



**SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
ASX APPENDIX 4D – HALF YEAR REPORT
FOR THE SECOND QUARTER AND HALF YEAR ENDED
30 SEPTEMBER 2014**

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RESULTS FOR ANNOUNCEMENT TO THE MARKET (APPENDIX 4D)*For the half year ended 30 September 2014*

Group	Half Year 30 Sep		Percentage change
	2014 S\$ Mil	2013 S\$ Mil	
Revenue from ordinary activities	8,457.0	8,456.4	0.01%
Profit from ordinary activities after taxation attributable to shareholders	1,872.9	1,881.4	-0.5%
Net profit attributable to shareholders	1,872.9	1,881.4	-0.5%
Net tangible assets per ordinary share ⁽¹⁾	75.53¢	76.59¢	-1.4%

Group	Amount per security (SGD cents)	Franked amount per security (SGD cents)
Dividend per share		
- final	Nil	Not applicable
- interim	6.8¢ ⁽²⁾	Nil ⁽³⁾

Record date for determining entitlements to dividends

To be announced later

Notes:

- (1) As at 30 September 2014, the number of ordinary shares was 15,938,937,177 after adjustment to exclude the number of performance shares held by the Trust.
- (2) The interim dividend of SGD 6.8 cents per security received by Singapore tax residents will be tax exempt for Singapore income tax purposes (being a one-tier exempt dividend).
- (3) For Australian resident individual shareholders, the interim dividend of SGD 6.8 cents per security will be assessable and, therefore, subject to tax in Australia. Australian resident individual shareholders cannot claim a tax rebate or credit in their Australian income tax return for corporate income tax paid in Singapore.

Important Notes:

This half year report should be read in conjunction with the audited annual report for the financial year ended 31 March 2014 and announcements to the market during the six months ended 30 September 2014.

The figures presented in this announcement have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

CONSOLIDATED INCOME STATEMENT

For the second quarter and half year ended 30 September 2014

	Notes	Quarter 30 Sep		Half Year 30 Sep	
		2014	2013	2014	2013
		S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Operating revenue		4,309.4	4,163.1	8,457.0	8,456.4
Operating expenses	2	(3,011.2)	(2,885.7)	(5,932.9)	(5,918.1)
Other income	3	35.5	21.0	64.0	55.9
		1,333.7	1,298.4	2,588.1	2,594.2
Depreciation and amortisation	4	(544.9)	(526.5)	(1,077.8)	(1,066.1)
		788.8	771.9	1,510.3	1,528.1
Exceptional items	5	62.2	(4.8)	27.0	146.1
Profit on operating activities		851.0	767.1	1,537.3	1,674.2
Associates and joint ventures					
- share of ordinary results		655.1	518.5	1,277.1	1,089.7
- share of tax of ordinary results		(226.1)	(168.2)	(431.6)	(344.5)
- share of exceptional items (post-tax)	6	(13.4)	(10.3)	(36.6)	(49.1)
	13	415.6	340.0	808.9	696.1
Profit before interest, investment income (net) and tax		1,266.6	1,107.1	2,346.2	2,370.3
Interest and investment income (net)	7	31.3	21.0	54.9	51.4
Finance costs	8	(75.0)	(76.3)	(150.2)	(155.6)
Profit before tax		1,222.9	1,051.8	2,250.9	2,266.1
Tax expense	9	(183.1)	(180.1)	(375.1)	(381.2)
Profit after tax		1,039.8	871.7	1,875.8	1,884.9
Attributable to:					
Shareholders of the Company		1,038.3	870.4	1,872.9	1,881.4
Non-controlling interests		1.5	1.3	2.9	3.5
		1,039.8	871.7	1,875.8	1,884.9
Earnings per share attributable to shareholders of the Company					
- basic	10	6.51¢	5.46¢	11.75¢	11.81¢
- diluted	10	6.50¢	5.45¢	11.72¢	11.78¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the second quarter and half year ended 30 September 2014*

	Quarter 30 Sep		Half Year 30 Sep	
	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)
Profit after tax	1,039.8	871.7	1,875.8	1,884.9
Other comprehensive (loss)/ income				
Items that may be reclassified subsequently to income statement:				
Exchange differences arising from translation of foreign operations and other currency translation differences for the period	(359.6)	(453.6)	(468.3)	(1,285.7)
Cash flow hedges				
- Fair value changes during the period	180.2	(40.4)	115.0	377.7
- Tax effects	(27.1)	(2.7)	(11.4)	(88.5)
	153.1	(43.1)	103.6	289.2
- Fair value changes transferred to income statement	(110.8)	(0.5)	(36.3)	(301.7)
- Tax effects	17.2	4.5	4.3	82.2
	(93.6)	4.0	(32.0)	(219.5)
	59.5	(39.1)	71.6	69.7
Fair value changes on available-for-sale investments during the period	33.9	2.1	69.7	(8.2)
Share of other comprehensive income/ (loss) of associates and joint ventures	85.4	1.4	86.3	(97.5)
Other comprehensive loss, net of tax	(180.8)	(489.2)	(240.7)	(1,321.7)
Total comprehensive income	859.0	382.5	1,635.1	563.2
Attributable to:				
Shareholders of the Company	857.5	381.2	1,632.2	559.6
Non-controlling interests	1.5	1.3	2.9	3.6
	859.0	382.5	1,635.1	563.2

