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### Start of Transcript

Good evening, ladies & gentlemen. Welcome to StarHub's fourth quarter and full year 2012 results announcement. Thank you for those who made the time to come to StarHub Green to join us here physically as well as those who have joined us on the conference call & webcast. Right, with that, I shall invite Neil to share some highlights from this set of results. Neil, please.

Neil Montefiore: Okay I'm sure you've all read the forward-looking statements. We'll start off with the highlight which I'll briefly run through. So basically operating revenue rose around 5%, EBITDA grew by 7% and the margin improved to 32.3%. That's a little bit more than the guidance I'd been giving out through the year. We thought it would be around 30% and that's really because we didn't have the massive handset subsidies we were expected to have under the iPhone 5 and other phones.

Profit after tax, net profit after tax, increased 14%, in terms of operationally, fairly flat on the mobile side but some growth in the post-paid customer base. Pay TV, quite a lot of growth but we did have the Euro event in the middle of the year that contributed to the increase in revenue. Broadband revenue stable despite the much increased competition - grew about 3%. Fixed revenue quite impressive around 6%.

So that's really just a summary there. Just to look at the full year as part of this you can see that it's reasonably quite good. So, I've covered the - you can see all the bits we've got there. The free cash flow in which we tend to base our dividend payment is SGD0.24 we normally pay out SGD0.20 so that's where we are. Net debt to EBITDA, still quite low so we're not highly geared yet.

Again, looking at the business, you can see quite clearly there that a little bit flat in the mobile base in terms of customer numbers. That was mainly because we had some pre-paid customers going after we changed the way we were doing our distribution. But service revenue is pretty good and Pay TV pretty good. Customer base down a little bit and that's really because we were doing a lot of short-term promotions and many of the customers after the short-term promotion would not take up the full service.

Broadband growing quite well and Fixed Network most impressive. Hubbing, I'll just look at there, the houses that have three or more services from us grew reasonably, up to 214,000.

Now, I'll just hand you over to Buck Chye who will cover the financial highlights.

Kwek Buck Chye: Good evening, I'll take you through the financial highlights. The first slide is on EBITDA and EBITDA margin. The EBITDA for the quarter - the fourth quarter - at SGD176 million was 5% lower than the previous year, same quarter. This is due to higher quantities of handset cost as well as higher costs of

content. As a percentage of revenue the EBIDTA margin trended lower for the quarter at 31.2% but still this is significantly higher than what I have expected for the quarter.

In absolute term, our full year EBIDTA profitability climbed to SGD720 million, 6.5% improvement, a SGD44 million profitability increase. This has led our full year EBIDTA to a 32.3% margin rate, an improvement of 1.2% points. This is, I must say, happy to say that it is well above our guidance of 30% for the year 2012.

Let me now take you to the costs as usual. The most important of our cost structures is in cost of sales. For the fourth quarter, the cost of sales was up significantly by SGD36 million or 14% to SGD307 million. For the full year it was 9% higher at SGD1.011 billion. The high expense was attributed to higher costs of equipment sold and the cost of services which is primarily content costs. These are partially mitigated by lower traffic expense during the year.

Let me take you through the components. Looking at the quarter, the cost of equipment sold at SGD166 million - sorry the cost of equipment sold at SGD166 million, the lower bar of the three stacks, for the quarter was 30% or SGD38 million higher than the same period the previous year. This is for the higher quantity of smartphones that we sold this period. Of course you've seen also that the sales revenue from equipment also is similarly higher to offset this cost to some large extent. That's why the EBITDA margins were higher than what I expect for the quarter.

The cost of service for the quarter increased by SGD6 million and that's the middle bar and this is 8% increase to SGD87 million. These are for new as well as renewed content and also for the cost of services as our enterprise business grows. As well as the new charges for Nucleus Connect services as our broadband on that infrastructure increases. For the full year the cost of services at SGD340 million was SGD40 million higher - 44% higher year-on-year. I must say in addition to the other variables that I've mentioned, costs of equipment as well as costs of service, in this quarter of service for the full year there is a Euro cup event cost that occurred in June, causing the cost of service to go up for the full year.

Traffic costs for the year were SGD16 million or 7% lower at SGD231 million. This is due to lower interconnect SMS traffic costs as well as lower interconnection rates on our international outbound traffic. As we need to still continue to invest in handsets and content, we can expect the cost of services as the trend percentage of revenue to be still above 40% level. For the year 2012, we are tracking 42%.

