

StarHub Reports 2015 Fourth Quarter and Full Year Results

Singapore, 16 February 2016 – StarHub Ltd today announced its results for the fourth quarter and full year ended 31 December 2015.

For the quarter, total revenue decreased 2% year-on-year (YoY) but for the full year, it was higher by 2% at S\$2.44 billion. The increase for the year was contributed by a higher sale of equipment revenue. For the quarter, the Group's EBITDA was lower by 18% YoY at S\$157.0 million; a result of S\$13.6 million lower revenue and S\$23.9 million higher cash operating expenses. This led to a 5% decrease for the full year at S\$712.7 million. EBITDA margin as a percentage of service revenue was 27.9% for the quarter and 32.2% for the full year.

In 4Q2015, net profit after tax was at S\$80.8 million and free cash flow at S\$19.6 million. Compared to a year ago, net profit after tax decreased 14% YoY for the quarter but increased slightly for the full year at S\$372.3 million. Free cash flow was at S\$215.7 million for the full year. Cash capital expenditure (CAPEX) was at S\$103.0 million for the quarter and at S\$328.8 million for the full year.

Business Highlights

Service revenue for the quarter was lower by 1% YoY at S\$563.1 million and marginally lower for the full year at S\$2,216.0 million.

Mobile revenue decreased 2% YoY for the quarter and 1% for the full year at S\$313.0 million and S\$1,239.8 million respectively. Compared to a year ago, post-paid ARPU increased by S\$1 to S\$72 for the quarter. For the full year, it was higher by S\$2 to S\$70. Pre-paid ARPU was lower by S\$2 to S\$17 for the quarter but higher by S\$1 to S\$18 for the full year. The higher post-paid ARPUs in both periods were a result of an

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increasing mix of customers on the new 4G tiered data plans in our expanded customer base.

Pay TV revenue was stable YoY for the quarter but increased slightly for the full year at S\$100.0 million and S\$391.0 million respectively. The increase was mainly due to increased subscription revenue from our HD and hubbing services by new and existing customers who upgraded their services. For the quarter and full year, Pay TV ARPUs were at S\$51. The customer base was lower at 536,000 households. The average monthly churn was kept low at 0.8% for both the quarter and the full year.

Broadband revenue increased 9% to S\$52.1 million for the quarter compared to a year ago. This was driven by increased subscription revenue and take-ups. Full year revenue was 1% lower at S\$200.3 million. We saw a S\$2 ARPU increase to S\$35 YoY for the quarter but a S\$2 decrease to S\$34 for the full year. Our residential broadband customer base saw a 1% increase YoY, ending the quarter with 476,000 customers. The average monthly churn for the quarter was at 1.1% and 0.9% for the full year.

Fixed Network revenue decreased 3% YoY for the quarter but increased 2% for the full year. For the year, Data & Internet services revenue increased S\$10.2 million to S\$331.1 million from a year ago. The increase was attributed to the higher take up of managed Data & Internet services by enterprise customers. Voice services revenue decreased S\$3.6 million to S\$53.8 million for the year as a result of lower IDD usage and rate.

As at end 2015, the number of triple services households grew to 245,000 households, after the full year's net adds of 3,000 households. The total number of hubbing households with at least one StarHub service totalled 774,000. The number of households taking two or more StarHub services remained strong at 60%.

"We are happy that our customer-centric focus has continued to serve us well as reflected by the low churn rates across our businesses. Our Broadband revenue gained momentum as it registered growth in four sequential quarters," said Mr Tan Tong Hai, CEO, StarHub. "Post-paid Mobile continued to do well for us and our TV business showed resiliency despite competition. We also witnessed steady growth in our Enterprise business."

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“The economic outlook in 2016 looks uncertain but we will continue to focus on delivering better value for our customers and driving shareholders’ return such as maintaining our annual cash dividend,” added Mr Tan.

Outlook for FY2016

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

For more details on the Group's performance for 4Q2015 and outlook for FY2016, please visit www.starhub.com/ir. Materials available at this website include the audio conference link, investor presentation and audited results for the full year ended 31 December 2015.

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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' 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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