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2014

	Notes	Group		Company	
		As at 30 Sep 14 S\$ Mil (Unaudited)	As at 31 Mar 14 S\$ Mil (Audited)	As at 30 Sep 14 S\$ Mil (Unaudited)	As at 31 Mar 14 S\$ Mil (Audited)
Current assets					
Cash and cash equivalents		523.8	622.5	92.3	105.0
Trade and other receivables		3,604.0	3,555.8	547.8	652.4
Due from subsidiaries		-	-	1,566.5	1,933.4
Derivative financial instruments		20.8	3.4	8.2	2.5
Inventories		242.9	169.6	25.3	19.5
		4,391.5	4,351.3	2,240.1	2,712.8
Non-current assets					
Property, plant and equipment		10,678.5	11,096.3	1,956.0	2,037.5
Intangible assets		11,993.0	10,739.7	0.8	1.0
Subsidiaries		-	-	13,499.6	13,484.5
Joint ventures		9,772.2	9,949.9	22.1	24.1
Associates		253.5	178.3	603.5	603.5
Loan to an associate		1,330.5	1,330.5	1,330.5	1,330.5
Available-for-sale investments ("AFS")		332.8	291.3	53.5	54.9
Derivative financial instruments		373.5	298.0	193.4	160.5
Deferred tax assets		775.0	828.5	-	-
Other non-current receivables		318.7	256.2	206.4	198.5
		35,827.7	34,968.7	17,865.8	17,895.0
Total assets		40,219.2	39,320.0	20,105.9	20,607.8
Current liabilities					
Trade and other payables		3,643.9	3,797.9	846.8	996.9
Due to subsidiaries		-	-	646.4	837.2
Advance billings		617.0	643.6	64.4	66.0
Current tax liabilities		258.8	366.0	127.0	59.1
Borrowings (unsecured)	12	130.0	774.6	-	-
Borrowings (secured)	12	63.0	38.9	0.8	1.5
Derivative financial instruments		3.1	11.5	2.8	2.3
Net deferred gain		57.5	57.5	-	-
		4,773.3	5,690.0	1,688.2	1,963.0
Non-current liabilities					
Borrowings (unsecured)	12	8,687.0	7,046.9	832.9	793.2
Borrowings (secured)	12	175.6	179.7	161.9	161.9
Derivative financial instruments		351.9	412.8	319.1	359.6
Advance billings		284.6	298.5	156.0	164.1
Deferred income		6.1	7.6	-	-
Net deferred gain		1,138.2	1,155.7	-	-
Deferred tax liabilities		559.2	444.9	268.3	242.5
Other non-current liabilities		315.8	191.3	16.6	24.2
		11,518.4	9,737.4	1,754.8	1,745.5
Total liabilities		16,291.7	15,427.4	3,443.0	3,708.5
Net assets		23,927.5	23,892.6	16,662.9	16,899.3
Share capital and reserves					
Share capital	14	2,634.0	2,634.0	2,634.0	2,634.0
Reserves		21,266.7	21,234.2	14,028.9	14,265.3
Equity attributable to shareholders of the Company					
		23,900.7	23,868.2	16,662.9	16,899.3
Non-controlling interests		26.8	24.4	-	-
Total equity		23,927.5	23,892.6	16,662.9	16,899.3

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the second quarter ended 30 September 2014*

Group - 2014	Attributable to shareholders of the Company										Non-controlling Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 July 2014	2,634.0	(7.1)	(128.2)	(3,801.7)	(126.7)	142.0	27,200.6	(1,267.9)	24,645.0	25.3	24,670.3	
Changes in equity for the quarter												
Performance shares purchased by Trust ⁽⁴⁾	-	(13.1)	-	-	-	-	-	-	(13.1)	-	(13.1)	
Performance shares vested	-	0.2	(0.2)	-	-	-	-	-	-	-	-	
Equity-settled performance shares	-	-	6.3	-	-	-	-	-	6.3	-	6.3	
Performance shares purchased by Optus and vested	-	-	(0.8)	-	-	-	-	-	(0.8)	-	(0.8)	
Share of other reserves of associates and joint ventures	-	-	(0.8)	-	-	-	-	0.4	(0.4)	-	(0.4)	
Final dividend paid	-	-	-	-	-	-	(1,593.8)	-	(1,593.8)	-	(1,593.8)	
	-	(12.9)	4.5	-	-	-	(1,593.8)	0.4	(1,601.8)	-	(1,601.8)	
Total comprehensive (loss)/ income for the quarter	-	-	-	(359.6)	59.5	33.9	1,038.3	85.4	857.5	1.5	859.0	
Balance as at 30 September 2014	2,634.0	(20.0)	(123.7)	(4,161.3)	(67.2)	175.9	26,645.1	(1,182.1)	23,900.7	26.8	23,927.5	

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the second quarter ended 30 September 2014*

Group - 2013	Attributable to shareholders of the Company										Non-controlling Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 July 2013	2,634.0	(23.3)	(114.4)	(3,397.4)	(141.4)	70.5	26,406.7	(1,297.4)	24,137.3	26.9	24,164.2	
Changes in equity for the quarter												
Performance shares purchased by Trust ⁽⁴⁾	-	(5.0)	-	-	-	-	-	-	(5.0)	-	(5.0)	
Equity-settled performance shares	-	-	7.6	-	-	-	-	-	7.6	-	7.6	
Transfer of liability to equity	-	-	0.1	-	-	-	-	-	0.1	-	0.1	
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	-	-	(0.1)	-	(0.1)	
Share of other reserves of associates and joint ventures	-	(0.3)	(1.5)	-	-	-	-	1.2	(0.6)	-	(0.6)	
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	0.1	(0.1)	-	-	-	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(7.4)	(7.4)	
Final dividend paid	-	-	-	-	-	-	(1,594.2)	-	(1,594.2)	-	(1,594.2)	
	-	(5.3)	6.1	-	-	-	(1,594.1)	1.1	(1,592.2)	(7.4)	(1,599.6)	
Total comprehensive (loss)/ income for the quarter	-	-	-	(453.6)	(39.1)	2.1	870.4	1.4	381.2	1.3	382.5	
Balance as at 30 September 2013	2,634.0	(28.6)	(108.3)	(3,851.0)	(180.5)	72.6	25,683.0	(1,294.9)	22,926.3	20.8	22,947.1	

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the second quarter ended 30 September 2014*

Company - 2014	Share Capital S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 July 2014	2,634.0	(54.4)	(80.7)	44.5	14,604.1	17,147.5
Changes in equity for the quarter						
Equity-settled performance shares	-	3.2	-	-	-	3.2
Contribution to Trust ⁽⁴⁾	-	(12.1)	-	-	-	(12.1)
Final dividend paid	-	-	-	-	(1,594.3)	(1,594.3)
	-	(8.9)	-	-	(1,594.3)	(1,603.2)
Total comprehensive income/ (loss) for the quarter	-	-	22.7	(0.6)	1,096.5	1,118.6
Balance as at 30 September 2014	2,634.0	(63.3)	(58.0)	43.9	14,106.3	16,662.9

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the second quarter ended 30 September 2014*

Company - 2013	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 July 2013	2,634.0	(0.4)	(63.0)	(119.5)	51.9	13,910.1	16,413.1
Changes in equity for the quarter							
Performance shares vested	-	(0.1)	0.1	-	-	-	-
Equity-settled performance shares	-	-	2.4	-	-	-	2.4
Transfer of liability to equity	-	-	0.1	-	-	-	0.1
Cash paid to employees under performance share plans	-	-	0.1	-	-	-	0.1
Contribution to Trust ⁽⁴⁾	-	-	(3.9)	-	-	-	(3.9)
Final dividend paid	-	-	-	-	-	(1,595.0)	(1,595.0)
	-	(0.1)	(1.2)	-	-	(1,595.0)	(1,596.3)
Total comprehensive (loss)/ income for the quarter	-	-	-	(12.2)	(4.3)	1,714.1	1,697.6
Balance as at 30 September 2013	2,634.0	(0.5)	(64.2)	(131.7)	47.6	14,029.2	16,514.4

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Disclosure and Presentation**.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive (loss)/ income of the associates and joint ventures.
- (4) DBS Trustee Limited (the "Trust") is the trustee of a trust established to administer the performance share plans.

