

StarHub Reports 2010 First Quarter Results

- *Operating Revenue Increased 5% To S\$557 Million*
- *FCF Per Diluted Share Increased 4% To 6.97 Cents*
- *Interim Quarterly Dividend Of 5.0 Cents Per Share*

Singapore, 6 May 2010 – StarHub Ltd today announced its results for the quarter ended 31 March 2010. Total operating revenue increased 5% to S\$557 million from S\$531 million. The quarter saw a high post-paid mobile net add of 27,000 customers. The higher investment cost for acquisition and retention for smartphone customers resulted in the Group's EBITDA contracting to S\$118 million. Consequently, profit before taxation was at S\$53 million year-on-year (YoY) and net profit after tax decreased to S\$43 million. Free cash flow at S\$120 million was 4% higher compared to last year's S\$115 million. Capital expenditure was 4% lower at S\$49 million compared to the same period last year.

Financial Highlights

S\$ million	Quarter ended 31 March		
	2010	2009	% Change
Operating Revenue	557	531	5
Service Revenue	527	508	4
EBITDA	118	168	(29)
Profit from operations	58	107	(46)
Profit after tax	43	82	(48)
FCF / Share (Diluted) (Cents)	6.97	6.71	4

Financial and Business Highlights

Mobile revenue registered the highest growth for the quarter at 8% YoY. This was followed by Fixed Network services revenue at 1%. In terms of total revenue mix, Mobile continued to be the major contributor at 51%. Pay TV, Broadband, Fixed Network Services and Sales of Equipment contributed 18%, 11%, 14% and 6% respectively to the revenue mix.

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- **Mobile** revenue increased 8% to S\$286 million, contributed partly by the growth in the customer base to 1.97 million. Post-paid mobile services revenue grew 10% to S\$220 million, accounting for 77% of the Mobile revenue mix. Pre-paid mobile services revenue increased 3% to S\$66 million YoY. Post-paid ARPU grew S\$2 to S\$69; mainly attributed to higher IDD & roaming revenue and higher mobile data subscriptions to offset the lower voice usage revenue, while pre-paid ARPU decreased S\$1 to S\$23.
- **Pay TV** revenue remained stable at S\$102 million. Customer base increased 3% to 541,000. The churn rate was maintained at 0.9%. Pay TV ARPU at S\$55 was S\$3 lower YoY. The lower ARPU was due to more discount offers as we drive the take up of new program bundles or add-on channels and penetrate into new customer segments.
- **Broadband** revenue slipped 5% to S\$60 million, compared to a year ago, resulting in the lower ARPU of S\$48. The lower ARPU was primarily due to higher subscription discounts offers to drive take-up and an increasing mix of lower tier price plans. For the quarter, the MaxOnline customer base increased 7% to 408,000.
- **Fixed Network** revenue increased 1% to S\$80 million YoY. Data & Internet services revenue, which contributes 85% to the Fixed Network revenue mix, grew 1% to S\$68 million.
- The percentage of total **Hubbing** households that subscribed to any two or more StarHub services stands at 55%. Triple-service households grew 9% to 189,000.

Dividend

Following the close of the Company's Annual General Meeting on 16 April 2010, the Company declared a final dividend of 5 cents per share on a one-tier tax exempt basis in respect of the financial year ended 31 December 2009. The dividend will be paid on 7 May 2010.

Outlook for FY2010

Based on the current outlook, we maintain the YoY growth of our Group's 2010 operating revenue to be in the low single digit range and revised our Group EBITDA margin to be around 28% on service revenue. We maintain that the total capex

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payment for FY2010 will not exceed 14% of operating revenue. Cash dividend payout remains at a minimum of 5 cents per ordinary share per quarter for FY2010.

“Even though the higher investment cost for acquisition and retention for smartphone customers have affected profitability during this quarter, we expect higher benefits to accrue in subsequent periods,” said Mr Neil Montefiore, CEO of StarHub. “Our investments in networks and content continue to strengthen our Hubbing strategy resulting in a 9% increase in triple-service households.”

For more details on the Group's performance for 1Q2010 and outlook for FY2010, please visit www.starhub.com/ir. Materials available at this website include the audio conference link, investor presentation and unaudited results for the quarter ended 31 March 2010.

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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 HSPA+ mobile network that delivers up to 21Mbps for downlink 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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