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STARHUB LTD

Announcement of Unaudited Results for the Third Quarter and Nine Months ended 30 September 2014

StarHub is pleased to announce our unaudited results for the third quarter and nine months ended 30 September 2014.

Results for the Third Quarter and Nine Months ended 30 September 2014

1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS

1.1 GROUP INCOME STATEMENT

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr/ (Decr)		2014	2013	Incr/ (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Total revenue	592.0	578.8	13.3	2.3	1,739.9	1,745.7	(5.8)	(0.3)
Operating expenses	(486.3)	(470.7)	15.7	3.3	(1,422.3)	(1,424.3)	(2.0)	(0.1)
Other income	17.4	11.1	6.3	56.3	34.8	36.7	(1.9)	(5.2)
Profit from operations	**123.1**	**119.2**	**3.9**	**3.3**	**352.3**	**358.1**	**(5.7)**	**(1.6)**
Finance income	0.4	0.8	(0.4)	(50.7)	1.6	2.1	(0.5)	(24.1)
Finance expenses (1)	(4.3)	(4.7)	(0.4)	(8.0)	(14.4)	(14.1)	0.3	1.9
Profit before taxation	**119.1**	**115.3**	**3.9**	**3.4**	**339.5**	**346.0**	**(6.5)**	**(1.9)**
Taxation	(21.4)	(20.0)	1.4	7.1	(63.3)	(58.9)	4.4	7.4
Profit for the period	**97.7**	**95.3**	**2.4**	**2.6**	**276.2**	**287.1**	**(10.8)**	**(3.8)**
Attributable to:								
Equity holders of the Company	97.7	95.3	2.4	2.6	276.2	287.1	(10.8)	(3.8)
	97.7	**95.3**	**2.4**	**2.6**	**276.2**	**287.1**	**(10.8)**	**(3.8)**
EBITDA	**190.9**	**186.9**	**4.0**	**2.2**	**555.5**	**560.4**	**(5.0)**	**(0.9)**
EBITDA as a % of service	**34.5%**	**33.6%**	**0.9% pts**		**33.7%**	**33.7%**	**0% pts**	
Free Cash Flow (2)	**118.1**	**119.7**	**(1.6)**	**(1.3)**	**284.6**	**276.1**	**8.5**	**3.1**
Profit from operations is arrived after charging the following:								
Allowance for doubtful receivables and bad debts written off	*3.9*	*3.6*	*0.3*	*7.4*	*11.5*	*11.2*	*0.3*	*2.7*
Depreciation and amortisation (net of asset grants)	*67.8*	*67.7*	*0.1*	*0.2*	*203.1*	*202.4*	*0.8*	*0.4*

Notes:
(1) Finance expenses include interest and other financing charges
(2) Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement
(3) Numbers in all tables may not exactly add due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr/(Decr)		2014	2013	Incr/(Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Profit for the period	**97.7**	**95.3**	**2.4**	**2.6**	**276.2**	**287.1**	**(10.8)**	**(3.8)**
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	0.2	(0.4)	0.6	nm	(0.0)	0.1	(0.1)	nm
Effective portion of changes in fair value of cash flow hedge	1.1	(0.6)	1.7	nm	1.8	2.7	(1.0)	(35.4)
Other comprehensive income for the period (net of taxation)	1.3	(1.0)	2.2	nm	1.7	2.8	(1.0)	(37.3)
Total comprehensive income for the period	**99.0**	**94.3**	**4.7**	**5.0**	**278.0**	**289.9**	**(11.9)**	**(4.1)**
Attributable to:								
Equity holders of the Company	99.0	94.3	4.7	5.0	278.0	289.9	(11.9)	(4.1)
	99.0	**94.3**	**4.7**	**5.0**	**278.0**	**289.9**	**(11.9)**	**(4.1)**

nm – Not meaningful

1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 SEPTEMBER 2014

(A) Revenue

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
Revenue	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Mobile revenue	310.9	308.3	2.6	0.9	927.1	924.9	2.2	0.2
Pay TV revenue	97.4	95.5	1.9	2.0	289.6	285.8	3.8	1.3
Broadband revenue	49.2	59.6	(10.4)	(17.4)	154.1	183.7	(29.5)	(16.1)
Fixed Network Services revenue	95.2	92.7	2.5	2.7	277.5	271.1	6.4	2.4
Total service revenue	552.7	556.1	(3.4)	(0.6)	1,648.3	1,665.4	(17.1)	(1.0)
Sale of equipment	39.3	22.7	16.6	73.5	91.6	80.3	11.3	14.1
Total	592.0	578.8	13.3	2.3	1,739.9	1,745.7	(5.8)	(0.3)

	Quarter ended 30 Sep		Nine Months ended 30 Sep	
	2014	2013	2014	2013
Revenue mix	Mix %	Mix %	Mix %	Mix %
Mobile revenue	52.5	53.3	53.3	53.0
Pay TV revenue	16.5	16.5	16.6	16.4
Broadband revenue	8.3	10.3	8.9	10.5
Fixed Network services revenue	16.1	16.0	15.9	15.5
Sale of equipment	6.6	3.9	5.3	4.6
Total	100.0	100.0	100.0	100.0

Against the same periods last year, the Group’s total revenue for the quarter was 2.3% higher at S$592.0 million, driven by higher sales of equipment, and for the nine-month period, was 0.3% lower at S$1,739.9 million.

For the quarter and nine-month periods, total service revenue was 0.6% and 1.0% lower year-on-year (YoY) at S$552.7 million and S$1,648.3 million respectively. The lower revenue in both periods was primarily attributed to Broadband services which revenue decreased 17.4% for the quarter and 16.1% for the nine-month period. The decrease was impacted by price competition in broadband revenue despite an increase in our subscriber base.

Mobile service revenue was up 0.9% YoY to S$310.9 million for the quarter, and increased by 0.2% YoY to S$927.1 million for the year-to-date period. The increase was contributed by higher revenue from Post-paid services, offset by lower revenue from Pre-paid services.