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the half year ended 30 September 2014*

Group - 2014	Attributable to shareholders of the Company										
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil	Non-controlling Interests S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2014	2,634.0	(38.6)	(99.0)	(3,693.0)	(138.8)	106.2	26,366.5	(1,269.1)	23,868.2	24.4	23,892.6
Changes in equity for the period											
Performance shares purchased by the Company	-	(2.3)	-	-	-	-	-	-	(2.3)	-	(2.3)
Performance shares purchased by Trust ⁽⁴⁾	-	(17.3)	-	-	-	-	-	-	(17.3)	-	(17.3)
Performance shares vested	-	38.2	(38.2)	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	15.2	-	-	-	-	-	15.2	-	15.2
Transfer of liability to equity	-	-	15.0	-	-	-	-	-	15.0	-	15.0
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	-	-	(0.2)	-	(0.2)
Performance shares purchased by Optus and vested	-	-	(15.7)	-	-	-	-	-	(15.7)	-	(15.7)
Share of other reserves of associates and joint ventures	-	-	(0.8)	-	-	-	-	0.7	(0.1)	-	(0.1)
Final dividend paid	-	-	-	-	-	-	(1,593.8)	-	(1,593.8)	-	(1,593.8)
Others	-	-	-	-	-	-	(0.5)	-	(0.5)	(0.5)	(1.0)
	-	18.6	(24.7)	-	-	-	(1,594.3)	0.7	(1,599.7)	(0.5)	(1,600.2)
Total comprehensive (loss)/ income for the period	-	-	-	(468.3)	71.6	69.7	1,872.9	86.3	1,632.2	2.9	1,635.1
Balance as at 30 September 2014	2,634.0	(20.0)	(123.7)	(4,161.3)	(67.2)	175.9	26,645.1	(1,182.1)	23,900.7	26.8	23,927.5

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the half year ended 30 September 2014*

Group - 2013	Attributable to shareholders of the Company										Non-controlling Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 April 2013	2,634.0	(42.1)	(89.9)	(2,565.2)	(250.2)	80.8	25,424.8	(1,227.6)	23,964.6	24.6	23,989.2	
Changes in equity for the period												
Performance shares purchased by the Company	-	(4.1)	-	-	-	-	-	-	(4.1)	-	(4.1)	
Performance shares purchased by Trust ⁽⁴⁾	-	(9.7)	-	-	-	-	-	-	(9.7)	-	(9.7)	
Performance shares vested	-	27.3	(27.3)	-	-	-	-	-	-	-	-	
Equity-settled performance shares	-	-	11.9	-	-	-	-	-	11.9	-	11.9	
Transfer of liability to equity	-	-	10.4	-	-	-	-	-	10.4	-	10.4	
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	-	-	(0.1)	-	(0.1)	
Performance shares purchased by Optus and vested	-	-	(11.4)	-	-	-	-	-	(11.4)	-	(11.4)	
Share of other reserves of associates and joint ventures	-	-	(1.9)	-	-	-	-	1.2	(0.7)	-	(0.7)	
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(29.0)	29.0	-	-	-	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(7.4)	(7.4)	
Final dividend paid	-	-	-	-	-	-	(1,594.2)	-	(1,594.2)	-	(1,594.2)	
	-	13.5	(18.4)	-	-	-	(1,623.2)	30.2	(1,597.9)	(7.4)	(1,605.3)	
Total comprehensive (loss)/ income for the period	-	-	-	(1,285.8)	69.7	(8.2)	1,881.4	(97.5)	559.6	3.6	563.2	
Balance as at 30 September 2013	2,634.0	(28.6)	(108.3)	(3,851.0)	(180.5)	72.6	25,683.0	(1,294.9)	22,926.3	20.8	22,947.1	

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the half year ended 30 September 2014*

Company - 2014	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2014	2,634.0	(1.4)	(67.4)	(104.5)	45.3	14,393.3	16,899.3
Changes in equity for the period							
Performance shares purchased by the Company	-	(2.3)	-	-	-	-	(2.3)
Performance shares vested	-	3.7	(3.6)	-	-	-	0.1
Equity-settled performance shares	-	-	7.4	-	-	-	7.4
Transfer of liability to equity	-	-	15.0	-	-	-	15.0
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	(0.2)
Contribution to Trust ⁽⁴⁾	-	-	(14.5)	-	-	-	(14.5)
Final dividend paid	-	-	-	-	-	(1,594.3)	(1,594.3)
	-	1.4	4.1	-	-	(1,594.3)	(1,588.8)
Total comprehensive income/ (loss) for the period	-	-	-	46.5	(1.4)	1,307.3	1,352.4
Balance as at 30 September 2014	2,634.0	-	(63.3)	(58.0)	43.9	14,106.3	16,662.9

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the half year ended 30 September 2014*

Company - 2013	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2013	2,634.0	-	(69.9)	(130.3)	56.8	13,574.6	16,065.2
Changes in equity for the period							
Performance shares purchased by the Company	-	(4.1)	-	-	-	-	(4.1)
Performance shares vested	-	3.6	(2.7)	-	-	-	0.9
Equity-settled performance shares	-	-	5.2	-	-	-	5.2
Transfer of liability to equity	-	-	10.4	-	-	-	10.4
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	(0.1)
Contribution to Trust ⁽⁴⁾	-	-	(7.1)	-	-	-	(7.1)
Final dividend paid	-	-	-	-	-	(1,595.0)	(1,595.0)
	-	(0.5)	5.7	-	-	(1,595.0)	(1,589.8)
Total comprehensive (loss)/ income for the period	-	-	-	(1.4)	(9.2)	2,049.6	2,039.0
Balance as at 30 September 2013	2,634.0	(0.5)	(64.2)	(131.7)	47.6	14,029.2	16,514.4

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Disclosure and Presentation**.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive (loss)/ income of the associates and joint ventures.
- (4) DBS Trustee Limited (the "Trust") is the trustee of a trust established to administer the performance share plans.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the second quarter and half year ended 30 September 2014