The next chart is on other operating expenses and I'm happy to report that as a percentage of sales the trend has improved from 44% the previous year to end the year at 41% rate. We have seen reduction in international lease capacity costs and particularly this year we have seen marketing and promotion costs reduce significantly. Both these have helped to offset the increase in other categories of other operating expenses and most of which are coming in the form of higher shop and base stations space rentals, system maintenance, staff costs, as well as increased leases for NGNBN fibre as most fibre take-up increases.

For the quarter the total operating expense at SGD245 million was SGD8 million or 3% year-on-year higher. For the full year the total operating expense at SGD990 million was lower by SGD17 million or 2%. The improvements are coming from marketing and promotion expenses which were lower by SGD22 million or 13% and operating lease were SGD4 million or 3% lower compared to the previous year.

Consequent to the strong growth, which we continued to see in our revenue, as well as the control on operating expenses, the Group's profit after tax for the quarter at SGD88 million was 5% lower for the same quarter the previous year due to, as I explained, the cost of sales increases. For the full year the net profit after tax is at SGD359 million and this is a 14% or SGD43 million stronger profitability for the year. In terms of earnings per share this translates to SGD0.208 for the year ended 2012.

CapEx, capital expenditure spending reached SGD115 million for the fourth quarter, primarily for 3G and LTE network transmission equipment. This approximates to a high 18% of revenue for the quarter. However, for the full year the CapEx spending was at SGD273 million after taking in the 3G and LTE pull ahead expenses and as a percentage of revenue it is averaging at 11.3%. This is above the level of our guidance which is 11% previously announced.

Free cash flow: due to the higher capital expenditure the free cash flow for the quarter was at a low SGD19 million; however, it is still higher than what I would have expected. There is definitely improvement in working capital flows. For the full year free cash flow generated is at SGD417 million strong. Although this looks like it's SGD33 million or 7% lower than the previous year, we have to remember that in the year 2012 this is the first year that we are paying cash tax of SGD54 million and also the higher CapEx of SGD273 million. In terms of free cash flow per share this translates to SGD0.242, compares well with our dividend of SGD0.20.

With that I hand the mic over to Tong Hai.

Tan Tong Hai: Thanks Buck Chye. I am now at slide 16; we will cover the business highlight on Mobile. Slide 17, revenue increased 1%, post-paid ARPU is now SGD74 and customer base grew 8,000.

Next chart, pre-paid revenue has grown year-on-year to SGD62 million. However this quarter pre-paid revenue included an additional SGD1.2 million of expired credits. Without the higher expired credit pre-paid revenue registered a slight growth. Correspondingly, pre-paid ARPU was SGD1 higher compared to a year ago.

Post-paid revenue decreased 2% year-on-year to SGD246.1 million due to lower revenue from interconnect operators and roaming revenue. Correspondingly, post-paid ARPU was also SGD2 lower compared to a year ago.

Next, mobile net adds. We have reversed the negative pre-paid net adds to a positive 2,000 net adds this quarter. Post-paid net adds was healthy at 18,000 so total mobile subscriber is now 2.2 million, split almost equally between pre-paid and post-paid.

Mobile non-voice and churn trend. Post-paid non-voice services as a percentage of ARPU was lower in quarter four due to lower SMS usage as a result of the Smartphone plans bundle with more SMS. Mobile churn was kept low at 1%.

Next I would like to cover the highlights on Pay TV, slide 22. Revenue increased 5% ARPU up SGD2 to SGD52. Customer base decreased 9,000. Next, year-on-year Pay TV revenue was higher boosted by UEFA EURO higher revenue for HD set-top box rental and increased take-up of add-on channels in addition

to the full year contribution of the SGD2 subscription rate increase that has been effective since August 2011. ARPU remains stable at SGD51. Pay TV net adds. Net adds this quarter was negative 5,000. This was due to higher expiration of short-term promos and aggressive offers from competitor.

Pay TV churn was higher at 1.3% due to the earlier factors I mentioned about the expiration of short-term promos.

Next Broadband, slide 27. Revenue increased 3% ARPU up SGD1 to SGD46. Customer base grew 3,000. Broadband revenue grew to 62.9 million up 4% a year ago. The higher revenue was mainly due to a larger customer base and increased ARPU. Broadband ARPU increased SGD1 year-on-year due to a higher mix of customers on higher speed broadband plans. Residential broadband net adds. We've added 1,000 more broadband customers this quarter.

Next, churn. The churn was higher at 1.4% compared to 1.1% a year ago. This was due to more competitive offers by new players in the market.

