StarHub 4Q & FY2010 Results

11 February 2011

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.

Management Team



TAN Tong Hai
COO



Neil MONTEFIORE
CEO



KWEK Buck Chye
CFO

Agenda

- 4Q2010 Highlights
- Financial Overview
- Business Highlights
- FY2011 Outlook

4Q2010 Highlights

Financial Overview

Business Highlights

FY2011 Outlook

Overview (FY-2010 vs FY-2009)

- **Financial:**
  - Operating revenue increased 4%
  - Service revenue rose 4%
  - EBITDA margin at 28.1%
- **Operational:**
  - Mobile growth:
    - ✓ Total revenue 8%
    - ✓ Total customer base 12%
  - Pay TV business stable
  - Broadband customer base grew 6%
  - Fixed Network Services revenue rose 4%

Key Financial Highlights

S$ million	4Q-2010	4Q-2009	Change	FY-2010	FY-2009	Change
Operating Revenue	**559**	550	2%	**2,238**	2,150	4%
Service Revenue	**539**	521	3%	**2,144**	2,057	4%
EBITDA	**170**	152	12%	**602**	654	-8%
EBITDA Margin	**31.5%**	29.2%	2.4% pts	**28.1%**	31.8%	-3.7% pts
Taxation	**(12)**	(9)	-32%	**(54)**	(66)	17%
Net Profit After Tax	**80**	74	8%	**263**	320	-18%
Capex Cash Payments	**107**	57	-88%	**272**	231	-18%
% of Capex to Revenue	**19**	10	-9% pts	**12**	11	-1% pts
FCF / Fully Diluted Share	**5.2¢**	4.8¢	9%	**23.1¢**	26.8¢	-14%
Net Debt to annualised EBITDA ratio	**0.94x**	1.01x	0.07x	**0.94x**	1.01x	0.07x

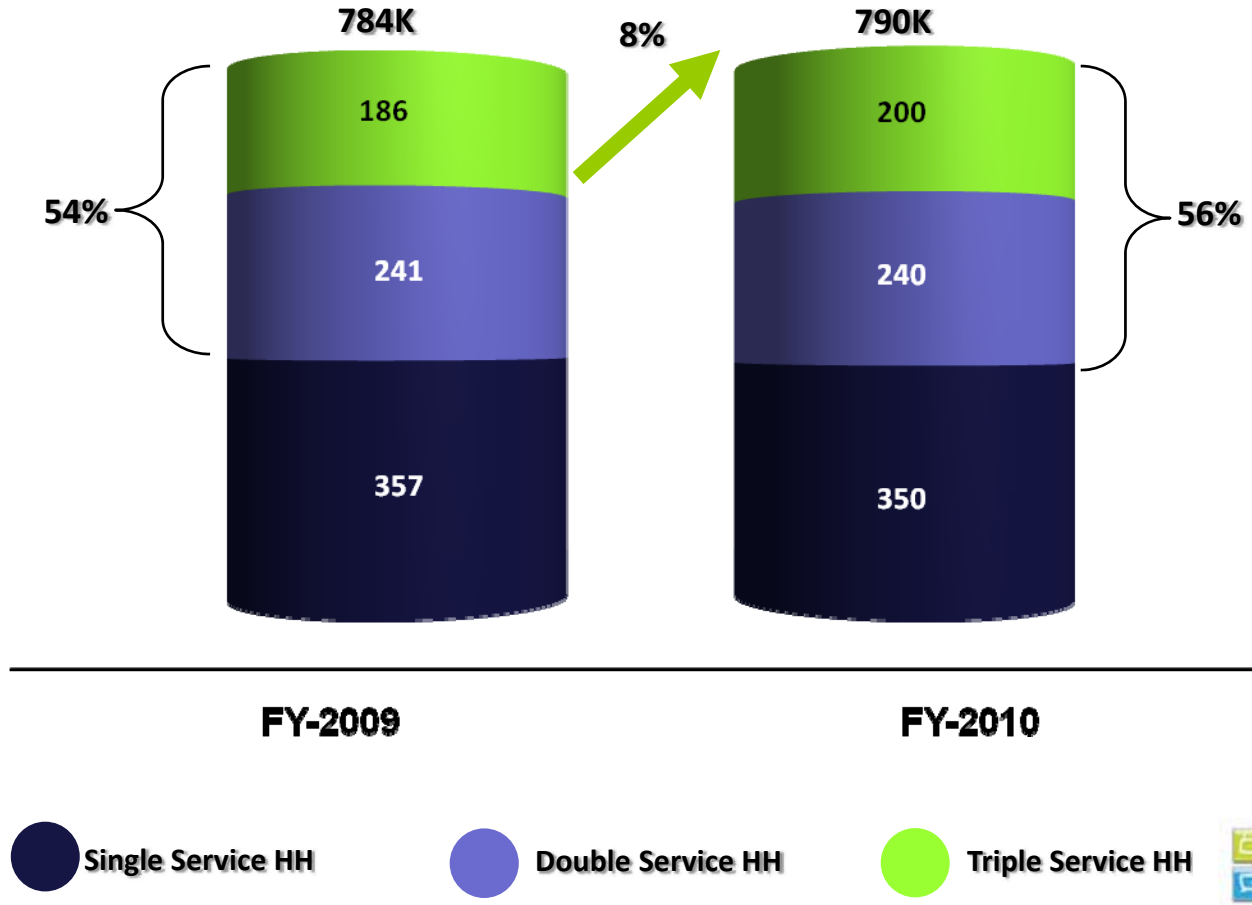
Note: Numbers may not add up due to rounding.

Business Expansion (FY-2010 vs FY-2009)

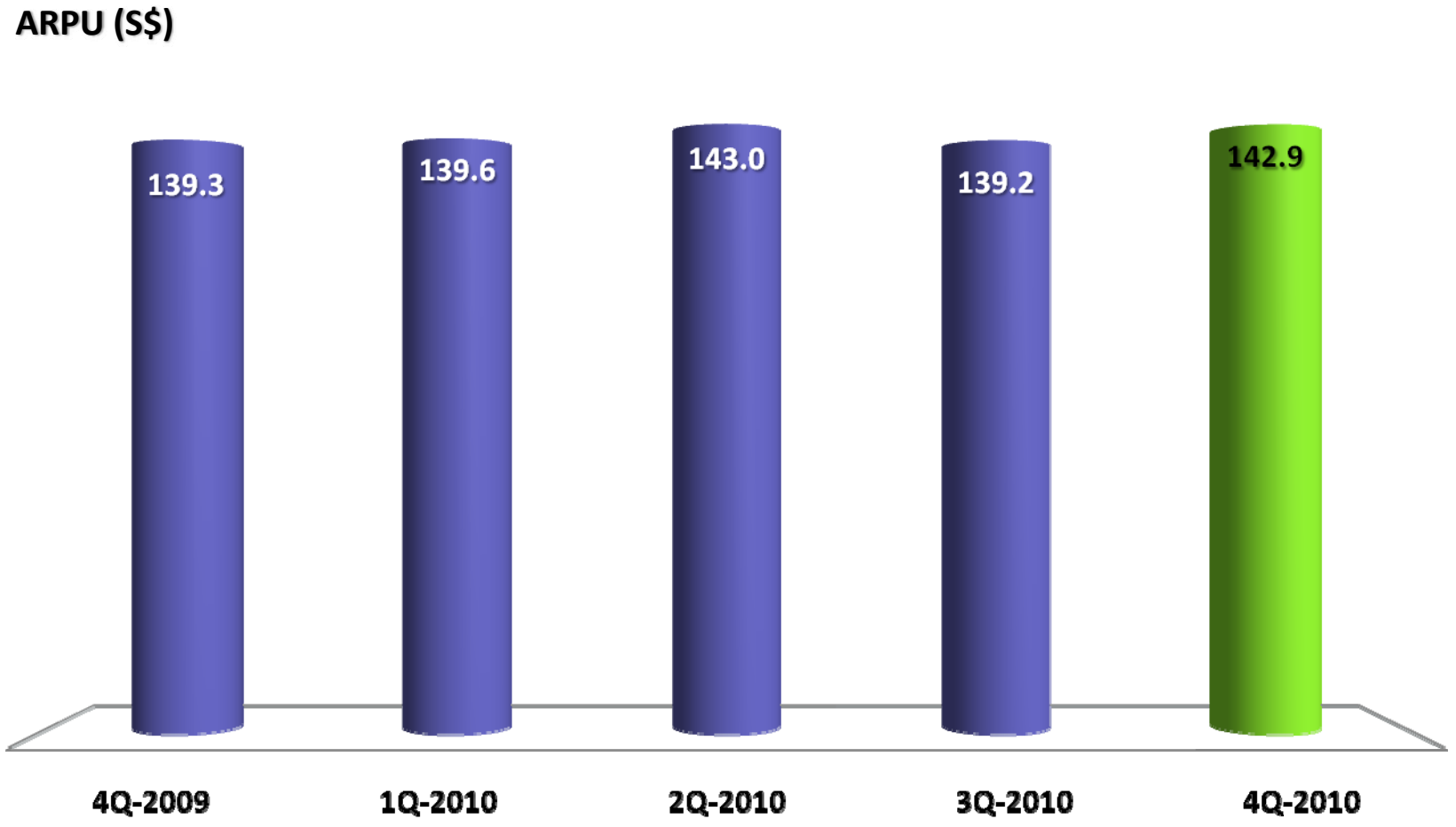
Line of Business	Service Revenue	Customer Base
Mobile (53% of revenue mix)	8% Pre-paid (2%) Post-paid (10%)	12% Pre-paid (13%) Post-paid (10%)
Pay TV (18% of revenue mix)	(2)%	0%
Cable Broadband (11% of revenue mix)	(2)%	6%
Fixed Network Services (15% of revenue mix)	4% Data & Internet (3%) Voice (10%)	

Hubbing Scorecard

Expanding Hubbing Households ('000)