	Quarter 30 Sep		Half Year 30 Sep	
	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)
Cash Flows from Operating Activities				
Profit before tax	1,222.9	1,051.8	2,250.9	2,266.1
Adjustments for				
Depreciation and amortisation	544.9	526.5	1,077.8	1,066.1
Exceptional items	(62.5)	(1.7)	(67.5)	(154.7)
Interest and investment income (net)	(31.3)	(21.0)	(54.9)	(51.4)
Finance costs	75.0	76.3	150.2	155.6
Share of results of associates and joint ventures (post-tax)	(415.6)	(340.0)	(808.9)	(696.1)
Other non-cash items	8.1	13.3	23.9	13.6
	118.6	253.4	320.6	333.1
Operating cash flow before working capital changes	1,341.5	1,305.2	2,571.5	2,599.2
Changes in operating assets and liabilities				
Trade and other receivables	(174.1)	(45.6)	(318.0)	(238.5)
Trade and other payables	186.7	108.3	237.4	(178.3)
Inventories	(7.7)	(38.7)	(50.1)	(20.7)
Currency translation adjustments of subsidiaries	(0.3)	0.4	(0.7)	(3.0)
Cash generated from operations	1,346.1	1,329.6	2,440.1	2,158.7
Payment to employees in cash under performance share plans	(0.9)	(0.7)	(1.4)	(4.9)
Dividends received from associates and joint ventures	277.4	284.5	1,034.4	1,020.2
Income tax and withholding tax paid	(307.8)	(254.2)	(428.7)	(374.0)
Net cash inflow from operating activities	1,314.8	1,359.2	3,044.4	2,800.0
Cash Flows from Investing Activities				
Dividends received from AFS investments	1.7	1.7	2.9	2.8
Interest received	1.2	4.2	21.5	23.1
Payment for acquisition of subsidiaries, net of cash acquired (Note 1)	(432.9)	(31.4)	(443.0)	(41.5)
Payment for acquisition of non-controlling interests	-	-	(2.7)	-
Investment in joint ventures (Note 2)	-	(384.7)	(0.5)	(384.7)
Investment in AFS investments	(7.9)	(38.1)	(19.2)	(45.3)
Proceeds from sale of AFS investments	8.8	7.4	49.4	7.5
Proceeds from capital reduction of joint venture	-	-	2.0	-
Balance carried forward	(429.1)	(440.9)	(389.6)	(438.1)

CONSOLIDATED STATEMENT OF CASH FLOWS*For the second quarter and half year ended 30 September 2014*

	Quarter 30 Sep		Half Year 30 Sep	
	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)
Cash Flows from Investing Activities (continued)				
Balance brought forward	(429.1)	(440.9)	(389.6)	(438.1)
Payment for purchase of property, plant and equipment	(582.4)	(440.5)	(1,128.1)	(988.3)
Proceeds from sale of property, plant and equipment	3.0	1.4	3.9	5.5
Purchase of intangible assets	(762.5)	(39.7)	(862.2)	(230.0)
Withholding tax paid on intra-group interest income	(16.4)	(17.5)	(16.4)	(17.5)
Net cash outflow for investing activities	(1,787.4)	(937.2)	(2,392.4)	(1,668.4)
Cash Flows from Financing Activities				
Proceeds from term loans	2,726.7	1,708.4	2,960.6	2,093.9
Repayment of term loans	(701.7)	(904.2)	(1,909.6)	(1,456.3)
Proceeds from finance lease liabilities	6.6	2.3	11.0	5.4
Finance lease payments	(11.1)	(11.4)	(22.4)	(22.8)
Net proceeds from borrowings	2,020.5	795.1	1,039.6	620.2
Net interest paid on borrowings and swaps	(61.2)	(68.1)	(157.9)	(158.8)
Purchase of performance shares	(13.9)	(5.0)	(35.3)	(25.2)
Final dividend paid to shareholders of the Company	(1,593.8)	(1,594.2)	(1,593.8)	(1,594.2)
Net cash inflow/ (outflow) for financing activities	351.6	(872.2)	(747.4)	(1,158.0)
Net change in cash and cash equivalents	(121.0)	(450.2)	(95.4)	(26.4)
Exchange effects on cash and cash equivalents	(4.2)	(0.5)	(3.3)	(23.6)
Cash and cash equivalents at beginning of period	649.0	1,311.7	622.5	911.0
Cash and cash equivalents at end of period	523.8	861.0	523.8	861.0

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS*For the second quarter and half year ended 30 September 2014***Note (1): Payments for acquisition of subsidiaries**

- (a) During the current quarter, Amobee, Inc. (“**Amobee**”) acquired 100% of the share capital of Kontera Technologies, Inc. (“**Kontera**”), and Adconion Media, Inc. and Adconion Pty Limited (together, “**Adconion**”) for S\$178 million (US\$142 million) and S\$268 million (US\$214 million) respectively. The fair values of identifiable net assets and the net cash outflow on the acquisitions were as follows -

	30 Sep 2014 S\$ Mil (Unaudited)
Identifiable intangible assets (provisional)	139.2
Non-current assets	19.5
Cash and cash equivalents	6.6
Current assets (excluding cash and cash equivalents)	57.9
Total liabilities	<u>(86.4)</u>
Net assets acquired	136.8
Goodwill (provisional)	<u>308.7</u>
Total cash consideration	445.5
Less: Consideration unpaid as at 30 September 2014	(8.5)
Less: Cash and cash equivalents acquired	<u>(6.6)</u>
Net outflow of cash	<u>430.4</u>

- (b) During the current period, deferred payments of S\$13 million were made in respect of the acquisitions of Amobee and Pixable, Inc.
- (c) The payments in the corresponding period last year were for the acquisition of Gradient X, Inc., for S\$18 million (US\$15 million), and deferred payments of S\$23 million in respect of the acquisition of Amobee.

Note (2): Investments in joint ventures

The payments in the corresponding period last year were mainly for the acquisition of additional equity interest of 3.62% in Bharti Telecom Limited from a wholly-owned subsidiary of Temasek Holdings (Private) Limited, for S\$384 million. Temasek Holdings (Private) Limited is the holding company of Singapore Telecommunications Limited (“**SingTel**”).

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS*For the second quarter and half year ended 30 September 2014*

Note (3): For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprised:

	As at 30 Sep	
	2014	2013
	S\$ Mil	S\$ Mil
	(Unaudited)	(Unaudited)
Fixed deposits	159.4	459.3
Cash and bank balances	364.4	401.7
	<u>523.8</u>	<u>861.0</u>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2014

1. BASIS OF PREPARATION

The Group prepares its condensed consolidated interim financial statements in accordance with Singapore Financial Reporting Standard (“FRS”) 34, *Interim Financial Reporting*. The same accounting policies and methods of computation have been applied in the preparation of the financial statements for the current quarter as the most recent audited financial statements as at 31 March 2014. The adoption of the new or revised FRS, amendments to FRS and Interpretations to FRS which became mandatory from 1 April 2014 did not have a significant impact on the financial statements of the Group and the Company.