Next, business on fixed network services, slide 32. Data and network revenue increased 5%, voice revenue grew 13%. Fixed network revenue grew to SGD94.7 this quarter up from SGD88 million a year ago. Data and internet services revenue grew to SGD77.4 million up SGD4 million from a year ago. The higher revenue was due to a greater take-up of our internet and Next Generation NBN services, coupled with an increase in solution sales. This quarter voice services revenue was 19% higher at SGD17.3 million. The increase was mainly due to higher revenue from lower voice services as the digital voice home services became chargeable, coupled with higher in-payments from carriers.

I've completed my business highlight and with this I want to hand over the time to Neil to provide the outlook for 2013.

Neil Montefiore: Thank you. I'll just quickly run through the outlook. We're expecting a revenue growth in the single-digit range, that's the guidance we going to be giving for this year. We do expect EBIDTA margin to improve on our guidance last year at about 31% but it's still possible that we will get quite a lot of handset subsidies required. We're not quite sure what the main manufacturers' plans are yet. But the guidance we're giving now is 31%.

Cash CapEx a bit high about 13%, that's really because of two things. We have to move our TV head end equipment so we've bought some land and we'll have to start building on that to get the new accommodation. Also we're still rolling out the LTE, the fourth generation mobile networks really why we've got a fair bit of cash CapEx in the year. But we are maintaining SGD0.05 per share dividend per quarter and maintain the annual cash dividend of SGD0.20 for 2013. So that's the outlook.

Jeannie Ong: Right, thanking you, Neil. With that we shall open the questions for the floor; anybody want to ask the first question? Yes, Mark.

Mark Laudi: (Investor Central, Media) I promise not to monopolise your time but in the absence of other questions. On the Pay TV front - I'm not sure which of you to address this question to - Maybank Investment

Bank in its most recent research report says that SingTel mio is pricing its platform as a loss leader and describes it as predatory market behaviour. Would you agree?

Neil Montefiore: Well, if you look at the number of customers they claim and you look at their revenues, which is significantly less than ours in terms of revenues but growing in terms of customer numbers, I would tend to agree with that. But I don't really want to talk about our competitors but our revenues are stable and growing as Tong Hai explained.

Mark Laudi: (Investor Central, Media) Part B of that must then be that if we are seeing in StarHub's case when the promos expire people leave - I think that was the message that we just got from you - can we therefore also expect that from the competitor that when their offer of predatory pricing ends, that those customers will come back to you. Is that a fair assumption?

Tan Tong Hai: Well for our case, I would like to comment all on our case. The short-term promos are meant as a - what do you call - appetiser for customers who test it out and then, of course, if they like it they can continue the service. I think we have been doing this kind of short-term promos and of course that's how we keep our customers to try our services. We believe that StarHub still offer the most - the widest range of content and, in fact, the best content, because we have ... as well as the premium content. So, that continues to be our value proposition and we also focus on the ARPU maintaining the value, so we are not just about offering it as a free bundle through Broadband. So...

Jeannie Ong: Thank you Mark. Right, we shall go to the conference call. We have Sachin Mittal from DBS

Sachin Mittal: (DBS Vickers, Analyst) Thank you and congratulations on the [unclear].

Jeannie Ong: Sachin, can you speak louder?

Sachin Mittal: (DBS Vickers, Analyst) Is this audible now?

Tan Tong Hai: Yes, yes

Jeannie Ong: Yes, better.

Sachin Mittal: (DBS Vickers, Analyst) Okay, my question is, the spectrum payment, that cash has not [unclear]. Is that right understanding? And ...

Neil Montefiore: Spectrum cash. Yeah, that is correct.

Sachin Mittal: (DBS Vickers, Analyst) Yeah, if that is case, what is the key reason stopping StarHub from increasing dividends along with [unclear] in line with the profits ... okay? And the second question is on the cost. Have we already seen the optimisation of costs of or do you still think there are more cost deductions? Lastly, on the Fixed Network services, I can see that there's ... movement on data & internet, but along with that I can also see voice services are also improving. A bit surprising because I thought that IDD services and all these services are declining in nature. Can you explain the key drivers please? That's all.

Neil Montefiore: On the dividend, I think I've said many times before, we - the Board - we review it every quarter and we take a view on the free cash flow and also on profitabilities and we make our decision there. We do recognise that the gearing is quite low. On the other hand, there are a number of uncertainties in the

market. We mentioned we have bought land. We need to build a new building for our headend equipment for Pay TV. That will all start to come out. We have LTE rolling out quite strongly and we are not sure yet what the handset subsidies will be doing with the - with the two major manufacturers that are dominating the market at the moment.

