

StarHub's 1H-2008 Results

6 August 2008



Excellent Hubbing Execution

Management Team



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CEO



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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 (1H-2008 vs 1H-2007)

Financial:

- Revenue expanded 11%
- EBITDA contracted 2%
- EPS increased 3%








Operational:

- **Strengths:**
 - Revenue growth: Pay TV, Mobile Post-paid & Fixed Networks Data Services
 - Highest quarter net adds for Mobile Post-paid in over five years
 - Low churn recorded for all three lines of business
- **Competitive environment remained intense:**
 - Mobile pre-paid revenue slipped 4%
 - Increased acquisition & retention costs
 - Higher Pay TV content costs

Key Financial Highlights

\$ million	2Q-2008	2Q-2007	Change	1H-2008	1H-2007	Change
Total Revenue	531	489	9%	1,066	962	11%
Service Revenue	508	463	10%	1,015	914	11%
EBITDA	147	164	-10%	314	321	-2%
EBITDA Margin	28.9%	35.3%	(6.5)% pts	31.0%	35.2%	(4.2)% pts
Net Profit After Tax	64	81	-21%	144	151	-4%
Earnings Per Share (Diluted)	3.73¢	4.43¢	-16%	8.42¢	8.17¢	3%
Capex Cash Payments	46	42	-10%	105	66	-59%
% of Capex to Revenue	9	9	0% pts	10	7	(3)% pts
FCF / Fully Diluted Share	8.12¢	8.90¢	-9%	9.93¢	16.41¢	-40%
Net Debt to 2007 EBITDA ratio	1.29x	0.64x	0.65x	1.29x	0.64x	0.65x

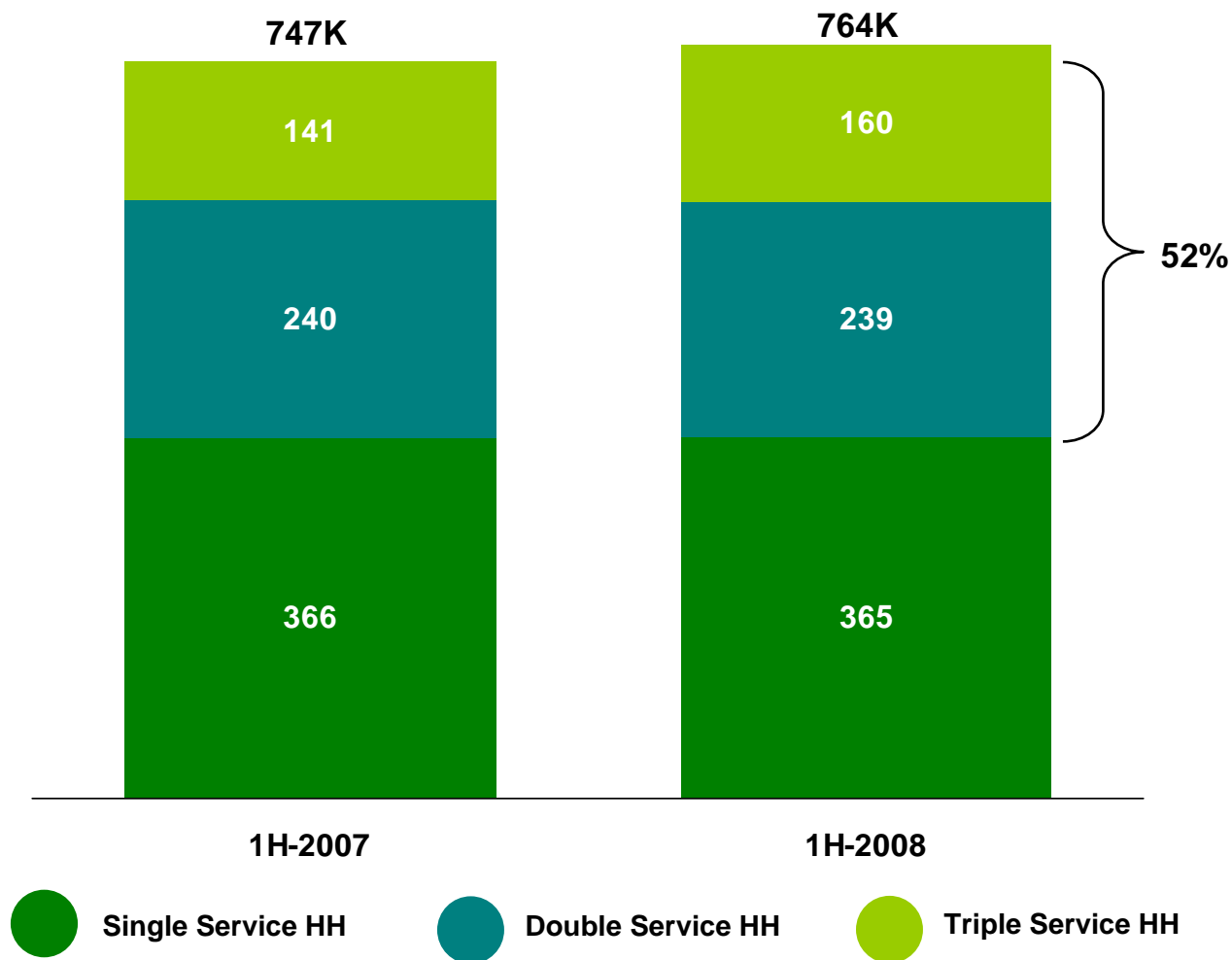
Business Expansion (1H-2008 vs 1H-2007)

Line of Business	Service Revenue	Customer Base
Mobile (51% of revenue mix)	 10% Pre-paid (-4%) Post-paid (14%)	 10% Pre-paid (10%) Post-paid (10%)
Pay TV (19% of revenue mix)	 24%	 3%
Cable Broadband (12% of revenue mix)	 3%	 7%
Fixed Network Services (14% of revenue mix)	 9% Data & Internet (21%) Voice (-22%)	

Hubbing Scorecard



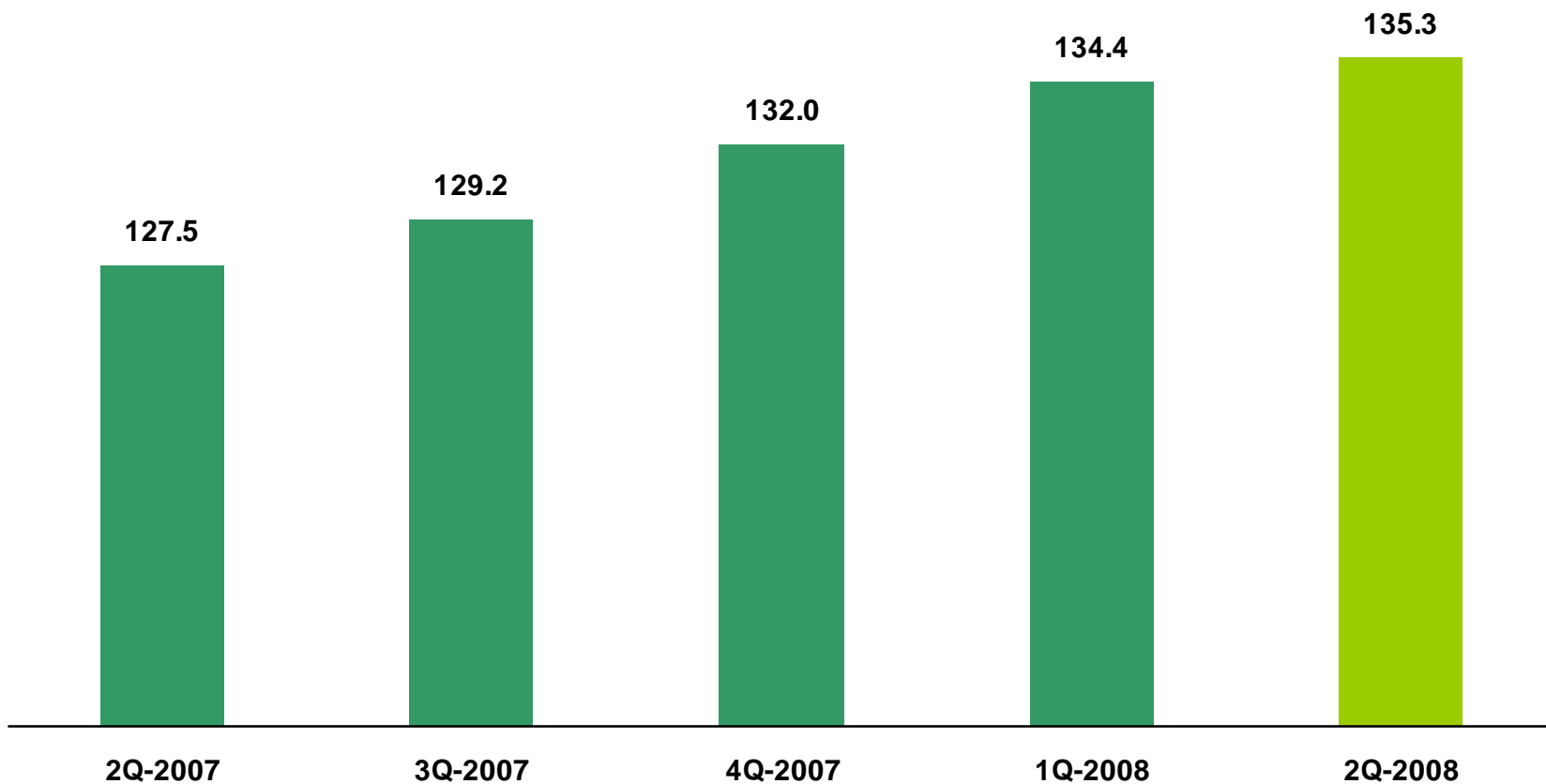
Expanding Hubbing Households ('000)



