FINAL TRANSCRIPT

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CC3.SI - Q3 2009 STARHUB LTD Earnings Conference Call

Event Date/Time: Nov. 10. 2009 / 10:00AM GMT

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PRESENTATION

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Hi, good evening ladies and gentlemen and welcome to StarHub's third quarter results announcement briefing call. My name is Jeannie and it is my pleasure to introduce our panel members on the call to you. They are Terry Clontz, our CEO; Tong Hai, our COO; and Buck Chye, our CFO.

Assisting them today are representatives from the senior management team; Chan Kin Hung, our Head of Products & Solutions, as well as Ng Long Shyang, our Head of Sales.

Before we begin our presentation I would like to remind all participants that this call will last for about an hour. During the presentation all participants will be in a listen only mode. Afterwards we will conduct a question and answer session. (Operator Instructions). Let me now invite Terry to share some highlights from this set of third quarter results; Terry please.

Terry Clontz - *StarHub Ltd - CEO*

Good afternoon everyone, it's a pleasure to address you in regards to our Q3 results. We will be referring to the slide pack initially and, of course, after that answering any questions that you might have. So if I would get you to turn to slide three. This is, of course, the safe harbor statement. We ask you to please take note of our cautions and warnings in regards to any forward-looking statements.

Then moving on to slide four, a quick overview for the quarter; we think that given the challenging environment we do believe it's a good set of results, if you look at service revenue it's up 3% and EBITDA grew 5%. Operationally some of the strengths included revenue growth for Mobile and Data Services and triple-services for the Hubbing households grew 12% year-on-year.

One of the challenges has been in the Broadband arena. And although we've had positive net adds ARPU continues to decline, but we'll cover that in a little more detail later.

Some of the key events of course you've heard recently about re-positioning our sports content and this, of course, is looking beyond -- looking at 2010 and beyond. And then, of course, recently we just announced that we'll be offering iPhone later this year.

Moving on to the summary page of the financials let me quickly cover that. Service revenue is up 3% on the quarter. Of course, this is very much in line with guidance of a relatively flat service revenue for the year. You'll see that year-to-date we're up 1%. EBITDA margin came in at 33.4% bringing the year-to-date average to 32.6%; again, well within guidance of 32%.

Net profit after tax is up 7% quarter-on-quarter and 10% year-to-date. The percent of CapEx to revenue came in at 10% and that brings the average for the year at 11% dead on our guidance of 11%. Free cash flow per fully diluted share at 6.7% (sic - see presentation) and you can see that we've continued to deliver the capital structure to a net debt EBITDA of about 1 times.

The next page just gives you a quick graphic representation of what the movements are in customer base and service revenue. As you'll see in Mobile both pre-paid and post-paid are up 11% and 3% respectively. Pay TV is up 2%, Cable Broadband down 6%, again due to the decline at ARPU, which we'll cover late and Fixed Network Services is up 6%.

On the next page, I'm on slide seven; this is where you'll see that and -- according to the Hubbing Index that we've been monitoring from day one we're up now 12% with triple play households as we had continued to focus on triple play households throughout the quarter.

Now total household ARPU for the quarter is SGD137.90. We do want to alert you that we've changed the basis for this and we'll bridge you back to the other quarters. We have taken out the unique households that have indirect IDD only. The reason for that of course is that indirect IDD is not truly a Hubbing service; it's not one of the three Hubbing services. If we were to add that back in, those households back in then the actual number would have been SGD136.80. So still about a SGD1 increase in ARPU, but going forward we will, of course, I think to give you a more pure view of true Hubbing households take the IDD households out.

So with that let me turn it over to Buck Chye to walk you through more details on the financials.

Kwek Buck Chye - *StarHub Ltd - CFO*

Good evening, I now ask you to look at slide number 10. Third quarter EBITDA was a high SGD172 million, SGD7 million higher, 5% higher year-on-year driven by higher revenue from the telecom services. EBITDA margin at 33.4% of service revenue for the quarter was 50 basis points higher compared with same period last year.

On the right, on slide 10, you see the margins by platform breakdown and you will notice that our fixed network service margin expanded due to increasing portion of corporate data and internet mix rising to above 40% margin rate. The green bar shows the increased EBITDA dollar contribution. This business now contributes 20% to the Group EBITDA mix.

Cable margin at 21.6% for the quarter was marginally 0.3 basis percentage points lower than last year. This is the impact of higher discount to our Broadband and our Cable TV bundle promotions.

Mobile platform margins are tracking stable at 37% to 38% range. Last year at third quarter '08 there was a credit adjustment of SGD3 million for domestic traffic otherwise the margin from last year same quarter would have been SGD38 million, hence Mobile platform margins are stable.

On slide 11 this is the outlook on a year to date nine months. The Group EBITDA for the nine months reached SGD501 million. This is SGD22 million or 5% year-on-year improvement. EBITDA margin year-to-date tracks as a percentage of service revenue at 32.6%, this is [an] 80 basis points higher.

The platform margins on the right shows the favorable diversified profitability growth. Again, you can see the one additional silo called Fixed Network Services has margin climbing above the 35% last year to 39.2%. This is totally from corporate data and internet revenue mix increasing. This now contributes about 19% of EBITDA year-to-date dollar mix.

The Cable platform, as you can see, tracks margin at 21.5%. We have always guided that the margin for this platform would be in the mid-20s. And at this point of time it is 1% lower due to the higher bundle discount for Broadband and Pay TV. Cable contributes 21% to the total Group EBITDA mix.

Year-to-date Mobile platform margins improved by 1.1 percentage points due to reduced acquisitions and retention costs in post-paid post the number for period in '08, increased debtor service contribution as well as increased pre-paid revenue business. Mobile contributes 60% mix to the total Group EBITDA dollars.

Next chart on page 12 will cover the operating efficiencies. On the left the cost of sale for the quarter was at 37% of revenue at SGD201 million of costs. This was 10% higher due to the components being cost of service and traffic expenses. Both these components were 13% higher year-on-year. However, this increase was mitigated by keeping the cost of equipment, mostly handsets, flat for the quarter. Consequently, year-to-date the total costs of sale was only a 1% year-on-year higher against the 3% increase in revenue.

Year-to-date the cost of services and traffic expenses obviously were offset by the throttle back of costs of equipment subsidy. As a percentage year-to-date cost of sales trended a flat 37% of revenue for the year-to-date compared similarly with the previous year.

