

Financial Results Presentation

Q1 FY15: Quarter ended 30 June 2014



14 August 2014
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Group CEO

Forward looking statement – important note

The following presentation contains forward looking statements by the management of Singapore Telecommunications Limited ("SingTel"), relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that 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. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of SingTel. In particular, such targets should not be regarded as a forecast or projection of future performance of SingTel. It should be noted that the actual performance of SingTel may vary significantly from such targets.

“S\$” means Singapore dollars and "A\$" means Australian dollars unless otherwise indicated. Any discrepancies between individual amounts and totals are due to rounding.



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Resilient underlying performance

Q1FY15	% change (reported)	% change (constant currency) ¹	Explanation (constant currency)
Operating revenue S\$4,148m	-3%	Stable	<ul style="list-style-type: none"> › Singapore: growth in home services and mobile › Australia: stable mobile service revenue but lower fixed revenue and equipment sales
EBITDA S\$1,254m	-3%	Stable	<ul style="list-style-type: none"> › Group Consumer EBITDA growth offset by Group Enterprise lower EBITDA
Regional Mobile Associates' pre-tax earnings² S\$594m	+8%	+20%	<ul style="list-style-type: none"> › Strong earnings growth from Airtel India › Robust mobile data growth
Underlying net profit S\$881m	-2%	+5%	<ul style="list-style-type: none"> › Higher associates' post-tax earnings
Net profit S\$835m	-17%	-12%	<ul style="list-style-type: none"> › S\$150m exceptional gain on dilution of Airtel stake last year › A\$24m staff restructuring costs in Australia › S\$17m share of Airtel's exceptional losses
Free cash flow S\$1,184m	+33%	N.M.	<ul style="list-style-type: none"> › Strong cash flows from Singapore and Australia

1. Assuming constant exchange rates from corresponding periods in FY2014.

2. Excluding exceptional items.

Foreign exchange movements

Currency		Quarter ended 30 June 2014		
		Exchange rate ¹	Increase/ (decrease) against S\$	
			YoY	QoQ
1 AUD ²		1.1688	(5.4%)	2.7%
IDR		9,259	(18.5%)	0.9%
INR		47.8	(7.2%)	1.4%
PHP		35.2	(5.4%)	0.3%
THB		25.9	(8.4%)	(0.8%)

1. Average exchange rates for the quarter ended 30 June 2014.

2. Average A\$ rate for translation of Optus' operating revenue.

Group Q1FY15 highlights

Group

- › 525m mobile customers in 25 countries



Consumer

- › World's first 300Mbps 4G service in Singapore
- › First voice over LTE¹ service in Singapore
- › New offers in Australia: My Plan Plus & BYO



Group

- › 5-year contract with Westpac for mobile in Australia and connectivity across Asia, NZ, USA & UK



Enterprise

- › NCS order book: S\$2.2b
- › G-Cloud signed up 9 agencies & awarded Project of the Year²
- › Opened 2nd data centre in Hong Kong



Group

- › Amobee acquires Adconion & Kontera



Digital Life

- › Dash: Innovative mobile banking and payment service



1. Offers full suite of telephony features such as call waiting and forwarding on the 4G network.

2. Awarded by Asia Communications Awards 2014 organised by Total Telecom.

Q1FY15: Higher associates' earnings but net profit impacted by exceptional items

	3 months to			YoY % change	QoQ % change
	Jun 14	Jun 13	Mar 14		
Operating revenue	4,148	4,293	4,128	(3.4%)	0.5%
EBITDA	1,254	1,296	1,297	(3.2%)	(3.3%)
- margin	30.2%	30.2%	31.4%		
Associates pre-tax earnings ¹	622	571	580	8.9%	7.2%
EBITDA & share of associates' pre-tax earnings	1,876	1,874	1,863	0.1%	0.7%
Depreciation & amortisation	(533)	(540)	(534)	(1.2%)	(0.1%)
Net finance expense	(52)	(49)	(44)	5.5%	18.1%
Profit before EI and tax	1,292	1,285	1,286	0.5%	0.5%
Tax	(410)	(386)	(366)	6.1%	11.8%
Underlying net profit	881	897	920	(1.8%)	(4.2%)
Exceptional Items (post tax)	(46)	114	(21)	N.M	118.9%
Net profit	835	1,011	898	(17.4%)	(7.1%)

