



44% Improvement
in Direct Cost



7% Increase in
Gross Margin



36% Reduction
in Debt



33% Increase in
Data Subscribers



UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2011

	Nine Months Ended Sept. 30th 2011 (Unaudited)	
	2011	2010
Gross Subscribers (in thousands)	3,783	3,287
Active Subscribers (in thousands)	1,482	1,804
	N'000	N'000
REVENUE	16,078,394	23,966,793
Direct Costs	(5,868,229)	(10,425,109)
GROSS PROFIT	10,210,165	13,541,684
Operating Expenses	(8,911,637)	(9,020,546)
Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA)	1,298,528	4,521,138
Depreciation	(6,266,895)	(7,285,026)
Amortisation	(78,756)	(78,756)
OPERATING PROFIT/(LOSS)	(5,047,123)	(2,842,644)
Net Interest Expense	(1,125,459)	(1,635,797)
Foreign Exchange Gain/(Loss)	(535,523)	(375,644)
LOSS BEFORE TAXATION	(6,708,105)	(4,854,085)
Taxation	(47,019)	(188,627)
(LOSS)/PROFIT AFTER TAXATION	(6,755,124)	(5,042,712)
Loss per Share	(98K)	(73K)
Adjusted Loss per Share	(98K)	(73K)

Approved by the Board of Directors on the 30th September, 2011, and signed on its behalf by:

INCO SERVICES
Company's Secretary

STARCOMMS Plc ANNOUNCES FINANCIAL RESULTS FOR Third Quarter of 2011. Highlights include: 44% reduction in direct costs, 7% increase in gross margin, debt reduction of 36% and 33% decline in Total Revenue.

Starcomms Plc, a leading full service CDMA telecommunications operator, today announced its financial results for the Nine months ending 30 September 2011.

There was a decline in total revenue (2011: N16.078 billion; 2010: N23.966 billion) due to continuous downward pressure on tariffs as a result of the very competitive market environment. Tariffs declined by 33% leaving average rate per minute at N12 (2010: N16) with active subscribers also declining by 23% compared with the same period in 2010.

Data segment continued to show growth contributing 35% of overall revenues (2010:25%) and a 7% increase in gross margin (2010: 81%). Average Revenue per User (ARPU) yielded by the data subscribers dipped by 6% due to new tariff structure introduced during the year. Voice ARPU has also significantly reduced by 34% over same period.

On a positive note, Starcomms has reduced direct costs by 44% to N5.868 billion (2010: N10.425 billion) and therefore improved its gross margin % by 7% to 64% (2010: 57%).

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) declined by 71% to N1.298 billion (2010: N4.521 billion). This is as a result of the decline in revenue due to the continued pressure on tariffs.

Net debt decreased by 36% to N14.878 billion (2010: N26.106 billion) while total debt reduced by 36% to N15.960 billion (2010: N26.105 billion). The impact of this is reduced interest charges, which decreased by 36% to N1.149 billion (2010: N1.896 billion).

The Naira depreciated by N4.75 to N154.10 (2010: N149.35) during the period resulting in an exchange loss of N0.536 billion (2010: N0.376 billion). Overall, Starcomms reported a loss before tax of N6.708 billion (2010: N4.854 billion).

Starcomms has N1.082 billion in cash and cash equivalents as at 30 September 2011.