



StarHub Ltd
Reg. No.:199802208C
67 Ubi Avenue 1
#05-01 StarHub Green
Singapore 408942
Tel: (65) 6825 5000
Fax: (65) 6721 5000

STARHUB LTD

Announcement of Unaudited Results for the Second Quarter and Half Year ended 30 June 2016

StarHub is pleased to announce the unaudited results for the second quarter and half year ended 30 June 2016.

Results for the Second Quarter and Half Year ended 30 June 2016

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

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016 S\$m	2015 S\$m	Incr/ (Decr) S\$m	%	2016 S\$m	2015 S\$m	Incr/ (Decr) S\$m	%
Total revenue	585.7	589.5	(3.8)	(0.6)	1,176.6	1,207.4	(30.8)	(2.5)
Operating expenses	(467.5)	(474.3)	(6.8)	(1.4)	(953.4)	(1,009.0)	(55.6)	(5.5)
Other income	7.9	9.3	(1.4)	(15.2)	20.5	20.0	0.5	2.3
Profit from operations	126.1	124.5	1.6	1.3	243.7	218.4	25.3	11.6
Finance income	0.8	0.3	0.5	156.5	1.3	0.9	0.4	45.8
Finance expenses ⁽¹⁾	(5.9)	(4.3)	1.6	37.1	(11.1)	(8.5)	2.6	30.3
	121.0	120.5	0.5	0.5	233.9	210.8	23.1	11.0
Non-operating income ⁽²⁾	9.5	-	9.5	nm	9.5	-	9.5	nm
Share of loss of associate (net of tax)	(0.3)	-	(0.3)	nm	(0.5)	-	(0.5)	nm
Profit before taxation	130.2	120.5	9.7	8.1	242.9	210.8	32.1	15.3
Taxation	(21.6)	(21.4)	0.2	0.8	(41.5)	(38.0)	3.5	9.3
Profit for the period	108.6	99.1	9.5	9.6	201.4	172.8	28.6	16.6
Attributable to:								
Equity holders of the Company	108.6	99.1	9.5	9.6	201.4	172.8	28.6	16.6
	108.6	99.1	9.5	9.6	201.4	172.8	28.6	16.6
EBITDA	192.0	194.5	(2.5)	(1.3)	375.3	356.6	18.7	5.3
EBITDA as a % of service revenue	34.7%	35.1%	-0.4% pts		34.2%	32.6%	1.6% pts	
Free Cash Flow ⁽³⁾	137.1	103.1	34.0	33.0	227.0	56.8	170.2	nm
<i>Profit from operations is arrived after charging the following:</i>								
<i>Allowance for doubtful receivables and bad debts written off</i>	3.6	3.8	(0.2)	(6.8)	7.9	7.6	0.3	3.2
<i>Depreciation and amortisation (net of asset grants)</i>	65.9	70.1	(4.2)	(6.0)	131.6	138.2	(6.6)	(4.8)
<i>Changes in fair value of financial instruments</i>	(2.0)	1.9	(3.9)	nm	5.1	1.9	3.2	170.8

nm – Not meaningful

Notes:

- (1) Finance expenses include interest and other financing charges
(2) Non-operating income refers to fair value gain on initial recognition of available-for-sale investments
(3) Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement
(4) Numbers in all tables may not exactly add up due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016 S\$m	2015 S\$m	Incr/(Decr) S\$m	%	2016 S\$m	2015 S\$m	Incr/(Decr) S\$m	%
Profit for the period	108.6	99.1	9.5	9.6	201.4	172.8	28.6	16.6
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	-	(0.3)	(0.3)	nm	0.1	0.1	-	0.3
Effective portion of changes in fair value of cash flow hedge	(0.1)	(0.2)	(0.1)	(42.2)	(0.4)	1.1	(1.5)	nm
Fair value changes on available- for-sale investments	2.0	-	2.0	nm	2.0	-	2.0	nm
Other comprehensive income for the period (net of taxation)	1.9	(0.5)	2.4	nm	1.7	1.2	0.5	39.5
Total comprehensive income for the period	110.5	98.6	11.9	12.1	203.1	174.0	29.1	16.7
Attributable to:								
Equity holders of the Company	110.5	98.6	11.9	12.1	203.1	174.0	29.1	16.7
	110.5	98.6	11.9	12.1	203.1	174.0	29.1	16.7

nm – Not meaningful

1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2016

(A) Revenue

Revenue	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016 S\$m	2015 S\$m	Incr / (Decr) S\$m %		2016 S\$m	2015 S\$m	Incr / (Decr) S\$m %	
Mobile	305.3	310.8	(5.5)	(1.8)	603.4	616.2	(12.8)	(2.1)
Pay TV	95.4	97.8	(2.4)	(2.4)	190.3	193.8	(3.5)	(1.8)
Broadband	54.4	49.0	5.4	11.0	107.9	97.1	10.8	11.1
Enterprise Fixed	98.6	96.7	1.9	1.9	194.4	187.6	6.8	3.6
Service revenue	553.7	554.3	(0.6)	(0.1)	1,096.0	1,094.7	1.3	0.1
Sale of equipment	32.0	35.2	(3.2)	(9.0)	80.6	112.7	(32.1)	(28.5)
Total revenue	585.7	589.5	(3.8)	(0.6)	1,176.6	1,207.4	(30.8)	(2.5)

Revenue mix	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2016 Mix %	2015 Mix %	2016 Mix %	2015 Mix %
Mobile	52.1	52.7	51.3	51.0
Pay TV	16.3	16.6	16.2	16.1
Broadband	9.3	8.3	9.2	8.0
Enterprise Fixed	16.8	16.4	16.5	15.6
Sale of equipment	5.5	6.0	6.8	9.3
Total	100.0	100.0	100.0	100.0

2Q2016 Group's total revenue of S\$585.7 million was S\$3.8 million or 0.6% lower YoY (year-on-year), primarily due to lower revenue from sale of equipment. Service revenue of S\$553.7 million was comparable to 2Q2015. For 1H2016, the Group's total revenue of S\$1,176.6 million decreased S\$30.8 million YoY. This was mainly due to lower revenue from sale of equipment partially mitigated by higher service revenue.

