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### Start of Transcript

Jeannie Ong: Hi, good evening, ladies and gentlemen, and Happy Valentine's Day to everyone. Welcome to StarHub's fourth quarter and full-year 2017 results announcement briefing. My name is Jeannie and it is my pleasure to welcome the media and analysts who are joining us here now at our Media Centre at StarHub Green, as well as those who contacted us via the conference call and webcast.

Before we go into the results proper, let me introduce the panellists to you. We have our CEO, Tan Tong Hai; CFO, Dennis Chia; CMO, Howie Lau and our Chief of Enterprise Business Group, Chong Yoke Sin.

Before we begin our presentation, I would like to remind all participants that we will conduct a question and answer session at the end of the presentation and we'll be taking questions from the floor here in StarHub Green, followed by conference call and then the webcast. And for participants on the call, if you have a question, please key star-one. If you wish to withdraw your questions, please key star-two.

And let me now invite Tong Hai to share some highlights from this set of results. Tong Hai, please.

Tong Hai Tan: Thanks, Jeannie. Let's take a look at the overview of how we performed in fourth quarter. If you take a look at the financials, total revenue increased 2%, service revenue increased 1% and EBITDA margin at 16.9%. Net profit after tax was lower by \$40 million. Now across our unit itself, in terms of our churn rate we have actually maintained a low churn rate of 0.9% for pay TV and broadband. We see some revenue growth in our enterprise fixed.

Now here you can see the key financial highlights. If you take a look at the fourth quarter itself, total revenue is \$649 million versus \$635 million, so we have actually registered a growth in total revenue. We have also registered growth in service revenue, \$572 million versus \$567 million, a 1% growth. Now if you look on the full-year basis, the total revenue is relatively flat at about \$2.4 billion versus

\$2.397 billion and service revenue lower by 1%, \$2.197 billion versus \$2.209 billion. Now this is within our guidance of around the same level as 2016 for service revenue.

Now if you look at our EBITDA margin, the fourth quarter, our EBITDA margin is 16.9% versus fourth quarter a year ago at 23.9%. On a full-year basis, it's 27.9% versus 31.2%. Now we have guided EBITDA margin of between 26% to 28%. So this comes in at the higher end of what we guided of the 28%... 27.9%, pretty close to the range that we've guided.

For net profit after tax, fourth quarter we have \$14 million versus \$54 million and on a full-year basis there's a drop of 27%. Now we know that versus 2016 we don't have the income grant; in 2016 we had income grant and also this year we have higher subsidies and there are also additional provisions that Dennis will share with you later on as to why the net profit after tax in fourth quarter has dropped by 74%. So that one I will leave it to Dennis to cover more later on.

If you take a look at the percentage of CapEx to revenue, if you look at full-year basis we have guided 13% without spectrum. So if you take a look at the 12.3% that includes the \$69 million of spectrum that we have paid out in 2017. So without the spectrum payout we would be at about 9.4%, way below what we have guided on 13%. Compared to a year ago the 15.3% included an \$80 million payout for spectrum and without that, that would be 12%. So I think if you look at the CapEx, we've actually managed our CapEx payment pretty well.

Net debt to trailing twelve months EBITDA ratio is around the same level, 1.03x versus 1.02x.

If you take a look at the fourth quarter results and if you take a look at mobile services, there's a drop of close to \$10.9 million, pay TV a drop of \$7 million, broadband relatively flat and a strong growth in enterprise fixed of \$22.4 million increase have actually led to a growth in total service revenue. So this is the first time in - you can see that fourth quarter the growth in enterprise fixed actually have helped to mitigate the drop in mobile, pay TV and broadband. But if you look at it on the full-year basis, take a look at the total service revenue, there's still a drop of \$12.6 million, which means that the enterprise fixed on the whole year basis cannot mitigate for the drop in mobile, pay TV and broadband services. Later on, Yoke Sin will share a bit more about the enterprise fixed business and I'll leave her to articulate more about where the strong growth is coming from. But I'm pretty happy to say that at least for this quarter the growth in enterprise fixed has actually helped to mitigate the drop in the other line of business.

Now for this year also, if you look at our sales of equipment, we have more sales of equipment because of the handsets launch, especially the iconic launch of some of the handsets, leading to a

growth in total revenue. So you can see that there's actually growth in total revenue that is inclusive of the sales of equipment.

So this one shows you the revenue mix and you can see that in fourth quarter enterprise fixed is now 20% of our total revenue and mobile is 46.4%. So actually, enterprise fixed became the second strongest revenue contributor. Pay TV is about 13.4% and sales of equipment were higher this year at 11.9%. Versus a year ago you can see that actually the strong growth in enterprise fixed, 20% versus 18.2% and pay TV actually dropped from 14.5% to 13.4% and broadband relatively around the same level of 8.3% versus 8.9%. What I will say is that in terms of our strategy to grow enterprise, you can see that revenue contribution at enterprise actually has accelerated and growth in terms of contribution to our overall revenue.

Now with this, I will hand over the time over to Dennis to cover the financial highlights.

Dennis Chia: Thanks very much, Tong Hai and good evening everyone. I'm now on slide number 10 on the EBITDA and as I go through charts on slides number 10 to 13, I will also be articulating the underlying numbers as well, which infers the numbers without the adjustments that were made in the last quarter of 2017. So as far as EBITDA is concerned, we reported an EBITDA of \$97 million in fourth quarter of 2017 or 16.9%, versus \$136 million or 23.9% a year ago. If you look at the underlying EBITDA, we would have generated EBITDA of \$108 million in the fourth quarter versus \$120 million a year ago, which translates into 18.9% versus 21.2%. For the full-year we reported EBITDA of \$614 million or 27.9%, versus \$690 million reported a year ago, or 31.2%. The underlying EBITDA for the full-year would have been \$610 million or 27.7% EBITDA margin, versus \$658 million or 29.8%.

The movements in EBITDA trending for the fourth quarter and for the full-year were a result of the following. First, the lower income grant that we have received during the course of 2017 versus 2016. The second effects are being the increase in cost of services, being the variable costs paid in respect of the NGN for migration to fibre. Third, the increase in subsidies in respect of the handsets that we have sold. These are now offset by savings in operating expenses as we continue to include a cost management regime throughout and look for cost efficiency opportunities throughout 2017.

