StarHub Ltd
Reg. No.:199802208C
67 Ubi Avenue 1
#05-01 StarHub Green
Singapore 408942
Tel: (65) 6825 5000
Fax: (65) 6721 5000

STARHUB LTD

Announcement of Audited Results for the Full Year ended 31 December 2010

StarHub is pleased to announce our audited results for the fourth quarter and full year ended 31 December 2010.

Results for the Fourth Quarter and Full Year ended 31 December 2010

1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS

1.1 GROUP INCOME STATEMENT

	Quarter ended 31 Dec			Year ended 31 Dec		
	2010 S$m	2009 S$m	Incr/(Decr) %	2010 S$m	2009 S$m	Incr/(Decr) %
Operating revenue	559.0	550.0	1.6	2,237.7	2,150.0	4.1
Operating expenses	(462.3)	(460.8)	0.3	(1,901.4)	(1,741.6)	9.2
Other income	3.0	-	-	6.0	-	-
Profit from operations	**99.7**	**89.2**	**11.8**	**342.3**	**408.4**	**(16.2)**
Finance income	0.1	0.4	(73.8)	1.8	0.8	128.7
Finance expenses (1)	(6.9)	(6.0)	15.6	(26.6)	(24.0)	10.9
Profit before taxation	**92.8**	**83.6**	**11.1**	**317.5**	**385.2**	**(17.6)**
Taxation	(12.4)	(9.3)	32.5	(54.3)	(65.5)	(17.1)
Profit for the period	**80.4**	**74.2**	**8.4**	**263.2**	**319.7**	**(17.7)**
Attributable to:						
Equity holders of the Company	80.4	74.2	8.4	263.2	319.7	(17.7)
	80.4	**74.2**	**8.4**	**263.2**	**319.7**	**(17.7)**
EBITDA	**169.9**	**152.1**	**11.7**	**601.8**	**653.5**	**(7.9)**
EBITDA as a % of service revenue	**31.5%**	**29.2%**	**2.4 %pts**	**28.1%**	**31.8%**	**(3.7) %pts**
Free Cash Flow (2)	**89.4**	**82.2**	**8.8**	**397.5**	**461.0**	**(13.8)**
Profit from operations is arrived after charging the following:						
Allowance for doubtful receivables and bad debts written off	*4.6*	*2.9*	*61.0*	*18.4*	*13.1*	*41.0*
Depreciation and amortisation (net of asset grants)	*70.2*	*62.9*	*11.6*	*259.5*	*245.1*	*5.9*

Notes:
(1) Finance expenses include interest and other financing charges
(2) Free Cash Flow refers to net cash flow from operating activities less purchase of fixed assets in the cash flow statement
(3) Numbers in all tables may not exactly add due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Quarter ended 31 Dec			Year ended 31 Dec		
	2010	2009	Incr/(Decr)	2010	2009	Incr/(Decr)
	S$m	S$m	%	S$m	S$m	%
Profit for the period	**80.4**	**74.2**	**8.4**	**263.2**	**319.7**	**(17.7)**
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedge (net of tax)	3.6	0.2	nm	(0.3)	5.0	nm
Other comprehensive income for the period, net of tax	3.6	0.2	nm	(0.3)	5.0	nm
Total comprehensive income for the period	**84.0**	**74.5**	**12.9**	**262.9**	**324.7**	**(19.0)**
Attributable to:						
Equity holders of the Company	84.0	74.5	12.9	262.9	324.7	(19.0)
	84.0	**74.5**	**12.9**	**262.9**	**324.7**	**(19.0)**

nm - Not meaningful / More than +/- 200%

2. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 10 S$m	31 Dec 09 S$m	31 Dec 10 S$m	31 Dec 09 S$m
Non-current assets				
Property, plant and equipment	776.0	785.1	328.8	347.8
Intangible assets	451.6	415.8	154.7	133.9
Subsidiaries	-	-	1,202.1	1,174.1
Deferred tax assets	4.5	5.3	-	-
	1,232.1	**1,206.2**	**1,685.6**	**1,655.8**
Current assets				
Inventories	31.8	28.2	25.2	22.8
Trade receivables	173.9	125.3	164.4	91.4
Other receivables, deposits and prepayments	101.7	116.1	18.1	22.5
Balances with related parties	16.5	22.6	614.7	714.4
Cash and bank balances	237.5	234.2	180.2	132.3
	561.4	**526.4**	**1,002.6**	**983.4**
Less:				
Current liabilities				
Trade payables and accruals	437.7	377.2	274.3	223.0
Other payables	237.4	196.4	78.6	59.9
Balances with related parties	41.8	42.1	187.3	143.5
Bank loans	330.4	290.4	330.4	290.4
Provision for taxation	25.8	19.4	25.2	19.4
	1,073.1	**925.5**	**895.8**	**736.2**
Net current (liabilities)/assets	**(511.7)**	**(399.1)**	**106.8**	**247.2**
Non-current liabilities				
Bank loans	475.0	605.4	475.0	605.4
Other payables	38.2	8.1	38.2	8.1
Deferred income	45.1	6.6	-	-
Deferred tax liabilities	108.1	61.2	71.4	47.7
	666.4	**681.3**	**584.6**	**661.2**
Net assets	**54.0**	**125.8**	**1,207.8**	**1,241.8**
Shareholders' equity				
Share capital	260.3	257.5	260.3	257.5
Reserves	(206.3)	(131.7)	947.5	984.3
Total equity	**54.0**	**125.8**	**1,207.8**	**1,241.8**

3. GROUP CASH FLOW STATEMENT

	Quarter ended 31 Dec		Year ended 31 Dec	
	2010 S$m	2009 S$m	2010 S$m	2009 S$m
Operating Activities				
Profit before taxation	92.8	83.6	317.5	385.2
Adjustments for :				
Depreciation and amortisation (net of asset grants)	70.2	62.9	259.5	245.1
Fixed assets written off	0.1	0.1	1.6	3.4
Share-based payments expenses	1.7	1.4	6.0	5.1
Changes in fair value of financial instruments	(0.3)	(1.3)	2.1	(2.9)
Net finance expenses	6.8	5.6	24.8	23.2
Accretion of deferred income related grants	(3.0)	-	(6.0)	-
Other non-cash items	0.3	0.2	0.6	0.7
Operating cash flow before working capital changes	168.6	152.6	606.1	659.8
Changes in working capital	27.6	(13.6)	63.5	32.6
Net cash from operating activities	**196.2**	**139.0**	**669.6**	**692.4**
Investing Activities				
Proceeds from disposal of fixed assets	0.1	0.0	2.1	0.7
Purchase of fixed assets	(106.8)	(56.8)	(272.1)	(231.4)
Interest received	0.1	0.4	1.8	0.8
Net cash used in investing activities	**(106.6)**	**(56.4)**	**(268.2)**	**(229.9)**
Financing Activities				
Proceeds from issue of shares	0.3	0.5	2.2	2.4
Finance expenses paid	(3.4)	(2.1)	(26.8)	(24.4)
Grants received	25.0	-	60.0	-
Proceeds from loans	-	-	200.0	200.0
Repayment of loans	(35.0)	-	(290.4)	(217.9)
Dividends paid	(85.8)	(85.6)	(343.1)	(316.7)
Net cash used in financing activities	**(98.9)**	**(87.3)**	**(398.1)**	**(356.6)**
Net change in cash and cash equivalents	**(9.3)**	**(4.7)**	**3.3**	**105.9**
Cash and cash equivalents at beginning of the period	246.8	238.9	234.2	128.3
Cash and cash equivalents at end of the period	**237.5**	**234.2**	**237.5**	**234.2**