Compared to 3Q-2013, this quarter’s Pay TV service revenue was 2.0% higher at S$97.4 million, while for the nine-month period, increased by 1.3% YoY to S$289.6 million, attributed by higher subscription revenue from an increased subscriber base.

Fixed Network services revenue grew 2.7% to S$95.2 million for the quarter, and was up 2.4% to S$277.5 million for year-to-date when compared to the same periods last year. The increase was due to higher revenue from Data & Internet services, offset by lower Voice services revenue.

Revenue from sales of equipment increased 73.5% YoY to S$39.3 million for the quarter, boosted by increased handsets sales as the launch of new iPhone models drove demand. The quarter's increased sales drove year-to-date revenue from sales of equipment to increase 14.1% YoY to S$91.6 million.

(B) Operating expenses

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
Operating expenses	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Cost of sales	228.7	217.4	11.3	5.2	662.3	672.6	(10.3)	(1.5)
Other operating expenses	257.6	253.2	4.4	1.7	760.0	751.7	8.3	1.1
Total	486.3	470.7	15.7	3.3	1,422.3	1,424.3	(2.0)	(0.1)

Against 3Q-2013, this quarter's total operating expenses increased 3.3% to S$486.3 million, with higher cost of sales and other operating expenses. For the nine-month period, total operating expenses were 0.1% lower at S$1,422.3 million, mainly due to 1.5% lower cost of sales, offseting the increase in other operating expenses.

As a percentage of revenue, total operating expenses were at 82.1% in 3Q-2014 and 81.7% in the nine-month period when compared to 81.3% in 3Q-2013 and 81.6% in 2013 year-to-date.

Details of total operating expenses are as follows:

(i) Cost of sales

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
Cost of sales	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Cost of equipment sold	86.9	75.1	11.8	15.8	245.1	246.5	(1.4)	(0.6)
Cost of services	99.2	92.9	6.3	6.8	293.3	271.5	21.7	8.0
Traffic expenses	42.6	49.5	(6.8)	(13.8)	123.8	154.5	(30.7)	(19.9)
Total	228.7	217.4	11.3	5.2	662.3	672.6	(10.3)	(1.5)

Cost of sales at S$228.7 million for the quarter was S$11.3 million or 5.2% higher, due to higher cost of equipment sold and cost of services, mitigated by lower traffic expenses. For the nine-month period, cost of sales were S$10.3 million or 1.5% lower at S$662.3 million, with decrease attributed to lower traffic expenses and cost of equipment sold, offset by higher cost of services. As a percentage of revenue, cost of sales ratio was 38.6% for the quarter and 38.1% for year-to-date, when compared to 37.6% and 38.5% for the quarter and year-to-date last year.

Cost of equipment sold was S$11.8 million or 15.8% higher YoY at S$86.9 million in 3Q-2014 due to increased handsets sold driven mainly by the new iPhone models launched in the quarter. This led to year-to-date cost of equipment sold to be S$1.4 million or 0.6% lower at S$245.1 million.

For the quarter, cost of services was 6.8% higher YoY at S$99.2 million, and for the nine-month period, up 8.0% YoY to S$293.3 million. The higher costs were due to increase in services costs with increased take-up of Data & Internet and NGNBN broadband services.

Against the corresponding periods last year, traffic expenses decreased 13.8% to S$42.6 million for the quarter and lower by 19.9% to S$123.8 million. The lower spending resulted from lower inter-operator traffic volume and international outbound services.

(ii) Other operating expenses

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
Other operating expenses	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Staff costs	71.0	69.8	1.2	1.7	207.9	206.7	1.2	0.6
Operating leases	34.1	31.2	2.9	9.4	98.9	96.4	2.4	2.5
Marketing and promotions	38.6	38.9	(0.2)	(0.6)	115.1	113.8	1.3	1.2
Allowance for doubtful receivables	3.9	3.6	0.3	7.4	11.5	11.2	0.3	2.7
Repair and maintenance	20.3	20.4	(0.2)	(0.9)	60.2	55.8	4.4	8.0
Other expenses	21.9	21.6	0.3	1.2	63.3	65.5	(2.2)	(3.3)
Sub total	189.8	185.5	4.2	2.3	556.9	549.4	7.6	1.4
Depreciation and amortisation (net of asset grants)	67.8	67.7	0.1	0.2	203.1	202.4	0.8	0.4
Total	257.6	253.2	4.4	1.7	760.0	751.7	8.3	1.1

Other operating expenses increased S$4.4 million or 1.7% to S$257.6 million for the quarter.

Year-to-date operating expenses were S$8.3 million or 1.1% higher at S$760.0 million. All expenses, except for other expenses, registered increases YoY.

Analysis of major variances in other operating expenses is provided below:

Staff costs

Against 3Q-2013, this quarter's staff costs increased S$1.2 million or 1.7% to S$71.0 million due to annual salary increment in July. For the nine-month period, staff costs were S$1.2 million or 0.6% higher at S$207.9 million, due to higher salaries and commission, mitigated by lower share-based expenses and wage credits in 1Q-2014.

Operating leases

For the quarter and nine-month periods, operating leases were up 9.4% and 2.5% YoY respectively to S$34.1 million in 3Q-2014 and S$98.9 million for year-to-date. The increase was mainly due to higher expansion requirement for local lease capacity for NGNBN services.

Marketing and promotions

Compared to 3Q-2013, marketing and promotion expenses were 0.6% lower at S$38.6 million for the quarter, and for year-to-date, increased 1.2% to S$115.1 million when compared to the same period last year. The increase in the nine-month period was driven by higher acquisition and retention costs incurred for Broadband and Pay TV promotions, which were partially mitigated by lower advertising and marketing expenditure.

Allowance for doubtful receivables
Against the corresponding periods last year, provision for allowance for doubtful receivables increased by S$0.3 million to S$3.9 million for the quarter and S$11.5 million for the nine-month period. As a percentage of service revenue, allowance for doubtful receivables ratio maintained at 0.7% in both periods.

