

StarHub 1Q-2010 Results

6 May 2010

Forward-looking Statements



The following presentation may contain forward-looking statements by StarHub Ltd (“StarHub”) relating to financial trends for future periods.

Some of the statements in this presentation which are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. These forward-looking statements are based on StarHub’s current views, intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub’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 and uncertainties. Because actual results could differ materially from StarHub’s current views, intentions, plans, expectations, assumptions and beliefs about the future, such forward-looking statements are not and should not be construed as a representation, forecast or projection of future performance of StarHub. It should be noted that the actual performance of StarHub may vary significantly from such statements.

Management Team



TAN Tong Hai
COO



Neil MONTEFIORE
CEO



KWEK Buck Chye
CFO

➤ Financial:

- Operating revenue increased 5%
- Free cash flow increased 4%
- EBITDA margin contracted to 22.5% due to higher acquisition and retention costs driven by smartphones popularity








➤ Operational:

- Good Mobile growth:
 - ✓ Post-paid revenue (10%)
 - ✓ Total customer base (9%)
- Nucleus Connect:
 - ✓ Launched its Central Offices on 6 May
 - ✓ On schedule to offer commercial services in 2H-2010
- Pay TV: New Media Code

Key Financial Highlights

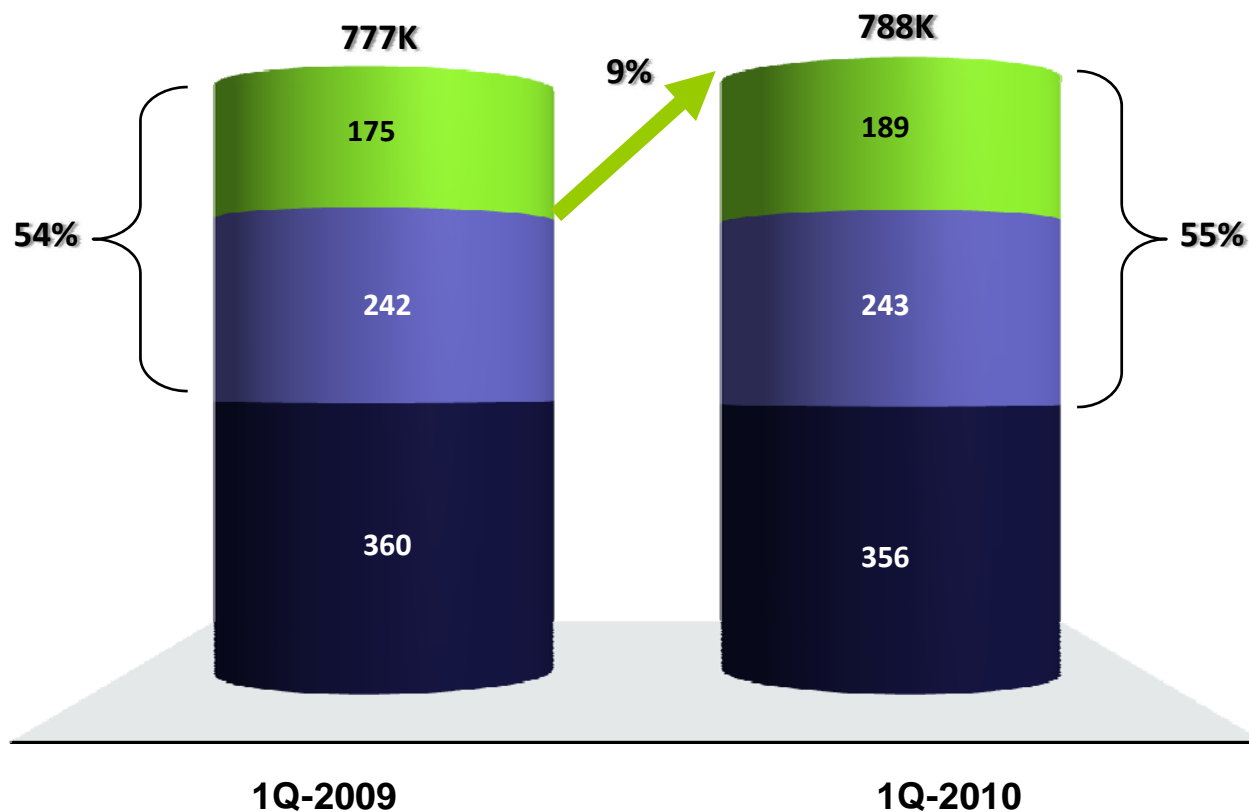
| S\$ million | 1Q-2010 | 1Q-2009 | Change |
|--|--------------|---------|-------------|
| Operating Revenue | 557 | 531 | 5% |
| Service Revenue | 527 | 508 | 4% |
| EBITDA | 118 | 168 | -29% |
| EBITDA Margin | 22.5% | 33.0% | (10.5)% pts |
| Taxation | (10) | (19) | 48% |
| Net Profit After Tax | 43 | 82 | -48% |
| Capex Cash Payments | 49 | 51 | 4% |
| % of Capex to Revenue | 9 | 10 | 1% pts |
| FCF / Fully Diluted Share | 6.97¢ | 6.71¢ | 4% |
| Net Debt to annualised 2010 EBITDA ratio | 1.16x | 1.04x | 0.12x |

Business Expansion

| Line of Business | Service Revenue | Customer Base |
|---|---|--|
| Mobile (51% of revenue mix) |  8% Pre-paid (3%) Post-paid (10%) |  9% Pre-paid (10%) Post-paid (7%) |
| Pay TV (18% of revenue mix) |  0% |  3% |
| Cable Broadband (11% of revenue mix) |  (5)% |  7% |
| Fixed Network Services (14% of revenue mix) |  1% Data & Internet (1%) Voice (2%) | |

Hubbing Scorecard

Expanding Hubbing Households ('000)