Total Households ARPU



ARPU (S\$)



NGNBN



- **NetCo: IDA will award the winning bid in 3Q-2008**
- **OpCo: Currently evaluating the RFP**
Submission date has been revised by IDA to 29 September 2008

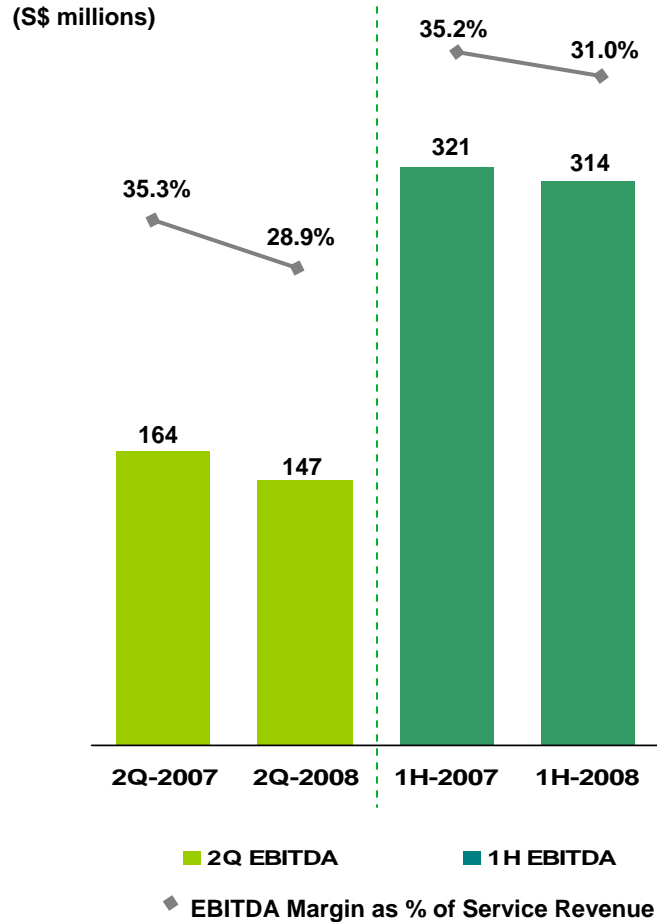
Financial Overview

Business Overview

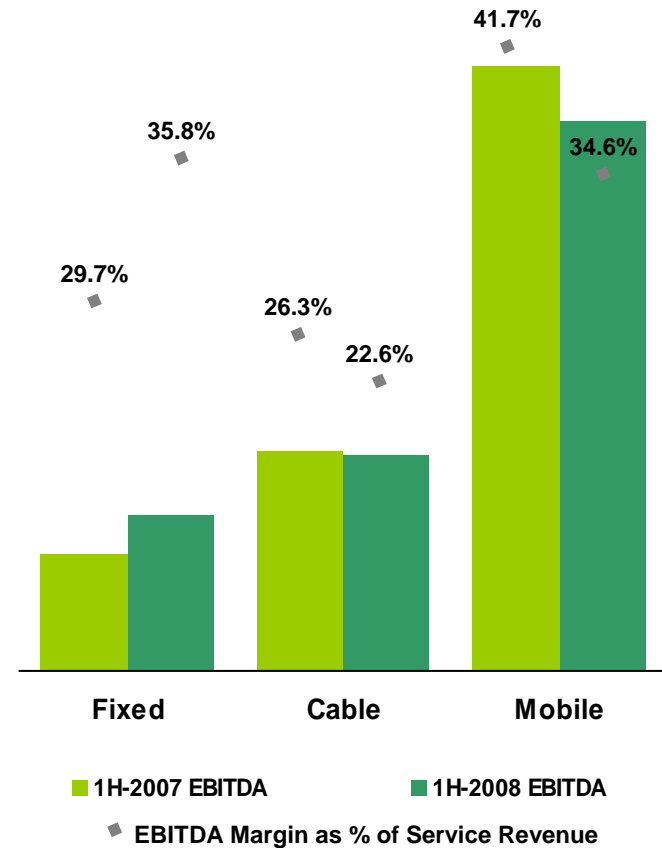
Outlook

EBITDA & EBITDA Margin By Service Platforms

EBITDA



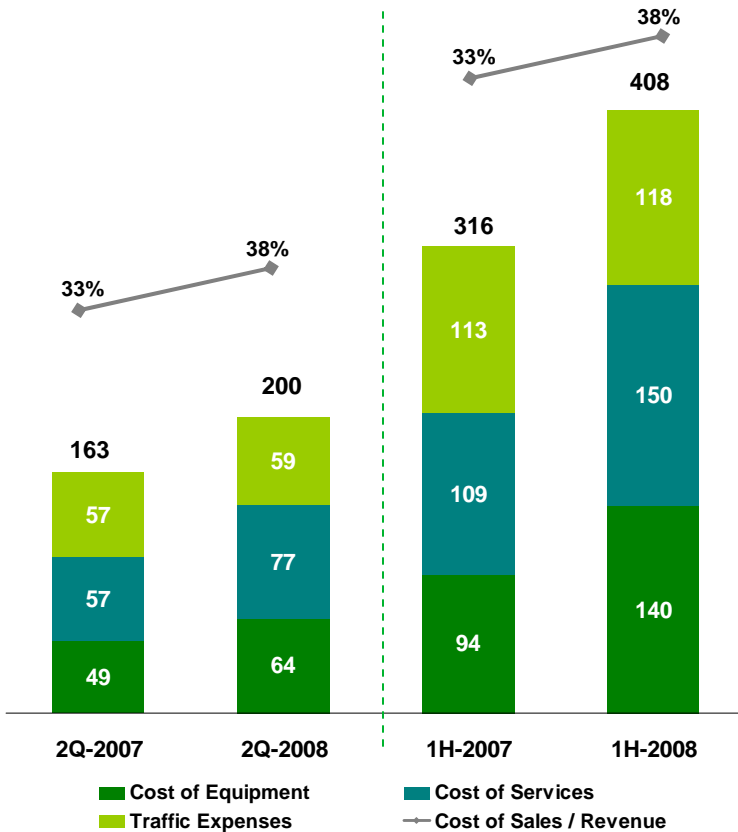
By Service Platforms



Operating Efficiencies

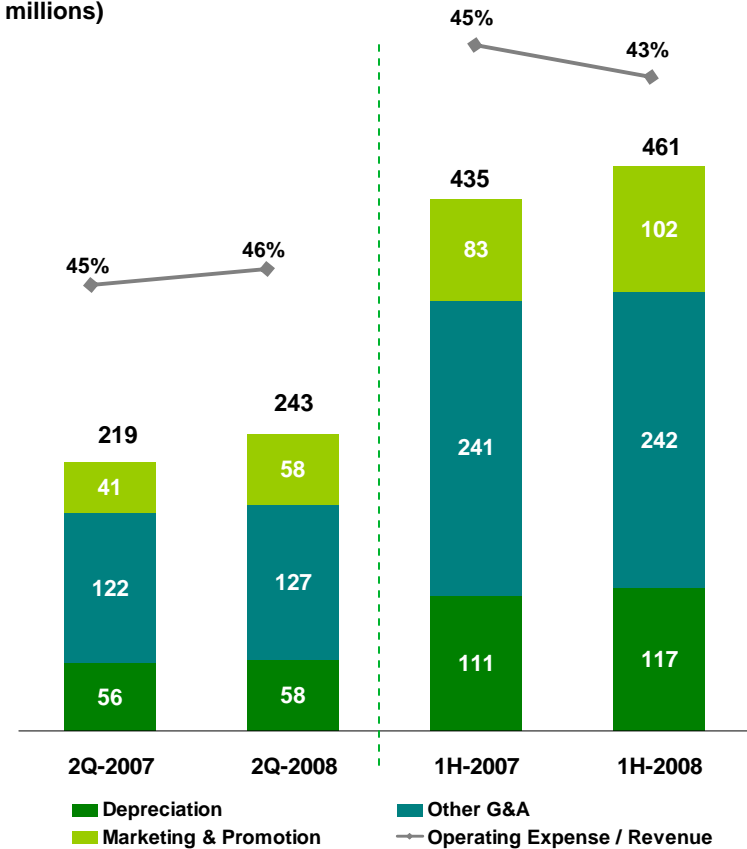
Cost of Sales

(\$ millions)



Other Operating Expenses

(\$ millions)

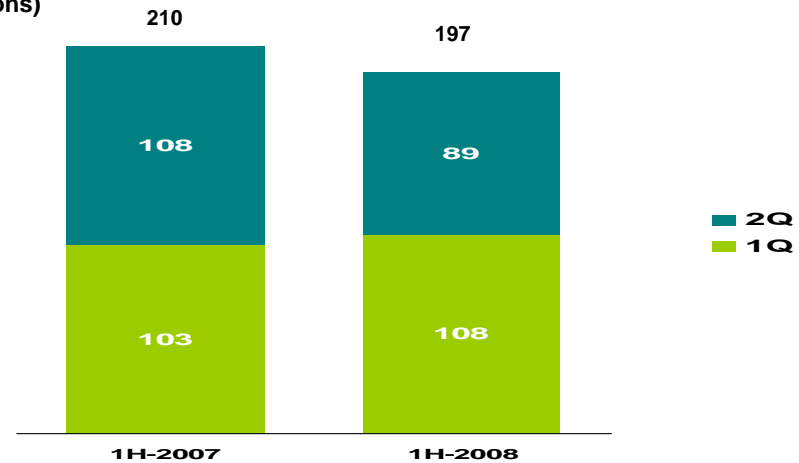


Profitability

Profit from Operations

