

# StarHub's 1Q-2009 Results

7 May 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



Terry CLONTZ  
CEO



TAN Tong Hai  
COO

# 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 (1Q-2009 vs 1Q-2008)

## Financial:

- Revenue & EBITDA stable

## Operational:

### ➤ Strengths:

- Revenue growth: Mobile Pre-paid, Pay TV & Data Services
- Low churn maintained

### ➤ Challenges:

- Weak economy
- Increased cost of services

# Key Financial Highlights



\$ million	1Q-2009	1Q-2008	Change
Total Revenue	531	535	-1%
Service Revenue	508	507	0%
EBITDA	168	168	0%
EBITDA Margin	33.0%	33.1%	0% pts
Taxation	(19)	(21)	8%
Net Profit After Tax	82	80	3%
Earnings Per Share (Diluted)	4.8¢	4.67¢	3%
Capex Cash Payments	51	59	14%
% of Capex to Revenue	10	11	1% pts
FCF / Fully Diluted Share	6.71¢	1.78¢	277%
Net Debt to 2008 EBITDA ratio	1.05x	1.25x	0.20x

Note: Numbers may not add up due to rounding.

# Business Expansion (1Q-2009 vs 1Q-2008)

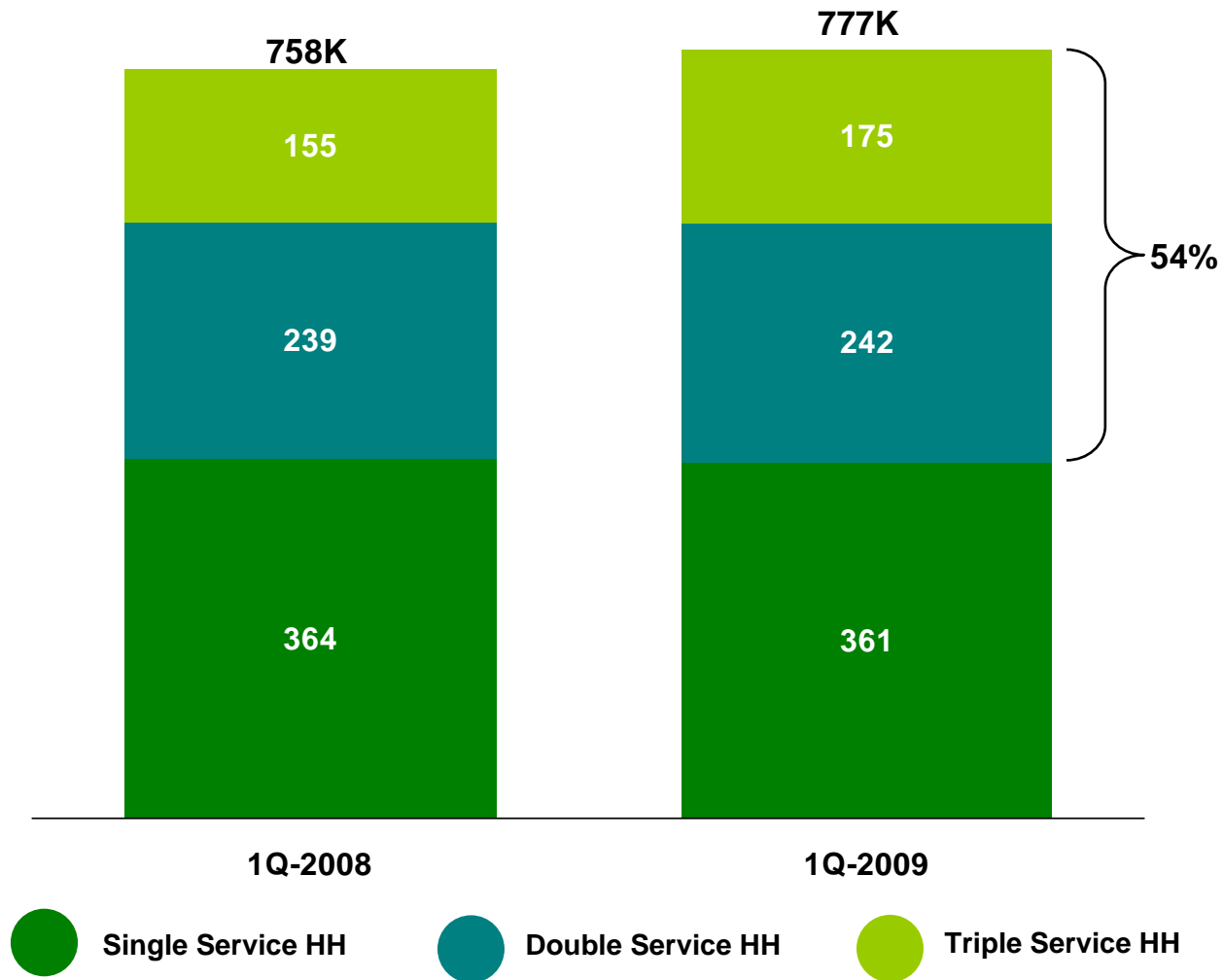


Line of Business	Service Revenue	Customer Base
<b>Mobile</b> (50% of revenue mix)	- 3% Pre-paid (3%) Post-paid (-5%)	1% Pre-paid (-6%) Post-paid (9%)
<b>Pay TV</b> (19% of revenue mix)	5%	4%
<b>Cable Broadband</b> (12% of revenue mix)	- 3%	9%
<b>Fixed Network Services</b> (15% of revenue mix)	9% Data & Internet (13%) Voice (-13%)	