Single Service HH



Double Service HH



Triple Service HH

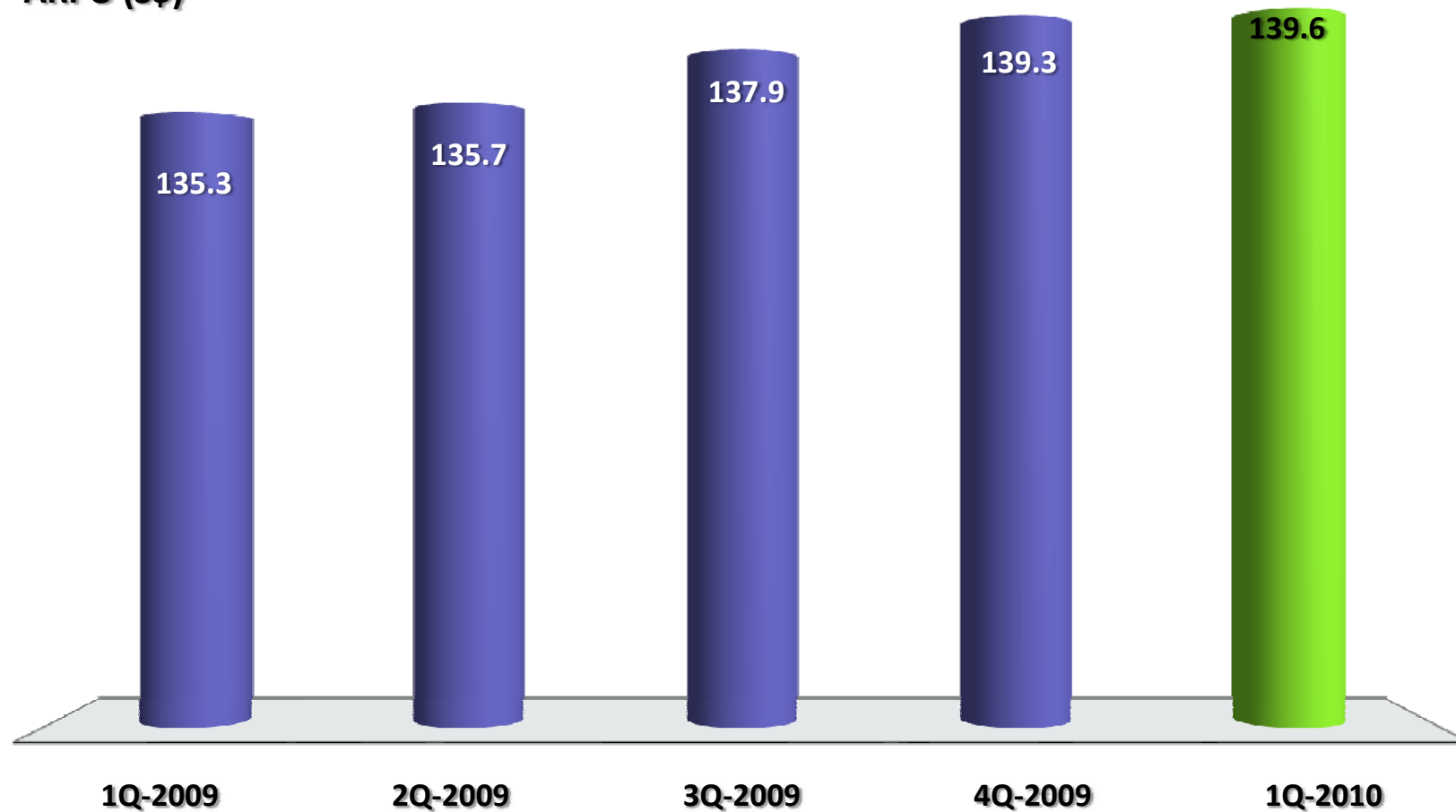


Note: Numbers may not add up due to rounding.

Total Households ARPU



ARPU (S\$)



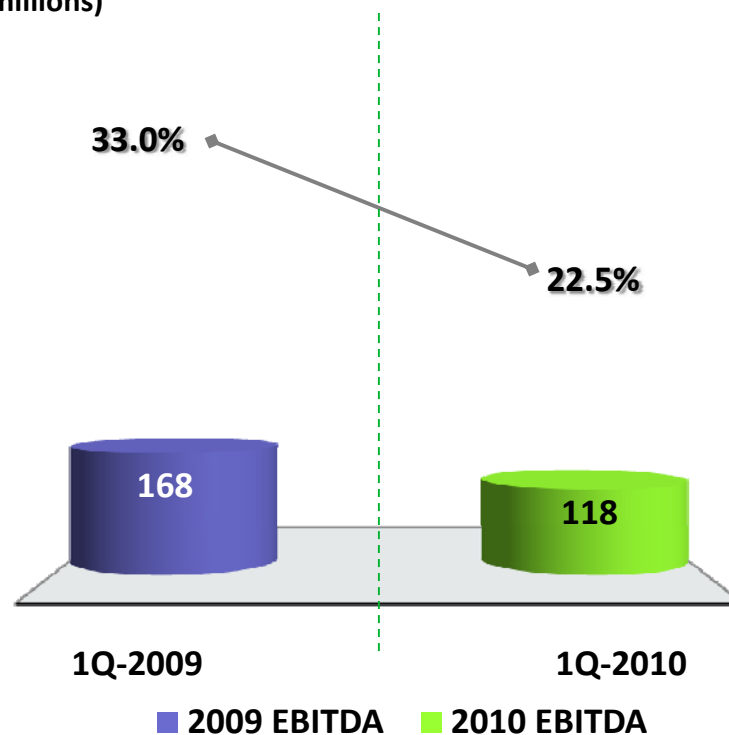


Financial Overview

EBITDA & EBITDA Margin

EBITDA & EBITDA Margin

(\$ millions)

