

StarHub Reports 2008 Fourth Quarter and Full Year Results

- *Full Year Operating Revenue Rose 6% To S\$2,128 Million*
- *EBITDA Stable At S\$644 Million*
- *EPS @ 18.16 Cents*
- *Recommends Final Dividend Of 4.5 Cents Per Share, totaling 18 cents per share for FY2008*

Singapore, 10 February 2009 – The final quarter of 2008 operating revenue was S\$537 million and for the full year it rose 6% to S\$2,128 million. The Group's EBITDA for the quarter was S\$165 million and for the full year it was S\$644 million. EBITDA margin as a percentage of service revenue expanded to 32.1% for the quarter and for the full year it was 31.7%.

For the quarter, profit from operations at S\$105 million was 7% higher YoY, while for the full year, it was 2% lower at S\$409 million. Net profit after tax decreased 11% for the quarter and 6% for the full year recording S\$87 million and S\$311 million respectively. Free cash flow (FCF) at S\$82 million for the quarter was 22% higher compared to last year's S\$67 million. Looking at the full year, FCF was at S\$378 million or 22% lower than last year's S\$483 million.

Capital expenditure (capex) was 47% lower or S\$55 million compared to S\$103 million a year ago. For the full year, capex was S\$220 million which was 10% of the Company's operating revenue.

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

Financial Highlights

S\$ million	Quarter ended 31 December			Full year ended 31 December		
	2008	2007	% Change	2008	2007	% Change
Total Revenue	537	539	(0.4)	2,128	2,014	6
Service Revenue	515	505	2	2,030	1,906	7
EBITDA	165	157	5	644	643	0.2
Profit from operations	105	99	7	409	417	(2)
Profit after tax	87	98	(11)	311	330	(6)
EPS (Diluted) (Cents)	5.09	5.73	(11)	18.16	18.54	(2)
FCF / Share (Diluted) (Cents)	4.76	3.92	22	22.04	27.10	(19)

FY-2008 Financial & Business Highlights

On a full year basis, Pay TV revenue registered the highest growth - a 17% lift. Mobile remained the major revenue contributor at 51%. Pay TV, Broadband, Fixed Network Services and Sales of Equipment contributed 19%, 12%, 14% and 5% respectively to the mix.

- **Mobile** revenue grew 4% YoY. The higher revenue was mainly contributed by a larger post-paid customer base. Post-paid mobile services revenue rose 8% to S\$835 million, accounting for 77% of the Mobile revenue mix. Pre-paid mobile services revenue dipped 7% to S\$244 million.
- **Pay TV** revenue jumped 17% to S\$398 million from S\$342 million. This was driven by a larger customer base, which increased 4% YoY and higher ARPU, which at S\$57 was S\$6 higher from a year ago. The number of customers on the digital platform increased 24% to 504,000 households with digital customers making up 96% of the total customer base. As at end 2008, the total customer base saw a 4% increase to 524,000.
- **Broadband** revenue rose 3% to S\$253 million due to the larger customer base as we penetrated the mass market segment with a more complete range of speed and subscription price plans. This brought our MaxOnline customer base to 373,000, an increase of 8%.
- **Fixed Network** revenue increased 7% to S\$300 million from S\$280 million previously. Data & Internet services revenue, which makes up 82% of the Fixed Network revenue, grew 20% to S\$247 million from the previous year.
- The percentage of total **Hubbing** households that subscribed to any two or more StarHub services stands at 53%, with 41% subscribing to all three services.

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"In the fourth quarter, we managed through an increasingly volatile business environment, as the Singapore economy continued to contract. Yet, we ended the full year with a larger customer base and a relatively strong fourth quarter. As such, we are recommending a final dividend of 4.5 cents per share, bringing the total dividends to 18 cents per share for FY2008," said Mr Terry Clontz, CEO of StarHub.

"In these uncertain times, our priorities in 2009 will continue to be on serving customers well and creating value for our shareholders. To this end, we will continue to invest in new initiatives that will enhance customer experiences with StarHub while delivering the strong cashflow our shareholders have come to expect from us," added Mr Clontz.

Outlook for FY2009

Based on the current outlook, we expect the Group's 2009 operating revenue growth to be a low single digit growth YoY. Blended EBITDA margin on service revenue is expected to be around 31%, and the 2009 cash capital expenditure, as a percentage of operating revenue, is expected not to exceed 11%. In view of the projected profitability and cash flow in 2009, we intend to pay a minimum annual cash dividend for FY 2009 at 4.5 cents per ordinary share per quarter, totalling 18.0 cents for the full year.

For more details on the Group's performance for FY2008 and outlook for FY2009, please visit www.starhub.com/ir. Materials available at this website include the audio conference and webcast links, investor presentation and audited results for the full year ended 31 December 2008.

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About StarHub

StarHub is Singapore's fully-integrated info-communication company, offering a full range of information, communications and entertainment services for both consumer and corporate markets. StarHub operates Singapore's fastest two-way 3.5G mobile network that delivers up to 14.4 Mbps for downlink (with HSPA+ coming soon) to complement its nation-wide GSM network, and an island-wide HFC network that delivers multi-channel cable TV services (including High Definition Television and on-demand services) as well as ultra-high speed residential broadband services. StarHub also operates an extensive fixed business network that provides a wide range of data, voice and wholesale 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 is listed on the main board of the Singapore Exchange since October 2004 and is a component stock of the Straits Times Index.

Visit www.starhub.com for more information.

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For all enquiries, please contact:

Jeannie ONG

Head, Corporate Communications & Investor Relations

StarHub

Office: (65) 6825 5168

Fax: (65) 6721 5015

Email: jeannieo@starhub.com

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