

A circular photograph of six Singtel employees, three men and three women, smiling and looking towards the camera. They are arranged in a circle, with their heads touching. The background is bright and out of focus. The photo is partially covered by a red curved shape on the left side of the slide.

Financial Results Presentation

Q3 FY15: Quarter ended 31 December 2014

12 February 2015 • Chua Sock Koong, 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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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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Q3FY15: Higher earnings on strong core business and associates performance

Q3FY15	% change (reported)	% change (constant currency) ¹	Explanation (constant currency)
Operating revenue S\$4,427m	+4%	+7%	<ul style="list-style-type: none"> › Growth momentum in mobile data services › Significant mobile acquisition and recontract activities drove higher equipment sales and mobile revenues › Include revenue from recent digital acquisitions
EBITDA S\$1,229m	-3%	Stable	<ul style="list-style-type: none"> › Impact of higher customer acquisition & recontract costs in Singapore
Regional Mobile Associates' pre-tax earnings² S\$646m	+28%	+27%	<ul style="list-style-type: none"> › Contributions from all associates grew › Robust mobile data take-up
Underlying net profit S\$970m	+7%	+8%	<ul style="list-style-type: none"> › Strong core performance offset adverse currency impact and operating losses from digital investments
Net profit S\$970m	+11%	+12%	
Free cash flow S\$669m	+18%	+20%	<ul style="list-style-type: none"> › Increased operating cashflows from Singapore & Australia

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

2. Exclude exceptional items.

Foreign exchange movements

Currency	Quarter ended 31 December 2014			9 months ended 31 December 2014	
	Exchange rate ¹	Increase/ (decrease) against S\$		Exchange rate ¹	Increase/ (decrease) against S\$
		YoY	QoQ		
1 AUD ² 	1.1073	(4.4%)	(4.3%)	1.1434	(3.5%)
IDR 	9,434	(1.9%)	-	9,383	(11.1%)
INR 	47.8	3.4%	1.0%	48.0	0.2%
PHP 	34.6	0.6%	1.1%	35.0	(2.6%)
THB 	25.3	0.4%	1.2%	25.6	(3.6%)

1. Average exchange rates for the quarter and 9 months ended 31 December 2014.

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

Group Q3FY15 highlights

Group › New brand identity and promise - Let's make everyday better



Consumer › SG: Significant customer acquisitions and recontracting with new smart phone launches
 › SG: Strengthened news and children's content with CNN and Cartoon Network
 › AU: Mobile momentum continues with 96k new handset customers
 › AU: Concluded revised agreement with NBN Co delivering comparable NPV



Group Enterprise › Gained momentum in G-Cloud with adoption by 6 additional government agencies
 › Expanded cloud capabilities with acquisition of Ensyst



Group Digital Life › Established HOOQ to offer OTT video service in Asia
 › Amobee: Completed integration of Adconion and Kontera



Q3FY15: Robust earnings growth

	3 months to			9 months to		
	Dec 14	Dec 13	YoY %	Dec 14	Dec 13	YoY %
Operating revenue	4,427	4,263	3.8%	12,884	12,720	1.3%
EBITDA	1,229	1,264	(2.8%)	3,817	3,858	(1.1%)
- margin	27.8%	29.6%		29.6%	30.3%	
Associates pre-tax earnings ¹	683	531	28.7%	1,960	1,621	21.0%
EBITDA & share of associates' pre-tax earnings	1,896	1,803	5.2%	5,750	5,493	4.7%
Depreciation & amortisation	(541)	(533)	1.5%	(1,619)	(1,599)	1.2%
Net finance expense	(69)	(34)	107.2%	(165)	(138)	19.6%
Profit before EI and tax	1,285	1,236	4.0%	3,966	3,756	5.6%
Tax	(314)	(326)	(3.5%)	(1,133)	(1,062)	6.7%
Underlying net profit	970	910	6.6%	2,830	2,690	5.2%
Exceptional Items (post tax)	*	(37)	N.M.	13	64	(79.2%)
Net profit	970	872	11.2%	2,843	2,754	3.2%