# Hubbing Scorecard



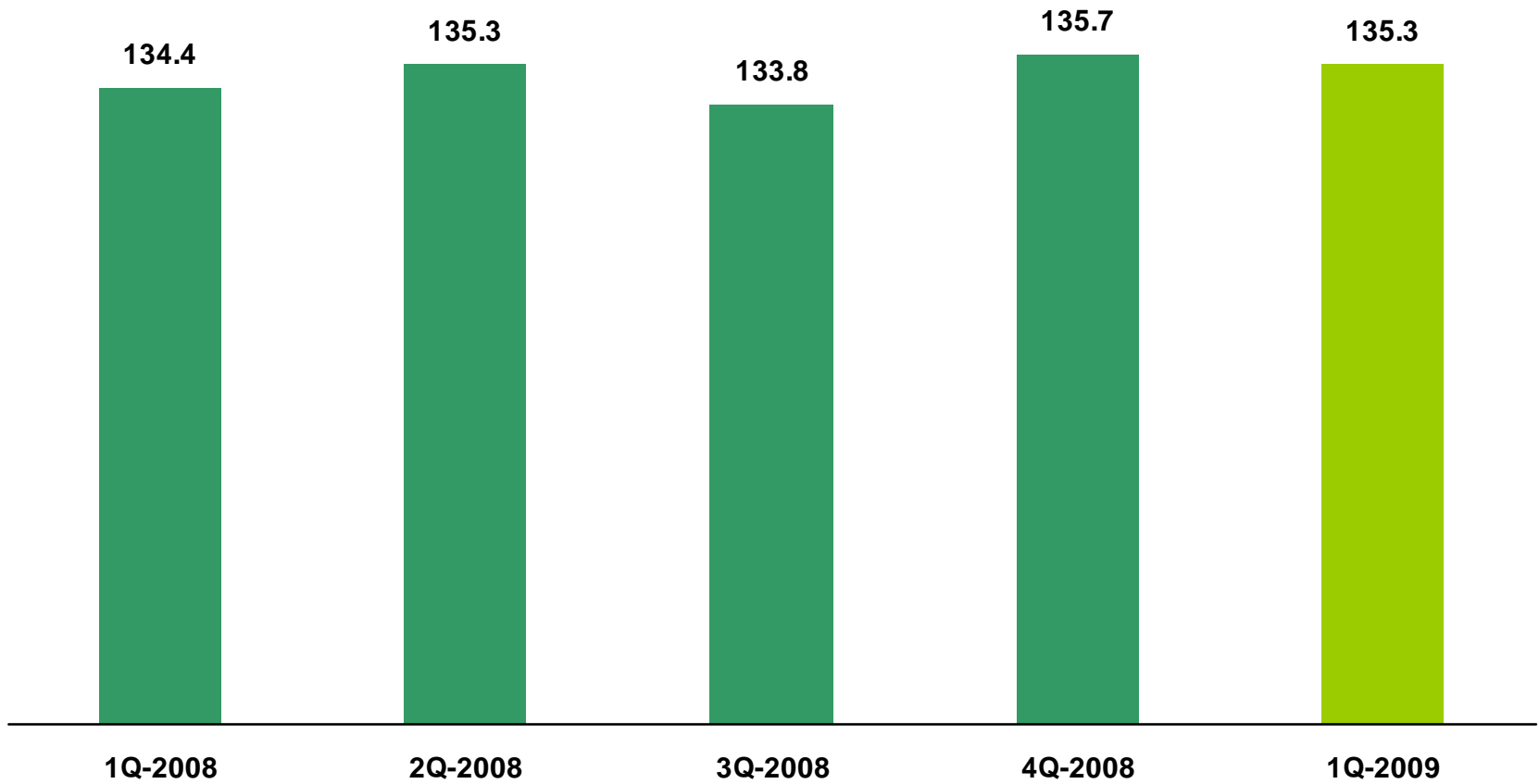
## Expanding Hubbing Households ('000)



# Total Households ARPU



ARPU (S\$)





## NGNBN - OpCo

- IDA awarded the OpCo RFP bid to StarHub on 3 April 2009
- Nucleus Connect incorporated on 14 April 2009
- To be commercially operational in 1Q-2010

# Financial Overview

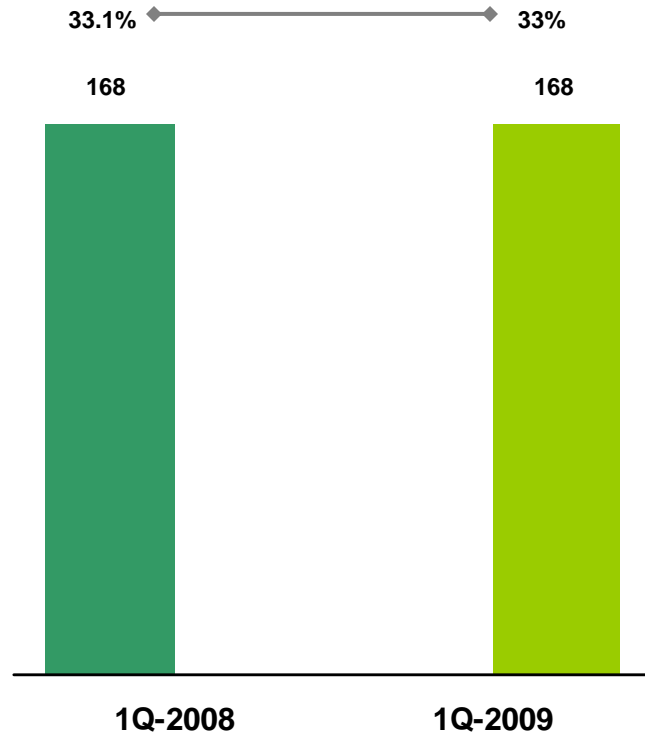
Business Overview

Outlook

# EBITDA & EBITDA Margin By Service Platforms

## EBITDA

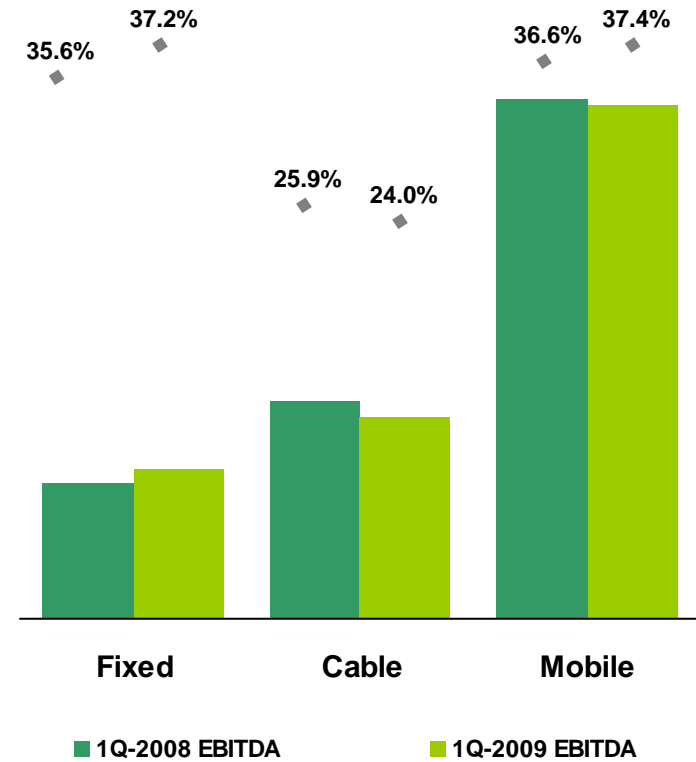
(S\$ millions)



◆ EBITDA Margin as % of Service Revenue

## Service Platform

(S\$ millions)