Now looking at the components, the cost of service for the quarter, the middle bar on the left, SGD83 million was SGD10 million higher compared to the same period last year. The increase is mostly for the cost of edit content, as well as the annual increase of content in the negotiate multi-year contracts. On a sequential quarter basis this cost of services has stabilized, as reflected in the year-to-date if you take the SGD250 million and you divide it equally by three quarters, it is a flat SGD83 million a quarter run.

Traffic expenses for the quarter at SGD65.4 million for the third quarter does appear 13% or SGD7 million higher; however, last year in the same quarter there was a credit for domestic operator charges of prior period. Excluding this one-time credit adjust of SGD9 million the third quarter '09 traffic expense is actually 2% lower than the same period last year. The year-to-date traffic expense at SGD198 million is only 7% higher as a result of the increase in traffic required over the Fixed and Broadband -- and Mobile network to serve the increased customer base.

Other operating expenses on the right for the quarter at SGD225 million is 4% higher year-on-year. For the year-to-date, this expense is only 2% higher at SGD681 million and the improvement in costs containment is coming from the following factors, due to lower staff costs and lower marketing and promotional expenses.

Now as a percentage of operating revenue, these cost reductions continue to decrease. As you can see, the trend as a percentage of sales for the quarter has trended down from 45% rate the previous year to 42% rate for the current quarter. And for the nine months to date has trended down from 44% ratio to 43% for the year-to-date current.

Next chart; profit before tax for the quarter at SGD106 million was 4.7% better year-on-year. The profitability is higher for each quarter as measured against the corresponding periods the previous years due to the growth in revenue sustained and the cost leverage management.

As for the nine months year-to-date, profit before tax reached SGD302 million. This is [SGD80] million or 6% higher than last year. On the right, net profit after tax for the quarter was SGD85 million strong. This is 7% higher and year-to-date for the nine months, we closed at SGD245 million for profit after tax, SGD21.5 million or 10% better than the same period last year.

On chart 14, CapEx for the quarter at SGD54 million is slightly lower compared with the third quarter '08. However, for the year-to-date at SGD175 million of spending, it's 6% higher. But all the same as a percentage of revenue, CapEx is tracking well within the 11% guidance for the full year.

The free cash flow for the Group generated in the quarter is SGD115.3 million. For the nine months to date, the free cash flow is at SGD378.8 million. If you look at it, this is a 28% improvement in free cash flow generation over the same period of nine months last year. And at this nine months point, the free cash flow generated is already exceeding the full year generated cash flow for the previous year.

And with that Terry.

Terry Clontz - *StarHub Ltd - CEO*

Yes.

Tan Tong Hai - *StarHub Ltd - COO*

Back to me now. Tong Hai here. I'll be covering the business overview. Let's turn to chart number 16. Here are the highlights for the Mobile. We have grew pre-paid revenue by 11%. Pre-paid ARPU rose by SGD1 and post-paid customer base increased by 5%.

If you look at chart number 17, we have positive net adds for both post-paid and pre-paid.

Chart number 18, subscriber base has grown to 1.884 million. Revenue for both pre-paid and post-paid has grown. In particular, we are pleased to note the sequential growth of pre-paid revenue this quarter.

If we take a look at chart number 19, it shows you the ARPU for both pre-paid and post-paid remain stable at SGD23 and SGD69 per month respectively. In particular, non-voice services for both pre-paid and post-paid has grown. This shows that our subscribers are using more data services.

Chart number 20 shows you that the average acquisition cost is actually kept low at SGD74 per gross connection. Monthly churn rate has gone up to 1.2% with a full quarter of iPhone impact. With our announcement of iPhone later in the year, we hope to bring the churn rate down.

Next Pay TV, chart number 22; here are the highlights. Revenue has increased by 2%. ARPU remains stable at SGD56 and digital customer penetration 100% of base.

Chart number 23 shows you that we have added another 5,000 subscribers for Pay TV.

Chart 24. Our subscriber base is now 535,000 and all these are fully digital contributing a stable ARPU of SGD56 per month. Revenue remains stable at around SGD100 million per quarter.

If you take a look at chart number 25, it shows you that we have kept our churn rate for Pay TV at a relatively low rate of 0.9%.

Next Broadband, take a look at 27 -- chart number 27. Revenue for Broadband has decreased by 6%. ARPU decreased by SGD7 to SGD50 and, well, we have added customers by 27,000. As what CEO has mentioned, our challenge in the Broadband business is revenue growth.

This chart number 28, the net adds for this quarter alone is 3,000 as we are actually more focused on retention activities. In quarter two, we have announced our churn rate was high at 1.4% and that's why this quarter we focus a lot on retention activities. You will see that in subsequent charts that we have managed to bring the churn rate down to 1.2%.

Chart 29 shows you the subscriber base. It's now at 392,000. ARPU is still going down, although not as much as what we have seen in first quarter to second quarter. There's only a drop of SGD1 but going forward, we anticipate more pricing pressure leading up to the NGNBN launch in first quarter 2010. We expect ARPU to hover at the upper end of SGD45 to SGD50 range.

Chart 30 shows you the churn rate; that's what I mentioned earlier. We have brought the churn rate down to 1.2% as a result of our retention activities.

Next, Fixed Network Services, chart 32; revenue expanded 6%. Data & Internet revenue improved by 9% and Data & Internet services contribute 85% of revenue.

Chart number 33. You will notice in the Data & Internet services, we have grew 9% year-on-year. Now going forward we expect this revenue to be relatively flat for the next few quarters as we face pricing pressure leading to the NGNBN buildup. Until then, we do not expect material growth in this segment.

I'll pass over to CEO for his outlook.

Terry Clontz - *StarHub Ltd - CEO*

Okay on page 35, you'll see a reiteration of our outlook. For revenue, EBITDA and CapEx we have not changed guidance. We're holding to that guidance. And obviously for dividends, we have indicated that there we are increasing the quarterly dividend to SGD0.05 per share beginning with Q3. Of course, that would yield a minimum annual cash dividend for fiscal year 2009 of SGD0.19, but going forward we would expect to be paying SGD0.05 per quarter.

So with that, let me turn it over and see if you have any questions.

QUESTIONS AND ANSWERS

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Thank you Terry. We will now begin to take questions. (Operator Instructions). Right, our first question is from Sachin of DBS Vickers. Hi Sachin, do you want to go ahead?