Moving on to slide number 11 on the cost of sales, the underlying cost of sales has increased from \$310 million to \$339 million for the fourth quarter of 2017 versus 2016. For the full-year the underlying cost of sales has increased from \$995 million to \$1.053 billion. The components of the cost of sales were as follows. The cost of equipment has gone up, corresponding with increase in handset revenues, equipment revenues that we had reported in our revenue line. The cost of

services, which have also increased as a result of the NGN payments and the additional cost of services in respect of the higher enterprise fixed services that we have recorded in terms of revenue. These were offset by reductions in traffic costs in relation to the reduction in international and domestic volume.

Moving on to slide number 12 on the other operating expenses, the underlying operating expenses for the fourth quarter has reduced from \$267 million a year ago to \$265 million in the fourth quarter of 2017. For the full-year it has reduced from \$1.026 billion to \$1.008 billion. The key movements in our other operating expenses buckets are as follows. One, we have recorded reductions in operating lease costs. Second, we have also recorded savings in marketing and promotion costs as we look at rationalisation opportunities. Third, reduction in staff costs as we look at rationalising the organisation and running the organisation more efficiently and on a leaner basis. We have increased our depreciation expenses in relation to the relatively higher capital expenditures that we have recorded in prior years, which translate into higher depreciation recorded in the current year.

Moving on to the net profit after tax, we have recorded a net profit after tax of \$14 million in the current quarter versus \$54 million a year ago. The underlying net profit after tax generated in the fourth quarter would have been \$23 million versus \$41 million a year ago. If you look at the full-year, we have reported a net profit after tax - the underlying net profit after tax would have been \$247 million versus \$305 million a year ago. We reported a net profit after tax of \$250 million versus \$241 million. This translates into \$0.143 on an EPS basis. The reduction in the net profit is a result of the lower EBITDA, as well as higher depreciation and last year, in 2016, we also had a fair value one-time investment gain from our investment in mm2. Our underlying or effective tax rates remain at about 17%.

Looking at capital expenditures, we have a capital expenditure of \$95 million in the fourth quarter 2017 versus \$126 million a year ago. For the full-year \$296 million versus \$367 million. The full-year payment of \$296 includes a payment of \$69 million for spectrum, backing that off our effective capital payments, as a percentage for total revenue would have been 9.4%. The \$367 million included \$80 million spectrum payment of last year, backing that off our capital payments, as a ratio of total revenue would have been 12%.

In the fourth quarter of 2017, moving on to slide 15 on the free cash flow, we have negative cash generated in the fourth quarter and as well as in the fourth quarter last year as a result of relatively

lower EBITDA, as well as relatively higher capital payments. For the full-year we have a free cash flow generated of \$221 million or \$0.127 per share, versus \$184 million last year, or \$0.106 per share.

With that, I hand the floor over to our Chief Marketing Officer, Mr Howie Lau.

Howie Lau: Thanks a lot, Dennis, good evening everyone. I'll take you through the highlights for the three sections of mobile, TV as well as broadband. So if we jump to page 17 on mobile, the total customer base year-on-year has been stable. We've seen a base increase of 18,000 for our pre-paid customer and the post-paid ARPU decreased \$2 to \$68. So let me go through the details to give you a bit more colour.

If we go to page 18, on a year-to-year level the total number of mobile customer base remains stable at 2.3 million. On a post-paid basis you see that quarter 4 last year, we had 1.387 million versus the quarter for this year of 1.367 million, which looks like a decline of 19,000. However, if we exclude the onetime reduction of the 23,000 of inactive legacy data-only lines in quarter 3, we registered a 4000 year-on-year increase in terms of the post-paid lines. Similarly, we've seen an increase also on the year-on-year for the pre-paid line.

Jumping to page 19 on the churn rate, churn rate for full-year in 2017 closed at 1.0% compared to 0.9% full-year for 2016. There is a slight increase from quarter 3 2017 to quarter 4 2017 from 1.0% to 1.1%.

In terms of revenue, 2017 we closed the revenue at \$1.196 billion compared to the previous year of \$1.214 billion, largely contributed by lower usage as well as lower IDD. In a quarter-to-quarter basis, quarter 3 was \$297 million and quarter 4 we closed slightly higher at \$301 million. The total percentage of post-paid customers on tiered data plan in quarter 4 closed at 70.8%, compared to a year ago of 67.5% and the percentage of customers who have exceeded their data plan for quarter 4 was 35.2% versus a year ago of 30.3%. However, this is slightly lower than quarter 3 this year, where we saw 38% that exceeded the data plan. The average data per customer is now at 4.6%. We continue to see an increase, last quarter was 4.5% and a year ago was 3.5%.

Moving to mobile ARPU, from an ARPU standpoint on the year-on-year compared for pre-paid, we closed 2017 at \$15 compared to \$16, contributed by IDD as well as voice. On a post-paid we see us

closing at \$68 compared to \$70 last year and this is a combination of a higher mix of SIM only take-up, as well as voice and IDD.

So with that, let me jump to the pay TV summary on page number 23. Pay TV overall revenue decreased 7%, ARPU remained relatively flat with a slight decrease of \$1 to \$50 and the total customer base decreased by 40,000.

At the next page you see that in quarter 4 we closed at about 458,000 subs, which is a quarter-to-quarter decline of about 9000. In this particular space we continue, as we've mentioned in previous earnings, to see challenges across piracy, as well as alternative viewing means. Just a bit of colour, when we talk about piracy we refer to both the illegal set top boxes, as well as streaming sites that allow you to watch content for free. In terms of churn, the churn remains stable at 1.0% for full-year basis and 0.9% from a quarter-to-quarter basis.

Chart number 25, in terms of revenue we closed at \$348.9 million compared to \$377 million. This is as a result of the lower subs base that we've seen. On a quarter-to-quarter, from quarter 3 to quarter 4, we registered slightly higher revenue. This is largely contributed by increase in ad sales. As you would know, we do not include the ad sales revenue into the ARPU computation, so you find that on a full-year level ARPU remains stable at \$51. However, from quarter 3 to quarter 4 we saw a slight decrease from \$51 to \$50.

Next, let me jump to broadband on page number 27. Broadband overall revenue is stable, as mentioned earlier by Tong Hai. ARPU is stable at \$37. On a year-on-year compare the customer base is decreased by 6000.

On page 28 in terms of the total base, quarter 4 we closed at 467,000 subs compared to a quarter ago, which is a slight increase of 1000, but compared to a year ago in quarter 4 2016 we had 473,000. Of this, there is about 381,000 that are fibre subs. In terms of churn, the churn is stable at 1.0% on a year-to-year basis and on a quarter-to-quarter, a slight decrease at 0.9%.