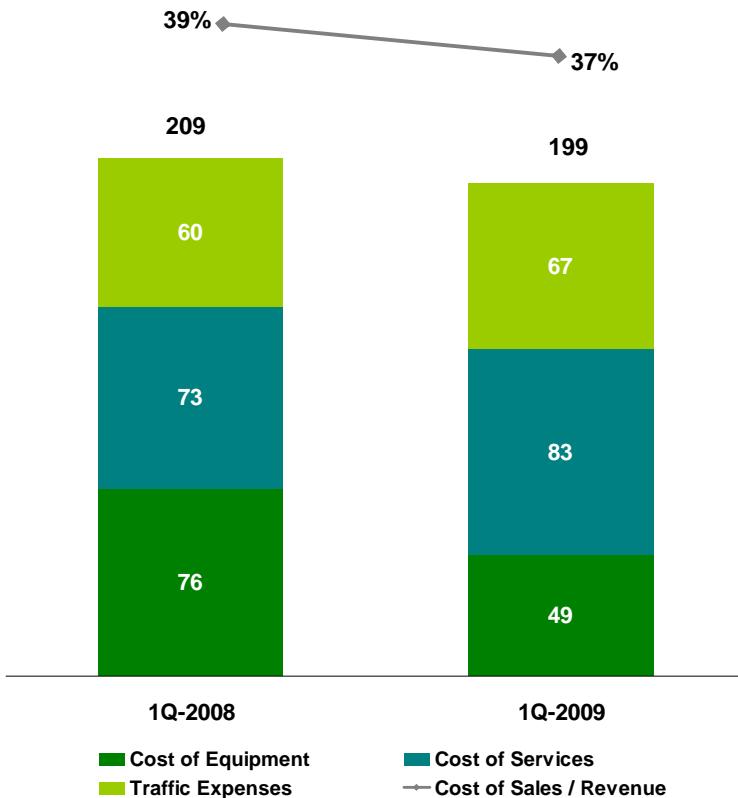


◆ EBITDA Margin as % of Service Revenue

# Operating Efficiencies

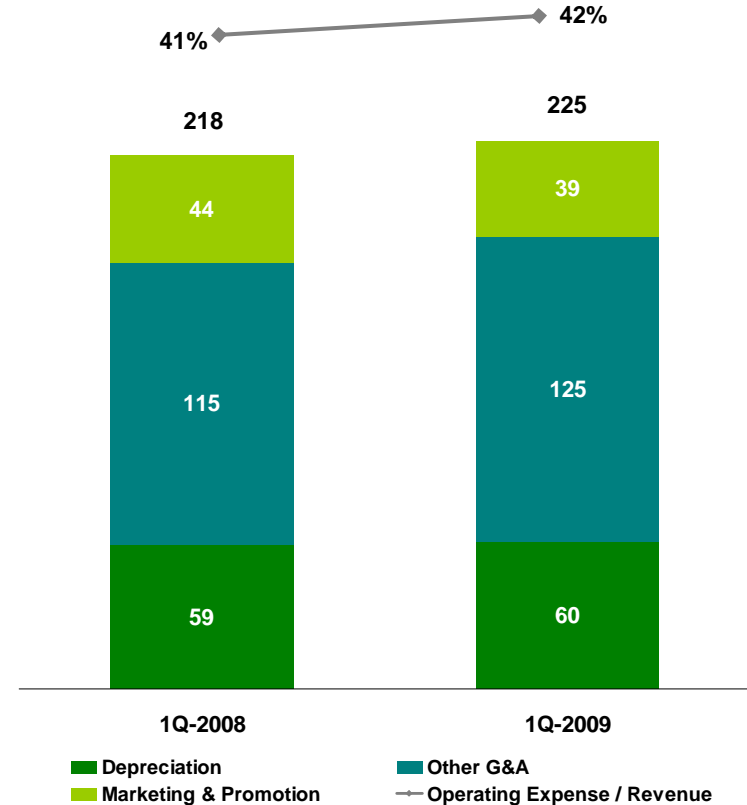
## Cost of Sales

S\$ millions



## Other Operating Expenses

S\$ millions

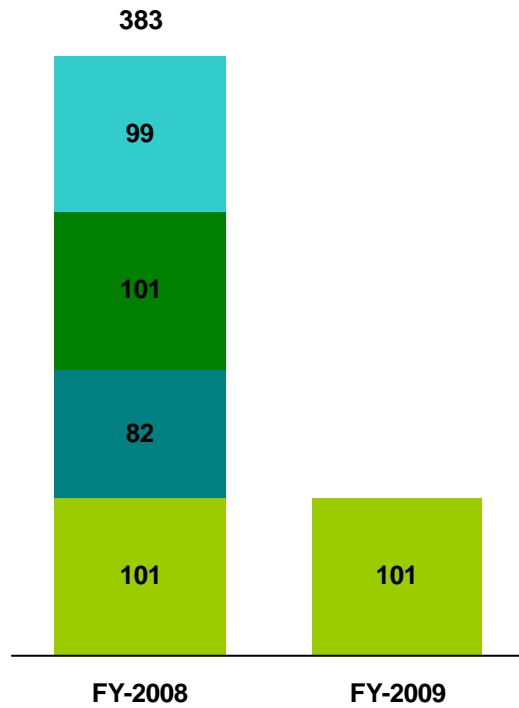


Note: Numbers may not add up due to rounding.

# Profitability

## Profit Before Tax

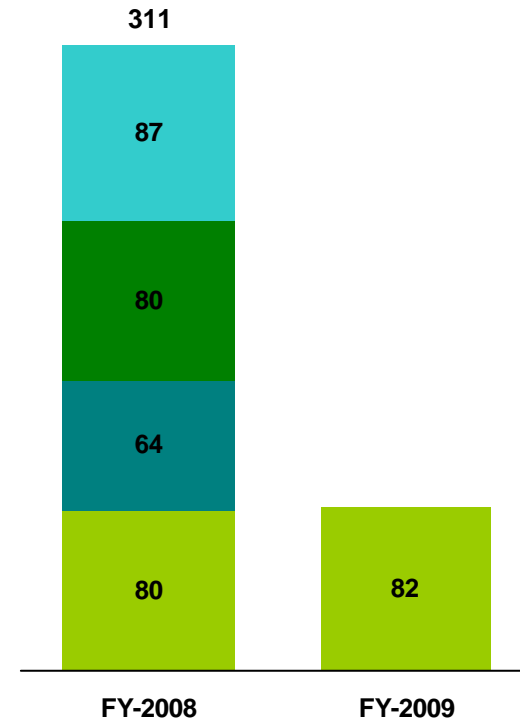
(S\$ millions)



■ 1Q ■ 2Q ■ 3Q ■ 4Q

## Net Profit After Tax

(S\$ millions)