Total Households ARPU



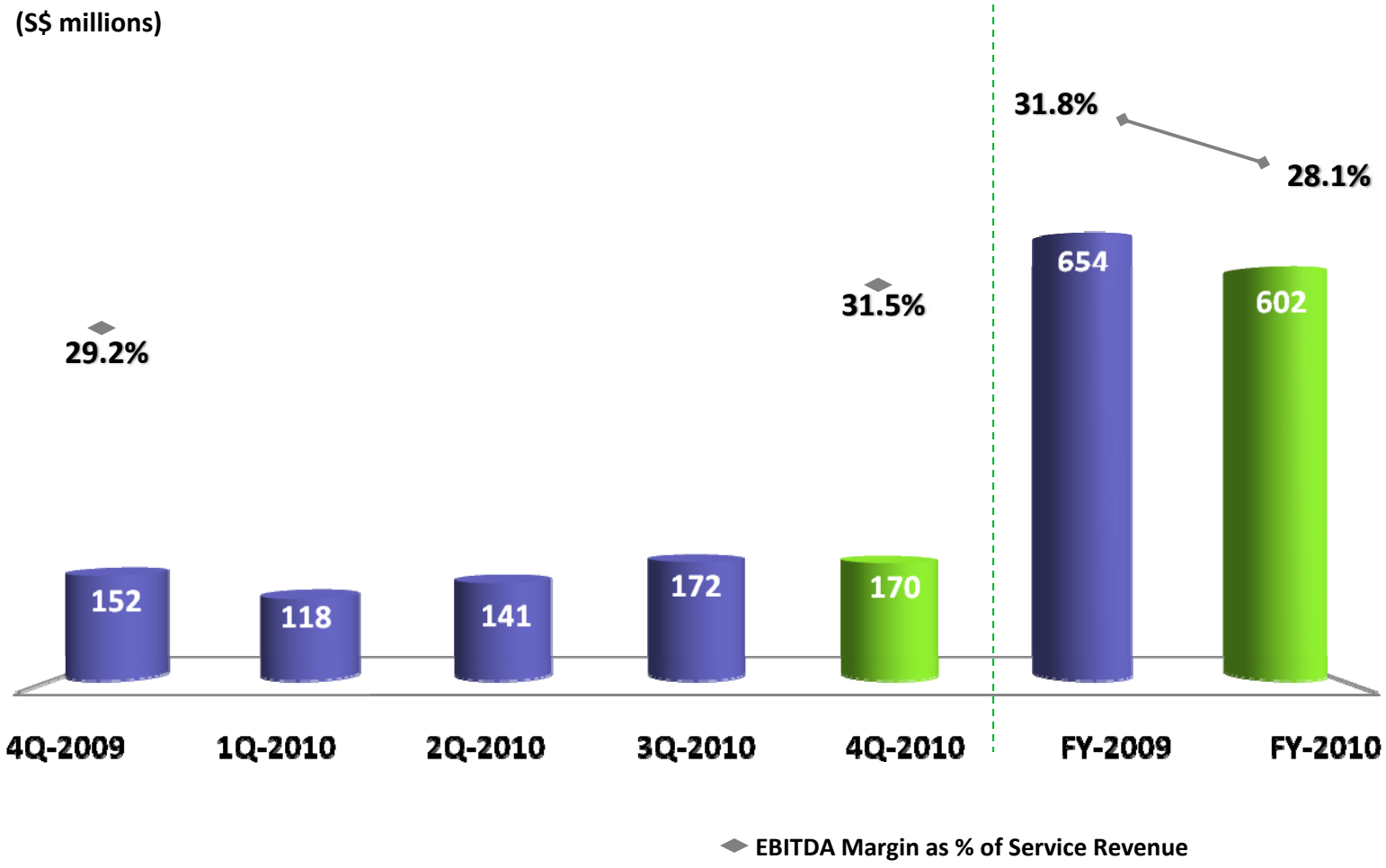
4Q2010 Highlights

Financial Overview

Business Highlights

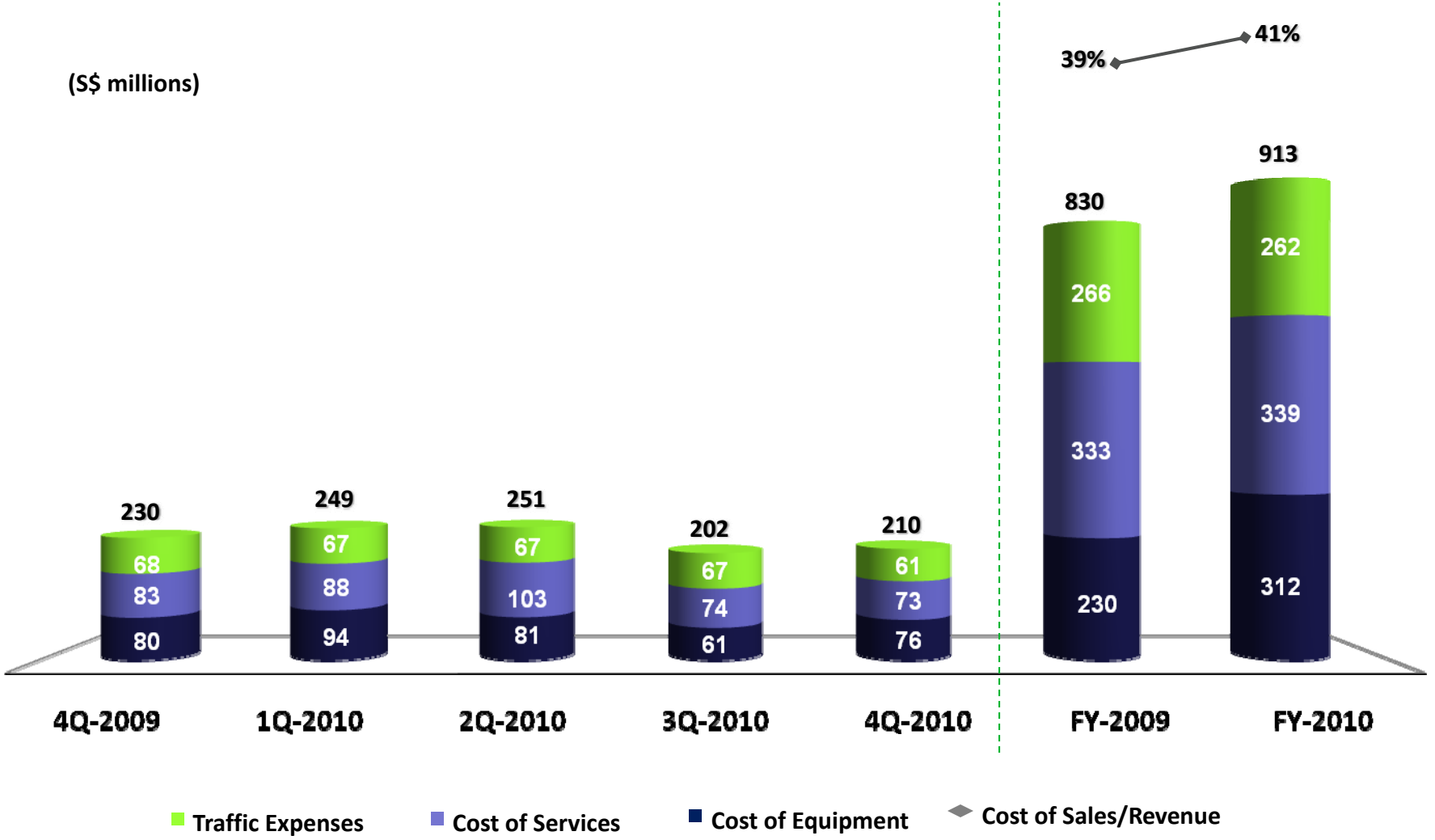
FY2011 Outlook

EBITDA & EBITDA Margin



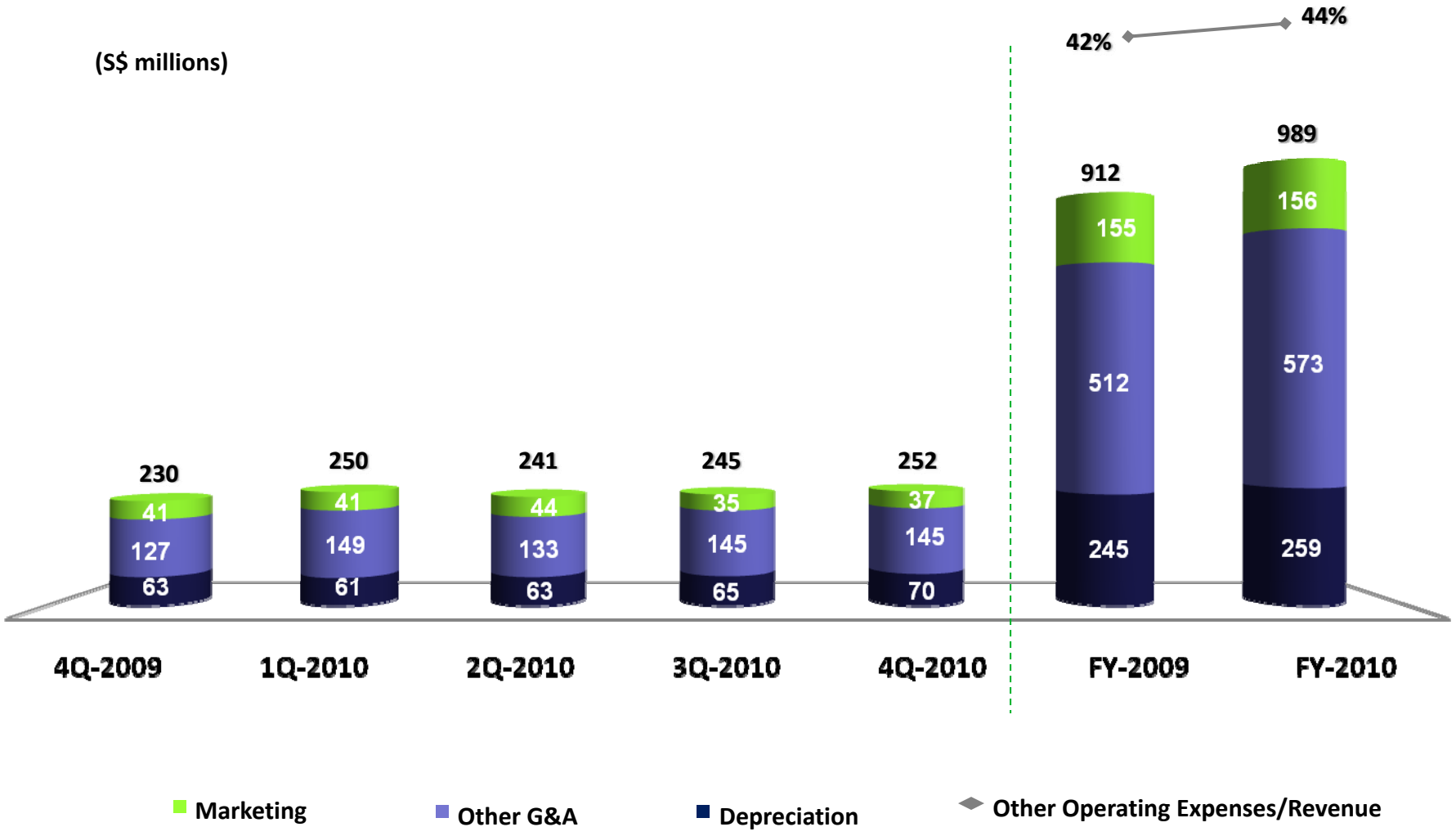
Note: Numbers may not add up due to rounding.