Compared to the corresponding periods last year, mobile service revenue was lower by 1.8% YoY in 2Q2016 and 2.1% in 1H2016, with decrease attributed to lower usage from post-paid and pre-paid services, mitigated by higher subscription revenue from larger customer base.

Pay TV service revenue decreased 2.4% YoY in 2Q2016 and 1.8% YoY in 1H2016, primarily due to lower customer base.

YoY, broadband service revenue grew 11.0% in 2Q2016 and 11.1% in 1H2016, driven by increased take-up of higher speed plans which contributed to a S\$4 increase in average revenue per user (ARPU).

Enterprise Fixed service revenue increased 1.9% in 2Q2016 and 3.6% in 1H2016, mainly due to growth in data & internet services.

YoY, 2Q2016 and 1H2016 revenue from sale of equipment was 9.0% and 28.5% lower respectively. The decrease was mainly due to lower volume of handsets sold and a lower mix of high-end models.

(B) Operating expenses

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016	2015	Incr / (Decr)		2016	2015	Incr / (Decr)	
Operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of sales	216.8	225.6	(8.8)	(3.9)	446.8	512.2	(65.4)	(12.8)
Other operating expenses	250.7	248.7	2.0	0.8	506.6	496.8	9.8	2.0
Total	467.5	474.3	(6.8)	(1.4)	953.4	1,009.0	(55.6)	(5.5)

2Q2016 and 1H2016 total operating expenses were 1.4% and 5.5% lower YoY respectively. The lower expenses were due to lower cost of sales offset by higher other operating expenses.

As a percentage of revenue, total operating expenses for 2Q2016 and 1H2016 were 79.8% and 81.0% respectively, lower compared to 80.5% in 2Q2015 and 83.6% in 1H2015.

A breakdown of total operating expenses is as follows:

(i) Cost of sales

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016	2015	Incr / (Decr)		2016	2015	Incr / (Decr)	
Cost of sales	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of equipment sold	87.5	90.7	(3.2)	(3.6)	191.7	247.7	(56.0)	(22.6)
Cost of services	99.8	100.0	(0.2)	(0.2)	192.6	195.0	(2.4)	(1.2)
Traffic expenses	29.5	34.9	(5.4)	(15.5)	62.5	69.5	(7.0)	(10.0)
Total	216.8	225.6	(8.8)	(3.9)	446.8	512.2	(65.4)	(12.8)

For 2Q2016, cost of sales of S\$216.8 million was 3.9% lower YoY, and for 1H2016, at S\$446.8 million was 12.8% lower YoY. The lower cost of sales was mainly due to lower cost of equipment sold and traffic expenses.

The lower cost of equipment sold for both 2Q2016 and 1H2016 was due to lower handsets volume and reduced sales of high-end models.

Cost of services at S\$99.8 million in 2Q2016 was comparable to 2Q2015, and for 1H2016, at S\$192.6 million was 1.2% lower than 1H2015. Lower Pay TV programming and production costs, offset by higher installation costs driven by increased customers' take-up of fibre broadband plans were the main contributing factors to the lower cost of services for 1H2016.

Traffic expenses in 2Q2016 included adjustment of accruals no longer required. Excluding the reversal, traffic expenses were lower by 9.7% in 2Q2016 and 8.5% in 1H2016 when compared to 2Q2015 and 1H2015, primarily due to lower mobile traffic.

(ii) Other operating expenses

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016	2015	Incr / (Decr)		2016	2015	Incr / (Decr)	
Other operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Staff costs	69.9	68.3	1.6	2.4	137.6	134.9	2.7	2.0
Operating leases	29.5	32.7	(3.2)	(9.9)	61.0	52.7	8.3	15.7
Marketing and promotions	34.8	31.0	3.8	12.5	67.4	70.7	(3.3)	(4.7)
Allowance for doubtful receivables	3.6	3.8	(0.2)	(6.8)	7.9	7.6	0.3	3.2
Repair and maintenance	22.2	18.2	4.0	22.2	48.3	40.0	8.3	21.0
Other expenses	24.8	24.6	0.2	0.6	52.8	52.7	0.1	0.1
Subtotal	184.8	178.6	6.2	3.5	375.0	358.6	16.4	4.6
Depreciation and amortisation (net of asset grants)	65.9	70.1	(4.2)	(6.0)	131.6	138.2	(6.6)	(4.8)
Total	250.7	248.7	2.0	0.8	506.6	496.8	9.8	2.0

Compared to the corresponding periods last year, total other operating expenses in 2Q2016 and 1H2016 were higher by 0.8% and 2.0% respectively, primarily due to lower reversal of accruals no longer required. Excluding the reversals, other operating expenses in 2Q2016 decreased 1.2% and for 1H2016, were 0.7% lower YoY.

As a percentage of revenue, other operating expenses were 43% in 2Q2016 and 1H2016. This was comparable to 2Q2015, and slightly higher for 1H2016 when compared to 42% in 1H2015, excluding the impact of reversal of accruals no longer required.

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

Staff costs

The higher staff costs were mainly due to higher salaries from annual increments, provision for leave pay and CPF contribution.

Operating leases

Excluding the adjustment of accruals no longer required, operating leases were up by 1.3% in 2Q2016 and 0.5% in 1H2016 when compared to the corresponding periods last year.