2. OPERATING EXPENSES

This included the following items -

Group	Quarter 30 Sep		Half year 30 Sep	
	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)
Impairment of trade receivables	15.1	42.4	51.3	92.7
Allowance for/ (Writeback of) inventory obsolescence	0.8	(1.8)	0.8	18.2

3. OTHER INCOME

This included the following items -

Group	Quarter 30 Sep		Half year 30 Sep	
	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)	2014 S\$ Mil (Unaudited)	2013 S\$ Mil (Unaudited)
Rental income	1.0	1.0	2.0	2.0
Bad trade debts recovered	0.8	0.4	1.7	1.6
Net exchange loss - trade related	(4.6)	(3.9)	(5.0)	(3.9)
Net gain/ (loss) on disposal of property, plant and equipment	0.5	(2.7)	0.6	4.7

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2014***4. DEPRECIATION AND AMORTISATION**

Group	Quarter 30 Sep		Half year 30 Sep	
	2014	2013	2014	2013
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Depreciation of property, plant and equipment	490.7	485.9	980.2	983.2
Amortisation of intangibles	54.9	41.3	99.1	84.4
Amortisation of deferred gain on sale of a joint venture	(0.7)	(0.7)	(1.5)	(1.5)
	544.9	526.5	1,077.8	1,066.1

5. EXCEPTIONAL ITEMS

Group	Quarter 30 Sep		Half year 30 Sep	
	2014	2013	2014	2013
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Exceptional gains				
Gain on dilution of interest in SingPost	65.4	-	65.4	-
Gain on dilution of interest in Airtel	-	-	-	149.7
Gain on dilution of interest in other associates and joint ventures	0.8	0.4	1.7	3.7
Gain on sale of AFS investments	4.9	5.8	9.0	5.8
	71.1	6.2	76.1	159.2
Exceptional losses				
Staff restructuring costs	(0.3)	(6.4)	(40.5)	(8.5)
Loss on sale of AFS investments	(8.6)	-	(8.6)	-
Impairment of AFS investments	-	(4.6)	-	(4.6)
	(8.9)	(11.0)	(49.1)	(13.1)
	62.2	(4.8)	27.0	146.1

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2014***6. SHARE OF EXCEPTIONAL ITEMS OF ASSOCIATES AND JOINT VENTURES (POST-TAX)**

Group	Quarter 30 Sep		Half year 30 Sep	
	2014	2013	2014	2013
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Share of Globe's accelerated depreciation	(2.8)	(10.3)	(9.0)	(47.7)
Share of Airtel's exceptional items	(10.6)	-	(27.6)	(1.4)
	(13.4)	(10.3)	(36.6)	(49.1)

7. INTEREST AND INVESTMENT INCOME (NET)

Group	Quarter 30 Sep		Half year 30 Sep	
	2014	2013	2014	2013
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Interest income from				
- bank deposits	3.8	2.9	7.8	5.9
- others	8.5	8.9	17.0	16.9
	12.3	11.8	24.8	22.8
Dividends from joint ventures	17.2	9.0	27.2	20.2
Gross dividends from AFS investments	1.7	2.1	3.4	3.9
Fair value gains/ (losses) on fair value hedges				
- hedged item	49.0	10.9	5.9	150.9
- hedging instrument	(52.7)	(10.9)	(14.4)	(150.9)
	(3.7)	-	(8.5)	-
Fair value (losses)/ gains on cash flow hedges transferred from other comprehensive income				
- hedged item	(110.8)	(0.5)	(36.3)	(301.7)
- hedging instrument	110.8	0.5	36.3	301.7
	-	-	-	-
Other fair value gains	3.0	0.5	8.2	5.4
Net foreign exchange gains/ (losses)				
- non-trade related	0.8	(2.4)	(0.2)	(0.9)
	31.3	21.0	54.9	51.4

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2014***8. FINANCE COSTS**

Group	Quarter 30 Sep		Half year 30 Sep	
	2014	2013	2014	2013
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Interest expense on				
- bonds	64.2	60.4	127.7	122.8
- bank loans	3.5	8.3	8.0	17.9
- others	6.9	7.3	14.7	14.9
	74.6	76.0	150.4	155.6
Less: Amounts capitalised	(0.8)	(4.4)	(5.5)	(9.1)
	73.8	71.6	144.9	146.5
Effects of hedging using interest rate swaps	*	3.6	2.9	6.8
Unwinding of discounts (including adjustments)	1.2	1.1	2.4	2.3
	75.0	76.3	150.2	155.6

*** denotes less than +/- S\$0.5 million.

9. TAX EXPENSE

Group	Quarter 30 Sep		Half year 30 Sep	
	2014	2013	2014	2013
	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)	S\$ Mil (Unaudited)
Current and deferred tax expense attributable to current period's profits	183.3	182.4	373.7	382.7
Current and deferred tax adjustments in respect of prior years	(0.2)	(2.3)	1.4	(1.5)
	183.1	180.1	375.1	381.2

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2014***10. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES**

Group	Quarter 30 Sep		Half year 30 Sep	
	2014 '000 (Unaudited)	2013 '000 (Unaudited)	2014 '000 (Unaudited)	2013 '000 (Unaudited)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	15,939,464	15,936,121	15,936,842	15,933,763
Adjustment for dilutive effect of performance share plan	39,862	42,655	39,862	42,655
Weighted average number of ordinary shares for calculation of diluted earnings per share	15,979,326	15,978,776	15,976,704	15,976,418

The weighted average number of ordinary shares in issue had been adjusted to exclude the number of performance shares held by the Trust.

11. FAIR VALUE MEASUREMENTS

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- (b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- (c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2014

11. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the assets and liabilities measured at fair value as at 30 September 2014:

Group 30 Sep 2014 (Unaudited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾				
- Quoted equity securities	146.1	-	-	146.1
- Unquoted investments	-	-	94.5	94.5
	146.1	-	94.5	240.6
Derivative financial instruments	-	394.3	-	394.3
	146.1	394.3	94.5	634.9
Financial liabilities				
Derivative financial instruments	-	355.0	-	355.0

Group 31 Mar 2014 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾				
- Quoted equity securities	62.9	-	-	62.9
- Unquoted investments	-	-	108.2	108.2
	62.9	-	108.2	171.1
Derivative financial instruments	-	301.4	-	301.4
	62.9	301.4	108.2	472.5
Financial liabilities				
Derivative financial instruments	-	424.3	-	424.3

Note:

(1) Excluded AFS investments stated at cost of S\$92.2 million (31 March 2014: S\$120.2 million).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2014***11. FAIR VALUE MEASUREMENTS (Continued)**

Company 30 Sep 2014 (Unaudited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments				
- Quoted equity securities	43.0	-	-	43.0
- Unquoted equity securities	-	-	10.5	10.5
	43.0	-	10.5	53.5
Derivative financial instruments	-	201.6	-	201.6
	43.0	201.6	10.5	255.1
Financial liabilities				
Derivative financial instruments	-	321.9	-	321.9

Company 31 Mar 2014 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments				
- Quoted equity securities	44.4	-	-	44.4
- Unquoted equity securities	-	-	10.5	10.5
	44.4	-	10.5	54.9
Derivative financial instruments	-	163.0	-	163.0
	44.4	163.0	10.5	217.9
Financial liabilities				
Derivative financial instruments	-	361.9	-	361.9