Cost Of Sales



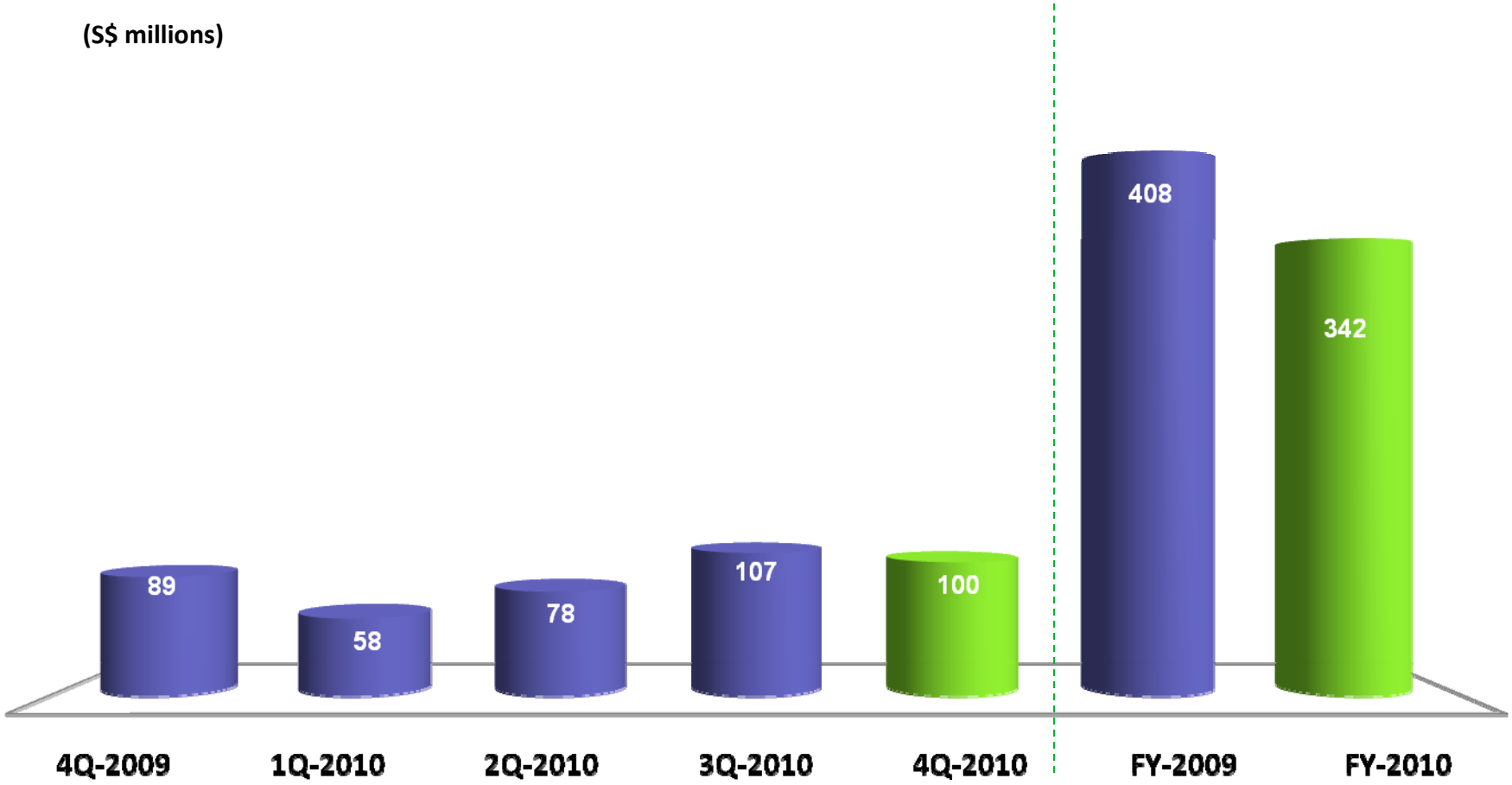
Note: Numbers may not add up due to rounding.

Other Operating Expenses



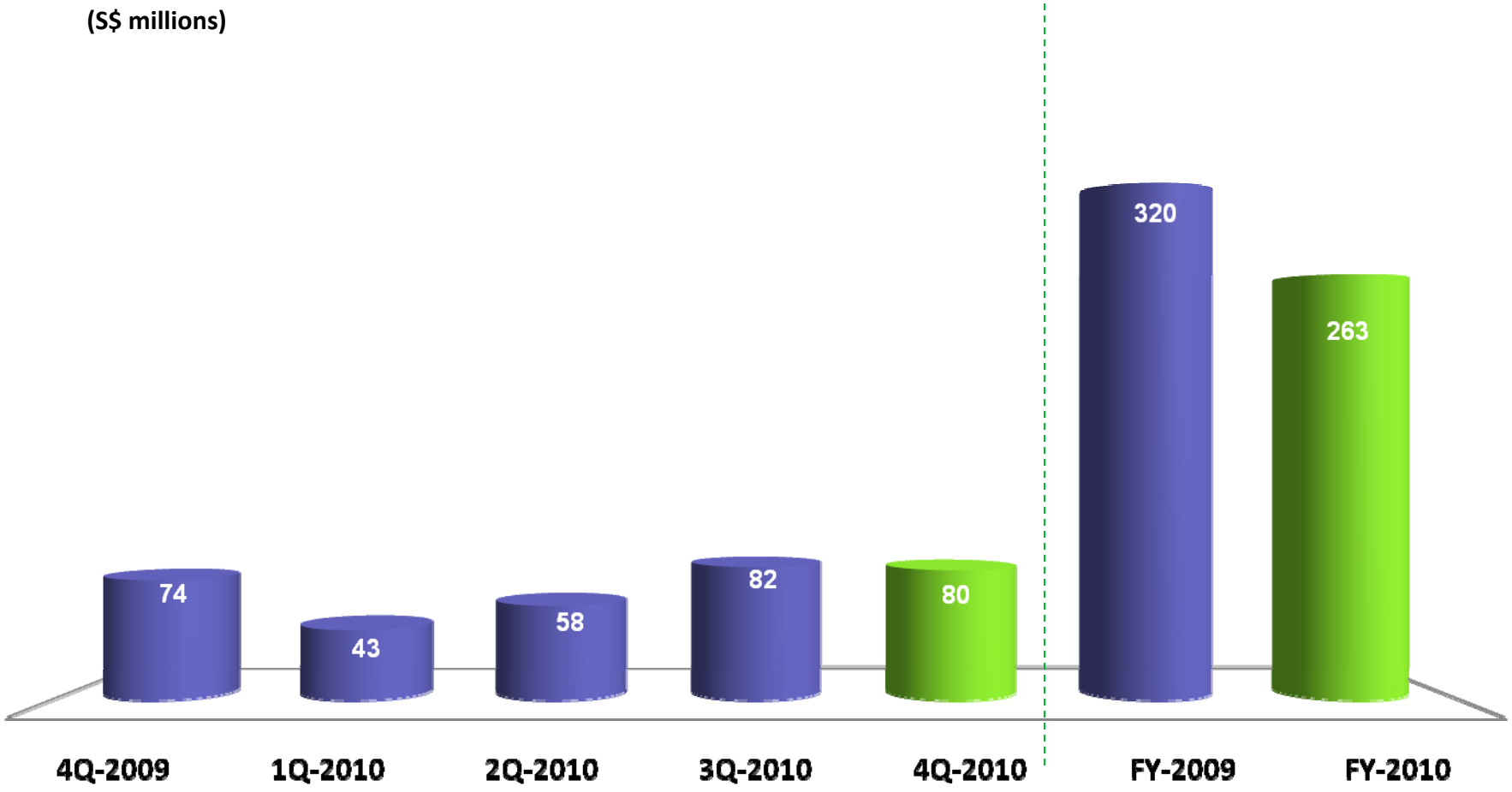
Note: Numbers may not add up due to rounding.