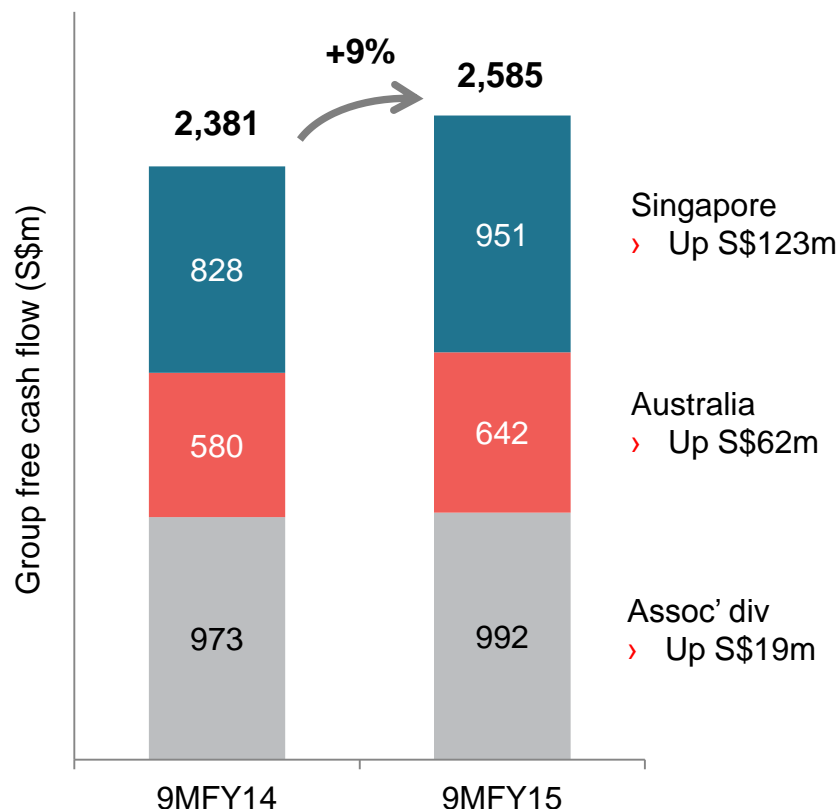
1. Excluding exceptionals.

* Denotes less than +/- S\$0.5M

Solid financial position

Free cash flow

S\$2,585m



Balance sheet

Net debt¹ **S\$7.9b**

Net debt gearing² **24.9%**

Net debt: EBITDA & share of associates' pre-tax profits³ **1.0x**

EBITDA & share of associates' pre-tax profits: **29.2x**
Net interest expense

S&P's rating **A+**

Moody's rating **Aa3**

1. Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.

2. Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.

3. Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.