Sachin Mittal - *DBS Vickers Securities - Analyst*

Yes. Thank you for the call and congrat for good numbers. I have a couple of questions. First thing you have mentioned in the numbers is there's something mentioned that you expect BPL loss to be EBITDA neutral. Could you clarify is this something you have mentioned for this year or you mentioned for the next year in terms of BPL loss?

Second thing, even SGD0.05 EPS is it something for this year again, or this is for foreseeable future extending to next year? Third quarter, SGD0.05 for third quarter?

The third one is on the tax rate adjustments, which we saw last year. Should we expect something similar to last year in terms of tax rate adjustment in the fourth quarter?

And then I have one question in terms of operating lease, which we have seen that 15% lower operating lease sequentially in this quarter, so could it -- is it a sustainable level for operating lease expenses in this quarter?

And the very last one is the high level -- what do you see the impact of iPhone in terms of margins? Yes, these are the five questions I have.

Terry Clontz - *StarHub Ltd - CEO*

Okay. Yes, let me take the first few and I'll turn it over to Buck Chye with tax and operating leases and then we'll come back on the fifth question.

With respect to the impact on EBITDA and free cash flow, the loss of BPL and ESS channels, I think it might be instructive to just tell you how we arrived at that view.

We know that based on the data regarding our customer base and the surveys that we've conducted, that less than 10% of the total Cable TV base is, quote, at risk.

Now how we get there is we look at the number of customers who take the minimum basic channels and just the sports group. And, of course, within that segment, there are quite a few customers who take more than the minimum basic. They take some of the expanded basic if you will.

So what we've done is to survey that group. We have a pretty good idea which of those would be interested only in BPL and which of those customers would be interested in other sports in addition to BPL. So we've been able to take a pretty good view of how many defections we would have, for example, of customers that are in that segment.

Then we also look at the revenue that would be affiliated with those that choose to downgrade but, of course, keep their subscription with StarHub. And then we've looked at the number of customers that we believe would be interested in continuing with the revised sports package.

We've also taken a view about how many of the customers that would churn out would also take their broadband subscription with them. So we've included that in the analysis.

And then, of course, all of that adds up to a view about the residential revenue loss BPL and ESS. Then we've looked at the non-residential revenue contribution. Of course, this would be the BPL channels that are prepared to commercial properties, along with advertising revenue. And that gives us a number that, of course, would represent the aggregate loss of revenue associated with BPL and ESS channels.

Then when we take the cost of BPL and ESS channels and match that against the revenue loss, that's how we arrive at a view that it does not negatively impact EBITDA and free cash flow. And one of the easiest ways to get at that was to pro forma our own Q3 numbers and then project that into next year.

So the answer to your question, of course, is it was that process that got us there, a fairly rigorous process that also included surveying the customer base. And what we're referring to is not the rest of this year; we are referring to, of course, next year, mid year, when the new season for BPL begins.

Sachin Mittal - *DBS Vickers Securities - Analyst*

Okay, thank you.

Terry Clontz - *StarHub Ltd - CEO*

Okay, now with respect to the dividend of SGD0.05 per quarter, as you know, we talk about regular dividends with a view that once we announce a regular dividend, it's our intention to keep it.

And so we gave it considerable thought before we increased the dividend and we would expect that dividend of SGD0.05 per quarter to continue throughout 2010.

Sachin Mittal - *DBS Vickers Securities - Analyst*

Okay.

Terry Clontz - *StarHub Ltd - CEO*

Okay, so I'm going to turn it over to Buck Chye to address the question on tax.

Kwek Buck Chye - *StarHub Ltd - CFO*

Yes, Sachin, you have a question on tax. Just to let you know that the adjustments that you see in the M&A refers to, basically, finalized assessment of prior year's filings. And that SGD2.6 million, it's already taken in the first half of the year. And we don't expect any such major adjustments for the fourth quarter.

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Kwek Buck Chye - *StarHub Ltd - CFO*

If anything, the [DTA] for subsidiary, they're very, very small, so you could use the usual rate.

Now the improvement in tax that you see in the accounts is versus the last year. It is mainly due to the fact that the tax rate has dropped from 18% to 17% for corporate income tax.

Sachin Mittal - *DBS Vickers Securities - Analyst*

Okay.

Kwek Buck Chye - *StarHub Ltd - CFO*

Now on operating lease, I think you are looking at the MD&A. I would like to say that in the first half of the year, you have basically an overlay of occupancy for office, because we moved office to this new premise. There's no such items now in the third quarter. It is somewhat normalized.

And I think I've guided in the previous announcement that the only increase that you see here would be for if we do increase the number of pay stations up on the roof tops and that would basically if the business so required.

Also, I think that I've guided that the leasing expenses, as a percentage of our revenue, would probably track closer to 7% at the most. So that's quite stable now I think. But don't over read the improvement you see in quarter two business -- I mean quarter three business, quarter two sequential.

I guess that answer your questions, right?

Terry Clontz - *StarHub Ltd - CEO*

No, I think you had one more about the iPhone I think, is that right?

Sachin Mittal - *DBS Vickers Securities - Analyst*

Yes, iPhone impact on margins.

Terry Clontz - *StarHub Ltd - CEO*

Yes, as I indicated at the beginning of the conference call, we will be offering the iPhone later this year.

The iPhone, of course, is one of many smartphones. We have seen that the cost, if you will, the subsidy of the smartphones is generally higher than the feature phones. So obviously, the more of those you sell, the deeper you dive in EBITDA in that particular period. It is an investment, of course, in the customer base. And then you enjoy the EBITDA flow in subsequent periods.

So this is just going to be another model that has the same characteristic. We generally are very disciplined about our customer acquisitions models. So when we subsidize a smartphone more than your average phone, obviously, we expect higher ARPU. And so the way we think about it, that economic model works.

Sachin Mittal - *DBS Vickers Securities - Analyst*

Okay, but there's no revenue sharing in this kind of model?

Terry Clontz - *StarHub Ltd - CEO*

I'm sorry?

Sachin Mittal - *DBS Vickers Securities - Analyst*

There's no revenue sharing between probably -- revenue sharing in Apple in this round of iPhone deal?

Terry Clontz - *StarHub Ltd - CEO*

Well, listen, I must say that the discussions and the arrangement with them are highly confidential and I can't disclose any more than we have.