Marketing and promotions

Compared to 2Q2015, the higher marketing and promotions expenses in 2Q2016 were primarily due to increased expenditure for campaigns and marketing activities. For 1H2016, marketing and promotions expenses were lower compared to 1H2015, with decreases in acquisition and re-contract costs driven by lower sales volume.

Allowance for doubtful receivables

Compared to 2Q2015 and 1H2015, there was no material change in the allowance for doubtful receivables in 2Q2016 and 1H2016. As a percentage of service revenue, allowance for doubtful receivables was 0.6% in 2Q2016 and 0.7% in 1H2016, comparable to 0.7% in last year's corresponding periods.

Repair and maintenance

2Q2015 repair and maintenance expenses included write back of accruals no longer required. Excluding this adjustment, repair and maintenance expenses were up by 6.9% in 2Q2016 and 13.5% in 1H2016, mainly due to provision for submarine cable repair costs in 1Q2016 for

cable cuts and increased maintenance costs driven by expanded network and systems infrastructure.

Depreciation and amortisation

The lower depreciation and amortisation expenses YoY were largely due to fixed assets fully depreciated, and additions of fixed assets were comparatively lower in current periods when compared to corresponding periods last year.

(C) Other income

With certain NGNBN rollout grants fully amortised in 2015, this resulted in other income to decrease from S\$9.3 million in 2Q2015 to S\$7.9 million in 2Q2016. For 1H2016, other income was up by S\$0.5 million YoY driven by higher NGNBN adoption grant from increasing take-up of fibre broadband services. This was offset by lower NGNBN rollout income.

(D) Profitability

For 2Q2016, profit from operations of S\$126.1 million was up by 1.3% YoY, and for 1H2016, at S\$243.7 million was up by 11.6% YoY due to the lower volume of subsidised handsets in the mobile business.

Compared to 2Q2015, EBITDA of S\$192.0 million in 2Q2016 was 1.3% lower and EBITDA margin as a percentage of service revenue at 34.7% was 0.4% points lower. For 1H2016, EBITDA of S\$375.3 million was 5.3% higher YoY, resulting in 1H2016 EBITDA margin to be higher at 34.2% when compared to 32.6% in 1H2015.

The higher finance income in current periods was attributed to more placements of fixed deposits, while the higher finance expenses were driven by higher interest expenses on bank borrowings and S\$300.0 million new medium term notes issued in 2Q2016.

The Group completed the purchase of 44 million shares in mm2 Asia Ltd (“mm2”) in 2Q2016 for an agreed consideration of S\$0.41 per share or a total of S\$18.0 million. Upon the initial recognition of this investment, the Group recognised a fair value gain of S\$9.5 million based on the 2 June 2016 share price of S\$0.625.

As a result, profit before taxation of S\$130.2 million in 2Q2016 was S\$9.7 million higher YoY. For 1H2016, profit before taxation of S\$242.9 million was S\$32.1 million higher, due to increased profits from operations and the one-time fair value gain of S\$9.5 million. Taxation expense at S\$21.6 million in 2Q2016 was comparable to 2Q2015 and for 1H2016, taxation expense of S\$41.5 million was 9.3% higher, driven by higher profits.

Net profit after taxation was S\$108.6 million in 2Q2016 and S\$201.4 million in 1H2016, a YoY increase of 9.6% and 16.6% respectively when compared to the corresponding periods last year.

2. BUSINESS REVIEW

Mobile Services

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016	2015	Incr / (Decr)		2016	2015	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue	305.3	310.8	(5.5)	(1.8)	603.4	616.2	(12.8)	(2.1)

Mobile operating statistics	Quarter ended			Half Year ended		YoY
	30 Jun 2016	31 Mar 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015	Incr/(Decr) %
Number of registered customers (in thousands)						
Post-paid	1,364	1,344	1,313	1,364	1,313	3.9
Pre-paid	872	855	849	872	849	2.6
Total	2,235	2,198	2,162	2,235	2,162	3.4
Monthly minutes of use per registered customer						
Post-paid	210	215	224	212	228	(6.9)
Pre-paid	220	237	289	228	297	(23.0)
ARPU with IDD included (S\$ per month)						
Post-paid	71	69	70	70	69	1.4
Pre-paid	16	17	18	16	18	(9.6)
Tiered data plans						
Percentage of total Post-paid customers	66.3%	65.4%	62.7%	66.3%	62.7%	-
Percentage of tiered data plan customers exceeding data bundles	24.0%	22.0%	22.0%	23.0%	22.0%	-
Post-paid non-voice service as a contribution to ARPU						
Total data	60.1%	59.7%	56.0%	59.9%	56.3%	-
Non-SMS data	54.3%	53.5%	49.2%	53.9%	49.3%	-
Average monthly churn rate (post-paid)	0.9%	0.9%	0.9%	0.9%	0.9%	-
Singapore mobile penetration ⁽¹⁾	149.1%	148.7%	146.8%	149.1%	146.8%	-
Market Share ⁽¹⁾	26.7%	26.7%	26.6%	26.7%	26.6%	-

Note:

(1) Source : IDA (As at April 2016)

Overall mobile service revenue of S\$305.3 million in 2Q2016 was 1.8% lower YoY, and for 1H2016, mobile service revenue of S\$603.4 million was 2.1% lower YoY. The lower revenue was primarily due to lower usage revenue from local voice as well as IDD and roaming services. The decrease was partly mitigated by increase in subscription revenue from higher post-paid mobile subscriber base.