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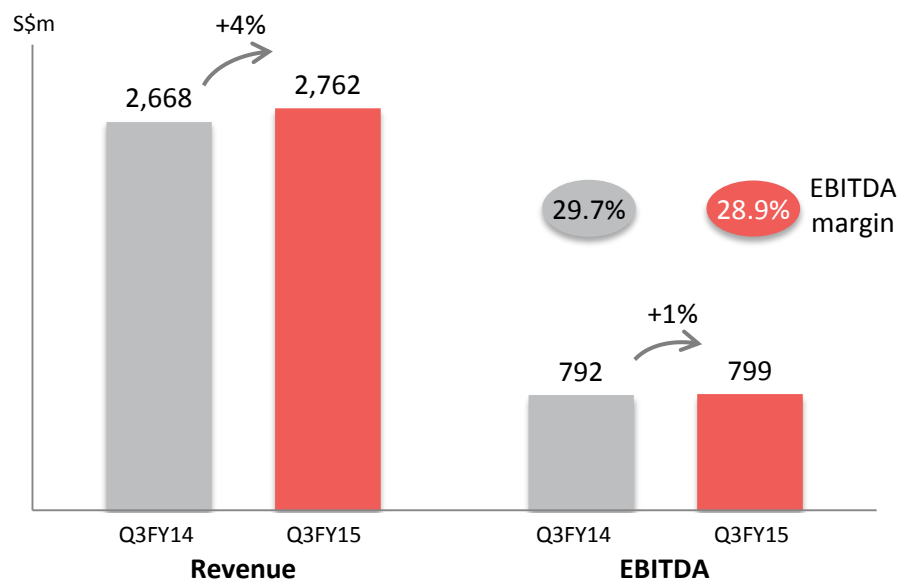
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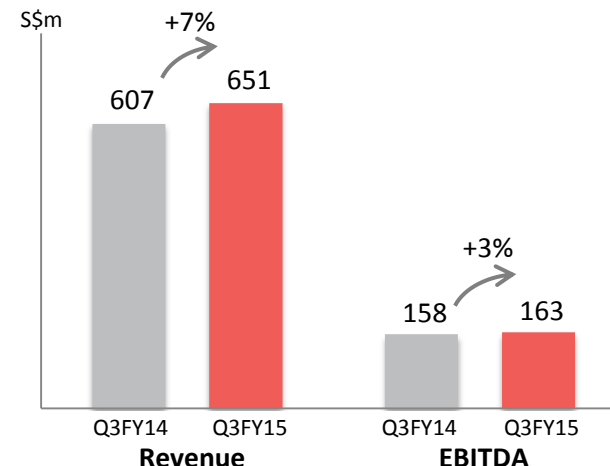
Consumer: Sustained growth momentum in Singapore & Australia

Consumer

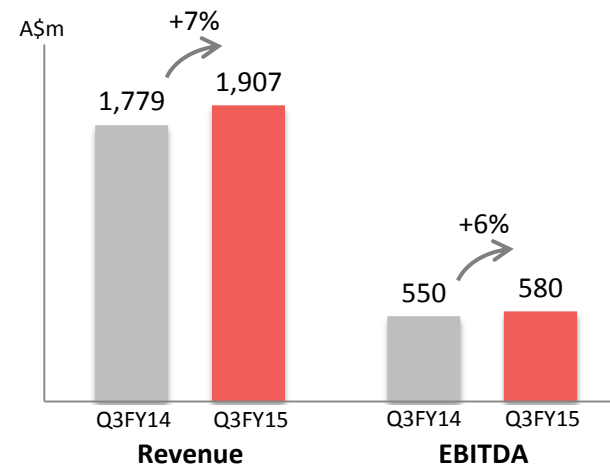


- › Significant revenue growth in Singapore and Australia
- › Singapore revenue boosted by higher equipment sales and TV revenues
- › Australia revenue accelerated on robust customer gains and higher ARPU
- › Weaker AUD
- › EBITDA growth impacted by higher handset subsidies in Singapore

Singapore

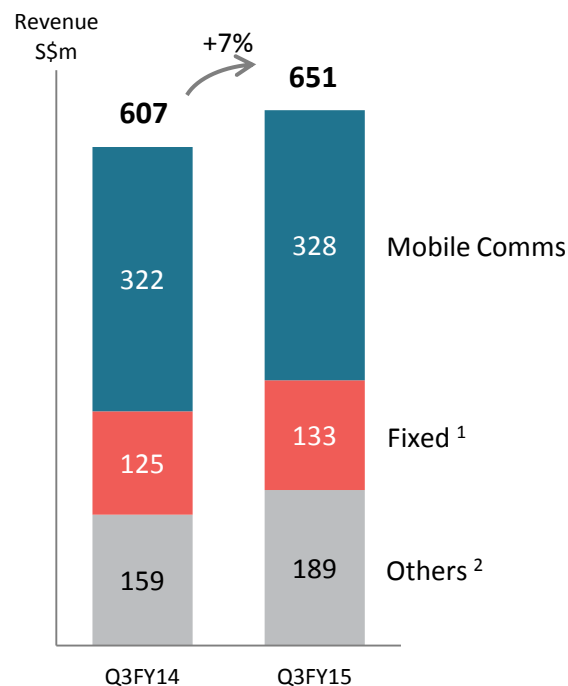


Australia



Singapore Consumer: Equipment sales and mobile data growth offset declines in voice roaming, local voice & SMS