Sachin Mittal - *DBS Vickers Securities - Analyst*

Okay. Okay, thank you very much.

Terry Clontz - *StarHub Ltd - CEO*

Okay.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Right, our next caller is Sachin Gupta, another Sachin, from Nomura; hi Sachin.

Sachin Gupta - *Nomura - Analyst*

Hi, yes, thanks very much. I've just got a few questions. Firstly Terry, it sounds like you guys have done quite a detailed analysis on the BPL potential loss scenarios. But I was just wondering, what's the degree of confidence, given you are competing with quite an aggressive player in the market? And I'm not sure if SingTel would be happy with -- if these guys were only to get 10% of your subscribers as a result from the BPL win. So that's my first question.

I guess my second question is your free cash flows, they are quite strong and you mentioned there's no material adverse CapEx or cash flow impact from either NBN or BPL. I was just wondering if that's the reason, what the management's or the Board's thinking behind not undertaking another capital management this year?

And I guess my other question's for Buck Chye. Buck Chye, if you look at your data traffic, that's just going through the roof. It looks like you carried about 5 terabits worth of data. But the traffic expenses, they seem to be largely flat. I was just wondering, what's the reason behind that. What's happening to the traffic cost?

And I guess last question is you have launched Femtocell earlier in the year. Just wondering any comments on what sort of traction are you getting on Femtocell? And are you seeing any revenue contribution from it? Thanks.

Terry Clontz - *StarHub Ltd - CEO*

Okay, yes let me come back to the first question about, I quote, aggressive competitor in pay TV. When I say that we believe that less than 10% of our base is at risk, what I'm referring to are customers who would completely defect. In other words, return their box -- their set top box and go to the competition, because all they really care about is BPL.

There is a substantial number of customers who we believe are going to struggle with two boxes. So that was not to suggest that our competitor would only pick up 10% of our base. So I think what you're more likely to see is a substantial number of households that are choosing to subscribe to both us and the competitor.

Does that help explain that?

Sachin Gupta - *Nomura - Analyst*

Yes, no, that's (inaudible). Thank you.

Terry Clontz - *StarHub Ltd - CEO*

The capital management exercise, we were taking a bet internally to find out how long it would be before somebody asked that question, because you're correct in observing that with our net debt to EBITDA now at about 1 times, we are substantially under our announced policy of wanting to maintain a capital structure -- a more efficient capital structure between 1.5 times and 2 times.

But it occurred to us that now's not the time to talk about that. But it was time to talk about how we slowed the de-leveraging down, because each quarter our dividend payout was less than our free cash flow and as a result we continued to de-lever. So we think announcing a dividend increase -- and as many of you know that I've talked to over the years, we've throttle our dividends on the basis of free cash flow. That really is the best measure of affordability.

And look -- and we wouldn't be making this adjustment if we didn't look out in the future, including the second half of next year when we are without BPL and ESS and have confidence that we can deliver free cash flow that will yield 5%, at least 5% dividends.

Let's see, let me -- the next question you had was on data traffic, so let me ask Buck Chye to speak to that. Then I'll ask Chan, or Tong Hai, you want to answer the Femtocell question?

Kwek Buck Chye - *StarHub Ltd - CFO*

Gupta, okay, you're referring to the growth in data -- mobile data traffic usage in gigabytes and you are comparing the quarter with a year ago. It has certainly increased fourfold. That is basically good, because it's arising from the fact that we are promoting aggressively the use of data. And you have seen that data as a percentage of mobile ARPU has gone up to above 30% rate.

Now just to let you know that we have extended the network infrastructure, so the 3G network is actually very efficient in capacity. And the cost per units to carry is actually very, very, very small on data side.

Now what is expensive is perhaps voice traffic international. And if you notice that our pre-paid has expanded significantly. The growth in the revenue for pre-paid itself for the quarter increased by 11% and for the year-to-date it's 8%. And if you look at our year-to-date traffic cost, which is a better measure, the year-to-date traffic cost has only increased 7%. So that is strictly in line with our increase in the top line revenue for pre-paid. Most of the users there use it for international voice traffic.

Tan Tong Hai - *StarHub Ltd - COO*

Okay Sachin, let me address the question on the Femtocell. Now we were the -- we were the first in the world to launch Femtocell and we are still at this stage of refining it. It is still at the early adoptive stage and we are now fine tuning for better performance, helping customers to have what we call -- where poor coverage to be able to have a very good 3G reception at the home. We believe that Femtocell will further enhance our Hubbing proposition for the household and will continue to refine and make it better.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Right, Sachin I hope that answers your question.

Sachin Gupta - *Nomura - Analyst*

Yes, yes thank you.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Our next caller is Winston Chai, Business Times; Winston?

Winston Chai - *Business Times - Analyst*

Hi Terry this is regarding your proposal to host SingTel's content and visa versa. Has SingTel responded at all to your proposal? And do you intend to make a formal -- table a formal proposal to them instead of making an informal one?

The other question is given the recent developments, are there plans to perhaps involve new (inaudible), in theory more in terms of strategizing, how you're going to go forward perhaps even bringing on board ahead of schedule?

Terry Clontz - *StarHub Ltd - CEO*

Okay. Yes, Winston, we have received a lot of calls from our customers and while I would like to say that we were the first to think of it, quite frankly we were not. When we received a number of calls and people said, look is there any way to still get it on the set top box it got us thinking.

And so it seemed to us that when you consider the hassle of a second set top box, which most Singaporeans have not had to deal with yet, the complexity of the wiring connecting to the TV, the clutter around the TV, and just the sheer inconvenience when you have to pick up another remote control and change the source to input every time you surf the channels. As people start struggling with that we think the issue is going to become much hotter than it is today.

And of course, this is not unique to Singapore. Other markets have had to struggle with it and our view has been well that was probably necessary. But the technology has moved on to where now it is possible -- quite possible to offer a -- the carriage of some one else's channel over our network and visa versa.

So as we got to thinking about the Government's initiative that they had been studying and this is the universal set top box where no single operator has proprietary control over the box but, in fact, it's universal and you could view any content over that box, it seems to us that's the direction to go.

So to be honest, we've not made a formal proposal to the competitor, but given the number of customers that seem to be keenly interested in this and that's growing by the day, we most likely will make an offer and probably make that offer pretty soon.

