

# StarHub's 2Q & 1H-2009 Results

5 August 2009

## De|fi|ni|tive Hub|bing

The seamless integration of content and connectivity to let you enjoy your own world, share your world, and create new worlds with others. *n* The official standard. The epitome of convergence.

# Management Team



TAN Tong Hai  
COO



Terry CLONTZ  
CEO



KWEK Buck Chye  
CFO

# 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.*

# Overview (2Q-2009 vs 2Q-2008)

## Financial:

- Revenue stable
- EBITDA improved 10%

## Operational:

- **Strengths:**
  - Revenue growth: Mobile Pre-paid & Data Services
  - Low churn maintained for Mobile & Pay TV
- **Challenges:**
  - Weak economy
  - Increased cost of services & traffic expenses

# Key Financial Highlights



\$ million	2Q-2009	2Q-2008	Change	1H-2009	1H-2008	Change
Total Revenue	<b>532</b>	531	0%	<b>1,063</b>	1,066	0%
Service Revenue	<b>513</b>	508	1%	<b>1,021</b>	1,015	1%
EBITDA	<b>161</b>	147	10%	<b>329</b>	314	5%
EBITDA Margin	<b>31.5%</b>	28.9%	2.6% pts	<b>32.2%</b>	31.0%	1.3% pts
Taxation	<b>(17)</b>	(18)	7%	<b>(36)</b>	(39)	8%
Net Profit After Tax	<b>78</b>	64	21%	<b>160</b>	144	11%
Earnings Per Share (Diluted)	<b>4.52¢</b>	3.73¢	21%	<b>9.32¢</b>	8.42¢	11%
Capex Cash Payments	<b>70</b>	46	-51%	<b>121</b>	105	-15%
% of Capex to Revenue	<b>13</b>	9	4.4% pts	<b>11</b>	10	1.5% pts
FCF / Fully Diluted Share	<b>8.62¢</b>	8.12¢	6%	<b>15.32¢</b>	9.93¢	54%
Net Debt to 2008 EBITDA ratio	<b>1.07x</b>	1.28x	0.21x	<b>1.07x</b>	1.28x	0.21x

Note: Numbers may not add up due to rounding.

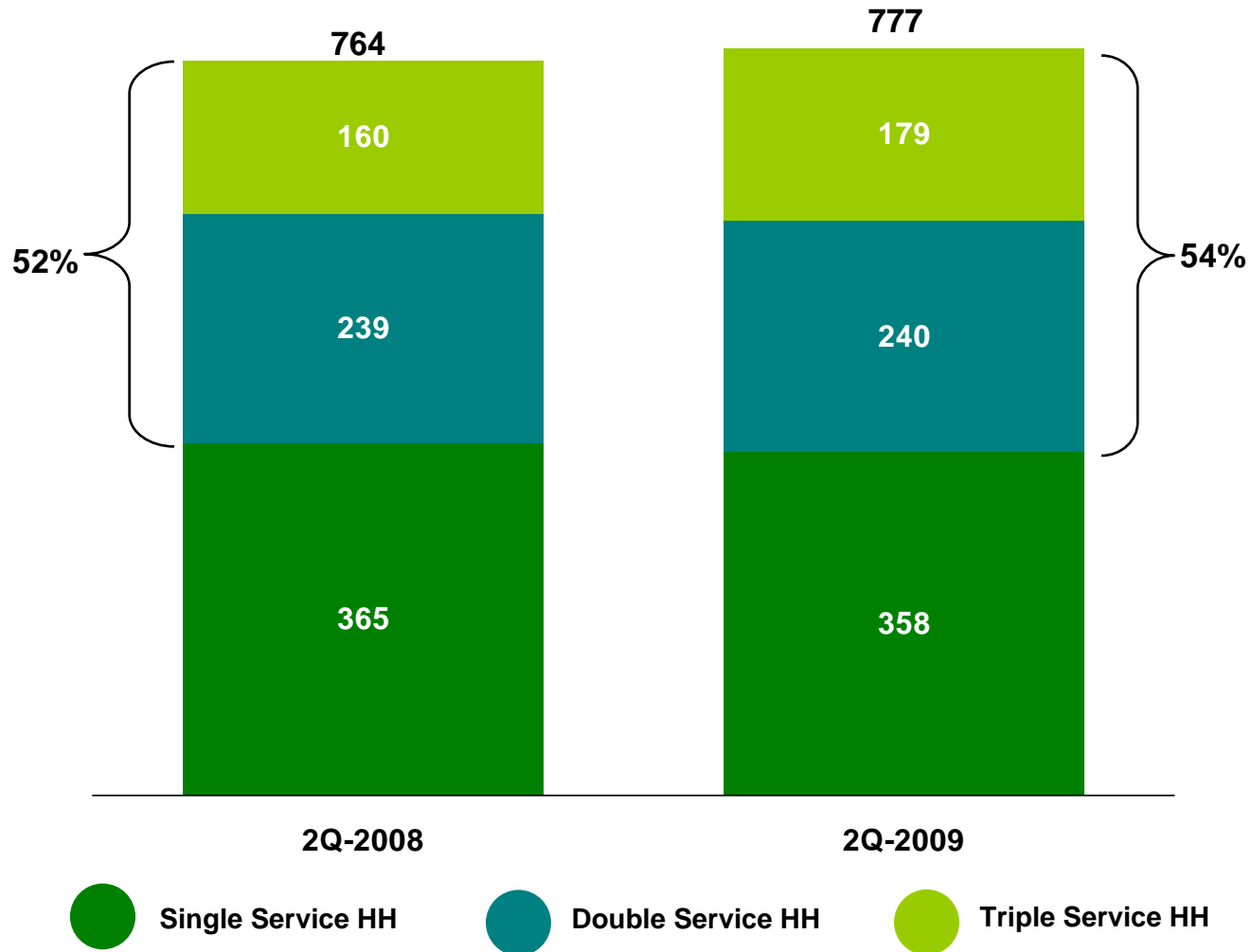
# Business Expansion (2Q-2009 vs 2Q-2008)



Line of Business	Service Revenue	Customer Base
<b>Mobile</b> (51% of revenue mix)	1% Pre-paid (12%) Post-paid (-2%)	3% Pre-paid (1%) Post-paid (6%)
<b>Pay TV</b> (19% of revenue mix)	- 2%	4%
<b>Cable Broadband</b> (11% of revenue mix)	- 3%	9%
<b>Fixed Network Services</b> (15% of revenue mix)	7% Data & Internet (13%) Voice (-15%)	