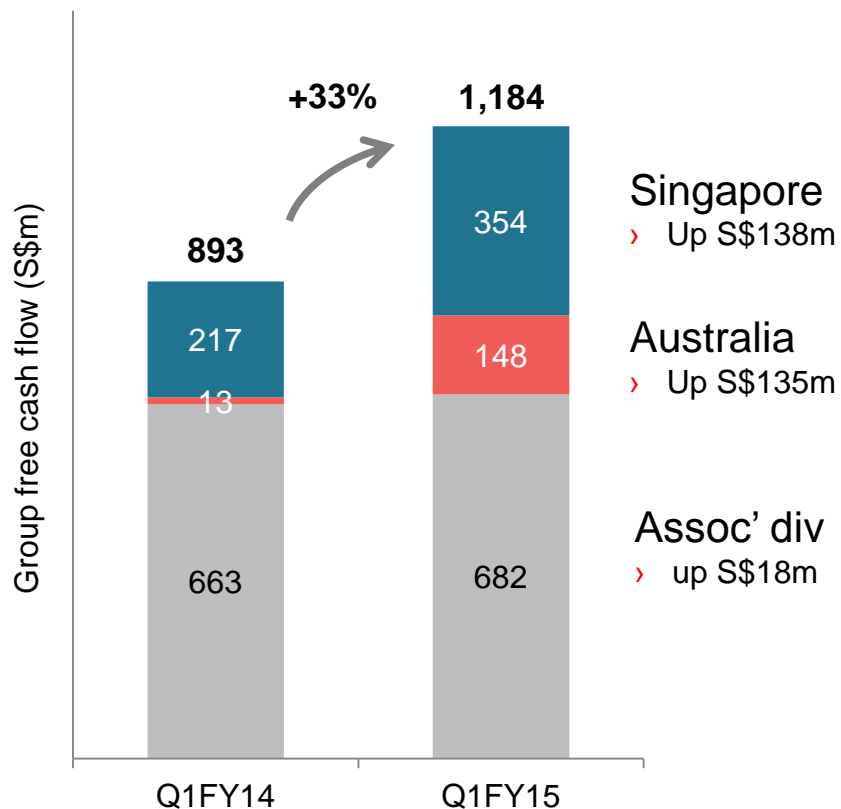
1. Excludes exceptionals.

Sound financial position

Free cash flow

S\$1,184m

Solid balance sheet



Net debt

S\$6.5b

Net gearing¹

21.0%

Net debt: EBITDA & share of associates' pre-tax profits

0.9x

**EBITDA & share of associates' pre-tax profits:
Net interest expense**

29.9

S&P's rating A+

Moody's rating Aa3

1. Ratio of net debt to net capitalisation, which is the aggregate of net debt, shareholders' funds and minority interests.



Agenda

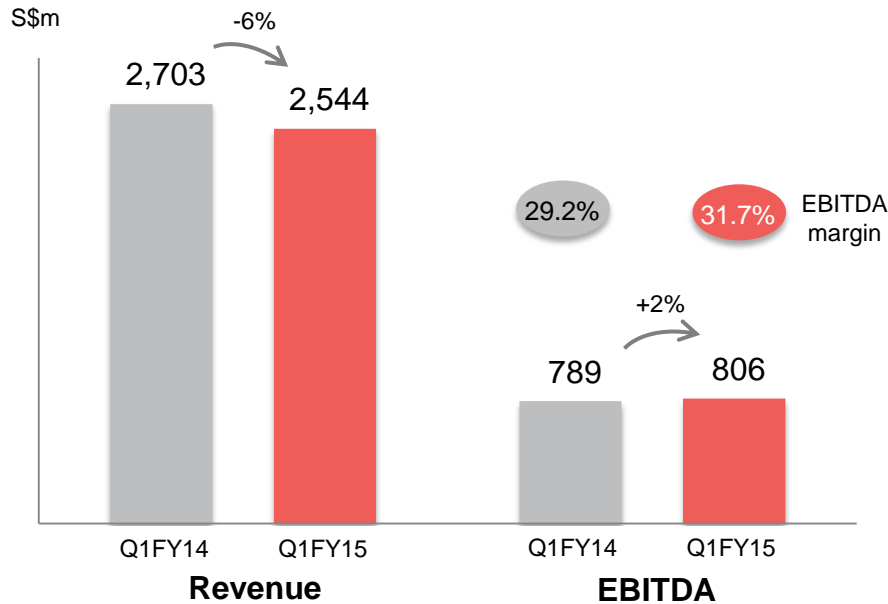
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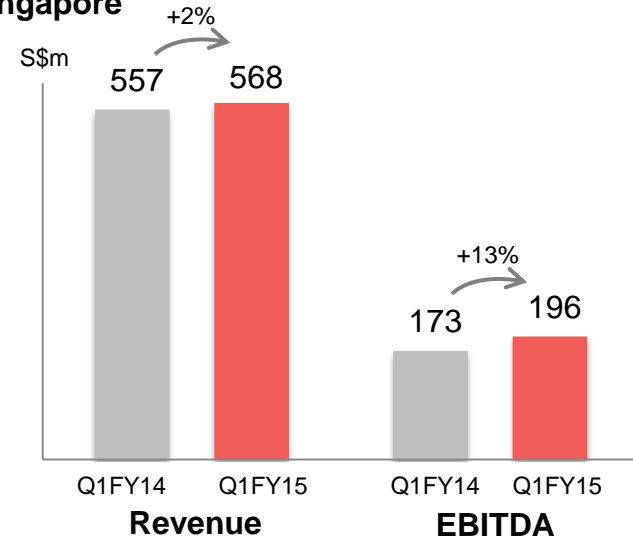
Group Consumer: EBITDA growth in Singapore & Australia

