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STARHUB LTD

Announcement of Audited Results for the Full Year ended 31 December 2014

StarHub is pleased to announce our audited results for full year ended 31 December 2014.

Results for the Fourth Quarter and Full Year ended 31 December 2014

1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS**1.1 GROUP INCOME STATEMENT**

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2014	2013	Incr/ (Decr)		2014	2013	Incr/ (Decr)	
	(Restated) ⁽¹⁾		S\$m	%	(Restated) ⁽¹⁾		S\$m	%
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Total revenue	647.4	616.0	31.4	5.1	2,387.2	2,369.6	17.6	0.7
Operating expenses	(534.8)	(521.8)	13.0	2.5	(1,957.1)	(1,946.0)	11.1	0.6
Other income	11.9	13.3	(1.4)	(10.7)	46.6	49.9	(3.3)	(6.7)
Profit from operations	124.4	107.5	16.9	15.7	476.7	473.5	3.2	0.7
Finance income	0.4	0.7	(0.3)	(44.0)	2.0	2.8	(0.8)	(29.0)
Finance expenses ⁽²⁾	(8.2)	(4.6)	3.6	78.1	(22.6)	(18.8)	3.9	20.6
Profit before taxation	116.5	103.6	13.0	12.6	456.1	457.5	(1.5)	(0.3)
Taxation	(22.3)	(17.9)	4.4	24.5	(85.6)	(78.0)	7.6	9.8
Profit for the period	94.2	85.7	8.6	10.1	370.5	379.5	(9.1)	(2.4)
Attributable to:								
Equity holders of the Company	94.2	85.7	8.6	10.1	370.5	379.5	(9.1)	(2.4)
	94.2	85.7	8.6	10.1	370.5	379.5	(9.1)	(2.4)
EBITDA	192.4	174.7	17.8	10.2	747.9	743.0	4.9	0.6
EBITDA as a % of service revenue	33.8%	30.9%	2.9% pts		33.7%	33.2%	0.5% pts	
Free Cash Flow ⁽³⁾	48.7	15.8	32.9	nm	333.3	291.9	41.4	14.2
<i>Profit from operations is arrived after charging the following:</i>								
<i>Allowance for doubtful receivables and bad debts written off</i>	4.4	4.2	0.2	1.8	15.9	15.5	0.4	2.5
<i>Depreciation and amortisation (net of asset grants)</i>	68.1	67.2	0.9	1.3	271.2	269.5	1.7	0.6
<i>Foreign currency exchange loss</i>	4.8	2.5	2.3	92.0	3.1	2.7	0.4	13.1

nm – Not meaningful

Notes:

- (1) Restated (refer Note 19 Comparative Figures)
- (2) Finance expenses include interest and other financing charges
- (3) Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement
- (4) Numbers in all tables may not exactly add due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2014	2013	Incr/(Decr)		2014	2013	Incr/(Decr)	
	(Restated)				(Restated)			
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Profit for the period	94.2	85.7	8.6	10.1	370.5	379.5	(9.1)	(2.4)
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	0.5	0.1	0.4	nm	0.5	0.3	0.2	108.1
Effective portion of changes in fair value of cash flow hedge	1.1	0.1	1.0	nm	2.8	2.8	0.0	-
Other comprehensive income for the period (net of taxation)	1.6	0.2	1.4	nm	3.3	3.1	0.2	10.1
Total comprehensive income for the period	95.8	85.9	9.9	11.6	373.8	382.6	(8.8)	(2.3)
Attributable to:								
Equity holders of the Company	95.8	85.9	9.9	11.6	373.8	382.6	(8.8)	(2.3)
	95.8	85.9	9.9	11.6	373.8	382.6	(8.8)	(2.3)

nm – Not meaningful

1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2014

(A) Revenue

Revenue	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
	(Restated)				(Restated)			
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile	320.5	312.2	8.3	2.6	1,247.6	1,243.4	4.2	0.3
Pay TV	100.1	99.9	0.2	0.2	389.7	386.0	3.7	1.0
Broadband	47.7	56.7	(9.0)	(15.9)	201.9	241.8	(39.9)	(16.5)
Fixed Network Services	100.9	97.3	3.6	3.7	378.3	368.3	10.0	2.7
Total service revenue	569.2	566.1	3.1	0.5	2,217.5	2,239.5	(22.0)	(1.0)
Sale of equipment	78.2	49.9	28.3	56.8	169.7	130.1	39.6	30.5
Total	647.4	616.0	31.4	5.1	2,387.2	2,369.6	17.6	0.7

Revenue mix	Quarter ended 31 Dec		Full Year ended 31 Dec	
	2014	2013	2014	2013
	(Restated)		(Restated)	
	Mix %	Mix %	Mix %	Mix %
Mobile revenue	49.5	50.7	52.3	52.5
Pay TV revenue	15.5	16.2	16.3	16.3
Broadband revenue	7.4	9.2	8.5	10.2
Fixed Network services revenue	15.5	15.8	15.8	15.5
Sale of equipment	12.1	8.1	7.1	5.5
Total	100.0	100.0	100.0	100.0

For the quarter ended 31 December 2014, the Group's total revenue was 5.1% higher at S\$647.4 million when compared to 4Q-2013. The increase was attributable to higher revenue from equipment sales, driven by strong demand for the new iPhones launched in September 2014. The higher equipment sales also resulted in total revenue for 2014 increasing S\$17.6 million or 0.7% year-on-year (YoY) to S\$2,387.2 million.

Against 4Q-2013, this quarter's service revenue was 0.5% higher at S\$569.2 million, contributed by higher revenue from Mobile and Fixed network services which increased 2.6% and 3.7% respectively. For the full year period, service revenue was 1.0% lower at S\$2,217.5 million due mainly to lower revenue from Broadband services which decreased 16.5% or S\$39.9 million YoY, impacted by price competition in the NGNBN services. This was mitigated by higher services revenue from Fixed Network, Mobile and Pay TV businesses, totaling S\$17.9 million.

For the quarter, Mobile service revenue increased 2.6% YoY to S\$320.5 million, and was 0.3% higher YoY at S\$1,247.6 million for the full year period. The increase was contributed by higher revenue from Post-paid services, mitigating the weaker revenue performance from Pre-paid services.

Pay TV service revenue was 0.2% higher at S\$100.1 million for the quarter and up 1.0% to S\$389.7 million for the full year period, when compared to the corresponding periods last year. The increase was mainly attributed to larger subscriber base.