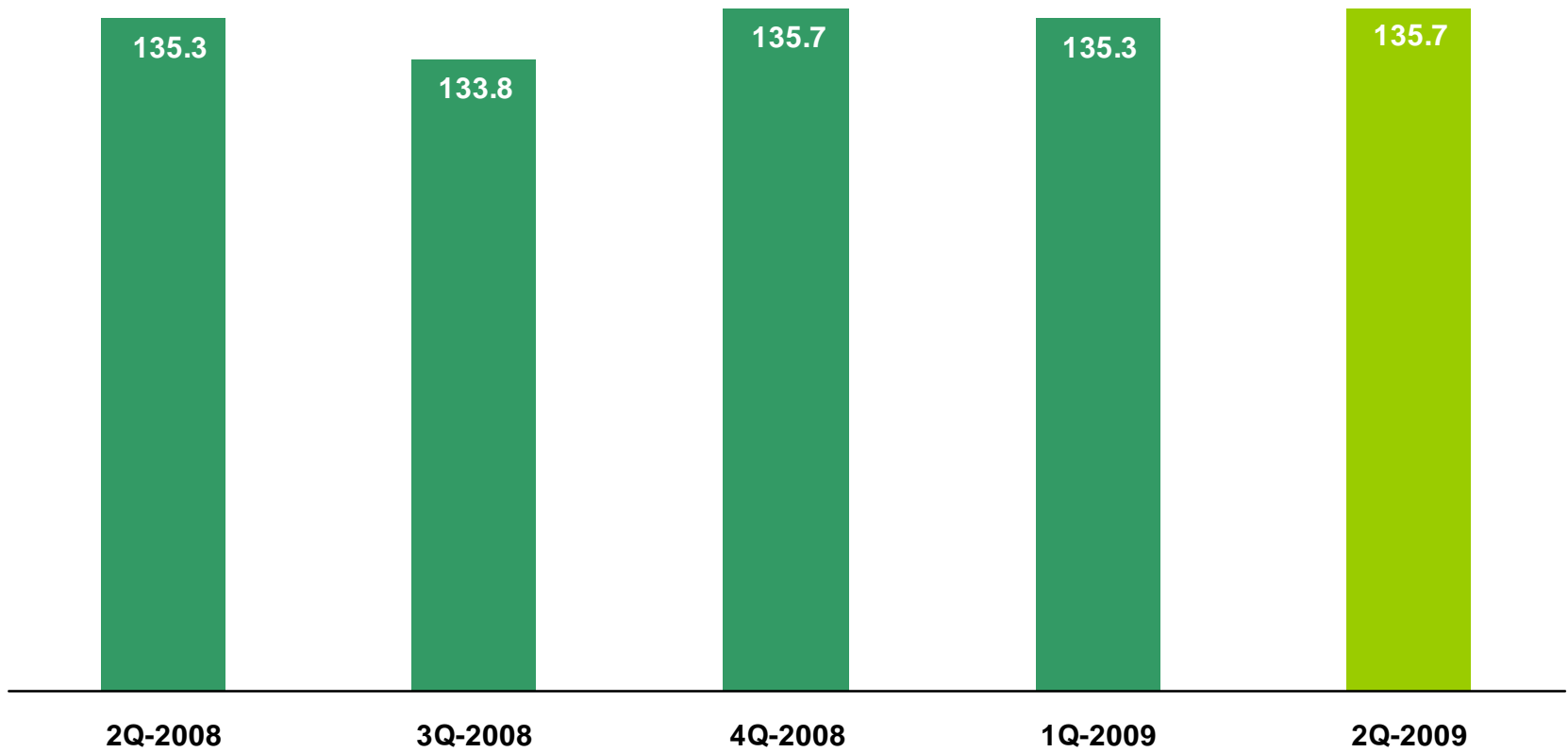
## Expanding Hubbing Households ('000)



# Total Households ARPU



ARPU (S\$)





# Financial Overview

Business Overview

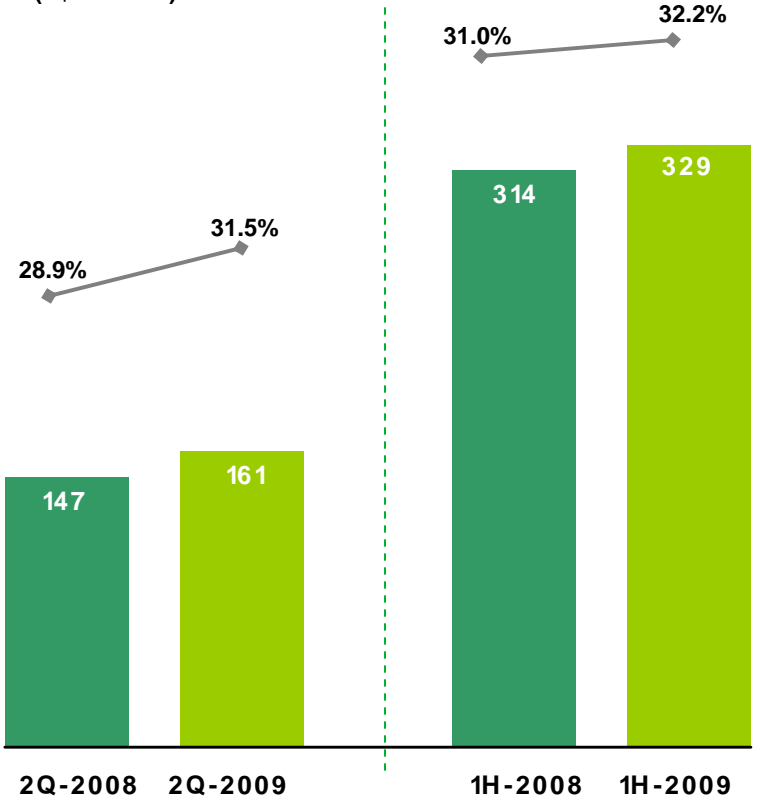
Outlook

# EBITDA & EBITDA Margin By Service Platforms



## EBITDA

(S\$ millions)

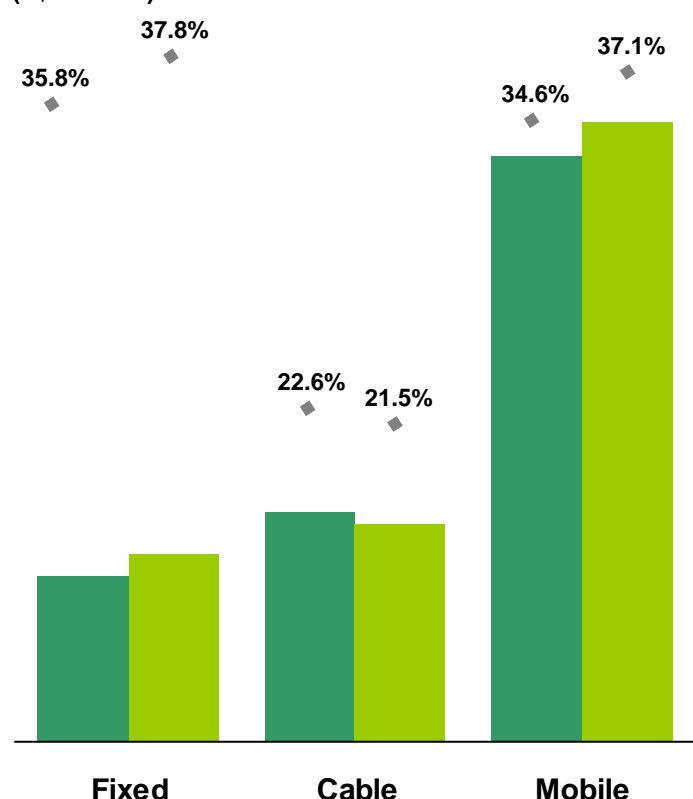


■ 2008 EBITDA    ■ 2009 EBITDA

◆ EBITDA Margin as % of Service Revenue

## Service Platform

(S\$ millions)