Post-paid mobile services

As at 30 June 2016, Post-paid mobile subscriber base was 1,364,000 subscribers after the quarter's net addition of 20,000 subscribers. Compared to a year ago, Post-paid customer base grew by 51,000 customers or 3.9%. The percentage of customers on tiered data mobile subscription plans was higher at 66.3% as at 30 June 2016, up from 62.7% a year ago.

Post-paid mobile ARPU was S\$1 higher YoY at S\$71 in 2Q2016 and S\$70 in 1H2016, due to an increasing mix of customers on the 4G tiered data plans and excess data usage, offset by

lower usage revenue from IDD, voice and roaming services. The percentage of tiered data customers exceeding their data bundle rose to 24% in 2Q2016 and 23% in 1H2016, up from 22% previously.

As a percentage of post-paid ARPU, post-paid non-voice was higher at 60.1% in 2Q2016 and 59.9% in 1H2016, up from 56.0% and 56.3% in the corresponding periods last year.

The post-paid mobile monthly average churn maintained at 0.9%.

Pre-paid mobile services

As at 30 June 2016, Pre-paid mobile customer base was 872,000 customers after the quarter's net addition of 17,000 customers. Pre-paid customer base grew by 23,000 customers or 2.6% increase YoY.

Pre-paid mobile ARPU at S\$16 in the current periods was S\$2 lower YoY, primarily due to lower usage.

Pay TV Services

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016	2015	Incr / (Decr)		2016	2015	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Pay TV revenue	95.4	97.8	(2.4)	(2.4)	190.3	193.8	(3.5)	(1.8)

Pay TV operating statistics	Quarter ended			Half Year ended		YoY
	30 Jun	31 Mar	30 Jun	30 Jun		Incr/(Decr)
	2016	2016	2015	2016	2015	%
Number of residential Pay TV customers (in thousands)	518	528	545	518	545	(5.0)
ARPU (S\$ per month)	52	51	52	51	51	0.1
Average monthly churn rate	1.0%	0.8%	0.8%	0.9%	0.7%	-
StarHub's penetration	35.4%	37.7%	41.0%	35.4%	41.0%	-

2Q2016 and 1H2016 Pay TV service revenue of S\$95.4 million and S\$190.3 million was 2.4% and 1.8% lower YoY respectively. The decrease in subscription revenue from a lower subscriber base was partially mitigated by higher advertising revenue.

As at 30 June 2016, Pay TV subscriber base was 518,000 subscribers after the quarter's net churn of 10,000 subscribers. Pay TV subscriber base was down by 27,000 subscribers or 5.0% YoY. As a result, Pay TV monthly churn was higher at 1.0% in 2Q2016 and 0.9% in 1H2016, up from 0.8% in 2Q2015 and 0.7% in 1H2015.

Pay TV ARPU was steady at S\$52 in 2Q2016 and S\$51 in 1H2016.

Broadband Services

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016	2015	Incr / (Decr)		2016	2015	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Broadband revenue	54.4	49.0	5.4	11.0	107.9	97.1	10.8	11.1

Broadband operating statistics	Quarter ended			Half Year ended		YoY
	30 Jun	31 Mar	30 Jun	30 Jun		Incr/(Decr)
	2016	2016	2015	2016	2015	%
Number of residential broadband customers - subscription-based (in thousands)	473	473	475	473	475	(0.4)
Number of fibre broadband customers - subscription-based (in thousands)	328	298	217	328	217	51.0
ARPU (S\$ per month)	37	36	33	37	33	10.1
Average monthly churn rate	1.2%	1.1%	0.9%	1.1%	0.9%	-

For 2Q2016, broadband service revenue of S\$54.4 million was up 11.0% YoY. For 1H2016, broadband service revenue of S\$107.9 million rose 11.1% YoY. The increase was due to higher subscription revenue, installation and other revenue. An increased mix of customers on the fibre and higher speed plans drove the increase in subscription revenue and ARPU, which rose S\$4 to S\$37 per month in 2Q2016 and 1H2016.

Total fibre broadband customer base grew 51.0% YoY to 328,000 subscribers as at 30 June 2016.

As at 30 June 2016, the total residential broadband subscriber base was 473,000 subscribers, comparable to 1Q2016 and 2,000 lower than a year ago. Broadband average monthly churn was higher at 1.2% in 2Q2016 and 1.1% in 1H2016, up from 0.9% last year.

Enterprise Fixed Services

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016	2015	Incr / (Decr)		2016	2015	Incr / (Decr)	
Enterprise Fixed revenue	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Data & Internet	85.5	83.0	2.5	3.0	167.6	161.1	6.5	4.0
Voice services	13.1	13.7	(0.6)	(4.6)	26.8	26.5	0.3	1.1
Total	98.6	96.7	1.9	1.9	194.4	187.6	6.8	3.6

Revenue from enterprise fixed services of S\$98.6 million in 2Q2016 was up by 1.9% and for 1H2016, increased 3.6% to S\$194.4 million YoY, mainly due to growth in data & internet services.

Data & internet service revenue was higher by 3.0% YoY in 2Q2016 and 4.0% YoY in 1H2016, driven largely by increased demand for managed services by enterprise customers.

Compared to 2Q2015, voice service revenue in 2Q2016 decreased 4.6% YoY due to lower IDD and domestic interconnect traffic. For 1H2016, voice service revenue was 1.1% higher YoY, primarily due to higher traffic volume from international services.