Fixed Network services revenue for the quarter was 3.7% higher at S\$100.9 million, and for the full year period, increased 2.7% to S\$378.3 million. The higher revenue YoY was due to increased enterprise solution and take up of our Data & Internet services, offset by lower Voice services revenue.

Against the corresponding periods last year, revenue from sale of equipment grew 56.8% to S\$78.2 million for the quarter, boosted by increased handsets sales after the launch of new iPhone models in late September 2014. The quarter's surge in sales drove full year's revenue from sale of equipment to increase 30.5% YoY to S\$169.7 million.

(B) Operating expenses

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	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	286.8	269.0	17.8	6.6	949.0	941.5	7.5	0.8
Other operating expenses	248.1	252.8	(4.7)	(1.9)	1,008.1	1,004.5	3.6	0.4
Total	534.8	521.8	13.0	2.5	1,957.1	1,946.0	11.1	0.6

Total operating expenses for the quarter increased 2.5% YoY to S\$534.8 million and for the full year, was 0.6% higher at S\$1,957.1 million in 2014. The increase was primarily driven by higher cost of sales.

As a percentage of revenue, total operating expenses were at 82.6% in 4Q-2014 and 82.0% for the full year period, when compared to 84.7% in 4Q-2013 and 82.1% in 2013.

Details of total operating expenses are as follows:

(i) Cost of sales

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	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	166.3	130.1	36.2	27.7	411.4	376.7	34.7	9.2
Cost of services	89.6	92.8	(3.2)	(3.3)	382.9	364.3	18.6	5.1
Traffic expenses	30.9	46.1	(15.2)	(33.0)	154.7	200.5	(45.8)	(22.9)
Total	286.8	269.0	17.8	6.6	949.0	941.5	7.5	0.8

Compared to 4Q-2013, this quarter's cost of sales at S\$286.8 million was S\$17.8 million or 6.6% higher, due mainly to higher cost of equipment sold.

In 4Q-2014, the strong demand for the new iPhones drove handsets sales higher which resulted in cost of equipment sold increasing by 27.7% or S\$36.2 million to S\$166.3 million. This also led to the full year cost of equipment sold to increase S\$34.7 million or 9.2% to S\$411.4 million when compared to 2013.

Cost of services at S\$89.6 million for the quarter was S\$3.2 million or 3.3% lower YoY due mainly to reversal of over-accrued costs in previous quarters. This offset the higher costs from NGNBN broadband services, TV programming and production. For the full year period, cost

of services increased 5.1% YoY to S\$382.9 million, driven mainly by higher take-up of NGNBN broadband services.

For the quarter, traffic expenses were S\$15.2 million or 33.0% lower at S\$30.9 million, and for the full year period, decreased S\$45.8 million or 22.9% to S\$154.7 million. The decrease was due to lower international traffic volume and improved interconnection rates.

For the full year period, the increased cost of equipment sold and higher cost of services were partially mitigated by the lower traffic expenses which resulted in total cost of sales to be S\$7.5 million or 0.8% higher at S\$949.0 million.

(ii) Other operating expenses

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2014 S\$m	2013 S\$m	Incr / (Decr) S\$m	%	2014 S\$m	2013 S\$m	Incr / (Decr) S\$m	%
Other operating expenses								
Staff costs	67.1	70.0	(2.9)	(4.1)	275.0	276.6	(1.6)	(0.6)
Operating leases	29.5	32.6	(3.1)	(9.5)	128.4	129.1	(0.7)	(0.5)
Marketing and promotions	41.1	39.9	1.3	3.2	156.2	153.6	2.6	1.7
Allowance for doubtful receivables	4.4	4.2	0.2	1.8	15.9	15.5	0.4	2.5
Repair and maintenance	9.0	18.4	(9.4)	(51.3)	69.2	74.1	(4.9)	(6.7)
Other expenses	28.9	20.5	8.4	41.1	92.2	86.1	6.1	7.3
Sub total	180.0	185.6	(5.6)	(3.0)	736.9	735.0	1.9	0.3
Depreciation and amortisation (net of asset grants)	68.1	67.2	0.9	1.3	271.2	269.5	1.7	0.6
Total	248.1	252.8	(4.7)	(1.9)	1,008.1	1,004.5	3.6	0.4

Other operating expenses in 4Q-2014 reduced 1.9% to S\$248.1 million when compared to 4Q-2013, and for the full year, increased 0.4% YoY to S\$1,008.1 million.

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

Staff costs

Staff costs for the quarter were lower by 4.1% at S\$67.1 million as the leave pay and bonus provisions as at 31 December 2014 were deemed to be adequate. For the full year, staff costs was 0.6% lower at S\$275.0 million as the Group was able to manage costs increases through various initiatives such as outsourcing, process re-engineering and job enlargements for its more experienced staff.

Operating leases

This quarter's operating lease expenses were S\$3.1 million or 9.5% lower at S\$29.5 million due mainly to a reclassification of certain expenses in the current year to cost of services. For the full year, operating lease expenses was S\$0.7 million or 0.5% lower YoY at S\$128.4 million in 2014.

Repair and maintenance

Repair and maintenance for the quarter and full year were lower at S\$9.0 million and S\$69.2 million respectively as the outstanding provisions in the balance sheet were deemed to be adequate as at 31 December 2014.

Other expenses

This quarter's other expenses were S\$8.4 million or 41.1% higher at S\$28.9 million when compared to 4Q-2013, and for the 2014 full year, it was S\$6.1 million or 7.3% higher at S\$92.2 million. The YoY increase was attributed to higher net loss on exchange differences arising from the strengthening USD, stock obsolescence, license fees, outsourcing fees, but partially mitigated by higher miscellaneous cost recoveries.

(C) Other income

Compared to the corresponding periods last year, other income was S\$1.4 million or 10.7% lower at S\$11.9 million for the quarter. This resulted in the full year grant income to be lower at S\$46.6 million, mainly due to lower NGNBN adoption grant claimed. The comparatively lower grant income this year was also due to 4 quarters of grant claims compared to 5 quarters in 2013.

(D) Profitability

Compared to the corresponding period last year, profit from operations was 15.7% higher at S\$124.4 million for the quarter. This was due mainly to lower traffic expenses and repairs and maintenance charges year-on-year. For the full year, profit from operations increased 0.7% to S\$476.7 million due to higher revenue, which was partially offset by increase in operating expenses.