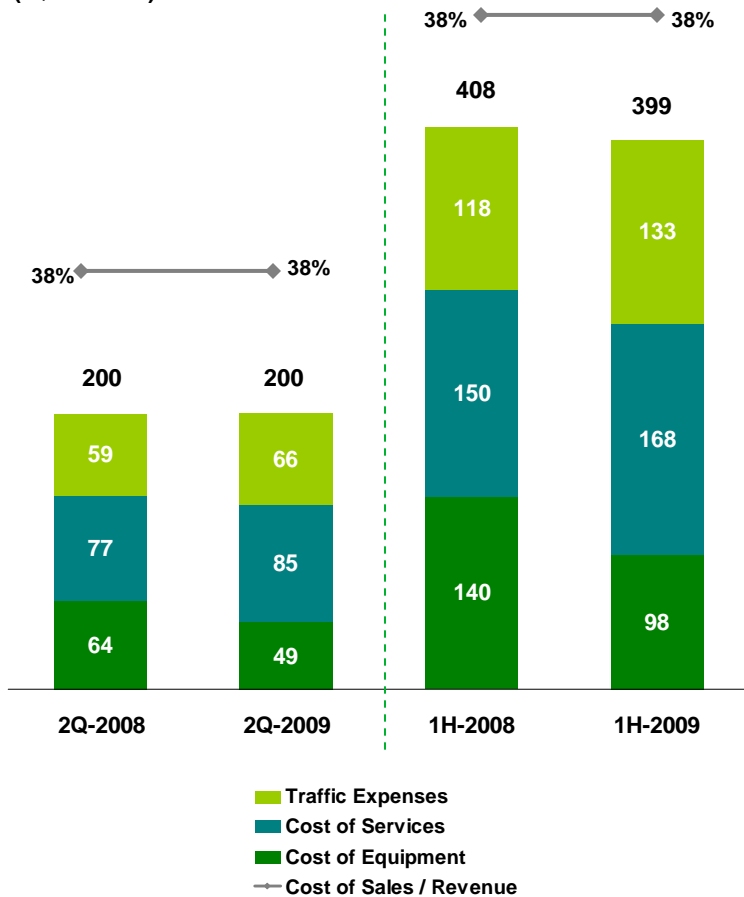
■ 1H-2008 EBITDA    ■ 1H-2009 EBITDA

◆ EBITDA Margin as % of Service Revenue

# Operating Efficiencies

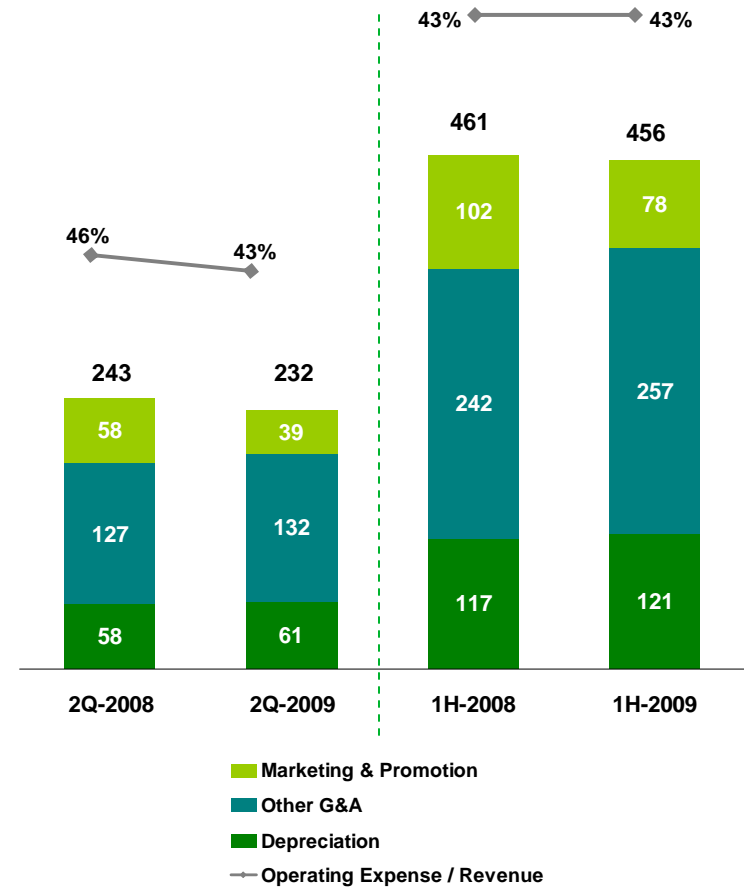
## Cost of Sales

(\$ millions)



## Other Operating Expenses

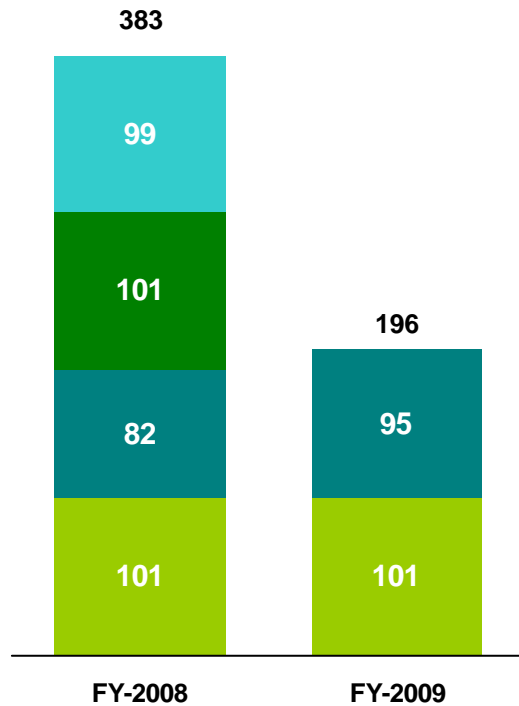
(\$ millions)



# Profitability

## Profit Before Tax

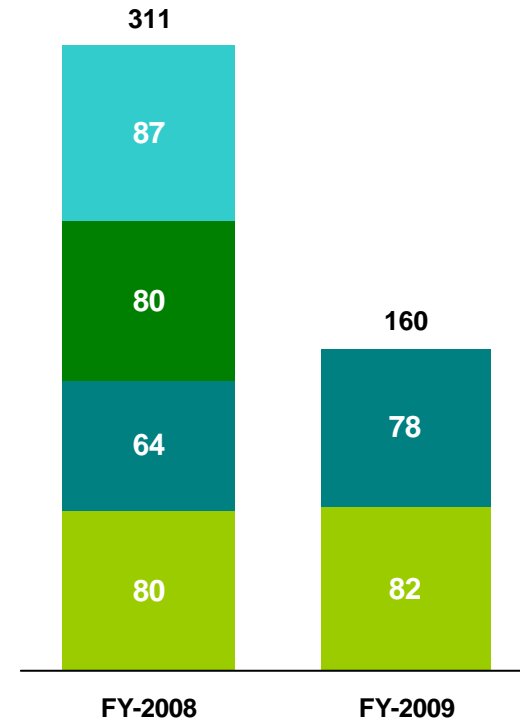
(S\$ millions)