So, that - and I think, I suppose coupled with we don't know yet what's going to happen with the spectrum. The spectrum auction will be held sometime between, I think, April and June, but even - although the cash won't come out next year, we need to think about the future, what we're going to be doing with the cash.

Sachin Mittal: (DBS Vickers, Analyst) Just to follow up on your pay TV, what investment do you need to make on the platform?

Jeannie Ong: Sorry, Sachin, can you repeat that again?

Sachin Mittal: (DBS Vickers, Analyst) Did Neil talk about the platform investment just now?

Neil Montefiore: Don't know. No, no, it's not platform investment. We have the platform, but the building that it's in, the Government is going to build a road through it. So, we need to move it. So, that has to be moved by about 2015? Yeah, about 2015. So, we've purchased the land last year and we'll be paying for some of it this year and starting the building this year. So, that will be quite a reasonable investment. So, we need to think about the cash for that.

Jeannie Ong: Right, we have a question on optimisation of costs?

Kwek Buck Chye: Yeah, Sachin, a question on optimisation of cost. As a CFO, you'll never give up looking for avenues of cost savings and how to do things better. So, we are constantly looking at productivity and we're looking at new ways of doing our services and running our networks. Unless you change the way you run your networks, you can't - you may be right - you follow the same methods, day in day out, we are probably already taking significant cost efficiencies into recognition. So, yes, there will always be cost improvements, that there are expected as the business grows, the absolute cost may grow, but the per unit of transaction and the per unit of throughput, we expect to harness better productivity. We are definitely looking for lower cost of carrying data per unit.

Sachin Mittal: (DBS Vickers, Analyst) Okay.

Neil Montefiore: I think also, it's we are doing a lot of automation projects in terms of self-service, customer service and so forth, so that will also reduce costs. I think this - this year, the staff costs actually came down slightly, about 0.7% I think. So, we want to see that continuing, perhaps in larger numbers in the future.

Tan Tong Hai: Now, the question on the voice services under the fixed network services, it grew, right? That was because, in the past, well, we offered free digital voice home services and we relied that on - in all - most of the operators are charging, so why don't we charge too? It became chargeable, and that's why you see the bump in the revenue. Of course, there are also higher in-payments from carriers, but the main reason I would like to attribute to the charging of the digital voice home services.

Sachin Mittal: (DBS Vickers, Analyst) When did this start, charging of digital voice services?

Tan Tong Hai: September last year.

Sachin Mittal: (DBS Vickers, Analyst) So full-year impact has not kicked in yet, okay?

Tan Tong Hai: No.

Sachin Mittal: (DBS Vickers, Analyst) Okay, great.

Jeannie Ong: Thank you Sachin. We'll open the - yes, Grace, you have a question?

Grace Chng, Straits Times, Media: There is an increase in your Pay TV revenue. Would you like to attribute that? What was driving that business?

Tan Tong Hai: Well, if you look at the year-on-year increase in Pay TV revenue, year-on-year there's actually a slight dip, but quarter-on-quarter also there's a slight dip. But, if you look at that, the variation is due to the advertising sales. If, for example, you compare quarter three and quarter four. Quarter three, we have, of course - we have ran a couple events like TVB, as well as our Academy Fantasia. So all this brings in sponsorship revenue and that's why you find the third quarter was higher than the fourth quarter. Year-on-year, between fourth quarter last year and this fourth quarter, I think there's a drop in the ad sales, reflecting the economic situation. I think the outlook may not be that - people are doing a bit of belt-tightening so, in terms of ad spend also below.

Kwek Buck Chye: There is one additional contribution that you won't see on that graph that you see there. That is in September, we increased SGD2 across all our subscription. So, for the - for the year 2012, you see the full 12 month impact of that, whereas in the graph, in the fourth quarter, as it compares, it is in the same two periods. So, it's actually the increase in SGD2 also helps.

Neil Montefiore: Plus the Euro event.

Tan Tong Hai: If you look at the ARPU chart itself, we actually take away ad sales from the computation. So, you notice the ARPU is relatively constant.

Jeannie Ong: Right, let's move on to Peter Yeo from Today newspaper. Peter, you're on next.

Peter Yeo, TODAY, Media: You said you wanted to make - your - a little bit more exciting - can you share what plans you have?

Neil Montefiore: Not really. I'm looking at things to do. I want to travel more. I want to spend more time with my lovely grandchildren. I've got three now in Singapore and I'm going to have a fourth one next month.

Peter Yeo, TODAY, Media: Sorry, I was actually asking Tan Tong Hai...

Neil Montefiore: Oh I see, sorry.

Tan Tong Hai: You're asking me what are we doing to make StarHub more exciting?