Group Consumer

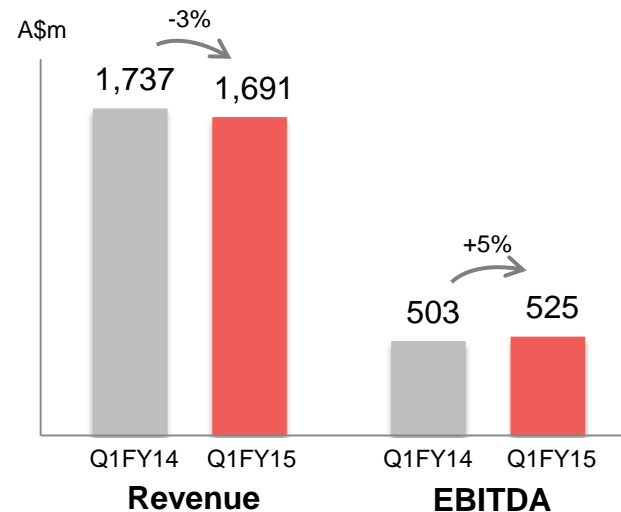


- > Strong Singapore performance due to growth in home revenue and mobile
- > Australia performance:
 - > Stable mobile outgoing service revenue
 - > Weaker fixed revenue and equipment sales
- > Lower handset subsidies in Singapore and Australia
- > Weaker Australian Dollar