Page number 29 on revenue, revenue we closed the full-year at \$214 million compared to \$216.8 million the year before and on a quarter-to-quarter compare, quarter 3 we were at \$53.2 million versus

\$54.2 million in quarter 4. The ARPU remains stable at \$37, both on a quarter-on-quarter, as well as a year-on-year, despite the very competitive market in the broadband space.

So with that, let me pass to Dr Chong to take us through the enterprise fixed.

Yoke Sin Chong: Thank you, Howie. I will explain the enterprise fixed business which comprises of data and internet services, as well as the voice services and the slides can be found on page 32 and 33. Enterprise fixed service revenue grew by 21% or \$22.4 million in the fourth quarter of 2017, compared to the same period in 2016 and 9.2% or \$36.9 million year-on-year. Of the 21% growth quarter-on-quarter, 6% was attributed to the newly acquired Accel company. Similarly, on a year-on-year comparison, Accel contributed 3% of the 9.2% growth year-on-year. The higher revenues from data and internet services was partially offset by a decrease in revenue from voice services.

And data and internet service revenue increased by \$23.9 million in the fourth quarter of 2017 compared with fourth quarter of 2016. And if you compare it on a year-on-year basis, this revenue grew by \$43.6 million. This growth was primarily driven by higher revenues from our managed services business, analytics and the recent network and cyber security wins, including revenues also from the newly added Accel company. So voice service revenue decreased by 11.3% in the fourth quarter of 2017 and 12.5% for the full-year respectively. The reduction was mainly due to lower domestic and international traffic usage.

So over to you, Tong Hai.

Tong Hai Tan: Yes, thanks, Yoke Sin. With this I would like to provide the 2018 outlook. For service revenue we expect to be 1% to 3% lower year-on-year. For EBITDA margin on service revenue to be between 24% to 26%. This is based on our accounting standard before Singapore financial reporting standard SFRS 15 adoption. You know that in Singapore it's mandatory with effect of 1 January to adopt SFRS 15 standards. So if you look at it based on the new reporting standards our EBITDA margin is expected to increase by another 4% to 6%.

Now CapEx, we expect cash CapEx to be about 11% of total revenue. Now this will exclude the spectrum that we need to pay in 2018. And for dividend, we are proposing a final dividend of \$0.04

per ordinary share for financial year 2017. We intend to pay a quarterly cash dividend of \$0.04 per ordinary share for financial year 2018.

With this, I will hand the session back to Jeannie to handle the Q&A session.

Jeannie Ong: Thank you, Tong Hai. Before we begin the question and answer session, a gentle reminder again that we'll take the questions from the floor here first, before opening up to the rest on the call. And for those on the call, if you have a question please remember to key star-one and now let's have Piyush from HSBC.

Piyush Choudhary: (HSBC, Analyst) Yes, hi, thanks for the opportunity, several questions. Firstly, on the guidance, could you help in explaining guidance on a like-for-like basis if there were no changes in the standards? What would have been the like-for-like service revenue guidance? Does this include impact of the D'Crypt acquisition? If yes, then what is the organic note guidance for service revenue?

Secondly, does your EBITDA margin guidance for next year include any one-off provisions like we have seen this year?

Thirdly, we have several acquisitions in the enterprise space lately. Could you throw light on what are your long-term aspirations in terms of acquisitions? And what is the threshold, which you look at in terms of payback period on any inorganic growth?

And lastly, if you can share what's the growth in order book for the enterprise segment? Because we have seen global growth, so what should we expect going forward for the second part?

Dennis Chia: As Tong Hai has articulated, the guidance that we have provided of our service revenue at the level of about 1% to 3% lower than what we reported in 2017 levels of \$2.197 billion as our full-year 2017 service revenue, is on the current basis. Meaning the basis that we've reported revenues in 2017. That's the same basis without the new accounting centres with the result in a different level of service revenue that we would be reporting from 2018 onwards as a listed company will be required to report and adopt those standards for revenue for customer contracts reporting this year. So to reiterate that 1% to 3% is on the current basis. It has also included the assumption of the consolidation of D'Crypt, which we had announced to the market the completion of the 65% acquisition of D'Crypt from 26 January. So we would effectively have about 11 months of



consolidation impact on D'Crypt. Without the D'Crypt impact, you would be looking at 2% to 4% decline in service revenue. So that would be the impact of D'Crypt approximately as guidance.

EBITDA margins were guided at 24% to 26%. This is also margin guidance on the current basis, or what we reported for 2017. So that's the same basis as Tong Hai has indicated. With the impact of SFRS(I) 15, we would be expecting to report EBITDA margins of an uplift of 4% to 6% on service revenues, because the denominator would be the service revenue which would be lower and that's why it translates into EBITDA margin. The key thing to note is that the cash flow trends of the company will not change. So fundamentally, the cash flow trends do not change, it's just the reported numbers that will change.

Your third question on whether the guidance for the EBITDA margins will include any one-off provisions or adjustments, there are no material adjustments or provisions that are being assumed in the guidance that has been given to you.

Your other question on inorganic and the returns, we continue to look for opportunities, for inorganic opportunities as we have done in 2017 and these will be forward generating or adjacencies to our core business and to look for synergies to the rest of the business to expand our capabilities and our product and services portfolio. There is no real fixed payback period on ROI target. Naturally these are internal targets that we will not reveal to the market but suffice to say that we do have a robust evaluation process for ensuring a proper return from both the main revenue generating activities of the target, as well as synergies that we can expect for the rest of our business.

Yoke Sin Chong: Well we maintain a healthy order book based primarily on the aim to actually increase the recurrent revenues. So that is why we actually focus a lot on our managed services, where that would include managed networks, managed security and data centres as well. So while that remains our focus, we also look at the upper layer of the managed services, including applications. So we are actually expanding that route so that we can provide a fuller spectrum of services for our already available telco clients. So that's actually the enterprise strategy.

So the enterprise strategy is actually predicated on three fronts. One is actually hubbing of our existing solutions involving all the telco family of solutions and fibre security and analytics. And on top of that, we are expanding our slew of digital platform solutions into the various vertical spaces of government, banking, hotels, et cetera and healthcare, for example. So that remains our strategy and

our roadmap for actually acquiring capabilities and solutions for the market. And that actually will also dovetail into how our inorganic growth actually pans out.

Jeannie Ong: We now move over to those on the call. Luis from Maybank Kim Eng.

Luis Hilado: (Maybank Kim Eng, Analyst) Hi, good evening. Thanks for hosting the call, I have three questions. The first was just a clarification for the exceptional provisions for staff costs and operating leases. Net impact is the Singapore \$9 million, that differential between underlying profit and recorded profit?