Repair and maintenance
This quarter's repair and maintenance at S$20.3 million was comparable to 3Q-2013. Year-to-date, repair and maintenance expenses were S$4.4 million or 8.0% higher at S$60.2 million due to the expansion of our network infrastructure and equipment, in addition to increased rates charged when maintenance contracts were renewed.

Other expenses
Other expenses for the quarter were S$0.3 million or 1.2% higher YoY at S$21.9 million, and for the nine-month period, decreased S$2.2 million or 3.3% to S$63.3 million. The lower spending for the nine-month period was mainly due to lower licence fees, utilities, outsourcing and higher net gain on exchange differences, offset by lower recoveries from network construction.

Depreciation and amortisation (net of asset grants)
For the quarter and nine-month periods, depreciation and amortisation expenses amounted to S$67.8 million and S$203.1 million respectively, a YoY increase of 0.2% for the quarter and 0.4% for year-to-date.

(C) Other income

Against 3Q-2013, this quarter's other income at S$17.4 million was S$6.3 million or 56.3% higher, mainly due to 2 quarters' of cumulative adoption grant income recognised in this quarter. Year-to-date, other income was S$1.9 million or 5.2% lower at S$34.8 million, due to more periods of NGNBN adoption grant claimed last year as compared to current year.

(D) Profitability

Profit from operations was up 3.3% to S$123.1 million in 3Q-2014, with higher profits contributed by higher revenue and other income, offset by higher operating expenses. For the nine-month period, profit from operations at S$352.3 million was 1.6% lower YoY, primarily driven by lower revenue from broadband revenue in the 1st half year.

YoY, EBITDA grew 2.2% to S$190.9 million for the quarter and was 0.9% lower at S$555.5 million for the nine-month period. As a ratio of service revenue, EBITDA margin was higher at 34.5% for the quarter compared to 33.6% in 3Q-2013. Year-to-date, EBITDA margin on service revenue maintained at 33.7% for both comparative periods.

Finance income decreased S$0.4 million for the quarter and S$0.5 million for the nine-month period, primarily due to lower deposits.

Against 3Q-2013, this quarter's finance expenses at S$4.3 million was S$0.4 million or 8.0% lower, attributable to reduced bank loan interests and financing costs. Year-to-date, finance expenses was S$0.3 million or 1.9% higher at S$14.4 million, due to higher financing costs from new bank loan facilities in 2014, mitigated by lower bank loan interests.

Profit before taxation for the quarter was 3.4% higher at S$119.1 million, and was 1.9% lower at S$339.5 million for the nine-month period.

For the quarter and nine-month periods, taxation amounted to S$21.4 million and S$63.3 million respectively. Excluding the adjustment for under-provision of previous year's tax assessed in 1Q-2014, the effective tax rate for the nine-month period approximate 17.9%.

Profit after taxation was S$2.4 million or 2.6% higher at S$97.7 million for the quarter, and decreased S$10.8 million or 3.8% YoY to S$276.2 million for the nine-month period. The lower year-to-date profit was due to lower revenue and the higher tax expense this year.

2. BUSINESS REVIEW

Mobile Services

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Mobile revenue	310.9	308.3	2.6	0.9	927.1	924.9	2.2	0.2

Mobile operating statistics	Quarter ended 30 Sep 2014	Quarter ended 30 Jun 2014	Quarter ended 30 Sep 2013	Nine Months ended 30 Sep 2014	Nine Months ended 30 Sep 2013	YoY Incr/(Decr) %
Number of registered customers (in thousands)						
Post-paid	1,254	1,243	1,151	1,254	1,151	8.9
Pre-paid	929	1,049	1,129	929	1,129	(17.7)
Total	2,182	2,292	2,280	2,182	2,280	(4.3)
Monthly minutes of use per registered customer						
Post-paid	257	250	295	254	301	(15.5)
Pre-paid	313	299	370	310	395	(21.6)
ARPU with IDD included (S$ per month)						
Post-paid	69	68	70	68	70	(2.8)
Pre-paid	18	16	18	17	18	(8.6)
Non-voice service as a contribution to ARPU						
Post-paid	53.2%	50.9%	46.9%	51.6%	45.6%	-
Pre-paid	23.4%	22.3%	20.8%	22.5%	19.1%	-
Average monthly churn rate (post-paid)	0.9%	0.9%	1.0%	0.9%	0.9%	-
Singapore mobile penetration (1)	152.4%	153.9%	154.5%	152.4%	154.5%	-
Market Share (1)	27.1%	27.6%	27.3%	27.1%	27.3%	-

Note:
(1) Source : IDA (As at August 2014)

For the quarter, mobile services revenue grew 0.9% YoY to S$310.9 million, and for the nine-month period, increased 0.2% to S$927.1 million. The increase was due to higher revenue from Post-paid mobile services, partially mitigating the lower revenue from Pre-paid mobile services. The growth in Post-paid mobile service revenue was driven by higher subscription revenue from a larger customer base, offset by lower roaming revenue and inter-connection revenue from carriers.

Post-paid mobile services

As at 30 September 2014, Post-paid mobile subscriber base was 1,254,000 subscribers after the quarter's net addition of 10,300 subscribers. Compared to a year ago, this was higher by 102,400 customers or 8.9% increase, with higher take-up of SmartSurf and SharePlus plans.

Post-paid mobile ARPU decreased from S$70 last year to S$69 for the quarter and S$68 for the nine-month period. The lower ARPU in the current periods were due to the dilutive impact on ARPU from a higher mix of customers on the promotional SharePlus plans (secondary lines with lower monthly subscription plans), being partly mitigated by higher subscription and usage revenue from incremental customers on our SmartSurf and tiered data subscription plans.

With continued growth in the Post-paid mobile data traffic in the current periods, this led to the higher non-voice component of the Post-paid mobile ARPU at 53.2% for the quarter and 51.6% in the nine-month period, up from 46.9% and 45.6% in the corresponding periods last year.