With respect to Neil he will not arrive until after the 1st of the year. So Neil is not involved in the business today and -- but I can tell you that we're very much looking forward to him coming on board and I have every confidence that he will perform with the management team exceptionally well next year.

Winston Chai - *Business Times - Analyst*

Thanks.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Right, could we have the next caller identify yourself please.

Operator

Hello our next question on the audio is from line of Navin Killa with Morgan Stanley. Please proceed.

Navin Killa - *Morgan Stanley - Analyst*

Hi, not sure whether you can hear me?

Terry Clontz - *StarHub Ltd - CEO*

Yes.

Kwek Buck Chye - *StarHub Ltd - CFO*

Yes.

Navin Killa - *Morgan Stanley - Analyst*

Okay, well, thanks for the call. I had three questions. First, I just wanted to understand your Broadband business, which has seen revenues declining a little bit for the past several quarters. I'm just trying to understand what is driving that, is it your simple tariff cuts? And if so, where do you see that stopping? So any thoughts on how we should look at the outlook of that business going forward?

Secondly I had a question on NBN, I would imagine you have had some more time looking through the financial impact of that next year or the longer-term, so if there's any thoughts you can share with us there?

And I guess the third question I had was again going back to BPL, we can talk about set top boxes that can take two connections and what have you, but I guess the most obvious thing I would imagine for your competitor to do would be to use their bigger balance sheet to go out and keep winning more content from you. So I guess the question I have is, how do you look your approach to keeping the remaining of your content with you and keeping it exclusive and any thoughts on that particular issue? Thank you.

Terry Clontz - *StarHub Ltd - CEO*

Okay, Navin, first of all on the Broadband market we have indicated over the past year that our expectation is that the ARPU would decline on through the remainder of this year and into the first half of next year and then begin to stabilize.

Now that decline in ARPU is due principally to two things. One is that there are customers who are down trading. We saw more of that in the first half, and you may observe that there -- that was during the sharpest decline in ARPU. So some of the higher ARPU, higher speed Broadband services were being replaced with lower ARPU, lower speed. We also acquired or picked up more customers that chose the lower speed services as well.

In addition to that there has been some pricing pressure, which is again principally due to the anticipation of the NGNBN coming into the market. So the way to think about that is that the legacy networks, ours and our competitors, will begin to re-price or have begun to re-price in anticipation of a higher performing network.

So in the future there will be a premium that consumers would pay in order to migrate to the higher performing network. And so again, as we think about it that ARPU will probably fall into a range that begins with the four and probably just above the mid-40s. And it will take probably two or three quarters to get there. So that's the way we think about it. I don't know if that helps but that's where we are.

Now with respect to the NBN and specifically our piece of that being the Nucleus Connect or the OpCo, as you know we have just completed the financial close so we're off and running. The implementation has begun in earnest. We still expect to be launching those services in the first half of next year.

With respect to the impact on consolidated results nothing has changed from the last time that we spoke to you. We still think that funding will be in the SGD100 million or so range and that the CapEx bubble, so to speak, will approach -- be around 13% of so next year and then quickly fall off, because the CapEx profile of a OpCo is there is a lot of CapEx that's spent in getting the back office and everything ready to go. And then the remainder of the CapEx is spent on a success basis as you connect individual homes.

So that would then indicate to us that in 2011 and beyond you would see a pretty substantial fall off in CapEx moving into the 10% or below range in the next two to three years. So I hope that helps give you a sense of where NBN is in terms of implementation and contribution.

With respect to BPL and whether that's an indication of things to come with respect to other content, obviously there's no way that we have any sort of divine knowledge about what might be done in the future or what -- or how our competitor might behave. I think it's instructive to look at the quantum of money that was spent for a single piece of property. If you put yourself in their shoes I suppose that if you wanted to make the biggest impact in terms of market share with the least amount of effort it would be that one piece of property. So it's probably no more complicated than that.

But -- our way of thinking and I think we probably know quite a bit about this. There's no combination of bundling or cross-selling that could ever justify the amount of money that was spent to win BPL for Singapore. So you've got to believe something else and I don't know whether that something else is higher prices in the future or what. But the notion of continuing to pay for added loss leaders just would tend to make no sense at all.

So my thought would be that they might consider digesting what they've got, it would give them a substantial presence in the homes and then they may pop up and figure out what they want to do next or they may continue to be aggressive, it's hard to say.

We've anticipated the number of different scenarios and I know you know me well enough to know, I'm not going to give you the detail of what we're doing to shore up the remainder of the content. But I can certainly tell you that we're alert to it. So we're doing all that we know to do and are relatively confident that we'll be able to continue to provide the widest range of branded content for the foreseeable future.

Navin Killa - *Morgan Stanley - Analyst*

Thank you.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Thank you Navin. Our next question comes from Kelvin Goh of CIMB, Kelvin, go ahead.

Kelvin Goh - *CIMB-GK - Analyst*

Hi, thanks for the call; I've got three questions. The first one is on the details of the World Cup bids, if you can give us some sort of indication when that could take place and also, when the rest of your other important content -- exclusive content expires.

The second question is just a follow up on the broadband ARPUs. Terry was saying it's likely to hover down to about SGD40 to SGD45 a month, but I think during the presentation, you were saying something about SGD45 to SGD50. So if you can just clarify that.

And on top of that, Tong Hai also mentioned about fixed network revenues also likely to come under pressure because of NGNBN. Could you also perhaps correct me if I'm wrong, but if you did say that could you just clarify and why that's so?

And last question is on your guidance on the impact of BPL, the loss of it and you say that it's not going to be negatively impacted. But would it be positively impacted going forward, both in terms of EBITDA and free cash flow?

And since we're talking about free cash flow, if I can just squeeze in one bit, which is on cash tax. When do you expect to pay cash tax? Thanks.

Terry Clontz - *StarHub Ltd - CEO*

Okay. Yes, all right first of all, with respect to the World Cup discussions are underway. We have nothing to report at this juncture, so I really can't provide you with any details. I'm sorry about that.

Unfortunately, I'm probably going to disappoint you on your second question, because obviously the renewal dates of content that's important to us and our customers are not something that I would want to lay a path out for my competitor to know. This would be like painting a target on us. So we're not likely to talk about that in any detail as well.

But I understand the nature of the question. I understand why you ask it and we'll continue to try to find ways to signal when certain events come up and are dealt with.