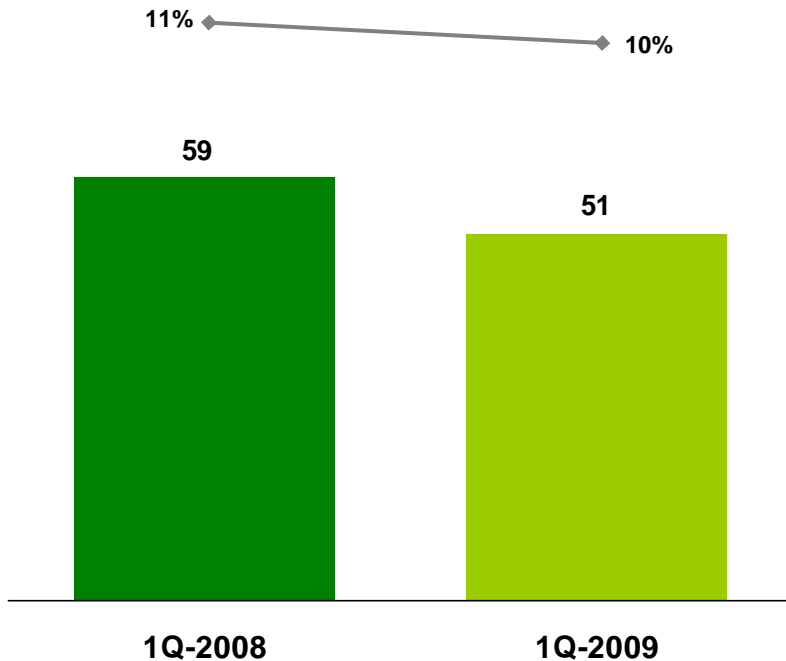


■ 1Q ■ 2Q ■ 3Q ■ 4Q

# Capex & Free Cash Flow

## Capex (cash payments)

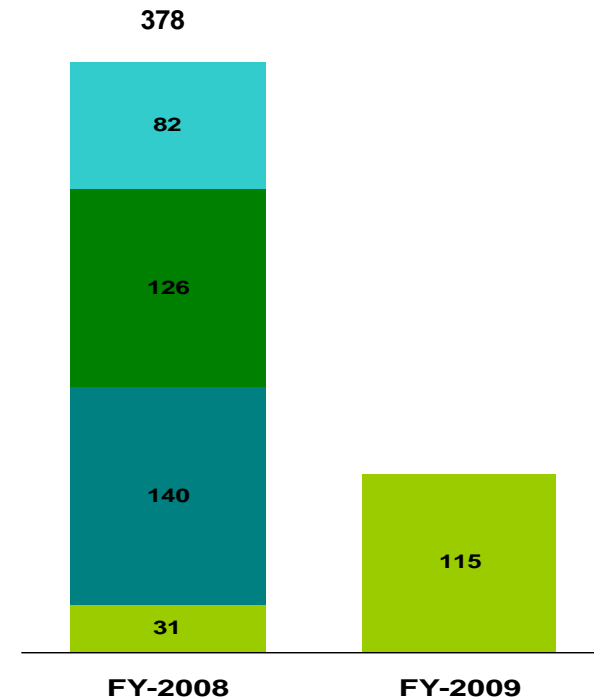
(S\$ millions)



◆ Cash capex as % of Operating Revenue

## Free Cash Flow

(S\$ millions)



■ 1Q ■ 2Q ■ 3Q ■ 4Q

Financial Overview

## Business Overview - Mobile

Outlook

# Mobile – Highlights (1Q-2009 vs 1Q-2008)



Pre-paid revenue grew 3%

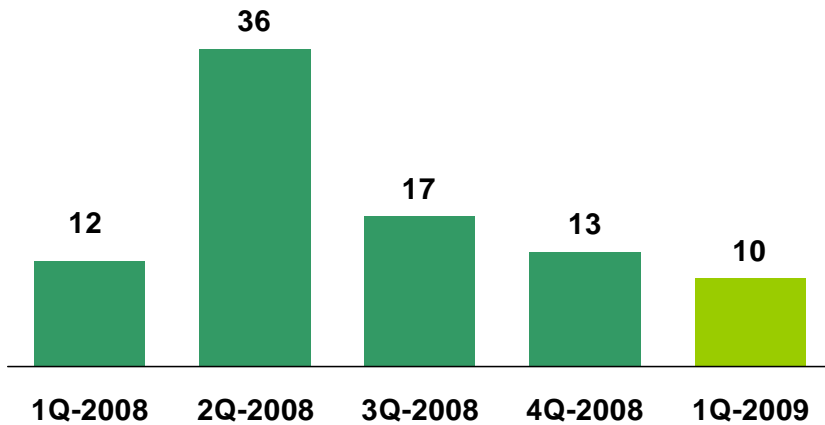
Pre-paid ARPU rose by \$2

Post-paid customer base increased 9%

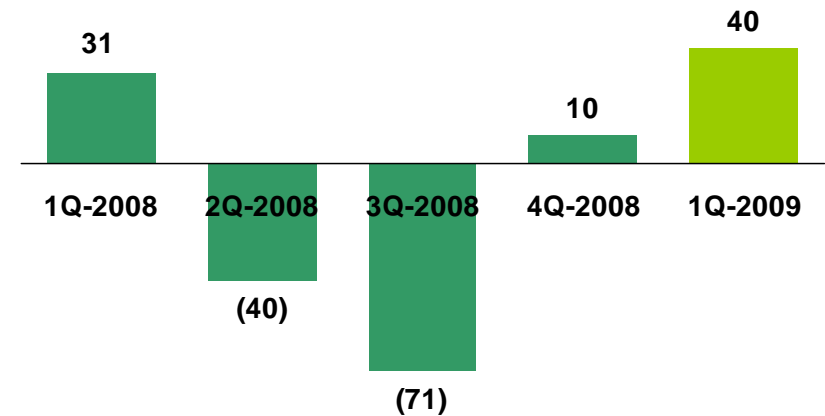


# Mobile Net Adds

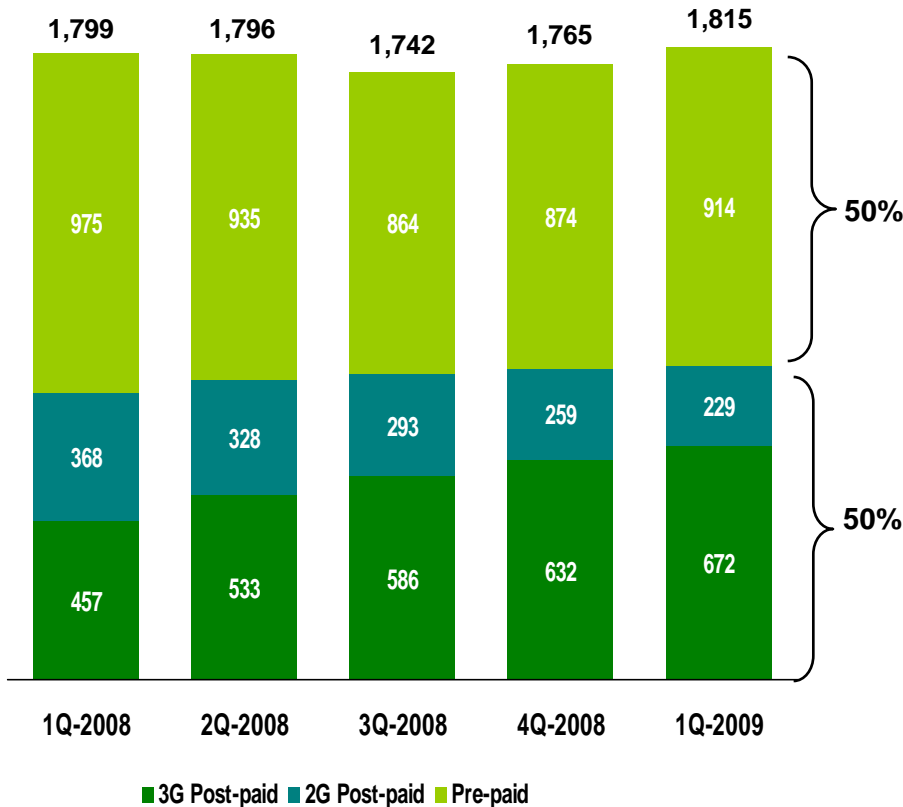
Post-paid Net Adds ('000)