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2014***11. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the liabilities not measured at fair value (but with fair value disclosed) as at 30 September 2014:

30 Sep 2014 (Unaudited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	6,671.1	5,220.9	1,748.7	-	6,969.6
Company					
Bonds	832.9	899.6	-	-	899.6

31 Mar 2014 (Audited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	6,696.9	5,189.1	1,745.7	-	6,934.8
Company					
Bonds	793.2	835.6	-	-	835.6

Except as disclosed in the above tables, the carrying values of other financial assets and financial liabilities approximate their fair values.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the second quarter and half year ended 30 September 2014***12. GROUP'S BORROWINGS AND DEBT SECURITIES**

	Group		Company	
	30 Sep 14 S\$ Mil (Unaudited)	31 Mar 14 S\$ Mil (Audited)	30 Sep 14 S\$ Mil (Unaudited)	31 Mar 14 S\$ Mil (Audited)
Unsecured borrowings				
Repayable within one year	130.0	774.6	-	-
Repayable after one year	8,687.0	7,046.9	832.9	793.2
	8,817.0	7,821.5	832.9	793.2
Secured borrowings				
Repayable within one year	63.0	38.9	0.8	1.5
Repayable after one year	175.6	179.7	161.9	161.9
	238.6	218.6	162.7	163.4
	9,055.6	8,040.1	995.6	956.6

Unsecured borrowings comprise bonds and bank loans.

Secured borrowings comprise finance lease liabilities including lease liabilities in respect of certain assets leased from NetLink Trust, and certain bank loans of Adconion secured on the assets and shares in Adconion Media, Inc. and its subsidiary, Adconion Direct, Inc., and a fixed and floating charge on the assets in Adconion Pty Ltd.

13. DETAILS OF MATERIAL ASSOCIATES AND JOINT VENTURES

	Contribution to net profit after tax			
	Equity interest as at 30 Sep		Quarter 30 Sep	
	2014 %	2013 %	2014 S\$ Mil	2013 S\$ Mil
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Equity accounted associates and joint ventures				
PT Telekomunikasi Selular	35.0	35.0	185.8	188.7
Bharti Airtel Limited	32.4	32.3	77.2	28.8
Advanced Info Service Public Company Limited	23.3	23.3	81.5	78.3
Globe Telecom, Inc.	47.2	47.3	49.8	29.1
Others			21.3	15.1
			415.6	340.0

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2014

13. DETAILS OF MATERIAL ASSOCIATES AND JOINT VENTURES (Continued)

	Contribution to net profit after tax			
	Equity interest as at		Half year	
	30 Sep		30 Sep	
	2014	2013	2014	2013
%	%	S\$ Mil	S\$ Mil	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Equity accounted associates and joint ventures				
PT Telekomunikasi Selular	35.0	35.0	352.8	380.5
Bharti Airtel Limited	32.4	32.3	152.2	78.7
Advanced Info Service Public Company Limited	23.3	23.3	157.8	168.0
Globe Telecom, Inc.	47.2	47.3	102.0	39.8
Others			44.1	29.1
			808.9	696.1

The details of associates and joint ventures are set out in Note 25 and Note 26 to the financial report respectively.

14. SHARE CAPITAL AND OTHER EQUITY INFORMATION

Group and Company	Quarter and Half year	
	30 Sep 14	
	Number of shares Mil (Unaudited)	Share capital S\$ Mil (Unaudited)
Balance as at beginning and end of period	15,943.5	2,634.0

As at 30 September 2014, the number of outstanding performance shares under the SingTel's performance share plans was 38,190,618 (31 March 2014: 46,303,329).

15. DIVIDENDS

On 12 November 2014, the Directors approved an interim one-tier exempt ordinary dividend of 6.8 cents (FY 2014: 6.8 cents) per share totalling approximately S\$1.08 billion in respect of the current financial year ending 31 March 2015.

The financial statements for the half year ended, and as at, 30 September 2014 do not reflect this interim dividend. The dividend will be accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the next quarter ending 31 December 2014.

During the half year ended 30 September 2014, a final one-tier exempt ordinary dividend of 10.0 cents per share totalling S\$1.59 billion was paid in respect of the previous financial year ended 31 March 2014.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2014

16. NET ASSET VALUE

	Group		Company	
	As at		As at	
	30 Sep 14	31 Mar 14	30 Sep 14	31 Mar 14
	S\$	S\$	S\$	S\$
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value per share	1.50	1.50	1.05	1.06

As at the end of the reporting period, the number of ordinary shares of the Group used for the above calculation had been adjusted to exclude the number of performance shares held by the Trust.

17. CONTINGENT LIABILITIES(a) Guarantees

- (i) As at 30 September 2014, the Group and Company provided bankers' and other guarantees, and insurance bonds of S\$487.9 million and S\$260.7 million (31 March 2014: S\$648.2 million and S\$312.7 million) respectively.
 - (ii) As at 30 September 2014, the Company provided guarantees for loans of S\$1.31 billion (31 March 2014: S\$950 million) drawn down under various loan facilities entered into by SingTel Group Treasury Pte. Ltd. ("**SGT**") with maturities between December 2014 and May 2017.
 - (iii) As at 30 September 2014, the Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$3.40 billion (31 March 2014: S\$3.40 billion) due between July 2016 and September 2021.
- (b) Consistent with other large groups, Singapore Telecom Australia Investments Pty Limited ("**STAI**"), the head tax entity in Australia, has been subject to information requests from the Australian Taxation Office ("**ATO**"). STAI has received information requests in connection with the acquisition financing of Optus. STAI has been responding to the ATO's queries. In December 2013, STAI received a tax position paper from the ATO and subsequently, on 22 October 2014, STAI received a Statement of Audit Position. The Statement of Audit Position will be further subject to an Independent Review within the ATO. STAI has received advice from external experts in relation to the matter and intends to defend its position. Accordingly, no provision has been made as at 30 September 2014.
- (c) Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2014

18. CONTINGENT LIABILITIES OF JOINT VENTURES

- (a) Bharti Airtel Limited ("**Airtel**"), a 32.4% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (SingTel's share: S\$349 million) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion (SingTel's share: S\$61 million) for holding GSM spectrum beyond 6.2 Mhz for the period from 1 July 2008 to 31 December 2012 and also a prospective charge of Rs. 42.92 billion (SingTel's share: S\$288 million) for GSM spectrum held beyond 4.4 Mhz for the period from 1 January 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licenses issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 30 September 2014, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 84.8 billion (SingTel's share: S\$568 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Group has 79.05% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

Econet Wireless Limited ("**EWL**") has claimed for entitlement to a 5% stake in ANL in 2004 and a claim alleging breach of a shareholders' agreement between EWL and former shareholders of ANL in 2006. Airtel is appealing earlier court and arbitral decisions and is defending its positions vigorously. Under the terms of the acquisition by Airtel of these assets from Zain International B.V. in 2010, Airtel has the benefit of applicable seller's indemnities in respect of such matters.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2014

18. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)

- (b) The Group holds an equity interest of 23.3% in Advanced Info Service Public Company Limited (“AIS”).

