

Results For The Third Quarter And Nine Months Ended 30 September 2012

- *YTD Operating Revenue Increased 4% To S\$1.77 Billion*
- *YTD EBITDA Margin At 32.7%*
- *YTD Net Profit After Tax Increased 22% To S\$271 Million*
- *Declares Interim Dividend Of 5.0 Cents Per Share*

Singapore, 2 November 2012 – StarHub Ltd today announced its results for the third quarter and year-to-date (YTD) ended 30 September 2012.

For the quarter, operating revenue rose 2% year-on-year (YoY) to S\$585.9 million compared to S\$572.2 million. For the YTD, it increased 4%. In both instances, the increases were contributed by higher service revenue and sales of equipment. For the quarter, the Group's EBITDA increased 13% to S\$188.1 million and 11% YTD to S\$544.0 million. EBITDA margin as a percentage of service revenue was 33.9% for the quarter and 32.7% for YTD.

In 3Q2012, profit from operations came in at S\$120.5 million, net profit after tax was at S\$96.2 million and free cash flow at S\$151.0 million. Compared to a year ago, profit from operations increased 24% for the quarter and 20% YTD. Net profit after tax rose 27% for the quarter and 22% YTD. Free cash flow increased 2% for the quarter but decreased 5% YTD. Cash capital expenditure was at S\$59.6 million for the quarter or 29% higher YoY and at S\$157.4 million YTD or 21% higher.

Business Highlights

Service revenue for both the quarter and YTD periods recorded growth. Segment-wise, **Mobile** revenue decreased 1% to S\$303.3 million for the quarter but increased 1% to S\$916.1 million YTD. Post-paid mobile services revenue was 1% lower YoY for the quarter but 3% higher at S\$734.8 million YTD. Pre-paid mobile services revenue decreased 2% YoY to S\$60.5 million for the quarter and was 4% lower YTD.

"Some of the statements in this news release constitute 'forward-looking statements' that do not directly or exclusively relate to historical facts. These forward-looking statements reflect StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub Ltd's 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 StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this news release with caution."

Compared to a year ago, post-paid ARPU remained stable. YTD, it increased S\$1 to S\$74. This increase was due to a higher mix of *SmartSurf* mobile plans. Pre-paid ARPU also remained stable YoY at S\$19 but was lower by S\$1 YTD. The lower YTD ARPU was caused primarily by lower voice and SMS usages.

Pay TV revenue increased 6% to S\$99.2 million for the quarter and 8% YTD. For the quarter, Pay TV ARPU saw a S\$2 increase to S\$52. This was the result of the S\$2 monthly subscription price increase implemented since August 2011, increased revenue from rental of HD set-top box and higher advertising revenue. YTD, Pay TV ARPU was at S\$53 or a 7% increase. The customer base was stable at 541,000 and the average monthly churn for the quarter was 1.2%.

Broadband revenue increased 4% to S\$62.7 million for the quarter compared to a year ago. YTD, revenue came in at S\$5.5 million higher to S\$186.5 million. We saw a S\$1 ARPU increase for the quarter and YTD to S\$46. The higher ARPUs were credited to a higher mix of customers on the higher speed plans. The residential broadband customer base grew 1% YoY, ending the quarter with 443,000 customers. The average monthly churn was 1.5% for the quarter. This was contributed by more competitive offers by new players in the market and the non-renewal of some lower speed broadband plans customers when their promotional term contracts expired.

Fixed Network revenue increased 10% to S\$89.9 million. Data & Internet services revenue, which makes up 83% of the Fixed Network revenue, increased 8% from a year ago. The increase was attributed to higher take-up of our domestic data and Internet services, coupled with increase in solutions sales. Voice services revenue rose 20% to S\$15.6 million YoY, primarily due to a higher subscription of local voice services and increased interconnect revenue. YTD, Voice services revenue at S\$45.5 million was 11% higher.

The number of households subscribing to all three services increased by 3% or 6,200 to 212,000 households YoY. The total number of hubbing households with at least one StarHub service totalled 786,000. The number of households taking more than one StarHub service was stable at 57% YoY.

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“We are pleased that our net profit after tax registered a 27% growth YoY in this reporting quarter,” said Mr Neil Montefiore, CEO, StarHub. “In addition, we launched LTE with an attractive selection of bundled offerings in September and we will continue to invest in our fixed and mobile networks to enhance customers’ experience. We also expanded our pay TV content offerings and launched TV Anywhere during this third quarter.”

Outlook for FY2012

Barring any unforeseen circumstances and based on the current outlook, we maintain our guidance for operating revenue to grow in the low single-digit range YoY, and Group EBITDA margin as a percentage of service revenue to be about 30%. We expect our total capex payments in 2012 to be about 11% of operating revenue. We intend to maintain our annual cash dividend payout of 20 cents per ordinary share for 2012.

For more details on the Group's performance for 3Q2012 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 30 September 2012.

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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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