EBITDA amounted to S\$192.4 million or 33.8% of service revenue for the quarter, and for the full year, EBITDA totaled S\$747.9 million or 33.7% of service revenue for 2014.

YoY, finance income at S\$0.4 million decreased S\$0.3 million for the quarter, and for the full year, was S\$0.8 million lower at S\$2.0 million. The lower finance income was primarily due to lower deposits in the current periods.

Finance expenses increased 78.1% or S\$3.6 million to S\$8.2 million in 4Q-2014 due to financing costs for new bank loan facilities secured in 2014. This resulted in the full year finance expenses increasing S\$3.9 million or 20.6% to S\$22.6 million for 2014.

Profit before taxation for 4Q-2014 was S\$13.0 million or 12.6% higher at S\$116.5 million. For the full year, profit before taxation was S\$1.5 million or 0.3% lower at S\$456.1 million when compared to the corresponding period last year.

For the quarter and full year periods, taxation amounted to S\$22.3 million and S\$85.6 million respectively. Excluding the adjustment for under-provision of prior years' tax, the effective tax rate was approximately 18.0% in 2014, due mainly to certain non-deductible expenses for tax purposes.

Profit after taxation was 10.1% higher at S\$94.2 million for the quarter, and decreased 2.4% YoY to S\$370.5 million for the full year period. The lower full year profit was mainly due to higher net finance charges and adjustment of prior years' tax under-provided.

2. BUSINESS REVIEW

Mobile Services

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
	(Restated)				(Restated)			
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue	320.5	312.2	8.3	2.6	1,247.6	1,243.4	4.2	0.3

Mobile operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec		Incr/(Decr) %
	2014	2014	2013	2014	2013	
Number of registered customers (in thousands)						
Post-paid	1,277	1,254	1,211	1,277	1,211	5.4
Pre-paid	871	929	1,140	871	1,140	(23.6)
Total	2,147	2,182	2,351	2,147	2,351	(8.7)
Monthly minutes of use per registered customer						
Post-paid	245	257	271	252	293	(14.1)
Pre-paid	313	313	340	310	381	(18.6)
ARPU with IDD included (S\$ per month)						
Post-paid	71	69	69	69	70	(1.4)
Pre-paid	19	18	17	17	18	(3.7)
Non-voice service as a contribution to ARPU						
Post-paid	52.9%	53.2%	47.9%	51.9%	46.2%	-
Pre-paid	24.0%	23.4%	20.8%	22.9%	19.5%	-
Average monthly churn rate (post-paid)	1.1%	0.9%	0.9%	0.9%	0.9%	-
Singapore mobile penetration ⁽¹⁾	148.2%	149.1%	156.0%	148.2%	156.0%	-
Market Share ⁽¹⁾	26.8%	26.8%	27.9%	26.8%	27.9%	-

Note:

(1) Source : IDA (As at November 2014)

Against the corresponding periods last year, mobile services revenue increased 2.6% to S\$320.5 million for the quarter, and was 0.3% higher at S\$1,247.6 million for the full year period. The increase was due to higher revenue from Post-paid mobile services, mitigating the lower revenue from Pre-paid mobile services. The higher revenue growth for Post-paid mobile services was contributed by higher subscription revenue from a larger customer base and increased revenue from excess data usages, offset by lower voice usage, roaming revenue and inter-connection revenue from carriers.

Post-paid mobile services

As at 31 December 2014, Post-paid mobile subscriber base was 1,277,000 subscribers after the quarter's net addition of 22,900 subscribers. Compared to a year ago, this was higher by 65,200 customers or 5.4% increase. 61% of these subscribers are on our tiered data mobile subscription plans.

Post-paid mobile ARPU increased from S\$69 in 4Q-2013 to S\$71 this quarter. The higher Post-paid ARPU for the quarter was driven by new 4G tiered data plans with higher monthly subscriptions and higher data usage from the expanded base of customers on our tiered data plans. For the full year period, the lower ARPU when compared to S\$70 last year was due to

the dilutive impact on ARPU from a higher number of customers who are still on our promotional SharePlus (lower monthly subscription secondary lines) plans.

Post-paid mobile data traffic continued to expand in the current periods, which led to the higher non-voice component of the Post-paid mobile ARPU at 52.9% for the quarter and 51.9% for the full year period, up from 47.9% and 46.2% in the corresponding periods last year.

For the quarter, monthly average Post-paid mobile churn was higher at 1.1% when compared to 0.9% in 4Q-2013, and for the full year period, was comparable to last year at 0.9%.

Pre-paid mobile services

As at 31 December 2014, Pre-paid mobile customer base was 871,000 customers after the quarter's net churn of 58,100 customers. Compared to a year ago, the customer base was 269,400 customers or 23.6% lower, primarily due to card expiry and the impact of the new 3 SIM cards per customer restriction which came into effect on 1 April 2014.

Compared to 4Q-2013, this quarter's Pre-paid mobile ARPU was S\$2 higher at S\$19 due to the lower base. For the full year period, ARPU was S\$1 or 3.7% lower at S\$17, mainly due to lower voice usage. Pre-paid non voice component as a percentage of Pre-paid mobile ARPU was higher at 24.0% in 4Q-2014 and 22.9% for the full year period, up from 20.8% and 19.5% in the corresponding periods last year, with more Pre-paid customers accessing data services on their smart devices.

Pay TV Services

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
	(Restated)				(Restated)			
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Pay TV revenue	100.1	99.9	0.2	0.2	389.7	386.0	3.7	1.0

Pay TV operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	2013	Incr/(Decr) %
Number of residential Pay TV customers (in thousands)	542	539	533	542	533	1.7
ARPU (S\$ per month)	52	51	52	52	52	(0.0)
Average monthly churn rate	0.8%	0.9%	0.8%	0.9%	1.0%	-
StarHub's penetration	41.5%	41.6%	42.5%	41.5%	42.5%	-

Compared to the corresponding periods last year, Pay TV services revenue in the current periods increased 0.2% to S\$100.1 million for the quarter, and 1.0% higher at S\$389.7 million for the full year. The increase was mainly due to higher subscription revenue from a larger customer base.

As at 31 December 2014, our Pay TV subscriber base was 542,000 subscribers after the quarter's net addition of 3,600 subscribers. Compared to a year ago, this was higher by 9,000 customers or 1.7% increase. The quarter's monthly average churn at 0.8% was comparable to 4Q-2013, and for the full year period, decreased from 1.0% in 2013 to 0.9% in 2014. Both the increase in subscribers and the lower churn rate this year were the result of content packaging and hubbing services bundles, in addition to our proactive customer retention initiatives.