Hubbing (Multi-Service Households)

Hubbing Metrics	30 Jun	As at	30 Jun	YoY
	2016	31 Mar	2015	Incr/(Decr)
		2016		%
Total hubbing households with at least one service of Post-Paid Mobile, Pay TV and/or Broadband services (in thousands)	769.4	771.4	775.7	(0.8)
Percentage of total hubbing households which subscribe to any two services	27.6%	27.7%	28.3%	(0.7)% pts
Percentage of total hubbing households which subscribe to all three services	31.3%	31.5%	31.7%	(0.4)% pts
Percentage of total hubbing households which subscribe to two or more services	58.9%	59.2%	60.0%	(1.1)% pts
Total Singapore occupied homes (in thousands, estimated) ⁽¹⁾	1,245	1,245	1,230	1.2

Note:

(1) Source: Nielsen Media Research for 2015 estimates

As at 30 June 2016, the total number of households which subscribed to at least one of the hubbing service was 769,400 households. This was 6,300 households or 0.8% lower YoY.

Triple service households were 241,000 households as at 30 June 2016. This represented 31.3% of total hubbing households, down from 31.7% a year ago. The decrease was primarily due to higher churn in overall TV households.

As a result, the percentage of households which subscribed to two or more services decreased from 60.0% a year ago to 58.9% as at 30 June 2016.

3. GROUP CASH FLOW STATEMENT

	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2016 S\$m	2015 S\$m	2016 S\$m	2015 S\$m
Operating Activities				
Profit before taxation	130.2	120.5	242.9	210.8
Adjustments for :				
Depreciation and amortisation (net of asset grants)	65.9	70.1	131.6	138.2
Income related grants	(7.8)	(9.3)	(20.3)	(20.0)
Share-based payments expenses	2.6	2.7	4.6	4.8
Changes in fair value of financial instruments	(2.0)	1.9	5.1	1.9
Net finance expenses	5.1	4.0	9.8	7.6
Share of loss of associate (net of tax)	0.3	-	0.5	-
Non-operating income	(9.5)	-	(9.5)	-
Others	1.0	0.1	1.2	0.3
Operating cash flow before working capital changes	185.8	190.0	365.9	343.6
Changes in working capital	33.0	10.8	(1.1)	(71.7)
Income tax paid	(33.3)	(35.3)	(47.6)	(56.3)
Net cash from operating activities	185.5	165.5	317.2	215.6
Investing Activities				
Proceeds from disposal of fixed assets	0.1	0.2	0.1	0.4
Purchase of fixed assets	(48.4)	(62.4)	(90.2)	(158.8)
Interest received	0.7	0.3	0.9	0.9
Purchase of available-for-sale investments	(18.0)	-	(18.0)	-
Net cash used in investing activities	(65.6)	(61.9)	(107.2)	(157.5)
Financing Activities				
Proceeds from exercise of share options	-	0.2	-	0.3
Proceeds from issuance of medium term notes	300.0	-	300.0	-
Grants received	11.3	1.1	23.5	13.8
Dividends paid	(173.1)	(173.0)	(173.1)	(173.0)
Finance expenses paid	(5.9)	(1.6)	(10.9)	(8.9)
Net cash from/(used in) financing activities	132.3	(173.3)	139.5	(167.8)
Net change in cash and cash equivalents	252.2	(69.7)	349.5	(109.7)
Exchange difference on cash and cash equivalents	-	(0.2)	-	0.1
Cash and cash equivalents at beginning of the period	270.7	224.5	173.4	264.2
Cash and cash equivalents at end of the period	522.9	154.6	522.9	154.6

The Group's net cash from operating activities of S\$185.5 million in 2Q2016 was S\$20.0 million higher YoY. The increase was largely due to higher positive changes in working capital. For 1H2016, the Group's net cash from operating activities at S\$317.2 million was S\$101.6 million higher YoY, with increase attributed to higher cash flows from operations, coupled with lower working capital needs and tax paid.

Positive working capital changes of S\$33.0 million in 2Q2016 were mainly due to lower inventories, trade receivables, other receivables, deposits and prepayments, coupled with

higher trade and other payables, and net balances due to related parties. For 1H2016, negative working changes of S\$1.1 million primarily resulted from lower trade and other payables, net balances due to related parties, and higher trade receivables. This was mitigated by lower inventories, other receivables, deposits and prepayments.

For 2Q2016, the Group's total net cash used in investing activities of S\$65.6 million was S\$3.7 million higher YoY. The Group paid a total of S\$18.0 million in 2Q2016 upon completion of the purchase of mm2's shares. This was mitigated by a lower CAPEX payment of S\$48.4 million in 2Q2016 when compared to S\$62.4 million in 2Q2015. For 1H2016, the net cash outflow from investing activities of S\$107.2 million was S\$50.3 million lower YoY, primarily due to lower CAPEX payments of S\$68.6 million offset by the Group's investment in mm2 of S\$18.0 million.

The Group's CAPEX payments totaled S\$48.4 million in 2Q2016 and S\$90.2 million in 1H2016, representing 8.3% and 7.7% of total revenue respectively.

As a result of the higher cash from operating activities and reduced CAPEX payments, the Group's free cash flow was higher at S\$137.1 million in 2Q2016 and S\$227.0 million in 1H2016.

For 2Q2016 and 1H2016, net cash from financing activities was an inflow of S\$132.3 million and S\$139.5 million respectively, compared to an outflow of S\$173.3 million in 2Q2015 and S\$167.8 million in 1H2015. The change was primarily attributed to the proceeds from the issuance of S\$300.0 million medium term notes and higher grants receipts, offset by higher finance expenses paid YoY.

The resulting net cash generated was a surplus of S\$252.2 million in 2Q2016 and S\$349.5 million in 1H2016. As a result, cash and cash equivalents balance was higher at S\$522.9 million as at 30 June 2016, up from S\$154.6 million a year ago.

Capital expenditure commitments

As of 30 June 2016, the Group's total outstanding capital expenditure commitments amounted to S\$303.0 million. The outstanding commitments included the balance of S\$80 million for the 4G spectrum rights, capital expenditures committed for TV headend migration, IT and business support systems, and expansion and enhancement of network infrastructure.