4. GROUP UNSECURED BORROWINGS

Unsecured borrowings	**31 Dec 10 S$m**	**31 Dec 09 S$m**
Amount repayable in one year or less	330.4	290.4
Amount repayable after one year	475.0	605.4
Total	**805.4**	**895.8**

5. STATEMENT OF CHANGES IN EQUITY

Group	Share capital S$m	Goodwill written off S$m	Share-based payment reserve S$m	Hedging reserve S$m	Treasury shares S$m	Retained profits S$m	Total reserves S$m	Total equity S$m
At 1 Jan 2010	257.5	(276.3)	13.0	(7.4)	(3.0)	142.0	(131.7)	125.8
Issue of shares pursuant to share option, performance shares & restricted stock plans	2.6	-	(0.7)	-	-	-	(0.7)	1.9
Share-based payments expenses	-	-	4.4	-	-	-	4.4	4.4
Transfer from treasury shares to share-based payment reserve	-	-	(2.9)	-	2.9	-	-	-
Dividends paid	-	-	-	-	-	(257.3)	(257.3)	(257.3)
Total comprehensive income for the period (net of tax)	-	-	-	(3.9)	-	182.7	178.9	178.9
At 30 Sep 2010	**260.1**	**(276.3)**	**13.7**	**(11.2)**	**(0.1)**	**67.4**	**(206.4)**	**53.6**
Issue of shares pursuant to share option, performance shares & restricted stock plans	**0.3**	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**
Share-based payments expenses	**-**	**-**	**1.7**	**-**	**-**	**-**	**1.7**	**1.7**
Transfer from treasury shares to share-based payment reserve	**-**	**-**	**0.2**	**-**	**-**	**-**	**0.2**	**0.2**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(85.8)**	**(85.8)**	**(85.8)**
Total comprehensive income for the period (net of tax)	**-**	**-**	**-**	**3.6**	**-**	**80.4**	**84.0**	**84.0**
At 31 Dec 2010	**260.3**	**(276.3)**	**15.7**	**(7.7)**	**(0.1)**	**62.1**	**(206.3)**	**54.0**
At 1 Jan 2009	255.1	(276.3)	8.6	(12.4)	(6.0)	139.0	(147.1)	108.0
Issue of shares pursuant to share option, performance shares & restricted stock plans	1.9	-	-	-	-	-	-	1.9
Share-based payments expenses	-	-	3.6	-	-	-	3.6	3.6
Transfer from treasury shares to share-based payment reserve	-	-	(3.0)	-	3.0	-	-	-
Dividends paid	-	-	-	-	-	(231.1)	(231.1)	(231.1)
Total comprehensive income for the period (net of tax)	-	-	-	4.8	-	245.4	250.2	250.2
At 30 Sep 2009	257.0	(276.3)	9.2	(7.6)	(3.0)	153.4	(124.2)	132.8
Issue of shares pursuant to share option, performance shares & restricted stock plans	0.5	-	-	-	-	-	-	0.5
Share-based payments expenses	-	-	1.4	-	-	-	1.4	1.4
Transfer from treasury shares to share-based payment reserve	-	-	2.3	-	-	-	2.3	2.3
Dividends paid	-	-	-	-	-	(85.6)	(85.6)	(85.6)
Total comprehensive income for the period (net of tax)	-	-	-	0.2	-	74.2	74.5	74.5
At 31 Dec 2009	257.5	(276.3)	13.0	(7.4)	(3.0)	142.0	(131.7)	125.8

5. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S$m	Merger/ Capital reserve S$m	Share-based payment reserve S$m	Hedging reserve S$m	Treasury shares S$m	Retained profits S$m	Total reserves S$m	Total equity S$m
At 1 Jan 2010	257.5	276.5	13.0	(7.3)	(3.0)	705.1	984.3	1,241.8
Issue of shares pursuant to share option, performance shares & restricted stock plans	2.6	-	(0.7)	-	-	-	(0.7)	1.9
Share-based payments expenses	-	-	4.4	-	-	-	4.4	4.4
Transfer from treasury shares to share-based payment reserve	-	-	(2.9)	-	2.9	-	-	-
Dividends paid	-	-	-	-	-	(257.3)	(257.3)	(257.3)
Total comprehensive income for the period (net of tax)	-	-	-	(3.9)	-	166.5	162.6	162.6
At 30 Sep 2010	**260.1**	**276.5**	**13.7**	**(11.2)**	**(0.1)**	**614.3**	**893.2**	**1,153.3**
Issue of shares pursuant to share option, performance shares & restricted stock plans	**0.3**	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**
Share-based payments expenses	**-**	**-**	**1.7**	**-**	**-**	**-**	**1.7**	**1.7**
Transfer from treasury shares to share-based payment reserve	**-**	**-**	**0.2**	**-**	**-**	**-**	**0.2**	**0.2**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(85.8)**	**(85.8)**	**(85.8)**
Total comprehensive income for the period (net of tax)	**-**	**-**	**-**	**3.6**	**-**	**134.6**	**138.2**	**138.2**
At 31 Dec 2010	**260.3**	**276.5**	**15.7**	**(7.7)**	**(0.1)**	**663.1**	**947.5**	**1,207.8**
At 1 Jan 2009	255.1	276.5	8.6	(11.3)	(6.0)	688.8	956.6	1,211.7
Issue of shares pursuant to share option, performance shares & restricted stock plans	1.9	-	-	-	-	-	-	1.9
Share-based payments expenses	-	-	3.6	-	-	-	3.6	3.6
Transfer from treasury shares to share-based payment reserve	-	-	(3.0)	-	3.0	-	-	-
Dividends paid	-	-	-	-	-	(231.1)	(231.1)	(231.1)
Total comprehensive income for the period (net of tax)	-	-	-	4.0	-	174.0	178.1	178.1
At 30 Sep 2009	257.0	276.5	9.2	(7.3)	(3.0)	631.7	907.2	1,164.2
Issue of shares pursuant to share option, performance shares & restricted stock plans	0.5	-	-	-	-	-	-	0.5
Share-based payments expenses	-	-	1.4	-	-	-	1.4	1.4
Transfer from treasury shares to share-based payment reserve	-	-	2.3	-	-	-	2.3	2.3
Dividends paid	-	-	-	-	-	(85.6)	(85.6)	(85.6)
Total comprehensive income for the period (net of tax)	-	-	-	(0.0)	-	159.0	158.9	158.9
At 31 Dec 2009	257.5	276.5	13.0	(7.3)	(3.0)	705.1	984.3	1,241.8

6. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As at 31 December 2010, the share capital of the Company amounted to S$260.3 million comprising 1,715,967,205 issued ordinary shares (excluding treasury shares) (31 December 2009: S$257.5 million or 1,712,834,484 ordinary shares, excluding treasury shares).

Issue of new shares
During the quarter, the Company issued 216,325 ordinary shares upon the exercise of options by participants pursuant to the Company's share option plans. The exercise prices ranged from S$0.88 to S$1.52 per ordinary share. For the full year, a total of 2,053,461 new ordinary shares were issued to fulfill the Company's Performance and Restricted Share Plans' payout and exercise of share options plan by participants. The exercise prices for the share options ranged from S$0.48 to S$1.52 per ordinary share.