(S\$ millions)

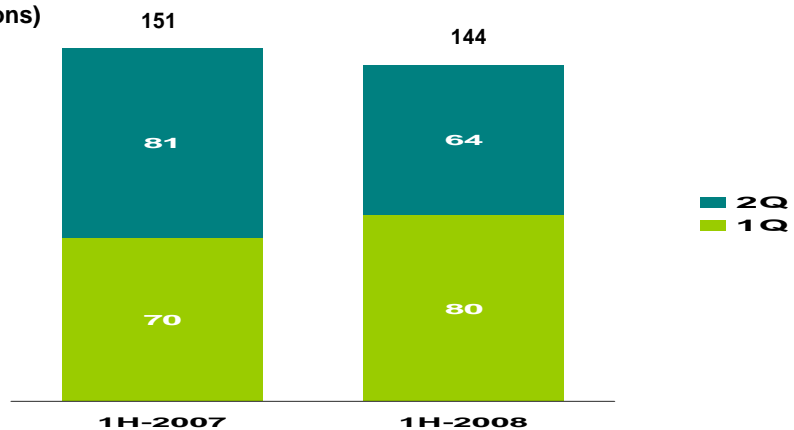
- > Profit from operations dipped 6%
- > Impacted by the higher operating costs in the quarter which increased 16% YoY



Net Profit After Tax (NPAT)

(S\$ millions)

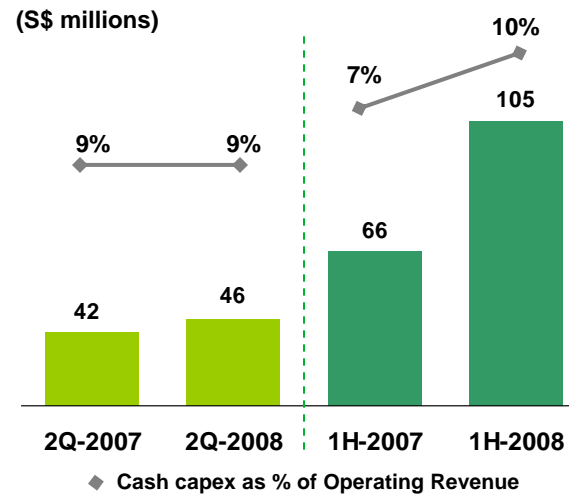
- > For the half year, NPAT was 4% lower than 1H07



Capex & Free Cash Flow

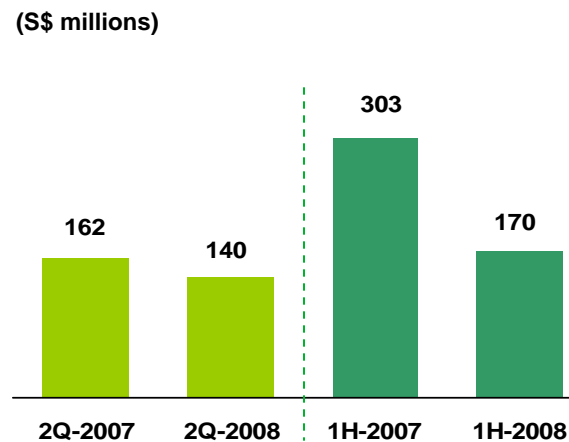
Capex (cash payments)

- Cash capex is expected not to exceed 12% by year-end



Free Cash Flow (FCF)

- FCF for the quarter and half year was lower by 14% and 44% YoY



Financial Overview

Business Overview - Mobile

Outlook

Mobile – Highlights (1H-2008 vs 1H-2007)

