

Results For The Third Quarter And Nine Months Ended 30 September 2013

- *YTD Operating Revenue Decreased 1% To S\$1.75 Billion*
- *YTD EBITDA Margin At 33.7%*
- *YTD Net Profit After Tax Increased 6% To S\$287 Million*
- *Declares Interim Dividend Of 5.0 Cents Per Share*

Singapore, 7 November 2013 – StarHub Ltd today announced its results for the third quarter and year-to-date (YTD) ended 30 September 2013.

For the quarter, operating revenue decreased 1% year-on-year (YoY) to S\$578.8 million compared to S\$585.9 million. For the YTD, it was also lower by 1%. The decreases were contributed by lower equipment sales revenue, which was mitigated by higher service revenue. For the quarter, the Group's EBITDA was lower by 1% YoY at S\$186.9 million but 3% higher YTD at S\$560.4 million. EBITDA margin as a percentage of service revenue was 33.6% for the quarter YoY and 33.7% YTD.

In 3Q2013, net profit after tax was at S\$95.3 million and free cash flow at S\$119.7 million. Compared to a year ago, net profit after tax decreased 1% YoY for the quarter but increased 6% YTD to S\$287.1 million. Free cash flow decreased 21% YoY for the quarter and 31% YTD. Cash capital expenditure (capex) was at S\$78.6 million for the quarter or 32% higher YoY and at S\$215.3 million YTD or 37% 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 YTD periods were stable. Segment-wise, **Mobile** revenue increased 2% YoY to S\$308.3 million for the quarter and 1% to S\$924.9 million YTD. Post-paid mobile services revenue was 2% higher YoY for the

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quarter and 1% higher at S\$743.7 million YTD. Pre-paid mobile services revenue decreased 2% YoY to S\$59.5 million for the quarter but was stable YTD. Compared to a year ago, post-paid ARPU increased by S\$1 to S\$70 for the quarter. For the YTD, it remained stable. Pre-paid ARPU was lower by S\$1 to S\$18 for the quarter but was stable YTD. The lower YoY ARPU was attributed to lower voice, SMS and IDD usages.

Pay TV revenue decreased 4% YoY both for the quarter to S\$95.5 million and YTD to S\$285.8 million. These were due mainly to lower subscription and advertising revenues. For the quarter, Pay TV ARPU saw a S\$1 decrease to S\$51 as a result of higher competitive discounts. YTD, Pay TV ARPU was stable at S\$52 after excluding the impact of UEFA EURO revenue earned in 2012. The customer base was lower at 531,000 and the average monthly churn was lower at 1.0% for the quarter.

Broadband revenue decreased 5% to S\$59.6 million for the quarter compared to a year ago. YTD, revenue was S\$2.8 million lower at S\$183.7 million. We saw a S\$2 ARPU decrease YoY for the quarter and a S\$1 decrease YTD to S\$45. The decrease was due to lower subscription revenue received as a result of price competition. This is despite a 1% increase YoY in our residential broadband customer base, ending the quarter with 445,000 customers. The average monthly churn for the quarter was lower at 1.3%.

Fixed Network revenue increased 3% YoY for both the quarter and YTD. Data & Internet services revenue, which makes up over 80% of the Fixed Network revenue, increased S\$2.5 million to S\$76.8 million from a year ago. The increase was attributed to higher take-up of our Internet and Next Gen NBN services, coupled with an increase in solutions sales. Voice services revenue rose 2% YoY for the quarter to S\$15.9 million, driven by digital voice home services which became chargeable since 4Q2012 and higher in-payments from carriers' services. YTD, Voice services revenue at S\$49.0 million was 8% higher.

The number of triple services Hub Club households grew to 223,000 households, after the quarter's net adds of 4,200 households. This was an increase of 10,800 households as compared to 212,000 Hub Club households a year ago. The total

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number of hubbing households with at least one StarHub service totalled 774,000. The number of households taking two or more StarHub services was stable at 57% YoY.

“We saw healthy net adds this quarter in all lines of business, resulting in a stable service revenue,” said Mr Tan Tong Hai, CEO, StarHub. “However, operating revenue was lower as we sold fewer handsets compared to a year ago.”

“The adoption of our 4G tiered data plans continues to be strong, reaching 38% of our post-paid base. Our nationwide LTE coverage will also further enhance our customers’ mobile experience,” added Mr Tan. “We continue to see good growth in the Enterprise space as we increase our penetration of the SME segment with Next Gen NBN and mobile services. With our own fixed infrastructure, we will continue to offer resilient diversity to corporate customers.”

Outlook for FY2013

Based on our year-to-date performance and the current outlook, barring any unforeseen circumstances, our Group operating revenue for the year is expected to be lower than 2012, but service revenue is expected to be maintained. Group EBITDA margin as a percentage of service revenue is expected to improve to about 32%. We maintain our total CAPEX payments in 2013 at about 13% of operating revenue, including the capital expenditure requirements for our new cable TV network transmission centre. We intend to maintain our annual cash dividend payout of 20 cents per ordinary share for 2013.

For more details on the Group's performance for 3Q2013 and outlook for FY2013, 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 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.

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