.7	(7.0)	-	50.2	(219.6)	43.5
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	287.1	287.1	287.1
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	0.2	-	0.2	0.2
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	2.7	-	-	2.7	2.7
Total comprehensive income for the period	-	-	-	-	2.7	0.2	287.1	289.9	289.9
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	8.1	-	-	(7.5)	-	-	-	(7.5)	0.6
Share-based payments expenses	-	-	-	7.2	-	-	-	7.2	7.2
Dividends paid	-	-	-	-	-	-	(258.2)	(258.2)	(258.2)
Total transactions with equity holders of the Company	8.1	-	-	(0.3)	-	-	(258.2)	(258.4)	(250.4)
At 30 Sep 2013	271.1	(0.2)	(276.3)	13.4	(4.3)	0.2	79.1	(188.1)	83.0
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	83.7	83.7	83.7
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	0.1	-	0.1	0.1
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	0.1	83.7	83.9	83.9
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	0.2	-	-	-	-	-	-	-	0.2
Share-based payments expenses	-	-	-	1.6	-	-	-	1.6	1.6
Dividends paid	-	-	-	-	-	-	(86.0)	(86.0)	(86.0)
Total transactions with equity holders of the Company	0.2	-	-	1.6	-	-	(86.0)	(84.4)	(84.2)
At 31 Dec 2013	271.4	(0.2)	(276.3)	15.0	(4.2)	0.3	76.7	(188.7)	82.7

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 2012	262.8	(5.5)	(276.3)	13.9	(6.6)	-	34.3	(240.2)	22.6
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	271.4	271.4	271.4
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	0.1	-	0.1	0.1
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.8)	-	-	(0.8)	(0.8)
Total comprehensive income for the period	-	-	-	-	(0.8)	0.1	271.4	270.7	270.7
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Share-based payments expenses	-	-	-	4.1	-	-	-	4.1	4.1
Purchase of treasury shares	-	(2.3)	-	-	-	-	-	(2.3)	(2.3)
Transfer from treasury shares to share-based payments reserve	-	7.5	-	(6.1)	-	-	-	1.4	1.4
Dividends paid	-	-	-	-	-	-	(257.5)	(257.5)	(257.5)
Total transactions with equity holders of the Company	-	5.2	-	(2.0)	-	-	(257.5)	(254.3)	(254.3)
At 30 Sep 2012	262.8	(0.3)	(276.3)	11.9	(7.4)	0.1	48.2	(223.8)	39.0
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	87.9	87.9	87.9
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	(0.1)	-	(0.1)	(0.1)
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	0.4	-	-	0.4	0.4
Total comprehensive income for the period	-	-	-	-	0.4	(0.1)	87.9	88.2	88.2
Transactions with equity holders of the Company, recognised directly in equity									
<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	-	-	-	2.3	-	-	-	2.3	2.3
Transfer from treasury shares to share-based payments reserve	-	0.1	-	(0.5)	-	-	-	(0.4)	(0.4)
Dividends paid	-	-	-	-	-	-	(85.9)	(85.9)	(85.9)
Total transactions with equity holders of the Company	0.3	0.1	-	1.8	-	-	(85.9)	(84.0)	(83.7)
At 31 Dec 2012	263.1	(0.2)	(276.3)	13.7	(7.0)	-	50.2	(219.6)	43.5

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 2013	263.1	(0.2)	276.5	13.7	(7.0)	681.2	964.2	1,227.3
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	201.1	201.1	201.1
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	2.7	-	2.7	2.7
Total comprehensive income for the period	-	-	-	-	2.7	201.1	203.8	203.8
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	8.1	-	-	(7.5)	-	-	(7.5)	0.6
Share-based payments expenses	-	-	-	7.2	-	-	7.2	7.2
Dividends paid	-	-	-	-	-	(258.2)	(258.2)	(258.2)
Total transactions with equity holders of the Company	8.1	-	-	(0.3)	-	(258.2)	(258.4)	(250.4)
At 30 Sep 2013	271.1	(0.2)	276.5	13.4	(4.3)	624.2	909.6	1,180.7
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	123.1	123.1	123.1
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	123.1	123.2	123.2
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	0.2	-	-	-	-	-	-	0.2
Share-based payments expenses	-	-	-	1.6	-	-	1.6	1.6
Dividends paid	-	-	-	-	-	(86.0)	(86.0)	(86.0)
Total transactions with equity holders of the Company	0.2	-	-	1.6	-	(86.0)	(84.4)	(84.2)
At 31 Dec 2013	271.4	(0.2)	276.5	15.0	(4.2)	661.3	948.4	1,219.8