Treasury Shares
As at 31 December 2010, the treasury share balance amounted to S$35K or 12,740 treasury shares (31 December 2009: 1,092,000 ordinary shares). In 4Q-2010, there was no new purchase or transfer of treasury shares by the Company, and for the full year period, a total of 1,079,260 treasury shares were transferred to participants of the Company's share plans.

Outstanding Shares – Employees' Share-Based Plans

Share Option Plans
As at 31 December 2010, the outstanding balance of unexercised options under the Company's share option plans totaled 4,011,486 (31 December 2009: 5,996,375) or 0.2% of total issued shares in the capital of the Company.

Performance Share Plan
As at 31 December 2010, the outstanding balance of conditional awards under the Performance Share Plan was 1,243,750 ordinary shares (31 December 2009: 1,563,000).

Under the StarHub's Performance Share Plan, the number of conditional awards disclosed is based on the assumption that the payout is at the "Target" level of performance for the various key performance indicators set over a 3-year performance period under each grant, and with each grant paying out on its 3rd year anniversary of its grant date.

Restricted Stock Plan
As at 31 December 2010, the outstanding balance of conditional awards under the Restricted Stock Plan was 4,881,516 ordinary shares (31 December 2009: 4,643,521).

Under the StarHub's Restricted Stock Plan, the basis of reporting the number of shares outstanding for such grants which have not fulfilled the 2 years performance period is to assume each grant achieves the "Target" level of performance for the various key performance indicators set over a 2-year performance period, with an additional 2-year payout interval beginning on the 2nd year anniversary.

7. AUDIT

The results for the financial year have been audited.

8. AUDITORS' REPORT

A copy of the Auditor's report is attached.

9. ACCOUNTING POLICIES

The Group and the Company have applied the same accounting policies and method of computation as in the most recent audited financial statements for the year ended 31 December 2009.

In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2010. The adoption of these new/revised FRSs and INT FRSs does not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the amounts reported for the current or prior periods.

10. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

11. GROUP EARNINGS PER ORDINARY SHARE

	Quarter ended 31 Dec		Year ended 31 Dec	
	2010	2009	2010	2009
Basic				
Earnings per share	4.69 cents	4.33 cents	15.34 cents	18.68 cents
Weighted average number of shares ('000)	1,715,926	1,712,736	1,715,264	1,711,790
Diluted				
Earnings per share	4.67 cents	4.31 cents	15.27 cents	18.58 cents
Weighted average number of shares ('000)	1,724,182	1,721,258	1,723,595	1,720,807

12. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Net asset value per share	3.1 cents	7.3 cents	70.4 cents	72.5 cents

13. REVIEW OF GROUP PERFORMANCE

	Quarter ended 31 Dec				Year ended 31 Dec			
	2010	2009	Incr / (Decr)		2010	2009	Incr / (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Operating revenue	559.0	550.0	9.0	1.6	2,237.7	2,150.0	87.7	4.1
Operating expenses	(462.3)	(460.8)	1.6	0.3	(1,901.4)	(1,741.6)	159.9	9.2
Other income	3.0	-	3.0	-	6.0	-	6.0	-
Profit from operations	**99.7**	**89.2**	**10.5**	**11.8**	**342.3**	**408.4**	**(66.1)**	**(16.2)**
Finance income	0.1	0.4	(0.3)	(73.8)	1.8	0.8	1.0	128.7
Finance expenses	(6.9)	(6.0)	0.9	15.6	(26.6)	(24.0)	2.6	10.9
Profit before taxation	**92.8**	**83.6**	**9.2**	**11.1**	**317.5**	**385.2**	**(67.7)**	**(17.6)**
Taxation	(12.4)	(9.3)	3.0	32.5	(54.3)	(65.5)	(11.2)	(17.1)
Profit for the period	**80.4**	**74.2**	**6.2**	**8.4**	**263.2**	**319.7**	**(56.5)**	**(17.7)**
EBITDA	**169.9**	**152.1**	**17.8**	**11.7**	**601.8**	**653.5**	**(51.7)**	**(7.9)**
Service revenue	**538.5**	**521.0**	**17.5**	**3.4**	**2,144.4**	**2,057.4**	**86.9**	**4.2**
EBITDA as a % of service revenue	**31.5%**	**29.2%**	**2.4**	**%pts**	**28.1%**	**31.8%**	**(3.7)**	**%pts**

Results for the period ended 31 December 2010

Against 4Q-2009, StarHub Group's operating revenue for the quarter was 2% higher at S$559.0 million, with increase contributed by higher service revenue of S$17.5 million which was offset by S$8.5 million reduction in handset sales. For the full year ended 31 December 2010, overall operating revenue was up S$87.7 million or 4% totaling S$2,237.7 million as a result of the higher service revenue for the year.

Compared to the corresponding periods last year, total service revenue grew 3% to S$538.5 million for the quarter, and for the full year, was up by 4% to amount to S$2,144.4 million. For the quarter, Mobile and Fixed network services revenue increased 8% to total S$302.7 million and S$85.0 million respectively. These increases were offset by lower Pay TV revenue which decreased 11% when compared to 4Q09, to S$91.8 million for the quarter while Broadband services revenue was flat at S$59.0 million in 4Q-2010. For the year, Mobile services revenue was 8% higher year-on-year at S$1,181.3 million driven by higher revenue from post-paid mobile services in the year, while Fixed network services revenue was 4% higher at S$331.7 million due to higher revenue from both Data & Internet and Voice services. For the quarter and the year, Pay TV revenue was lower due to the lowering of sports monthly subscription price from S$25 to S$12 per month from June 2010 and a lower subscriber base in the 2nd half of the year as some Barclay Premier League (BPL) sports subscribers churn out of our network. As a result, Pay TV revenue decreased 11% for the quarter and for the year was 2% lower year-on-year, at S$395.4 million. Compared to last year, Broadband services revenue was 2% lower year-on-year at S$236.0 million.

Against 4Q-2009, revenue from sales of equipment was 29% lower at S$20.4 million in 4Q-2010. The decrease was due to lower quantities of mobile handsets sold. For the full year

period, revenue from sales of equipment was 1% higher at S$93.3 million driven by higher quantities of handsets sold but at lower average blended unit price over the full year.

The breakdown of operating revenue and percentage mix by lines of business for the quarter and full year ended 31 December are tabulated below:

	Quarter ended 31 Dec				Year ended 31 Dec			
	2010	2009	Incr / (Decr)		2010	2009	Incr / (Decr)	
Operating revenue	**S$m**	**S$m**	**S$m**	**%**	**S$m**	**S$m**	**S$m**	**%**
Mobile revenue	302.7	280.6	22.2	7.9	1,181.3	1,094.0	87.3	8.0
Pay TV revenue	91.8	102.6	(10.8)	(10.5)	395.4	405.4	(10.0)	(2.5)
Broadband revenue	59.0	59.1	(0.1)	(0.2)	236.0	240.5	(4.5)	(1.9)
Fixed network services revenue	85.0	78.8	6.3	8.0	331.7	317.5	14.2	4.5
Total service revenue	538.5	521.0	17.5	3.4	2,144.4	2,057.4	86.9	4.2
Sale of equipment	20.4	28.9	(8.5)	(29.4)	93.3	92.6	0.8	0.8
Total	559.0	550.0	9.0	1.6	2,237.7	2,150.0	87.7	4.1

	Quarter ended 31 Dec		Year ended 31 Dec	
	2010	2009	2010	2009
Operating revenue mix	**Mix %**	**Mix %**	**Mix %**	**Mix %**
Mobile revenue	54.2	51.0	52.8	50.9
Pay TV revenue	16.4	18.7	17.7	18.9
Broadband revenue	10.5	10.7	10.5	11.2
Fixed network services revenue	15.2	14.3	14.8	14.8
Sale of equipment	3.7	5.3	4.2	4.3
Total	100.0	100.0	100.0	100.0

Profitability

For the quarter, driven by the higher service revenue and benefits continuing to accrue from the prior periods' investment in smartphones' mobile subscribers, the Group's profit from operations at S$99.7 million was 12% higher when compared to 4Q-2009. The quarter also saw lower cost of sales which were offset by higher other operating expenses. Compared to 4Q-2009, this quarter's cost of sales at S$210.0 million was 9% lower from decrease in cost of services, traffic expenses and cost of equipment sold. Other operating expenses at S$252.3 million was 10% higher year-on-year due to higher staff costs and depreciation and amortisation, mitigated by lower marketing and promotion expenses.

