

StarHub Reports 2010 Second-Quarter and Half-Year Results

- *Operating Revenue Rose 6.9% To S\$569.3 Million*
- *EBITDA Came In At S\$141.1 Million*
- *FCF/Diluted Share Was At 6.4 Cents*
- *Declares Interim Dividend Of 5.0 Cents Per Share*

Singapore, 5 August 2010 – StarHub Ltd today announced its results for the second quarter and first half ended 30 June 2010.

The current quarter saw the continued investment in iPhones and other smart phones/devices in the Mobile business. On the Pay TV business, the broadcast of the FIFA World Cup 2010 in June was a key event in the quarter. Both events contributed to the higher operating revenue and expenses for the quarter and half year periods.

Operating revenue rose 6.9% to S\$569.3 million compared to S\$532.4 million a year ago. It increased S\$12.1 million, quarter-on-quarter (QoQ). The Group's EBITDA for the quarter came in at S\$141.1 million and on a sequential quarter basis, it grew 19.1% from S\$118.4 million previously. EBITDA margin as a percentage of service revenue was 25.9% for the quarter, which was a 3.4 percentage points increase from the first quarter of 22.5%.

Profit from operations, for the quarter, was at S\$77.9 million and net profit after tax was S\$58.1 million. Free cash flow (FCF) came in at S\$109.8 million for the quarter compared to S\$119.9 million in 1Q-2010. Cash capital expenditure (capex) was S\$25.0 million lower at S\$44.7 million compared to a year ago. It was 7.9% lower QoQ.

"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."

Business Highlights

Total service revenue for both the quarter and half year periods recorded growth YoY. Both Mobile and Pay TV services contributed to the bulk of the service revenue increase. **Mobile** revenue grew 8.2% to S\$294.0 million from S\$271.9 million YoY. It increased 2.7% QoQ. Post-paid mobile services revenue was 10.4% higher at S\$229.1 million. Comparing to 1Q2010, it was up 4% or S\$8.9 million. Pre-paid mobile services revenue grew 1.1% to S\$65.0 million in 2Q2010. It was lower by S\$1.1 million QoQ. YoY and QoQ, post-paid ARPU increased S\$1 to S\$70, while pre-paid ARPU decreased S\$2 to S\$21.

Pay TV revenue increased 9.0% to S\$109.6 million from S\$100.5 million. The higher revenue from a year ago was attributed to a revenue boost from the broadcast screening of the FIFA World Cup 2010 event in June. Looking at QoQ, revenue increased 7.8% from S\$101.6 million. Excluding the World Cup 2010 revenue, Pay TV revenue for the quarter would be stable YoY and Pay TV ARPU would be at S\$54. Customer base was up 2.0% YoY to 541,000. QoQ, it was up 0.1%.

Broadband revenue decreased 1.8% to S\$59.2 million YoY. QoQ, revenue came in at S\$0.4 million lower. The residential broadband customer base grew 4.8% YoY, ending the quarter with 408,000 customers and when compared QoQ, it was flat. However, the higher mix of subscribers on the lower speed price plans and promotional offers of the hubbing packs to drive take-up in new customer segments contributed to the S\$3 ARPU decrease to S\$48 this quarter. ARPU was flat QoQ. The average monthly churn for the quarter was 0.2% higher at 1.6%, due mainly to the churn of customers who previously signed up because of our attractive promotional premium offers for the high speed plans some 24 months ago.

Fixed Network revenue increased 2.1% to S\$81.6 million from S\$80.0 million previously. Data & Internet services revenue, which makes up 84% of the Fixed Network revenue, increased 1% from a year ago. Voice services revenue increased 8.1% to S\$13.4 million YoY due mainly to higher revenue from Digital Voice services. QoQ, it was 14.4% higher.

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With continued promotion of **Hubbing** packs and subscription discounts offered to drive multi-services take-up in the quarter, the number of households taking more than one StarHub service was up 1 percentage point to 54.9%, up from 53.9% last year. The number of households subscribing to all three services increased by 12,000 households YoY and by 2,000 households QoQ.

"The investments in smartphones continue and we are beginning to see the benefits in the increase in revenue," said Mr Neil Montefiore, CEO of StarHub. "Despite increased competition on the Pay TV front, our Pay TV business remains stable and we look forward to offering new services when the Next Gen NBN is commercially launched."

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, Group EBITDA margin to be around 28% on service revenue and total capex payment for FY2010 to not exceed 14% of operating revenue. Cash dividend payout remains at 5 cents per ordinary share per quarter for FY2010.

For more details on the Group's performance for 2Q2010 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 30 June 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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