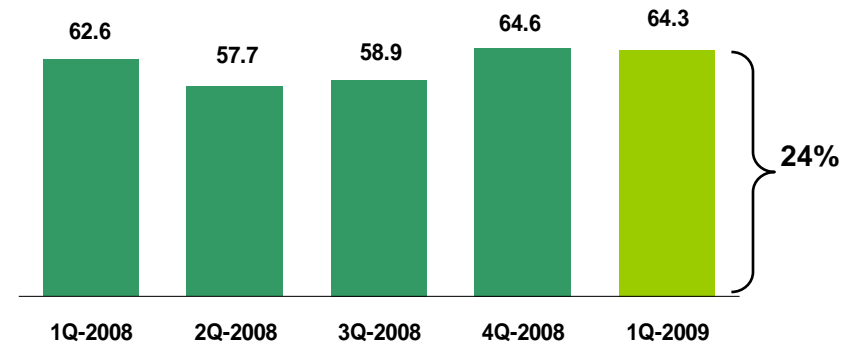
Pre-paid Net Adds ('000)



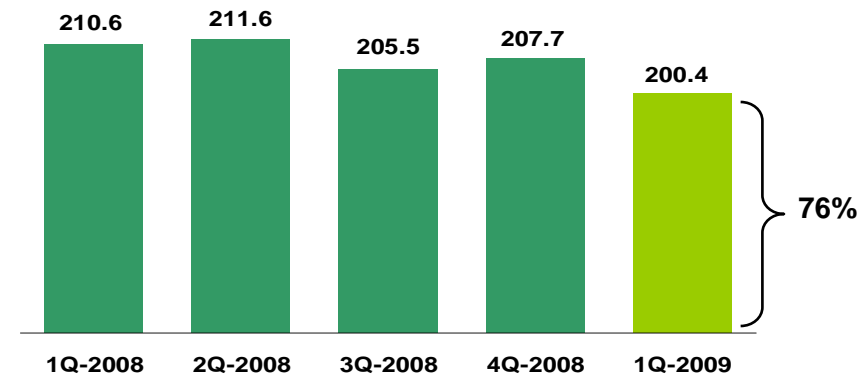
## Customers ('000)



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

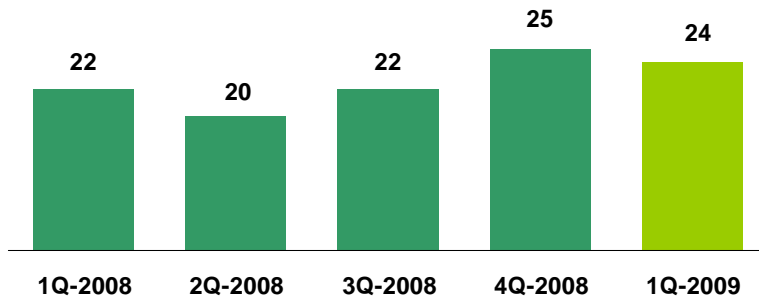


## Post-paid Revenue (S\$M)

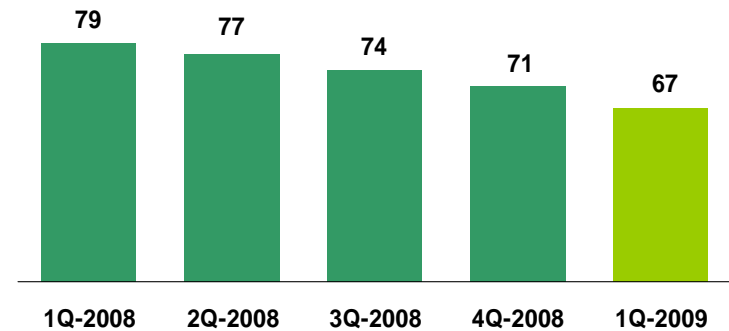


# Mobile ARPU & Non-Voice Services

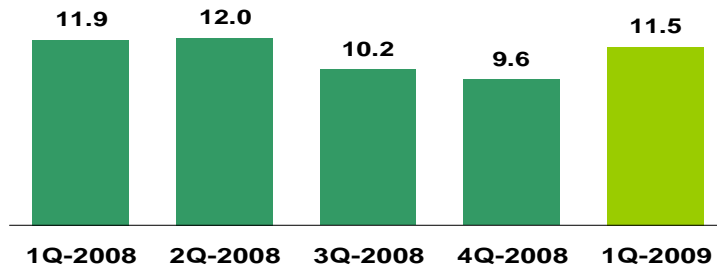
Pre-paid ARPU (S\$ per month)



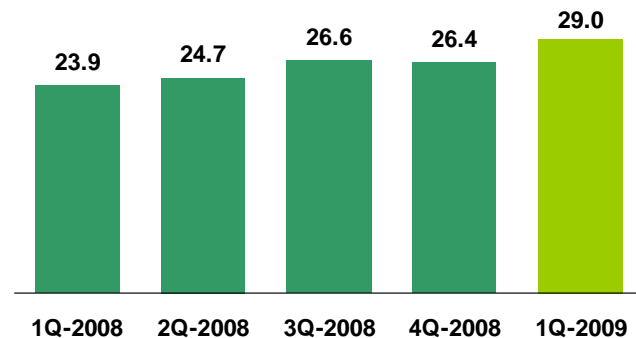
Post-paid ARPU (S\$ per month)



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



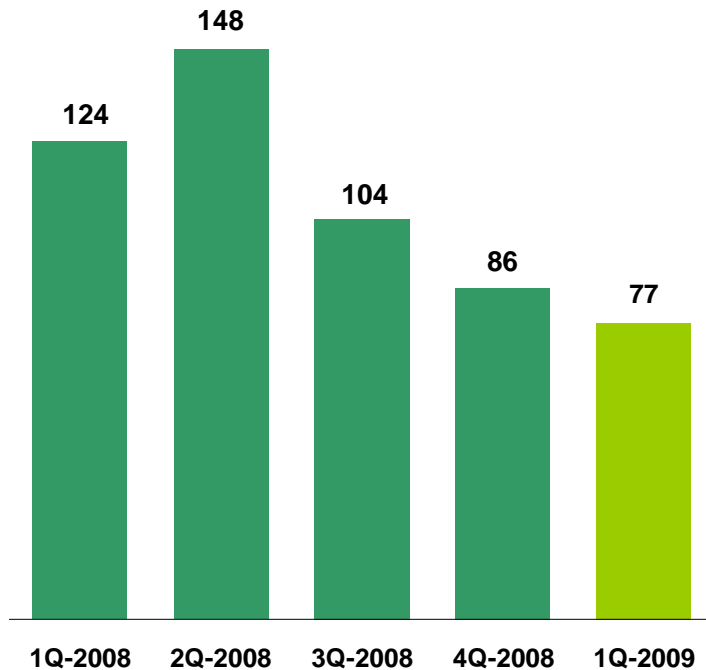
Post-paid non-voice services (% of ARPU)