YoY, Pay TV ARPU was stable at S\$52 for both the quarter and full year periods.

Broadband Services

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2014	2013	Incr / (Decr)		2014	2013	Incr / (Decr)	
	(Restated)				(Restated)			
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Broadband revenue	47.7	56.7	(9.0)	(15.9)	201.9	241.8	(39.9)	(16.5)

Broadband operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	2013	Incr/(Decr) %
Number of residential broadband customers - subscription-based (in thousands)	469	461	448	469	448	4.8
ARPU (S\$ per month)	34	35	42	36	44	(17.7)
Average monthly churn rate	0.8%	1.1%	1.1%	1.0%	1.3%	-

YoY, Broadband services revenue was 15.9% lower at S\$47.7 million for the quarter, and decreased 16.5% to S\$201.9 million for the full year period. The decrease was largely impacted by price competition which lowered subscription revenue from both re-contracting and new customers. As a result, Broadband ARPU was lower at S\$34 for the quarter and S\$36 for the full year, down from S\$42 and S\$44 in the corresponding periods last year.

As at 31 December 2014, Broadband subscriber base was 469,000 subscribers after the quarter's net addition of 8,600 subscribers. Compared to a year ago, this was higher by 21,300 customers or 4.8% increase.

Broadband average monthly churn was lower at 0.8% for the quarter and 1.0% for the full year period, due to our proactive retention programs and promotional service bundles.

Fixed Network Services

Fixed Network Services Revenue	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2014 S\$m	2013 S\$m	Incr / (Decr) S\$m %		2014 S\$m	2013 S\$m	Incr / (Decr) S\$m %	
Data & Internet	86.6	81.6	5.0	6.1	320.9	303.6	17.3	5.7
Voice services	14.3	15.7	(1.4)	(9.1)	57.4	64.7	(7.3)	(11.2)
Total	100.9	97.3	3.6	3.7	378.3	368.3	10.0	2.7

Fixed Network services revenue increased 3.7% to S\$100.9 million for the quarter, and for the full year period, was 2.7% higher at S\$378.3 million. The increase was contributed by higher Data & Internet services revenue, offset by lower Voice services revenue.

For the quarter, Data & Internet services revenue at S\$86.6 million was 6.1% higher than 4Q-2013, and for the full year period, increased 5.7% to S\$320.9 million when compared to last year. The higher revenue was mainly from higher take-up of enterprise solutions and our fixed data & internet services.

Against the corresponding periods last year, Voice services revenue for the quarter and full year periods were lower by 9.1% and 11.2% respectively. This was attributed to lower local voice services revenue impacted by price erosions and market competition, and reduced IDD usages.

Hubbing (Multi-Service Households)

Hubbing Metrics	As at			YoY Incr/(Decr) %
	31 Dec 2014	30 Sep 2014	31 Dec 2013	
Total Singapore occupied homes (in thousands, estimated) ⁽¹⁾	1,230	1,210	1,210	1.7
Total hubbing households with at least one service of post-paid mobile, pay TV and/or broadband services (in thousands)	774.3	772.5	773.5	0.1
Percentage of total hubbing households which subscribe to any two services	28.3%	28.2%	28.3%	(0.0)% pts
Percentage of total hubbing households which subscribe to all three services	31.3%	30.8%	29.4%	1.9% pts
Percentage of total hubbing households which subscribe to two or more services	59.6%	59.0%	57.7%	1.9% pts

Note:

(1) Source: Nielsen Media Research for 2014 estimates

For the quarter, we see increasing take-up of our homehub packages which led to households subscribing to at least one of our hubbing services to increase to 774,300 households as compared to 773,500 households a year ago.

As of 31 December 2014, our triple hubbing services households totaled 242,000 households after the quarter's net addition of 4,000 households, and rose 6.4% compared to last year. As a percentage of total hubbing households, the triple services households were 31.3% as at 31 December 2014, up from 29.4% a year ago.

The percentage of households who subscribed to two or more services increased from 57.7% a year ago to 59.6% of total hubbing households as at 31 December 2014.

3. GROUP CASH FLOW STATEMENT

	Quarter ended 31 Dec		Full Year ended 31 Dec	
	2014	2013	2014	2013
	S\$m	(Restated) S\$m	S\$m	(Restated) S\$m
Operating Activities				
Profit before taxation	116.5	103.6	456.1	457.5
Adjustments for :				
Depreciation and amortisation (net of asset grants)	68.1	67.2	271.2	269.5
Income related grants	(11.9)	(13.3)	(46.6)	(49.9)
Share-based payments expenses	2.1	1.6	9.2	8.8
Changes in fair value of financial instruments	(0.1)	(1.5)	0.9	(1.7)
Net finance expenses	7.8	3.9	20.6	16.0
Other non-cash items	0.2	0.1	0.7	1.0
Operating cash flow before working capital changes	182.7	161.6	712.1	701.2
Changes in working capital	(47.9)	(58.1)	8.1	(17.5)
Income tax (paid) / refund	(0.0)	(0.1)	(65.3)	(89.0)
Net cash from operating activities	134.8	103.4	654.9	594.7
Investing Activities				
Proceeds from disposal of fixed assets	0.1	0.1	0.8	0.6
Purchase of fixed assets	(86.1)	(87.6)	(321.6)	(302.8)
Interest received	0.4	0.7	2.0	2.8
Net cash used in investing activities	(85.6)	(86.8)	(318.8)	(299.4)
Financing Activities				
Proceeds from exercise of share options	0.3	0.2	0.6	0.8
Grants received	6.1	6.1	28.1	21.7
Dividends paid	(86.3)	(86.0)	(345.2)	(344.2)
Finance expenses paid	(5.3)	(1.7)	(22.5)	(19.2)
Net cash used in financing activities	(85.2)	(81.4)	(339.0)	(340.9)
Net change in cash and cash equivalents	(36.0)	(64.8)	(2.9)	(45.6)
Exchange difference on cash and cash equivalents	0.2	0.0	0.2	0.5
Cash and cash equivalents at beginning of the period	300.0	331.7	266.9	312.0
Cash and cash equivalents at end of the period	264.2	266.9	264.2	266.9

For the quarter, the Group's net cash from operating activities increased S\$31.4 million to S\$134.8 million, mainly due to higher cash flows from operations and lower working capital needs. For the full year period, net cash from operating activities at S\$654.9 million was S\$60.2 million higher, primarily contributed by higher cash flows from operations, coupled with lower income tax paid and reduced working capital needs.