Profit From Operations

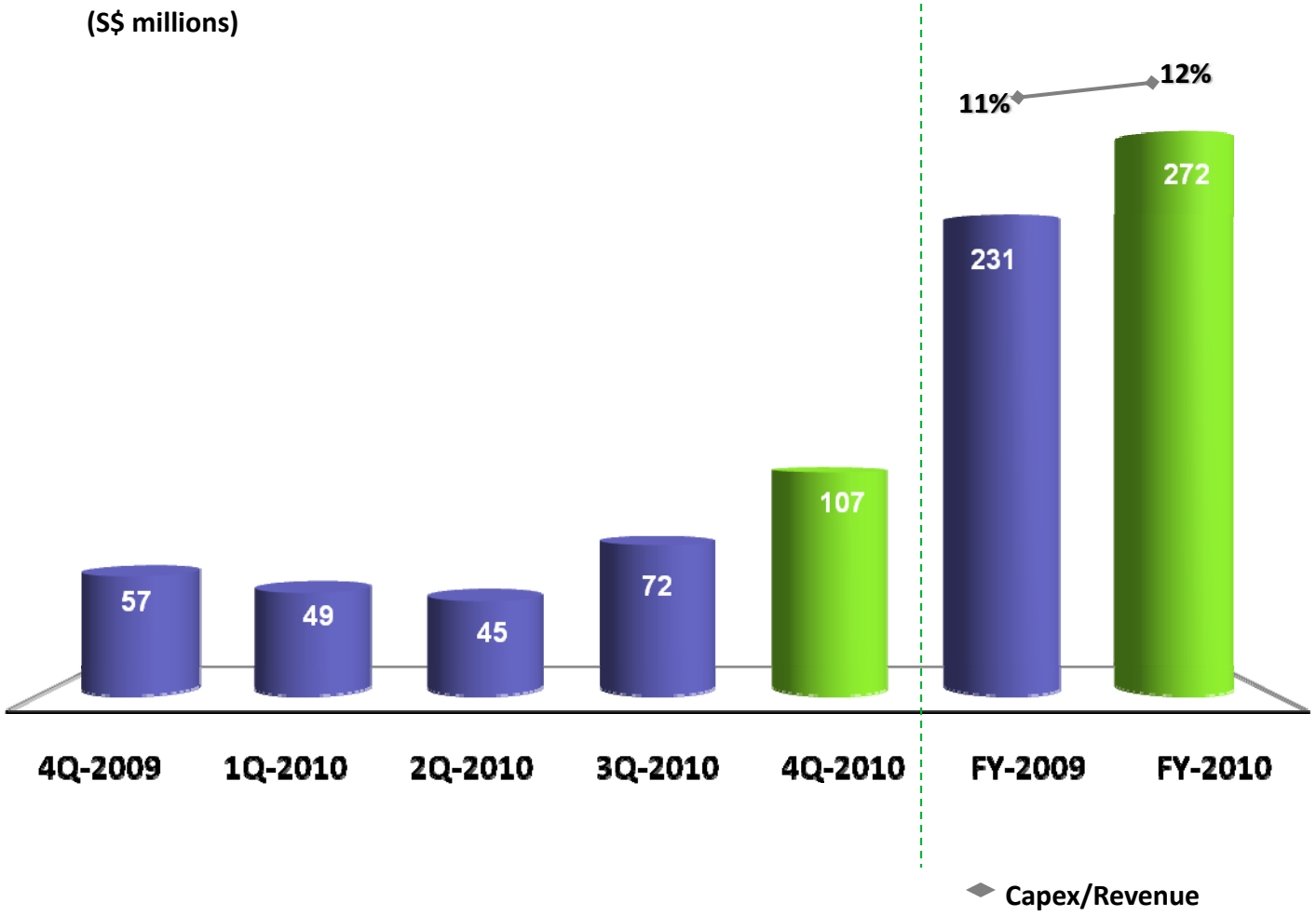


Note: Numbers may not add up due to rounding.

Net Profit After Tax



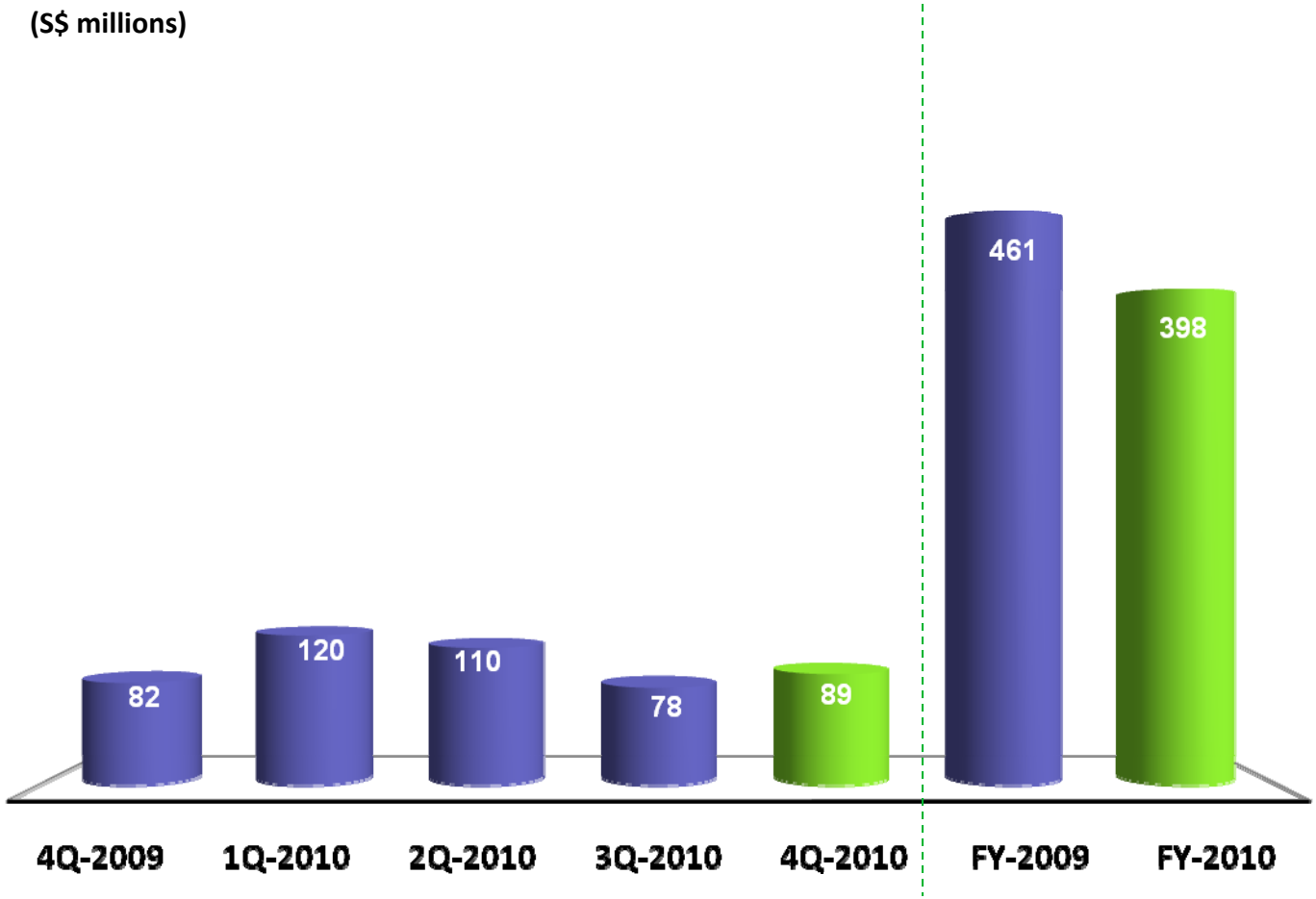
Capex (cash payments)



Note: Numbers may not add up due to rounding.

Free Cash Flow

(S$ millions)



Note: Numbers may not add up due to rounding.

4Q2010 Highlights

Financial Overview

Business Highlights – Mobile

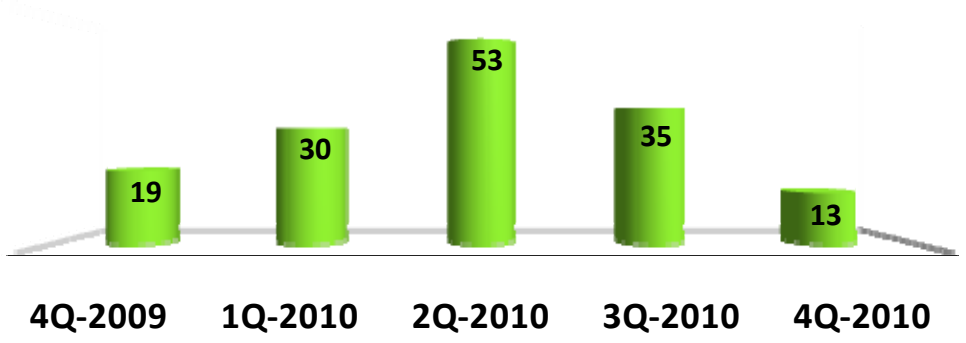
FY2011 Outlook

Mobile (FY-2010 vs FY-2009)

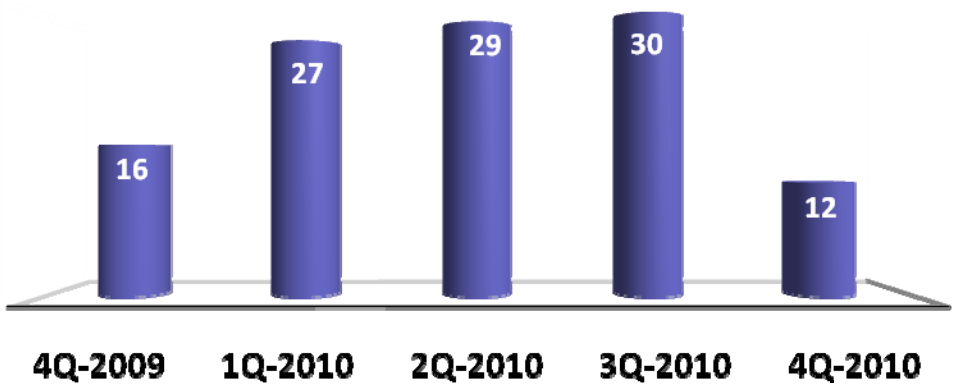
- **Added 227k customers**
- **Post-paid ARPU increased to $72**
- **Non-voice services as % of post-paid ARPU at 35.5%**

