

StarHub Reports 2013 Fourth Quarter and Full Year Results

- *FY Total Revenue Decreased 3% To S\$2.36 Billion*
- *FY EBITDA Grew 2% To S\$733 Million*
- *FY EBITDA Margin At 32.9%*
- *FY Net Profit After Tax Increased 3% To S\$371 Million*
- *Proposes Final Dividend of 5 cents per share, totaling 20 cents per share for FY2013*

Singapore, 6 February 2014 – StarHub Ltd today announced its results for the fourth quarter and full year ended 31 December 2013.

For the quarter, total revenue decreased 6% year-on-year (YoY) to S\$613.7 million and for the full year, it was lower by 3%. The decreases were contributed by lower equipment sales revenue. For the quarter, the Group's EBITDA was lower by 2% YoY at S\$172.4 million but 2% higher for the full year at S\$732.7 million. EBITDA margin as a percentage of service revenue was 30.6% for the quarter and 32.9% for the full year.

In 4Q2013, net profit after tax was at S\$83.7 million and free cash flow at S\$15.8 million. Compared to a year ago, net profit after tax decreased 5% YoY for the quarter but increased 3% for the full year to S\$370.7 million. Free cash flow decreased 17% YoY for the quarter and 30% for the full year. Cash capital expenditure (capex) was at S\$87.6 million for the quarter YoY and at S\$302.8 million for the full year or 11% higher. The higher capex requirements were for the payment of the leasehold land for the construction of our cable TV network transmission centre.

Business Highlights

Service revenues for both the quarter and full year periods were stable. Segment-wise, **Mobile** revenue increased 1% YoY for both the quarter and the full year to S\$310.5 million and S\$1,235.4 million respectively. Post-paid mobile services revenue was 4%

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higher YoY for the quarter and 2% higher at S\$999.5 million for the full year. Pre-paid mobile services revenue decreased 12% YoY to S\$54.7 million for the quarter and lower by 3% for the full year to S\$235.9 million. Compared to a year ago, post-paid ARPU decreased by S\$1 to S\$69 for the quarter. For the full year, it remained stable at S\$70. Pre-paid ARPU was lower by S\$2 to S\$17 for the quarter and lower by S\$1 to S\$18 for the full year. The lower ARPUs were attributed to lower voice, SMS and IDD usages.

Pay TV revenue increased 2% YoY for the quarter to S\$99.7 million but decreased 3% for the full year to S\$385.5 million. The decrease was mainly due to lower subscription revenue and advertising revenue. The 2012 revenue was also boosted by the one-off contribution from the UEFA EURO event in 1H2012. For the quarter, Pay TV ARPU saw a S\$1 increase to S\$52. For the full year, Pay TV ARPU was stable at about S\$52. The customer base was higher at 533,000 and the average monthly churn was lower at 0.8% for the quarter.

Broadband revenue decreased 11% to S\$56.3 million for the quarter compared to a year ago. Full year revenue was 4% lower at S\$240.0 million. We saw a S\$4 ARPU decrease YoY for the quarter and a S\$2 decrease for the full year to S\$44. This is despite a 1% increase YoY in our residential broadband customer base, ending the quarter with 448,000 customers. The revenue decrease was due to intense competition. The average monthly churn for the quarter was lower at 1.1%.

Fixed Network revenue increased 3% YoY for both the quarter and the full year. For the quarter, Data & Internet services revenue, which makes up over 80% of the Fixed Network revenue, increased S\$4.2 million to S\$81.6 million from a year ago. The increase 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% YoY for the quarter to S\$15.7 million as a result of reduced local voice services impacted by price erosion. For the full year, Voice services revenue at S\$64.7 million was 3% higher.

The number of triple services households grew to 227,000 households, after the quarter's net adds of 4,300 households. This was an increase of 6% as compared to a year ago. The total number of hubbing households with at least one StarHub service

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totalled 774,000. The number of households taking two or more StarHub services has increased to 58% YoY.

“We are pleased with the healthy customer growth in all lines of business in the fourth quarter amidst intense competition,” said Mr Tan Tong Hai, CEO, StarHub. “We have also done well in customer retention, achieving low churn rates across our businesses.”

“Hubbing remains our cornerstone strategy,” added Mr Tan. “Consumers are looking beyond bundled services to seamless and consistent experiences across all touch points. With consumerisation in the Enterprise space, we are taking Hubbing to the next level, serving customers in both their personal and business needs in a seamless manner.”

Outlook for FY2014

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 our Group EBITDA margin to be about 32% on service revenue. We expect our total CAPEX payments in 2014 to be about 13% of total revenue. For 2014, we intend to maintain our annual cash dividend payout of 20 cents per ordinary share.

For more details on the Group's performance for 4Q2013 and outlook for FY2014, 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 December 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.

For investor enquiries, please contact:

Eric Loh
AVP, Investor Relations
StarHub
Office: (65) 6825 5171
Email: ericloh@starhub.com

For media enquiries, please contact:

Caitlin Fua
AVP, Corporate Communications
StarHub
Office: (65) 6825 5177
Email: caitlin@starhub.com

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