For the year, profit from operations was 16% lower year-on-year at S$342.3 million. The Group's operational results was impacted by high operating expenses which increased 9% year-on-year while operating revenue only increased 4% from last year. The current year's operating expenses increased by S$159.9 million to total S$1,901.4 million. The increase was attributable to higher cost of sales and other operating expenses. Cost of sales for the year was S$83.2 million or 10% higher at S$912.8 million, mainly due to 36% increase in cost of equipment due to rising demand for mobile data smartphones, especially the iPhone. Also, higher programming costs for new and renewed content were incurred to mitigate the impact of the loss of the BPL broadcasting rights. This and the costs for the 2010 World Cup event offset any costs savings from the BPL cessation in the 2nd half of the year, which led to cost of services to increase 2% for the year when compared to 2009.

Other operating expenses in 2010 amounted to S$988.6 million, a year-on-year increase of S$76.7 million or 8%, from higher staff costs, depreciation and amortisation, repair and maintenance and allowance for doubtful receivables.

For 4Q-2010, the Group's EBITDA amounted to S$169.9 million, S$17.8 million or 12% higher than 4Q-2009. As a percentage of service revenue, this quarter's EBITDA margin was 31.5%, up from 29.2% in 4Q-2009. For the full year, Group EBITDA was lower by 8% year-on-year to S$601.8 million, primarily due to higher cost of sales and staff costs. 2010 EBITDA margin was at 28.1% of service revenue as compared to 31.8% last year.

Other income, which comprised of the government grants received for the NBN project, amounted to S$3.0 million for the quarter and S$6.0 million for the full year ended 31 December 2010.

Finance income amounted to S$0.1 million in 4Q-2010. For the year, finance income grew from S$0.8 million in 2009 to S$1.8 million in 2010 from short-term time deposits placed with foreign banks. The quarter's finance expenses increased by S$0.9 million or 16% year-on-year to S$6.9 million, and for the full year, was 11% higher at S$26.6 million. The increase was mainly due to upfront facility and commitment fees paid to secure new bank loan facilities this year.

As a result, this quarter's profit before taxation was S$9.2 million or 11% higher at S$92.8 million. For the full year, total profit before taxation decreased by S$67.7 million or 18% to S$317.5 million when compared to 2009 due to lower earnings in the 1st half of the year.

Taxation for the quarter amounted to S$12.4 million, 32% higher year-on-year on the back of higher taxable profits for the quarter. For the full year, taxation was down by S$11.2 million or 17% to S$54.3 million as a result of the lower profits generated this year.

Consequently, the Group's profit after taxation at S$80.4 million for the quarter was comparatively higher by S$6.2 million or 8%, and for the full year, the Group's profit after taxation decreased by S$56.5 million or 18% to S$263.2 million.

Mobile Service Revenue

Mobile revenue	Quarter ended 31 Dec				Year ended 31 Dec			
	2010	2009	Incr / (Decr)		2010	2009	Incr / (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Post-paid	237.2	216.1	21.1	9.8	917.4	835.4	82.1	9.8
Pre-paid	65.5	64.5	1.0	1.6	263.9	258.6	5.2	2.0
Total	302.7	280.6	22.2	7.9	1,181.3	1,094.0	87.3	8.0

Mobile operating statistics	Quarter ended			Year ended		YoY
	31 Dec 2010	30 Sep 2010	31 Dec 2009	31 Dec 2010	2009	Incr/(Decr) %
Number of registered customers (in thousands)						
Post-paid	1,036	1,024	939	1,036	939	10.4
Pre-paid	1,109	1,097	979	1,109	979	13.3
Total	2,145	2,121	1,918	2,145	1,918	11.8
Monthly minutes of use per registered customer						
Post-paid	354	371	407	373	427	(12.8)
Pre-paid	500	523	566	531	560	(5.2)
Average monthly SMS per registered user (originating)						
Post-paid	257	262	249	257	246	4.6
Pre-paid	138	146	157	146	144	1.0
Total MMS traffic (in millions)	4.4	4.0	3.9	16.7	15.1	10.6
Mobile Data Traffic (in GBytes)						
Post-paid	3,482,171	3,467,101	2,607,803	13,231,261	7,417,377	78.4
Pre-paid	45,941	32,466	17,835	122,291	27,917	338.0
ARPU with IDD included (S$ per month)						
Post-paid [1]	74	72	72	72	70	3.0
Pre-paid	20	21	23	21	23	(9.4)
Non-voice service as a contribution to ARPU						
Post-paid	35.8%	35.9%	32.4%	35.5%	30.8%	-
Pre-paid	15.4%	14.5%	12.6%	14.0%	11.9%	-
Average acquisition cost per gross connection (S$) [1]	120	130	109	123	86	43.1
Average monthly churn rate (post-paid)	1.1%	1.0%	1.3%	1.1%	1.1%	-
Singapore mobile penetration [2]	143.6%	141.4%	137.5%	143.6%	137.5%	-
Market Share [2]	29.4%	29.5%	28.0%	29.4%	28.0%	-

Note:
(1) Restated to exclude free promotional bundled dongles
(2) Source : IDA (As at December 2010)

Post-paid mobile services

Post-paid mobile services revenue increased 10% to S$237.2 million in 4Q-2010 and S$917.4 million for the full year when compared to the corresponding periods last year. This

was contributed by the increased subscribers and mobile data subscription revenue from smartphone subscribers.

As at 31 December 2010, Post-paid mobile customer base stood at 1,036K, a 10% increase from last year. Net customer additions in the quarter totaled 12K, and for the year, was 97K.

For the quarter and full year, Post-paid ARPU was higher at S$74 and S$72 respectively as compared to S$72 and S$70 in the corresponding periods last year. In 2010, the proliferation of smartphones and other data devices increased the take up of our "SmartSurf" plans which saw higher monthly recurring subscription fees for bundled voice and data services. This helped to mitigate the impact of lower chargeable voice usages. Voice minutes of use per customer fell to 354 minutes per month in the quarter, and were 13% lower at 373 minutes per month for the year. Post-paid data traffic surged to 3.5M GBytes in 4Q-2010 compared to 2.6M GBytes in 4Q-2009, and for the full year, was up 78% year-on-year to 13.2M GBytes in 2010 as customers surf with "peace-of-mind" their 12G bundled data in the "SmartSurf" plans without any bill shock. Consequently, non-voice service as a percentage of ARPU was higher at 35.8% in 4Q-2010 and 35.5% for the full year, when compared to 32.4% and 30.8% of the corresponding periods last year.

