

StarHub Reports 2012 First Quarter Results

- *Operating Revenue Increased 6% To S\$591 Million*
- *Net Profit After Tax Jumped 28% To S\$88 Million*
- EBITDA Grew 11% To S\$177 Million
- *Interim Quarterly Dividend Of 5.0 Cents Per Share*

Singapore, 4 May 2012 – StarHub Ltd today announced its results for the quarter ended 31 March 2012.

Total operating revenue improved to S\$591 million while service revenue was higher at S\$549 million. The Group's EBITDA grew 11% to S\$177 million from S\$160 million previously. Profit before taxation was at S\$107 million year-on-year (YoY) and net profit after tax grew 28% to S\$88 million. Free cash flow at S\$104 million was 22% lower compared to last year's S\$132 million. Cash capital expenditure was 2% lower at S\$41 million compared to the same period last year.

Financial and Business Highlights

Pay TV revenue registered the highest growth for the quarter at 5% YoY. This was followed by Mobile revenue at 4%. 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%, 10%, 15% and 7% respectively to the revenue mix.

- **Mobile** revenue increased 4% to S\$307 million, contributed mainly by a higher post-paid subscriber base and increased ARPU. Post-paid mobile services revenue grew 6% to S\$246 million, accounting for 80% of the Mobile revenue mix. Post-paid ARPU increased S\$2 to S\$74, while pre-paid ARPU decreased S\$1 to S\$19.
- **Pay TV** revenue increased 5% to S\$96 million. The higher revenue was mainly attributed to the higher HD set-top box rental revenue and the S\$2 monthly

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subscription price increase effective since August 2011. This also resulted in a higher Pay TV ARPU YoY at S\$51. Customer base increased by 2,000 YoY to 544,000 households and the churn rate remained low at 1.1%.

- **Broadband** revenue grew 3% to S\$61 million, compared to a year ago. For the quarter, the S\$46 ARPU was primarily due to an increase in the take-up of new fibre broadband plans. The residential broadband customer base increased by 15,000 YoY to 440,000 households.
- **Fixed Network** revenue increased 2% to S\$85 million YoY due to higher revenue from Voice services. Data & Internet services revenue, which contributes 83% to the Fixed Network revenue mix, was at S\$70 million, while Voice services revenue grew to S\$15 million. This was primarily due to higher subscription of local voice services and increased interconnect revenue, offset by lower IDD revenue.
- 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 went up to 57% YoY. Triple-service households grew to 204,000 from a year ago.

"We have delivered a set of good results with revenue growth in all our lines of business in the first quarter of 2012," said Mr Neil Montefiore, CEO of StarHub. "Despite increased competition, we see an increase in the momentum of our high-speed broadband plans on both platforms – cable and fibre. However, in the enterprise space, we continue to face provisioning difficulties on the Next Gen NBN."

Outlook for FY2012

Based on the current outlook, we maintain our Group's 2012 operating revenue growth YoY to be in the low single digit range and Group EBITDA margin as a percentage of service revenue to be about 30%. The total capex payments in 2012 are not expected to exceed 11% of operating revenue. We also intend to maintain our annual cash dividend payout of 20 cents per ordinary share for 2012.

Dividend

Following the close of the Company's Annual General Meeting on 12 April 2012, 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 2011. The dividend was paid on 30 April 2012.

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The Company declares an interim dividend of 5 cents per ordinary share for 1Q2012.

For more details on the Group's performance for 1Q2012 and outlook for FY2012, 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 2012.

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About StarHub

StarHub is Singapore's fully-integrated info-communication company, offering a full range of information, communications and entertainment services for both consumer and corporate markets. StarHub operates Singapore's fastest two-way HSPA+ mobile network that delivers up to 21Mbps for downlink to complement its nation-wide GSM network, and an island-wide HFC network that delivers multi-channel cable TV services (including High Definition Television and on-demand services) as well as ultra-high speed residential broadband services. StarHub also 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 MCSI Singapore Free Index.

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