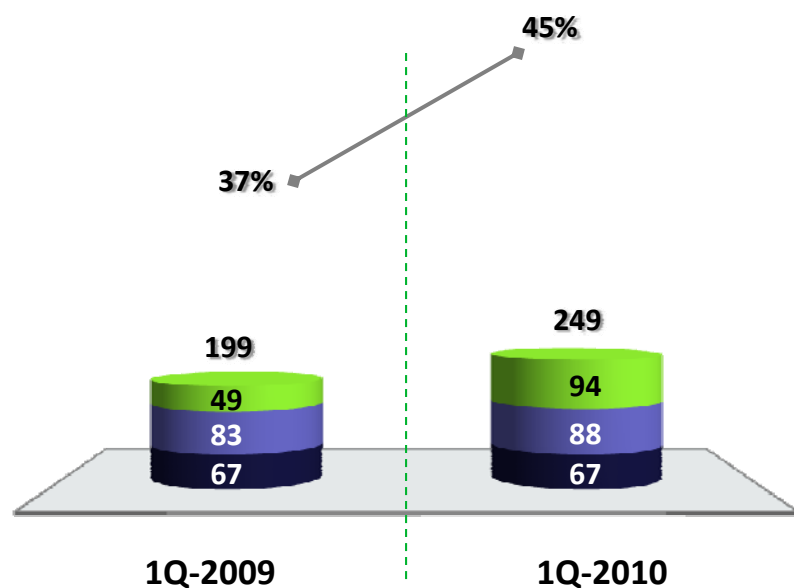


◆ EBITDA Margin as % of Service Revenue

Operating Efficiencies

Cost Of Sales

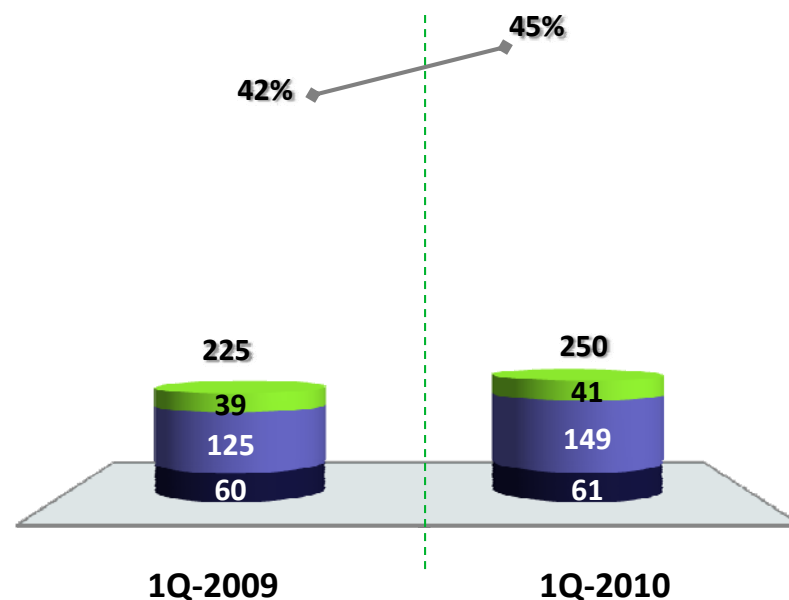
(S\$ millions)



- Operating Expense / Revenue
- Cost of Equipment
- Cost of Services
- Traffic Expenses

Other Operating Expenses

(S\$ millions)

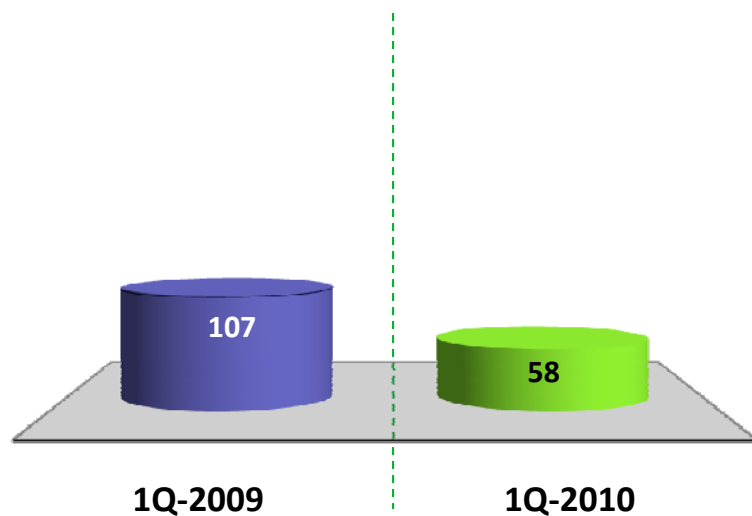


- Operating Expense / Revenue
- Marketing & Promotion
- Other G&A
- Depreciation

Note: Numbers may not add up due to rounding.

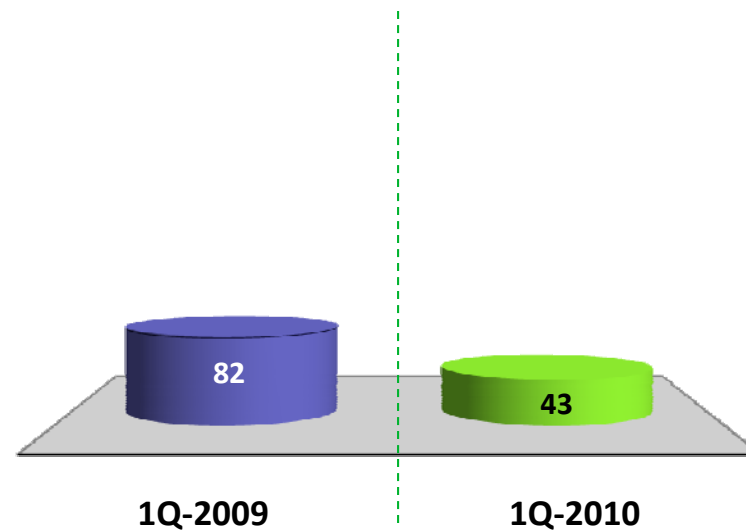
Profit From Operations

(\$ millions)



Net Profit After Tax

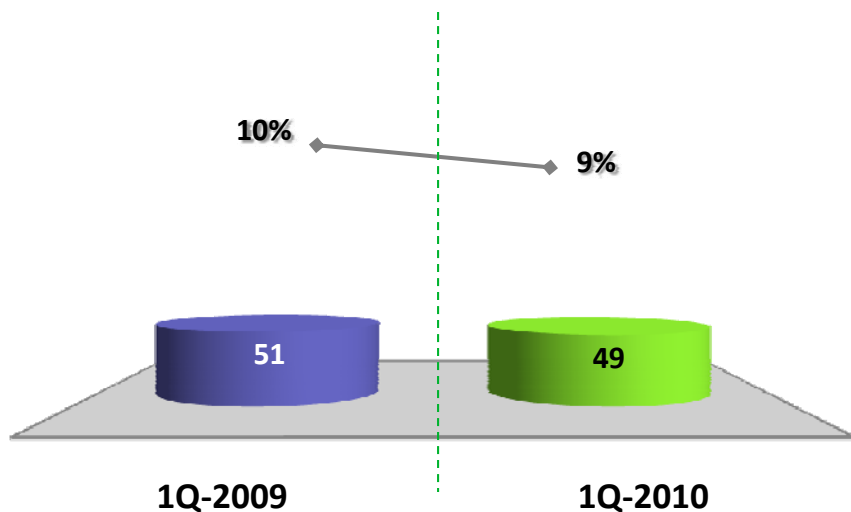
(\$ millions)



Capex & Free Cash Flow

Capex (cash payments)

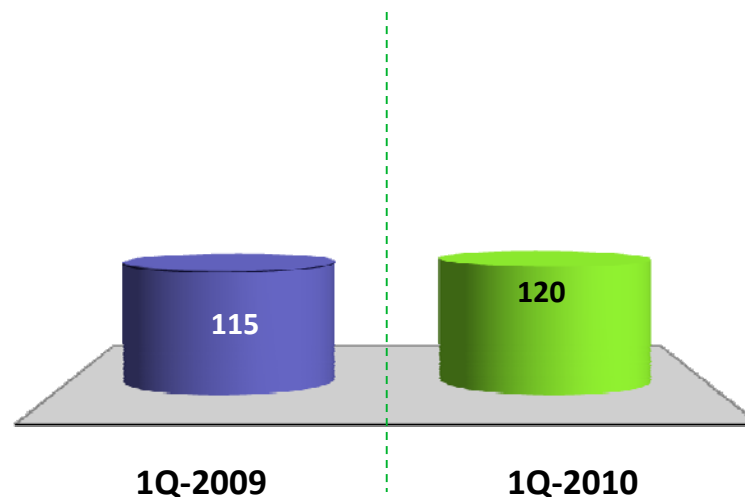
(\$ millions)