# Mobile Acquisition Costs & Churn Trend

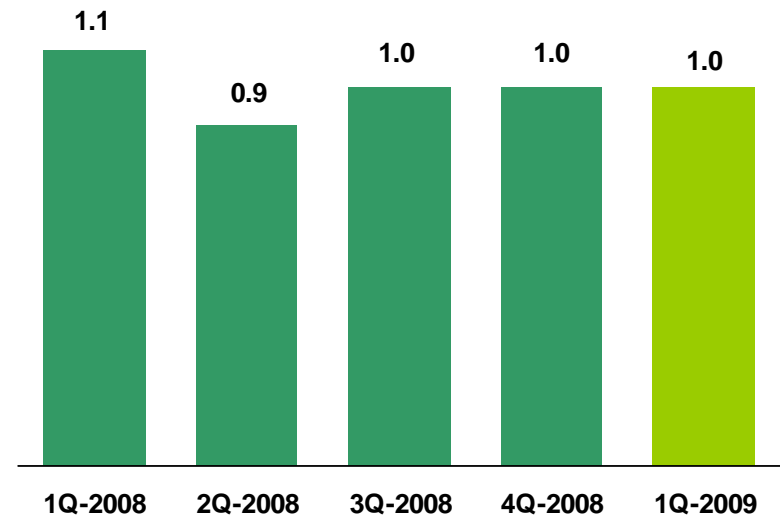
## Average Acquisition Costs

Per Gross Connection (S\$)



## Monthly Churn Rate (Post-paid)

(%)



Financial Overview

## Business Overview – Pay TV

Outlook

# Pay TV – Highlights (1Q-2009 vs 1Q-2008)

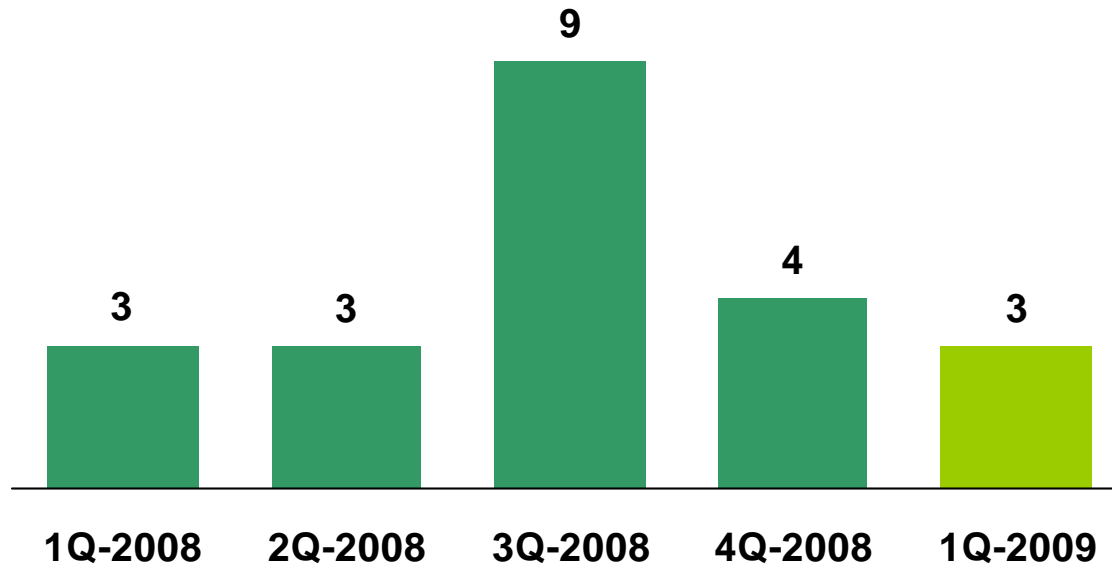


Revenue rose 5%

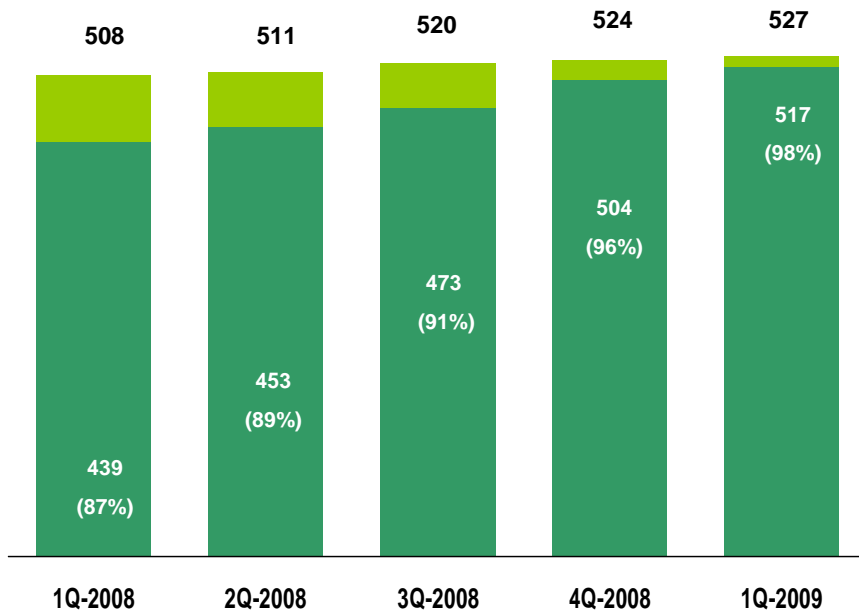
ARPU increased S\$1 to S\$58

Digital customers penetration - 98% of base (517K)

## Net Adds ('000)



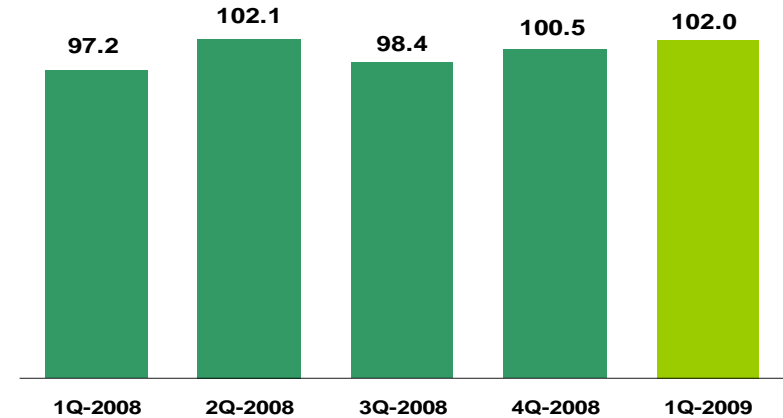
## Pay TV Customers ('000)