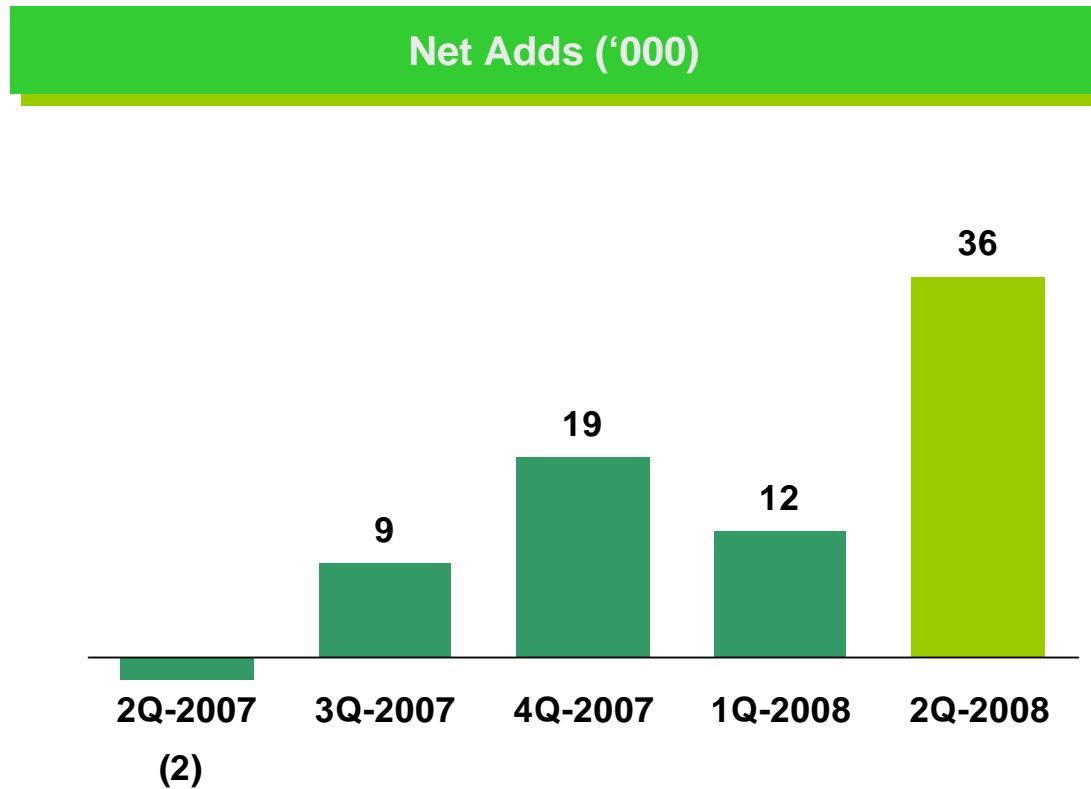
Service revenue increased 10%

Post-paid revenue expanded 14%

Post-paid net additions of 48K

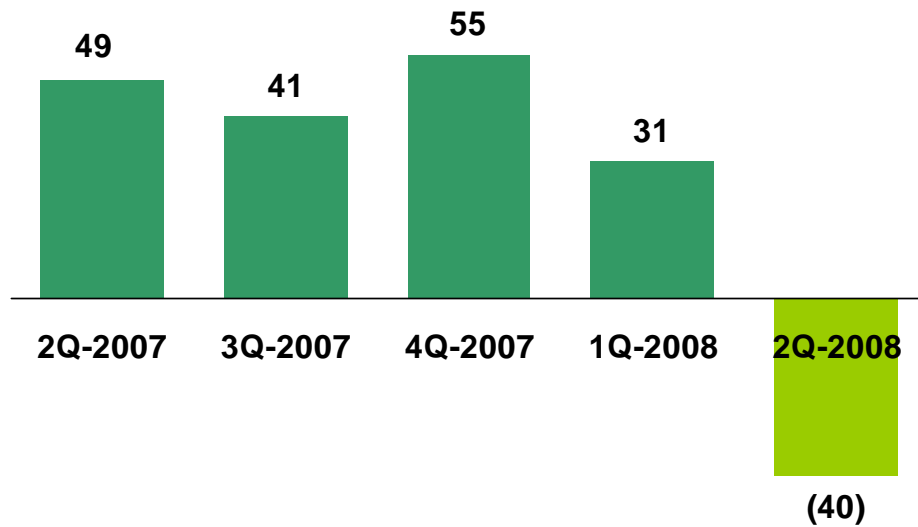
Pre-paid revenue dipped 4%

Post-paid Mobile Net Adds



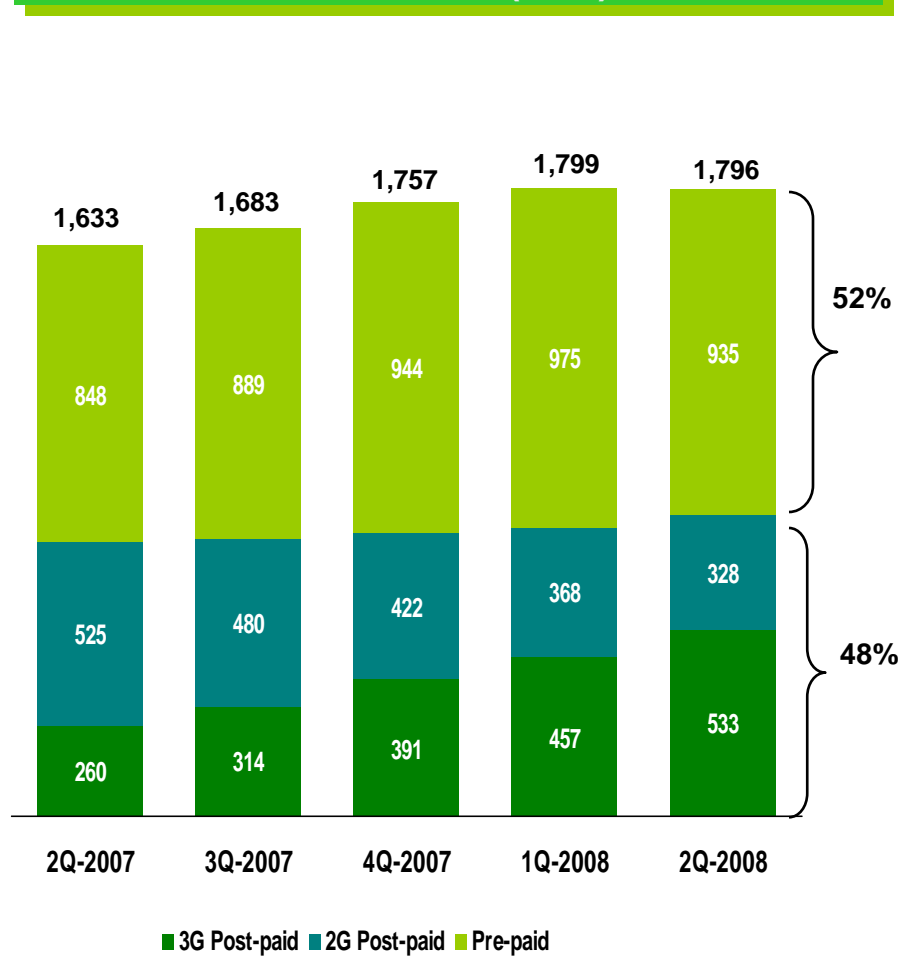
Pre-paid Mobile Net Adds

Net Adds ('000)

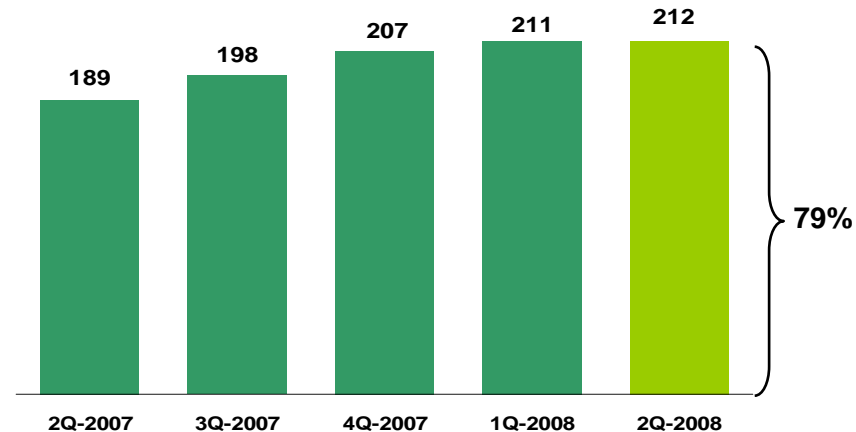


Mobile

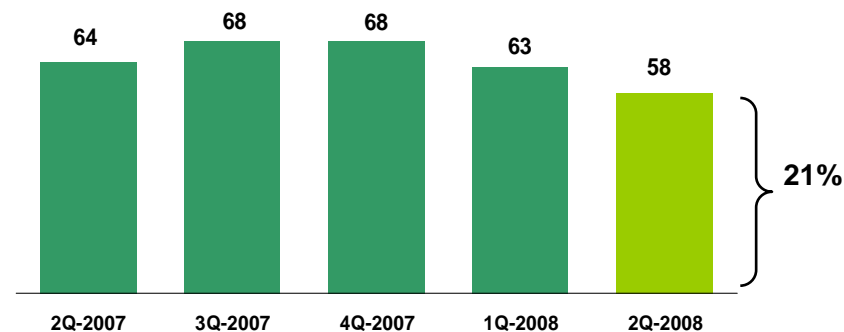
Customers ('000)



Post-paid Revenue (S\$M)