◆◆ Cash capex as % of Operating Revenue

Free Cash Flow

(\$ millions)



Mobile

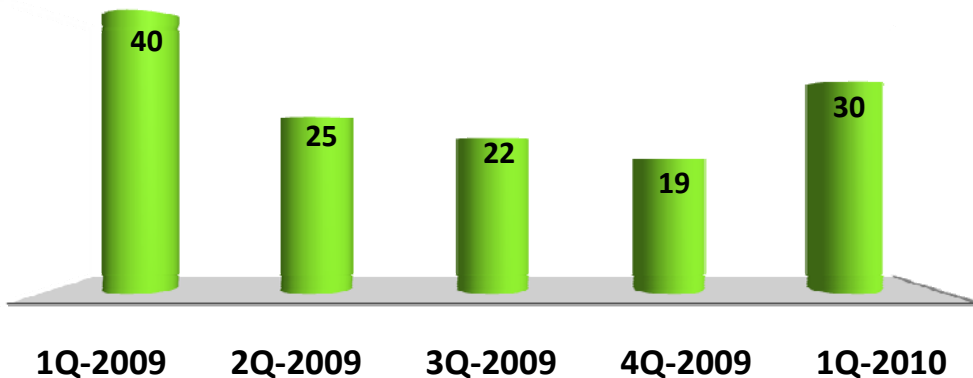


Mobile – YoY Highlights

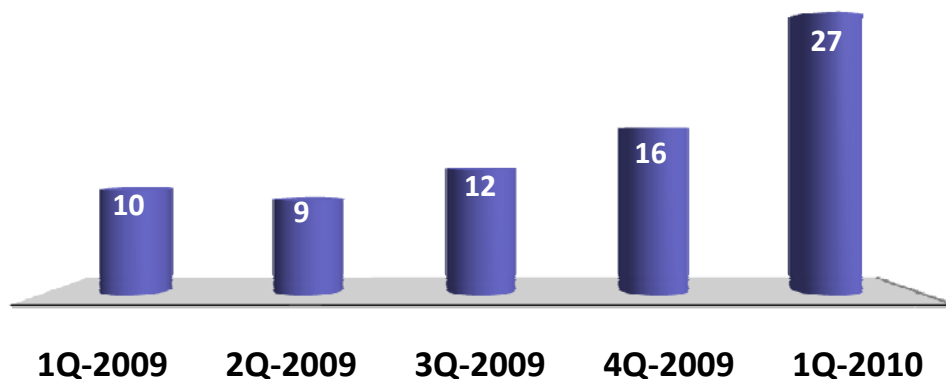
- **Post-paid mobile revenue increased 10%**
- **Pre-paid customer base expanded 10% & crossed the million mark**
- **Non-voice services as % of post-paid ARPU increased to 35.4%**

Mobile Net Adds

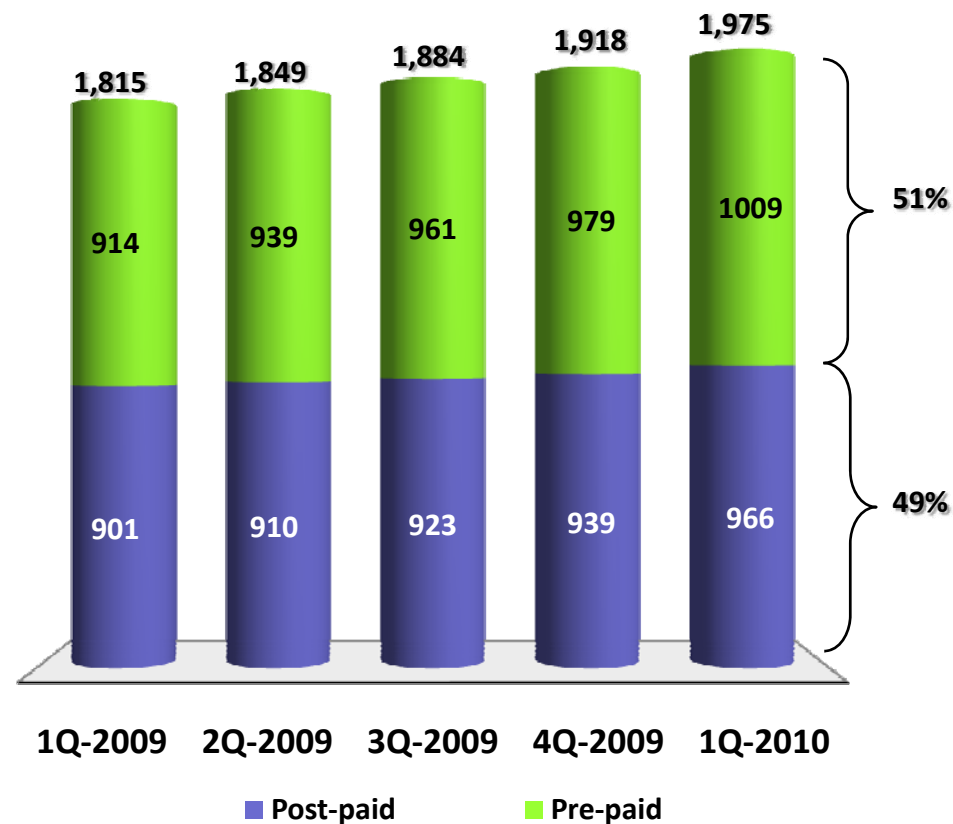
Pre-paid Net Adds ('000)



Post-paid Net Adds ('000)

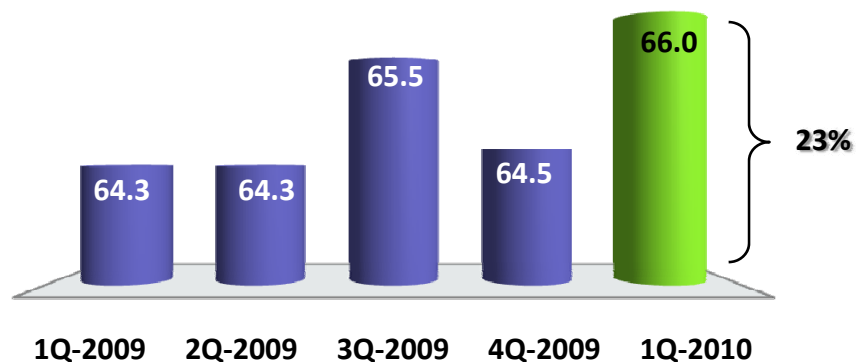


Customers ('000)