Monthly average Post-paid mobile churn improved from 1.0% in 3Q-2013 to 0.9% this quarter, and was maintained at 0.9% for the nine-month period.

Pre-paid mobile services

As at 30 September 2014, Pre-paid mobile customer base was 929,000 customers after the quarter's net churn of 119,800 customers. Compared to a year ago, the customer base was 200,000 customers or 17.7% lower, primarily due to card expiry and the impact of the new 3 SIM cards per customer restriction which effected on 1 April 2014.

Pre-paid mobile ARPU maintained at S$18 for the quarter, and for the nine-month period, decreased S$1 or 8.6% to S$17, mainly due to lower voice usage. Pre-paid non voice component as a percentage of Pre-paid mobile ARPU rose to 23.4% in 3Q-2014 and 22.5% in the nine-month period, up from 20.8% and 19.1% in the corresponding periods last year, as a result of increased smart phones accessing data services in the Pre-paid customer base.

Pay TV Services

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Pay TV revenue	97.4	95.5	1.9	2.0	289.6	285.8	3.8	1.3

Pay TV operating statistics	Quarter ended			Nine Months ended 30 Sep		YoY Incr/(Decr)
	30 Sep 2014	30 Jun 2014	30 Sep 2013	2014	2013	%
Number of residential Pay TV customers (in thousands)	539	535	531	539	531	1.4
ARPU (S$ per month)	51	51	51	52	52	(0.3)
Average monthly churn rate	0.9%	0.9%	1.0%	0.9%	1.1%	-
StarHub's penetration	41.6%	41.7%	42.6%	41.6%	42.6%	-

YoY, Pay TV services revenue grew 2.0% to S$97.4 million for the quarter, and was 1.3% higher at S$289.6 million for the nine-month period, mainly due to higher subscription revenue from an increased customer base.

As at 30 September 2014, our Pay TV subscriber base was 539,000 subscribers after the quarter's net addition of 4,400 subscribers. Compared to a year ago, this was higher by 7,500 customers or 1.4% increase.

Pay TV ARPU for the quarter was maintained at S$51 and year-to-date was at S$52.

For the quarter and nine-month periods, Pay TV monthly average churn was lower at 0.9% compared to 1.0% in 3Q-2013 and 1.1% in last year's year-to-date. The lower churn was due to our proactive retention initiatives, attractive content packaging and hubbing services bundles.

Broadband Services

	Quarter ended 30 Sep				Nine Months ended 30 Sep			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Broadband revenue	49.2	59.6	(10.4)	(17.4)	154.1	183.7	(29.5)	(16.1)

	Quarter ended			Nine Months ended		YoY
	30 Sep	30 Jun	30 Sep	30 Sep		Incr/(Decr)
Broadband operating statistics	2014	2014	2013	2014	2013	%
Number of residential broadband customers - subscription-based (in thousands)	461	456	445	461	445	3.5
ARPU (S$ per month)	35	37	44	37	45	(17.2)
Average monthly churn rate	1.1%	1.1%	1.3%	1.1%	1.3%	-

Broadband services revenue for the quarter were lower at S$49.2 million, a YoY decrease of 17.4% for the quarter. The decrease resulted from price competition, which lowered the subscription revenue from re-contracts and new customers. As a result, Broadband ARPU was lower at S$35 for the quarter. This led to year-to-date Broadband services revenue to be 16.1% lower at S$154.1 million and ARPU at S$37 for the nine-month period, compared to S$45 last year.

As at 30 September 2014, Broadband subscriber base was 461,000 subscribers after the quarter's net addition of 4,800 subscribers. Compared to a year ago, this was higher by 15,500 customers or 3.5% increase.

Broadband average monthly churn was lower at 1.1% in the current periods, down from 1.3% last year. The lower churn was due to our proactive retention programs and promotional service bundles.

Fixed Network Services

Fixed Network Services Revenue	Quarter ended 30 Sep 2014 S$m	2013 S$m	Incr / (Decr) S$m	%	Nine Months ended 30 Sep 2014 S$m	2013 S$m	Incr / (Decr) S$m	%
Data & Internet	80.3	76.8	3.4	4.4	234.3	222.0	12.3	5.5
Voice services	15.0	15.9	(0.9)	(5.8)	43.2	49.0	(5.8)	(11.9)
Total	95.2	92.7	2.5	2.7	277.5	271.1	6.4	2.4

YoY, Fixed Network services revenue grew 2.7% to S$95.2 million for the quarter, and for the nine-month period, was 2.4% higher at S$277.5 million. The increase was contributed by higher Data & Internet services revenue, offset by lower Voice services revenue.

Against the corresponding periods last year, Data & Internet services revenue was 4.4% higher at S$80.3 million and for year-to-date, increased 5.5% to S$234.3 million, with higher take-up of enterprise solutions of our fixed data & internet services.

Voice services revenue was down by 5.8% to S$15.0 million for the quarter and decreased 11.9% to S$43.2 million for the nine-month period, primarily due to local voice services revenue which were impacted by price erosions and market competition.

Hubbing (Multi-Service Households)

Hubbing Metrics	As at 30 Sep 2014	 30 Jun 2014	 30 Sep 2013	YoY Incr/(Decr) %
Total Singapore occupied homes (in thousands, estimated) [1]	1,210	1,210	1,197	1.1
Total hubbing households with at least one service of post-paid mobile, pay TV and/or broadband services (in thousands)	772	771	774	(0.2)
Percentage of total hubbing households which subscribe to any two services	28.2%	28.2%	28.6%	(0.4)% pts
Percentage of total hubbing households which subscribe to all three services	30.8%	30.4%	28.8%	2.0% pts
Percentage of total hubbing households which subscribe to two or more services	59.0%	58.6%	57.4%	1.6% pts

Note:
(1) Source: Nielsen Media Research for 2013 estimates

As of 30 September 2014, our triple hubbing services households totaled 238,000 households, a net add of 4,000 households for the quarter and 6.6% more than a year ago. As a ratio of total hubbing households, the triple services households were 30.8% as at 30 September 2014, up from 28.8% a year ago.