Second question is regrading traffic expenses in the quarter, down quite substantially quarter-on-quarter and year-on-year. Should we be looking at that, analysing that for the coming year? Or it's more looking at it on a full-year basis?

Third question is regarding enterprise and fixed revenues in the fourth quarter. Is this a sustainable and growing level we'll be looking at? Or is there some lumpiness in the quarter?

Dennis Chia: Hi Luis, this is Dennis, I will take your first two questions. Firstly, on the provisions that were made in the fourth quarter 2017, one of the provisions was in relation to our staff cost in terms of retention incentives in recognition of the business challenges ahead facing us as a company, as well as the sector. The other provision was a one-off provision in respect of an operating lease in relation to our cable network. So this is a one-off provision that we have taken in the fourth quarter.

If you look at the trending of traffic expenses, there were also adjustments made in the fourth quarter of 2017 to that bucket. So the more indicative number that you should be looking at is actually the full-year trend for traffic expenses.

Luis Hilado: (Maybank Kim Eng, Analyst) Thanks, Dennis. Just one additional follow-up, the total provisions for retention and operating leases is the Singapore \$9 million?

Dennis Chia: No, we have outlined that in the MD&A and in the MD&A you will see that the provision for staff incentives are approximating about \$20 million. In relation to the one-off provision for the operating lease, it is about \$8 million.

Yoke Sin Chong: The fourth quarter and whether that is actually sustainable, indeed the fourth quarter results actually for enterprise fixed come from two components. One is we mentioned about Accel, the other one is organic growth actually. So the organic growth factor, as we mentioned earlier, we

actually aim to have as much recurring revenue as possible. And because of that and the order books, we aim to actually maintain this level of fourth quarter revenues, understanding that yes, in the SI business or to some integration business there's lumpiness because of the long tail and also the relatively longer gestation period. But it is actually the way we actually do our hubbing strategy by combining different services together so that we can actually provide a more recurrent and continuing service. So that's the strategy, to aim to actually maintain the quarter-on-quarter growth.

Luis Hilado: (Maybank Kim Eng, Analyst) Thank you, that's very clear.

Jeannie Ong: Right, next we have [unclear].

Srinivas Rao: (Deutsche Bank, Analyst) Hi, thank you very much. First question on D'Crypt, the agreement which you've disclosed and then the performance payout there, how do you intend to account for that? Will that show up in the accounts?

Secondly, you mentioned in your guidance that excluding the D'Crypt has about a 1% to 2% impact on the overall guidance for FY2018. I don't recollect the D'Crypt revenue line, I think you have disclosed it in your initial release but it seems that you're expecting a fairly definite decline in your organic business. Now since you're still saying enterprise is sustainable, that probably suggests a fairly large decline in either mobile or pay TV. So it will be helpful if we can get a sense of what's happened there.

Additionally, the fourth quarter service revenue fall seems larger than what we have seen from your peers. So what's your outlook on that? I'll come back with more questions later.

Tong Hai Tan: So if you look at the guidance on the service revenue as to why the drop in 1% to 3%, that is taking into consideration the growth in the enterprise space. We do note that, for example, if you look at our TV business, there is of course - you'll note that because of the alternative viewing, as well as the piracy and all this, we take that into consideration that we will still face headwinds. In the mobile space you can see that there will be more MVNOs coming up. Recently it was just announced another new MVNO and of course, that's prior to the entry of the TPG. So we expect that there'll be more competition in the mobile space.

The same with the broadband, the broadband space is highly competitive but we do expect that new players may also come into this space. So taking that into consideration, we expect that the other line of business will be affected but you can notice that what I've shown you in fourth quarter is our aim is salary, the growth in the enterprise to mitigate the drop in this other line of business. And taking

overall into consideration, we guided a 1% to 3% drop in terms of compare - like this year, if you compare on a year-on-year basis, there is already a drop of 1% which is actually around the same level. So we are guiding 1% to 3%.

Dennis Chia: Your question on the accounting for D'Crypt, so given that we've completed the first phase acquisition of D'Crypt, or the 65%, we will therefore be accounting for the purchase price that was payable for that. So in respect of that, you would have accounting impacts of purchase price allocation which would then result in goodwill and certain other intangibles in respect of customer relationships and customer contracts. So all those numbers will then start showing up in our balance sheet that we will report in quarter 1 of this year. So we did not, when we announced the acquisition, we did not allude to the amount of revenue that D'Crypt is generating for competitive reasons. So you can therefore infer based on my response to the question from Piyush on the guidance on the expected contribution of revenue from D'Crypt in our numbers for 2018.

Jeannie Ong: Right, there is a question from Annabeth, a reporter from SPH on the webcast. Her question is what is your war chest like for more cyber security acquisition and do you have any in the pipeline? Yoke Sin, do you want to answer? What is your war chest like for more cyber security acquisition and do you have any in the pipeline?

Yoke Sin Chong: Well the cyber security acquisition of Accel, as well as D'Crypt, which is a security encryption chip, allows us to actually already have an end-to-end service. And what we intend to do is actually, as we say, to provide the full spectrum of cyber security for our clients and whether we actually engage in an inorganic acquisition would very much depend on the value of the whole - I mean of the exercise and whether it actually is accretive to us. But really at the end of the day, it is about whether the whole solution actually fits with our roadmap. We actually partner also cyber security companies as partners and to provide that slew of solutions and sometimes we acquire in order to have a fuller - make that a fuller part of the family because it is very substantial. So really again, that depends on the roadmap and the value of the acquisition, but we are open.

Tong Hai Tan: I just want to add that when we do our M&A, we look more at capabilities, how does it enhance our capabilities. So if you look at Accel, it provides the end-to-end solutioning part, because StarHub on our own, we have our own cyber threat monitoring capability. As a telco we run our own security operation centre, but when our customer wants us to go onsite and help them to solve the problem, that's where Accel can come in. D'Crypt provides very advanced cryptography technology. Now this is very useful in the internet of things, when you want machines to talk to machines and all those, then the cryptography technology comes in and I think even if there were enhanced

capabilities, of course this will add onto our revenue but our top priority has always been how does it enhance our overall capabilities in our acquisition consideration.

Jeannie Ong: Right, with that we go over to Arthur from Citi.

Arthur Pineda: (Citigroup, Analyst) Hi, thanks for the opportunity, a few questions. Firstly, how does your margin compare within your enterprise and consumer usage? I'm just wondering as the mix changes over time how your blended margins will trend.