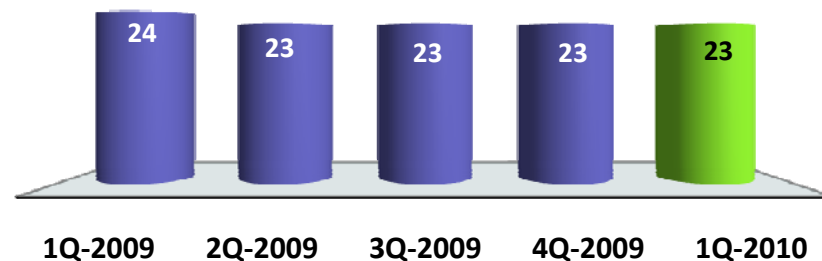


Mobile Revenue & ARPU

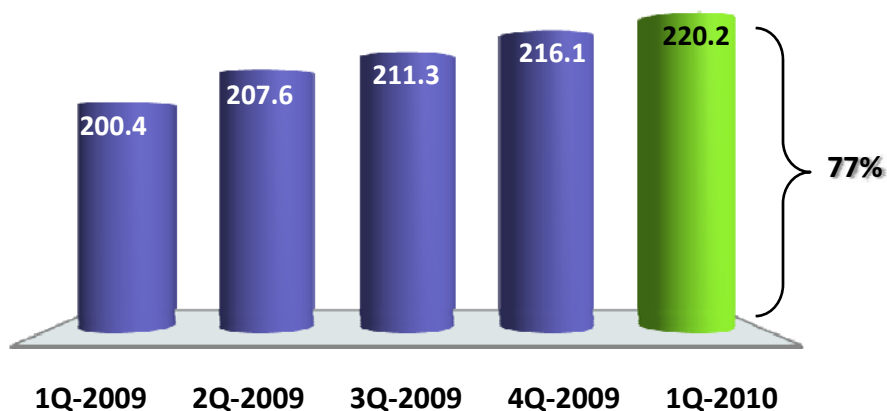
Pre-paid Revenue (S\$M)



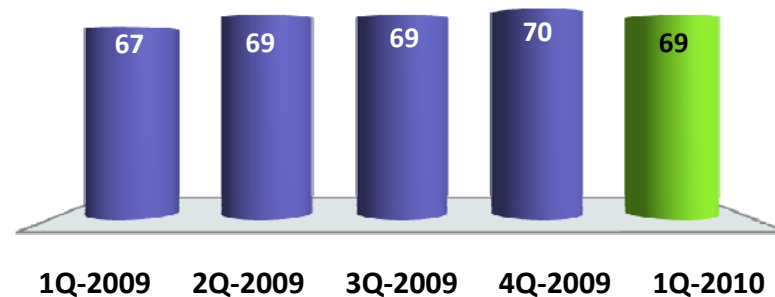
Pre-paid ARPU (S\$ per month)



Post-paid Revenue (S\$M)

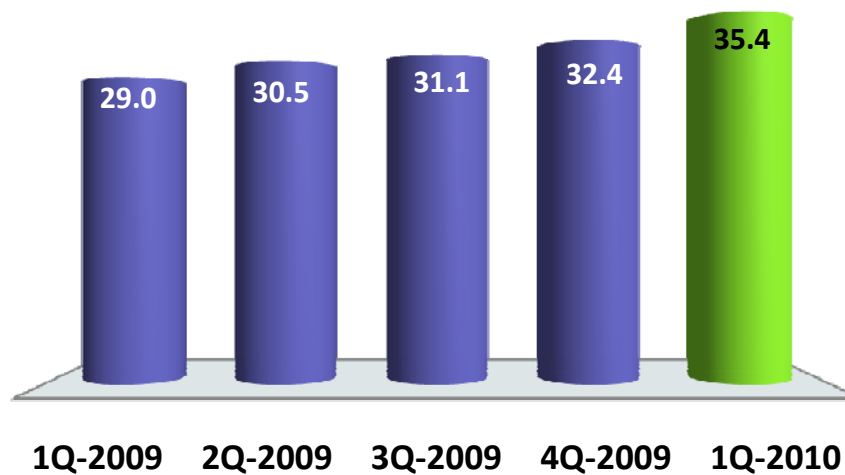


Post-paid ARPU (S\$ per month)



Mobile Non-Voice Services

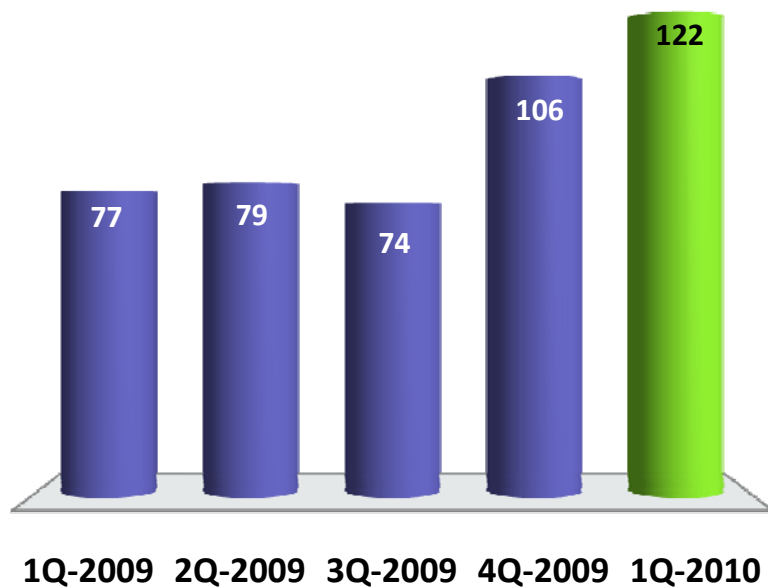
Post-paid non-voice services (% of ARPU)



Mobile Acquisition Costs & Churn Trend

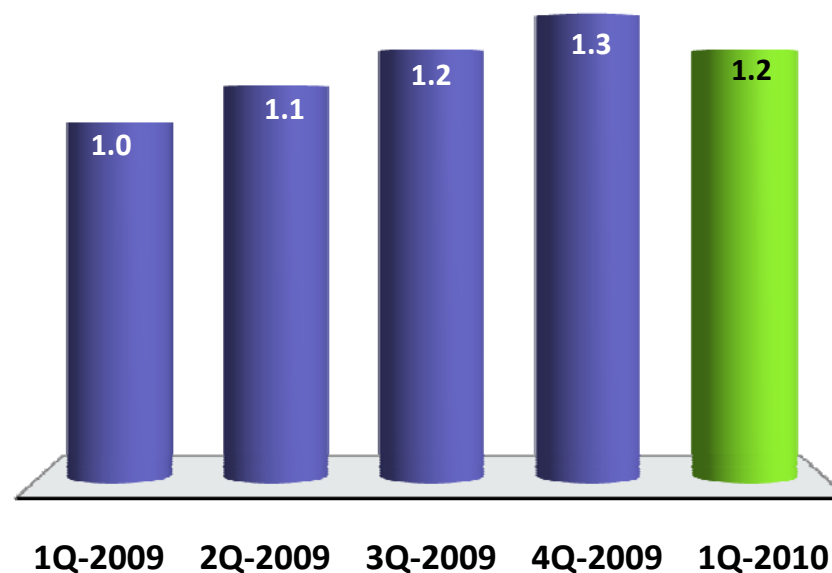
Average Acquisition Costs

Per Gross Connection (S\$)



