

StarHub Reports 2017 Second-Quarter and Half-Year Results

Singapore, 2 August 2017 – StarHub Ltd today announced its results for the second quarter and half-year ended 30 June 2017.

On a half-year basis, service revenue decreased 2% to S\$1,080 million due to lower Mobile, Broadband and Pay TV service revenues. Consequently, total revenue was slightly lower at S\$1,171 million. On a quarter period, total revenue was 1% lower at S\$579 million while service revenue decreased 2% to S\$543 million compared to the same period a year ago.

For the half-year, the Group's EBITDA decreased 9% to S\$341 million from S\$375 million previously. Correspondingly, EBITDA margin was lower at 31.6% versus 34.2% for the same period a year ago. For the quarter, the Group's EBITDA was lower by 6% year-on-year (YoY) at S\$180 million and EBITDA margin was at 33.2%. Net profit after tax for both the quarter and six-month periods were lower by 21% YoY. Excluding the one-time fair value gain of S\$9.5 million from mm2 Asia Ltd in 2Q2016, the net profit after tax for the quarter and six-month periods were lower by 14% and 17% respectively.

In 1H2017, StarHub saw a 42% decrease or S\$133 million in free cash flow. It also had cash CAPEX which was 64% higher at S\$148 million compared to the same period last year. For the quarter, free cash flow was 88% YoY lower and cash CAPEX was 137% YoY higher.

Business Highlights

For the half-year period, StarHub recorded customer growth for both pre-and post-paid Mobile. Enterprise Fixed services revenue grew 2% YoY while Pay TV revenue decreased 7% YoY and Broadband revenue was 1% YoY lower.

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In terms of total revenue mix for the half-year, Mobile continued to be the major contributor at 51%. Enterprise Fixed services is the second largest contributor at 17%. Pay TV, Broadband, and Sales of Equipment contributed 15%, 9% and 8% respectively.

- Total **Mobile** revenue was 1% YoY lower at S\$599 million compared to 1H2016. The pre-paid and post-paid customer base grew by 33,000 and 21,000 respectively YoY. For the half-year, the post-paid ARPU and pre-paid ARPU both decreased S\$1 to S\$69 and S\$15 respectively.
- **Pay TV** revenue was 7% YoY lower at S\$176 million in 1H2017 because of a 41,000 drop in customer base to 477,000. Comparing 1H2017 to 1H2016, churn rate was kept low at 0.9% and ARPU remained stable at S\$51.
- For the half-year period, **Broadband** revenue decreased 1% YoY to S\$107 million. For the quarter, ARPU saw a S\$1 dip to S\$36. The residential broadband customer base decreased by 6,000 to 467,000.
- In 1H2017, **Enterprise Fixed** revenue increased 2% YoY to S\$198 million. Data & Internet services revenue, which contributed 89% to the Enterprise Fixed revenue mix, increased 5% YoY to S\$176 million. Voice services revenue decreased 18% to S\$22 million due to lower traffic from IDD and international interconnect services.

“In the quarter, we announced our acquisition of Accel to enhance our enterprise-grade cyber security offerings. This acquisition dovetails perfectly with our strategy to grow our enterprise business and demonstrates our push for inorganic growth,” said Mr Tan Tong Hai, CEO of StarHub.

“In the consumer space, we are happy to see continual improvements in customer satisfaction levels as shown in CSISG 2017. We remain focused on addressing our customers’ digital lifestyle needs by offering them relevant products and services to enjoy a better StarHub experience,” added Mr Tan.

Outlook for FY2017

Based on the current outlook, we maintained the Group’s 2017 service revenue to be at about 2016’s level and Group EBITDA margin to be between 26% to 28% of service revenue. We expect our CAPEX payments to be about 13% of our total revenue,

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excluding the spectrum payment. For 2017, we intend to maintain our annual cash dividend of four cents per quarter per ordinary share.

For more details on the Group's performance for 2Q & 1H2017 and outlook for FY2017, please visit www.starhub.com/ir. Materials available at this website include the audio conference link, investor presentation and unaudited results for the second quarter and half-year ended 30 June 2017.

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About StarHub

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

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

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