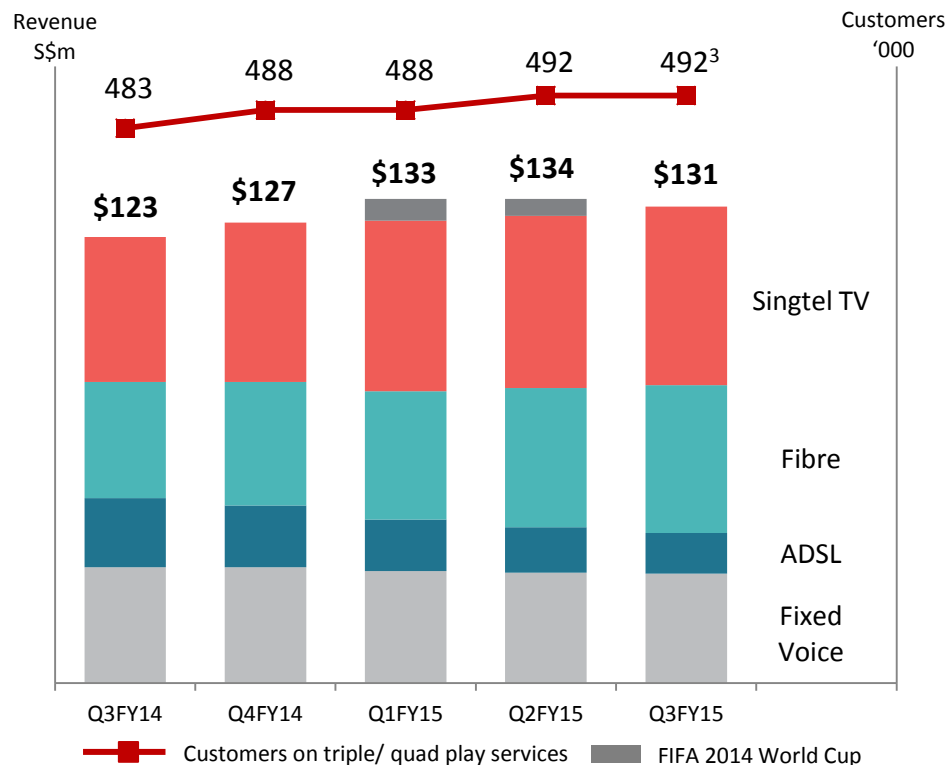
Singapore Consumer



Mobile revenue up 2%

- › Steady growth in data & postpaid subscription revenues
- › Lower voice roaming, local voice & SMS

Consumer Home



Household ARPU up 8% to S\$60

- › Higher content upgrades

Broadband revenue up 1% YoY

- › Upgrades to higher speeds and continued migration from copper to fibre

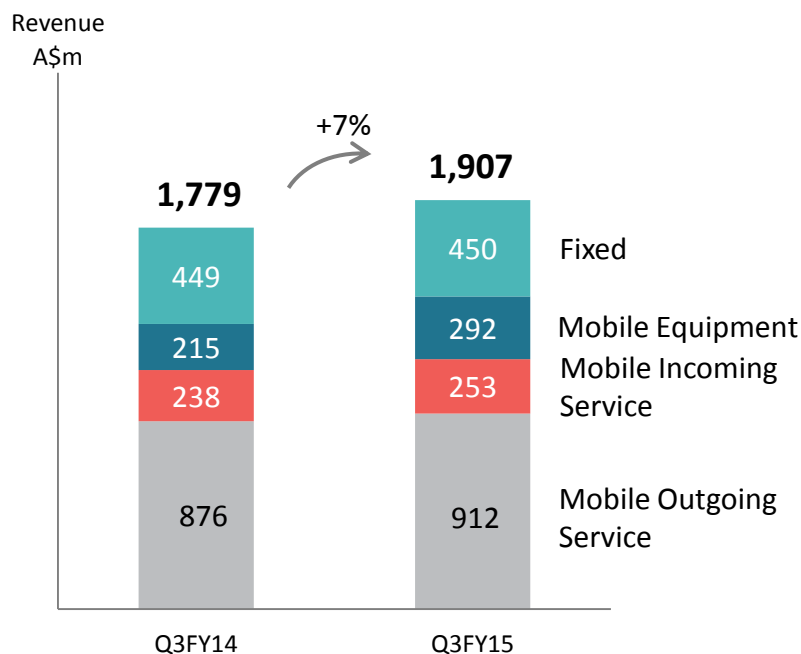
1. Fixed services revenue comprises internet, national telephone and Singtel TV.