■ 1Q ■ 2Q ■ 3Q ■ 4Q

## Net Profit After Tax

(S\$ millions)

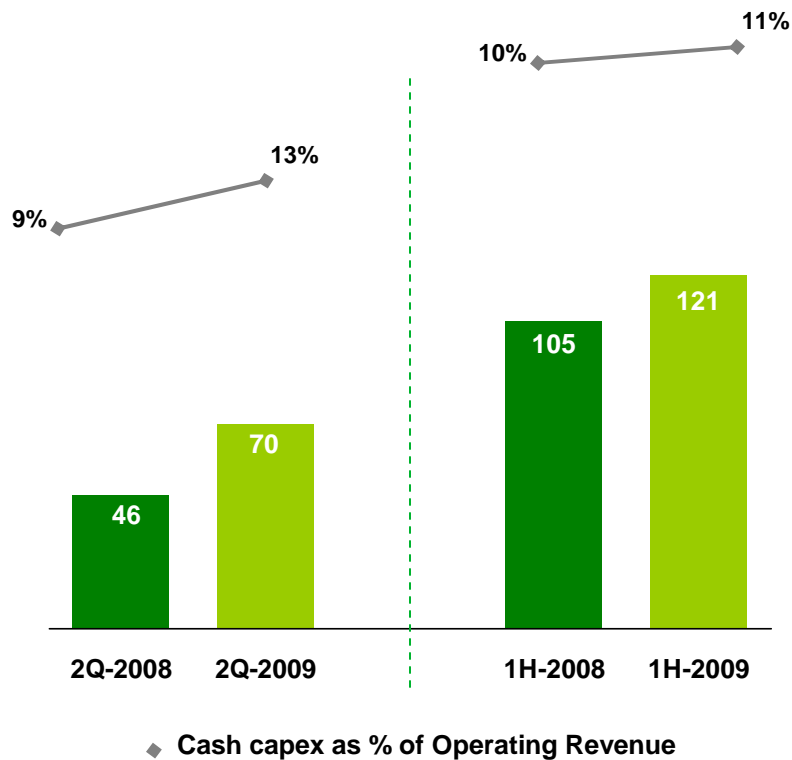


■ 1Q ■ 2Q ■ 3Q ■ 4Q

# Capex & Free Cash Flow

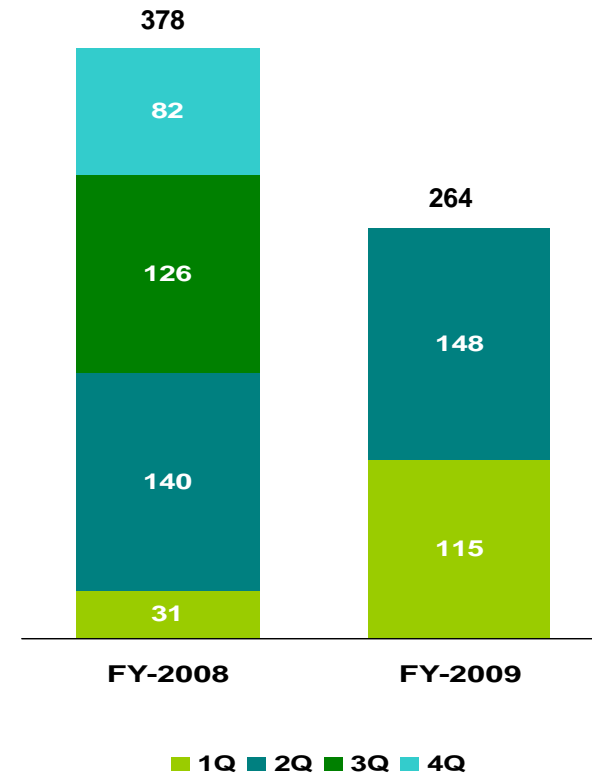
## Capex (cash payments)

(S\$ millions)



## Free Cash Flow

(S\$ millions)



Financial Overview

## **Business Overview - Mobile**

Outlook

# Mobile – Highlights (2Q-2009 vs 2Q-2008)



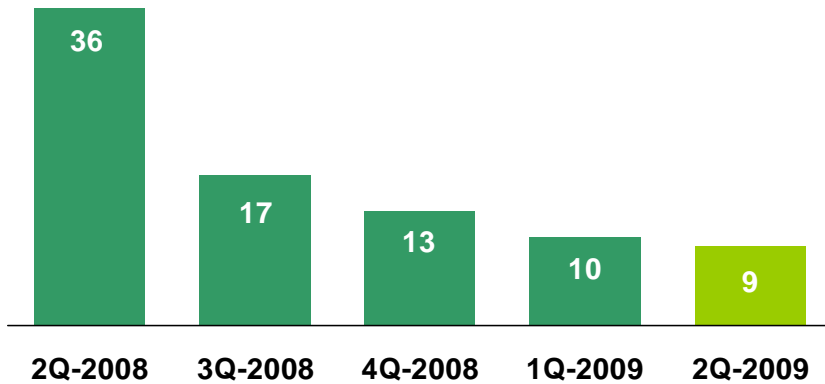
**Pre-paid revenue grew 12%**

**Pre-paid ARPU rose by \$3**

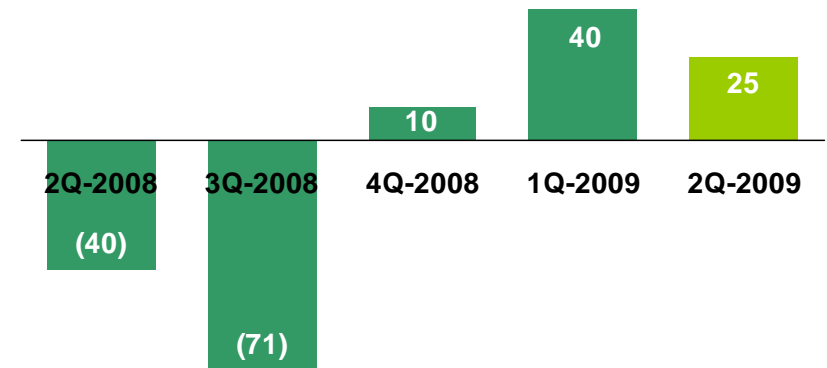
**Post-paid customer base increased 6%**