4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 Jun 16 S\$m	31 Dec 15 S\$m	30 Jun 16 S\$m	31 Dec 15 S\$m
Non-current assets				
Property, plant and equipment	862.4	890.0	406.0	411.4
Intangible assets	378.2	388.1	68.7	70.6
Subsidiaries	-	-	2,076.1	1,758.1
Associate	27.1	27.5	27.8	27.8
Available-for-sale investments	29.5	-	29.5	-
Balances with related parties	-	-	-	344.2
	1,297.2	1,305.6	2,608.1	2,612.1
Current assets				
Inventories	35.8	54.3	0.6	50.1
Trade receivables	156.4	153.3	136.9	137.5
Other receivables, deposits and prepayments	177.6	196.8	37.0	34.1
Balances with related parties	16.1	26.0	290.2	110.8
Cash and cash equivalents	522.9	173.4	476.2	154.2
	908.8	603.8	940.9	486.7
Less:				
Current liabilities				
Trade and other payables	670.1	687.3	281.6	297.7
Balances with related parties	107.3	122.5	585.7	404.4
Borrowings	137.5	137.5	137.5	137.5
Provision for taxation	82.8	80.6	55.9	49.1
	997.7	1,027.9	1,060.7	888.7
Net current liabilities	(88.9)	(424.1)	(119.8)	(402.0)
Non-current liabilities				
Trade and other payables	22.7	22.7	22.7	22.7
Borrowings	850.0	550.0	850.0	550.0
Deferred income	1.7	1.1	1.7	1.1
Deferred tax liabilities	111.7	120.1	57.1	61.3
	986.1	693.9	931.5	635.1
Net assets	222.2	187.6	1,556.8	1,575.0
Shareholders' equity				
Share capital	299.2	293.5	299.2	293.5
Reserves	(77.0)	(105.9)	1,257.6	1,281.5
Total equity	222.2	187.6	1,556.8	1,575.0

GROUP BALANCE SHEET REVIEW

The Group's non-current assets were S\$1,297.2 million as at 30 June 2016. This was S\$8.4 million lower than at 31 December 2015. The decrease was mainly due to lower net book values for property, plant and equipment, and intangible assets, mitigated by the Group's new investment in mm2 stated at fair value of S\$29.5 million, based on market value of S\$0.67 per share as at 30 June 2016.

Total current assets totaled S\$908.8 million as at 30 June 2016, up from S\$603.8 million as at 31 December 2015. The increase of S\$305.0 million was primarily due to higher cash and cash equivalents, which was up S\$349.5 million when compared to 31 December 2015.

Total current liabilities decreased from S\$1,027.9 million as at 31 December 2015 to S\$997.7 million as at 30 June 2016. The decrease of S\$30.2 million was due to lower trade and other payables, and balances due to related parties, offset by higher provision for taxation. Capital expenditure payables amounted to S\$67.4 million as at 30 June 2016, S\$5.0 million higher compared to the balance as at 31 December 2015.

As at 30 June 2016, total non-current liabilities were S\$292.2 million higher at S\$986.1 million when compared to 31 December 2015. The increase was mainly due to the S\$300.0 million medium term notes issued in 2Q2016.

Compared to 31 December 2015, the Group's shareholders' equity was up by S\$34.6 million to S\$222.2 million. The increase was primarily due to higher share capital of S\$5.7 million and increased retained profits of S\$28.3 million after the distribution of dividends.

5. GROUP UNSECURED BORROWINGS

	30 Jun 16 S\$m	31 Dec 15 S\$m
Unsecured borrowings		
Amount repayable in one year or less		
Bank loans	137.5	137.5
	137.5	137.5
Amount repayable after one year		
Bank loans	330.0	330.0
Medium term notes	520.0	220.0
	850.0	550.0
Total	987.5	687.5

In June 2016, the Group issued a S\$300.0 million 3.55% fixed rate 10-year medium term notes due in 2026 under its S\$1 billion Multicurrency Medium Term Note Programme. This resulted in the Group's unsecured borrowings increasing from S\$687.5 million as at 31 December 2015 to S\$987.5 million as at 30 June 2016.

Net debt was lower at S\$464.6 million as at 30 June 2016, due to higher cash balances when compared to S\$514.1 million as at 31 December 2015. As a ratio of 2015 EBITDA, the Group's net debt was lower at 0.65 times as at 30 June 2016 when compared to 0.72 times as at 31 December 2015.

6. STATEMENT OF CHANGES IN EQUITY

Group	Share capital S\$m	Goodwill written off S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2016	293.5	(276.3)	12.3	-	0.5	1.3	156.3	(105.9)	187.6
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	92.8	92.8	92.8
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	0.1	-	0.1	0.1
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.3)	-	-	(0.3)	(0.3)
Total comprehensive income for the period	-	-	-	-	(0.3)	0.1	92.8	92.6	92.6
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	2.6	-	(2.6)	-	-	-	-	(2.6)	-
Share-based payments expenses	-	-	2.0	-	-	-	-	2.0	2.0
Total transactions with equity holders of the Company	2.6	-	(0.6)	-	-	-	-	(0.6)	2.0
At 31 Mar 2016	296.1	(276.3)	11.7	-	0.2	1.4	249.1	(13.9)	282.2
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	108.6	108.6	108.6
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.1)	-	-	(0.1)	(0.1)
Fair value changes on available-for-sale investments	-	-	-	2.0	-	-	-	2.0	2.0
Total comprehensive income for the period	-	-	-	2.0	(0.1)	-	108.6	110.5	110.5
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	3.1	-	(3.1)	-	-	-	-	(3.1)	-
Share-based payments expenses	-	-	2.6	-	-	-	-	2.6	2.6
Dividends paid	-	-	-	-	-	-	(173.1)	(173.1)	(173.1)
Total transactions with equity holders of the Company	3.1	-	(0.5)	-	-	-	(173.1)	(173.6)	(170.5)
At 30 Jun 2016	299.2	(276.3)	11.2	2.0	0.1	1.4	184.6	(77.0)	222.2