For the quarter, Post-paid average monthly churn was 1.1%, down from 1.3% in 4Q-2009 as we started distributing the iPhone only in December 2009. For the full year, churn was maintained at 1.1% as in 2009.

Pre-paid mobile services

Against the corresponding periods last year, Pre-paid mobile services revenue was up 2% to S$65.5 million for the quarter and S$263.9 million for the full year, on account of the larger customer base.

For the quarter, there was 13K net addition to the Pre-paid mobile customer base. For the full year, customer base increased 130K to 1,109K registered customers as at 31 December 2010. This was 13% higher when compared to a year ago.

Pre-paid ARPU decreased to S$20 for the quarter and S$21 for the full year when compared to S$23 for both corresponding periods last year. The lower ARPU this year was due to decrease in voice and SMS usages. We chose not to further discount rates for certain IDD destinations which were already not profitable. While voice minutes were lower in the year, Pre-paid mobile data traffic grew on the back of multiple Pre-paid data plans promotions. Pre-paid mobile data traffic increased from 18K GBytes in 4Q-2009 to 46K GBytes this quarter, and was up by more than 4 times to 122K GBytes in 2010 when compared to last year. As a result, Pre-paid non-voice services as a percentage of Pre-paid ARPU rose to 15.4% for the quarter and 14.0% for the full year, compared to 12.6% and 11.9% in the corresponding periods last year.

Acquisition Cost per gross connection

For the quarter, the average blended acquisition cost per gross connection increased 10% to S$120 in 4Q-2010, and for the full year, was up 43% year-on-year to S$123 when compared to S$109 in 4Q-2009 and S$86 in 2009. The increase was due to a higher mix of the costlier iPhones and other smartphone devices in the blended cost.

Total mobile services

Overall, the Group's mobile services revenue was 8% higher at S$302.7 million for the quarter and S$1,181.3 million for the full year. As a percentage of overall revenue mix, Mobile services revenue accounted for 54.2% in 4Q-2010 and 52.8% for the full year period, up from 51.0% and 50.9% in the corresponding periods last year.

Pay TV Revenue

	Quarter ended 31 Dec				Year ended 31 Dec			
	2010	2009	Incr / (Decr)		2010	2009	Incr / (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Pay TV revenue	91.8	102.6	(10.8)	(10.5)	395.4	405.4	(10.0)	(2.5)

	Quarter ended			Year ended		YoY
	31 Dec	30 Sep	31 Dec	31 Dec		Incr/(Decr)
Pay TV operating statistics	2010	2010	2009	2010	2009	%
Number of residential Pay TV customers (in thousands)	538	537	539	538	539	(0.2)
ARPU (S$ per month)	48	50	56	52	56	(7.1)
Average monthly churn rate	1.2%	1.2%	1.0%	1.1%	1.0%	-
StarHub's penetration	45.8%	45.9%	46.7%	45.8%	46.7%	-

Pay TV revenue for the quarter was S$10.8 million or 11% lower at S$91.8 million when compared to 4Q-2009. This was because we adjusted the pricing of our monthly subscription plan for Sports Group from S$25 to S$12 in June 2010, some net churn of sports subscribers post BPL and higher promotional discounts to drive take-up for our home hubbing packs. Increasing take-up of our HD Hubstation and interactive set-top boxes rental helped to partially offset the fall in revenue. Consequently, Pay TV ARPU was lower at S$48 and S$52 for the quarter and full year periods respectively, down from S$56 recorded in both periods last year.

For the year, Pay TV revenue was S$395.4 million, which included the one-off subscription and advertising revenue from the FIFA World Cup event in June and July this year. Excluding the World Cup revenue, the 2010 Pay TV revenue would be 5% lower as compared to 2009, due to lower sports pricing and a decrease in subscribers, predominantly from the sports group.

During the quarter, the Group stepped up its marketing efforts to showcase our content richness and leadership in our Pay TV offering. This helped to stabilise our churn rate and we saw our Pay TV customer base grew 1K in 4Q-2010. For the quarter, Pay TV churn rate was 1.2% per month and for the year, average churn rate was 1.1%, compared to 1.0% in 2009. As at 31 December 2010, our Pay TV customer base totaled 538K, 1K lower when compared to a year ago.

Broadband Revenue

	Quarter ended 31 Dec				Year ended 31 Dec			
	2010	2009	Incr / (Decr)		2010	2009	Incr / (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Broadband revenue	59.0	59.1	(0.1)	(0.2)	236.0	240.5	(4.5)	(1.9)

	Quarter ended			Year ended		YoY
	31 Dec	30 Sep	31 Dec	31 Dec		Incr/(Decr)
Broadband operating statistics	2010	2010	2009	2010	2009	%
Number of residential broadband customers - subscription-based (in thousands)	422	412	400	422	400	5.5
ARPU (S$ per month)	46	47	49	47	51	(8.2)
Average monthly churn rate	1.1%	1.2%	1.1%	1.3%	1.2%	-

Broadband revenue for the quarter was S$59.0 million and for the full year, was S$4.5 million or 2% lower year-on-year at S$236.0 million. In the quarter, we managed to stabilise the decreasing revenue trend in Broadband amidst stiff pricing competition with the newly launched next generation broadband network (NBN) services.

The quarter saw aggressive pricing for the new NBN services by our competitors in the market as well as discount promotions including attractive laptops bundled as promotional give-aways to entice customers. We also stepped up our marketing promotions and for the quarter, net added 10K customers to our base. For the full year, our Broadband customer base grew 22K or 6% to 422K customers as at 31 December 2010.

This quarter's ARPU was lower due to discount offers as well as a higher mix of subscribers for our lower speed price plans. Broadband ARPU for the quarter at S$46 was S$3 down from 4Q-2009. For the full year, 2010 Broadband ARPU at S$47 was S$4 or 8% lower when compared to S$51 in 2009.

Average monthly churn for the quarter at 1.1% was at the same level as 4Q-2009. For the full year, churn averaged higher at 1.3% per month due to the exceptionally high churn rate in 2Q-2010, when compared to 1.2% in 2009.

Fixed Network Services Revenue

Fixed Network Services Revenue	Quarter ended 31 Dec				Year ended 31 Dec			
	2010	2009	Incr / (Decr)		2010	2009	Incr / (Decr)	
	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Data & internet	70.6	66.6	4.1	6.1	278.3	269.1	9.2	3.4
Voice services	14.4	12.2	2.2	18.1	53.4	48.5	4.9	10.2
Total	85.0	78.8	6.3	8.0	331.7	317.5	14.2	4.5

Year-on-year, Fixed Network services revenue increased 8% to S$85.0 million for the quarter and was S$14.2 million or 4% higher at S$331.7 million for the full year. The higher revenue was contributed by both Data & Internet and Voice services.

For the quarter, Data & Internet revenue grew 6% from S$66.6 million in 4Q-2009 to S$70.6 million in 4Q-2010 from increased subscription of international leased circuits, Internet and Backhaul services. For the year, Data & Internet at S$278.3 million in 2010 was S$9.2 million or 3% higher as compared to 2009. This was due to higher quantity of circuits sold amidst pricing erosion in this product segment.

This quarter's Voice services revenue at S$14.4 million was S$2.2 million or 18% above 4Q-2009. 62% of the increase was derived from higher IDD usage and higher interconnect revenue from international carriers. The balance 38% was attributed to higher revenue from other local voice services. Against last year, Voice services revenue in 2010 was 10% higher at S$53.4 million, mainly due to higher revenue from Digital Voice and other local voice services, in addition to higher interconnect revenue from international carriers.