Singapore

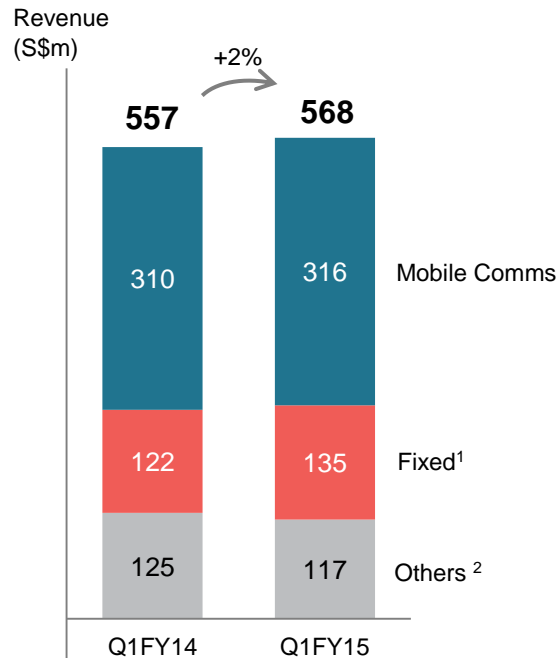


Australia



Singapore Consumer: Strong performance in home and mobile services

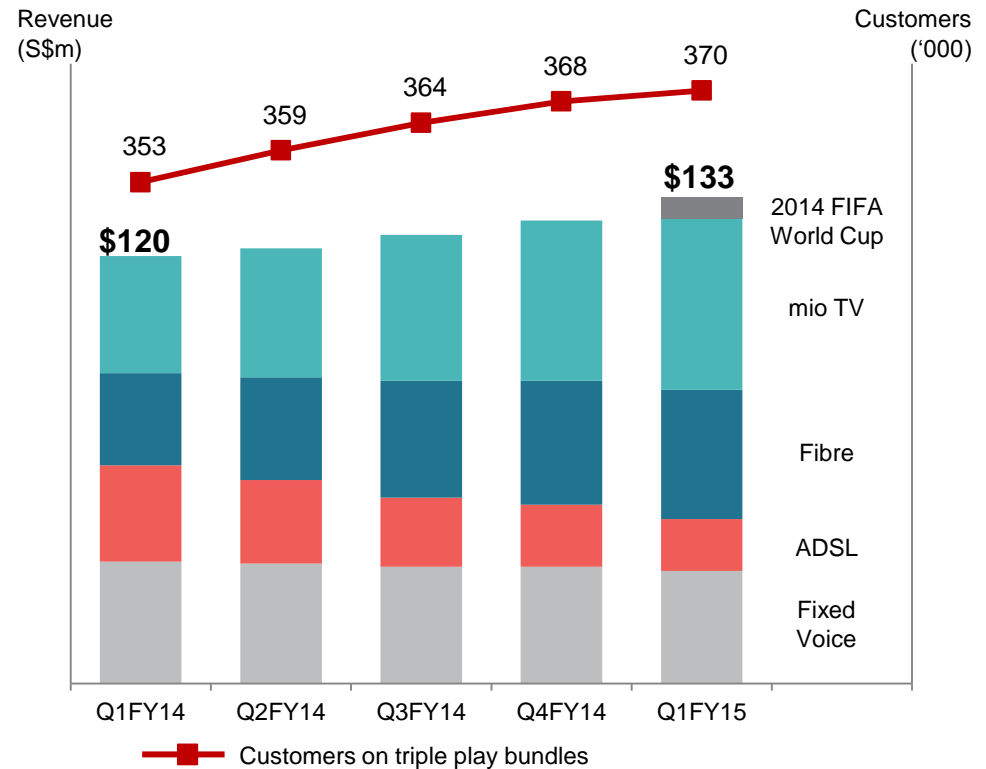
Singapore Consumer



Mobile revenue up 2%

- › Growth in mobile customer base
- › Strong data growth

Consumer Home



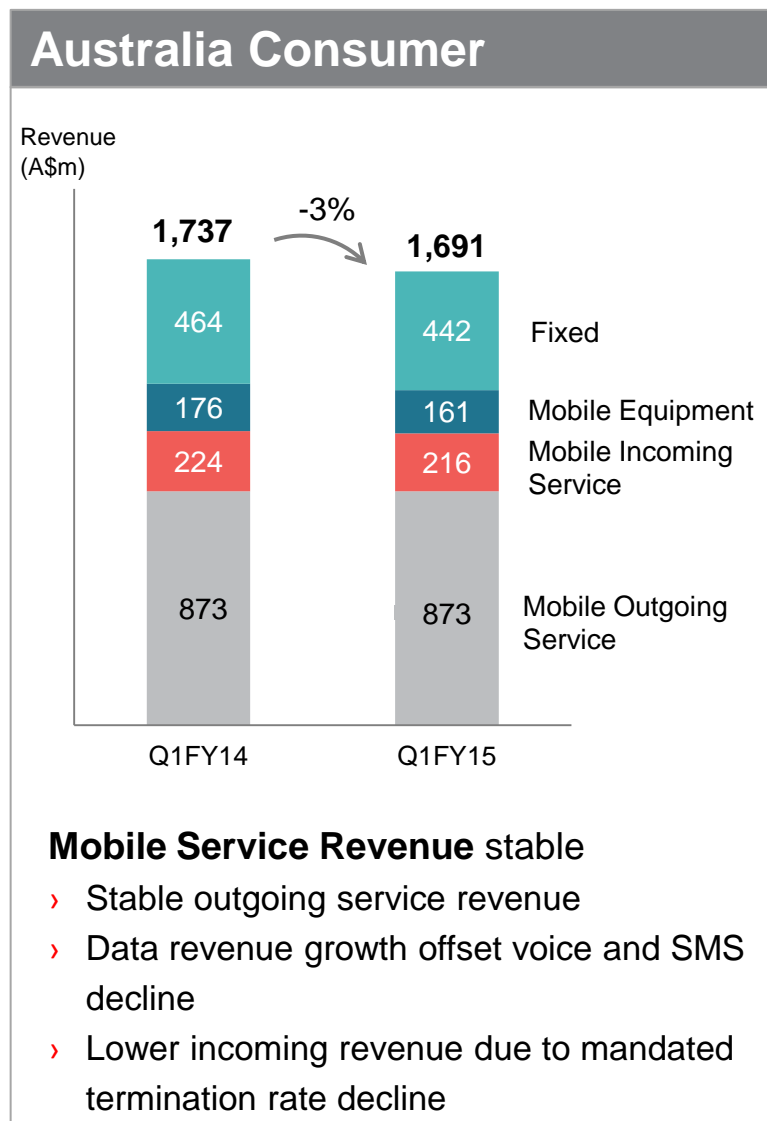
Consumer Home revenue up 11%

- › Higher TV content sales
- › Increased fibre take-up

Household ARPU up 13% to \$61

1. Fixed services revenue comprises Internet, national telephone and mio TV.
 2. Others revenue comprises sale of equipment, international telephone and other services.