This quarter's negative working capital changes of S\$47.9 million was due to lower trade and other payables, higher other receivables, deposits and prepayments and inventories balance, mitigated by higher net balance due to related parties. For the full year, positive working capital changes at S\$8.1 million was made up of higher net balance due to related parties, and trade and other payables, offset by higher trade receivables, other receivables, deposits and prepayments.

Net cash outflow from investing activities was S\$85.6 million this quarter, arising mainly from CAPEX payments and included S\$40.0 million for the 4G spectrum. This led to full year cash outflow to increase by S\$19.4 million to S\$318.8 million. CAPEX payments for 2014 were S\$18.8 million higher at S\$321.6 million, compared to S\$302.8 million last year.

As a percentage of revenue, CAPEX payments were 13.3% for the quarter and 13.5% for the full year period, as compared to 14.2% in 4Q-2013 and 12.8% in 2013.

Free cash flow for the quarter was S\$32.9 million higher at S\$48.7 million, and for the full year, was up S\$41.4 million or 14.2% increase YoY to S\$333.3 million due to the higher cash flow from operations.

Net cash outflow from financing activities this quarter was higher at S\$85.2 million, mainly due to financing expenses paid to procure new term loan facilities from the banks. For the full year, net cash outflow from financing activities was S\$1.9 million lower at S\$339.0 million, primarily from higher grants receipts, offset by higher payment of finance expenses and dividends.

As at 31 December 2014, the Group's cash and cash equivalents amounted to S\$264.2 million, slightly lower than S\$266.9 million a year ago.

Capital expenditure commitments

As of 31 December 2014, the Group's total outstanding capital expenditure commitments amounted to S\$438.9 million. The outstanding commitments include those for the 4G spectrum rights, construction of MediaHub building, support systems, expansion and enhancement of our infrastructure and network systems for all our lines of businesses.

4. STATEMENT OF FINANCIAL POSITION

	Group			Company		
	31 Dec 14	31 Dec 13 (Restated)	1 Jan 13 (Restated)	31 Dec 14	31 Dec 13 (Restated)	1 Jan 13 (Restated)
	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m
Non-current assets						
Property, plant and equipment	911.1	857.4	791.1	400.5	384.1	367.7
Intangible assets	404.5	380.6	397.0	79.3	92.1	105.9
Subsidiaries	-	-	-	1,692.1	1,692.1	1,202.1
Balances with related parties	-	-	-	106.0	123.0	600.0
Deferred tax assets	-	-	2.5	-	-	-
	1,315.6	1,238.0	1,190.6	2,277.9	2,291.3	2,275.7
Current assets						
Inventories	42.4	43.2	28.1	36.8	36.7	21.2
Trade receivables	161.7	156.2	164.7	147.7	141.2	153.3
Other receivables, deposits and prepayments	185.9	154.4	123.6	34.0	29.8	20.4
Balances with related parties	17.4	24.0	12.0	272.6	111.3	48.2
Cash and cash equivalents	264.2	266.9	312.0	176.0	207.5	245.7
	671.6	644.7	640.4	667.1	526.5	488.8
Less:						
Current liabilities						
Trade and other payables	795.8	753.7	728.1	342.9	335.3	344.5
Balances with related parties	99.2	76.5	56.5	385.6	435.5	343.9
Borrowings	200.0	-	-	200.0	-	-
Provision for taxation	97.9	75.8	97.7	35.5	35.0	51.4
	1,192.9	906.0	882.3	964.0	805.8	739.8
Net current (liabilities)/assets	(521.3)	(261.3)	(241.9)	(296.9)	(279.3)	(251.0)
Non-current liabilities						
Trade and other payables	23.3	28.9	37.5	23.3	28.9	37.5
Borrowings	487.5	687.5	687.5	487.5	687.5	687.5
Deferred income	7.3	21.3	41.7	-	-	-
Deferred tax liabilities	127.2	128.4	119.4	75.9	75.8	72.4
	645.3	866.1	886.1	586.7	792.2	797.4
Net assets	149.0	110.6	62.6	1,394.3	1,219.8	1,227.3
Shareholders' equity						
Share capital	282.6	271.4	263.1	282.6	271.4	263.1
Reserves	(133.6)	(160.8)	(200.5)	1,111.7	948.4	964.2
Total equity	149.0	110.6	62.6	1,394.3	1,219.8	1,227.3

GROUP BALANCE SHEET REVIEW

The Group's non-current assets increased S\$77.6 million from S\$1,238.0 million as at 31 December 2013 to S\$1,315.6 million as at 31 December 2014. The increase was attributed to higher net book values in property, plant and equipment, as well as intangible assets including the S\$40 million of 4G spectrum license paid.

As at 31 December 2014, total current assets amounted to S\$671.6 million, up from S\$644.7 million a year ago. The increase of S\$26.9 million was mainly due to higher other receivables, deposits and prepayments, partially offset by lower balances due from related parties.

Total current liabilities increased S\$286.9 million to S\$1,192.9 million as at 31 December 2014, due mainly to the reclassification of borrowings from non-current to current liabilities, coupled with higher trade and other payables, balance due to related parties and provision for taxation.

Total non-current liabilities decreased S\$220.8 million to S\$645.3 million as at 31 December 2014, with the reclassification of borrowings to current liabilities, and lower deferred income balances.

The Group's shareholders' equity rose S\$38.4 million to S\$149.0 million as at 31 December 2014 from higher share capital, and current year's retained profits after the distribution of dividends.

5. GROUP UNSECURED BORROWINGS

Unsecured borrowings	31 Dec 14	31 Dec 13
	S\$m	S\$m
Amount repayable in one year or less		
Bank loans	200.0	-
	200.0	-
Amount repayable after one year		
Bank loans	267.5	467.5
Medium term note	220.0	220.0
	487.5	687.5
Total	687.5	687.5

As at 31 December 2014, the Group's total borrowings remained unchanged at S\$687.5 million when compared to a year ago.

Net debt at S\$423.3 million as at 31 December 2014 was S\$2.7 million higher when compared to 31 December 2013, due to lower cash balances. As a percentage of 2013 EBITDA, the Group's net debt was at 0.57 times as at 31 December 2014, comparable to a year ago.