Hubbing (Multi-Service Households)

Hubbing Metrics	As at 31 Dec 2010	30 Sep 2010	31 Dec 2009	YoY Incr/(Decr) %
Total Singapore occupied homes (in thousands, estimated) (1)	1,175	1,165	1,165	0.9
Total hubbing households with at least one service of post-paid mobile, pay TV and/or broadband services (in thousands)	790	791	784	0.8
Percentage of total hubbing households which subscribe to any two services	30.4%	30.6%	30.8%	(0.4)% pts
Percentage of total hubbing households which subscribe to all three services	25.3%	24.9%	23.7%	1.6% pts
Total hubbing households which subscribe to two or more services	55.7%	55.5%	54.5%	1.2% pts

Note:
(1) Source: Nielsen Media Research for 2010 estimates

As at 31 December 2010, total hubbing households stood at 790K. This was up by 6K or 1% when compared to last year. As a percentage of total occupied homes in Singapore, our hubbing households penetration ratio as at 31 December 2010 were stable at 67% when compared to a year ago.

Marketing promotions in this quarter continued to focus on increasing the take-up of multi-services by our customers. Hence, the number of households subscribing to more than one StarHub service grew from 54.5% last year to 55.7% as at 31 December 2010.

The total Hub Club customer base (Households with all 3 hubbing services) has expanded to 200K, up from 186K a year ago. As a percentage of overall hubbing households, our Hub Club ratio increased 1.6 percentage points to 25.3%.

Operating expenses

Operating expenses	Quarter ended 31 Dec 2010 S$m	2009 S$m	Incr / (Decr) S$m	%	Year ended 31 Dec 2010 S$m	2009 S$m	Incr / (Decr) S$m	%
Cost of sales	210.0	230.3	(20.4)	(8.8)	912.8	829.7	83.2	10.0
Other operating expenses	252.3	230.4	21.9	9.5	988.6	911.9	76.7	8.4
Total	462.3	460.8	1.6	0.3	1,901.4	1,741.6	159.9	9.2

Compared to 4Q-2009, total operating expenses for the quarter was higher at S$462.3 million. The higher expenses were mainly due to higher other operating expenses mitigated by decreases in cost of sales in the quarter. As a percentage of operating revenue, total operating expenses ratio was 82.7% in 4Q-2010, down from 83.8% in the same quarter last year.

For the full year, total operating expenses was S$159.9 million or 9% higher at S$1,901.4 million when compared to last year. The increase was attributable to 10% higher costs of sales and 8% higher other operating expenses in the year. As a percentage of operating revenue, total operating expenses was higher at 85.0% in 2010 as against 81.0% in 2009.

The breakdowns of the total operating expenses are as follows:

(A) Cost of sales

	Quarter ended 31 Dec				Year ended 31 Dec			
	2010	2009	Incr / (Decr)		2010	2009	Incr / (Decr)	
Cost of sales	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Cost of equipment sold	75.8	80.0	(4.2)	(5.3)	312.3	230.4	81.9	35.6
Cost of services	73.2	82.6	(9.4)	(11.4)	338.8	333.4	5.4	1.6
Traffic expenses	61.0	67.8	(6.7)	(9.9)	261.7	265.9	(4.2)	(1.6)
Total	210.0	230.3	(20.4)	(8.8)	912.8	829.7	83.2	10.0

Against 4Q-2009, this quarter's total cost of sales was 9% lower at S$210.0 million with reduction in cost from all cost components. As a ratio of operating revenue, cost of sales decreased from 41.9% in 4Q-2009 to 37.6% in 4Q-2010.

However for the full year, total cost of sales in 2010 was higher by 10% to S$912.8 million, with increase attributed to higher cost of equipment sold. As a percentage of operating revenue, total cost of sales ratio was higher at 40.8% in 2010 as compared to 38.6% in 2009.

Cost of equipment sold decreased by S$4.2 million or 5% year-on-year to S$75.8 million in 4Q-2010 from lower quantity of handsets sold, offset by higher average cost of handset. For the full year period, cost of equipment was at S$312.3 million, up from S$230.4 million last year. The increase in the full year's cost of equipment sold was largely attributed to higher quantity of smartphones sold and at higher average unit costs. The higher average handset cost for both the quarter and full year periods was mainly impacted by the costlier iPhones introduced since December 2009 and the higher mix of more expensive smartphones sold. As a percentage of operating revenue, cost of equipment sold was 13.6% for the quarter and 14.0% for the full year as compared to 14.5% and 10.7% recorded in the corresponding periods last year.

Against 4Q-2009, cost of services reduced by S$9.4 million or 11% to S$73.2 million in 4Q-2010. The decrease was attributed to lower programming costs with no BPL content costs included in this quarter's cost of services, partially offset by higher mobile content costs in this quarter. For the year, 2010 cost of services was up by 2% to S$338.8 million as compared to S$333.4 million last year. The 2010 World Cup content costs and increased costs from new and renewed programming contracts more than offset the costs from the non-carriage of BPL in 2nd half of 2010. Cost of services as a percentage of operating revenue trended lower to 13.1% in 4Q-2010 and for the full year was 15.1% when compared to 15.0% in 4Q-2009 and 15.5% in 2009.

For the quarter, traffic expenses amounted to S$61.0 million in 4Q-2010, 10% lower than 4Q-2009, and for the full year, decreased by S$4.2 million or 2% to S$261.7 million. The lower costs year-on-year were mainly attributed to lower interconnection rates with our carrier partners to deliver the higher traffic volume over the fixed and mobile networks. As a

percentage of operating revenue, traffic expenses ratio was 10.9% for the quarter and 11.7% for the full year, down from 12.3% and 12.4% in corresponding periods last year.

(B) Other operating expenses

	Quarter ended 31 Dec				Year ended 31 Dec			
	2010	2009	Incr / (Decr)		2010	2009	Incr / (Decr)	
Other operating expenses	S$m	S$m	S$m	%	S$m	S$m	S$m	%
Staff costs	64.6	49.4	15.2	30.8	249.9	201.5	48.3	24.0
Operating lease	37.1	35.8	1.3	3.6	146.2	144.8	1.4	0.9
Marketing and promotion	36.9	40.5	(3.6)	(8.9)	156.3	154.9	1.4	0.9
Allowance for doubtful receivables	4.6	2.9	1.8	61.0	18.4	13.1	5.4	41.0
Repair and maintenance	19.3	17.8	1.5	8.3	73.3	66.4	6.9	10.4
Other expenses	19.6	21.1	(1.5)	(7.2)	85.0	86.1	(1.0)	(1.2)
Sub total	182.1	167.5	14.6	8.7	729.1	666.8	62.3	9.3
Depreciation and amortisation	70.2	62.9	7.3	11.6	259.5	245.1	14.4	5.9
Total	252.3	230.4	21.9	9.5	988.6	911.9	76.7	8.4

Total other operating expenses went up by 10% year-on-year to S$252.3 million in 4Q-2010, and for the full year, increased 8% to S$988.6 million as compared to 2009. As a ratio of operating revenue, total other operating expenses increased from 41.9% in 4Q-2009 to 45.1% in this quarter, and for the full year, the 2010 ratio was higher at 44.2% as compared to 42.4% last year.