Mobile Net Adds

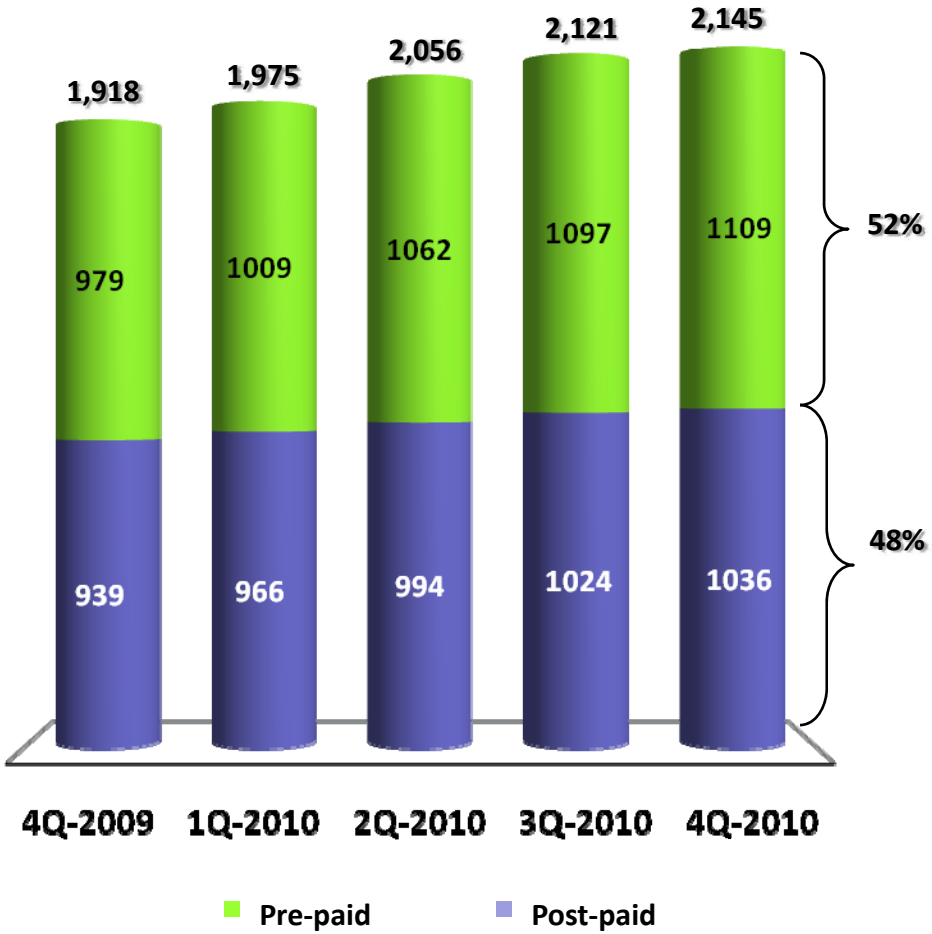
Pre-paid Net Adds ('000)



Post-paid Net Adds ('000)

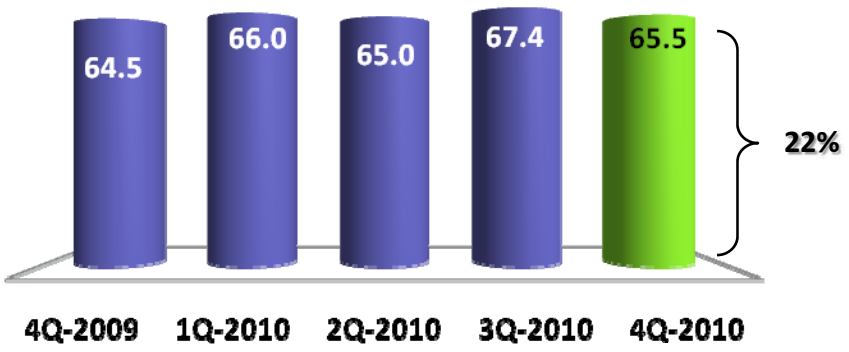


Customers ('000)

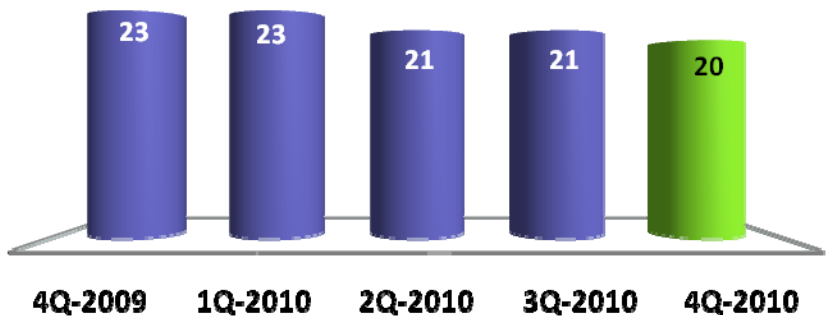


Mobile Revenue & ARPU

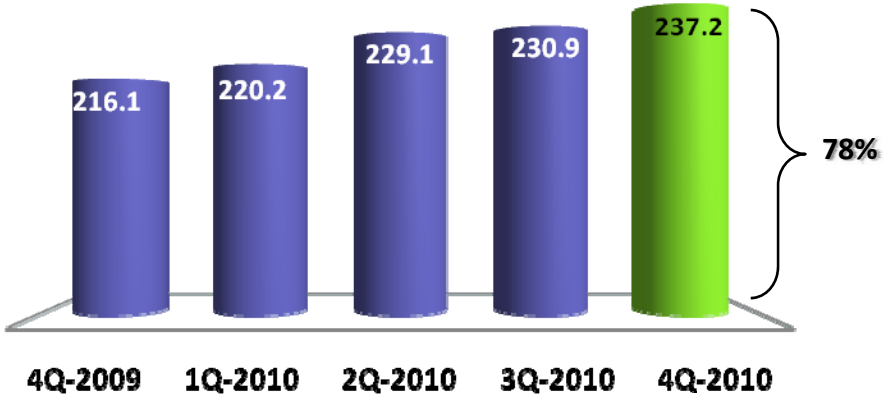
Pre-paid Revenue (S$M)



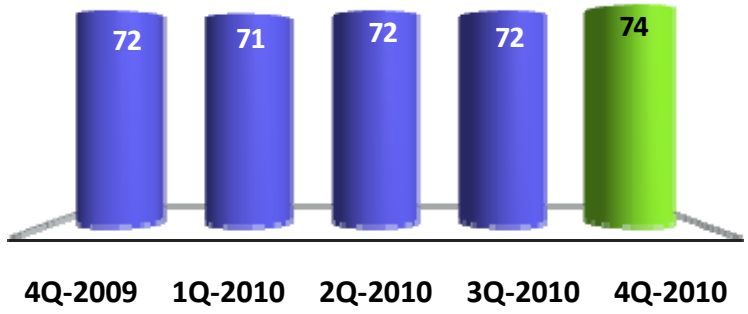
Pre-paid ARPU (S$ per month)



Post-paid Revenue (S$M)

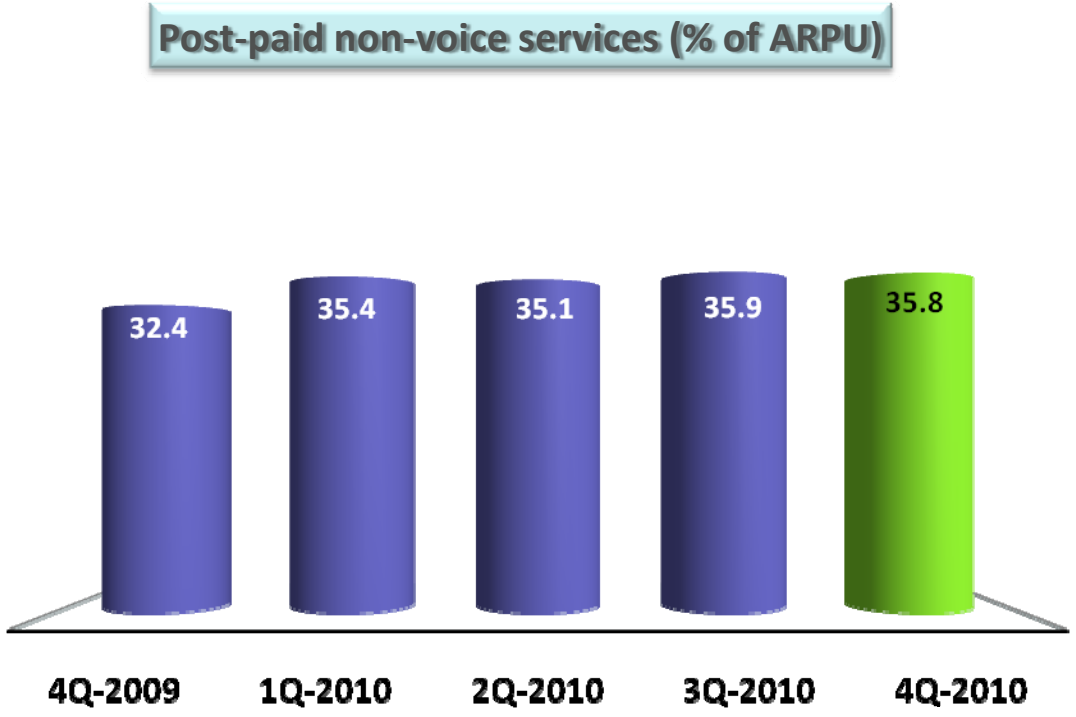


Post-paid ARPU* (S$ per month)