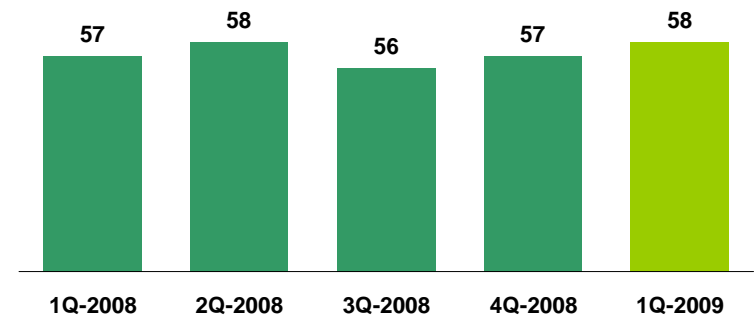
( ) As a % of base

■ Digital Customers

## Pay TV Revenue (\$M)

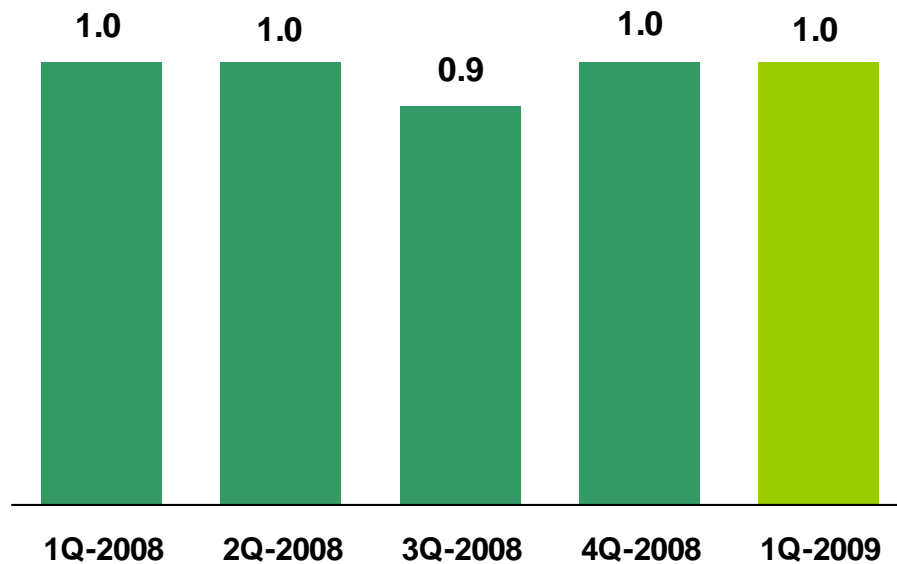


## Pay TV ARPU (\$ per month)





## Average Monthly Churn Rate (%)



Financial Overview

## **Business Overview - Broadband**

Outlook

# Broadband – Highlights (1Q-2009 vs 1Q-2008)



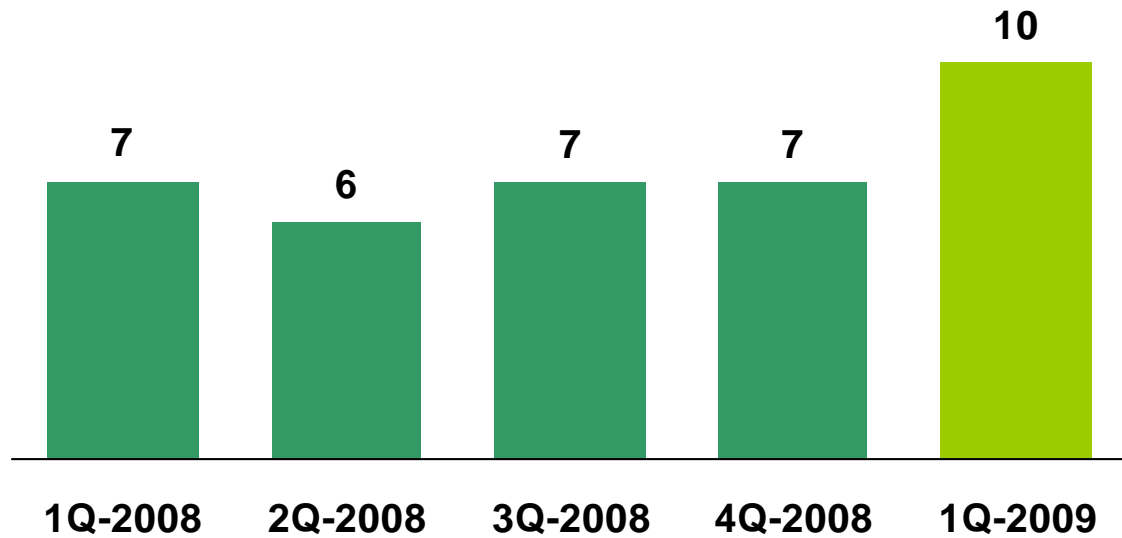
Revenue decreased 3%

ARPU decreased by S\$4 to S\$55

Net customer additions of 31K (9% growth)

# Residential Broadband Net Adds

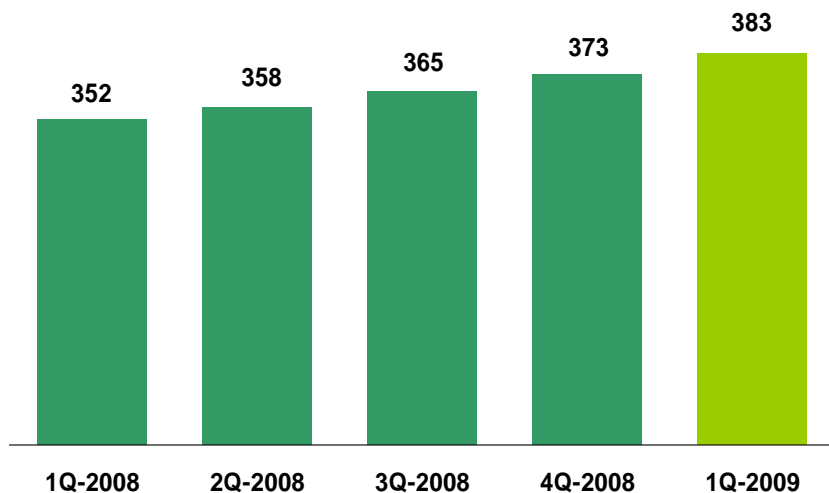
Net Adds ('000)