Second question I had is with regard to your MD&A related expenses, which is under your cost of sales. Was this jump an accrual issue, or are you actually seeing increased fibre migration? And what per cent of your subs are now on fibre?

Last question I had is with regards to your thoughts of MVNOs entering the market. Why should telcos be actually signing up MVNOs if the impact is for you to be diluted on revenues anyway?

Jeannie Ong: You should ask my two competitors, because they have launched their MVNO offers. Okay, Dennis, do you want to talk about the margin firstly?

Dennis Chia: Okay, in the enterprise bucket or the segment that reports to enterprise fixed, the enterprise fixed is largely consisting, as Yoke Sin has articulated, of ICT revenues, the data and internet revenues, the voice revenues, the lease circuits, the NPLS, the managed services, the managed cloud, the whole thing and so forth. Now all the revenues in relation to the connectivity from mobile and broadband to our commercial customers, as well as TV to our commercial customers, are reported in the respective product segments respectively. So all mobile revenues in respect of corporate customers are included in the mobile line. Similarly, for hotels, where we provide TV, it's also in the TV segment and then for broadband for commercial purposes it's reported in the broadband segment respectively.

So now as the range of services increase, obviously the mix of margins will also increase and will also change accordingly. Nonetheless, as a company we've always said that we managed the company for margin and we do not focus on revenues alone. So there is a huge focus on margin generation as well. In relation to corporate customers versus consumers in each of the lines of mobile, pay TV and

broadband respectively, there's no material differences in the margins to corporate and consumers at this juncture.

The second question in relation to cost of services, in the cost of services line in relation to the question, Arthur, that you posed on fibre, there are three main components of cost of services. One is the fibre cost that we pay in relation to the number of customers we have on fibre. As you migrate more customers to fibre, there is a variable cost in relation to the NGN payment. The second big component currently in the cost of services is actually - or enterprise services, I was sharing earlier that in relation to the enterprise revenues that we record in the enterprise fixed line. The third big component is your content cost, which we have actually accelerated amortisation of these content costs as a result of the subscriber trends that we're seeing. So that is the main cause of the increase in that component that you're seeing. There is a slight increase in the NGN payments as we have more customers on fibre. Today obviously most of our customers are already on fibre as far as the broadband is concerned and in terms of obviously we are now migrating or accelerating the migration to IPTV on the fibre TV part.

Howie Lau: The simple one is the fibre percentage approximately 78% of our entire base. I think the MVNO one, what we can share right now is that we're in talks with multiple parties in terms of MVNO relationships and our focus is to work with MVNOs that can help work together with us to serve our customer segments better. Because there will be some customer segments that perhaps true an MVNO can serve them better. So our priority is to make sure that there is alignment, and they're quality MVNOs that can go out and say, I can do this better and serve the segment better than perhaps StarHub could directly.

Tan Tong Hai: An MVNO is basically - in terms of the business model, is at a wholesale. You wholesale your mobile services to them, and they take the wholesale and they put their own brand. So in terms of margin wise, it will be lower, but if they can grow it and target a particular segment of customers better, there I think it makes sense to have the MVNO strategy as part of your overall mobile strategy.

Arthur Pineda: The fourth-quarter trends on the cost of sales, basically, you mentioned the content amortisation expenses, enterprise services and number of customers migrating to NBN. Should we thus view the fourth-quarter elevated cost to be the standard going forward?

Tan Tong Hai: Okay, so if you look at what we have mentioned regarding how we run our business or each line of business as you're managing for margin, so as you see the decline in the TV revenues that we've recorded in FY17, and what we've actually guided for FY18 in each of our lines of

business, you will be seeing us looking at rationalising the costs in relation to each of these lines of business correspondingly. So therefore, you can expect a - probably a relatively lower acceleration of cost of content as we go forward, in line with the reductions of TV revenues. So each of these components, we don't break them up necessarily for obvious reasons, and so how we say it, we've got 78% of our fibre customers, or rather our broadband customers, already on fibre, so depending on how much more we migrate over time, then there will be variable cost increases accordingly.

Jeannie Ong: Right. Do we have any questions from the floor? Okay, Piyush again.

Piyush Choudhary: (HSBC, Analyst) Hi. Staying on the topic of MVNO on mobile, so in 2017, which customer segments are we seeing impact of the existing MVNOs in the market, and with so many MVNO launches probably to occur during this year, would be there any kind of particular customer segments which would be left for TPG who actually on [unclear].

Secondly, are you seeing any impact of unlimited mobile data plan, which was, launched four or five months back by SingTel?

And lastly, is there any development on the network sharing arrangement with M1?

Howie Lau: Okay, I think the easy one to answer is I can't comment on TPG will think, but the - obviously, the - you will see predominantly the MVNOs that have come in have been very focused on low price and high data, this one space that seems to be everyone congregating on. I think the unlimited plans that are now available in the market, StarHub has launched our own unlimited weekend data, and the plan so far has been very well received, because I think it's quite clear that all of us as customers see data as one of the key considerations. So the current reception by the customer has been good, but obviously, it's important for us to keep monitoring, because the competitive landscape will change. We're very focused on three things. One is to make sure that the network quality is there. Number two, there is a good range of attractive plans for customers to choose from, and third, hubbing. Why is network important? Because there's no new customers in Singapore. All of us are very seasoned network mobile users, so the ability to have a good network is going to be very important. I think you've heard earlier this year, we announced that we're the first telco to announce a tripling of the upload speed to 150 Mbps. This is important, because we're not just consumption of data. We also upload a lot of stuff to Facebook, Instagram and others. Later for

this year, we will also be launching one gigabit coverage to high-traffic areas as well. So network quality is very important.

Second is the variety of plans that is available, because different customers want different outlets. So we have your SIM-only plan, SIM-only non-contract plan. We have high-data plan, low-data plan, different varieties, starting as low as \$15. And third is hubbing, because a lot of customers still value the convenience and the value of having multiple services hubbed together. So we'll continue to focus on that, and the TPG related one as they start to get ready, we will obviously monitor the customers' response.

Tan Tong Hai: I just want to - on your question on the MVNOs with regards to right now in 2017, we saw mostly focusing on the digital natives, which are those that are digitally savvy, self-help, with kind of like the helpdesk is quite limited. You have to help yourself. That appeals to the digital generation, which is currently the main focus. Of course, you can see MVNOs focusing on migrant workers, on different countries, and also there will be different segments. Just to give you some view or colours about these MVNOs, so each one of them will be focusing on a particular segment, and I think we will be of course also talking to these MVNOs to see which segment they can serve better than us, and we will work with them.