2. Others revenue comprises sale of equipment, international telephone and other services.

3. Households who subscribe to 3 or 4 services comprising Broadband, TV, Fixed Voice and Mobile

Australia Consumer: Accelerating revenue growth

Australia Consumer



Mobile service revenue up 5%

- › Outgoing service revenue up 4%
- › Strong data growth

Outgoing mobile service revenue up 4%

- › 96k net adds in mobile handsets¹
- › Blended ARPU up 5%
- › Data revenues up 12%

4G

- › 2,763 4G sites deliver 80% national population coverage²
 - › Turned on 700 MHz at over 1,200 metro and regional sites
- › 3.1m 4G handsets on the network (34% penetration)

EBITDA up 6%

- › Driven by strong mobile service revenue growth

1. Exclude mobile broadband.

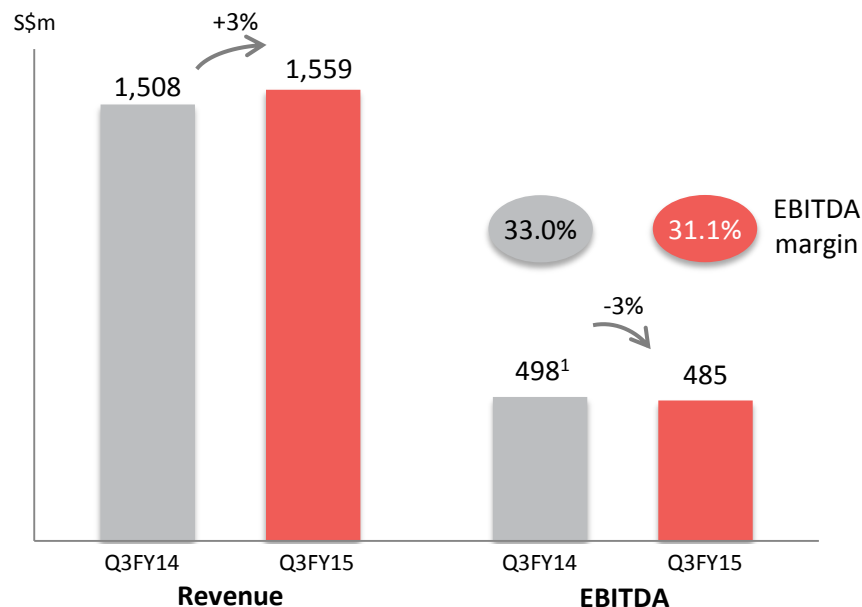
2. As at 31 January 2015.