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 2012	262.8	(5.5)	276.5	13.9	(6.6)	668.1	946.4	1,209.2
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	200.3	200.3	200.3
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.8)	-	(0.8)	(0.8)
Total comprehensive income for the period	-	-	-	-	(0.8)	200.3	199.5	199.5
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	-	4.1	-	-	4.1	4.1
Purchase of treasury shares	-	(2.3)	-	-	-	-	(2.3)	(2.3)
Transfer from treasury shares to share-based payments reserve	-	7.5	-	(6.1)	-	-	1.4	1.4
Dividends paid	-	-	-	-	-	(257.5)	(257.5)	(257.5)
Total transactions with equity holders of the Company	-	5.2	-	(2.0)	-	(257.5)	(254.3)	(254.3)
At 30 Sep 2012	262.8	(0.3)	276.5	11.9	(7.4)	610.9	891.6	1,154.4
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	156.2	156.2	156.2
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	0.4	-	0.4	0.4
Total comprehensive income for the period	-	-	-	-	0.4	156.2	156.6	156.6
Transactions with equity holders of the Company, recognised directly in equity								
<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	-	-	-	2.3	-	-	2.3	2.3
Transfer from treasury shares to share-based payments reserve	-	0.1	-	(0.5)	-	-	(0.4)	(0.4)
Dividends paid	-	-	-	-	-	(85.9)	(85.9)	(85.9)
Total transactions with equity holders of the Company	0.3	0.1	-	1.8	-	(85.9)	(84.0)	(83.7)
At 31 Dec 2012	263.1	(0.2)	276.5	13.7	(7.0)	681.2	964.2	1,227.3

7. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As at 31 December 2013, the share capital of the Company was S\$271.4 million comprising 1,721,412,710 issued ordinary shares (excluding treasury shares). As at 31 December 2012, this was S\$263.1 million or 1,717,452,289 ordinary shares (excluding treasury shares).

Issue of new shares

For the quarter and full year ended 31 December 2013, the Company issued a total of 180,915 and 3,906,421 new ordinary shares respectively to employees pursuant to the Company's obligations under its share-based plans as follows:

Number of new ordinary shares issued:	4Q 2013	Full Year 2013
For the exercise of options by participants pursuant to the Company's share option plans (exercise price ranged from S\$0.88 to S\$1.52)	180,915	618,886
For payout to participants of the Company's Performance and Restricted Share Plans via the transfer from the Company's share-based payment reserve	-	3,341,535
Total	180,915	3,960,421

Treasury Shares

There was no movement in treasury shares for the quarter and full year ended 31 December 2013. The treasury share balance as at 31 December 2013 was S\$0.2 million comprising 72,788 ordinary shares, or 0.004% of issued share capital excluding treasury shares (31 December 2012: 72,788 ordinary shares or 0.004% of issued share capital excluding treasury shares).

Outstanding Shares – Employees' Share-Based Plans

Share Option Plans

As at 31 December 2013, the outstanding balance of unexercised options under the Company's share option plans totaled 819,430 (31 December 2012: 1,571,384) or 0.05% of the total issued shares in the capital of the Company.

Performance Share Plan

As at 31 December 2013, the outstanding balance of conditional awards under the Performance Share Plan was 2,161,566 ordinary shares (31 December 2012: 2,442,650 ordinary shares).

Restricted Stock Plan

As at 31 December 2013, the outstanding balance of conditional awards under the Restricted Stock Plan was 4,658,900 ordinary shares (31 December 2012: 5,215,095 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 as in the most recently audited financial statements for the year ended 31 December 2012 except as disclosed in paragraph 11 below.

In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2013. The adoption of these new/revised FRSs and INT FRSs does 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

During the year, the Group reviewed and revised its basis of estimating certain content and programming costs incurred to better reflect the economic benefits expected to be derived during their contractual periods. The effect of this change in accounting estimates was an increase of S\$25 million to cost of services in operating expenses in the current year.

12. GROUP EARNINGS PER ORDINARY SHARE

	Quarter ended 31 Dec		Year ended 31 Dec	
	2013	2012	2013	2012
Basic				
Earnings per share	4.9 cents	5.1 cents	21.5 cents	20.9 cents
Weighted average number of shares ('000)	1,721,358	1,717,381	1,720,724	1,716,842
Diluted				
Earnings per share	4.8 cents	5.1 cents	21.4 cents	20.8 cents
Weighted average number of shares ('000)	1,728,788	1,726,123	1,728,334	1,725,830

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Net asset value per share	4.8 cents	2.5 cents	70.9 cents	71.5 cents

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

For the year ended 31 December 2013, the Group's total revenue was 2.6% lower YoY, but the service revenue was 0.1% higher compared to 2012. This was in line with our guidance of service revenue expected to be maintained at last year's level.

