

StarHub Reports 2011 Second-Quarter and Half-Year Results

- *Operating Revenue At S\$569 Million*
- *EBITDA Increased 16% To S\$164 Million*
- *Net Profit After Tax Rose 34% To S\$78 Million*
- *Declares Interim Dividend Of 5.0 Cents Per Share*

Singapore, 4 August 2011 – StarHub Ltd today announced its results for the second quarter and first half ended 30 June 2011.

Operating revenue, for the quarter, came in at S\$569 million, similar to a year ago. This is despite the absence of the 2010 FIFA World Cup event and the price reduction of the Sports group package from S\$25 to S\$12 in June 2010. On a half-year basis, it was at S\$1,127 million. The Group's EBITDA increased 16% to S\$164 million for the quarter and rose 25% to S\$323 million for the half year. EBITDA margin as a percentage of service revenue was 30.4% for the quarter, which was a 4.4 percentage points increase from the year before. On a half-year basis, it was at 30.2%.

Profit from operations, for the quarter, saw an increase of 23% to S\$96 million and net profit after tax was at S\$78 million, translating to a jump of 34% year-on-year (YoY). Looking at the half-year, profit from operations increased 37% to S\$186 million while net profit after tax rose 46% to S\$147 million. Free cash flow came in at S\$140 million, for the quarter, compared to S\$110 million in 2Q-2010. Cash capital expenditure (capex) was S\$3 million lower at S\$42 million compared to a year ago. On a half-year basis, free cash flow came in higher by 18% to S\$272 million while cash capex was lower by 10% at S\$84 million.

"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."

Business Highlights

For the quarter and half-year, Mobile services revenue increased 3%. Broadband revenue rose 3% for the quarter and 2% for the half-year, while Fixed Network services revenue increased 2% for the quarter and 3% for the half-year.

Mobile revenue grew to S\$302.5 million from S\$294.0 million YoY and to S\$598.1 million for the half-year period. Post-paid mobile services revenue was 4% higher at S\$239.2 million. Comparing to 2Q2010, pre-paid mobile services revenue decreased 3% to S\$63.3 million in 2Q2011. YoY, post-paid ARPU increased S\$1 to S\$73, while pre-paid ARPU decreased S\$1 to S\$20 in the quarter.

Pay TV revenue decreased to S\$92.3 million from S\$109.6 million a year ago. The lower revenue was due to the absence of one-off revenue from the 2010 FIFA World Cup event and reduced pricing from our Sports group package since June 2010. As a result, Pay TV ARPU decreased to S\$49. For the quarter, our customer base was up 1% YoY to 544,000.

Broadband revenue increased 3% to S\$61.0 million YoY. The residential broadband customer base grew 6% YoY, ending the quarter with 431,000 customers. However, the higher mix of subscribers on the lower speed price plans and promotional offers of the hubbing packs to drive take-up in new customer segments contributed to the S\$3 ARPU decrease to S\$45 this quarter.

Fixed Network revenue increased 2% to S\$83.4 million from a year ago. Voice services revenue increased 9% to S\$14.6 million YoY due to higher subscription of local voice services and higher inter-connection revenue from international carriers.

With continued promotion of **Hubbing** packs and subscription discounts offered to drive multi-services take-up in the quarter, the number of households taking more than one StarHub service was up 2 percentage points to 57%, up from 55% last year. The number of households subscribing to all three services increased by 16,000 households YoY.

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"We are pleased with the 46% improvement in our profits for the first half. We also saw customer growth in all our lines of business and continue to strengthen our leadership position as the leading info-communications & entertainment provider, with an 8% increase in our triple-service hubbing households," said Mr Neil Montefiore, CEO of StarHub.

Outlook for FY2011

Based on the current outlook, we are revising our YoY growth of the Group's 2011 operating revenue to be in the low single digit range and Group EBITDA margin to be about 30% of service revenue. The total capex payments for the year are expected not to exceed 12% of operating revenue. In view of the projected profitability and cash flow in FY2011, we maintain our cash dividend payout at 5 cents per ordinary share per quarter.

For more details on the Group's performance for 2Q2011 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 30 June 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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