Regional Mobile Associates: mobile data and customer growth across major associates

Q3FY15	PBT ¹ (S\$m)	% Change (S\$)	% Change (local currency)	Highlights
Regional Mobile	646	+28%	-	<ul style="list-style-type: none"> › Up 27% in constant currency › Strong contributions from Airtel India and Telkomsel › Continued data and customer base growth
Telkomsel	273	+28%	+30%	<ul style="list-style-type: none"> › Revenue growth across data, voice and digital services › Lower O&M and other cost of service
Airtel	202	+37%	+32%	<ul style="list-style-type: none"> › India: Higher data traffic and blended ARPU › Africa: Mobile data and Airtel Money grew in local currency terms › Africa: Earnings impacted by weaker currencies and increased network and customer service costs
AIS	113	+7%	+6%	<ul style="list-style-type: none"> › Higher mobile data and smartphone penetration › Regulatory cost savings partially offset by higher depreciation on 3G investments
Globe	57	+48%	+47%	<ul style="list-style-type: none"> › Growth in mobile customers and strong adoption of data services › Lower depreciation charges

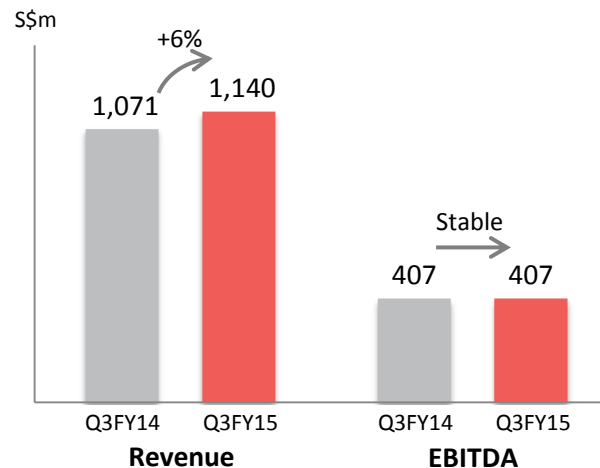
Group Enterprise: Leadership maintained in a price-competitive environment

Group Enterprise (ex fibre contribution)

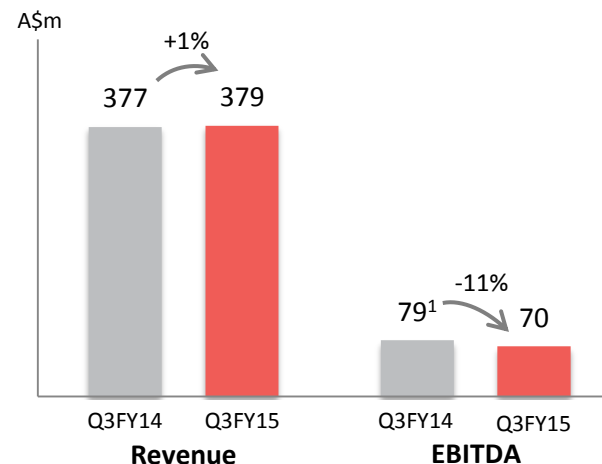


- › Robust revenue growth
 - › Solid ICT and core carriage revenues in Singapore
 - › Higher G-Cloud adoption and greater demand for carriage services
 - › Growth in Australia mobile business
- › Lower EBITDA margin with increased mix of ICT revenue

Singapore



Australia



¹ Include A\$10m write-back of provisions; Excluding the write-back, Group Enterprise EBITDA is stable.

S\$m

Revenue

Category	Q3FY14	Q3FY15
Amobee	38	104
Others ¹	14	13
Total	52	118

+128%

Digital marketing revenue grew 178%

EBITDA

Category	Q3FY14	Q3FY15
Amobee	-7	-20
Others ¹	-36	-29
Total	-43	-49

+16%

- › Digital marketing revenue growth from new acquisitions
- › Operating losses increased with investments in digital marketing and video and integration costs

[a·mo·bee]



- › Launched INK, our proprietary cross device tracking technology
- › Launched Real Moment Marketing:
 - › Enhancing digital advertising effectiveness with Kontera's real time brand intelligence capabilities

HSCQ

- › Service roll out in the Philippines with Globe in late February
- › India, Indonesia and Thailand to follow

The background of the slide is a photograph of three business professionals—two women and one man—collaborating. They are gathered around a silver Dell laptop, looking at the screen with interest and smiles. The setting appears to be outdoors, with bright, natural light and green foliage visible in the background. A large, semi-circular red graphic element is positioned on the left side of the slide, partially overlapping the photograph and serving as a backdrop for the agenda text.