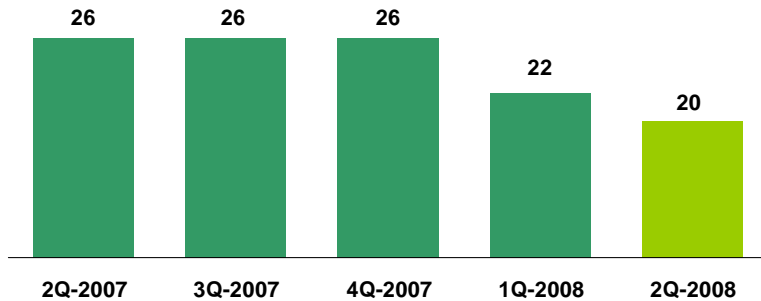


Pre-paid Revenue (S\$M)

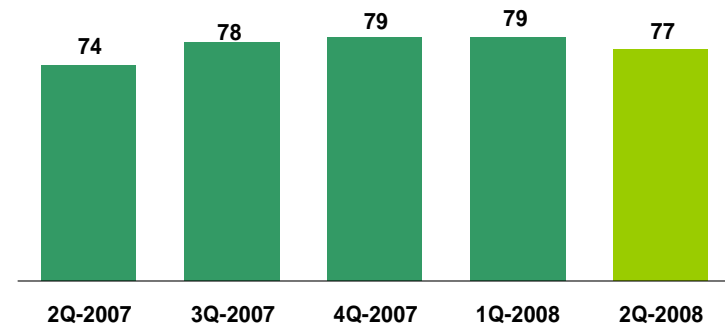


Mobile ARPU & Non-Voice Services

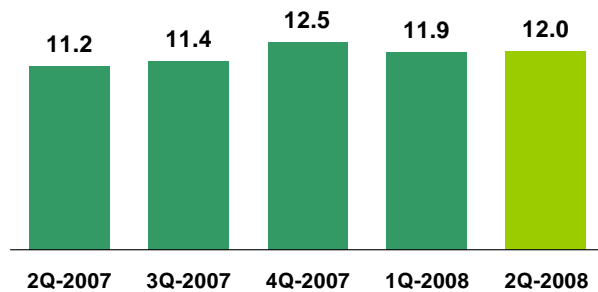
Pre-paid ARPU (S\$ per month)



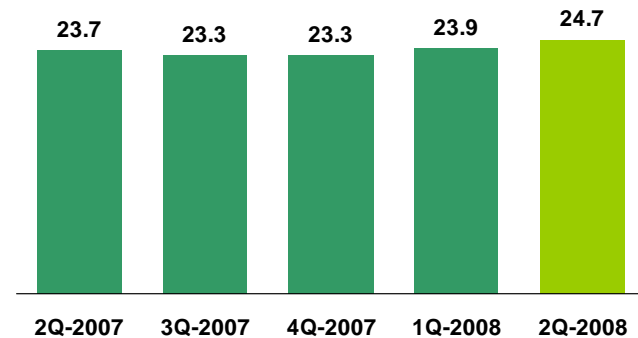
Post-paid ARPU (S\$ per month)



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



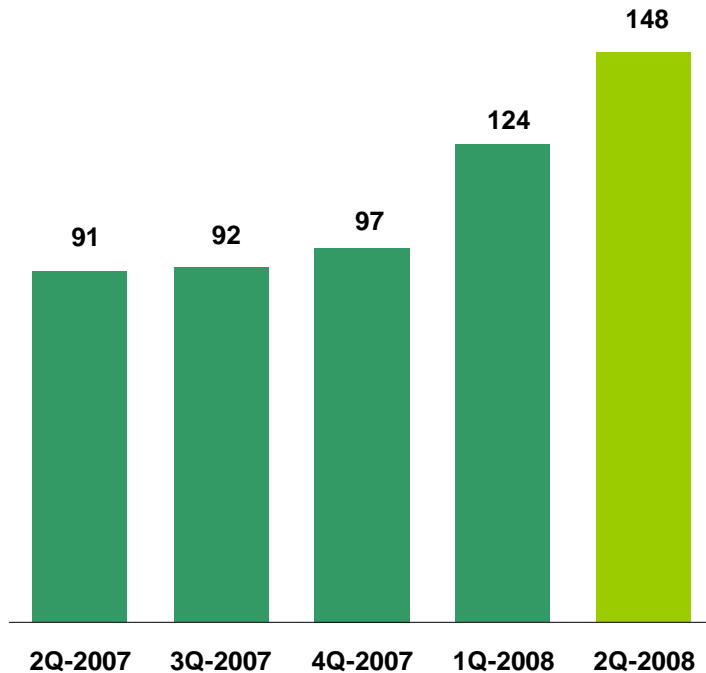
Post-paid non-voice services (% of ARPU)



Mobile Acquisition Costs & Churn Trend

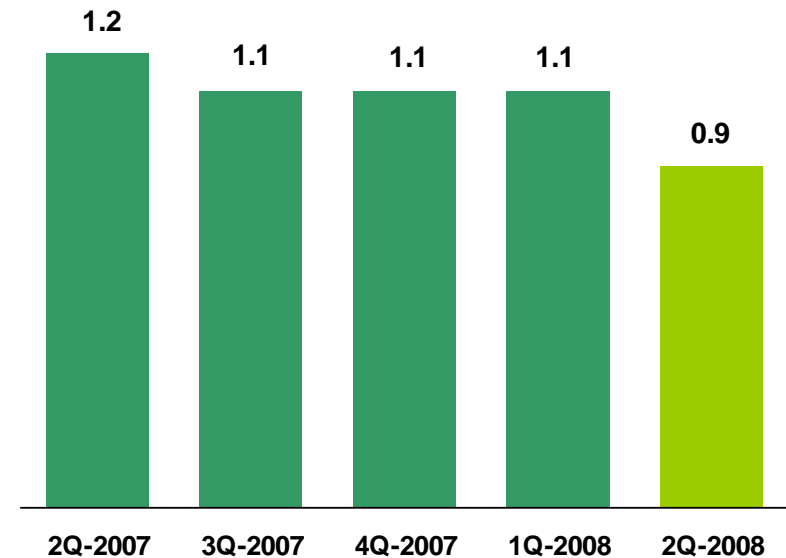
Average Acquisition Costs

Per Gross Connection (S\$)



Monthly Churn Rate (Post-paid)

(%)



Mobile Updates

- **Chat Anywhere** - Asia's first integrated instant messaging mobile client that allows mobile customers to access Windows Live Messenger and Yahoo! Messenger



- **True Number Portability** – 13 June 2008



- **Olympics** – FREE for StarHub postpaid customers; full 'LIVE' coverage of the Olympic games on six channels



Financial Overview

Business Overview – Pay TV

Outlook

Pay TV – Highlights (1H-2008 vs 1H-2007)