*** Restated to exclude free promotional bundled dongles**

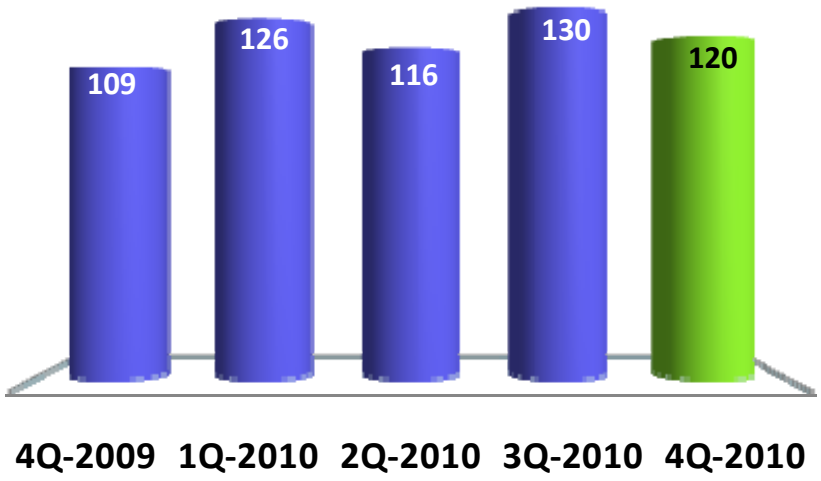
Mobile Non-Voice Services



Mobile Acquisition Costs & Churn Trend

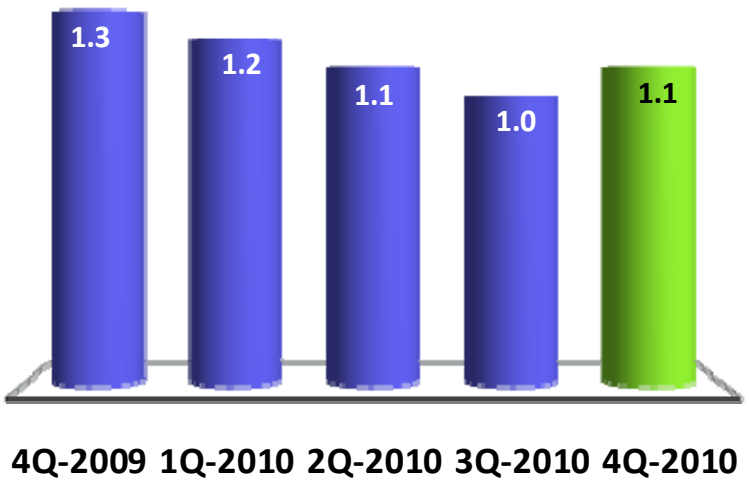
Average Acquisition Costs*

Per Gross Connection (S$)



Monthly Churn Rate (Post-paid)

(%)



* Restated to exclude free promotional bundled dongles

4Q2010 Highlights

Financial Overview

Business Highlights – Pay TV

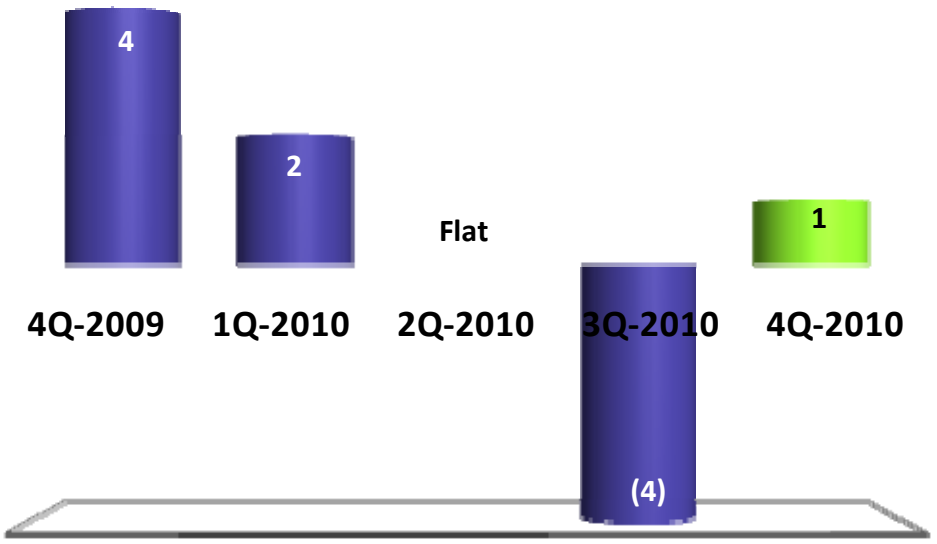
FY2011 Outlook

Pay TV (FY-2010 vs FY-2009)

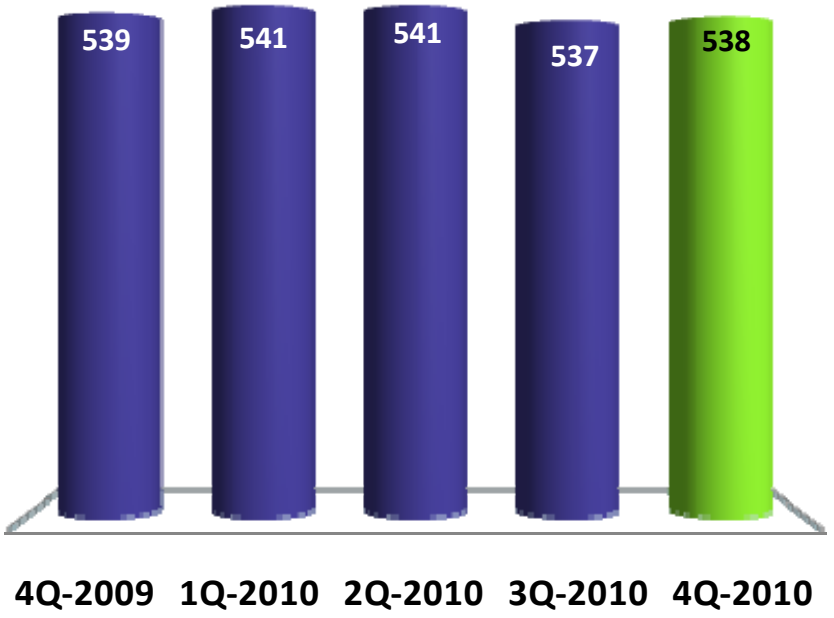
- Customer base maintained
- ARPU decreased to $52
- Revenue decreased 2%

Pay TV Net Adds

Net Adds ('000)

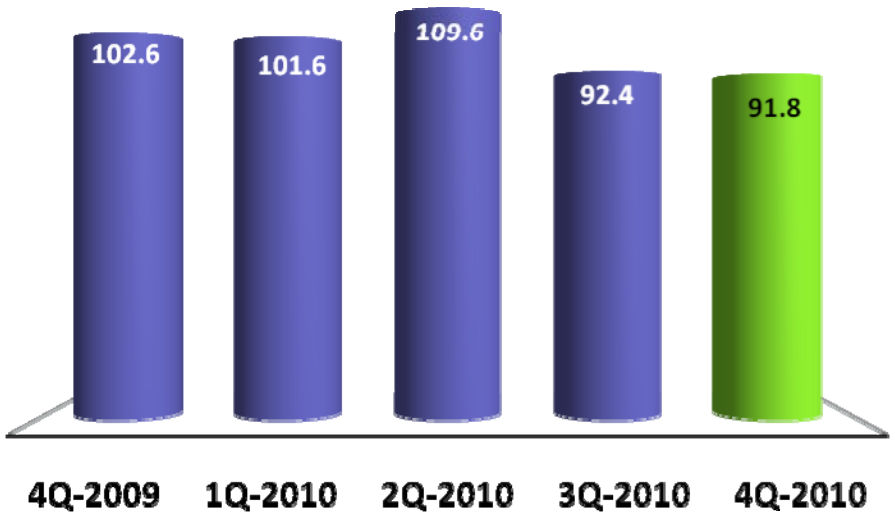


Customers ('000)