Staff costs

Against 4Q-2009, staff costs were up by S$15.2 million or 31% to S$64.6 million in 4Q-2010. The increase was for higher salaries on new hires and increase in staff to support new customer service centres and retail shops that commenced operations in the quarter. For the full year, staff costs increased by 24% year-on-year to S$249.9 million. Included in 2010 staff costs was an additional charge of S$12 million for 2009 bonus paid in March. Excluding this charge, 2010 staff costs would have increased by 18% as compared to 2009 due to higher staff count, higher salaries increment in the year as the economy recovers and lower Government job credits received in the 1st half of the year and none thereafter. Consequently, as a percentage of operating revenue, staff costs ratio trended higher at 11.6% in 4Q-2010 and 11.2% for the full year, up from 9.0% and 9.4% in the corresponding periods last year.

Operating lease

This quarter's operating lease increased by S$1.3 million or 4% year-on-year to S$37.1 million, and for the full year, operating lease at S$146.2 million was S$1.4 million or 1% higher as compared to 2009. The increase was attributed to higher international capacity leases and higher site rental costs for the expanded footprint for the fixed and mobile networks. The 2009 operating lease expenses included additional short term office lease extensions as the Group relocated to a new centralized building. As a percentage of operating revenue, operating lease ratio was 6.6% in 4Q-2010 and 6.5% for the full year.

Marketing and promotion

Marketing and promotion expenses for the quarter amounted to S$36.9 million, which was 9% lower when compared to 4Q-2009. There were higher expenses in 4Q-2009 for the

festive season and also the initial launch of the iPhone in December 2009 then. For the full year, marketing and promotion expenses rose by S$1.4 million or 1% to S$156.3 million in 2010 as compared to 2009. The increase was attributed to marketing promotions for FIFA World Cup 2010, in addition to more roadshows, marketing and promotional activities in the year to drive take-up of our multi-services, hubbing packs. As a percentage of operating revenue, marketing and promotion was 6.6% in 4Q-2010 and 7.0% for 2010, down from 7.4% and 7.2% in the corresponding periods last year.

Allowance for doubtful receivables

For the quarter and full year ended 31 December 2010, allowance for doubtful receivables amounted to S$4.6 million and S$18.4 million respectively, a year-on-year increase of 61% for the quarter and 41% for the full year period. As a percentage of service revenue, allowance for doubtful receivables was 0.9% for both the quarter and full year period, up from 0.6% last year. The higher general provision in current periods was in line with the higher receivables balance as a consequence of late billings and delay dunning as we migrated to a new business support system in the year.

Repair and maintenance

Compared to 4Q-2009, this quarter's repair and maintenance was S$1.5 million or 8% higher at S$19.3 million, and for the full year, increased by 10% to S$73.3 million as against S$66.4 million in 2009. The higher expenses year-on-year was due to increased maintenance costs to maintain the enlarged fixed asset base of our network infrastructure and information systems. As a ratio of operating revenue, repair and maintenance trended higher at 3.5% for the quarter and 3.3% for the full year when compared to 3.2% and 3.1% in the same periods last year.

Other expenses

Other expenses for the quarter were S$1.5 million or 7% lower at S$19.6 million as compared to S$21.1 million in 4Q-2009. This was attributed to higher network construction and cost recoveries which offset the higher exchange loss for mark-to-market revaluation adjustments on forward contracts, and increase in property tax and utilities expenses. On a full year basis, other expenses in 2010 decreased by 1% year-on-year to S$85.0 million on account of higher network construction and cost recoveries, lower license fees and fixed assets written off, offset by higher exchange loss on foreign exchange forward contracts, increase in professional fees and occupancy costs. As a percentage of operating revenue, other expenses decreased from 3.8% in 4Q-2009 and 4.0% in 2009 to 3.5% and 3.8% in the corresponding periods this year.

Depreciation and amortisation

For the quarter, depreciation and amortisation expenses increased 12% year-on-year to S$70.2 million. Besides the 7% year-on-year increase in gross fixed assets base for the Group, the higher charge in 4Q-2010 was also attributed to the commencement of depreciation of our new customer and business support system which became operational in the quarter. For the full year, depreciation and amortisation expenses were up by 6% to S$259.5 million as compared to last year, due to the expanded fixed asset base. As a percentage of operating revenue, depreciation and amortisation was 12.6% for the quarter and 11.6% for the full year as against 11.4% last year.

Liquidity and Capital Resources

	Quarter ended 31 Dec		Year ended 31 Dec	
	2010	2009	2010	2009
	S$m	S$m	S$m	S$m
Operating Activities				
Profit before taxation	92.8	83.6	317.5	385.2
Non-cash items & net finance expenses adjustments	75.8	69.0	288.6	274.6
Net change in working capital	27.6	(13.6)	63.5	32.6
Net cash from operating activities	**196.2**	**139.0**	**669.6**	**692.4**
Investing Activities				
Proceeds from disposal of fixed assets	0.1	0.0	2.1	0.7
Purchase of fixed assets	(106.8)	(56.8)	(272.1)	(231.4)
Interest received	0.1	0.4	1.8	0.8
Net cash used in investing activities	**(106.6)**	**(56.4)**	**(268.2)**	**(229.9)**
Financing Activities				
Proceeds from issue of shares	0.3	0.5	2.2	2.4
Finance expenses paid	(3.4)	(2.1)	(26.8)	(24.4)
Grants received	25.0	-	60.0	-
Proceeds from loans	-	-	200.0	200.0
Repayment of loans	(35.0)	-	(290.4)	(217.9)
Dividends paid	(85.8)	(85.6)	(343.1)	(316.7)
Net cash used in financing activities	**(98.9)**	**(87.3)**	**(398.1)**	**(356.6)**
Net change in cash and cash equivalents	**(9.3)**	**(4.7)**	**3.3**	**105.9**
Cash and cash equivalents at beginning of the period	246.8	238.9	234.2	128.3
Cash and cash equivalents at end of the period	**237.5**	**234.2**	**237.5**	**234.2**
Free Cash Flow [(1)]	**89.4**	**82.2**	**397.5**	**461.0**

Note:
(1) Free Cash Flow refers to net cash flow from operating activities less purchase of fixed assets in the cash flow statement

Compared to 4Q-2009, this quarter's net cash from operating activities was S$57.2 million higher at S$196.2 million, due mainly to a positive change in working capital of S$27.6 million this quarter compared to a negative change in working capital of S$13.6 million in 4Q-2009. This quarter's positive change in working capital was contributed by increase in trade payables and accruals, and lower trade receivables. For the year, net cash from operating activities in 2010 was S$22.8 million lower at S$669.6 million, as a result of lower profits in the 1st half of the year. This was mitigated by a higher positive change in working capital of S$63.5 million due mainly to timing of payments and collections.

Total capex payments in 4Q-2010 increased to S$106.8 million for payment for IT systems and mobile network infrastructure projects completed. For the full year, total capex payments were S$272.1 million or 12.2% of overall operating revenue.

With improved cash flow from operations this quarter, free cash flow was higher at S$89.4 million in 4Q-2010. However for the full year, free cash flow was lower at S$397.5 million due to the lower profitability in the 1st half of the year.

As at 31 December 2010, the Group's total outstanding capital expenditure commitments amounted to S$137.4 million, down from S$219.5 million last year which then had included commitments for the customer management information system and network central offices for the next generation fiber broadband network infrastructure. These were mostly completed during the year. The current outstanding capital expenditure commitments of S$137.4 million comprised principally of capital expenditure commitments for the expansion and upgrades of our fixed and mobile network infrastructure, investment in set- tops, and NBN infrastructure rollout by our subsidiary.