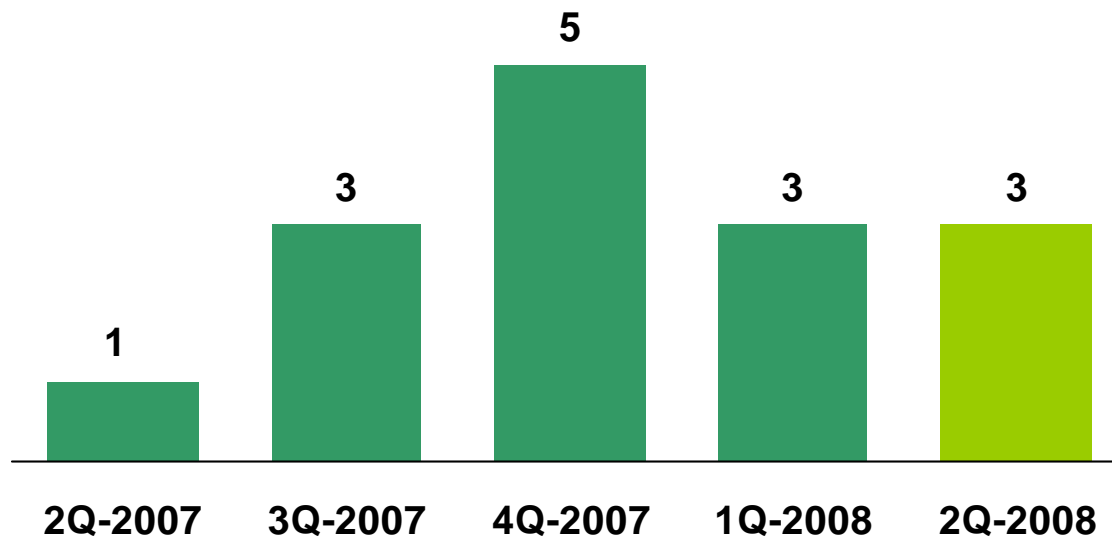
Revenue expanded 24%

ARPU increased by S\$9 to S\$57

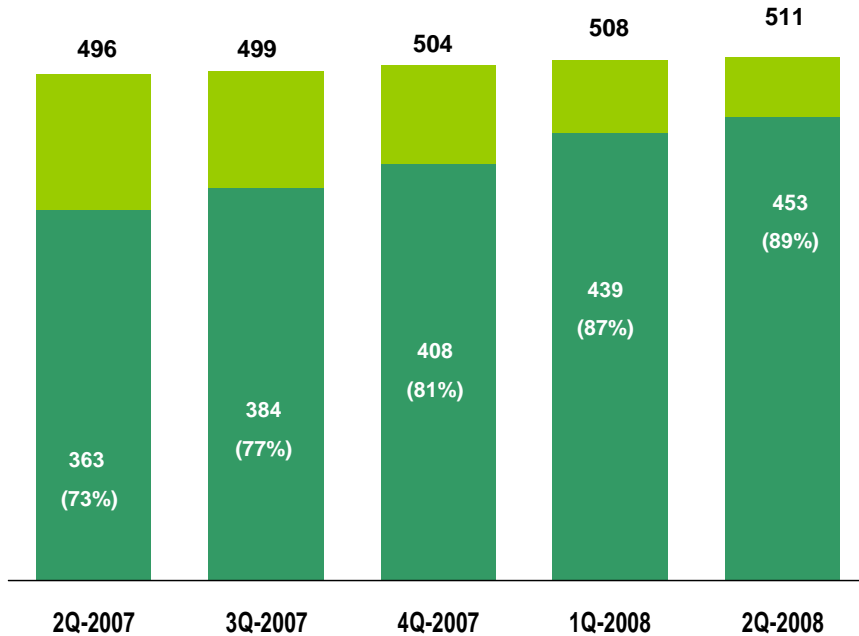
Digital customers expanded to 89% of base (453K)

Pay TV Net Adds

Net Adds ('000)



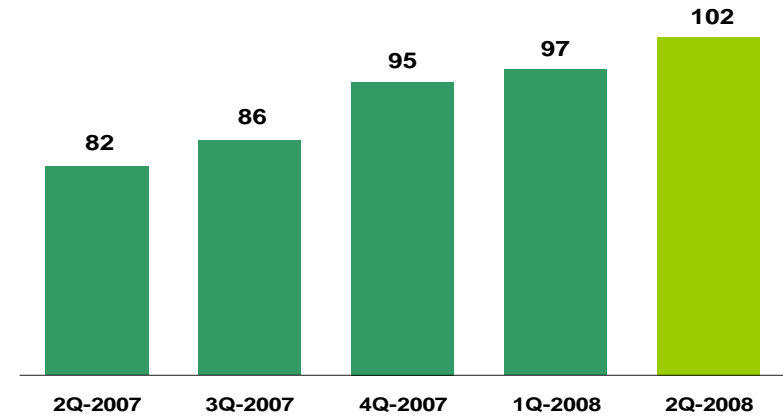
Pay TV Customers ('000)



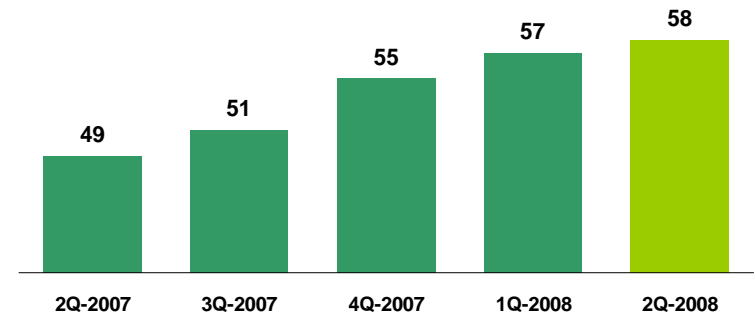
() As a % of base

■ Digital Customers

Pay TV Revenue (\$M)

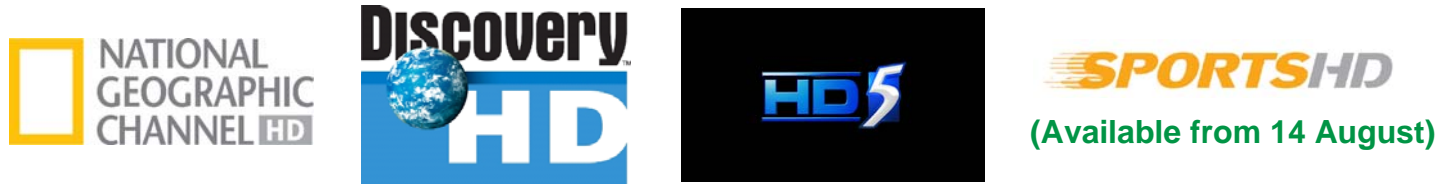


Pay TV ARPU (\$ per month)



Pay TV Update

- > **Upcoming: Video-On-Demand** – offering popular shows with advanced windows
- > **More HD content** - expect five HD channels by the year-end



- > **Olympics** – FREE for StarHub Digital Cable customers; six dedicated cable TV channels, also on HD5



As at end June 2008, we have:

Over 150 channels (including seven FTA and 40 Demand TV channels) in 13 languages

Financial Overview

Business Overview - Broadband

Outlook

Broadband – Highlights (1H-2008 vs 1H-2007)



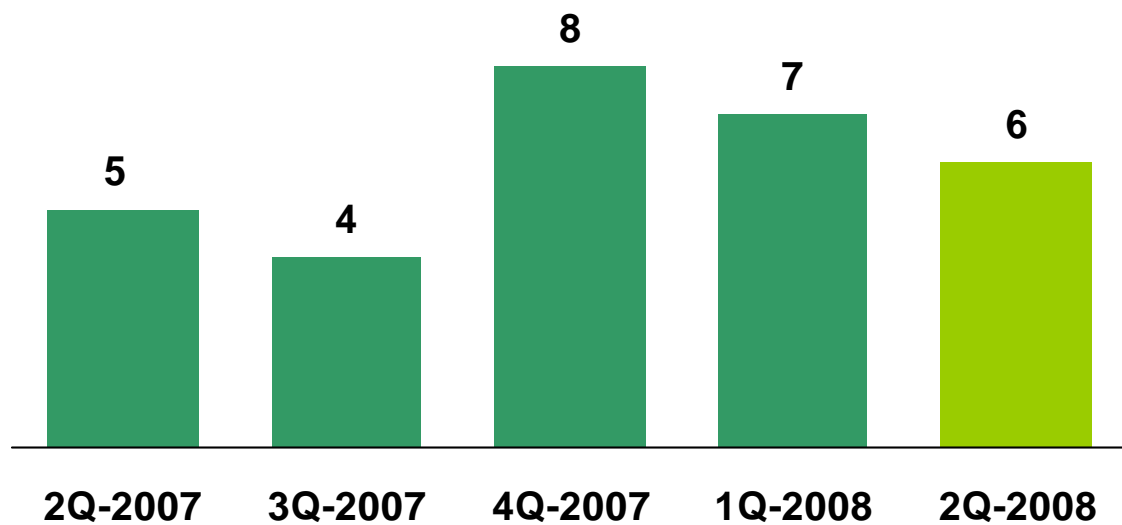
Revenue growth of 3%

ARPU slipped S\$2 to S\$58

Net customer additions of 25K (7% growth)