The ratio of households who subscribed to two or more services increased from 57.4% a year ago to 59.0% of total hubbing households as at 30 September 2014.

3. GROUP CASH FLOW STATEMENT

	Quarter ended 30 Sep		Nine Months ended 30 Sep	
	2014	2013	2014	2013
	S$m	S$m	S$m	S$m
Operating Activities				
Profit before taxation	119.1	115.3	339.5	346.0
Adjustments for :				
Depreciation and amortisation (net of asset grants)	67.8	67.7	203.1	202.4
Loss / (Profit) on disposal of fixed assets	(0.2)	(0.0)	(0.1)	0.2
Income related grants	(17.4)	(11.1)	(34.8)	(36.7)
Share-based payments expenses	2.0	3.5	7.1	7.2
Changes in fair value of financial instruments	(0.1)	0.7	1.1	(0.2)
Net finance expenses	4.0	3.9	12.8	12.0
Other non-cash items	0.2	0.2	0.7	0.7
Operating cash flow before working capital changes	175.4	180.1	529.4	531.6
Changes in working capital	48.4	54.4	56.0	48.6
Income tax (paid) / refund	(32.7)	(36.3)	(65.3)	(88.9)
Net cash from operating activities	**191.1**	**198.2**	**520.1**	**491.3**
Investing Activities				
Proceeds from disposal of fixed assets	0.2	0.3	0.7	0.5
Purchase of fixed assets	(73.0)	(78.6)	(235.5)	(215.3)
Interest received	0.4	0.8	1.6	2.1
Net cash used in investing activities	**(72.5)**	**(77.5)**	**(233.2)**	**(212.7)**
Financing Activities				
Proceeds from exercise of share options	0.0	0.1	0.4	0.6
Grants received	6.3	0.1	22.1	15.6
Dividends paid	(86.3)	(86.1)	(258.9)	(258.2)
Finance expenses paid	(7.2)	(7.5)	(17.3)	(17.5)
Net cash used in financing activities	**(87.2)**	**(93.4)**	**(253.8)**	**(259.5)**
Net change in cash and cash equivalents	**31.5**	**27.3**	**33.1**	**19.2**
Exchange difference on cash and cash equivalents	0.1	(0.0)	0.0	0.4
Cash and cash equivalents at beginning of the period	268.4	304.3	266.9	312.0
Cash and cash equivalents at end of the period	**300.0**	**331.7**	**300.0**	**331.7**

The Group's net cash from operating activities was S$7.1 million lower at S$191.1 million for the quarter, mainly due to higher working capital needs in the quarter and lower cash flows from operations, mitigated by lower income tax paid. For the nine-month period, net cash from operating activities rose S$28.8 million to S$520.1 million, primarily contributed by lower income tax paid.

This quarter's positive working capital changes of S$48.4 million was made up of higher trade and other payables of S$50.2 million, and lower trade receivables of S$14.5 million and inventories of S$3.3 million, offset by higher other receivables, deposits and prepayments of S$19.6 million. Year-to-date, higher trade and other payables, and net balance due to related parties, coupled with lower inventories offset by higher other receivables, deposits and prepayments, and trade receivables balances were contributing to the positive working capital changes of S$56.0 million for the nine-month period.

Net cash outflow from investing activities was lower at S$72.5 million in 3Q-2014 as compared to S$77.5 million in 3Q-2013, mainly due to lower CAPEX payments. For the nine-month period, net cash outflow from investing activities was S$20.5 million higher at S$233.2 million, mainly due to the higher year-to-date CAPEX payments of S$20.2 million.

As a percentage of revenue, CAPEX payments ratio was 12.3% for the quarter and 13.5% for the nine-month period, as compared to 13.6% and 12.3% in the corresponding periods last year.

Free cash flow for the quarter was S$1.6 million or 1.3% lower at S$118.1 million when compared to 3Q-2013, and for year-to-date, was up S$8.5 million or 3.1% YoY to S$284.6 million.

With higher grant receipts recorded for the quarter and nine-month periods, net cash outflow from financing activities were lower at S$87.2 million in 3Q-2014 and S$253.8 million for year-to-date.

As at 30 September 2014, the Group's cash and cash equivalents amounted to S$300.0 million, down from S$331.7 million a year ago.

Capital expenditure commitments

As of 30 September 2014, the Group's total outstanding capital expenditure commitments amounted to S$273.1 million. The outstanding commitments include commitments for the 4G spectrum rights of S$120 million, support systems, expansion and enhancement of our infrastructure and network systems for all our lines of businesses.

4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 Sep 14 S$m	31 Dec 13 S$m	30 Sep 14 S$m	31 Dec 13 S$m
Non-current assets				
Property, plant and equipment	897.5	857.4	397.6	384.1
Intangible assets	371.4	380.6	85.0	92.1
Subsidiaries	-	-	1,692.1	1,692.1
Balances with related parties	-	-	101.0	123.0
	1,268.9	**1,238.0**	**2,275.7**	**2,291.3**
Current assets				
Inventories	26.3	43.2	19.7	36.7
Trade receivables	128.5	123.5	115.2	108.5
Other receivables, deposits and prepayments	164.1	154.4	30.1	29.8
Balances with related parties	28.0	24.0	191.5	111.3
Cash and cash equivalents	300.0	266.9	199.8	207.5
	646.9	**612.0**	**556.4**	**493.8**
Less:				
Current liabilities				
Trade and other payables	789.2	753.7	347.7	335.3
Balances with related parties	97.7	76.5	562.8	402.8
Provision for taxation	76.1	71.4	36.3	35.0
	963.0	**901.6**	**946.8**	**773.1**
Net current (liabilities)/assets	**(316.1)**	**(289.6)**	**(390.5)**	**(279.3)**
Non-current liabilities				
Trade and other payables	25.1	28.9	25.1	28.9
Borrowings	687.5	687.5	687.5	687.5
Deferred income	9.4	21.3	-	-
Deferred tax liabilities	121.6	128.0	72.5	75.8
	843.6	**865.7**	**785.1**	**792.2**
Net assets	**109.2**	**82.7**	**1,100.1**	**1,219.8**
Shareholders' equity				
Share capital	282.3	271.4	282.3	271.4
Reserves	(173.1)	(188.7)	817.7	948.4
Total equity	**109.2**	**82.7**	**1,100.1**	**1,219.8**

GROUP BALANCE SHEET REVIEW

The Group's non-current assets increased S$30.9 million from S$1,238.0 million as at 31 December 2013 to S$1,268.9 million as at 30 September 2014. The increase was attributed to higher net book values of property, plant and equipment, offset by a lower net book value of intangible assets.