Australia Consumer: EBITDA growth with increased 4G services



Strong growth in mobile data revenue

- › Data revenues grew 7%
- › Non-SMS data up 19%

Data and 4G focus

- › 1.1m customers on My Plan¹
 - › 33% “tiered up”² during Q1
- › 2.4m 4G handsets on the network³
- › 1,980 4G sites deliver 78% on-street metro population coverage³

EBITDA up 5%

- › lower handset subsidies

1. As at 30 June 2014; includes My Plan Plus customers.
2. Moved to a higher data tier for at least 1 month due to exceeded data allowance.
3. As at 30 June 2014.

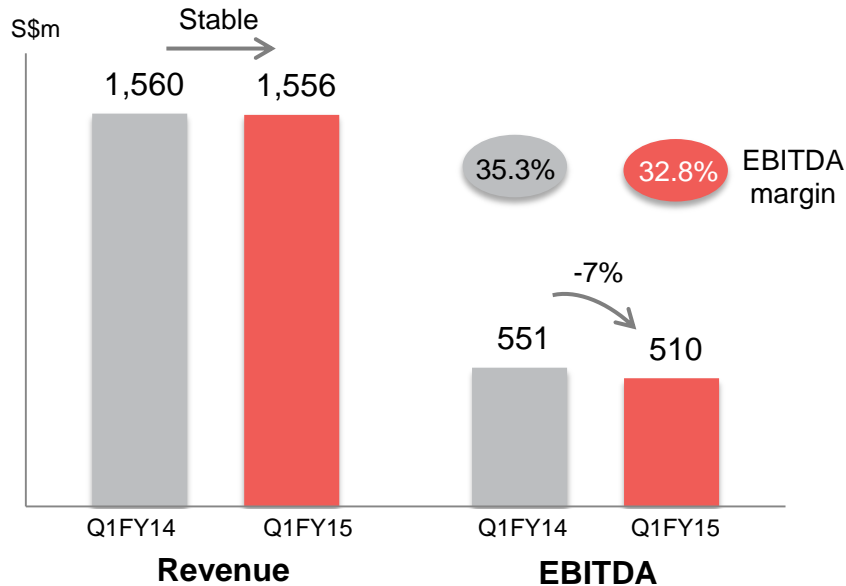
Group Consumer: Regional mobile associates delivered strong performance

Q1 FY15	PBT ¹ (S\$m)	% Change (S\$)	% Change (local currency)	Highlights
Regional Mobile	594	+8%	N.A.	<ul style="list-style-type: none"> › Up 20% in constant currency › Strong data growth momentum
Telkomsel	222	-13%	+3%	<ul style="list-style-type: none"> › Growth in data, digital and voice offset higher network maintenance and depreciation costs
Airtel	191	+68%	+81%	<ul style="list-style-type: none"> › India: strong growth in both voice and data and improved margins › Africa: voice and data growth offset by higher network costs and negative FX movements
AIS	96	-14%	-7%	<ul style="list-style-type: none"> › Service revenue improvement underpinned by data and 3G services › Higher depreciation from 3G network rollout
Globe	84	+20%	+26%	<ul style="list-style-type: none"> › Growth in mobile customers and strong take-up of data services coupled with lower depreciation charges