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Group	Share capital S\$m	Goodwill written off S\$m	Share- based payments reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2015	282.6	(276.3)	13.4	(1.4)	0.8	129.9	(133.6)	149.0
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	73.7	73.7	73.7
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	0.4	-	0.4	0.4
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	1.3	-	-	1.3	1.3
Total comprehensive income for the period	-	-	-	1.3	0.4	73.7	75.4	75.4
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	3.3	-	(3.2)	-	-	-	(3.2)	0.1
Share-based payments expenses	-	-	2.1	-	-	-	2.1	2.1
Total transactions with equity holders of the Company	3.3	-	(1.1)	-	-	-	(1.1)	2.2
At 31 Mar 2015	285.9	(276.3)	12.3	(0.1)	1.2	203.6	(59.3)	226.6
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	99.1	99.1	99.1
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	(0.3)	-	(0.3)	(0.3)
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	(0.2)	-	-	(0.2)	(0.2)
Total comprehensive income for the period	-	-	-	(0.2)	(0.3)	99.1	98.6	98.6
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	7.6	-	(7.4)	-	-	-	(7.4)	0.2
Share-based payments expenses	-	-	2.7	-	-	-	2.7	2.7
Dividends paid	-	-	-	-	-	(173.0)	(173.0)	(173.0)
Total transactions with equity holders of the Company	7.6	-	(4.7)	-	-	(173.0)	(177.7)	(170.1)
At 30 Jun 2015	293.5	(276.3)	7.6	(0.3)	0.9	129.7	(138.4)	155.1

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Merger/ Capital reserve S\$m	Share- based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2016	293.5	276.5	12.3	-	0.5	992.2	1,281.5	1,575.0
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	44.0	44.0	44.0
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.3)	-	(0.3)	(0.3)
Total comprehensive income for the period	-	-	-	-	(0.3)	44.0	43.7	43.7
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	2.6	-	(2.6)	-	-	-	(2.6)	-
Share-based payments expenses	-	-	2.0	-	-	-	2.0	2.0
Total transactions with equity holders of the Company	2.6	-	(0.6)	-	-	-	(0.6)	2.0
At 31 Mar 2016	296.1	276.5	11.7	-	0.2	1,036.2	1,324.6	1,620.7
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	104.7	104.7	104.7
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.1)	-	(0.1)	(0.1)
Fair value changes on available-for-sale investments	-	-	-	2.0	-	-	2.0	2.0
Total comprehensive income for the period	-	-	-	2.0	(0.1)	104.7	106.6	106.6
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	3.1	-	(3.1)	-	-	-	(3.1)	-
Share-based payments expenses	-	-	2.6	-	-	-	2.6	2.6
Dividends paid	-	-	-	-	-	(173.1)	(173.1)	(173.1)
Total transactions with equity holders of the Company	3.1	-	(0.5)	-	-	(173.1)	(173.6)	(170.5)
At 30 Jun 2016	299.2	276.5	11.2	2.0	0.1	967.8	1,257.6	1,556.8

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Merger/ Capital reserve S\$m	Share- based payments reserve S\$m	Hedging reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2015	282.6	276.5	13.4	(1.4)	823.2	1,111.7	1,394.3
<u>Total comprehensive income for the period</u>							
Profit for the period	-	-	-	-	50.4	50.4	50.4
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	1.3	-	1.3	1.3
Total comprehensive income for the period	-	-	-	1.3	50.4	51.7	51.7
<u>Transactions with equity holders of the Company, recognised directly in equity</u>							
<i>Contributions by and distributions to equity holders of the Company</i>							
Issue of shares pursuant to share plans	3.3	-	(3.2)	-	-	(3.2)	0.1
Share-based payments expenses	-	-	2.1	-	-	2.1	2.1
Total transactions with equity holders of the Company	3.3	-	(1.1)	-	-	(1.1)	2.2
At 31 Mar 2015	285.9	276.5	12.3	(0.1)	873.6	1,162.3	1,448.2
<u>Total comprehensive income for the period</u>							
Profit for the period	-	-	-	-	79.8	79.8	79.8
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	(0.2)	-	(0.2)	(0.2)
Total comprehensive income for the period	-	-	-	(0.2)	79.8	79.6	79.6
<u>Transactions with equity holders of the Company, recognised directly in equity</u>							
<i>Contributions by and distributions to equity holders of the Company</i>							
Issue of shares pursuant to share plans	7.6	-	(7.4)	-	-	(7.4)	0.2
Share-based payments expenses	-	-	2.7	-	-	2.7	2.7
Dividends paid	-	-	-	-	(173.0)	(173.0)	(173.0)
Total transactions with equity holders of the Company	7.6	-	(4.7)	-	(173.0)	(177.7)	(170.1)
At 30 Jun 2015	293.5	276.5	7.6	(0.3)	780.4	1,064.2	1,357.7

7. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As at 30 June 2016, the share capital of the Company was S\$299.2 million comprising 1,731,515,143 issued ordinary shares. As at 31 December 2015, it was S\$293.5 million comprising 1,729,795,128 ordinary shares.

Treasury Shares

As at 30 June 2016, the Company did not hold any treasury shares (30 June 2015: nil treasury shares).