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									
As previously reported	271.4	(0.2)	(276.3)	15.0	(4.2)	0.3	76.7	(188.7)	82.7
Effect of prior years' adjustment	-	-	-	-	-	-	27.9	27.9	27.9
As restated	271.4	(0.2)	(276.3)	15.0	(4.2)	0.3	104.6	(160.8)	110.6
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	276.2	276.2	276.2
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	1.8	-	-	1.8	1.8
Total comprehensive income for the period	-	-	-	-	1.8	-	276.2	278.0	278.0
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	10.9	-	-	(10.6)	-	-	-	(10.6)	0.3
Share-based payments expenses	-	-	-	7.1	-	-	-	7.1	7.1
Transfer from treasury shares to share-based payments reserve	-	0.2	-	(0.2)	-	-	-	(0.0)	(0.0)
Dividends paid	-	-	-	-	-	-	(258.9)	(258.9)	(258.9)
Total transactions with equity holders of the Company	10.9	0.2	-	(3.7)	-	-	(258.9)	(262.4)	(251.5)
At 30 Sep 2014, as restated	282.3	-	(276.3)	11.3	(2.5)	0.3	122.0	(145.2)	137.1
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	94.2	94.2	94.2
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)	-	-	-	-	1.1	-	-	1.1	1.1
Total comprehensive income for the period	-	-	-	-	1.1	0.5	94.2	95.8	95.8
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	0.3	-	-	-	-	-	-	-	0.3
Share-based payments expenses	-	-	-	2.1	-	-	-	2.1	2.1
Dividends paid	-	-	-	-	-	-	(86.3)	(86.3)	(86.3)
Total transactions with equity holders of the Company	0.3	-	-	2.1	-	-	(86.3)	(84.2)	(83.9)
At 31 Dec 2014	282.6	-	(276.3)	13.4	(1.4)	0.8	129.9	(133.6)	149.0

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									
As previously reported	263.1	(0.2)	(276.3)	13.7	(7.0)	-	50.2	(219.6)	43.5
Effect of prior years' adjustment	-	-	-	-	-	-	19.1	19.1	19.1
As restated	263.1	(0.2)	(276.3)	13.7	(7.0)	-	69.3	(200.5)	62.6
Total comprehensive income for the period									
Profit for the period, as restated									
As previously reported	-	-	-	-	-	-	287.1	287.1	287.1
Effect of prior years' adjustment	-	-	-	-	-	-	6.8	6.8	6.8
As restated	-	-	-	-	-	-	293.9	293.9	293.9
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)	-	-	-	-	2.7	-	-	2.7	2.7
Total comprehensive income for the period	-	-	-	-	2.7	0.2	293.9	296.7	296.7
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	8.1	-	-	(7.5)	-	-	-	(7.5)	0.6
Share-based payments expenses	-	-	-	7.2	-	-	-	7.2	7.2
Dividends paid	-	-	-	-	-	-	(258.2)	(258.2)	(258.2)
Total transactions with equity holders of the Company	8.1	-	-	(0.3)	-	-	(258.2)	(258.4)	(250.4)
At 30 Sep 2013, as restated	271.1	(0.2)	(276.3)	13.4	(4.3)	0.2	105.0	(162.2)	108.9
Total comprehensive income for the period									
Profit for the period									
As previously reported	-	-	-	-	-	-	83.7	83.7	83.7
Effect of prior years' adjustment	-	-	-	-	-	-	2.0	2.0	2.0
As restated	-	-	-	-	-	-	85.7	85.7	85.7
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	0.1	-	0.1	0.1
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	0.1	-	-	0.1	0.1
Total comprehensive income for the period	-	-	-	-	0.1	0.1	85.7	85.9	85.9
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	0.2	-	-	-	-	-	-	-	0.2
Share-based payments expenses	-	-	-	1.6	-	-	-	1.6	1.6
Dividends paid	-	-	-	-	-	-	(86.0)	(86.0)	(86.0)
Total transactions with equity holders of the Company	0.2	-	-	1.6	-	-	(86.0)	(84.4)	(84.2)
At 31 Dec 2013, as restated	271.4	(0.2)	(276.3)	15.0	(4.2)	0.3	104.6	(160.8)	110.6

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	-	-	-	-	-	130.0	130.0	130.0
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	1.8	-	1.8	1.8
Total comprehensive income for the period	-	-	-	-	1.8	130.0	131.8	131.8
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	10.9	-	-	(10.6)	-	-	(10.6)	0.3
Share-based payments expenses	-	-	-	7.1	-	-	7.1	7.1
Transfer from treasury shares to share-based payments reserve	-	0.2	-	(0.2)	-	-	(0.0)	(0.0)
Dividends paid	-	-	-	-	-	(258.9)	(258.9)	(258.9)
Total transactions with equity holders of the Company	10.9	0.2	-	(3.7)	-	(258.9)	(262.4)	(251.5)
At 30 Sep 2014	282.3	-	276.5	11.3	(2.5)	532.5	817.7	1,100.1
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	377.0	377.0	377.0
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	377.0	378.1	378.1
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	0.3	-	-	-	-	-	-	0.3
Share-based payments expenses	-	-	-	2.1	-	-	2.1	2.1
Dividends paid	-	-	-	-	-	(86.3)	(86.3)	(86.3)
Total transactions with equity holders of the Company	0.3	-	-	2.1	-	(86.3)	(84.2)	(83.9)
At 31 Dec 2014	282.6	-	276.5	13.4	(1.4)	823.2	1,111.7	1,394.3

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	-	-	-	-	-	201.1	201.1	201.1
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	2.7	-	2.7	2.7
Total comprehensive income for the period	-	-	-	-	2.7	201.1	203.8	203.8
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	8.1	-	-	(7.5)	-	-	(7.5)	0.6
Share-based payments expenses	-	-	-	7.2	-	-	7.2	7.2
Dividends paid	-	-	-	-	-	(258.2)	(258.2)	(258.2)
Total transactions with equity holders of the Company	8.1	-	-	(0.3)	-	(258.2)	(258.4)	(250.4)
At 30 Sep 2013	271.1	(0.2)	276.5	13.4	(4.3)	624.2	909.6	1,180.7
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	123.1	123.1	123.1
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	0.1	-	0.1	0.1
Total comprehensive income for the period	-	-	-	-	0.1	123.1	123.2	123.2
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	0.2	-	-	-	-	-	-	0.2
Share-based payments expenses	-	-	-	1.6	-	-	1.6	1.6
Dividends paid	-	-	-	-	-	(86.0)	(86.0)	(86.0)
Total transactions with equity holders of the Company	0.2	-	-	1.6	-	(86.0)	(84.4)	(84.2)
At 31 Dec 2013	271.4	(0.2)	276.5	15.0	(4.2)	661.3	948.4	1,219.8

7. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As at 31 December 2014, the share capital of the Company was S\$282.6 million comprising 1,726,321,609 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 200,434 shares, bringing the total new shares issued for the full year to 4,836,111 ordinary shares. These issues are pursuant to the Company's obligations under its share options and share-based plans as follows:

Number of new ordinary shares issued:	4Q 2014	Full Year 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)	200,434	498,619
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	200,434	4,836,111

Treasury Shares

For the quarter, there was no movement in treasury shares. For the full year ended 31 December 2014, the Company transferred the remaining 72,788 treasury shares to participants of the Company's share plans, resulting in a NIL balance in the Treasury Share account as at 31 December 2014 (31 December 2013: 72,788 treasury shares or 0.004% of issued share capital excluding treasury shares).

There was no purchase of shares from the market in the current and comparative periods.

Outstanding Shares – Share Options and Share-Based Plans

Share Option Plans

As at 31 December 2014, the outstanding balance of unexercised options under the Company's share option plans totaled 234,011 (31 December 2013: 819,430) or 0.01% of the total issued shares in the capital of the Company.

Performance Share Plans

As at 31 December 2014, the outstanding balance of conditional awards under the Performance Share Plans was 1,948,766 ordinary shares (31 December 2013: 2,161,566 ordinary shares).

Restricted Stock Plans

As at 31 December 2014, the outstanding balance of conditional awards under the Restricted Stock Plans was 4,772,900 ordinary shares (31 December 2013: 4,658,900 ordinary shares).

8. AUDIT

The results of the financial year have been audited.

9. AUDITORS' REPORT

A copy of the Auditor's report is attached.

10. ACCOUNTING POLICIES

The Group and the Company have applied the same accounting policies and method of computation in the financial statements for the current financial period consistent with those of the 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.

Certain accounting standards and interpretations that have been issued as of the reporting date and are relevant to its operations but are not yet effective have not been applied by the Group and the Company. The new standard which is expected to have a significant effect on the financial statements of the Group and the Company in future financial periods is FRS 115 Revenue from Contracts with Customers, which is effective for annual periods on or after 1 January 2017. Management is in the process of evaluating the effect of this new standard on financial reporting for the Group and Company.

11. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

12. GROUP EARNINGS PER ORDINARY SHARE

	Quarter ended 31 Dec		Full Year ended 31 Dec	
	2014	2013 (Restated)	2014	2013 (Restated)
Basic				
Earnings per share	5.5 cents	5.0 cents	21.5 cents	22.1 cents
Weighted average number of shares ('000)	1,726,282	1,721,358	1,725,351	1,720,724
Diluted				
Earnings per share	5.4 cents	4.9 cents	21.4 cents	22.0 cents
Weighted average number of shares ('000)	1,733,188	1,728,788	1,732,401	1,728,334

13. NET ASSET VALUE PER ORDINARY SHARE

	Group			Company	
	31 Dec 2014	31 Dec 2013 (Restated)	1 Jan 2013 (Restated)	31 Dec 2014	31 Dec 2013
Net asset value per share	8.6 cents	6.4 cents	3.6 cents	80.8 cents	70.9 cents

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

For the year ended 31 December 2014, the Group's service revenue decreased 1.0% YoY, as compared to our guidance of service revenue expected to be maintained at about 2013's level.

2014 full year's EBITDA margin at 33.7% of service revenue was above our guidance of EBITDA margin at about 32% of service revenue.

Total CAPEX payments for the full year at 13.5% of total revenue was slightly 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 enterprise fixed network and mobile services. In Mobile, the new 4G subscription plans and an expanded tiered data subscriber's base will support further monetisation of mobile data and increase mobile revenue. In Enterprise, our expanded and redundant connectivity solutions over our own fixed network infrastructure and enhanced NGNBN solutions will continue to drive fixed data & internet revenue growth in both corporate and small-medium businesses.

We expect take-up of our HomeHub packages (which offers both pay TV and broadband services in one subscription) to increase, hence driving the growth in our Pay TV and Broadband businesses. Pricing competition is expected to continue in the broadband space.

Based on the current outlook, and barring any unforeseen circumstances, we expect the Group's 2015 service revenue to grow in the low single-digit range and Group EBITDA margin to be about 32% on service revenue. For 2015, progressive payments towards the construction of the MediaHub project will be made. Excluding these payments, we expect our CAPEX payments in 2015 to be about 13% of our total revenue. For 2015, we intend to maintain our annual cash dividend of 20 cents per ordinary share.

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	Proposed Final
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	Proposed Final
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 Directors have proposed a final dividend of S\$0.05 per ordinary share, tax exempt (1-tier) for approval by shareholders at the forthcoming annual general meeting to be convened. Details on payment of dividend will be announced in due course.

(d) Book closure date

Details on closure of books will be announced in due course.

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 January 2014 to 31 December 2014 S\$m	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual) 1 January 2014 to 31 December 2014 S\$m
Transactions for the Sale of Goods & Services		
CapitaLand Limited & its associates	0.2	-
Singapore Airlines Limited & its associates	0.9	-
Singapore Power Limited & its associates	0.1	-
Singapore Technologies Engineering Ltd & its associates	0.2	-
Singapore Telecommunications Limited & its associates	35.2	-
TeleChoice International Ltd & its associates	3.1	-
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	3.4	-
	43.1	-
Transactions for the Purchase of Goods & Services		
CapitaLand Limited & its associates	0.3	-
Mapletree Industrial Trust & its associates	2.0	-
Refinery Media Pte Ltd	-	0.3
Singapore Power Limited & its associates	25.6	-
Singapore Technologies Engineering Ltd & its associates	2.4	-
Singapore Telecommunications Limited & its associates	77.7	-
TeleChoice International Ltd & its associates	235.5	-
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	2.5	-
	346.1	0.3

19. COMPARATIVE FIGURES

In this quarter, it was identified that certain cash receipts relating to prior periods were erroneously applied as cash collections for trade receivables when these were cash receipts for early termination charges billed. The Group's accounting policy for early termination charges was to recognise such charges as revenue in the income statement only upon cash receipts. Billing of such early termination charges were deferred and classified as an offset in the overall trade receivables in the statement of financial position. Therefore, on cash receipt, the Group should have recognised the revenue previously deferred. The wrong classification of these cash receipts was due to an error in the system generated report used in identifying and segregating the cash collections.