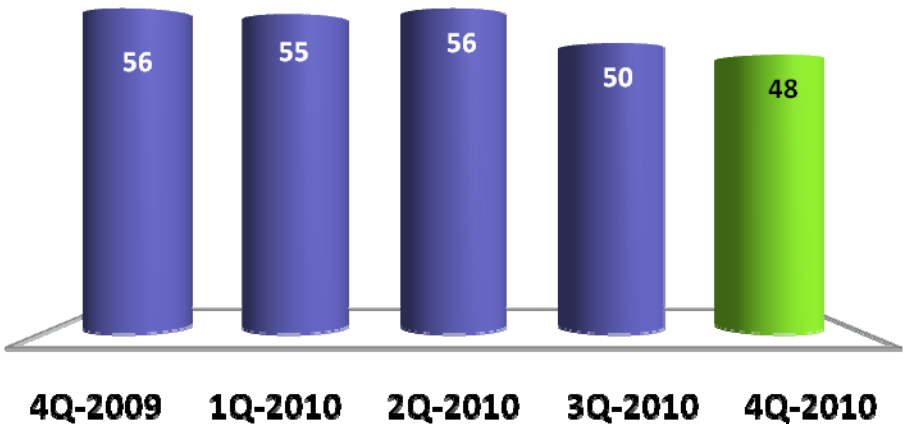


Pay TV Revenue & ARPU

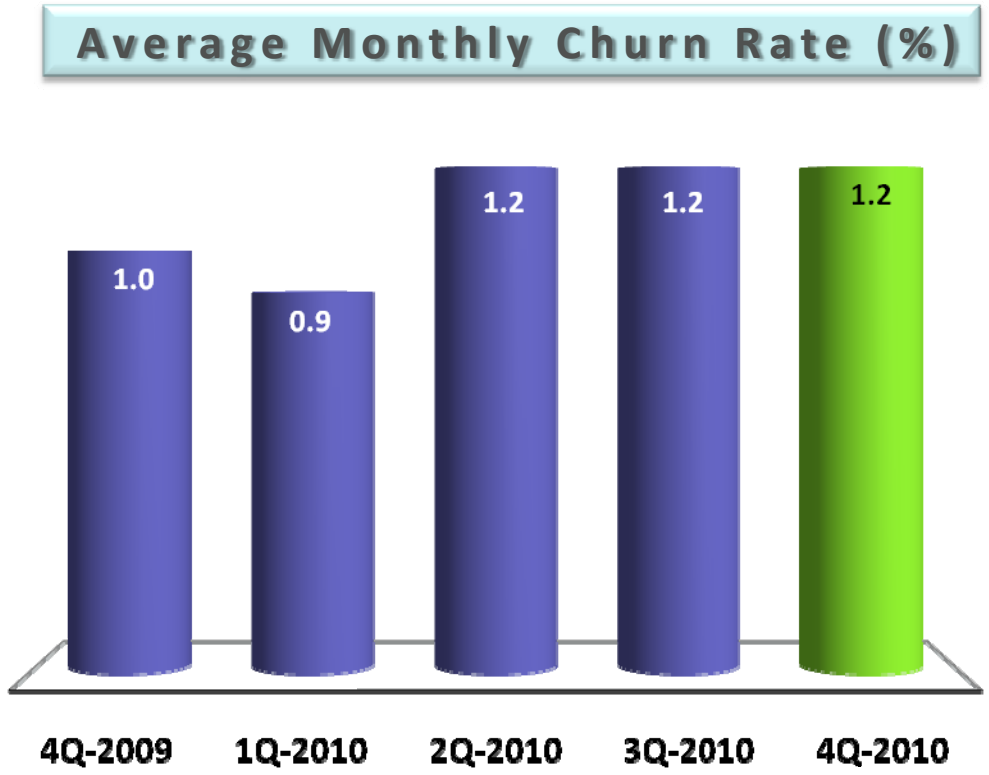
Pay TV Revenue (S$M)



Pay TV ARPU (S$ per month)



Pay TV Churn


Average Monthly Churn Rate (%)
1.0
0.9
1.2
1.2
1.2
4Q-2009
1Q-2010
2Q-2010
3Q-2010
4Q-2010

4Q2010 Highlights

Financial Overview

Business Highlights – Residential Broadband

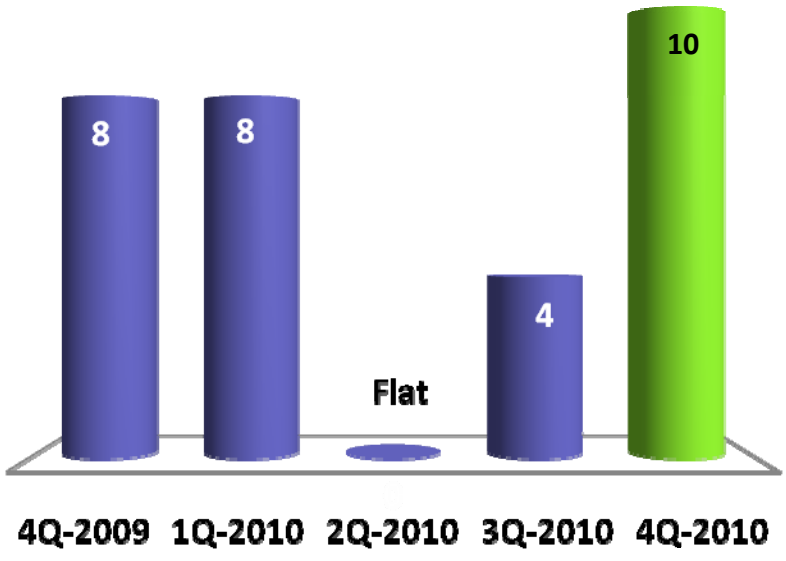
FY2011 Outlook

Broadband (FY-2010 vs FY-2009)

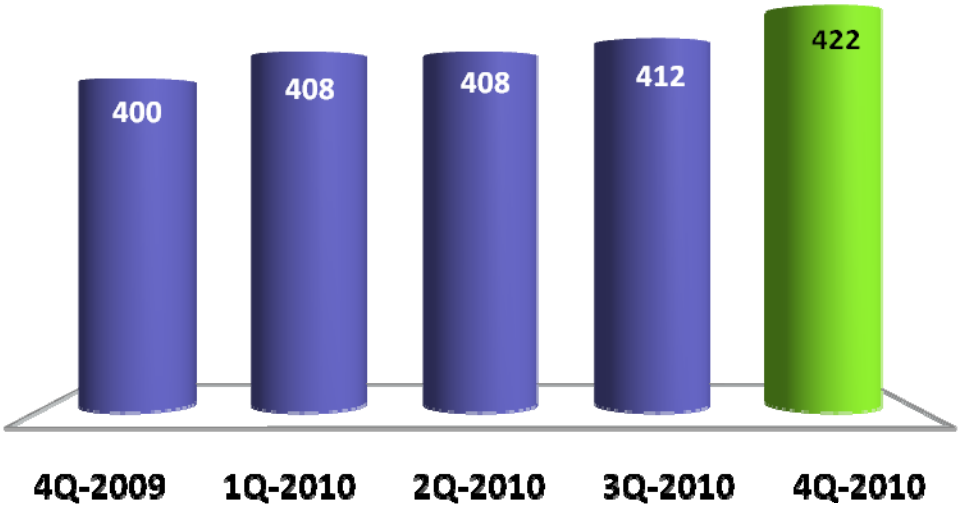
- Added 22k customers
- ARPU decreased to $47
- Revenue decreased 2%

Residential Broadband Net Adds

Net Adds ('000)

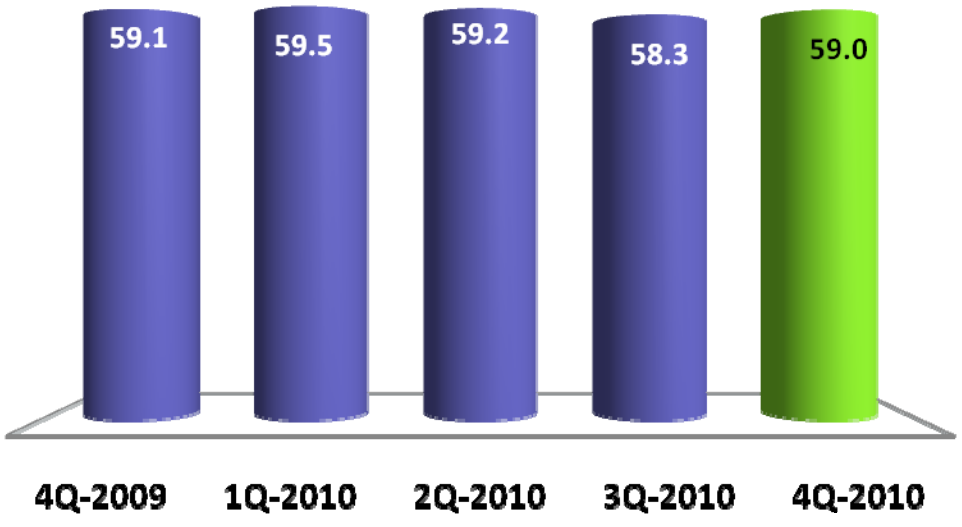


Customers ('000)

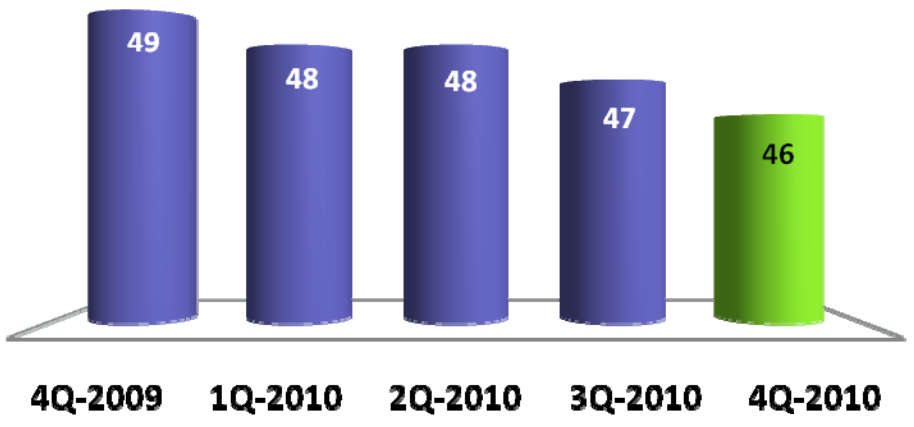


Residential Broadband Revenue & ARPU

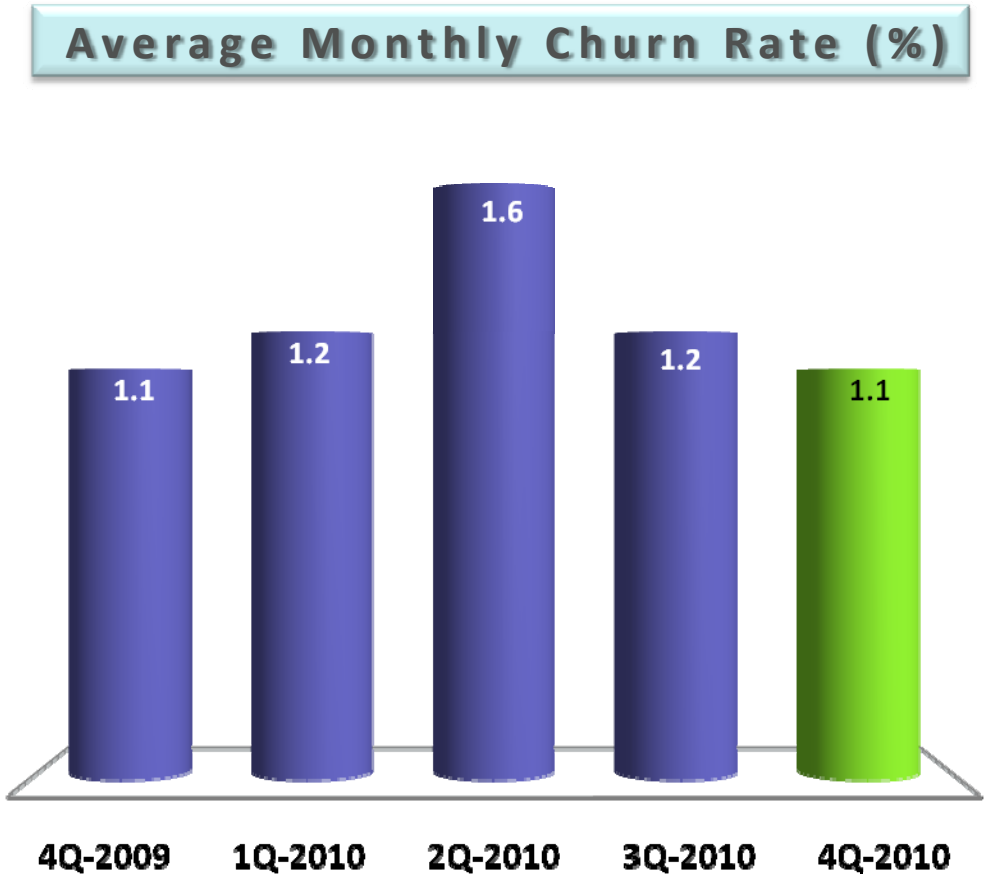
Broadband Revenue (S$M)