Peter Yeo, TODAY, Media: Yeah, you mentioned that you wanted to make StarHub more exciting.

Tan Tong Hai: Well, firstly, of course, I would continue - I think the most valuable part of StarHub is the brand and of course the brand is exciting from the fact that we are always been positioning ourselves as very innovative. We have actually formed a new innovation department, which you call i<sup>3</sup> and this division is going

to spur a lot of our innovation. But I think more important, other than the brand itself is also the service level. We have automated a lot of our service, like - and I think that also translates to cost savings. But, more important is the ability to get self-service from 'My StarHub', which is available on your handphone, as well as our e-shop. So, that - so, these is looking at the shops, how we service our customers.

So service, in my opinion, would be very important, and the other part of it is how we offer all these things that I think the current economic climate is, of course, people are doing a lot of belt-tightening. So, I want to continue to deliver value for money offers. I think that's very key, right? All this together, but bearing in mind to continue to deliver shareholder value and working with Jeannie to deliver also good corporate social responsibility, because she drives our CSR programmes.

Peter Yeo, TODAY, Media: Just to follow up on your value for money idea, would you be looking at offering a la carte channels for Pay TV?

Tan Tong Hai: Okay, today, actually, we also have very good value for money, because with all our - we give customers a choice of three packs - three bundles out of seven packs, and for about SGD28. So, it's close like a dollar per channel. You have, actually, many, what we call - if you look at it from the value, we actually deliver very good value from - that offer is from a basic package. Customers, of course, have the choice to have basic upside or add-on channels, and we also give them what we call Anytime TV, so you actually can watch your TV anytime and we also have our video on demand. So, I think that will give a lot of flexibility to customers in terms of how they want to watch content. We also have the multi-screen value proposition, so you can also watch it on any devices.

Peter Yeo, TODAY, Media: I think a lot people are saying that we are paying for packages that they don't watch, so will you offer mix and match?

Jeannie Ong: Before Tong Hai replies the question. Peter ... Just a reminder, we cannot have anybody monopolise this conversation. So, this will be your last question.

Peter Yeo, TODAY, Media: Okay, sorry.

Tan Tong Hai: Well, our value proposition has always been bundling and I think you can see that while - if you - if you understand how our competitors launched, that time they were talking about, video a la carte, but they also have moved towards a bundled model. So, I think bundled way is actually a proven way, but you have to make sure there is premium content, quality content, HD content. I think these are very important value propositions that you offer to a customer. So, I believe that our bundles are still very valuable and very cost-effective - and, in fact, truly value for money.

Peter Yeo, TODAY, Media: Thank you.

Jeannie Ong: Thank you Peter. Yes.

Gerard Ahhot: (Holt Asia Investment, Analyst) Good evening, I am Gerard from Holt Asia Investment. Just first basic a question, your EBITDA has gone up by 7% from Group in 2012, is it possible to have more details about the EBITDA growth per each segment, what are the segments that have done well for the last year and what could you expect for this year per segment? Mobiles, Pay TV, Broadband, Fixed Network.



Neil Montefiore: Yes. We don't actually break that down into those segments because it's too much information for us to disclose.

Gerard Ahhot: (Holt Asia Investment, Analyst) Yes [unclear]. Just to have maybe some colours if possible?

Jeannie Ong: Well, we've also said that Mobile gives us the best EBITDA margin, followed by the - well, we didn't give a followed by because the next one is actually - it depends on the platform, the platform is actually cable platform which has our TV and well as Broadband and we have not disclosed that, and then the last one is Fixed Network platform.

Gerard Ahhot: (Holt Asia Investment, Analyst) Okay, thanks.

Kwek Buck Chye: I think it's fair to say that we are making forward projections. You've heard us guide and we have gone up 1 percentage point in EBITDA margin guidance. I think you take that with the understanding that there's still going to be a single growth in total service revenue. Then you have to leave us to do our magic.

Gerard Ahhot: (Holt Asia Investment, Analyst) Okay.

Jeannie Ong: Right.

Gerard Ahhot: (Holt Asia Investment, Analyst) Maybe just a last question. We can see that data usage is going up very sharply so how can you monetise, in a better way, this data usage?

Neil Montefiore: We've already moved to tiered data pricing last year and that should show some improvements in revenue as we go forward. We're not disclosing how it's changed in the way the customers are getting their bills at the moment but we do see some improvements. But it's early days. It's mainly people that are taking the 4G package that will move into the tiered price and those coming to the end of their contract. So it will take some time to come through. But I think we'll want to do that. We'll also be looking at how we can monetise the growth in data through quality of service if people want that. We're actually working with owners of applications and over the top providers to see what they want to do and we're in discussions with a number of them. So do you want to add anything, Tong Hai on that?