With regards to there's also a question on the impact of the unlimited data plan by our competitor. I think you noticed that we are not so aggressive. We launch our weekend unlimited, right? We didn't actually be so aggressive. And so far you notice in the fourth quarter we registered growth in our post-paid, which means the reception to our weekend unlimited is still good, because if you base on the consumption behaviour, most of the time, the weekdays, you can use Wi-Fi in the office and at home. I think that appeals to the weekend, where you actually have no peace of mind that you can use data at ease. So that, at least of now, is still good, and I think we are happy that the take-up is good.

Now, with regards to your last question on the network sharing with M1, it's still on-going. In fact, we have now extended our collaboration to not just in-building coverage, but also massive MIMO sharing, and you know that in a collaboration, it takes time, but the good thing is that we are expanding. We



have expanded our collaboration beyond the in-building to MIMO sharing, and we'll be looking at more areas where we can share in this deal.

Piyush Choudhary: (HSBC, Analyst) Is this factored in your capex guidance?

Tan Tong Hai: No, our CapEx guidance is excluding the network. Of course, if it comes in, it will help us more.

Piyush Choudhary: (HSBC, Analyst) What timeline do you expect?

Tan Tong Hai: As I say, we look at - we have actually progressed from where we last left off to MIMO sharing, and we hope to get into a deeper sharing, but that requires time, and I think when we have this ability, we'll share. We are in those areas.

Jeannie Ong: Right, let's move over to Gopa. Gopa from Nomura, you're on the line.

Gopa Kumar: (Nomura, Analyst) Yeah, hi, thanks for the opportunity to ask the questions. The 24% to 26% EBITDA margin that implies a drop from 28% in FY17. What is this due to? Is it because of more device subsidies and content costs or due to a higher mix of enterprise revenue? That's question number one. Second is, is it possible to give some indication of your expectation for service revenue in mobile for 2018? Are you expecting a decline here or stable revenues? Any thoughts would be helpful. Lastly, a follow-up on the fibre migration. Do you expect the fibre migration to pick up, or do you think that the current penetration is stable? So does that mean that the operating lease expenses or the cost of services should hold at these levels?

Howie Lau: Maybe let me just take the fibre one first. I think the fibre, from a pickup standpoint, I think we will still continue to see customers being interested in the higher speeds, because one gigabit is almost like default in the market today. So obviously, there is different value proposition whether you use cable or fibre, but we do expect that customers would continue to want higher speeds as part of their consumption patterns.

Tan Tong Hai: Yeah, so that will translate to higher cost of services, so we expect to continue to migrate cable subs, cable broadband to fibre broadband. With regards to your service revenue, you're asking about guidance about the mobile service revenue, and I actually shared with you that due to the fact that we are introducing this SIM-only plan, that has a dilutive effect on the subscription, and also because we are giving out more data and all those, so that also means that even though this

quarter we have less assessed data charges than last quarter, right? So in view of that, we do note that the mobile service revenue will also drop, okay?

Dennis Chia: The follow-up question on the margins, so with guidance 24% to 26%, and so if you look at the guidance for the margin, the reason why we've guided a lower margin compared to what we reported in 2017 of 28% or 27.9% it's a function of a number of things, right? So if you look at our traditional businesses, whether it's mobile, TV or broadband, you're looking at near-term competitive challenges in those spaces. So while we continued to look for opportunities to optimise margins in each of those product segments, we do expect near-term challenges to be something that we'll face, and therefore we've modelled it accordingly and taken that into consideration. We have also some inflationary impacts on our operating expenses, although that's not terribly material, but there is - there are some impacts due to that, and there are slight movements in our subsidy levels that we've also considered. But the main issue really is the immediate challenges that we face on the competitive landscape in our lines of businesses.

Gopa Kumar: (Nomura, Analyst) Thank you, just to follow up, I'm not sure if you shared this before, earlier in the call, so did you clarify on the enterprise margins versus your group margins or mobile margins?

Dennis Chia: No. I think what we've guided earlier is that while we report the enterprise customers who subscribe to the mobile services in the mobile segment, we currently do not see material differences between the corporate customers, the margins that we generate from corporate customers who subscribe for mobile and the consumers, like the man on the street, from a margin perspective. That's a current trend that we're seeing.

Jeannie Ong: Okay, thank you, Gopa. Next, we have Trinity from The Edge.

Trinity Chua: (The Edge, Media) I just want to know if you have any - would you be able to share any updates or plans about the incoming CEO?

Tan Tong Hai: Well, of course, this will be my final session in addressing you, and I'm so happy to see you all face to face. The search for my successor is still on-going. I will say it's progressing well, but at this moment, we are not ready to share more, and you can notice that I am still running full steam, handling this press conference, and you should also see me in our AGM on 19 April, because my last

date that I have is end April, so in the meanwhile, I think things are still going on full steam, and while we await for the announcement of my successor.

Jeannie Ong: Thank you. Next, we have Foong from CIMB Malaysia on the call.

Foong Choong Chen: (CIMB, Analyst) Yes, hi, thanks for the call. Three questions from me. Firstly, looking at the pay TV business, the ARPU is holding up at the \$52 level for quite some time, but it fell in the quarter in the fourth quarter. What drove this, and how should we expect this to trend in coming quarters?

My second question, regarding your CapEx guidance of 11%, that's a big higher than what you spent in 2017. Could you provide more colour as to what is going to drive that upward? And my third question, based on your guidance for revenue, EBITDA margin and CapEx, what does that translate into in terms of the range for your [unclear]?

And I note that your dividend per share guidance has already been issued, but how should we think about dividends over the longer run in relation to free cash flow generation? Thank you.

Howie Lau: This is Howie. Let me just take your question on the pay TV first. I think for pay TV, as we shared in the previous earnings, our primary focus is on a couple of things. One is making sure that we continue to focus on the margin, and this means combining our data to understand what customers are using it, and then using it as a basis to pick and rationalise the right type of content. It's obviously important for us to continue our focus on the high-ARPU customers, because these are the ones that will watch the bulk of the content that they subscribe to, so that's part of the reasons why we've been able to maintain our ARPU. And as mentioned earlier, we don't count ad sales into the ARPU, so those fluctuations in ad sales do not contribute to the ARPU computation. We're not able to give a forward view in terms of what we think the trend will be, but we would note that our focus will continue to be on making sure that the margins in the TV business, the rationalising the content in view of what the customers will be able to value and to be able to pay for.