Monthly Churn Rate (Post-paid)

(%)



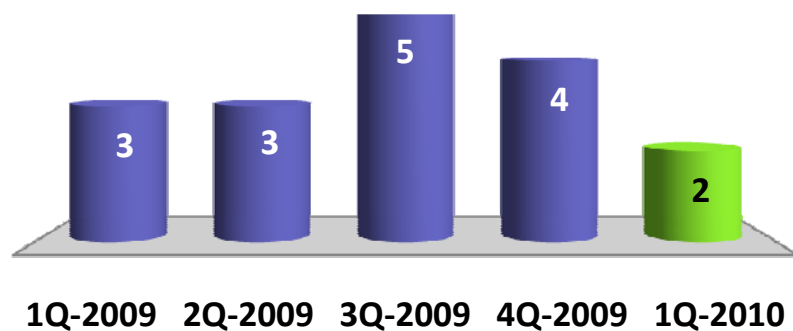


Pay TV – YoY Highlights

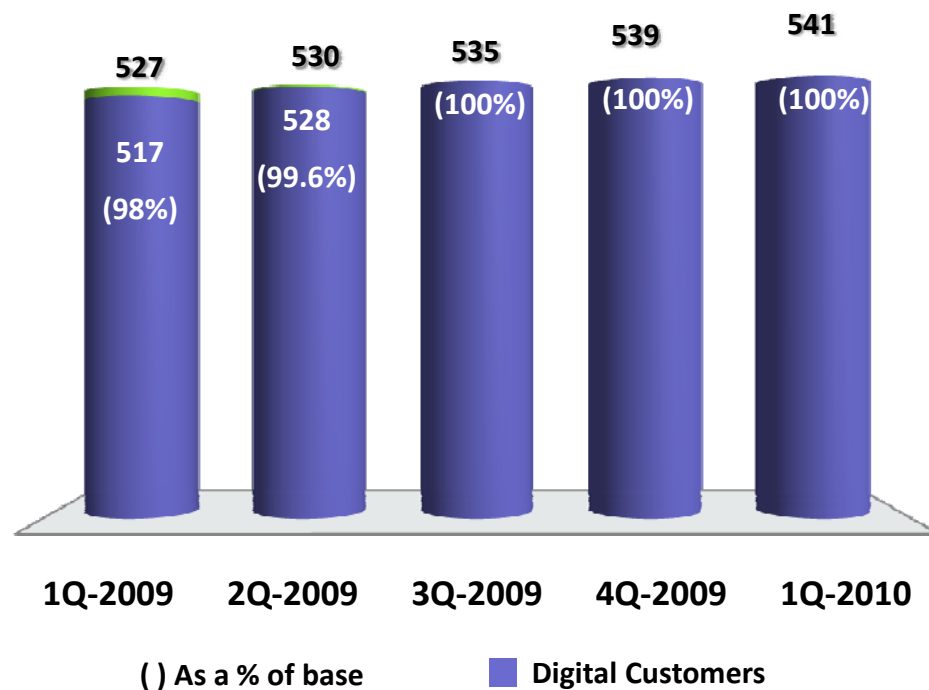
- Added 14k customers
- ARPU decreased 5% to \$55
- Churn rate remained low at 0.9%

Pay TV Net Adds

Net Adds ('000)

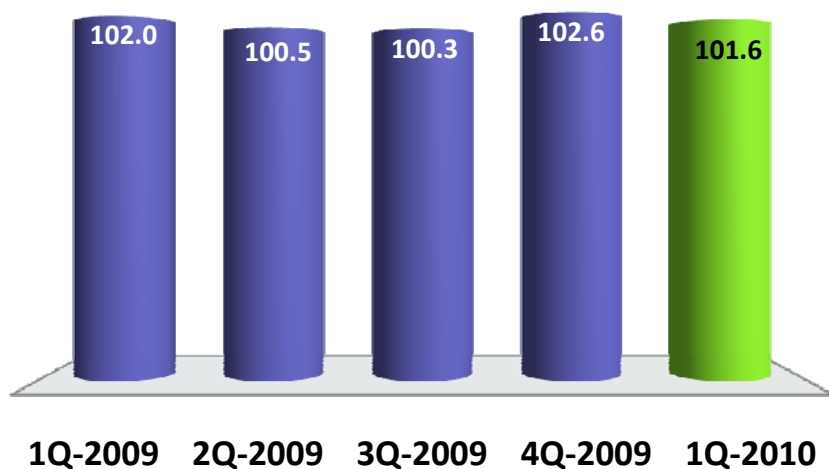


Customers ('000)