# Mobile Net Adds

## Post-paid Net Adds ('000)

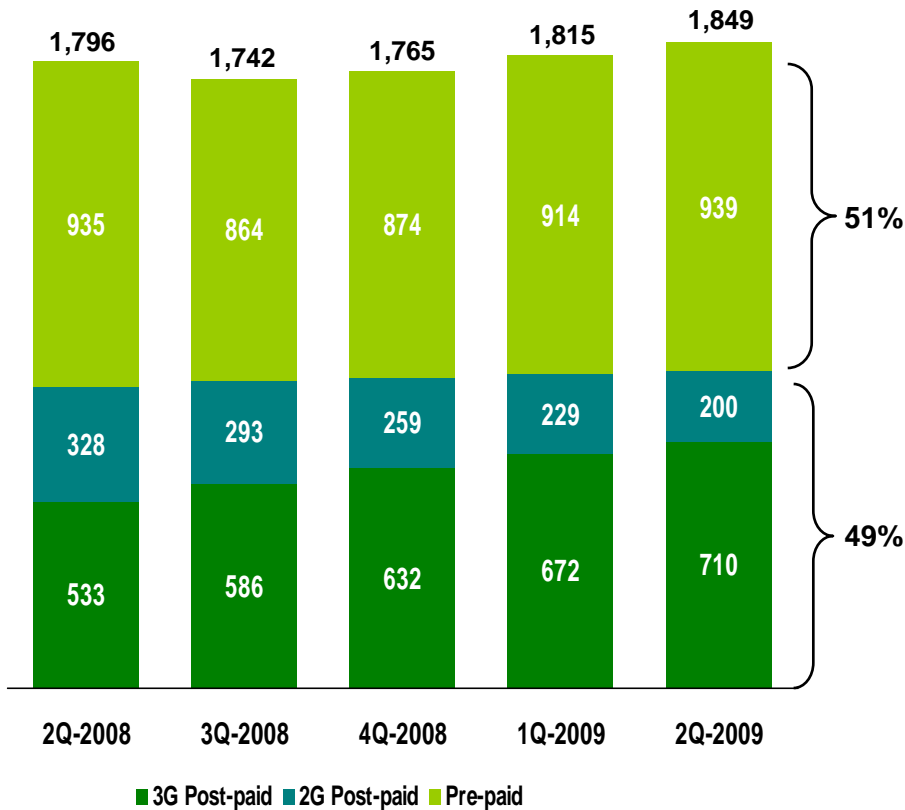


## Pre-paid Net Adds ('000)

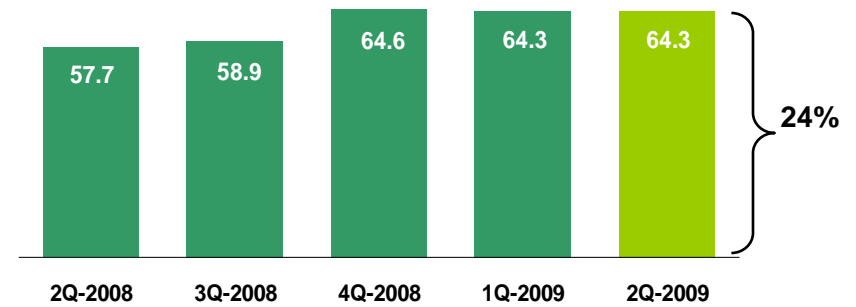




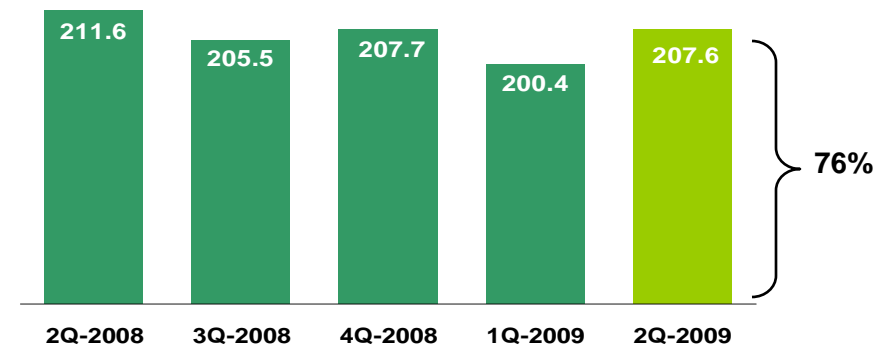
## Customers ('000)



## Pre-paid Revenue (S\$M)

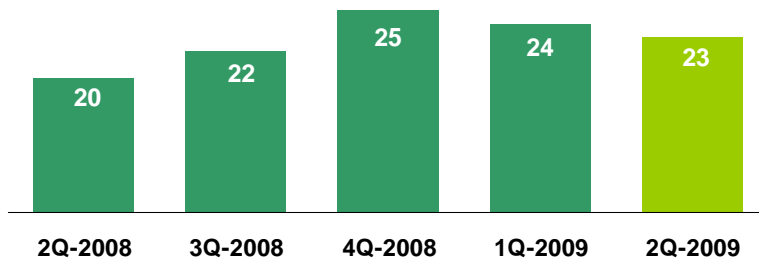


## Post-paid Revenue (S\$M)

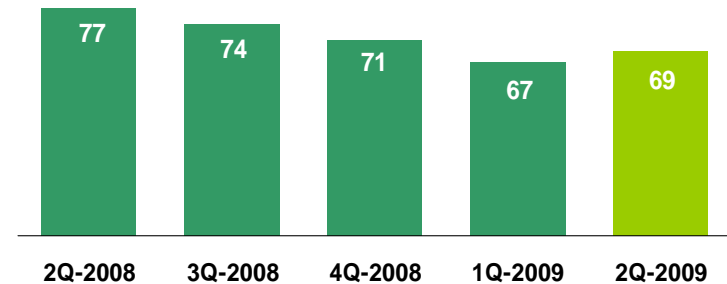


# Mobile ARPU & Non-Voice Services

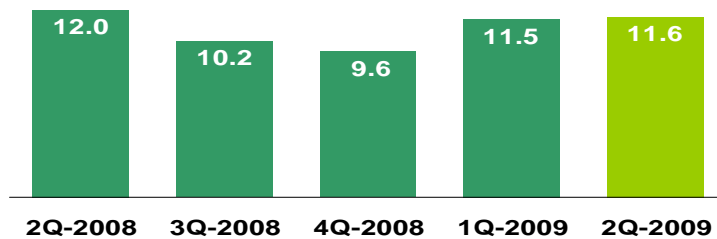
Pre-paid ARPU (S\$ per month)



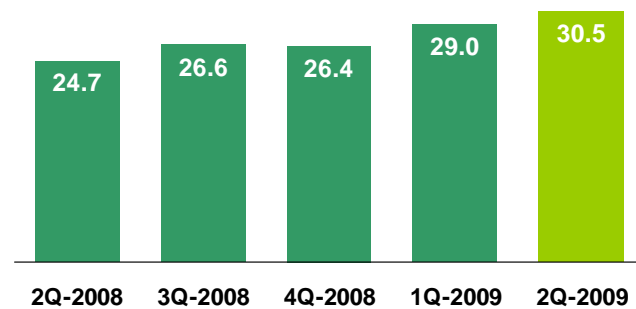
Post-paid ARPU (S\$ per month)



