

StarHub Reports 2011 First Quarter Results

- *Net Profit After Tax Jumped 62% To S\$69 Million*
- EBITDA Grew 35% To S\$160 Million
- *Interim Quarterly Dividend Of 5.0 Cents Per Share*

Singapore, 4 May 2011 – StarHub Ltd today announced its results for the quarter ended 31 March 2011. Total operating revenue improved to S\$558 million while service revenue was higher at S\$531 million. The Group's EBITDA grew 35% to S\$160 million from S\$118 million previously. Profit before taxation was at S\$86 million year-on-year (YoY) and net profit after tax grew 62% to S\$69 million. Free cash flow at S\$132 million was 10% higher compared to last year's S\$120 million. Cash capital expenditure was 15% lower at S\$41 million compared to the same period last year.

Financial and Business Highlights

Fixed Network services revenue registered the highest growth for the quarter at 5% YoY. This was followed by Mobile revenue at 3%. In terms of total revenue mix, Mobile continued to be the major contributor at 53%. Pay TV, Broadband, Fixed Network Services and Sales of Equipment contributed 16%, 11%, 15% and 5% respectively to the revenue mix.

- **Mobile** revenue increased 3% to S\$296 million, contributed mainly by a higher post-paid subscriber base and a higher post-paid ARPU. Post-paid mobile services revenue grew 5% to S\$231 million, accounting for 78% of the Mobile revenue mix. Post-paid ARPU increased S\$1 to S\$72, while pre-paid ARPU decreased S\$3 to S\$20.
- **Pay TV** revenue decreased 10% to S\$92 million. The lower revenue was mainly due to the reduction in the Sports group's monthly subscription price from S\$25 to S\$12 in June 2010 and a lower sports subscriber base post BPL. This also resulted in a lower Pay TV ARPU YoY at S\$49. Customer base increased to 542,000 and the churn rate remained low at 1.1%.

"Some of the statements in this news release constitute 'forward-looking statements' that do not directly or exclusively relate to historical facts. These forward-looking statements reflect StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub Ltd's control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this news release with caution."

- **Broadband** revenue grew to S\$60 million, compared to a year ago. For the quarter, the S\$45 ARPU was primarily due to the higher mix of customers on lower speed price plans and promotional offers. The MaxOnline customer base increased 4% to 425,000.
- **Fixed Network** revenue increased 5% to S\$84 million YoY due to higher revenue from both Data & Internet and Voice services. Data & Internet services revenue, which contributes 84% to the Fixed Network revenue mix, grew to S\$70 million, while Voice services revenue grew to S\$13 million YoY. This was primarily due to higher subscription of local voice services and increased interconnection revenue from international carriers.
- The quarter's marketing initiatives continued to encourage customers to take up multi-services. As a result, the percentage of total **Hubbing** households that subscribed to any two or more StarHub services went up to 56% YoY. Triple-service households grew to 203,000 from a year ago.

"We have delivered a good set of results in the first quarter of 2011 against the same quarter in 2010," said Mr Neil Montefiore, CEO of StarHub. "The smartphone revolution continues with over 70% of our post-paid customers using them. Despite intense competition, we are very pleased with the growth in our pay TV base. Our Fixed Network business has also put up a strong performance with the higher take-up of Data & Internet services. As the Next Gen NBN continues to roll out, we see opportunities for growth, particularly in the corporate sector."

Outlook for FY2011

Based on the current outlook, we maintain our Group's 2011 operating revenue growth YoY to be in the single digit range and Group EBITDA margin as a percentage of service revenue to be about 30%. The total capex payments in 2011 are expected not to exceed 13% of operating revenue. In view of the projected profitability and cash flow in 2011, cash dividend payout remains at 5 cents per ordinary share per quarter.

Dividend

Following the close of the Company's Annual General Meeting on 15 April 2011, the Company declared a final dividend of 5 cents per share on a one-tier tax exempt basis in respect of the financial year ended 31 December 2010. The dividend will be paid on 6 May 2011.

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The Company declares an interim dividend of 5 cents per ordinary share for 1Q-2011.

For more details on the Group's performance for 1Q2011 and outlook for FY2011, please visit www.starhub.com/ir. Materials available at this website include the audio conference link, investor presentation and unaudited results for the quarter ended 31 March 2011.

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About StarHub

StarHub is Singapore's fully-integrated info-communication company, offering a full range of information, communications and entertainment services for both consumer and corporate markets. StarHub operates Singapore's fastest two-way HSPA+ mobile network that delivers up to 21Mbps for downlink to complement its nation-wide GSM network, and an island-wide HFC network that delivers multi-channel cable TV services (including High Definition Television and on-demand services) as well as ultra-high speed residential broadband services. StarHub also operates an extensive fixed business network that provides a wide range of data, voice and wholesale services. Over Singapore's fibre-based Next Generation Nationwide Broadband Network, StarHub offers a broad range of home and business broadband plans along with a host of advanced media-rich value-added services.

Launched in 2000, StarHub has become one of Singapore's most innovative info-communications providers, and the pioneer in 'hubbing' - the ability to deliver unique integrated and converged services to all its customers. StarHub, listed on the main board of the Singapore Exchange since October 2004, is a component stock of the Straits Times Index and the MCSI Singapore Free Index.

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