Kelvin Goh - *CIMB-GK - Analyst*

Just quickly Terry --

Terry Clontz - *StarHub Ltd - CEO*

I'm sorry?

Kelvin Goh - *CIMB-GK - Analyst*

Just a quick follow up on the World Cup question, four years ago when did this take place, the bids?

Tan Tong Hai - *StarHub Ltd - COO*

In June timeframe.

Terry Clontz - *StarHub Ltd - CEO*

Yes, we're just quickly internalizing here. It was a little bit different last time in that both 2002 and 2006 were awarded at the same time. And that was acquired before the merger of SCV and StarHub.

Kelvin Goh - *CIMB-GK - Analyst*

Okay, all right.

Terry Clontz - *StarHub Ltd - CEO*

So it kind of dates all of us.

Kelvin Goh - *CIMB-GK - Analyst*

Okay.

Terry Clontz - *StarHub Ltd - CEO*

All right, but let me clarify the broadband ARPU point. Maybe I misspoke. I did not mean to suggest that I think it's going to fall between SGD40 and SGD45. What I said -- I thought I said was that it begins with a 4 and we think it'll be north of SGD45.

Kelvin Goh - *CIMB-GK - Analyst*

Okay.

Terry Clontz - *StarHub Ltd - CEO*

Okay, I apologize for that. Let me ask Tong Hai to speak to the Fixed Network question.

Tan Tong Hai - *StarHub Ltd - COO*

Well, if you notice the Data Internet Services we have enjoyed growth if you look at it from year-on-year. But on a sequential basis, you'll notice that it has quite sort of flattened out.

That's because, as we get closer to the NGNBN launch, as the network's being built up, you'll find the incumbent is, of course, offering very attractive prices to retain the existing customers. So you'll see that there's some pricing pressure as we move towards the NGNBN launch date.

So that's the reason why we anticipated that this part of the revenue will remain relatively flat, because we will, of course, be able to ramp this up after the NGNBN, when we have better coverage of the commercial buildings in particular, because currently we do not have access to all the commercial buildings. But with NGNBN we will have access to more commercial buildings.

Now NGNBN is supposed to be launched first quarter next year. We don't expect this growth to be material. Perhaps in the second half of next year then we can see as the NGNBN network coverages become more pervasive then we'll be able to ramp this up. So that's how we're seeing the Data Internet business.

Kelvin Goh - *CIMB-GK - Analyst*

Right now, the Data & Internet business, where's the revenue coming from? Is it mainly from home users or --?

Tan Tong Hai - *StarHub Ltd - COO*

No, this is primarily the corporate business, as well as our wholesale customers. The wholesale customers will be the global telcos, the carriers who need us to help connect for them for their global customers. And then we have our business customer. This will be the banks, the hospitals, the Government institutions, so primarily the business customers.

Kelvin Goh - *CIMB-GK - Analyst*

Okay, thanks.

Kwek Buck Chye - *StarHub Ltd - CFO*

Kelvin, on your question on cash tax, we will be only starting to pay cash tax only in the year 2010 late.

Kelvin Goh - *CIMB-GK - Analyst*

Okay.

Terry Clontz - *StarHub Ltd - CEO*

I think, Kelvin, you had one more question, that was could the repositioning of our sports package and the avoidance of the cost of BPL and ESS be a net positive EBITDA? Yes it could, but in the detailed work that we did, we assumed that we would also be paying more for some other content.

So if you will, it created a bit of a buffer for us to assume that to shore up some of the other content or to acquire additional content for the sports package -- the residual sports package, that we would be paying slightly more.

Kelvin Goh - *CIMB-GK - Analyst*

Okay, understood, thank you.

Terry Clontz - *StarHub Ltd - CEO*

Okay.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Right, the next question is from Tim Storey of JPMorgan, please go ahead.

Tim Storey - *JPMorgan - Analyst*

Hi, thank you, good evening and I appreciate your time. I just got one question now and that is, again it's a question on the Pay TV business. I think on the last conference call, some discussion was raised on the possibility of sharing content with your competitor. How would you weigh up the pros and cons of that kind of an outcome, as opposed to the universal set top box which you discussed earlier?

Terry Clontz - *StarHub Ltd - CEO*

Okay, yes, it's probably a subject that's worthy of a lot of dialogue. Let me try to give you the short answer and then see if there are any other questions.

There is a range of different ways to share content, ranging from agreeing commercially to jointly acquire and share the feed, all the way over to a sort of regulatory approach, where the mandated re-sell of some form. It's not an easy thing to do, because even in the commercial negotiation, there're a lot of fine points that have to be agreed. And so you don't find that model around the world very often.

The regulatory approach to it is a bit more common but again, very complicated. But I can tell you that based on what we think, and we have a pretty good idea, was paid for the BPL property, it is not something that we would want to re-sell at the price they paid. So that would not interest us.

Tim Storey - *JPMorgan - Analyst*

But if you look out in the bigger context of the amount of content you have today versus your competitor and one of the questions raised earlier about does the risk, that the strength of your competitor's balance sheet for one reason or another may compel them to be continuing to aggressively bid for new content. You're probably in a stronger position today to negotiate a structure in the market where you would share that content with them. But if they went out and started to try to outbid you time and time again, it becomes more difficult perhaps to achieve that.

Would you see there is just very limited risk? As you said, it doesn't seem very rational or is this a scenario you need to give serious thought to?

THOMSON REUTERS

Terry Clontz - *StarHub Ltd - CEO*

Yes, it's a very good question and I suppose if you think about one scenario and that is after you've reached a certain point of losing branded content, your leverage in those sort of negotiations is less.

But I think there's a bigger issue at play here. The Singapore market is not a big market. So we're not talking about a larger bid market or even the US market.

The disturbing thing is that the dynamics of what's happened over the past year or two are creating a cost structure which can't be supported by any number of players. So I think there's going to be a breaking point at some stage that will either precipitate some sort of commercial arrangement that works for everybody, or it more or less forces the hand of something more draconian.

So I think the thing that everybody needs to be concerned about is that today, for example the property we've been talking about, the revenues collected don't come anywhere close, not even close to covering the cost. And that's not sustainable. And if you can't somehow convince yourself that you can make it up some other way then, at the end of the day, the price to consumers goes up.

And so it's one of the reasons why we've tried to be very disciplined in the way we go about acquiring content, packaging it and pricing it to the market.