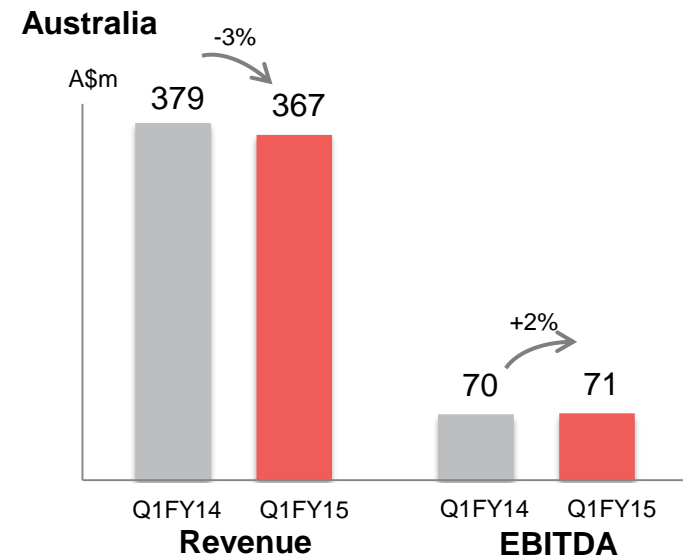
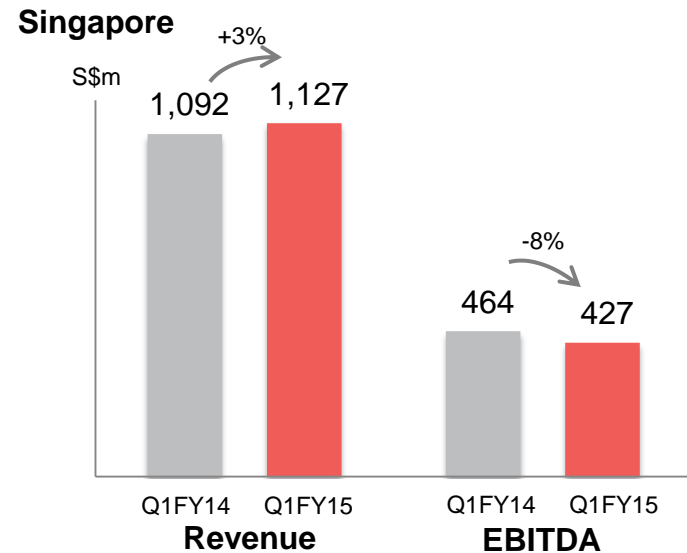
1. Excluding exceptional items – compared to 3 months to Jun 2013.

Group Enterprise: Maintaining leadership in price-competitive environment

Group Enterprise

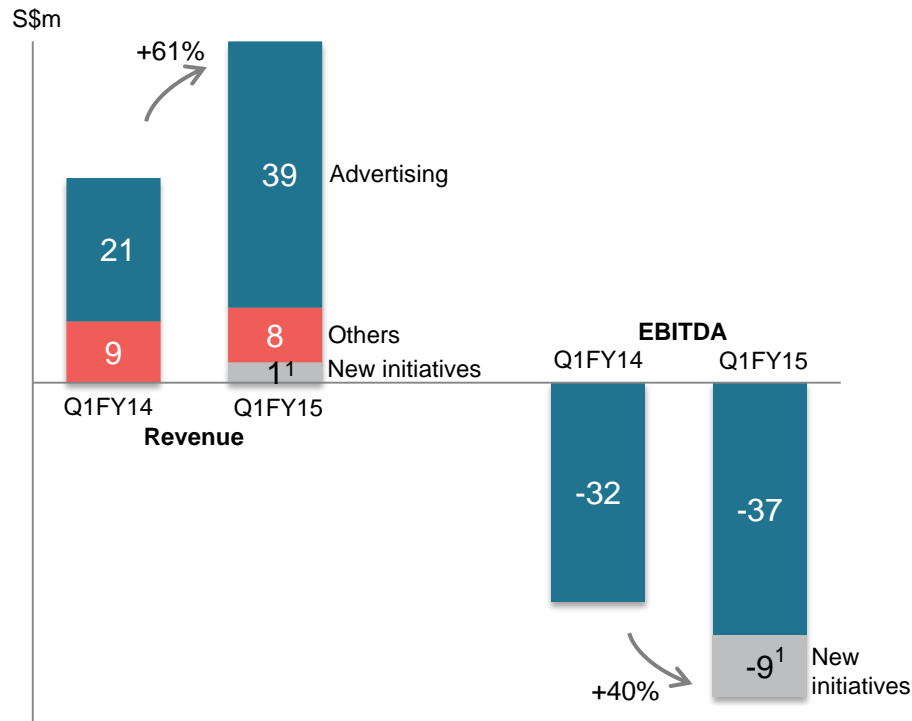


- › Strong core business market share
- › Higher ICT and mobile revenue in Singapore
- › Significant wins in infrastructure managed services for public sector
- › Margins impacted by competition in carriage business and transition for a large Singapore government infrastructure and ICT project¹



Group Digital Life: Focusing on scale in digital advertising

Group Digital Life



- › Revenue growth on strong digital advertising
- › Excluding new initiatives² undertaken from April 2014, losses increased 13%

› Total digital advertising investment: **US\$780m³**

› New Amobee customers:



1. Comprises impact of new business initiatives from 1 April 2014 and S\$5m acquisition transaction costs recorded in the quarter.
 2. New initiatives in the quarter include 'Dash', mobile video and data analytics.
 3. Comprises Amobee, Gradient X, Adconion and Kontera.