Dennis Chia: Hi, Foong. This is Dennis, and on your question on the CapEx guidance that we've given of 11% payment to total revenue, we ended the year at about 10% in 2017. If you look historically, we've always guided on the CapEx payments at 13%, so prior to 2017 for at least the five years prior to that, we were recording CapEx payments and guiding and recording payments of about 13%. So at 11%, it really is a slight timing difference in terms of payments that we have to make in

relation to commitments that we've already entered into prior 2017 or the commencement of 2018, and this is a level that we continue to look at maintaining over a period of time.

Your other question on dividend, we have guided to a \$0.16 dividend, \$0.04 per quarter this year, and again, we have adopted a basis of looking at the medium-term free cash flow generation trends of the Company, taking into account the current business conditions and information that we have on the competitive landscape in modelling it out, in addition to all the other efficiency management efforts that we've been instituting within the Company and the Group up to date. We've taken that all into consideration in considering our cash flow trends based on information that we have at this juncture.

Foong Choong Chen: (CIMB, Analyst): Okay, if I can just follow up on the last question, so it means to say that you have looked forward a couple of years, and as long as the outcomes are not worse than what you projected three years out, you think that \$0.16 is going to be sustainable. Is that the right way to think about it?

Dennis Chia: No, I would not - the no does not mean that I'm saying it's not sustainable. The no means that we are looking at current information and then modelling it out based on the medium-term cash flow generation capabilities of the Company. As we've seen in the sector in 2016, '17, particularly the last two or three years, the competitive landscapes have changed significantly. So while the mobile operators some years ago had all our versions of the unlimited plans, perhaps in the 2009, 2010 era, we all discontinued that, and then as we - we all now launch versions of those plans again.

TPG is going to start business, and this is a known fact, either sometime they have to comply with the rollout of their infrastructure by year end, and therefore will start their business in the foreseeable future. So with all these trends in mind, we will be watching and looking at what the competitive landscape is going to be and the changes in these landscapes. So we are therefore basing our financial models based on current information, current pricing levels and expected changes based on what we know.

Jeannie Ong: Right, in addition, remember, we only guide for this year. Sriniv from Deutsche Bank.

Srinivas Rao: (Deutsche Bank, Analyst) Thank you very much. Can I go back to D'Crypt because it's very [unclear] free cash flow, which [unclear]. That would suggest a fairly large revenue [unclear] two to four years. Could you throw some light as to how the business model is working [for them] and also give a percentage of [unclear]. First question is, it looks like you can bundle as part of a larger enterprise offering, so how do we think about the revenue from that? Secondly, [unclear] hardware

where things change quite significantly, so is there [unclear] or it can be delivered [unclear] in which case it is also a challenge. So give us your view on how you thought about that [unclear] and give us feedback on that.

My - and the second question I had is how many - what percentage of your pay TV subscribers are on fibre, or IPTV, I'm sorry, and how quickly can we get there? How soon does the cable subscribers come off and see that big drain?

In the same context, the content cost that you have highlighted as very challenging and you are managing it, is there a model where you can follow the OTT apps, which have a subscriber link, content cost payment to a lot of their content owners? Can you move to that, in which case falling subscribers should not have a larger impact? So that's my third question.

Finally again, I'll belabour the point on MVNOs. It - if you - you as a Company have significant insight into your customer base. It's hard for us to believe that there are unfilled niches in a market like Singapore, which is not growing. Most MVNOs seem to fall back on pricing as a lever to compete. Frankly, no one has demonstrated any different behaviour.

I understand that you can create a subscriber base, which is more, as I said, digital native. Why does an MVNO need to do it? Why can't telcos themselves do it? It's quite surprising at last externally for us to understand that, and there are telcos, which in some markets have become quite successful in actually creating a fully digital customer base for themselves. So it will be very helpful to get your thoughts on these two aspects.

Howie Lau: Sure. Thanks, Srini. Let me touch on those few that relate to my side first. I think on the content costs, absolutely agree. I think what we are always aspiring to work towards is a model where we are able to price based on subscribers. However, there is different models out in the market, and it takes two hands to shake, so there will be situations where the content partners will prefer a certain model, we will prefer a certain model, and we will then have to negotiate to work out a relationship that makes sense for both of us. So it's always something we work towards, but it's something that we work very closely with our content partners to find a suitable model.

The percentage of pay TV customers of fibre, we don't share the breakdown. Today, we allow our pay TV customers to still continue on the different platforms. Some of our pay TV customers are also on competitive fibre, so what's important is that we - currently, while we will give our customers the option to move to fibre, some of the customers still prefer to keep to what we have, but over time obviously we will encourage them to transit. Your MVNO question is a very interesting one. I think

it's something that - because, as we haven't announced our plans yet, the - from our direction, we feel that we should be appointing MVNOs who can complement us, who can help us serve certain markets better, and I understand what you mean. Singapore is only 25 kilometres by 45. There's only 5.5 million of us. How different are we?

And that's why we are taking the time to make sure we work with the right MVNOs that will help us drive an overall incremental. So a bit hard for us to go into details as to who are we going to appoint in what segment, but that's the direction we're heading towards.

Tan Tong Hai: Yeah, in the market where there are many MVNOs, what will happen, right? Because I think you can see that with more MVNOs and all with the same proposition, I will say that the consumer at the end, they get confused. Where will they go to? They will still go back to the trusted brands, which are back to those brands that they can trust, and you notice that we have been investing a lot on our network with spectrum and all this. We think that ultimately these methods; it's not just the pricing. It's also the service expected that it matters.

So at this moment, it's things there's MVNOs. There's also a plan that we don't use MVNOs or fight with MVNOs, so we support the MVNOs and let them come to the market. I think we are protected by the wholesale rate, so it's actually today, actually, in the telco space we do that also. In the fixed, we also wholesale fixed services to partners; so likewise the mobile space is something that I think there are demands. We think that there will be increasingly a lot of players and in the end; customers in my view will still gravitate to the trusted brands. Okay.

Now, Howie has mentioned about content costs, and I agree that today we have existing relationships with the branded content providers, who also have their own OTTs, and this is where we are working the [out] transition, but our game plan is to move towards the whole IPTV OTT. That in my view is what the customer wants, on-demand services. But the cost basis is the part that we will have to take time to evolve. But you notice that we actually have kept the cost I would say relatively flat, although - but we have accelerated the content cost depreciation. I would say we have adopted what we call amortisation, because we adopted a more consumer distance. Knowing the trending of the pay TV, like if you look at with regards to the cable network, we make a provision even for people, resources and all this, so there are no surprises.