Even though the impact of the errors was not material to each corresponding financial year, management has determined the cumulative effects of the understatement of revenue to be material and decided to make retrospective adjustments to the comparative information in the financial statements.

As a result, a restatement of the Group's prior year statements of financial position in relation to trade receivables, provision for taxation, deferred tax liabilities and retained profits and a restatement of the Group's prior year statements of comprehensive income in relation to total revenue and taxation were made.

Due to the combined billing arrangement provided by the Company for its subsidiaries, the Company's trade receivables and amounts due to its respective subsidiaries in the Company's prior year statements of financial position were also restated.

A summary of the effects of the prior years' adjustments is as follows:

Group	Quarter Ended 31 Dec 2013			Full Year Ended 31 Dec 2013		
	As previously reported S\$m	Adjustments S\$m	As restated S\$m	As previously reported S\$m	Adjustments S\$m	As restated S\$m
GROUP INCOME STATEMENT						
Total revenue	613.7	2.3	616.0	2,359.3	10.3	2,369.6
Taxation	(17.6)	(0.3)	(17.9)	(76.5)	(1.5)	(78.0)
GROUP COMPREHENSIVE INCOME STATEMENT						
Profit for the period	83.7	2.0	85.7	370.7	8.8	379.5
GROUP EARNINGS PER ORDINARY SHARE						
Basic (cents)	4.9	0.1	5.0	21.5	0.6	22.1
Diluted (cents)	4.8	0.1	4.9	21.4	0.6	22.0
GROUP CASH FLOW STATEMENT						
Profit before taxation	101.3	2.3	103.6	447.2	10.3	457.5
Changes in working capital	(55.8)	(2.3)	(58.1)	(7.2)	(10.3)	(17.5)
REVENUE						
Mobile	310.5	1.7	312.2	1,235.4	8.0	1,243.4
Pay TV	99.7	0.2	99.9	385.5	0.5	386.0
Broadband	56.3	0.4	56.7	240.0	1.8	241.8

STARHUB LTD

As at 31 Dec 2013	Group			Company		
	As previously reported S\$m	Adjustments S\$m	As restated S\$m	As previously reported S\$m	Adjustments S\$m	As restated S\$m
STATEMENT OF FINANCIAL POSITION						
Trade receivables	123.5	32.7	156.2	108.5	32.7	141.2
Balances with related parties	76.5	-	76.5	402.8	32.7	435.5
Provision for taxation	71.4	4.4	75.8	35.0	-	35.0
Deferred tax liabilities	128.0	0.4	128.4	75.8	-	75.8
Retained profits	76.7	27.9	104.6	661.3	-	661.3
NET ASSET VALUE PER ORDINARY SHARE						
Net asset value per share (cents)	4.8	1.6	6.4	70.9	-	70.9

As at 1 Jan 2013	Group			Company		
	As previously reported S\$m	Adjustments S\$m	As restated S\$m	As previously reported S\$m	Adjustments S\$m	As restated S\$m
STATEMENT OF FINANCIAL POSITION						
Trade receivables	142.3	22.4	164.7	130.9	22.4	153.3
Balances with related parties	56.5	-	56.5	321.5	22.4	343.9
Provision for taxation	94.6	3.1	97.7	51.4	-	51.4
Deferred tax liabilities	119.2	0.2	119.4	72.4	-	72.4
Retained profits	50.2	19.1	69.3	681.2	-	681.2
NET ASSET VALUE PER ORDINARY SHARE						
Net asset value per share (cents)	2.5	1.1	3.6	71.5	-	71.5

For the current year, the corrected system generated report has been used in identifying and segregating the cash collections, and in recognising the early termination charges to the income statement upon collection.

**ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
PURSUANT TO SGX APPENDIX 7.2 PART II**

1. SEGMENT REPORTING

	2014	2013 (Restated)
	S\$m	S\$m
Mobile	1,247.6	1,243.4
Pay TV	389.7	386.0
Broadband	201.9	241.8
Fixed Network services	378.3	368.3
Sale of equipment	169.7	130.1
Total revenue	2,387.2	2,369.6
EBITDA	747.9	743.0
Depreciation & amortisation (net of asset grants)	(271.2)	(269.5)
Finance income	2.0	2.8
Finance expenses	(22.6)	(18.8)
Profit before taxation	456.1	457.5
Taxation	(85.6)	(78.0)
Profit for the year	370.5	379.5
Assets and liabilities		
Non-current assets	1,315.6	1,238.0
Current assets	671.6	644.7
Total assets	1,987.2	1,882.7
Borrowings	687.5	687.5
Other non-current liabilities	157.8	178.6
Current liabilities	992.9	906.0
Total liabilities	1,838.2	1,772.1
Other information		
Capital expenditure	349.8	321.3
Free cash flow ⁽¹⁾	333.3	291.9

Note:

⁽¹⁾ Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement

2. SEGMENT PERFORMANCE

For review of the segment performance, please refer to Section 1.3 “Group Performance Review”.

3. BREAKDOWN OF SALES

	2014	2013	Incr / (Decr)	
	S\$m	(Restated) S\$m	S\$m	%
Total revenue reported for first half year	1,147.8	1,172.1	(24.3)	(2.1)
Operating profit after tax before deducting minority interests reported for first half year	178.5	196.2	(17.7)	(9.0)
Total revenue reported for second half year	1,239.4	1,197.5	41.9	3.5
Operating profit after tax before deducting minority interests reported for second half year	192.0	183.3	8.6	4.7

4. TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE LATEST FULL YEAR AND PREVIOUS FULL YEAR

	Year ended 31 Dec	
	2014 S\$m	2013 S\$m
Ordinary shares (tax exempt 1-tier)		
Interim	258.9	258.2
Final (Proposed)	86.3	86.1
Total Annual Dividend	345.2	344.3

5. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Company declares that the Directors, Chief Executive Officer and substantial shareholders of the Company are not related to any person occupying a managerial position in the Company or any of the subsidiaries of the Company as at 25 February 2015.



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Independent auditors' report

Members of the Company
StarHub Ltd

Report on the financial statements

We have audited the accompanying financial statements of StarHub Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group, and the income statement and statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS53.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, the income statement and statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the results and changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
25 February 2015