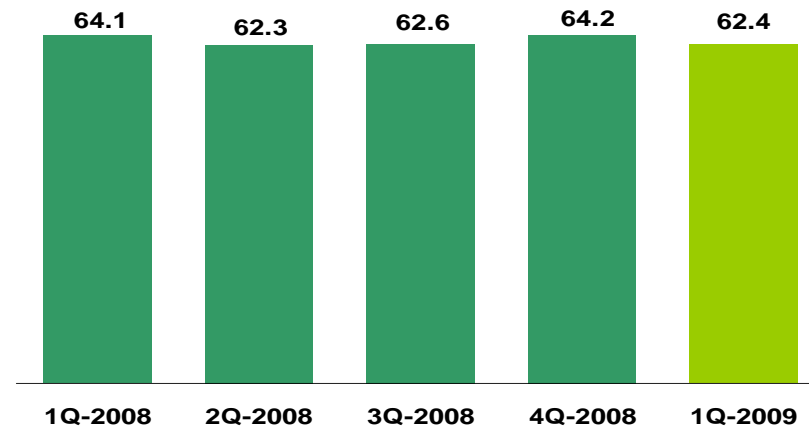
# Residential Broadband



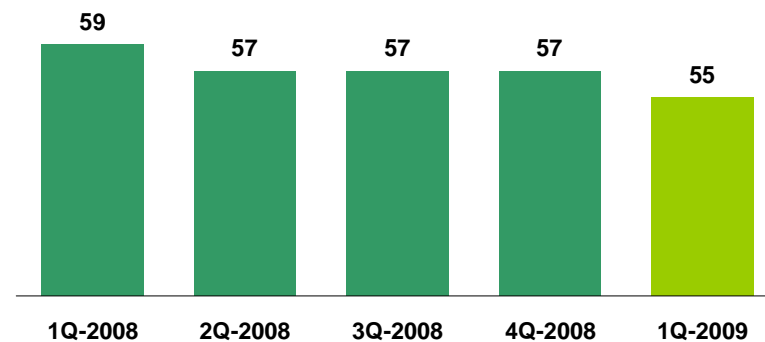
## Broadband Customers ('000)



## Broadband Revenue (\$M)

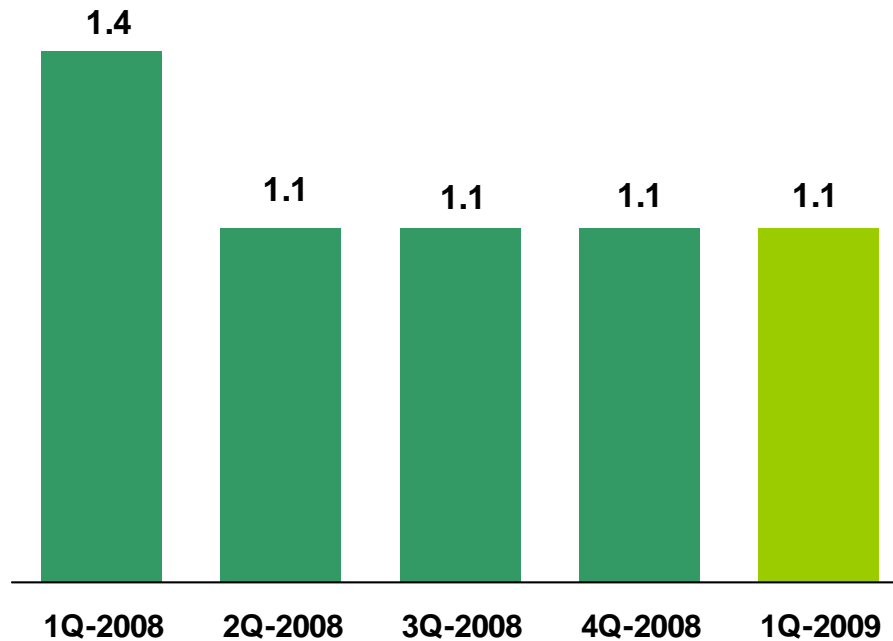


## Broadband ARPU (\$)



# Residential Broadband Churn

Average Monthly Churn Rate (%)



Financial Overview

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

Outlook

Revenue expanded 9%

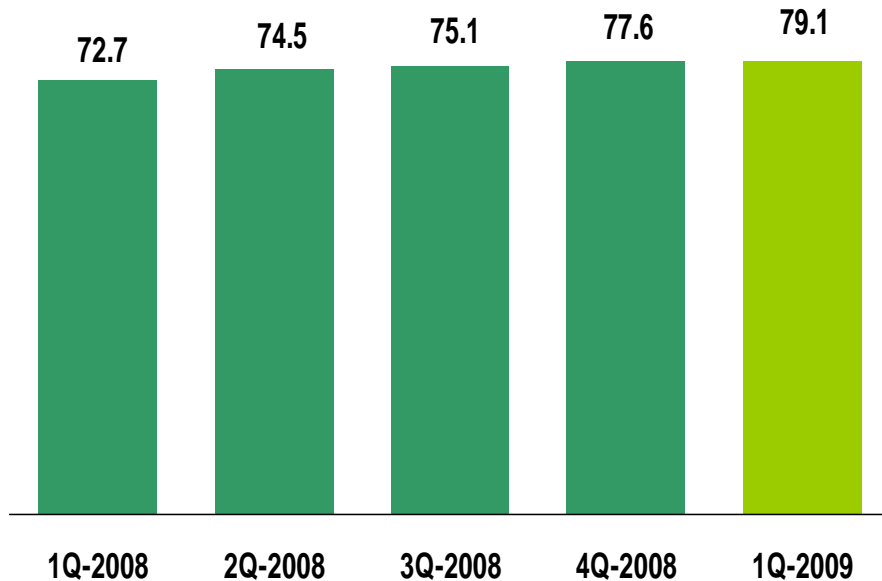
Data & Internet revenue improved by 13%

Data & Internet services contribute 85% of revenue

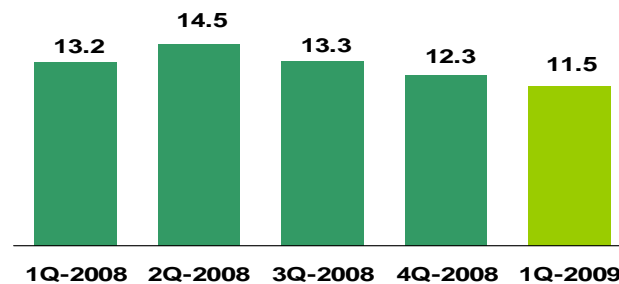


# Fixed Network Services

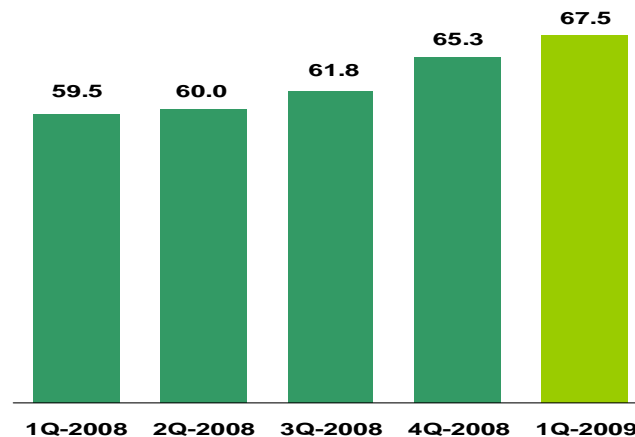
## Fixed Network Revenue (S\$M)



## Voice (S\$M)



## Data & Internet (S\$M)



Financial Overview

Business Overview

**Outlook**

Revenue:	Service revenue <u>maintained at 2008 level</u>
EBITDA:	EBITDA margin on service revenue <u>revised to about 32%</u>
CAPEX:	As a percent of operating revenue, cash capex to not exceed <u>11%</u>
Dividend:	Recommend 1Q-2009 interim dividend of <u>4.5</u> 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



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