Revenue share disputes arising from abolishment of excise tax

In January 2008, TOT Public Company Limited (“TOT”) and CAT Telecom Public Company Limited (“CAT”) demanded additional payments of revenue share from AIS and its subsidiary, Digital Phone Company Limited (“DPC”) respectively.

CAT had submitted its case against DPC to arbitration and the Arbitral Tribunal has dismissed CAT’s case against DPC on 1 March 2011. On 3 June 2011, CAT began proceedings to appeal against the Arbitral Tribunal’s decision in the Central Administrative Court.

On 20 May 2011, the Arbitral Tribunal dismissed TOT’s claim against AIS for additional revenue share. On 22 September 2011, TOT submitted its case to the Central Administrative Court to appeal against the Arbitral Tribunal’s award.

TOT’s demands for additional revenue share

On 26 January 2011, TOT sent a letter demanding AIS to pay additional revenue share based on gross interconnection income received from 2007 to 2010 of THB 17,803 million (SingTel’s share: S\$163 million) plus interest at the rate of 1.25% per month. AIS sent a letter opposing the said claim to TOT on 21 February 2011. On 9 March 2011, AIS submitted the dispute to arbitration.

On 29 July 2014, TOT submitted a dispute to the Arbitration Institute demanding AIS to pay additional revenue share on the interconnection income from 2011 to 2012 amounting to THB 9,984 million (SingTel’s share: S\$92 million) plus interest at the rate of 1.25% per month. TOT requested the Arbitral Tribunal to consider this case together with the case filed on 9 March 2011.

The disputes are pending the arbitration procedures.

TOT’s demand for access charge

On 9 May 2011, TOT submitted a case to the Central Administrative Court against CAT as first defendant and DPC as second defendant demanding access charge amounting to THB 2,954 million (SingTel’s share: S\$27 million) plus interest.

On 31 July 2014, TOT submitted a revised petition to adjust the access charge from THB 2,954 million to THB 5,454 million (SingTel’s share: S\$50 million) calculated up to 16 September 2013 plus value-added tax and interest calculated up to 10 July 2014.

AIS’ management believes that the case has no material impact to its financial statements as DPC has complied with the law and relevant agreements and the dispute will be settled in favour of DPC. This case is pending consideration of the Central Administrative Court.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2014

18. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)TOT's demand for compensation from 900 MHz subscribers porting to 2100 MHz

On 25 September 2014, TOT submitted a dispute to the Arbitration Institute demanding AIS to pay compensation for the porting of 900 MHz subscribers to 2100 MHz, amounting to THB 9,126 million (SingTel's share: S\$84 million) plus interest at 7.5% per annum, including fees and other expenses to be incurred during the arbitration process.

AIS' management believes that the case has no material impact to its financial statements as AIS has complied with the relevant agreements and the dispute will be settled in favour of AIS. This case is pending the arbitration procedures.

- (c) Globe Telecom, Inc. ("**Globe**"), a 47.2% joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe Group's financial position and results of operations.
- (d) The Group holds an equity interest of 35% in PT Telekomunikasi Selular ("**Telkomsel**"). As at 30 September 2014, Telkomsel has filed appeals and cross-appeals amounting to approximately IDR 736 billion (SingTel's share: S\$27 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which are not presently determinable.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2014

19. GROUP SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

SingTel Group is structured into three business segments, namely Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, namely AIS in Thailand, Airtel in India, Africa and South Asia, Globe in the Philippines, Pacific Bangladesh Telecom Limited in Bangladesh and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, residential pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore and Australia and focuses on growing the Group's position in the enterprise markets. Key services include mobile, fixed voice and data, managed services, cloud computing, and IT services and professional consulting.

Group Digital Life focuses on using the latest internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It includes digital marketing, e-commerce, concierge and hyper-local services.

Corporate comprises the costs of Group functions not allocated to the three business segments.

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

The costs of shared and common infrastructure are allocated to business segments using established methodologies. With effect from 1 April 2014, certain costs have been reallocated between Consumer and Enterprise business segments as a result of higher utilisation of shared infrastructure by mobile in Australia.

For comparative purpose, the EBITDA and EBIT of the business segments for the corresponding period ended 30 September 2013 have been restated to reflect the changes in cost allocation and other adjustments. The impact of the change was a reduction to Group Consumer's EBITDA and EBIT of S\$35 million and S\$65 million respectively, and a corresponding increase to Group Enterprise's EBITDA and EBIT of S\$35 million and S\$65 million respectively. The Group's overall EBITDA and EBIT remain unchanged.

19. GROUP SEGMENT INFORMATION (Continued)*For the half year ended 30 September 2014*

Group 30 Sep 2014 (Unaudited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Group Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	5,174.8	3,154.7	127.5	-	8,457.0
Operating expenses	(3,570.1)	(2,103.3)	(223.1)	(36.4)	(5,932.9)
Other income/ (expense)	50.7	11.7	0.5	1.1	64.0
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	1,655.4	1,063.1	(95.1)	(35.3)	2,588.1
Share of pre-tax results of associates and joint ventures					
- Airtel	382.8	-	-	-	382.8
- Telkomsel	469.2	-	-	-	469.2
- Globe	161.1	-	-	-	161.1
- AIS	198.8	-	-	-	198.8
- Others	0.3	-	-	53.9	54.2
	1,212.2	-	-	53.9	1,266.1
EBITDA and share of pre-tax results of associates and joint ventures	2,867.6	1,063.1	(95.1)	18.6	3,854.2
Depreciation and amortisation	(735.8)	(302.2)	(39.5)	(0.3)	(1,077.8)
Earnings before interest and tax ("EBIT")	2,131.8	760.9	(134.6)	18.3	2,776.4
Segment assets					
Investment in associates and joint ventures					
- Airtel	4,979.2	-	-	-	4,979.2
- Telkomsel	3,089.7	-	-	-	3,089.7
- Globe	973.3	-	-	-	973.3
- AIS	627.2	-	-	-	627.2
- Others	25.1	-	-	331.2	356.3
	9,694.5	-	-	331.2	10,025.7
Goodwill on acquisition of subsidiaries	9,196.1	177.4	635.8	-	10,009.3
Other assets	10,861.3	4,730.0	938.1	3,654.8	20,184.2
	29,751.9	4,907.4	1,573.9	3,986.0	40,219.2