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



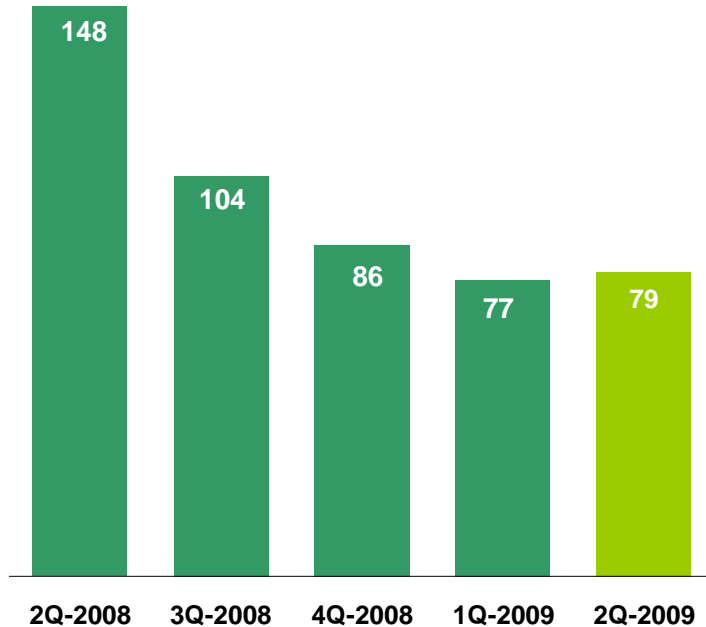
Post-paid non-voice services (% of ARPU)



# Mobile Acquisition Costs & Churn Trend

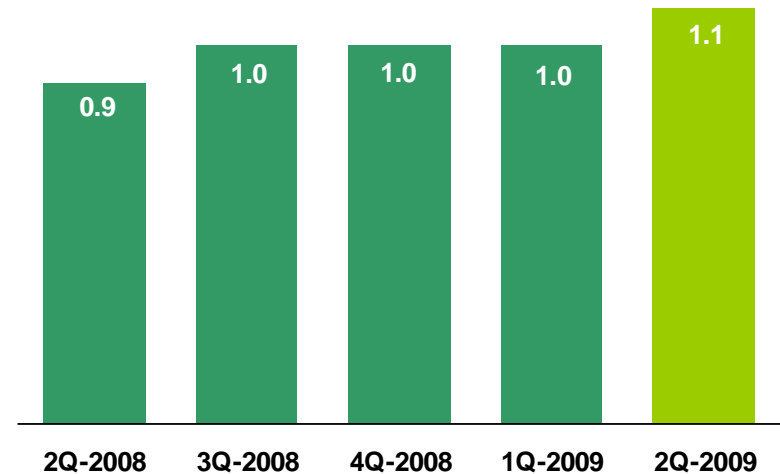
## Average Acquisition Costs

Per Gross Connection (S\$)



## Monthly Churn Rate (Post-paid)

(%)



Financial Overview

## Business Overview – Pay TV

Outlook

# Pay TV – Highlights (2Q-2009 vs 2Q-2008)

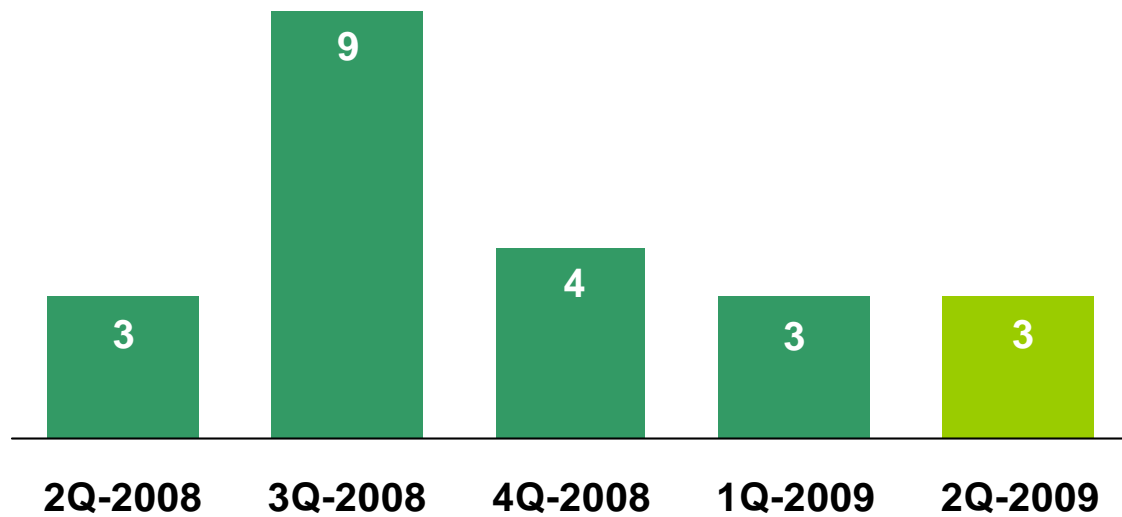


Revenue decreased 2%

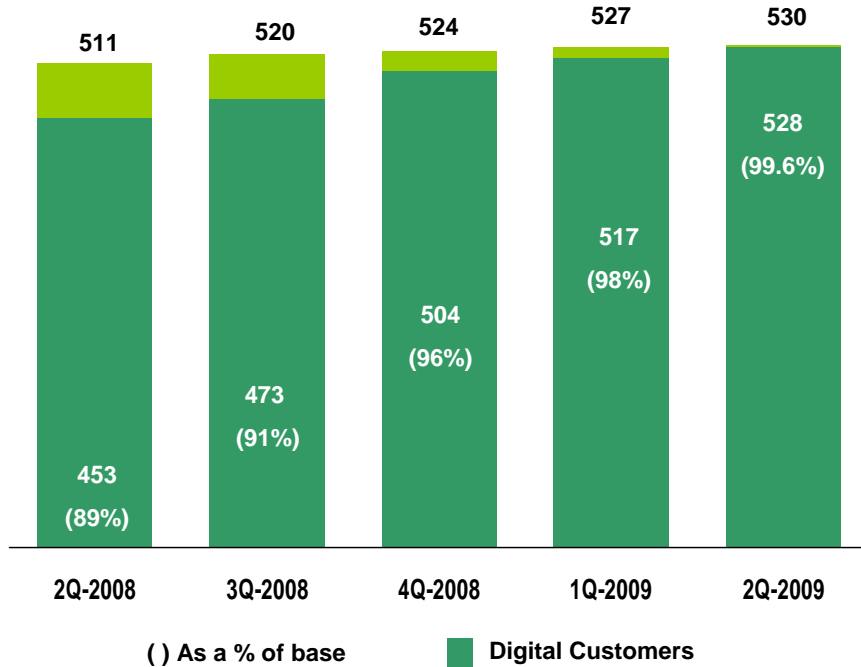
ARPU decreased S\$2 to S\$56

Digital customers penetration – 99.6% of base (528K)

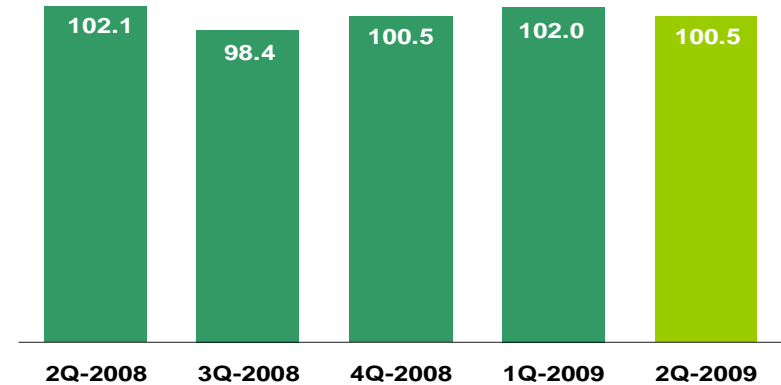
## Net Adds ('000)