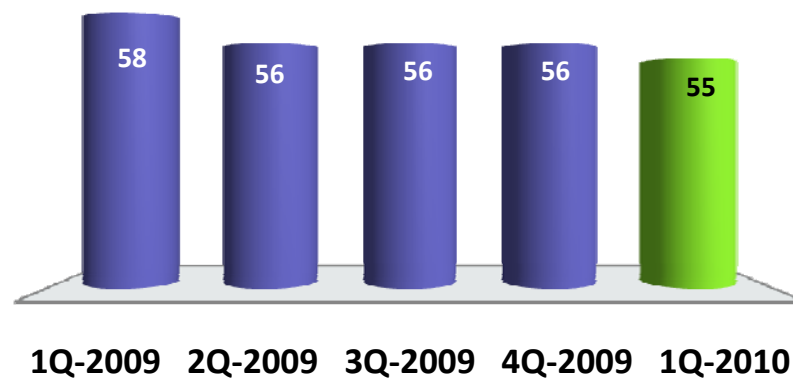


Pay TV Revenue & ARPU

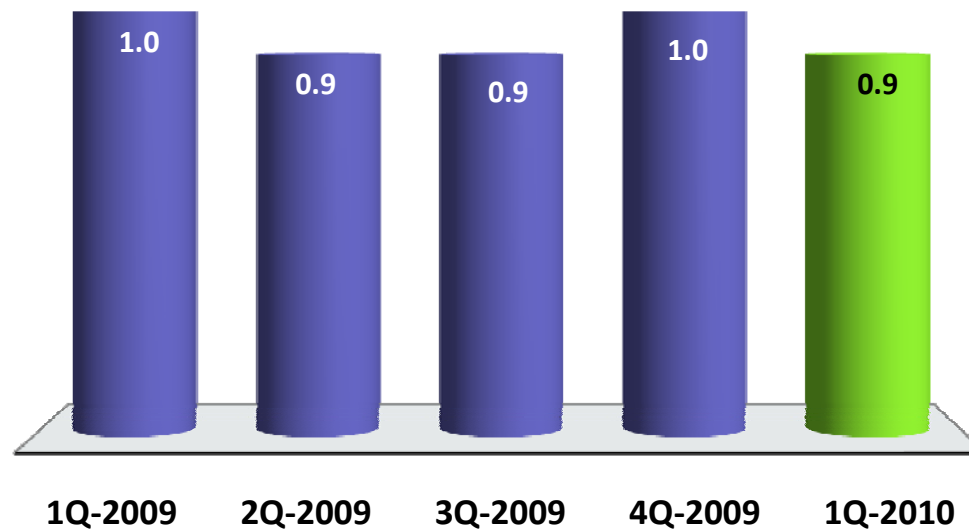
Pay TV Revenue(S\$M)



Pay TV ARPU (S\$ per month)



Average Monthly Churn Rate (%)





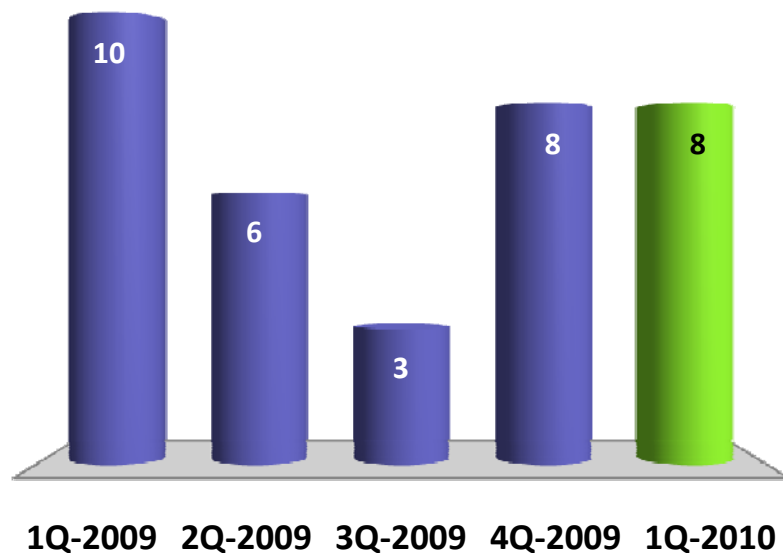
Residential Broadband

Broadband– YoY Highlights

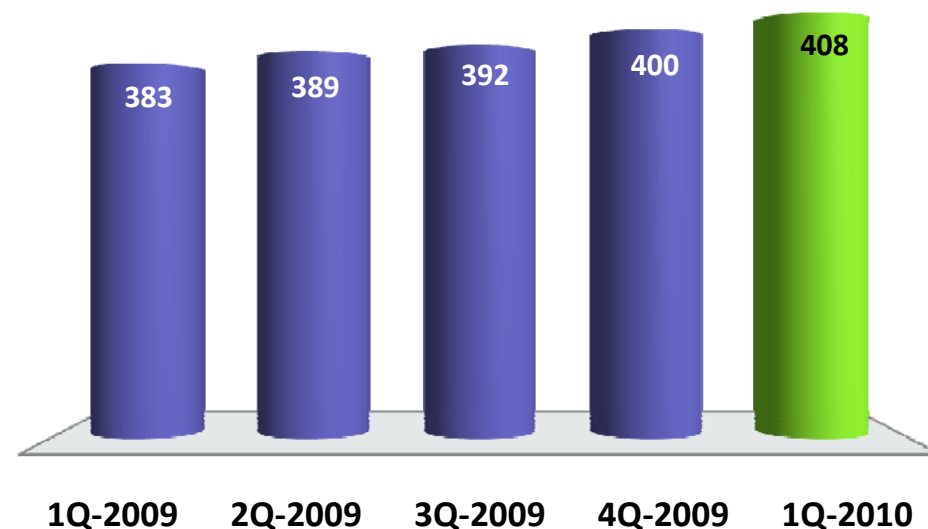
- Added 25k customers
- ARPU decreased to \$48
- Churn maintained at 1.2%

Residential Broadband Net Adds

Net Adds ('000)

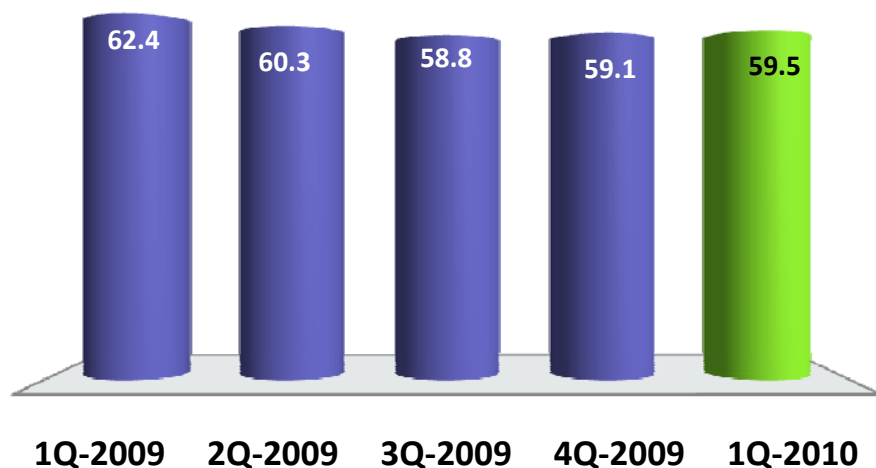


Customers ('000)

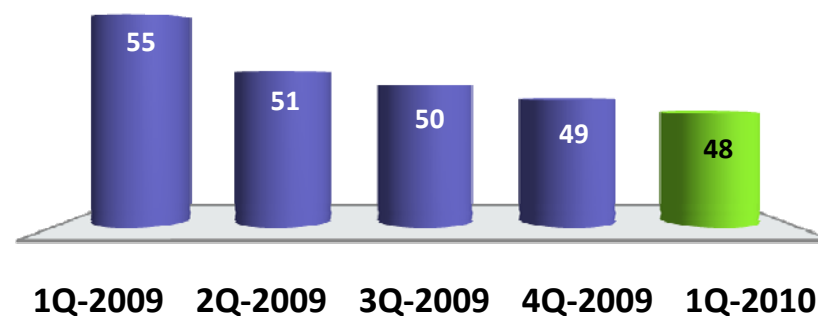


Residential Broadband Revenue & ARPU

Broadband Revenue(S\$M)