As at 30 September 2014, total current assets amounted to S$646.9 million, up from S$612.0 million as at 31 December 2013. The increase of S$34.9 million in the nine-month period was due to higher cash and cash equivalents, other receivables, deposits and prepayments, trade receivables and balances due from related parties of total S$51.8 million increase, offset by lower inventories' balance of S$16.9 million.

For the nine-month period, total current liabilities rose S$61.4 million to S$963.0 million as at 30 September 2014, with higher trade and other payables, balance due to related parties and provision for taxation.

Total non-current liabilities as at 30 September 2014 was lower at S$843.6 million, when compared to S$865.7 million as at 31 December 2013. The lower liabilities were due to lower deferred income, deferred tax liabilities and non-current trade and other payables balances. Group borrowings remained unchanged at S$687.5 million.

The Group's shareholders' equity was up S$26.5 million to S$109.2 million as at 30 September 2014. This was attributable to a higher share capital arising from shares issued pursuant to employees' option and share plans, and increased retained profits after the distribution of dividends in the current periods.

5. GROUP UNSECURED BORROWINGS

Unsecured borrowings	**30 Sep 14 S$m**	**31 Dec 13 S$m**
Amount repayable after one year		
Bank loans	467.5	467.5
Medium term note	220.0	220.0
Total	**687.5**	**687.5**

As at 30 September 2014, the Group's total borrowings remained unchanged at S$687.5 million when compared to 31 December 2013.

Net debt at S$387.5 million as at 30 September 2014 was S$33.1 million lower when compared to 31 December 2013, due to higher cash balances this period. As a percentage of 2013 EBITDA, the Group's net debt was lower at 0.53 times as at 30 September 2014, as compared to 0.57 times as at 31 December 2013.

6. STATEMENT OF CHANGES IN EQUITY

Group	Share capital S$m	Treasury shares S$m	Goodwill written off S$m	Share-based payments reserve S$m	Hedging reserve S$m	Translation reserve S$m	Retained profits S$m	Total reserves S$m	Total equity S$m
At 1 Jan 2014	271.4	(0.2)	(276.3)	15.0	(4.2)	0.3	76.7	(188.7)	82.7
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	178.5	178.5	178.5
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	(0.2)	-	(0.2)	(0.2)
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	0.6	-	-	0.6	0.6
Total comprehensive income for the period	-	-	-	-	0.6	(0.2)	178.5	179.0	179.0
Transactions with equity holders of the Company, recognised directly in equity									
Contributions by and distributions to equity holders of the Company									
Issue of shares pursuant to share plans	11.0	-	-	(10.6)	-	-	-	(10.6)	0.4
Share-based payments expenses	-	-	-	5.1	-	-	-	5.1	5.1
Transfer from treasury shares to share-based payments reserve	-	0.2	-	(0.2)	-	-	-	(0.0)	(0.0)
Dividends paid	-	-	-	-	-	-	(172.6)	(172.6)	(172.6)
Total transactions with equity holders of the Company	11.0	0.2	-	(5.7)	-	-	(172.6)	(178.1)	(167.1)
At 30 Jun 2014	**282.3**	**-**	**(276.3)**	**9.3**	**(3.6)**	**0.1**	**82.7**	**(187.8)**	**94.5**
Total comprehensive income for the period									
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**97.7**	**97.7**	**97.7**
Other comprehensive income									
Foreign currency translation differences	**-**	**-**	**-**	**-**	**-**	**0.2**	**-**	**0.2**	**0.2**
Effective portion of changes in fair value of cash flow hedge (net of taxation)	**-**	**-**	**-**	**-**	**1.1**	**-**	**-**	**1.1**	**1.1**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1.1**	**0.2**	**97.7**	**99.0**	**99.0**
Transactions with equity holders of the Company, recognised directly in equity									
Contributions by and distributions to equity holders of the Company									
Issue of shares pursuant to share plans	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.0**
Share-based payments expenses	**-**	**-**	**-**	**2.0**	**-**	**-**	**-**	**2.0**	**2.0**
Transfer from treasury shares to share-based payments reserve	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(86.3)**	**(86.3)**	**(86.3)**
Total transactions with equity holders of the Company	**0.0**	**-**	**-**	**2.0**	**-**	**-**	**(86.3)**	**(84.3)**	**(84.3)**
At 30 Sep 2014	**282.3**	**-**	**(276.3)**	**11.3**	**(2.5)**	**0.3**	**94.1**	**(173.1)**	**109.2**