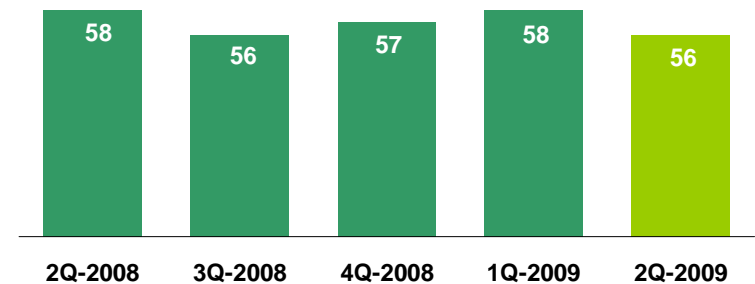
## Pay TV Customers ('000)



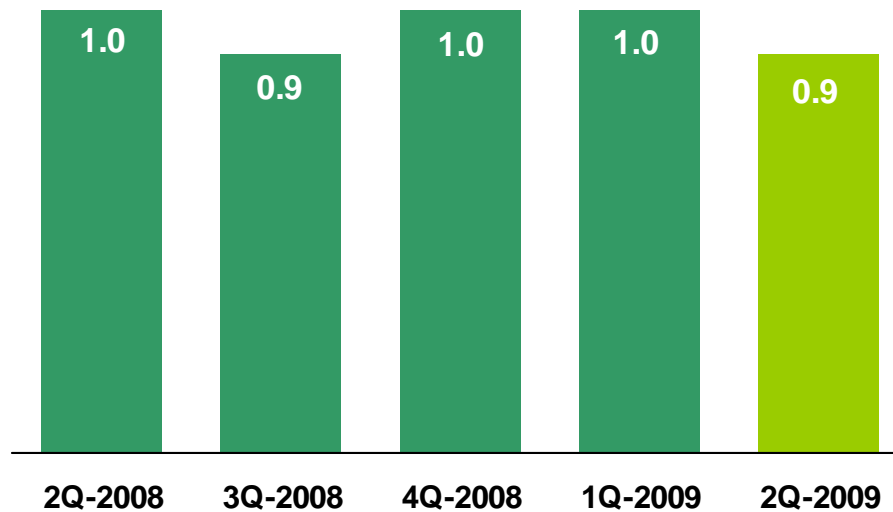
## Pay TV Revenue (S\$M)



## Pay TV ARPU (S\$ per month)



## Average Monthly Churn Rate (%)





Financial Overview

## **Business Overview - Broadband**

Outlook

# Broadband – Highlights (2Q-2009 vs 2Q-2008)



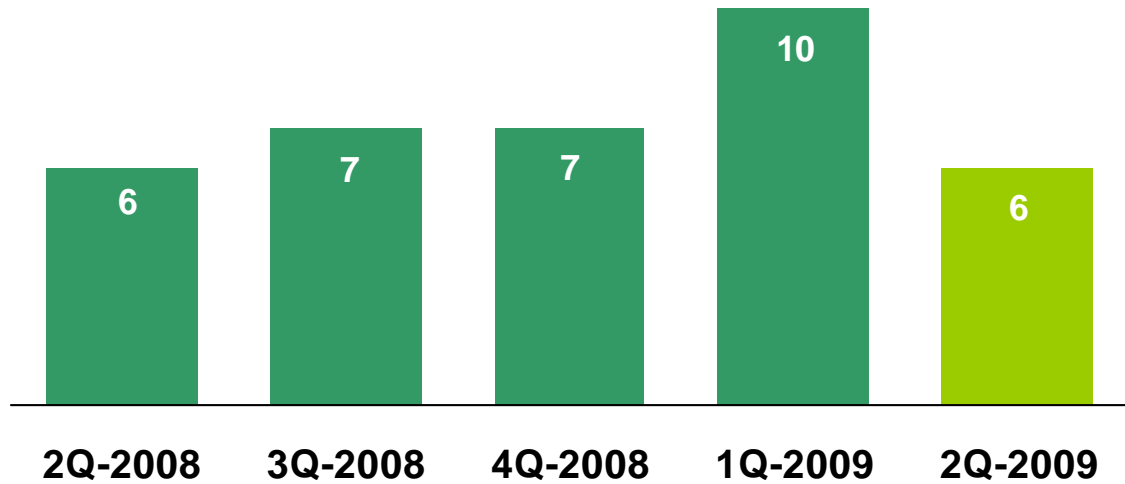
Revenue decreased 3%

ARPU decreased by S\$6 to S\$51

Net customer additions of 31K (9% growth)

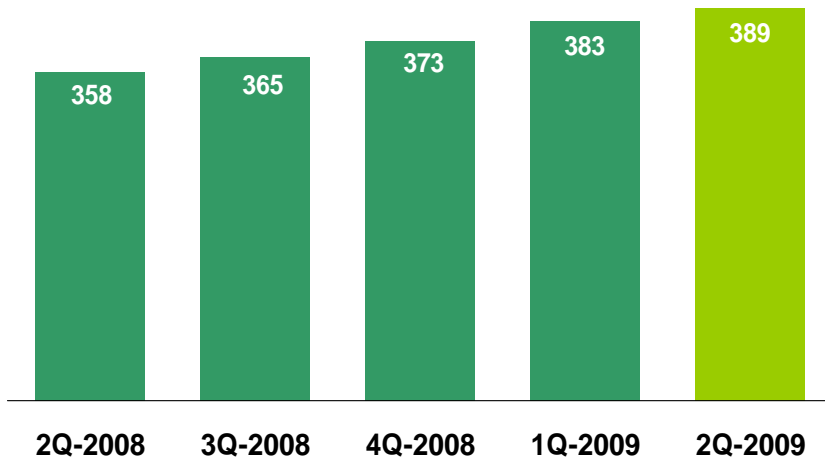
# Residential Broadband Net Adds

Net Adds ('000)