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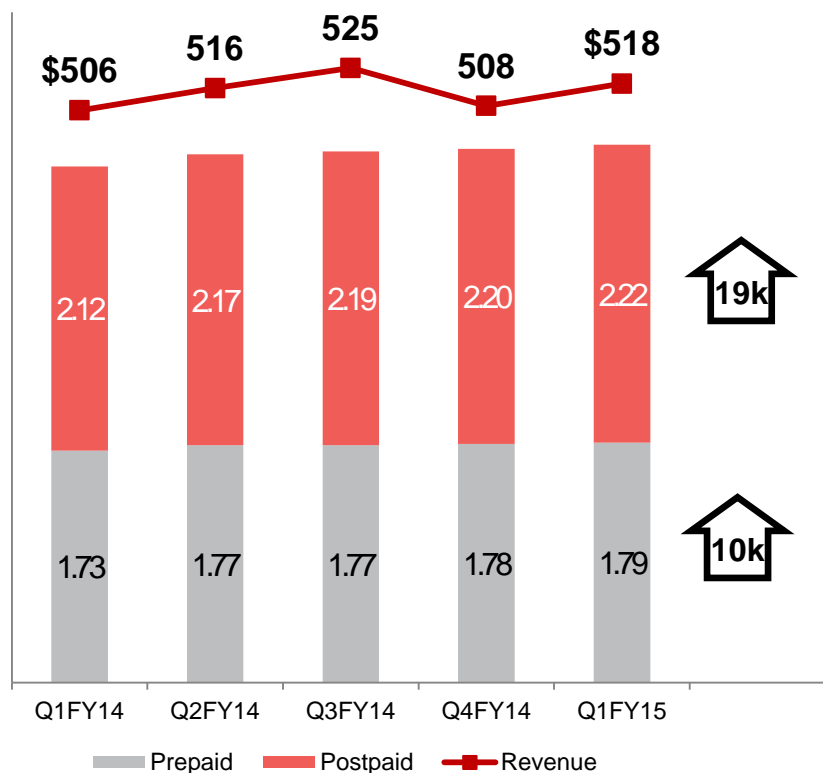
Singapore Mobile

Mobile revenue up 2%

S\$518m

Mobile revenue
(S\$m)

Mobile customers
('m)



4G customers

1,278k

> up 204k QoQ

Tiered data plans

> Postpaid customers on tiered plans ¹ 54%

> Tiered plans customers who exceed data bundles 18%

Postpaid ARPU

S\$76

> down 4%

> down 2% excluding data-only SIMs and mobile share plans³

> decline due to lower inter-operator SMS volume and roaming usage

Postpaid SAC²

S\$211

> down 26%

1. If excluding data-only SIMs, 65% of postpaid customers were on tiered plans.

2. Subscriber acquisition cost per customer.

3. Data-only SIMs refer to wireless broadband plans excluding voice. Mobile share plans refer to supplementary lines which share data, voice & text allowances of postpaid plans.

