

StarHub Reports 2016 Second-Quarter and Half-Year Results

Singapore, 3 August 2016 – StarHub Ltd today announced its results for the quarter and half-year ended 30 June 2016.

For the half-year, the Group's EBITDA increased 5% to S\$375 million from S\$357 million previously. Correspondingly, EBITDA margin was higher at 34.2% versus 32.6% for the same period a year ago. For the quarter, the Group's EBITDA was lower by 1% year-on-year (YoY) at S\$192 million and EBITDA margin was at 34.7%. Net profit after tax for the six-month period was higher by 17% YoY at S\$201 million. In 2Q2016, it was 10% higher YoY.

Comparing the half-year period, service revenue was slightly higher at S\$1,096 million while total revenue was 3% lower at S\$1,177 million due to the lower revenue from sale of equipment. On a quarter basis, total revenue was 1% lower at S\$586 million compared to the same period a year ago.

In 1H2016, StarHub saw a 300% increase or S\$227 million in free cash flow. It also had cash CAPEX which was 43% lower at S\$90 million compared to the same period last year. For the quarter, free cash flow was 33% higher YoY and cash CAPEX was 23% lower YoY.

Business Highlights

For the half-year period, StarHub achieved customer growth for both pre and post-paid Mobile and also grew revenue for Broadband and Enterprise Fixed services. In 1H2016, Broadband revenue registered 11% growth YoY whilst Enterprise Fixed revenue grew 4% YoY. In terms of total revenue mix for the half year, Mobile continued to be the major contributor at 51%. Enterprise Fixed services have now over

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taken Pay TV as the second largest contributor at 17%. Pay TV, Broadband, and Sales of Equipment contributed 16%, 9% and 7% respectively.

- Total **Mobile** revenue was 2% lower YoY at S\$603 million compared to 1H2015. The pre-paid and post-paid customer base grew by 23,000 and 51,000 respectively YoY. For the half-year, the post-paid ARPU increased S\$1 to S\$70 and pre-paid ARPU was lower by S\$2 to S\$16.
- **Pay TV** revenue was slightly lower YoY at S\$190 million in 1H2016 as a result of a 27,000 drop in customer base to 518,000 households. Comparing 1H2016 to 1H2015, churn rate was kept low at 0.9% and ARPU remained stable at S\$51.
- For the half-year period, **Broadband** revenue increased 11% YoY to S\$108 million, contributed mainly by increased take-up of higher speed plans. In 1H2016, ARPU also saw an uplift of S\$4 to S\$37. The residential broadband customer base remained stable at 473,000 households.
- In 1H2016, **Enterprise Fixed** revenue increased 4% YoY to S\$194 million. Data & Internet services revenue, which contributed 86% to the Enterprise Fixed revenue mix, was at S\$168 million. Voice services revenue increased 1% to S\$27 million due to a higher traffic volume from international services.
- The percentage of total **Hubbing** households that subscribed to any two or more StarHub services remained strong at 59%. Triple-service households were at 241,000.

“We are pleased to note that our residential Broadband revenue has continued to grow for six consecutive quarters. We are also heartened to see continued growth in our total Mobile customer base, contributed not only by the sustained increase in our post-paid Mobile base but also by our pre-paid base,” said Mr Tan Tong Hai, CEO of StarHub. “Our Enterprise Fixed services are now the second largest revenue contributor, in line with our strategy to accelerate our growth in the Enterprise segment.”

Outlook for FY2016

Based on the current outlook, we revised the Group’s 2016 service revenue to be at about 2015’s level and Group EBITDA margin at about 32% of service revenue. We expect our CAPEX payments to be about 13% of our total revenue, excluding the

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spectrum payment due in 2016. For 2016, we intend to maintain our annual cash dividend of 20 cents per ordinary share.

For more details on the Group's performance for 2Q & 1H2016 and outlook for FY2016, please visit www.starhub.com/ir. Materials available at this website include the audio conference link, investor presentation and unaudited results for the quarter ended 30 June 2016.

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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, 3G and 2G 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.

For investor enquiries, please contact:

Eric LOH
AVP, Investor Relations
StarHub
Office: (65) 6825 5171
Email: ericloh@starhub.com

For media enquiries, please contact:

Caitlin FUA
AVP, Corporate Communications
StarHub
Office: (65) 6825 5177
Email: caitlin@starhub.com

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