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STARCOMMS ANNOUNCES 60% GROWTH IN ACTIVE SUBSCRIBERS FOR NINE MONTHS TO SEPTEMBER, 2009 AND IMPROVED OPERATING PROFIT FOR 3rd QUARTER, 2009

Starcomms Plc, Nigeria's leading full service CDMA telecommunications operator, today announced its results for the nine months ending September 30, 2009.

The Company recorded an increase in its active subscriber base of 60% (2.466 million) over the equivalent nine-month period in 2008, while subscriber churn reduced to 0.90% per month (10.80% annual). Revenues grew by 5% to N25,621 billion (2008: N24,337 billion) as a result of the larger subscriber base and growth in the broadband business segment.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) grew 305% to N6,739 billion (2008: N1,664 billion) as a result of higher revenues and operational efficiencies. Operating profit moved into positive territory, being N603,692 million for the nine-month period, from a negative N2,421 billion for the same period in 2008.

Interest Expense rose in the third quarter to N555,293 million, while Unrealized Foreign Exchange Losses, because of the decline in the value of the Naira, contributed to a Loss before Taxation of N1,114 billion for the quarter. Because the Foreign Exchange Loss is unrealized, should the Naira appreciate from its current position, part of the loss could be reversed. Additionally, the Company has converted \$60 million of its dollar denominated debt into a medium term Naira facility. This has reduced the Company's exposure to foreign exchange fluctuations in the 4th quarter and beyond.

Maher Qubain, Starcomms' Chief Executive Officer, said: "Given the challenging economic climate, rising fuel prices and the fierce level of competition initiated by other CDMA operators in the form of high subsidies on handsets, I am pleased with the Company's performance and excellent EBITDA earnings. These increased by 305% from the equivalent nine month period last year and demonstrate that Starcomms' business model is sound and that we have taken the necessary actions to enhance operational efficiencies and to boost revenue."

Mr. Qubain continued: "Starcomms has a strong balance sheet and its EBITDA margin of 26% is comparable to many operators worldwide."

"To further solidify her position as a leading innovator, Starcomms introduced a series of new services and promotions including: Naira 10 for International Calls, Naira 1 per minute for on net calls, Twitter and Facebook access through SMS and enabling broadband iZap customers to top up and renew their subscription instantly via SMS, to mention a few".

The Directors are confident that barring unforeseen circumstances the improved operational performance of the Company should be maintained during the second half.