Tan Tong Hai: No, I think that basically I think that tier-based pricing will be able to help us to monetise data better. But I think currently we launched is with two gig we give a promo of one gig so it's pretty good in terms of offering them that additional one gig. But I believe that over time when the user - of course, right now they are getting used to the new tier-based pricing and I hope that when they get used to using it and as they watch more videos on their handsets or on their devices, then there will be chance for us to capitalised on the excess data usage.

Jeannie Ong: Thank you. Right, we move on to Kelvin Goh from CIMB. Sorry Kelvin, it's still SGD0.20 per share dividend for this year.

Kelvin Goh: (CIMB, Analyst) You took the words out of my mouth. Just [unclear] straight after the dividend question I know you ... but let me rephrase that question ... what ... change...

The next question is on your ... I noticed that ... SGD1 for the quarter but at the same time ... Would it be fair to ...

The third question [unclear] adoption of tiered data plans, can i have an idea of how that is coming along and ... what is the ... revenue drivers ...? Thanks.

Neil Montefiore: Right. As I said, we look at it as a Board every quarter in terms of the dividend payout we take into account the profitability, the free cash flow and the future of both those items and the CapEx. I've said already, we have some uncertainty in CapEx, we have some uncertainty in cash flow because we're not quite sure what's going to happen with the auction. We haven't got the details yet from the spectrum. We know we will need spectrum and we know the prices will be reasonably high. So I think it's hard to give timing when we'll make a decision but we always look at it every quarter. But the guidance we're giving right now is it will stay at SGD0.05.

Kelvin Goh: (CIMB, Analyst) Just EBITDA [unclear] guidance of 13% includes spectrum fee?

Kwek Buck Chye: No, no, the 13%...

Neil Montefiore: Sorry?

Jeannie Ong: EBITDA margin.

Neil Montefiore: The EBITDA margin guidance was 31%. If we did - the auction takes place the cash would [unclear] - wouldn't be CapEx in this year.

Kelvin Goh: (CIMB, Analyst) So the CapEx guidance of [unclear].

Neil Montefiore: Oh the CapEx guidance. No, it doesn't include the spectrum because the spectrum is not available for use until 2015 and 2017.

Kelvin Goh: (CIMB, Analyst) Okay, even though the auction is [unclear].

Tan Tong Hai: So you asked the question about the Pay TV, why there is a drop in ARPU of SGD1. Now I just want to share with you - I mentioned that the churn was high because of aggressive offers by our competitor as well as short term promo. So we have also given what we call discounts to retain our customers. We are not sitting there doing nothing. So we look at which customers are at risk & we offer retention program. As a result, because of the discount, you see the drop in the ARPU. But bear in mind we are keeping this customer for a longer term, so that is actually good for us.

Jeannie Ong: The adoption of tiered pricing plans.

Tan Tong Hai: Okay. The adoption of the tiered pricing plan in fact has been pretty - very good. In fact if you look at the new phones, be it the iPhone 5 or the Samsung, they are all LTE, right. All of them actually buy the ... move towards the LTE plan. Of course they have to ... the new tier plans we have two gig, four gig and six gig plans so they have to choose which plan. But we are happy that our customers are picking up the LTE handsets and of course, are moving towards the tier-based plans.

As to your last question on what are the revenue drivers for the Company. Now I'm actually very happy the StarHub business is pretty diversified. Although more than 50% is in Mobile we have our Broadband, we

have TV and you have seen the growth in our enterprise segment, under the Fixed grew 6%. So we don't actually give targets as to hey you must grow by how much but I could see that our enterprise business is showing good growth and we are continuing to see as the subscriber moves towards this SmartSurf plan in our, what we call smartphone plans. Certainly we hope to be able to grow the overall Mobile business too. So I don't think - we are very happy. We have different drivers and all these different lines of business is going to help us to grow our revenue and we are pretty diversified. So it's not very dependent on just a line of business.

Jeannie Ong: Right, moving on. [Unclear]. Sorry?

Kelvin Goh: (CIMB, Analyst) Sorry, [unclear] on the ... the question on Pay TV ... lower TV ARPU ... in the fourth quarter ...

Tan Tong Hai: I mentioned that because of our competitive offers we have also offered discount to keep our existing customer. So as a result of the discount you see a drop in the ARPU. But the good thing is that we are keeping this customer for longer term, because as they take our discount they have to sign a longer term contract, which means it is good for us in the long term.