2013 full year's EBITDA margin at 32.9% of service revenue was above our guidance of EBITDA margin at about 32% of service revenue.

Overall CAPEX payments for the full year totaled 12.8% of total revenue, in line with our guidance for 2013 at about 13% of total revenue.

15. GROUP OUTLOOK

In the Mobile business, both Pre-paid and Post-paid customers will continue upgrading to new smartphones and data subscription plans. As of 31 December 2013, our Post-paid customers on tiered data plans totaled 46%, up from 38% as at 30 September 2013. The increasing base of customers on tiered data plans will allow us to better monetise mobile data in 2014, on the back of enhanced customers' experience on our 4G network.

In the Pay TV space, our comprehensive range of branded quality content, which includes StarHub-produced content and broadcast over our superior cable platform, will continue to be our key value proposition to our customers.

Price competition remains intense in the Broadband space as new entrants continue to discount their fibre broadband subscription plans on the Next Gen NBN.

In the Enterprise segment, we will continue to work to grow in the small, medium-sized enterprise segment with Next Gen NBN and mobile services while increasing our service offerings and solutions to the corporates. The ongoing enhancement to our own Fixed infrastructure will extend our network reach and also strengthen our services to corporate customers, especially those requiring diverse network solutions.

Based on the current outlook, and barring any unforeseen circumstances, we expect the Group's 2014 service revenue to grow in the low single-digit range and Group EBITDA margin to be about 32% on service revenue. We expect our total CAPEX payments in 2014 to be about 13% of our total revenue. For 2014, we intend to maintain our annual cash dividend payout 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 2013 to 31 December 2013 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 2013 to 31 December 2013 S\$m
Transactions for the Sale of Goods & Services		
SembCorp Marine Limited & its associates	0.1	-
Singapore Telecommunications Limited & its associates	47.8	-
TeleChoice International Ltd & its associates	3.4	-
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	1.7	-
	53.0	-
Transactions for the Purchase of Goods & Services		
CapitaLand Limited & its associates	10.4	-
Mapletree Industrial Trust & its associates	0.5	-
Refinery Media Pte Ltd	-	0.3
Singapore Power Limited & its associates	25.7	-
Singapore Telecommunications Limited & its associates	91.8	-
SMRT Corporation Ltd & its associates	0.3	-
STT Communications Ltd and its associates	2.4	-
TeleChoice International Ltd & its associates	231.9	-
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	2.5	-
	365.5	0.3

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

1. SEGMENT REPORTING

	2013 S\$m	2012 S\$m
Mobile	1,235.4	1,224.2
Pay TV	385.5	396.3
Broadband	240.0	249.4
Fixed Network services	368.3	357.7
Sale of equipment	130.1	194.0
Total revenue	2,359.3	2,421.6
EBITDA	732.7	719.8
Depreciation & amortisation (net of asset grants)	(269.5)	(272.5)
Finance income	2.8	4.1
Finance expenses	(18.8)	(20.0)
Profit before taxation	447.2	431.4
Taxation	(76.5)	(72.1)
Profit for the year	370.7	359.3
Assets and liabilities		
Non-current assets	1,238.0	1,190.6
Current assets	612.0	618.0
Total assets	1,850.0	1,808.6
Borrowings	687.5	687.5
Other non-current liabilities	178.2	198.4
Current liabilities	901.6	879.2
Total liabilities	1,767.3	1,765.1
Other information		
Capital expenditure	321.3	278.1
Free cash flow ⁽¹⁾	291.9	416.8

Note:

⁽¹⁾ 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

	2013	2012	Incr / (Decr)	
	S\$m	S\$m	S\$m	%
Total revenue reported for first half year	1,166.9	1,181.7	(14.8)	(1.2)
Operating profit after tax before deducting minority interests reported for first half year	191.8	175.2	16.6	9.5
Total revenue reported for second half year	1,192.4	1,239.9	(47.5)	(3.8)
Operating profit after tax before deducting minority interests reported for second half year	178.9	184.1	(5.2)	(2.8)

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

	Year ended 31 Dec	
	2013 S\$m	2012 S\$m
Ordinary shares (tax exempt 1-tier)		
Interim	258.2	257.6
Final (Proposed)	86.1	85.9
Total Annual Dividend	344.3	343.5

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 6 February 2014.



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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 2013, 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 Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS50.

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 profit and loss accounts and balance sheets 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 to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group and the results 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 subsidiaries 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
6 February 2014