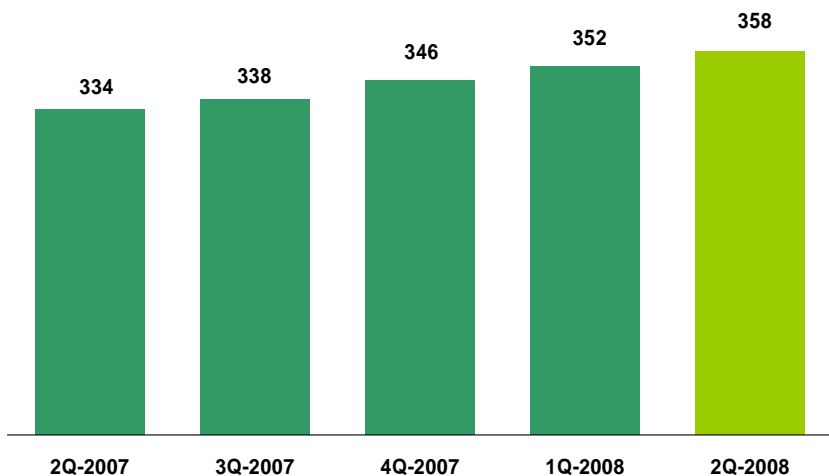
Residential Broadband Net Adds

Net Adds ('000)

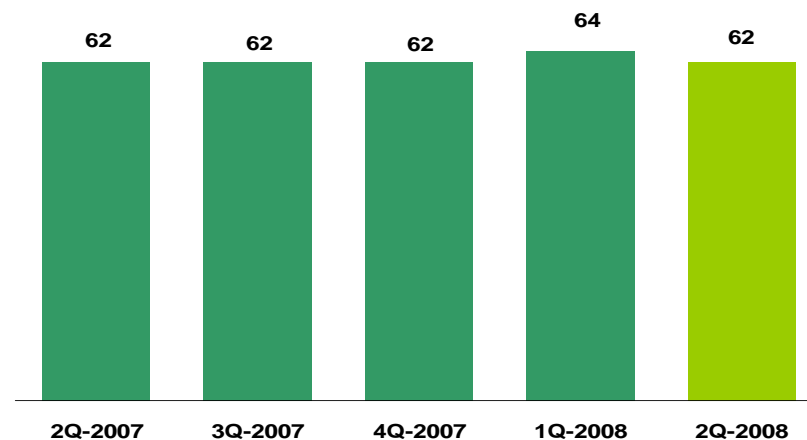


Residential Broadband

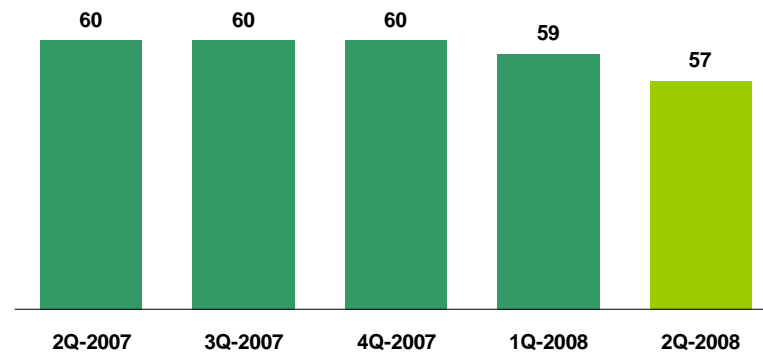
Broadband Customers ('000)



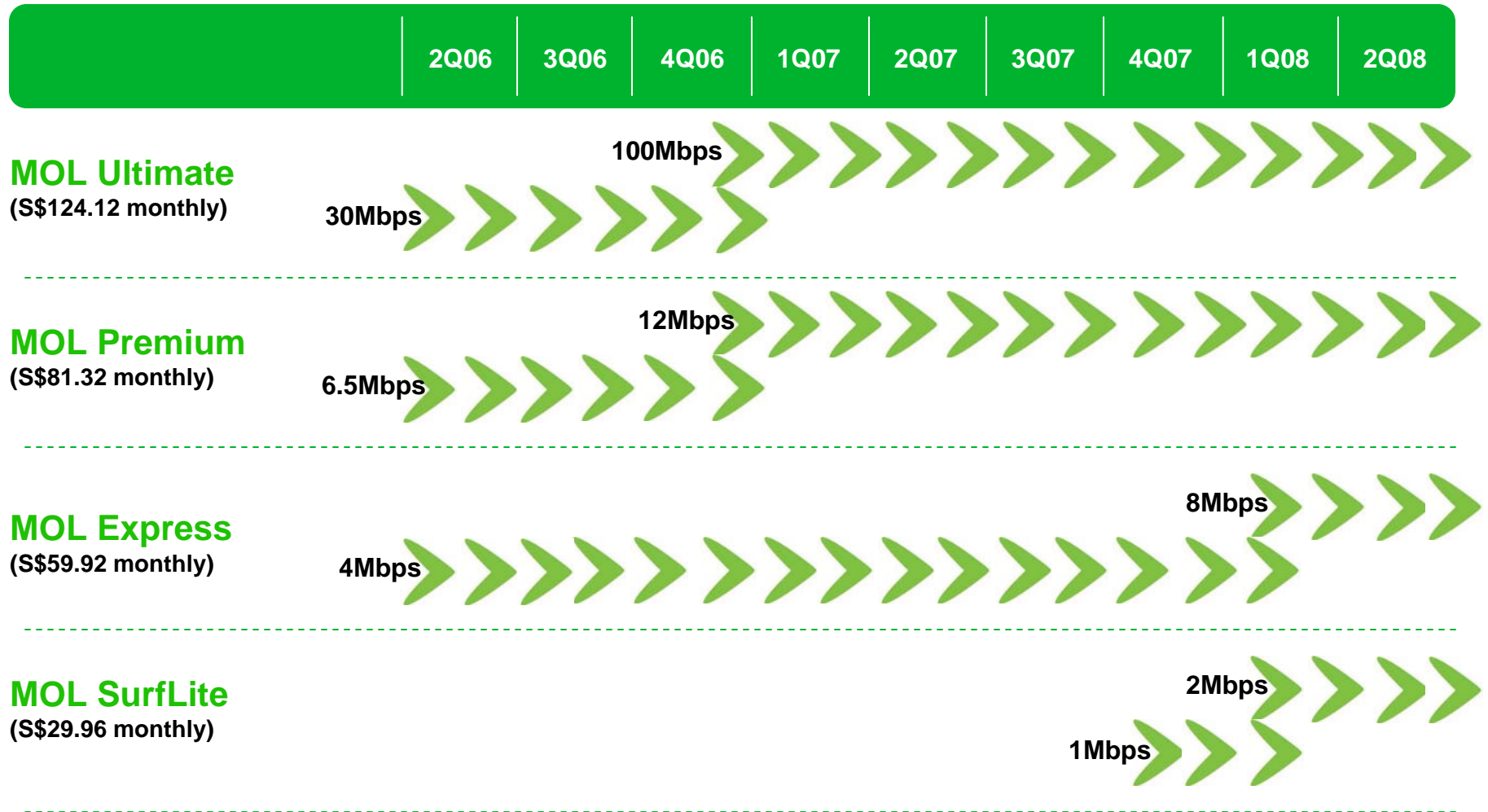
Broadband Revenue (\$M)



Broadband ARPU (\$)

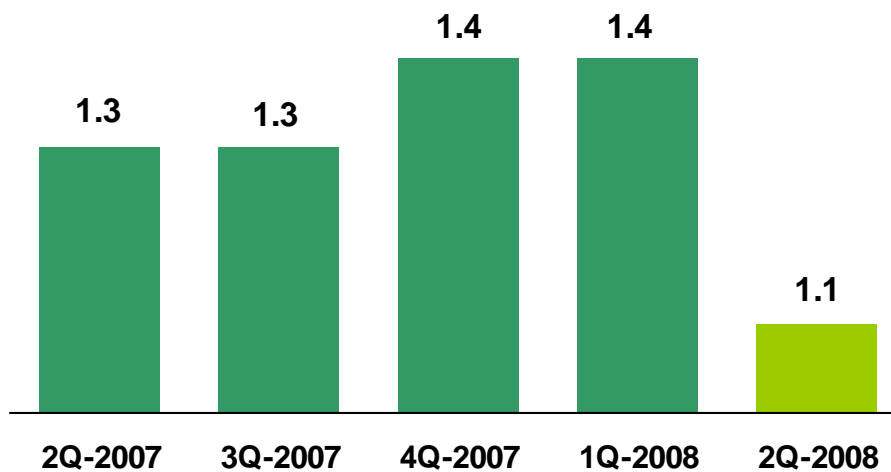


MOL Milestones (2Q-2006 to 2Q-2008)