Jeannie Ong: Sorry Kelvin I have to move on, thank you.

Neil Montefiore: Thank you very much.

Jeannie Ong: Right, another question from the floor.

Ken Ang, Phillips Securities, Analyst: Hi, this is Ken from Phillips Securities. Just one very small question. I notice that your marketing promotions year-on-year are down SGD22 million and I'm hoping that if you could give some colour as to whether this marketing and promotion expenses would be around this level moving forward? And for this year where were the savings from? Thank you.

Kwek Buck Chye: The marketing and promotion expense that we previously guided, we said it is usually between 7% to 8% in a very competitive environment. The smartphones actually help because they, by themselves, are demanded items. So we spent less on promotions this period because there is no need to shout out what you have on the handsets.

We have also the opportunity to tweak our incentive programs for our distributors as well as our frontline shop helpers. So all that helps us to say that there's a lesser cost of customer retention this time. However, I think the guide should be between 7% to 8% of revenue if it gets competitive. Presently it's around about 6%. It's quite low this year.

Jeannie Ong: Right. Now we move onto Rama from Daiwa. Rama, happy birthday to your twin boys.

Ramakrishna Maruvada: (Daiwa Institute of Research, Analyst) Hi, thanks Jeannie. One question on the [unclear] guidance. In 2012 you're guiding for low single-digit growth.... Now for 2013 ... so I'm just wondering if you ... provide some colour on ... and [unclear]?

Kwek Buck Chye: I think this year, 2013, there is still a lot of uncertainty in the world and telecommunications service is affected by the level of income. The EURO is still not settled. So we do not know whether we're

going to get an upside from better roaming revenue. So we are depending significantly on growing our Mobile business. It is still 52% of our revenue base. So in us judging to a single digit we are saying that this cornerstone of ours is going to see difficulties but we are optimistic that revenue is going to grow for data monetisation and with more capabilities on apps we expect our TV Anytime [Anywhere] to give us additional usage revenue that's coming through mobile devices.

I think one area that we are excited about is greater attraction in doing enterprise business. You can see already in the current year a significant part of the growth is coming from our Fixed Network services and that's really enterprise business. So do we expect competition to be tough, yes. So single-digit but EBITDA is to be improved, the mix of business changes. But mobility is going to be a significant contributor of that.

Jeannie Ong: One more point to add, we're also looking at lower recontract and acquisition cost, because some phones just fly off the shelves by themselves and there's no EURO event for 2013 ... I think he was referring to the 2012.

Right, Rama?

Ramakrishna Maruvada: (Daiwa Institute of Research, Analyst) Yes, thank you very much.

Jeannie Ong: Thank you. In the interests of time I'm going to jump to the conference call because we have a lot of them lining up. Next we have Chate, Chate from Credit Suisse. Chate are you there? Right if not anybody...

Chate Benchavitvilai: (Credit Suisse, Analyst) Me?

Jeannie Ong: Oh hi Chate.

Chate Benchavitvilai: (Credit Suisse, Analyst) Hello, sorry, sorry. Good evening and thank you...

Chate Benchavitvilai: (Credit Suisse, Analyst) ...for letting me ask a question. I just have three questions. The first one regarding the [unclear].

The second question is regarding the ... EBITDA margin ... and ...

Jeannie Ong: Chate, you are breaking up so I can't really hear you for the second question about EBITDA margin year-on-year. Are you not happy with our guiding 31%?

Chate Benchavitvilai: (Credit Suisse, Analyst) I'm not [unclear] EBITDA margin of 31% ...lower than what you did in 2012.

Jeannie Ong: Oh, I see. [Unclear] Buck, that's your question.

Kwek Buck Chye: The first question is on subsidy level expectation. I think we are excited about the better mix of smartphones. If they come in at lower cost then certainly there is opportunity to see subsidy per phone is dropping. In the fourth quarter we have to understand that I was excited because I thought it would have been a lower EBITDA margin. I would say that we had opportunities to sell phones without line in that quarter because everybody is just dying to receive better smartphones. So that helps to bring down the average loss because you make less loss on phones that you don't have to subsidise fully for 24 month services. So that mix actually reduces the average subsidy cost per customer. But the quantities are actually higher. So the

absolute dollar of subsidy has actually gone up. You can see, if you work out the two numbers, revenue and cost, you'll see the subsidy amount has gone up.

Jeannie Ong: I just want to add on that, we are seeing in the market a mix of handsets. We have Android, iOS, BlackBerry, Microsoft Windows, what have you. So because of the mix of all these handsets, so hopefully we'll see a lower subsidy going forward.