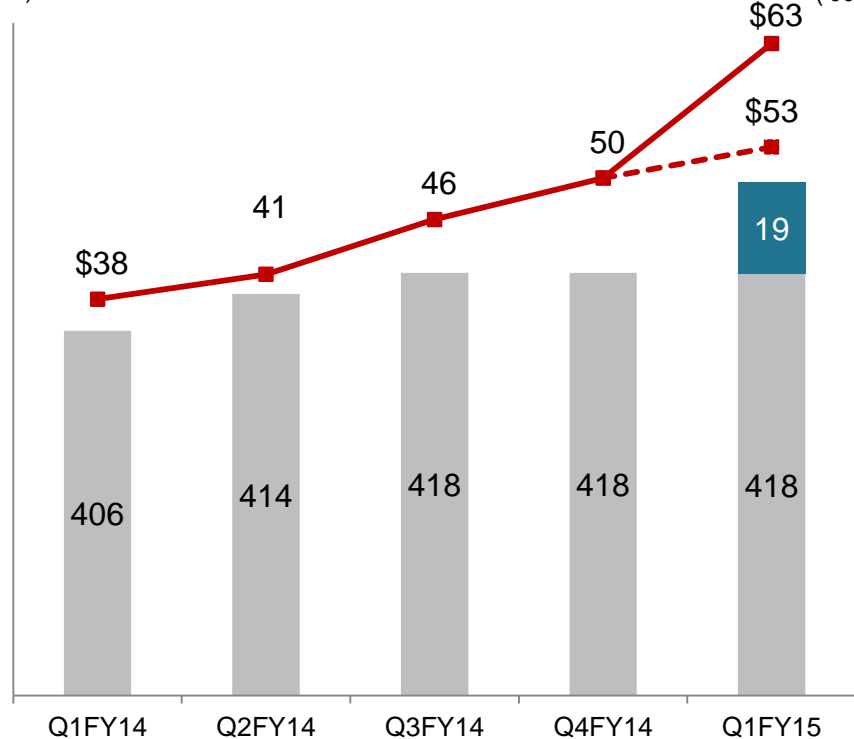
Singapore Fixed

mio TV revenue up 65%¹

\$63m

mio TV Revenue
(S\$m)

Customers
('000)



- Cross-carriage customers who subscribed to 2014 FIFA World Cup only
- Residential mio TV Customers
- mio TV revenue
- -■ mio TV revenue excluding 2014 FIFA World Cup

mio TV ARPU up 56%¹

S\$41



2014 FIFA World Cup

mio TV customers	> 100k
Community Centre screenings	570k
mio TV GO live match views	> 1.3m
mio TV GO video-on-demand downloads	> 700k

Fibre customers² up 26k QoQ

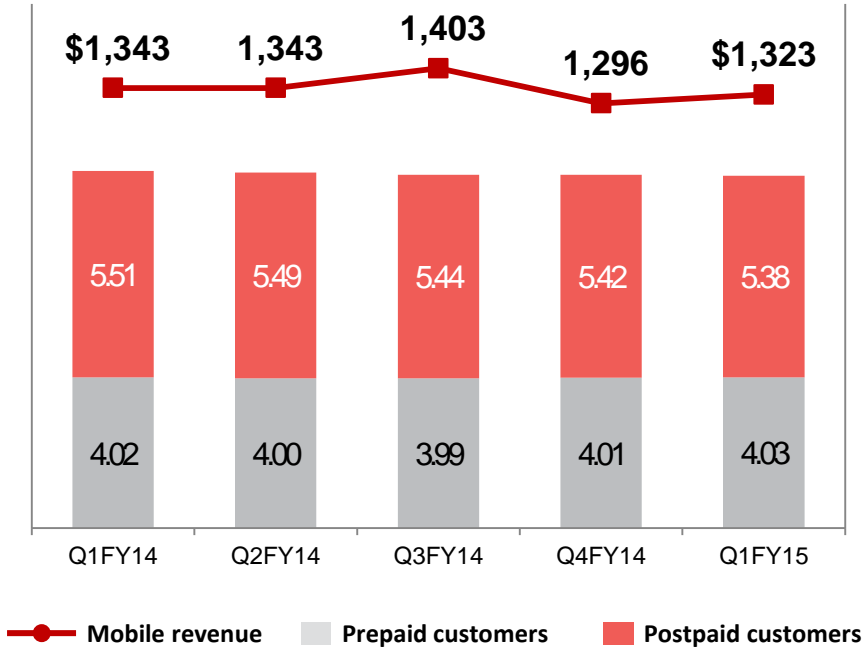
347k

1. If excluding 2014 FIFA World Cup revenue, mio TV revenue would be S\$53m and ARPU would be S\$37.
 2. Refers to residential and corporate subscriptions to broadband internet services using optical fibre networks.

Australia Mobile

Mobile revenue down 2% A\$1,323m

Mobile revenue (A\$m) Mobile customers ('m)



4G handsets up 282k QoQ 2.43m

Postpaid

- > ARPU **A\$53**
- down 2%
- > Net adds **-38k**
- > Churn **1.4%**
- down from 1.5%
- > SAC¹ **A\$206**
- down 9%

Prepaid

- > ARPU **A\$25**
- up 11%
- > Net adds **+13k**
- > SAC¹ **A\$9**
- down 9%

1. Subscriber acquisition cost per customer

Trends in constant currency terms¹

3 months to Jun 14	1Q FY15 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant curr) ¹
Group revenue	4,148	(3.4%)	(0.2%)
Group reported NPAT	835	(17.4%)	(11.8%)
Group underlying NPAT	881	(1.8%)	4.9%
Optus revenue	2,409	(8.0%)	(2.8%)
Regional Mobile Associates pre-tax earnings ²	594	7.6%	19.9%

1. Assuming constant exchange rates from corresponding periods in FY2014.

2. Based on the Group's share of associates' earnings before exceptionals.