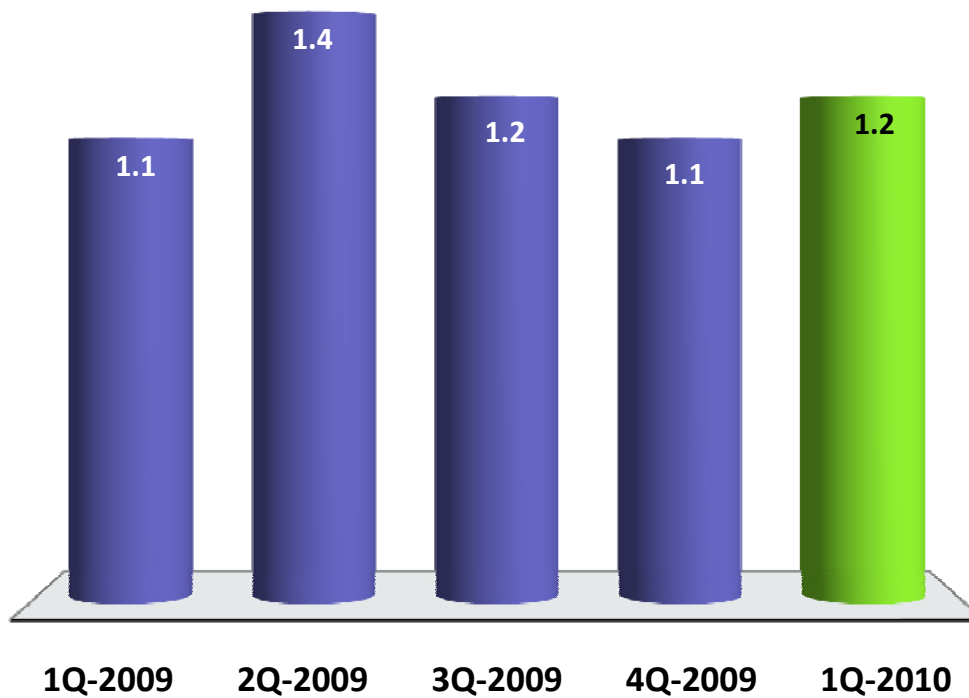


Broadband ARPU (S\$ per month)



Residential Broadband Churn

Average Monthly Churn Rate (%)





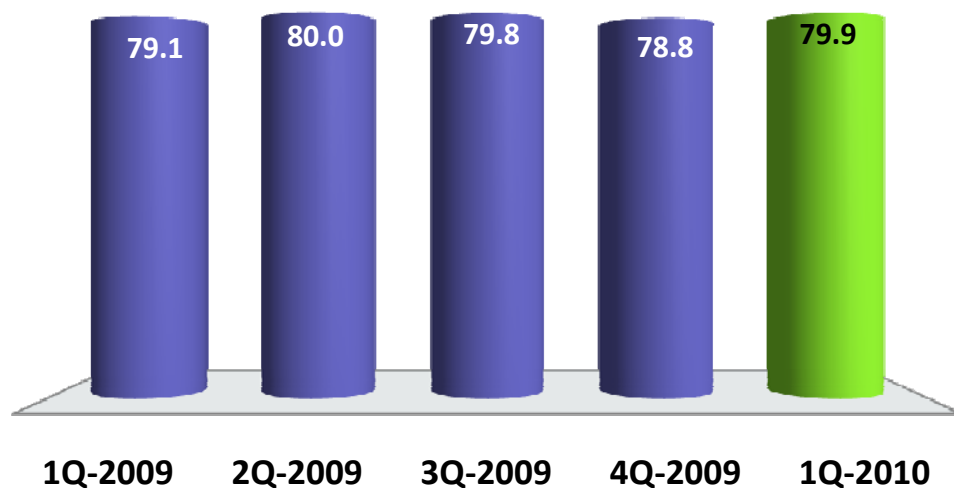
Fixed Network Services

Fixed Network Services – YoY Highlights

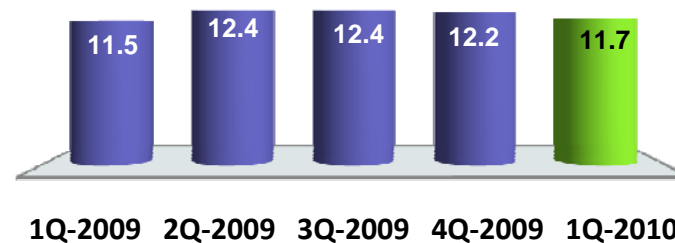
- Revenue increased 1%
- Data & Internet services maintained 85% contribution to revenue

Fixed Network Services

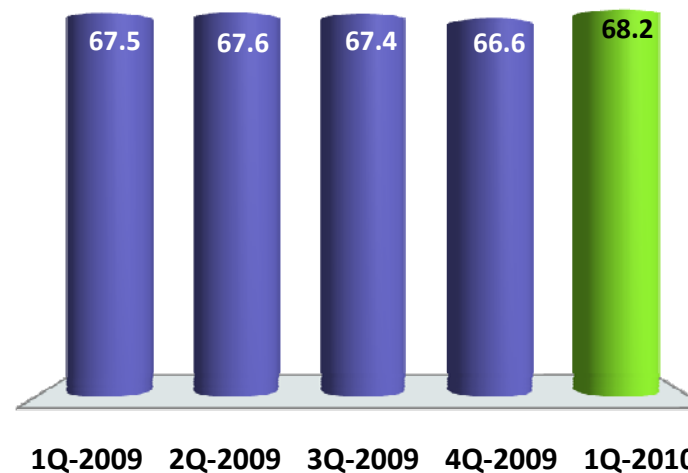
Fixed Network Revenue (S\$M)



Voice (S\$M)



Data & Internet (S\$M)



Note: Numbers may not add up due to rounding.



Outlook

| | |
|------------------|---|
| Revenue: | Maintain revenue growth at low <u>single-digit</u> range |
| EBITDA: | Revised EBITDA margin on service revenue to around <u>28%</u> |
| CAPEX: | Maintain cash capex to not exceed <u>14%</u> as a percent of operating revenue |
| Dividend: | Maintain cash dividend payout at a minimum of <u>5.0</u> cents per ordinary share per quarter, totaling 20.0 cents for FY2010 |



| For enquiries, please contact: | |
|--|--|
| Jeannie ONG | Eric LOH |
| Head, Corporate Communications & Investor Relations | Senior Manager, Investor Relations |
| Office: (65) 6825 5168 | Office: (65) 6825 5171 |
| Email: jeannieo@starhub.com or ir@starhub.com | Email: ericloh@starhub.com or ir@starhub.com |