Tim Storey - *JPMorgan - Analyst*

Great, thanks very much.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Thank you. Arthur of RBS, you're next; Arthur?

Arthur Pineda - *RBS - Analyst*

Hi, thanks for the call. Congratulations on your third quarter numbers. Two questions for me; firstly on Pay TV, how big a percentage of the market do you think will take up dual set top boxes? And how much of the market will expand as a result of this phenomenon? So, how much will the market expand as a result of this phenomenon?

Secondly, I was wondering, with this move to raise payout levels, why at this stage? And are you very confident that you can actually sustain your free cash flow levels and keep content going forward, in order to retain the revenues needed to sustain this?

The third question I had is with regard to your Mobile business. What are the risks of significant cost escalations in the third quarter with the iPhone coming on board? Now this has been a big problem for SingTel when it initially launched it in 2008. I'm just wondering, what's the difference between your Company and your competitor when they initially launched it?

Terry Clontz - *StarHub Ltd - CEO*

Okay. If you do the math, we reported a little over 500,000 customers in Cable TV. As I said earlier, we think that less than 10% of those are at risk. We've also indicated that less than half of our customers take up the sports group. So if you solve for that equation, that gives you a sense of about how many of our customers might be looking at facing the challenges of two set top boxes.

THOMSON REUTERS

And then I think your question was, how much will the market expand? We've got a view about how we re-market to households that used to have Pay TV that, for whatever reason, don't any more. And it occurred to us that we have added one whale of a lot of content in the past two or three years that they may not be aware of. So it may come down to just getting smarter about the way we package and price to those households who have again, for whatever reason, walked away.

And the interesting thing about a situation where you lose a piece of content like BPL, it makes you think harder. So, in the survey work that you've done in getting at this new model we've identified that there may be the opportunity to actually increase the number of households, although at a different ARPU level, but at a very different margin level than we've seen in the past.

With respect to our competition, you'd have to ask them, because I really don't know what they have in mind in terms of the way they go to market, but that's our view. So I guess the straight answer to your question is, yes, there is a possibility of expanding the market.

iPhone, I addressed that earlier. I don't know if you picked up, or if you happened to be on the call --

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Arthur Pineda - *RBS - Analyst*

Sorry, I wasn't able to pick that up. Sorry.

Terry Clontz - *StarHub Ltd - CEO*

Yes, well, just very quickly, it's like any other expensive smartphone that you are promoting. We do offer higher subsidies for smartphones. That does impact the current period and, of course, you enjoy the EBITDA stream beyond that point.

In any case, we do run very disciplined customer acquisition models, so what we pay in subsidies, whether that be for the iPhone in the future, and certainly for all the phones we've sold to date, we do it in a creative economic way. So, while it may depress near-term earnings and EBITDA, it would be, again, accretive to value.

Arthur Pineda - *RBS - Analyst*

But nothing to the scale of the SGD20 million to SGD30 million seen by your competitor?

Terry Clontz - *StarHub Ltd - CEO*

Well, I don't know what their deal is. I have no way of knowing. So I don't have a clue how they accounted for that. But as you've seen, we have held to our guidance for fourth quarter. We've baked all of that in.

Arthur Pineda - *RBS - Analyst*

Understood. The last question I had is with regard to the payout levels. Why change it at this point?

Terry Clontz - *StarHub Ltd - CEO*

Yes. Yes, again, I sort of addressed this earlier, but we have -- since the time we went public in 2004, we've made it very clear that we're a cash flow focused company. We throttle our capital management policies on the basis of cash flow, and our expectation about the future cash flow. It seems to us that the best way to decide your dividend policy is on the basis of free cash flow, not earnings.

And so as we look at our performance to date, as we look at our expectation for the future, it occurred to us that, unless we revised the dividend policy, we were likely to continue to de-lever the capital structure. So we're already at about 1 times net debt to EBITDA, and that's below our target of 1.5 to 2. So it seemed to us, based on everything we think we know about the future, to increase the dividend. So that's why I have indicated earlier that this is for the foreseeable future. It's not for this quarter.

Arthur Pineda - *RBS - Analyst*

Got it. Thank you very much.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Right. Our next caller is Rama, from Macquarie; Rama?

Ramakrishna Maruvada - *Macquarie - Analyst*

Yes, good afternoon, everyone. I have one question that has to do with your guidance for 2009. Terry, if you could provide a bit more color on what to make out of the revenue guidance that seems unchanged while the nine months obviously you seem to be in the low single digit growth as well as holding on to the EBITDA margin guidance.

Terry Clontz - *StarHub Ltd - CEO*

Okay. Maybe I'm not -- I'm sorry, I don't follow the question. Is the question, why are we holding the guidance even though we're above?

Ramakrishna Maruvada - *Macquarie - Analyst*

Yes, that's right.

Terry Clontz - *StarHub Ltd - CEO*

Yes, well -- okay, well, let me reassure you that it's not because we expect any decline in revenue. It's just that the margin -- excuse me, the revenue year-to-date is 1%, and our guidance was about the same level as last year, so it seemed like 1% was not enough of a reason to change the guidance.

With respect to margin, we are, year-to-date, slightly above guidance at 32.6%, I think it is. And as you know, each of the -- in the fourth quarter, we generally have all of our festive promotions. Our EBITDA margins do normally get depressed in the fourth quarter. So if we bake that in, that gets us back to what we believe to be the guidance for the full year.

Ramakrishna Maruvada - *Macquarie - Analyst*

Okay. Understood, thank you very much.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Great. The next caller is Hsung from Bank of America.

Chen Hsung Khoo - *Bank of America-Merrill Lynch - Analyst*

Hi, thanks for the call and congrats on a good set of results. I would just like to maybe just get a sense, Terry, on three things; one, is the exclusive content renewals. Do you have any coming out within the next two to three years?

And the second point is more on the clarification front. On the EPS commitment that you have now, SGD0.05 per quarter, I understand it goes through until 2010, but is it a commitment that will go to -- passed 2010?

And the third question is, really just a bit more on the --

Operator

This is the operator. Sorry for the music. I'm just monitoring the call. There is (inaudible) music (inaudible).

Terry Clontz - *StarHub Ltd - CEO*

I'm not sure -- somebody apparently has injected some music.

Operator

Sorry. This is Indie operator. The music's stopped now. Sorry about that.