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Outlook¹

Group	Revenue and EBITDA excluding acquisitions to be stable
	Capital expenditure to be approx. S\$2.3b <ul style="list-style-type: none"> • Approx. S\$900m for Singapore • Approx. S\$1.4b for Australia
	Free cash flow ² to be stable
	Ordinary dividends from Regional Mobile Associates to be approx. S\$1.0b
Core Business³	Revenue to be stable
	EBITDA to increase by low single digit level
	Singapore Mobile Communications revenue to increase by mid single digit level
	Australia Mobile Service revenue to increase by low single digit level (updated)
	Group ICT ⁴ revenue to increase by low single digit level
Group Digital Life⁵	Revenue to exceed S\$300m
	Negative EBITDA to increase to approximately S\$200 – S\$250m

1. Based on average exchange rates during FY14.

2. Exclude spectrum payments of approx. S\$900m and associates' dividends.

3. Comprises Singapore Consumer, Australia Consumer and Group Enterprise.

4. Comprises Managed Services and Business Solutions.

5. Include acquisition of Adconion and Kontera



Agenda

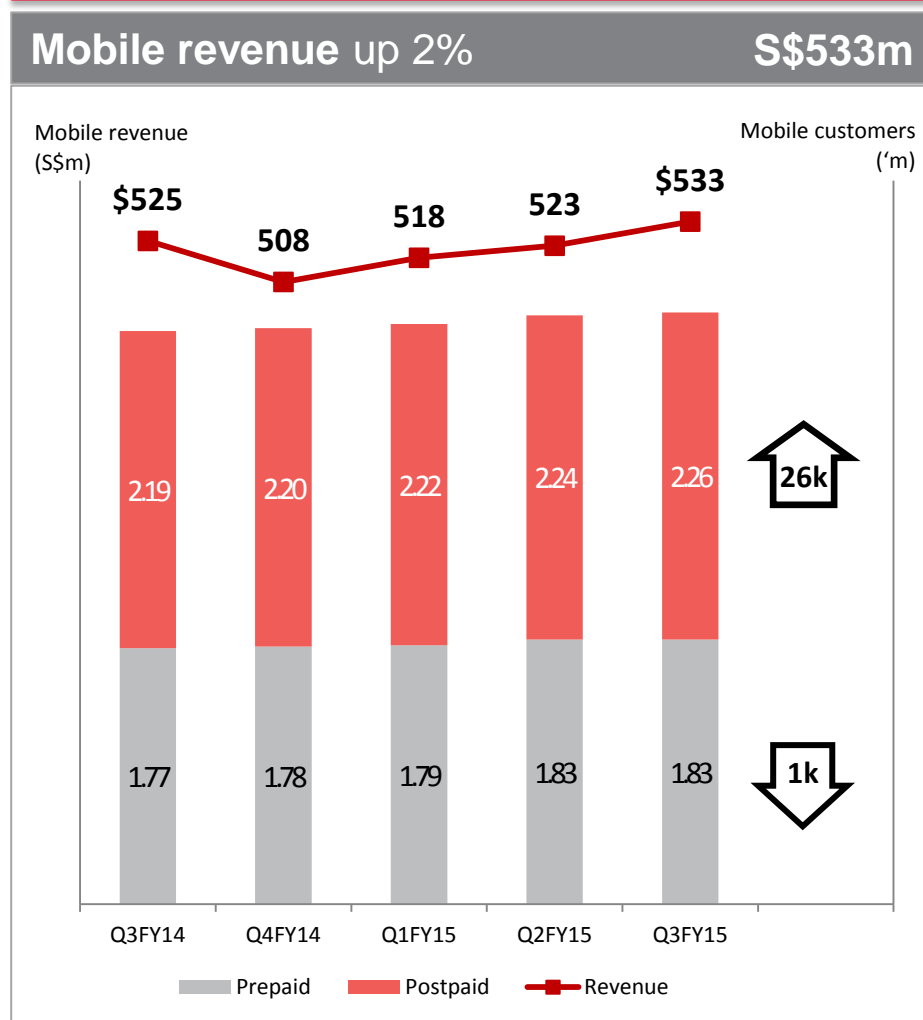
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Singapore Mobile