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Group	Share capital S$m	Treasury shares S$m	Goodwill written off S$m	Share-based payments reserve S$m	Hedging reserve S$m	Translation reserve S$m	Retained profits S$m	Total reserves S$m	Total equity S$m
At 1 Jan 2013	263.1	(0.2)	(276.3)	13.7	(7.0)	-	50.2	(219.6)	43.5
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	191.8	191.8	191.8
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	0.5	-	0.5	0.5
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	3.3	-	-	3.3	3.3
Total comprehensive income for the period	-	-	-	-	3.3	0.5	191.8	195.6	195.6
Transactions with equity holders of the Company, recognised directly in equity									
Contributions by and distributions to equity holders of the Company									
Issue of shares pursuant to share plans	8.0	-	-	(7.5)	-	-	-	(7.5)	0.5
Share-based payments expenses	-	-	-	3.7	-	-	-	3.7	3.7
Dividends paid	-	-	-	-	-	-	(172.1)	(172.1)	(172.1)
Total transactions with equity holders of the Company	8.0	-	-	(3.7)	-	-	(172.1)	(175.8)	(167.9)
At 30 Jun 2013	271.1	(0.2)	(276.3)	9.9	(3.8)	0.5	69.9	(199.9)	71.2
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	95.3	95.3	95.3
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	(0.4)	-	(0.4)	(0.4)
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.6)	-	-	(0.6)	(0.6)
Total comprehensive income for the period	-	-	-	-	(0.6)	(0.4)	95.3	94.3	94.3
Transactions with equity holders of the Company, recognised directly in equity									
Contributions by and distributions to equity holders of the Company									
Issue of shares pursuant to share plans	0.1	-	-	-	-	-	-	-	0.1
Share-based payments expenses	-	-	-	3.5	-	-	-	3.5	3.5
Dividends paid	-	-	-	-	-	-	(86.1)	(86.1)	(86.1)
Total transactions with equity holders of the Company	0.1	-	-	3.5	-	-	(86.1)	(82.6)	(82.5)
At 30 Sep 2013	271.1	(0.2)	(276.3)	13.4	(4.3)	0.2	79.1	(188.1)	83.0

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S$m	Treasury shares S$m	Merger/ Capital reserve S$m	Share-based payments reserve S$m	Hedging reserve S$m	Retained profits S$m	Total reserves S$m	Total equity S$m
At 1 Jan 2014	**271.4**	**(0.2)**	**276.5**	**15.0**	**(4.2)**	**661.3**	**948.4**	**1,219.8**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	71.5	71.5	71.5
Other comprehensive income Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	0.6	-	0.6	0.6
Total comprehensive income for the period	-	-	-	-	0.6	71.5	72.1	72.1
Transactions with equity holders of the Company, recognised directly in equity								
Contributions by and distributions to equity holders of the Company								
Issue of shares pursuant to share plans	11.0	-	-	(10.6)	-	-	(10.6)	0.4
Share-based payments expenses	-	-	-	5.1	-	-	5.1	5.1
Transfer from treasury shares to share-based payments reserve	-	0.2	-	(0.2)	-	-	(0.0)	(0.0)
Dividends paid	-	-	-	-	-	(172.6)	(172.6)	(172.6)
Total transactions with equity holders of the Company	11.0	0.2	-	(5.7)	-	(172.6)	(178.1)	(167.1)
At 30 Jun 2014	**282.3**	**-**	**276.5**	**9.3**	**(3.6)**	**560.2**	**842.4**	**1,124.8**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**58.5**	**58.5**	**58.5**
Other comprehensive income **Effective portion of changes in fair value of cash flow hedge (net of taxation)**	**-**	**-**	**-**	**-**	**1.1**	**-**	**1.1**	**1.1**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1.1**	**58.5**	**59.6**	**59.6**
Transactions with equity holders of the Company, recognised directly in equity								
Contributions by and distributions to equity holders of the Company								
Issue of shares pursuant to share plans	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**	**0.0**
Share-based payments expenses	**-**	**-**	**-**	**2.0**	**-**	**-**	**2.0**	**2.0**
Transfer from treasury shares to share-based payments reserve	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(86.3)**	**(86.3)**	**(86.3)**
Total transactions with equity holders of the Company	**0.0**	**-**	**-**	**2.0**	**-**	**(86.3)**	**(84.3)**	**(84.3)**
At 30 Sep 2014	**282.3**	**-**	**276.5**	**11.3**	**(2.5)**	**532.5**	**817.7**	**1,100.1**

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S$m	Treasury shares S$m	Merger/ Capital reserve S$m	Share-based payments reserve S$m	Hedging reserve S$m	Retained profits S$m	Total reserves S$m	Total equity S$m
At 1 Jan 2013	263.1	(0.2)	276.5	13.7	(7.0)	681.2	964.2	1,227.3
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	133.5	133.5	133.5
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	3.3	-	3.3	3.3
Total comprehensive income for the period	-	-	-	-	3.3	133.5	136.8	136.8
Transactions with equity holders of the Company, recognised directly in equity								
Contributions by and distributions to equity holders of the Company								
Issue of shares pursuant to share plans	8.0	-	-	(7.5)	-	-	(7.5)	0.5
Share-based payments expenses	-	-	-	3.7	-	-	3.7	3.7
Dividends paid	-	-	-	-	-	(172.1)	(172.1)	(172.1)
Total transactions with equity holders of the Company	8.0	-	-	(3.7)	-	(172.1)	(175.8)	(167.9)
At 30 Jun 2013	271.1	(0.2)	276.5	9.9	(3.8)	642.7	925.2	1,196.3
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	67.5	67.5	67.5
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.6)	-	(0.6)	(0.6)
Total comprehensive income for the period	-	-	-	-	(0.6)	67.5	67.0	67.0
Transactions with equity holders of the Company, recognised directly in equity								
Contributions by and distributions to equity holders of the Company								
Issue of shares pursuant to share plans	0.1	-	-	-	-	-	-	0.1
Share-based payments expenses	-	-	-	3.5	-	-	3.5	3.5
Dividends paid	-	-	-	-	-	(86.1)	(86.1)	(86.1)
Total transactions with equity holders of the Company	0.1	-	-	3.5	-	(86.1)	(82.6)	(82.5)
At 30 Sep 2013	271.1	(0.2)	276.5	13.4	(4.3)	624.2	909.6	1,180.7

7. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As at 30 September 2014, the share capital of the Company was S$282.3 million comprising 1,726,121,175 issued ordinary shares (excluding treasury shares). As at 31 December 2013, this was S$271.4 million or 1,721,412,710 ordinary shares (excluding treasury shares).