19. GROUP SEGMENT INFORMATION (Continued)*For the half year ended 30 September 2014*

Group 30 Sep 2013 (Unaudited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Group Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	5,277.0	3,108.1	64.6	6.7	8,456.4
Operating expenses	(3,681.9)	(2,061.1)	(135.6)	(39.5)	(5,918.1)
Other income/ (expense)	35.5	17.6	(1.0)	3.8	55.9
EBITDA	1,630.6	1,064.6	(72.0)	(29.0)	2,594.2
Share of pre-tax results of associates and joint ventures					
- Airtel	208.1	-	-	-	208.1
- Telkomsel	507.3	-	-	-	507.3
- Globe	127.7	-	-	-	127.7
- AIS	213.7	-	-	-	213.7
- Others	0.2	-	-	39.3	39.5
	1,057.0	-	-	39.3	1,096.3
EBITDA and share of pre-tax results of associates and joint ventures	2,687.6	1,064.6	(72.0)	10.3	3,690.5
Depreciation and amortisation	(735.0)	(307.9)	(22.9)	(0.3)	(1,066.1)
EBIT	1,952.6	756.7	(94.9)	10.0	2,624.4

Group 31 Mar 2014 (Audited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Group Corporate S\$ Mil	Group Total S\$ Mil
Segment assets					
Investment in associates and joint ventures					
- Airtel	4,889.6	-	-	-	4,889.6
- Telkomsel	3,433.8	-	-	-	3,433.8
- Globe	900.0	-	-	-	900.0
- AIS	624.2	-	-	-	624.2
- Others	24.8	-	-	255.8	280.6
	9,872.4	-	-	255.8	10,128.2
Goodwill on acquisition of subsidiaries	9,199.1	181.9	322.6	-	9,703.6
Other assets	10,472.2	4,873.0	542.7	3,600.3	19,488.2
	29,543.7	5,054.9	865.3	3,856.1	39,320.0

19. GROUP SEGMENT INFORMATION (Continued)

For the half year ended 30 September 2014

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax is as follows -

Group	30 Sep 14 S\$ Mil (Unaudited)	30 Sep 13 S\$ Mil (Unaudited)
EBIT	2,776.4	2,624.4
Exceptional items	27.0	146.1
Share of exceptional items of associates and joint ventures (post-tax)	(25.6)	(55.7)
Share of tax of associates and joint ventures	(431.6)	(344.5)
Profit before interest, investment income (net) and tax	2,346.2	2,370.3
Interest and investment income (net)	54.9	51.4
Finance costs	(150.2)	(155.6)
Profit before tax	2,250.9	2,266.1

OTHER INFORMATION

- 20.** The financial position as at 30 September 2014 and the results, statements of changes in equity and cash flows for the second quarter and half year ended 30 September 2014 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (see review report on page 38 of this announcement).

21. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2014.

- 22. WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.**

Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2014.

- 23. A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT OPERATING PERIOD AND THE NEXT 12 MONTHS.**

Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2014.

24. INTERESTED PERSON TRANSACTIONS

The Group has not obtained a general mandate from the shareholders of the Company for Interested Person Transactions.

25. ASSOCIATES OF THE GROUP

Name of Company	Percentage of effective interest held by the Group as at	
	30 Sep 14 %	30 Sep 13 %
ADSB Telecommunications B.V.	25.6	25.6
APT Satellite Holdings Limited	20.3	20.3
APT Satellite International Company Limited	28.6	28.6
NetLink Trust ⁽¹⁾	100.0	100.0
OpenNet Pte. Ltd. ⁽²⁾	-	29.9
Singapore Post Limited	23.0	25.6
Telescience Singapore Pte Ltd	50.0	50.0

Notes:

- (1) The Group regarded NetLink Trust, a 100%-owned business trust established as part of IDA's effective open access requirements under Singapore's Next Generation National Broadband Network, as an associate as it does not have effective control in the trust.
- (2) The Group sold its 29.9% equity interest in OpenNet Pte. Ltd. ("**OpenNet**") to NetLink Trust in November 2013. NetLink Trust currently owns 100% of OpenNet. Accordingly, the Group has 100% effective equity interest in OpenNet through its interest in NetLink Trust.

26. JOINT VENTURES OF THE GROUP

Name of Company	Percentage of effective interest held by the Group as at	
	30 Sep 14 %	30 Sep 13 %
Abacus Travel Systems Pte Ltd	30.0	30.0
Acasia Communications Sdn Bhd	14.3	14.3
ACPL Marine Pte Ltd	41.7	41.7
Advanced Info Service Public Company Limited	23.3	23.3
ASEAN Cablesip Pte Ltd	16.7	16.7
ASEAN Telecom Holdings Sdn Bhd	14.3	14.3
Asiacom Philippines, Inc.	40.0	40.0
Bharti Airtel Limited	32.4	32.3
Bharti Telecom Limited	39.8	39.8
Bridge Mobile Pte Ltd	33.8	33.8

26. JOINT VENTURES OF THE GROUP (Continued)

Name of Company	Percentage of effective interest held by the Group as at	
	30 Sep 14 %	30 Sep 13 %
Globe Telecom, Inc.	47.3	47.3
Grid Communications Pte Ltd	50.0	50.0
Indian Ocean Cables Pte Ltd	50.0	50.0
International Cables Pte Ltd	45.0	45.0
Main Event Television Pty Limited	33.3	33.3
OPEL Networks Pty Limited	50.0	50.0
Pacific Bangladesh Telecom Limited	45.0	45.0
Pacific Carriage Holdings Limited	40.0	40.0
PT Telekomunikasi Selular	35.0	35.0
Radiance Communications Pte Ltd	50.0	50.0
Southern Cross Cable Holdings Limited	40.0	40.0
SSBI Pte. Ltd.	50.0	50.0
VA Dynamics Sdn Bhd	49.0	49.0

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter and half year ended 30 September 2014 to be false or misleading.

On behalf of the Board of Directors

Fang Ai Lian
Chairman of Audit Committee

Chua Sock Koong
Director

Singapore
12 November 2014

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors
Singapore Telecommunications Limited
31 Exeter Road
Comcentre
Singapore 239732

Dear Sirs

**SINGAPORE TELECOMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE SECOND
QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2014****Introduction**

We have reviewed the accompanying statement of financial position of Singapore Telecommunications Limited ("SingTel" or the "Company") as of 30 September 2014 and statement of changes in equity of the Company for the Second Quarter and Half Year then ended, the statement of financial position of Singapore Telecommunications Limited and its subsidiary companies (the "Group") as of 30 September 2014 and related income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the Second Quarter and Half Year then ended, selected notes and other explanatory information ("interim financial information").

The Management of SingTel are responsible for the preparation and presentation of the interim financial information in accordance with Financial Reporting Standard 34 *Interim Financial Reporting* ("FRS 34"). Such interim financial information has been prepared by Management of SingTel for announcement on the Singapore Exchange and the Australian Securities Exchange. Our responsibility is to express a conclusion to this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FRS 34.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
12 November 2014