Terry Clontz - *StarHub Ltd - CEO*

Okay. No problem. All right, with respect to content renewals, again we are very, very careful not to alert anyone else in the market about the upcoming contract renewals. As you know, any given year there are a few contracts that come up. You can bet, of course, we're on top of that, and working through those.

So, the only thing I can tell you there is, we have talked about this internally and given the recent events it would be good if we could start signaling to the market when some of these are nailed down and are long-term in nature. So we'll try to give you a bit more color on that in future.

With respect to the SGD0.05 per quarter, I -- let me be very direct. It's based on everything we think we know about the future. So when we call it a regular dividend, our intent is to continue to pay that each quarter based on everything we know, and we continue to indicate it as a minimum dividend.

And, of course, when you say commitment, commitment comes with, again, the obvious warnings that based on everything that we could possibly know at this point in time. But again, as I said earlier, for the foreseeable future, it looks solid to us.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Hsung, I hope that answer your question?

Operator

We don't have the participant in the open line yet. (Operator Instructions).

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Sorry, Indie, we really have to close this call anyway, so --

Operator

Right, okay.

Terry Clontz - *StarHub Ltd - CEO*

We'll take one more, or -- ?

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Right, we'll just take one more, then. Foong from BNP Paribas, and this will be our last call.

Choong Chen Foong - *BNP Paribas - Analyst*

Hello. I think you guys previously issued the guidance that OpCo will breakeven at the EBITDA level in five to six years time. I just want to ask you guys, what are some of the main assumptions that you're making for that? And [do those things do count] potential government contracts that may come your way? And in broad strokes would it have a big -- do you think that OpCo have a big drag on Starhub's net profit into the next few years?

And second question is with regard to the question on the data traffic charges I raised earlier. Buck Chye, are you implying that international connectivity cost is very cheap and only constitutes a very small portion of your traffic charges?

And third question is with regards to the BPL, without the BPL, would the revised box package be now profitable? And I saw on the recent news that you guys were going to give two free sports channels. Would that have any impact on your margins? That's it.

Terry Clontz - *StarHub Ltd - CEO*

Okay. First of all, on the Nucleus Connect model -- business model, nothing has changed since we last spoke, so your quick summary of the payback period all continues to -- we continue to see it in the same way. I would tell you, though, that while we haven't given any guidance on 2010, the impact of earnings and EBITDA of Nucleus Connect on the consolidated results would not be material in nature. However, the free cash flow obviously would incorporate the CapEx bubble that I mentioned earlier.

So, yes, you would need to make sure you understand how that impacts the business. And I had indicated to you that we think that pops the CapEx intensity up in the 13% range or so, but very quickly falls back down after the back office is built.

I think you had a question on data traffic?

Kwek Buck Chye - *StarHub Ltd - CFO*

So, international traffic is -- what I said is that for voice traffic, the cost really depends on the volume of business of voice, and this is driven very much by the growth, the higher growth in the pre-paid segment of the market. That growth is quite good, and hence we are managing the costs of the traffic there.

But the fact that we have consortiums in place, our consortiums are certainly giving us an edge to bring the cost down on a larger basis when you are adding capacity internationally.

So, data internationally obviously is not cheap, but what we are saying is that most of the increase in data traffic is mostly domestic usage. And on domestic usage our capacity and network on the island is actually more the 3G and 3.5G plus HSPA capabilities, and those assets are actually very cost efficient per unit of data carried. They are actually reducing the cost significantly, if you can compare with the old traditional 2G type of system.

So, the disconnect here is that although you see a lot of data gigs, being increased by fourfold the cost for the carrier of data on the island is very, very manageable and is reducing, whereas the international traffic, as and when we leverage off our consortium members, we are buying future international traffic circuits at far, far below the market rate [that] we have and we can manage.

What I have guided is to say that on a consolidated basis, traffic would probably be more like 10% to 11% of our sales.

Choong Chen Foong - *BNP Paribas - Analyst*

Thanks.

Kwek Buck Chye - *StarHub Ltd - CFO*

Yes, that would be a good track of looking at. So, the increase to date that we saw for the nine months the traffic cost has only increased by 7%.

Choong Chen Foong - *BNP Paribas - Analyst*

Okay.

Kwek Buck Chye - *StarHub Ltd - CFO*

Yes.

Terry Clontz - *StarHub Ltd - CEO*

I think your last question was related to the offer of free channels -- sports channels to all cable TV customer and the impact on margin?

Choong Chen Foong - *BNP Paribas - Analyst*

Yes, and also the revised cost package, would it be now profitable without the BPL?

Terry Clontz - *StarHub Ltd - CEO*

Okay. Well, we've not announced any pricing points for the revised sports package. We've got a number of models that we're running internally, and we've not completed with the survey results yet. So it would probably be premature to make any suggestion about the exact profitability of that.

But I can speak to the offer of a free channel. What we believe is that there are a number of customers who enjoyed various sports events and, when we had to increase the price the last time, this was two years ago, when we won the rights to BPL, we probably priced them out of the market for a number of reasons. Maybe the biggest reason was they weren't interested in BPL. So, it was sort of like paying a high price to watch tennis or to watch golf.

So, our view was why don't we tee up a sampling of different types of sports content and offer it to the base, and then with more innovative and affordable packages that would attract them to subscribe to different offerings for sports that we may have in the future? So, on the basis of that, and again, some of our preliminary reviews are that that is not going to impact our margins negatively. In fact, as I said, it's a marketing exercise which I think will yield dividends. So, that's the background.

Choong Chen Foong - *BNP Paribas - Analyst*

Okay, thanks.

Jeannie Ong - *StarHub Ltd - Head, Corporate Communications & IR*

Right. Ladies and gentlemen, in the interest of time, we will have to stop the call here. For those of you whom we have not had a chance to address your questions, we have your names and we will contact you very soon. A transcript of this call will be posted onto our web site, that is starhub.com/ir, by tomorrow. Should you have additional questions, we're just an e-mail away.

I would like to ask Terry if he has any final worlds to say before we close the session.

Terry Clontz - *StarHub Ltd - CEO*

Well, I would just like to say that I appreciate everyone joining the conference call. I think this will probably be my last conference call. It's been a lot of fun, and I'm sure that you'll enjoy hearing Neil pick it up next year. Anyway, good night to everyone, and thanks again.