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

Issue of new shares

Number of new ordinary shares issued:	2Q2016	1H2016
For payout to participants of the Company's Performance and Restricted Share Plans via the transfer from the Company's share-based payment reserve	976,100	1,720,015

This was done via the transfer from the Company's share-based payment reserve at S\$3.1 million in 2Q2016 and S\$5.7 million in 1H2016.

Outstanding Shares – Share Options and Share-Based Plans

Share Option Plans

As at 30 June 2016, there were no outstanding share options under the Company's share option plans as all outstanding unexercised options had lapsed on 30 May 2015.

Performance Share Plans

As at 30 June 2016, the outstanding balance of conditional awards under the Performance Share Plans was 1,761,100 ordinary shares (30 June 2015: 1,533,800 ordinary shares).

Restricted Stock Plans

As at 30 June 2016, the outstanding balance of conditional awards under the Restricted Stock Plans was 5,657,644 ordinary shares (30 June 2015: 5,309,733 ordinary shares).

8. AUDIT

The financial statements have not been audited or reviewed.

9. AUDITORS' REPORT

Not applicable.

10. ACCOUNTING POLICIES

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period consistent with those of the audited financial statements for the year ended 31 December 2015.

In the current financial period, the Group and the Company have adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2016.

The adoption of these new/revised FRSs and INT FRSs did not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

11. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

12. GROUP EARNINGS PER ORDINARY SHARE

	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2016	2015	2016	2015
Basic				
Earnings per share	6.3 cents	5.7 cents	11.6 cents	10.0 cents
Weighted average number of shares ('000)	1,731,468	1,729,691	1,730,880	1,728,407
Diluted				
Earnings per share	6.2 cents	5.7 cents	11.6 cents	10.0 cents
Weighted average number of shares ('000)	1,738,887	1,736,564	1,738,298	1,735,328

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net asset value per share	12.8 cents	10.8 cents	89.9 cents	91.1 cents

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

For 1H2016, the Group's service revenue rose by 0.1% YoY. This was lower than our guidance of full year's service revenue to grow in the low single digit range.

1H2016 EBITDA margin was higher at 34.2% of service revenue when compared to our guidance of EBITDA margin at about 31% of service revenue for the year.

Total CAPEX payments in 1H2016 amounted to 7.7% of total revenue. Our guidance for 2016 CAPEX is expected to be at about 13% of total revenue, excluding the S\$80 million spectrum payment.

15. GROUP OUTLOOK

In the Mobile business, we continue to expect growth in subscription revenue and data revenue for Post-paid. The encouraging take-up from the recently launched Plus 3 (additional 3GB data) effectively converts excess data usage revenue into a recurring subscription-based revenue stream. This feature was also extended to the SIM-Only plans. The changing customer usages of OTT (over-the-top) services continue to impact chargeable usage-based revenue, such as voice roaming & IDD services. Consumption of mobile data continues to grow and contribute to revenue. The new spectrum auction is expected in 4Q2016 and as the majority of the spectrum can be used from April 2017, we do not expect this to have any material impact on the 2016 performance.

For Broadband, the uptake of fibre services is healthy with growth coming from both our cable broadband customers switching to fibre and new customers taking up higher speed plans. There is also a trend of customers upgrading to higher speed plans which serves to improve ARPU.

The migration of customers from Cable TV to IPTV is seeing a steady growth and we expect this momentum to accelerate in the periods ahead. The launch of Netflix on IPTV has contributed new subscriptions to IPTV although the customer base is small at present. The uptake of StarHub Go is healthy as customers watch more content on the go.

In the enterprise business, we launched the first of our cyber security threat monitoring services in the 2nd quarter and expect demand to come from across all sectors. Additional services in security will be progressively rolled out in the subsequent quarters. We continue to capitalise on opportunities for network diversity as we further expand our StarHub fibre network. There has been a rise in projects that include data analytics as more organisations seek to leverage on the insights from data analytics. Traditional telco services continue to be impacted by erosion of prices and changing usage demands. However, increasing demand in other technologies such as cloud-based computing and Internet of Things, is translating into new revenue streams.

Based on the current outlook, we expect our Group's 2016 service revenue to be at about 2015's level and Group EBITDA margin at about 32% of service revenue. In 2016, CAPEX payment is expected to be at about 13% of total revenue, excluding the S\$80 million spectrum payment due in 2016 in respect of the spectrum awarded in 2013 and any payment in respect of new spectrum which is expected to take place in 4Q2016.

For 2016, we intend to maintain the annual cash dividend of 20 cents per ordinary share.

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

16. DIVIDENDS

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(c) Date payable

The interim dividend will be paid on 26 August 2016.

(d) Book closure date

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 15 August 2016 ("Book Closure Date") for the purpose of determining members' entitlement to the interim dividend.

Duly completed registrable transfers received by the Company's share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 up to the close of the business at 5.00 p.m. on 12 August 2016 ("Entitlement Date") will be registered to determine members' entitlement to the interim dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on the Entitlement Date will be entitled to the interim dividend.

17. IF NO DIVIDEND HAVE BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT

Not applicable.

18. INTERESTED PERSON TRANSACTIONS

	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000) 1 April 2016 to 30 June 2016 S\$m
Transactions for the Sale of Goods & Services	
Singapore Telecommunications Limited & its associates	6.0
TeleChoice International Ltd & its associates	30.0
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	0.4
	36.4
Transactions for the Purchase of Goods & Services	
CapitalLand Limited & its associates	5.6
Singapore Power Limited & its associates	6.4
Singapore Telecommunications Limited & its associates	19.3
TeleChoice International Ltd & its associates	35.9
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	1.5
	68.7

19. NEGATIVE ASSURANCE CONFIRMATION

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the second quarter and half year ended 30 June 2016 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Steven Terrell Clontz
Director

Tan Tong Hai
Director

Singapore
3 August 2016

20. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.