Broadband ARPU (S$ per month)



Residential Broadband Churn



4Q2010 Highlights

Financial Overview

Business Highlights – Fixed Network Services

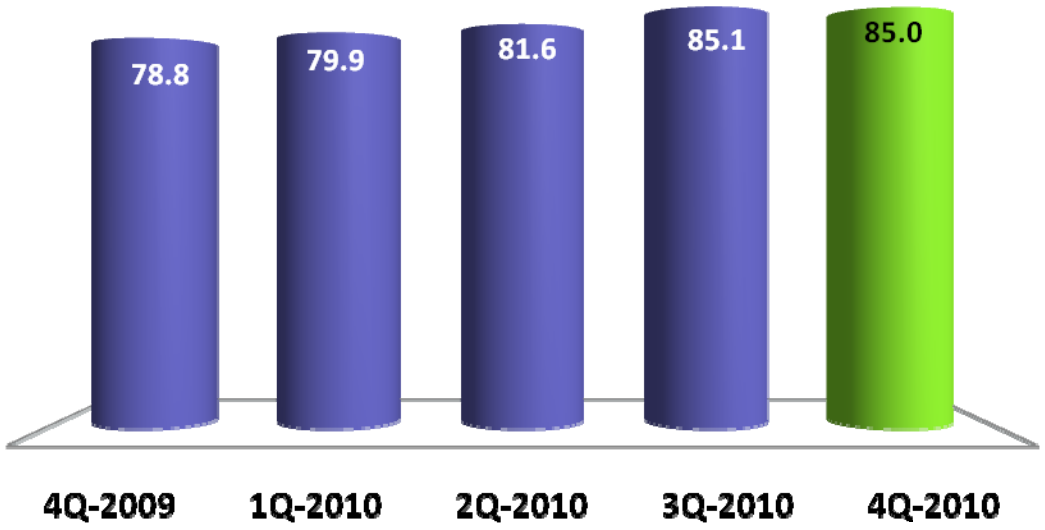
FY2011 Outlook

Fixed Network Services (FY-2010 vs FY-2009)

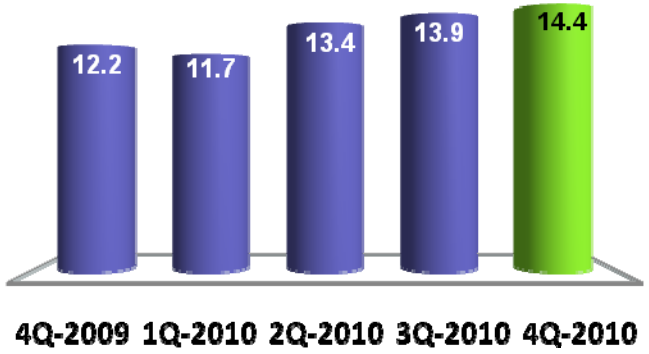
- **Revenue increased 4%**
- **Data & Internet services maintained 84% contribution to revenue**

Fixed Network Services

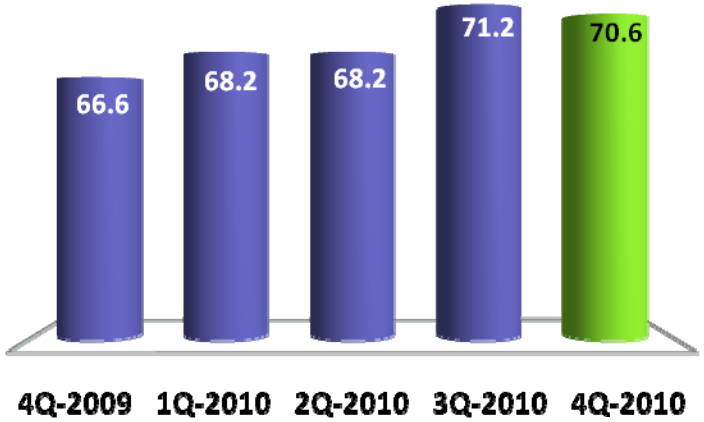
Fixed Network Revenue (S$M)



Voice (S$M)



Data & Internet (S$M)



4Q2010 Highlights

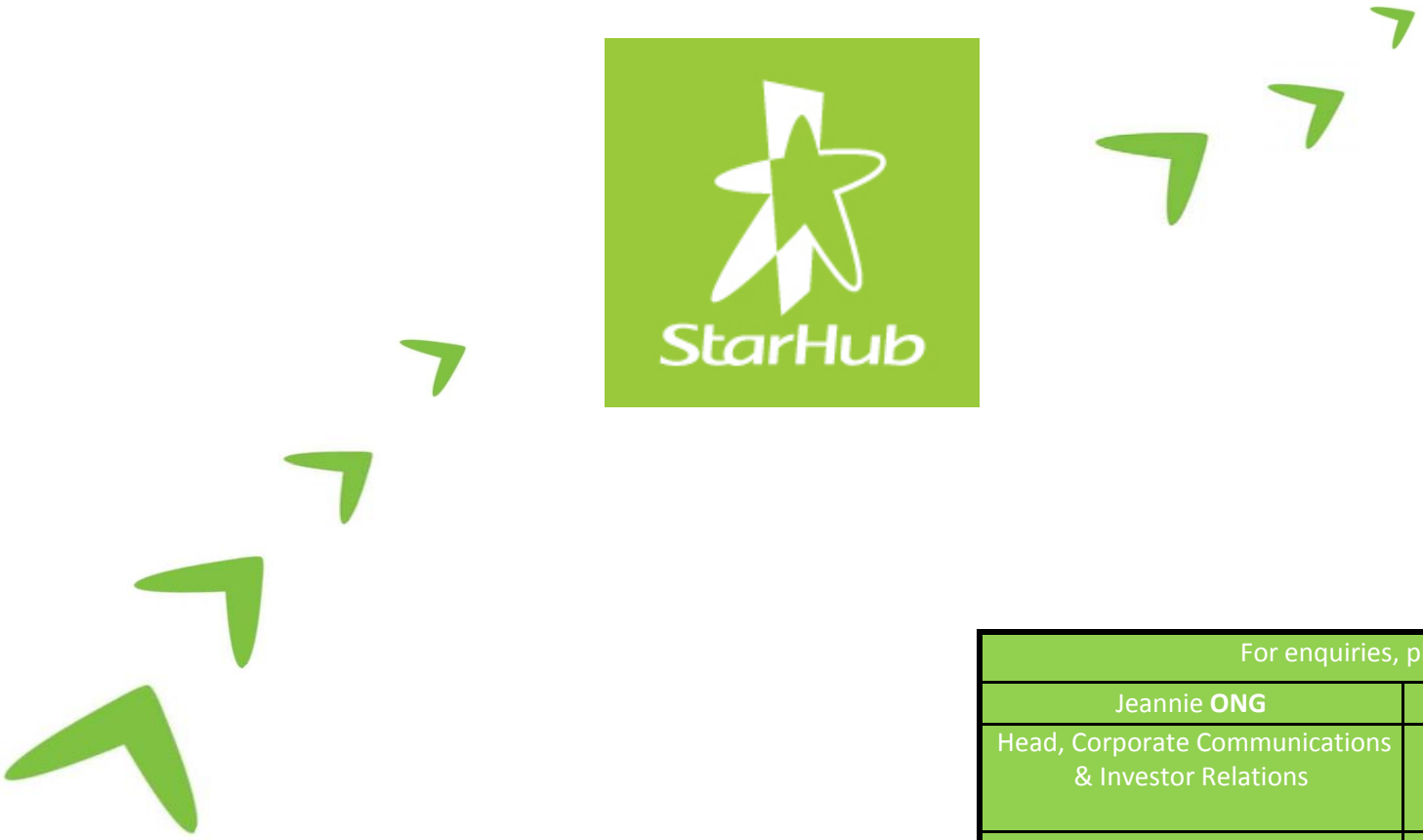
Financial Overview

Business Highlights

FY2011 Outlook

FY2011 Outlook

Revenue:	**Expect revenue growth in the single-digit range**
EBITDA:	**Expect EBITDA margin on service revenue to be about 30%**
CAPEX:	**Expect cash capex not exceeding 13% of operating revenue**
Dividend:	**Recommend 4Q-2010 final dividend of 5.0 cents per share** **For FY2011, intend to maintain cash dividend of 5.0 cents per ordinary share per quarter**



For enquiries, please contact:	
Jeannie **ONG**	Eric **LOH**
Head, Corporate Communications & Investor Relations	Senior Manager, Investor Relations
Office: (65) 6825 5168	Office: (65) 6825 5171
Email: jeannieo@starhub.com or ir@starhub.com	Email: ericloh@starhub.com or ir@starhub.com