

## Results For The Third Quarter And Nine Months Ended 30 September 2011

- *YTD Operating Revenue Increased 1% To S\$1.7 Billion*
- *YTD EBITDA Margin At 30.4%*
- *YTD Net Profit After Tax Increased 22% To S\$223 Million*
- *Declares Interim Dividend Of 5.0 Cents Per Share*

**Singapore, 9 November 2011** – StarHub Ltd today announced its results for the third quarter and year-to-date (YTD) ended 30 September 2011.

Operating revenue rose 4% to S\$572.2 million compared to S\$552.3 million year-on-year (YoY). For the YTD, it increased 1%. In both instances, the increases were contributed by higher revenue from sales of equipment and increased service revenue. Although the Group's EBITDA decreased 3% to S\$167.2 million for the quarter, it increased 14% YTD to S\$490.7 million. EBITDA margin as a percentage of service revenue was 30.8% for the quarter and 30.4% for YTD.

In 3Q2011, profit from operations came in at S\$97.1 million, net profit after tax at S\$75.8 million and free cash flow at S\$148.3 million. Compared to a year ago, profit from operations decreased 9% but increased 17% YTD. Net profit after tax decreased 8% YoY but increased 22% YTD. Free cash flow rose 89% YoY and 36% YTD. Cash capital expenditure was at S\$46.1 million for the quarter, 36% lower YoY and S\$35.5 million lower YTD.

### **Business Highlights**

Service revenue for both the quarter and YTD periods recorded growth. YoY, **Mobile** revenue grew 3% to S\$307.4 million and S\$905.4 million for the respective periods. Post-paid mobile services revenue was 6% higher at S\$245.7 million or 5% higher YTD. Conversely, pre-paid mobile services revenue decreased 9% to S\$61.7 million YoY, a 5% decrease YTD. Compared to a year ago, post-paid ARPU increased S\$2 to

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S\$74. YTD, it increased S\$1. This increase was mainly due to the higher take-up of SmartSurf plans as more smartphones become commercially available. Pre-paid ARPU decreased by S\$2 YoY and S\$3 YTD to S\$19. The lower ARPU was caused primarily by lower voice usage.

While **Pay TV** revenue increased 1% to S\$93.4 million YoY, it decreased 9% YTD. For the quarter, Pay TV ARPU increased to S\$50. This was the result of a higher subscriber base as well as the S\$2 monthly subscription price increase. YTD, Pay TV ARPU was S\$49. The YTD revenue decrease was due to the absence of the 2010 FIFA World Cup event and the reduction in the Sports package pricing in June 2010. The customer base was up 1% to 542,000 YoY and the average monthly churn was similar at 1.2%.

**Broadband** revenue increased 3% to S\$60.2 million compared to a year ago. YTD, revenue came in at S\$4.0 million higher to S\$181.0 million. We saw a S\$1 ARPU decrease to S\$45 this quarter. For the nine months, ARPU was also at S\$45. The lower ARPUs were mainly due to a higher mix of customers on lower speed price plans and hubbing promotional and discounts offers. The residential broadband customer base grew 6% YoY, ending the quarter with 438,000 customers. The average monthly churn was 1.1% for the quarter as compared to 1.2% in the corresponding period last year.

**Fixed Network** revenue decreased 4% to S\$81.7 million. Data & Internet services revenue, which makes up 84% of the Fixed Network revenue, decreased 4% from a year ago. The decrease was a result of pricing pressure in the local and international leased circuit services despite higher number of circuits sold. Voice services revenue decreased 7% to S\$12.9 million YoY, primarily due to lower IDD revenue as a result of lower customer usage. YTD, Voice services revenue at S\$41.0 million was S\$2.0 million or 5% higher from higher subscription of local voice services and increased interconnect revenue, offset by lower IDD revenue.

The number of households subscribing to all three services increased by 5% or 9,000 to 206,000 households YoY. The total number of hubbing households with at least one StarHub service totalled 793,000 after the quarter's net add of 2,000 households. The

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number of households taking more than one StarHub service was up two percentage point to 57% from 55% last year.

“Despite stiff market competition and a slowing economy, we are happy to see resilient growth in all our consumer lines of business,” said Mr Neil Montefiore, CEO, StarHub.

“Moving forward, we are extremely excited about our strategic and exclusive partnership with Vodafone in Singapore, as this will enable us to provide an even more comprehensive range of products and services for our enterprise customers locally and globally,” he continued. “Riding on the global mobile alliances of Conexus and Vodafone, StarHub will be able to leverage on the rapid growth of smartphone and mobile broadband data roaming by offering higher quality and more cost-effective roaming services for all our customers,” concluded Mr Montefiore.

### **Outlook for FY2011**

Barring any unforeseen circumstances and based on the current outlook, we maintain 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. Total capex payments for the year are not expected 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 3Q2011 and outlook for FY2011, please visit [www.starhub.com/ir](http://www.starhub.com/ir). Materials available at this website include the audio conference link, investor presentation and unaudited results for the quarter ended 30 September 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.

**For all enquiries, please contact:**

Jeannie Ong  
Head, Corporate Communications & Investor Relations  
StarHub  
Office: (65) 6825 5168  
Fax: (65) 6721 5015  
Email: [jeannieo@starhub.com](mailto:jeannieo@starhub.com)

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