I think your question to ask would be in view of the - if you see what happens in pay TV, what are you doing? I think we have also made necessary provisions in TV, and I will say that that's how we run the business. So content cost wise, it should be kept relatively flat, although - but because we also accelerate the depreciation - no, the amortisation, so as a result, you can see the cost of services is

going down. But going forward, in view of every content renewal, we took a very tough stance in the sense of looking at viewership, and if the viewership is weak, we will not pay for that content.

Chong Yoke Sin: Yeah, so about the D'Crypt acquisition, I think there are two points I'd like to make about it. One is it fits exactly with our roadmap, where we can actually now play perhaps more majorly in the transportation and the government sector. So I'm not at liberty to actually reveal the government sector projects, but really, it does have a recurrent stream of income, but aside from that is the fact that we will work with D'Crypt to actually have more or create more derivative products and solutions that will actually complement our suite of solutions in the IOT and the security space. So for me, I do see great potential in that. So really, it actually complements the entire suite of solutions we have. I will be actually bringing that out even to the commercial space as well, and overseas, potentially.

Tan Tong Hai: So basically, the acquisition will support our plans to go after the Smart Nation initiative. I think in a nutshell, the government has talked a lot about Smart Nation, and also what have we got to participate in the Smart Nation? So cryptography is very key for IOT. If you talk about Internet of Things, how do you ensure the data are transmitted in a very safe matter? I think this is a proven technology that we have invested in, and we believe that this is going to be key to help us go into the Smart Nation, especially in the transportation sector.

Jeannie Ong: Right, with that, let's go back to the call. Roshan from Bank of America Merrill Lynch, you're next.

Roshan Raj: (Bank of America Merrill Lynch, Analyst) Hi, thanks for the opportunity. The first one on post-paid ARPU. Just curious, your ARPU trends seem to have declined quarter on quarter. How is that different from your peers, which seem to have benefited from seasonality, higher roaming and all that? Can you just help us understand why if that was the case?

I can come back with the questions after the responses to - if that helps.

Howie Lau: Oh, okay, okay. I was waiting for your third question. Hey, Roshan, this is Howie. For the post-paid ARPU quarter-on-quarter decline, we basically see three key factors. One is the contributed by the higher take-up of the SIM-only plans, because for example, the SIM-only plans that

we have are typically half the price of our subscription-based plans. Obviously, the other two factors would be IDD, as well as voice, so those are the ones that contributed to the ARPU decline.

I think the SIM-only plans today on an overall level still is a small percentage, is still below 10%, but at the same time, we do see that increasingly more customers are looking at it.

Roshan Raj: (Bank of America Merrill Lynch, Analyst) On the enterprise - enterprise trends, what has been the growth for the overall segment in this year? Who are the key drivers? Is it government, is it SME, and is it corporate? And as you have mentioned a few verticals, is it cyber-security, transportation, healthcare? So what are the verticals as well where you are seeing significant growth?

Chong Yoke Sin: All right, in terms of enterprise growth, we actually - as we mentioned, we actually have a three-pronged strategy. So we actually use our solutions basically to even grow even the mobile space, right, as well as the fixed lines. So that - that space, in terms of the vertical, we anticipate government as a growth area for us. The second is in banking. The third is in telco - sorry, in the - sorry, in the retail and the hospitality space, okay. Hospitality means hotel and also the hospitals and et cetera. So that is actually the key area, okay, of course. We actually try to as much as we say, increase the extent of services in those vertical spaces, so all the way from connectivity right through to vertical solutions.

Roshan Raj: (Bank of America Merrill Lynch, Analyst) Thank you, so just on that, what was the overall growth of enterprise market and how has your share evolved over the last one to two years?

Chong Yoke Sin: Well, we hope to - well, we aim, all right, to actually expand the space as far as possible, so in terms of growth and all that, well, I think we remain actually guided by the market demand. And basically, we are actually growing quite aggressively in that space so that we can actually meet the demands. I think first and foremost is actually the clients' propensity for the solutions that we have, so already a lot of it depends on the demand of the market.

Jeannie Ong: Thank you, Roshan. I'm mindful of the fact that we are standing between you and your Valentine's Day dinner, so the last question from Rama from Daiwa.

Ramakrishna Maruvada: (Daiwa, Analyst) Hi. I'll be very quick. Just a few follow-up questions. Number one is with regards to access contribution, could you outline what was its contribution in 2017 to the fixed-line revenue. Number two is the traffic expense. You alluded to the fact that 4Q '17 was not normalised level. Could you talk about what are the magnitude and the sources of one-offs that



entered in fourth quarter? And on the post-paid side, again, just following up on Roshan's line of questioning, your subscribers are also a little bit below post-paid - on the post-paid basis versus M1. Wondering was there any competitive activity impact in fourth quarter, or is it just SIM-only plans have impacted the whole thing? Thanks.

Dennis Chia: Rama, this is Dennis, and Accel's contribution, as Yoke Sin had actually articulated in her summary of the enterprise fixed revenues, the - we started consolidating Accel from the date we acquired them in July of 2017, so for the half year, the contribution of revenues were approximately \$13 million for FY17 for the half year. The other question, on traffic expenses and what would be a normalised level, we made some adjustments in the fourth quarter in respect of certain balances due and from and to our partners. The right number that you should be looking at is really the entire year's numbers in terms of the FY numbers on average. That would even out the impact of that specific adjustment that was made in Q4.

Howie Lau: Yes, Rama, on the post-paid that's up, I think if you look at the quarter to quarter, we registered an increase of 6K. I think the plans that we have launched so far have been well received. However, we do note that the excess percentage of data plans has declined slightly quarter on quarter, because the percentages customers on tiered plans that has exceeded the data plan is now at about 35%, as compared to 38% a quarter ago. So the - I think what we are obviously monitoring is to make sure that as the take-up continues, whether the impact to excess data will be something that will continue, so that we can adjust the plans accordingly.

Tan Tong Hai: And I think you need to know that M1's sub space also would include Circles.Life, which is their MVNO, so if we include the MVNO subs number, of course they show a much higher growth rate. Ours is just purely our own post-paid subs.

Jeannie Ong: Thank you, Rama. Right, ladies and gentlemen, we have come to the end of this results briefing session here at StarHub Green. On behalf of the StarHub management team, we would like to thank all of you for joining us, and we look forward to meeting you on a one-on-one basis. Have a good evening and have a prosperous 2018.

**End of Transcript**