

StarHub Reports 2017 First Quarter Results

Singapore, 3 May 2017 – StarHub Ltd today announced its results for the quarter ended 31 March 2017.

For the quarter, total revenue was slightly higher at S\$592 million compared to a year ago while service revenue was 1% lower at S\$537 million. The lower service revenue was mainly due to lower revenue from Pay TV and Mobile services. The Group's EBITDA decreased 12% to S\$161 million from S\$183 million previously. Correspondingly, EBITDA margin was lower at 29.9% versus 33.8% a year ago. Net profit after tax was also lower by 21% year-on-year (YoY) at S\$73 million.

StarHub saw a higher free cash flow for the quarter; 30% YoY higher or S\$117 million compared to S\$90 million. It also had cash CAPEX which was 19% lower at S\$34 million compared to the same period last year.

Business Highlights

For the quarter, StarHub recorded customer growth for both pre-and post-paid Mobile services. Broadband revenue inched slightly upwards while Enterprise Fixed revenue grew 3% YoY. In terms of total revenue mix, Mobile services continued to be the major contributor at 50%. Pay TV, Broadband, Enterprise Fixed services and Sales of Equipment contributed 15%, 9%, 17% and 9% respectively.

- **Mobile** revenue was 1% lower at S\$296 million compared to the same period a year ago. The pre-paid and post-paid customer base grew by 43,000 and 48,000 YoY respectively. Comparing to a year ago, both the pre-paid and post-paid ARPUs decreased by S\$2 to S\$15 and S\$67 respectively.

"Some of the statements in this news release constitute 'forward-looking statements' that do not directly or exclusively relate to historical facts. These forward-looking statements reflect StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub Ltd's control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this news release with caution."

- **Pay TV** revenue was 7% YoY lower at S\$88 million due to a 41,000 drop in customer base to 487,000 households. YoY, churn rate was kept low at 0.9% and ARPU remained stable at S\$51.
- **Broadband** revenue was slightly higher at S\$54 million compared to a year ago, contributed mainly by an increased mix of customers on the higher speed fibre plans. For the quarter ended 31 March 2017, ARPU also saw an uplift of S\$1 to S\$37. The residential broadband customer base decreased by 3,000 to 470,000 households.
- **Enterprise Fixed** revenue increased 3% YoY to S\$99 million. Data & Internet services revenue, which contributed 89% to the Enterprise Fixed revenue mix, was at S\$88 million. Voice services revenue decreased 19% to S\$11 million mainly due to lower traffic from IDD and international interconnect services.
- The number of households with three or more services stood at 338,000 households. This was lower compared to 350,000 households a year ago, primarily due to higher churn in overall TV households.

“We have made the necessary investments in the recent spectrum auction to continue delivering quality mobile services to our increasing Mobile base. The acquired spectrum will also facilitate our roadmap towards 5G,” said Mr Tan Tong Hai, CEO, StarHub. “Driving growth in the Enterprise business remains our priority and we are on track to introduce new cyber security, IoT and smart retail solutions to the market. We will grow our Enterprise digital services offerings with our latest strategic management addition.”

“Underpinning our overall business strategy is our continued digital transformation drive to increasingly engage and service our customers via digital channels and self-help applications,” added Mr Tan.

Outlook for FY2017

Based on the current outlook, we maintain our guidance on our Group’s 2017 service revenue to be at about 2016’s level and Group EBITDA margin to be between 26% to 28% of service revenue. In 2017, CAPEX payment, excluding spectrum payment of S\$349.6 million, is expected to be at about 13% of total revenue. We intend to maintain a quarterly cash dividend of 4 cents per ordinary share for FY2017.

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Dividend

Following the close of the Company's Annual General Meeting on 12 April 2017, the Company declared a final dividend of 5 cents per ordinary share on a one-tier tax exempt basis in respect of the financial year ended 31 December 2016. The dividend will be paid on 3 May 2017.

For 1Q2017, the Company declares an interim dividend of 4 cents per ordinary share which will be paid on 26 May 2017.

For more details on the Group's performance for 1Q2017 and outlook for FY2017, please visit www.starhub.com/jr. Materials available at this website include the audio conference link, investor presentation and unaudited results for the quarter ended 31 March 2017.

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About StarHub

StarHub is Singapore's fully-integrated info-communications company, offering a full range of information, communications and entertainment services for both consumer and corporate markets. StarHub operates a mobile network that provides 4G and 3G services. It also manages an island-wide HFC network that delivers multi-channel pay TV services (including HDTV, Internet TV and on-demand services) as well as ultra-high speed residential broadband services. StarHub operates an extensive fixed business network that provides a wide range of data, voice and wholesale services. Over Singapore's fibre-based Next Generation Nationwide Broadband Network, StarHub offers a broad range of home and business broadband plans, as well as commercial and residential IPTV services.

Launched in 2000, StarHub has become one of Singapore's most innovative info-communications providers, and the pioneer in 'hubbing' - the ability to deliver unique integrated and converged services to all its customers. StarHub, listed on the main board of the Singapore Exchange since October 2004, is a component stock of the Straits Times Index, the MSCI Singapore Free Index, the SGX Sustainability Leaders Index and the SGX Sustainability Leaders Enhanced Index.

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