Residential Broadband Churn

Average Monthly Churn Rate (%)



Financial Overview

Business Overview – Fixed Network Services

Outlook

Fixed Network Services – Highlights (1H-2008 vs 1H-2007)



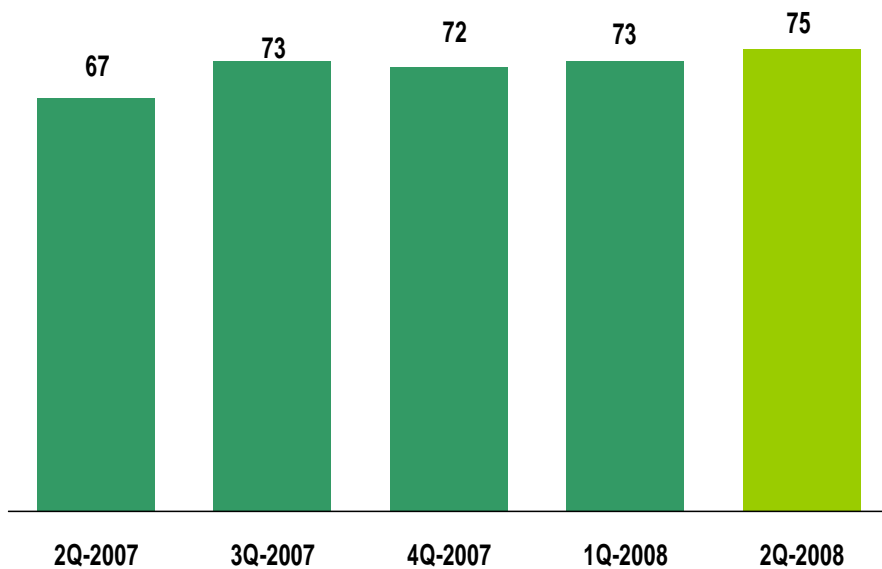
Revenue growth of 9%

Data & Internet revenue grew 21%

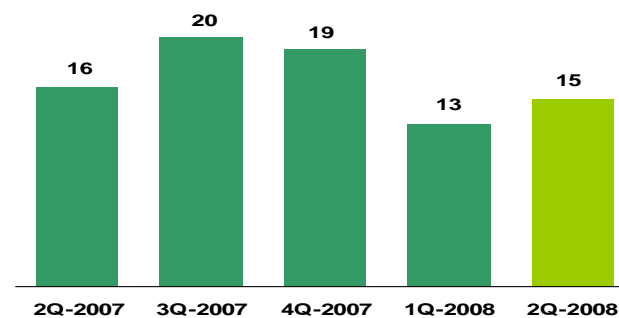
Data & Internet services contribute 81% of revenue

Fixed Network Services

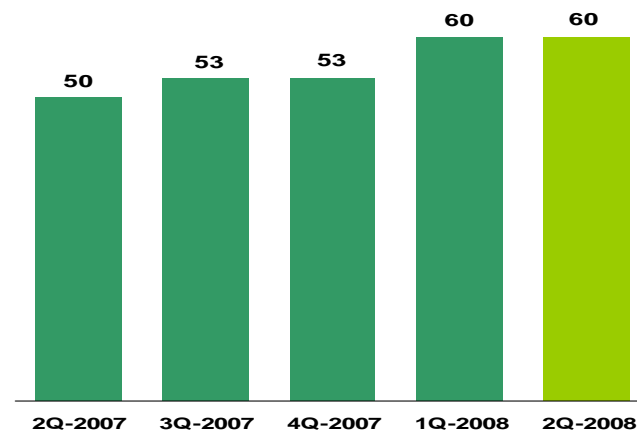
Fixed Network Revenue (S\$M)



Voice (S\$M)



Data & Internet (S\$M)

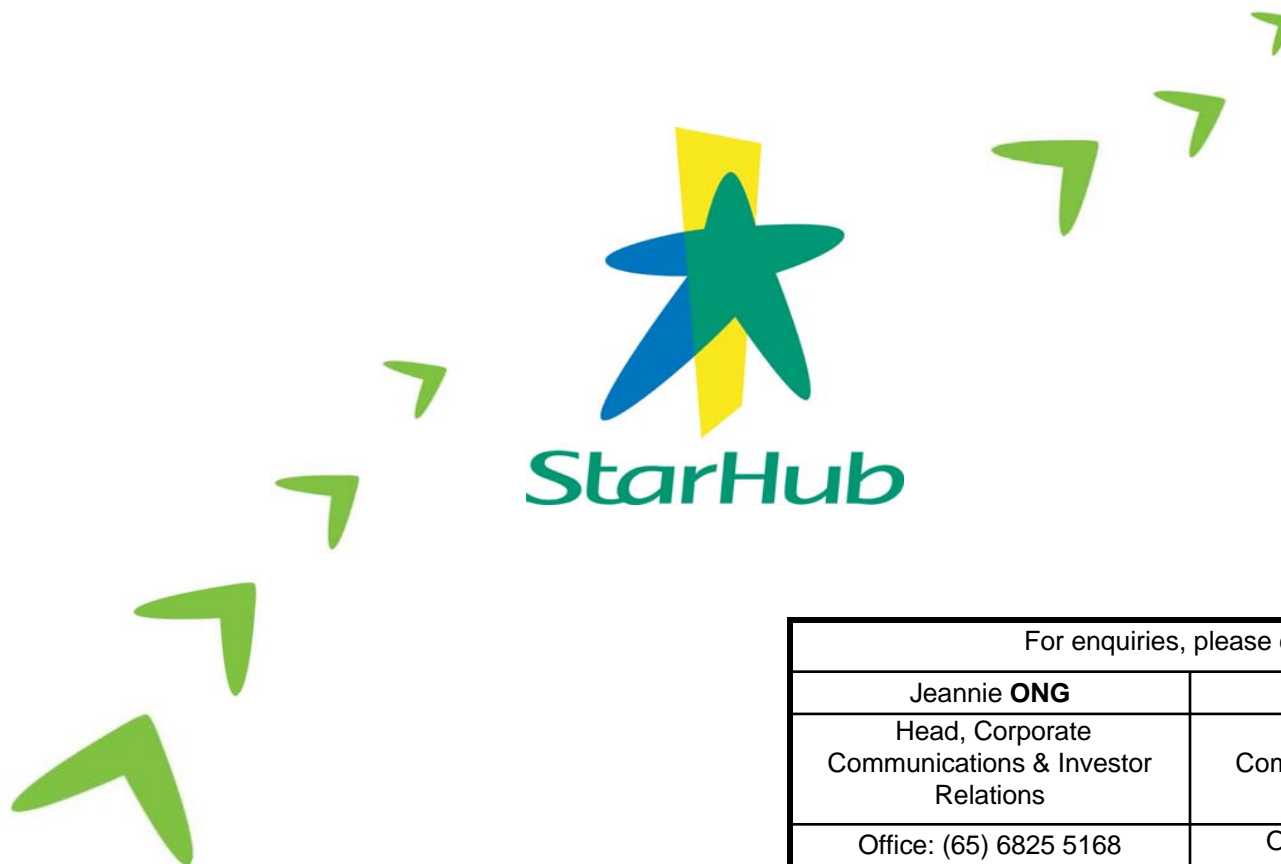


Financial Overview

Business Overview

Outlook

Revenue:	Revenue growth revised to around <u>7%</u> YoY
EBITDA:	EBITDA margin on service revenue revised to about <u>31%</u>
CAPEX:	As a percent of operating revenue, cash capex to not exceed <u>12%</u>
Dividend:	To pay 2Q-2008 interim dividend of <u>4.5</u> cents per share Expect a minimum annual cash dividend of <u>18.0</u> cents per share for FY2008



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