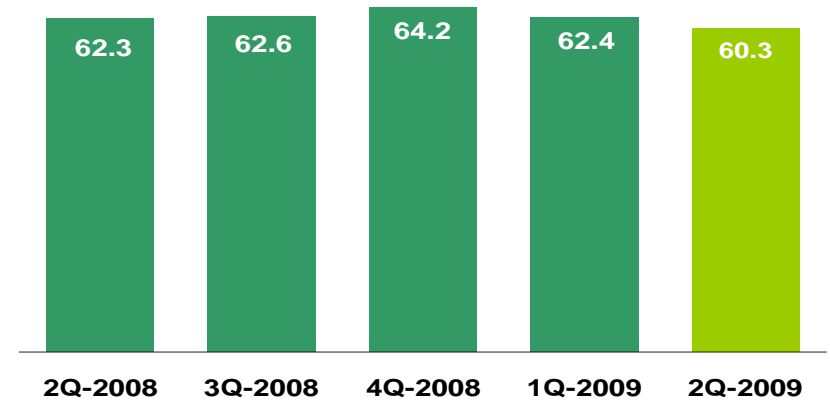


# Residential Broadband

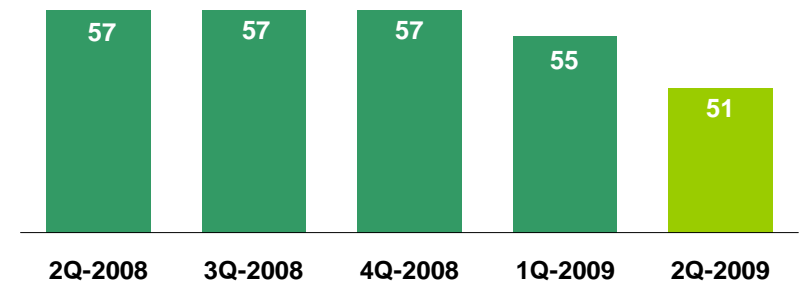
## Broadband Customers ('000)



## Broadband Revenue (\$M)

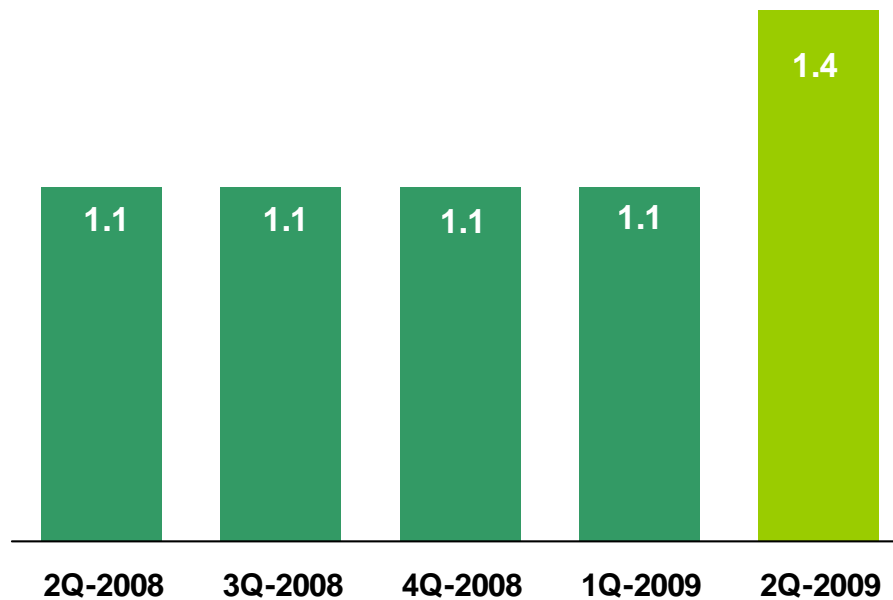


## Broadband ARPU (\$)



# Residential Broadband Churn

Average Monthly Churn Rate (%)



Financial Overview

## **Business Overview – Fixed Network Services**

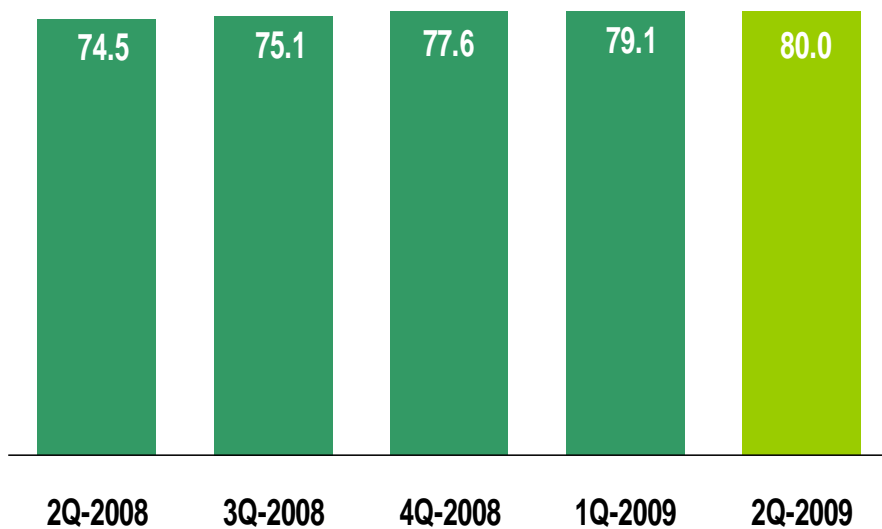
Outlook

Revenue expanded 7%

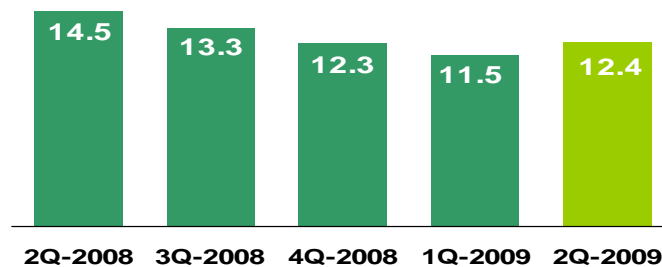
Data & Internet revenue improved by 13%

Data & Internet services contribute 85% of revenue

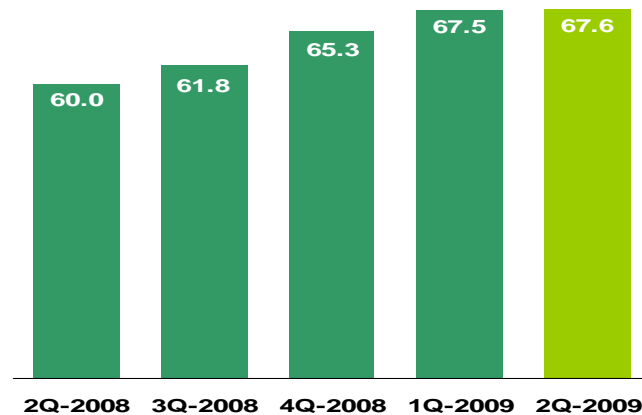
## Fixed Network Revenue (S\$M)



## Voice (S\$M)



## Data & Internet (S\$M)





Financial Overview

Business Overview

**Outlook**

**Revenue:** Service revenue maintained at 2008 level

**EBITDA:** EBITDA margin on service revenue maintained around 32%

**CAPEX:** As a percent of operating revenue,  
cash capex to not exceed 11%

**Dividend:** Recommend 2Q-2009 interim dividend of 4.5 cents per share  
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 enquiries, please contact:

For enquiries, please contact:	
<b>Jeannie ONG</b>	<b>Eric LOH</b>
Head, Corporate Communications & Investor Relations	Senior Manager, Investor Relations
Office: (65) 6825 5168	Office: (65) 6825 5171
Email: <a href="mailto:jeannieo@starhub.com">jeannieo@starhub.com</a> or <a href="mailto:ir@starhub.com">ir@starhub.com</a>	Email: <a href="mailto:ericloh@starhub.com">ericloh@starhub.com</a> or <a href="mailto:ir@starhub.com">ir@starhub.com</a>