Issue of new shares

For the quarter, the Company issued 17,300 shares, bringing the current nine months' new shares issued to a total of 4,635,677 ordinary shares. These issues are pursuant to the Company's obligations under its employees' share options and share-based plans as follows:

Number of new ordinary shares issued:	**3Q 2014**	**YTD Sep 2014**
For the exercise of options by participants pursuant to the Company's share option plans (exercise price ranged from S$0.96 to S$1.52)	17,300	298,185
For payout to participants of the Company's Performance and Restricted Share Plans via the transfer from the Company's share-based payment reserve	-	4,337,492
Total	**17,300**	**4,635,677**

Treasury Shares
For the quarter, there was no movement in treasury shares. For the nine months ended 30 September 2014, the Company transferred 72,788 treasury shares to participants of the Company's share plans. There was no purchase of shares from the market in the current and comparative periods.

As at 30 September 2014, the Company does not hold any treasury shares (30 September 2013: 72,788 treasury shares or 0.004% of issued share capital excluding treasury shares).

Outstanding Shares – Employees' Share-Based Plans

Share Option Plans
As at 30 September 2014, the outstanding balance of unexercised options under the Company's share option plans totaled 478,195 (30 September 2013: 1,042,425) or 0.03% of the total issued shares in the capital of the Company.

Performance Share Plan
As at 30 September 2014, the outstanding balance of conditional awards under the Performance Share Plan was 1,948,766 ordinary shares (30 September 2013: 2,248,900 ordinary shares).

Restricted Stock Plan
As at 30 September 2014, the outstanding balance of conditional awards under the Restricted Stock Plan was 4,803,900 ordinary shares (30 September 2013: 4,716,200 ordinary shares).

8. AUDIT

The financial statements have not been audited or reviewed.

9. AUDITORS' REPORT

Not applicable.

10. ACCOUNTING POLICIES

The Group and the Company have applied the same accounting policies and method of computation as in the most recently audited financial statements for the year ended 31 December 2013.

In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2014. The adoption of these new/revised FRSs and INT FRSs does not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

11. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

12. GROUP EARNINGS PER ORDINARY SHARE

	Quarter ended 30 Sep		Nine Months ended 30 Sep	
	2014	2013	2014	2013
Basic				
Earnings per share	5.7 cents	5.5 cents	16.0 cents	16.7 cents
Weighted average number of shares ('000)	1,726,114	1,721,227	1,725,041	1,720,512
Diluted				
Earnings per share	5.6 cents	5.5 cents	15.9 cents	16.6 cents
Weighted average number of shares ('000)	1,733,189	1,728,913	1,732,169	1,728,327

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Net asset value per share	6.3 cents	4.8 cents	63.7 cents	70.9 cents

14. ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

For the quarter, the Group's service revenue decreased 0.6% YoY, and for the nine months ended 30 September 2014, the Group's service revenue decreased 1.0% YoY. Our revised guidance in 2014 was to maintain service revenue at about 2013's level.

Year-to-date EBITDA margin at 33.7% of service revenue was above our guidance of EBITDA margin at about 32% of service revenue.

Year-to-date CAPEX payments at 13.5% of total revenue were above our guidance for 2014 at about 13% of total revenue.

15. GROUP OUTLOOK

Growth in the Group's revenue will continue to be driven mainly by our fixed network and mobile services. In our mobile business, our tiered data subscribers have expanded to 59% of our post-paid mobile customer's base as at 30 September 2014, which further increases the growth in data traffic and subscription revenue. The demand for new iPhone models in September is expected to continue into the 4th quarter resulting in higher cost of subsidies. This will put pressure on the EBITDA margin in the quarter. In the Enterprise segment, increased penetration will support our mobile growth, while enterprise solutions and services for our corporate and SME customers should drive fixed data & internet revenue growth.

In the home segment, Pay TV is expected to grow moderately through better content offering and packaging. For Broadband, we can expect pricing competition to continue.

Based on the current outlook, and barring any unforeseen circumstances, we expect our service revenue for 2014 to be maintained at about 2013's level. We maintain our guidance on Group EBITDA margin to be about 32% on service revenue and total CAPEX payments in 2014 to be about 13% of our total revenue. We intend to maintain our annual cash dividend payout of 20 cents per ordinary share for 2014.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our 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 our intentions, plans, expectations, assumptions and beliefs

about the future, you are urged to view all forward-looking statements contained in this release with caution.

16. DIVIDENDS

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(c) Date payable

The interim dividend will be paid on 28 November 2014.

(d) Book closure date

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 14 November 2014 ("Book Closure Date") for the purpose of determining members' entitlement to the interim dividend.

Duly completed registrable transfers received by the Company's Share Register, M & C Services Private Limited, 138 Robinson Road, #17-00, The Corporate Office, Singapore 068906 up to the close of the business at 5.00 p.m. on 13 November 2014 ("Entitlement Date") will be registered to determine members' entitlement to the interim dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Entitlement Date will be entitled to the interim dividend.

17. IF NO DIVIDEND HAVE BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT

Not applicable.

18. INTERESTED PERSON TRANSACTIONS

	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S$100,000) 1 July 2014 to 30 September 2014 S$m
Transactions for the Sale of Goods & Services	
CapitaLand Limited & its associates	0.2
Singapore Telecommunications Limited & its associates	8.4
TeleChoice International Ltd & its associates	0.3
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	0.8
	9.7
Transactions for the Purchase of Goods & Services	
Singapore Power Limited & its associates	6.4
Singapore Telecommunications Limited & its associates	20.1
TeleChoice International Ltd & its associates	32.7
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	0.5
	59.8

There are no interested person transactions (excluding transactions less than S$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) entered into by StarHub Ltd and its subsidiaries for the period 1 July to 30 September 2014.

19. NEGATIVE ASSURANCE CONFIRMATION

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the third quarter and nine months ended 30 September 2014 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Tan Guong Ching Director	Tan Tong Hai Director

Singapore
5 November 2014