Kwek Buck Chye: Okay, on the question of whether 31% guidance is us making an assumption that margin's going to drop. I think the guidance comes significantly from the fourth quarter. The fourth quarter EBITDA margin is 31.2%. We anticipate that the year 2013 competition will be keen, equally keen not only for Mobile but also for our Pay TV and our Broadband. The key players in Broadband trying to tap the new fibre to the home, it's going to pose some challenges too on margin pressure. So having all said, taking in equity we think that using the guideline of the current run rate of 31.2% for the quarter is probably safe.

Neil Montefiore: Yes, I think I agree with that. If you look back over the last few years I remember 2009 when the iPhone first came out, I think it came out in the second week in December. Because of the iPhone subsidies our EBITDA margin dropped 2 percentage points in that year and that was only for a few days and then it dropped significantly during the first quarter of 2010. So we are not sure what the handset manufacturers are doing. They don't share anymore their future plans with operators. They are trying to just compete very much with each other. So we have to be fairly conservative I think.

Chate Benchavitvilai: (Credit Suisse, Analyst) Right, so [unclear] say that your guidance is actually ...

Tan Tong Hai: I think under this economic climate I think we are making an increase in EBITDA projection from 30% to 31% is considered good. I think we want to keep it this way. More important is to continue to deliver long-term value. I think we will have to see - there are also other investments that we have to make in order to make sure that we continue to make this business exciting.

Jeannie Ong: Right, in the interests of time I'm going to...

Chate Benchavitvilai: (Credit Suisse, Analyst) Thank you very much.

Jeannie Ong: Thank you Chate. In the interests of time, I'm going to take one last question from the conference call and that's Irene Tham, reporter from ... Irene, are you there?

Irene Tham, Straits Times, Media: Yes I'm here, can you hear me?

Jeannie Ong: Yes.

Irene Tham, Straits Times, Media: Okay, [unclear]. My question is on...

Tan Tong Hai: Thank you.

Irene Tham, Straits Times, Media: [Unclear] how do you expect ... more customers ... and ... or ...

Jeannie Ong: Well, Tong Hai may be known as a turnaround guy because he turned around two companies before, but StarHub is in very good shape.

Tan Tong Hai: Yes, well she wants me to turn around the Pay TV. She was mentioning that the Pay TV subs actually have dropped and is this the first decline. Well, I look at it and assess that the drop this because of the short term promos. I think this is not the - that's where my - the ARPU is still at SGD51, right. We are not losing our valuable, what we call high-end customers. So it's only a short term promo. So I think what we need to look at is other way of promotion and I think that will be something that I'll be looking at. But I think more important is if I look at the whole Pay TV business you notice that we were able to grow the revenue through advertising. But that advertising component you noticed fluctuates every quarter. So that also helped us to grow.

So I've also looked at it and see how can we sustain and grow the advertising business. That means that we can look at other assets and how do we monetise all the assets that StarHub has, the media that we have, the media network, to be able to grow the ad sales business. So the Pay TV business in my view is that StarHub still has - offers the most comprehensive... the widest range. In terms of quality content, it's still second to none. We have now extended to TV Anywhere, or TV Anytime, and you can watch it on any devices. I feel that that will continue to be a very valuable proposition. I think most important; it's also on a proven platform that the customer enjoys. So we will continue to build on this proposition to strengthen the TV business, because there's still people who want to continue to watch the HD content at your living room and enjoy the sensurround experience.

Unidentified Participant: Any updates on theBPL negotiation?

Neil Montefiore: I think we did issue a statement yesterday. Basically the current position is that they said they will only speak to us after Chinese New Year so we can't really give any updates other than that.

Jeannie Ong: All right, Irene?

Irene Tham, Straits Times, Media: Yes, thank you.

Jeannie Ong: Thank you. Right, before I bring this to a close, any more questions from the floor for those who made the trip here? Sure, good. Right in interests of time we will have to bring this to a close. For those of you on the conference call whom we have not addressed your questions, we have your name and we will contact you shortly. The transcript of this call will also be placed onto our website very soon. On behalf of the StarHub management team we would like to thank you for joining us this evening and we look forward to speaking to you on a one-on-one basis. Neil, this being your swansong, your last results briefing call as the CEO of StarHub, this is your last chance to say your piece.

Neil Montefiore: All I want to say is thank you to all of you, all the analysts, all the journalists that called in. All the StarHubbers, it's been wonderful working here and great support and it's been great fun. I'm really pleased the Company's done so well in the last three years. So good. I'll still be around. So I'll be keeping my eye on you.

**End of Transcript**