Press Release

# StarHub Reports 2009 Fourth Quarter and Full Year Results

- *Full Year Operating Revenue Increased 1% To S$2.15 Billion*
- *EBITDA Rose 1% To S$654 Million*
- *Earnings Increased 3% To S$320 Million*
- *Recommends Final Dividend Of 5.0 Cents Per Share, totaling 19.0 cents per share for FY2009*

**Singapore, 4 February 2010** – The final quarter of 2009 saw operating revenue at S$550 million and for the full year at S$2.15 billion. The Group's EBITDA for the quarter was S$152 million or 8% lower year-on-year (YoY) but 1% higher at S$654 million for the full year. EBITDA margin as a percentage of service revenue was at 29.2% for the quarter and 31.8% for the full year.

For the quarter, profit from operations at S$89 million was 15% lower YoY but remained stable for the full year at S$408 million. Net profit after tax decreased 15% for the quarter but increased 3% for the full year recording S$74 million and S$320 million respectively. Free cash flow (FCF) at S$82 million for the quarter was about the same as last year. Looking at the full year, FCF at S$461 million was 22% higher than last year's S$378 million.

Capital expenditure (capex) was 4% higher at S$57 million compared to S$55 million a year ago. For the full year, capex at S$231 million represented 11% of the Group's operating revenue.

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## Financial Highlights

| S$ million | Quarter ended 31 December | | | Full year ended 31 December | | |
|---|---|---|---|---|---|---|
| | 2009 | 2008 | % Change | 2009 | 2008 | % Change |
| **Total Revenue** | 550 | 537 | 3 | 2,150 | 2,128 | 1 |
| **Service Revenue** | 521 | 515 | 1 | 2,058 | 2,030 | 1 |
| **EBITDA** | 152 | 165 | (8) | 654 | 644 | 1 |
| **Profit from operations** | 89 | 105 | (15) | 408 | 409 | (0.2) |
| **Profit after tax** | 74 | 87 | (15) | 320 | 311 | 3 |
| **EPS (Diluted) (Cents)** | 4.31 | 5.09 | (15) | 18.58 | 18.16 | 2 |
| **FCF / Share (Diluted) (Cents)** | 4.78 | 4.76 | 0.2 | 26.79 | 22.04 | 22 |

## FY-2009 Financial & Business Highlights

On a full year basis, Fixed Networks revenue registered the highest growth at 6%. Mobile remained the major revenue contributor at 51%. Pay TV, Broadband, Fixed Network Services and Sales of Equipment contributed 19%, 11%, 15% and 4% respectively to the mix.

- ***Mobile*** revenue grew 1% YoY. The higher revenue was mainly contributed by a larger customer base. Pre-paid mobile services revenue increased 6% to S$259 million, accounting for 24% of the Mobile revenue mix. Post-paid mobile services revenue remained stable at S$835 million.
- ***Pay TV*** revenue rose 2% to S$406 million from S$398 million. This was driven by a larger customer base, which increased 3% YoY. For the year, ARPU came in at S$56 and was S$1 lower from a year ago. The total customer base expanded to 539,000 households.
- ***Broadband*** revenue at S$241 million was 5% lower YoY. This was due to customers' plan mix towards lower tier price plans, and increased discounts offered across all our Broadband subscriptions to drive multi-services take-up. The MaxOnline customer base now stands at 400,000, an increase of 7%.
- ***Fixed Network*** revenue increased 6% to S$318 million from S$300 million previously. Data & Internet services revenue, which makes up 85% of the Fixed Network revenue, grew 9% to S$269 million from the previous year.
- The percentage of total **Hubbing** households that subscribed to any two or more StarHub services stands at 55%, with 44% subscribing to all three services.

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“Considering the competitive landscape and slow economy, we have delivered a stable FY2009 result, with all our lines of business performing as expected,” said Mr Neil Montefiore, CEO of StarHub. “For 2010, Hubbing continues to be our main strategy; delivering a comprehensive range of branded quality content and innovative services across our multi-service platforms to delight our customers.”

“In addition, we expect to ramp up our activities in broadband and fixed line services in order to leverage on the upcoming launch of the Next-Generation Nationwide Broadband Network," added Mr Montefiore. “For our shareholders, we expect to maintain our minimum quarterly dividend of 5.0 cents per share for the whole year."

**Outlook for FY2010**

Based on the current outlook, we expect the Group’s 2010 operating revenue growth to be in the low single-digit range, and EBITDA margin on service revenue is expected to be around 30%. The 2010 cash capex, as a percentage of operating revenue, is expected to increase but not exceed 14%. The increase in capex, driven by the new IT business support systems and the roll out capex of Nucleus Connect, will result in 2010 depreciation being higher at around 13% of operating revenue. We intend to pay a minimum cash dividend of 5.0 cents per ordinary share per quarter, totalling 20.0 cents for FY2010.

For more details on the Group's performance for FY2009 and outlook for FY2010, please visit www.starhub.com/ir. Materials available at this website include the audio conference and webcast links, investor presentation and audited results for the full year ended 31 December 2009.

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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.

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 is listed on the main board of the Singapore Exchange since October 2004 and is a component stock of the Straits Times Index. Visit www.starhub.com for more information.

**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

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