For the quarter, total net cash outflow from financing activities at S$98.9 million was S$11.6 million higher compared to 4Q-2009. The higher cash outlay included S$35.0 million of scheduled bank loans repayment, partially offset by grant receipts of S$25.0 million for the NBN project. For the full year, the total net cash outflow from financing activities was higher at S$398.1 million, which included higher loan repayments totaling S$290.4 million, and dividends payments totaling S$343.1 million, mitigated by grant receipts of S$60.0 million.

As at 31 December 2010, the Group's cash and cash equivalents was marginally higher at S$237.5 million compared to S$234.2 million a year ago.

Gearing

Compared to last year, the Group's gross debts as at 31 December 2010 were S$90.4 million or 10% lower at S$805.4 million. After netting off the cash balance of S$237.5 million, net debt amounted to S$567.9 million as at 31 December 2010, which was 14% lower than last year. As a ratio of 2009 EBITDA, the Group's net debt to EBITDA ratio improved from last year's level of 1.01 times to 0.87 times this year.

Statement of Financial Position

As at 31 December 2010, the Group's non-current assets amounted to S$1,232.1 million. Compared to a year ago, the increase of S$25.9 million was primarily due to higher net book values for fixed assets due to assets additions, and partially offset by lower deferred tax assets.

Total current assets increased from S$526.4 million a year ago to S$561.4 million as at 31 December 2010, on account of higher trade receivables and inventory, offset by lower other receivables, deposits and prepayments, and balances due from related parties. Trade receivables was up by S$48.6 million or 39% to S$173.9 million as at 31 December 2010, mainly due to late billings and delay in dunning as we migrate to a new business support system in 2010.

Compared to 31 December 2009, this year's total current liabilities was higher at S$1,073.1 million, with 41% of the increase attributed to higher trade payables and accruals, and the balance increase due to higher other payables, current portion of bank loans outstanding and provision for taxation.

Total non-current liabilities decreased from S$681.3 million last year to S$666.4 million as at 31 December 2010. This comprised a lower balance of the non-current portion of bank loans, offset by increased balances in deferred tax liabilities, deferred income and other payables.

As at 31 December 2010, the Group's shareholders' equity totaled S$54.0 million, down from S$125.8 million last year. During the year, the Company paid out a total of S$343.1 million of dividends on the back of total comprehensive income of S$300.7 million generated in 2010.

14. ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

For the full year ended 31 December 2010, the Group's overall operating revenue was up 4.1% year-on-year. This was in line with our guidance of low single digit revenue growth for 2010.

As a percentage of service revenue, 2010 EBITDA margin was 28.1%, on target with our guidance of full year EBITDA margin to be around 28% of service revenue.

Capex payments for the full year totaled 12.2% of operating revenue, in line with our guidance on 2010 capex payment not exceeding 14% of operating revenue.

15. GROUP OUTLOOK

In the recent announcement by the Ministry of Trade and Industry, the Singapore economy is projected to expand between 4%-6% in 2011. This positive outlook for the economy will boost sentiments in 2011.

In Mobile, we expect the demand for data to grow further, reinforced by the proliferation of smartphones, tablets and other smart devices. We expect to see an increasing number of smartphone users and introduction of lower cost smartphones.

In the PayTV space, the cross carriage measure for exclusive content is expected to be implemented in 2011. We will take into consideration this measure in our content acquisition strategy going forward.

The NBN will be progressively rolled out in 2011 and is estimated to reach 95% nationwide coverage by 2012. This will result in a more competitive broadband market as well as new opportunities for us.

Based on the current outlook, we expect Group operating revenue for 2011 to grow 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, we expect to maintain the cash dividend payout at 5 cents per ordinary share per quarter.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our 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 our intentions, plans, expectations,

assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this release with caution.

16. DIVIDENDS

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(c) Date payable

The Directors have proposed a final dividend of 5 cents per ordinary share, tax exempt (1-tier) for approval by shareholders at the forthcoming annual general meeting to be convened. Details on payment of dividend will be announced in due course.

(d) Book closure date

Details on closure of books will be announced in due course.

17. IF NO DIVIDEND HAVE BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT

Not applicable.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT PURSUANT TO SGX APPENDIX 7.2 PART II

1. SEGMENT REPORTING

	2010 S$m	2009 S$m
Mobile	1,181.3	1,094.0
Pay TV	395.4	405.4
Broadband	236.0	240.5
Fixed network services	331.7	317.5
Sale of equipment	93.3	92.6
Operating revenue	**2,237.7**	**2,150.0**
EBITDA	601.8	653.5
Depreciation & amortisation (net of asset grants)	(259.5)	(245.1)
Finance income	1.8	0.8
Finance expenses	(26.6)	(24.0)
Profit before taxation	**317.5**	**385.2**
Taxation	(54.3)	(65.5)
Profit for the year	**263.2**	**319.7**
Assets and liabilities		
Non-current assets	1,232.1	1,206.2
Current assets	561.4	526.4
Total assets	**1,793.5**	**1,732.6**
Bank loans	805.4	895.8
Other non-current liabilities	191.4	75.9
Current liabilities	742.7	635.1
Total liabilities	**1,739.5**	**1,606.8**
Other information		
Capital expenditure	293.8	227.1
Free cash flow (1)	397.5	461.0

Note:
(1) Free Cash Flow refers to net cash flow from operating activities less purchase of fixed assets in the cash flow statement

2. SEGMENT PERFORMANCE

For review of the segment performance, please refer to Section 13 "Review of Group Performance".

3. BREAKDOWN OF SALES

	2010 S$m	2009 S$m	Incr / (Decr) S$m	Incr / (Decr) %
Operating revenue reported for first half year	1,126.5	1,063.0	63.5	6.0
Operating profit after tax before deducting minority interests reported for first half year	100.7	160.3	(59.5)	(37.2)
Operating revenue reported for second half year	1,111.3	1,087.1	24.2	2.2
Operating profit after tax before deducting minority interests reported for second half year	162.5	159.4	3.0	1.9

4. TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE LATEST FULL YEAR AND PREVIOUS FULL YEAR

	Year ended 31 Dec 2010 S$m	2009 S$m
Ordinary shares (include proposed final dividend)	343.1	325.4
Preference shares	-	-
Total Annual Dividend	**343.1**	**325.4**

INTERESTED PERSON TRANSACTIONS

	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S$100,000) 1 January to 31 December 2010 S$m
Transactions for the Sale of Goods & Services	
Singapore Telecommunications Limited & its associates	68.0
TeleChoice International Ltd & its associates	3.1
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	7.6
	78.8
Transactions for the Purchase of Goods & Services	
Capitaland Limited & its associates	9.8
Singapore Power Limited & its associates	25.6
Singapore Telecommunications Limited & its associates	144.5
STT Communications Ltd and its associates	1.6
TeleChoice International Ltd & its associates	90.6
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	4.4
	276.5

There are no interested person transactions (excluding transactions less than S$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) entered into by StarHub Ltd and its subsidiaries for the period 1 January to 31 December 2010.

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of the Company
StarHub Ltd

Report on the financial statements

We have audited the accompanying financial statements of StarHub Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2010, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group, and the income statement and statement of comprehensive income and statement of changes in equity of Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS50.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, the income statement and statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and the results, changes in equity and cash flows of the Group and the results and changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
11 February 2011