4G customers up 181k QoQ **1,661k**

Tiered data plans

- › Postpaid customers on tiered plans ¹ **59%**
- › Tiered plans customers who exceed data bundles **21%**

Postpaid ARPU down 3% **S\$76**

- › 1ppt due to dilution effect of data-only SIMs and mobile share plans²
- › 2ppts due to lower voice roaming and inter-operator SMS

Postpaid SAC³ up 4% **S\$488**

1. If excluding data-only SIMs, 72% of postpaid customers were on tiered plans.

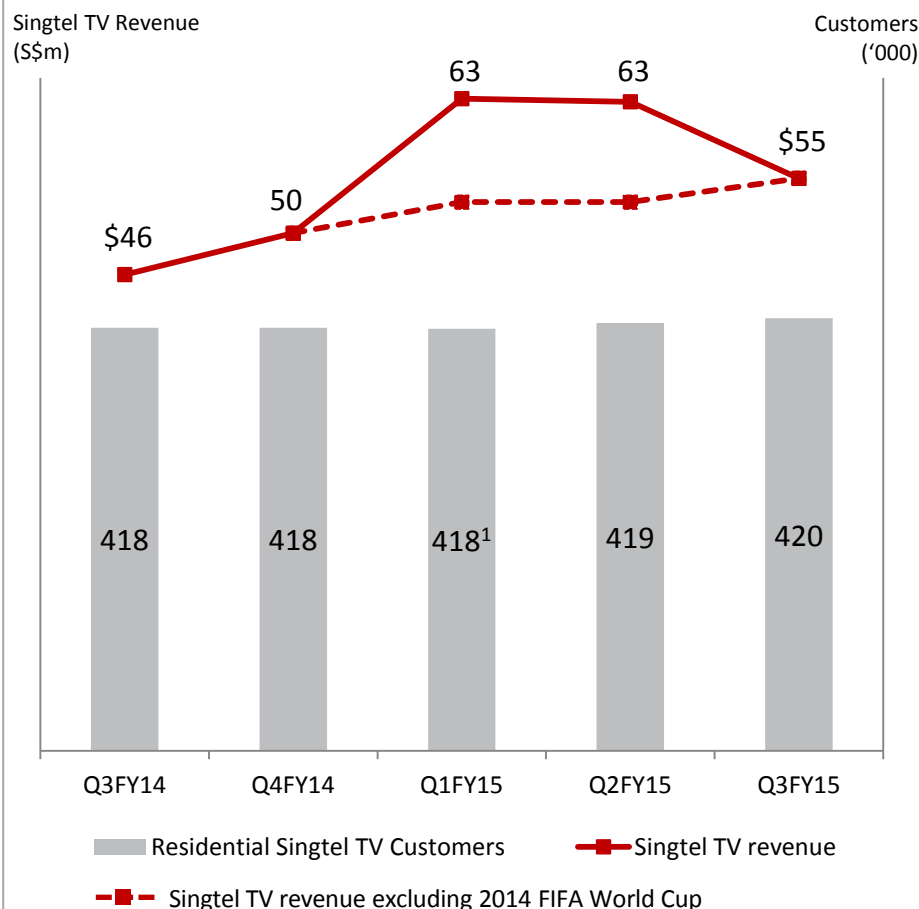
2. Data-only SIMs refer to wireless broadband plans excluding voice. Mobile share plans refer to supplementary lines which share data, voice & text allowances of postpaid plans.

3. Blended acquisition and retention cost per postpaid customer.

Singapore Fixed

Singtel TV revenue up 21%

\$55m



Singtel TV ARPU

\$39

› Up 23%

Singtel TV churn

1.0%

› Improved from 1.6%

Fibre customers²

390k

› Up 21k QoQ

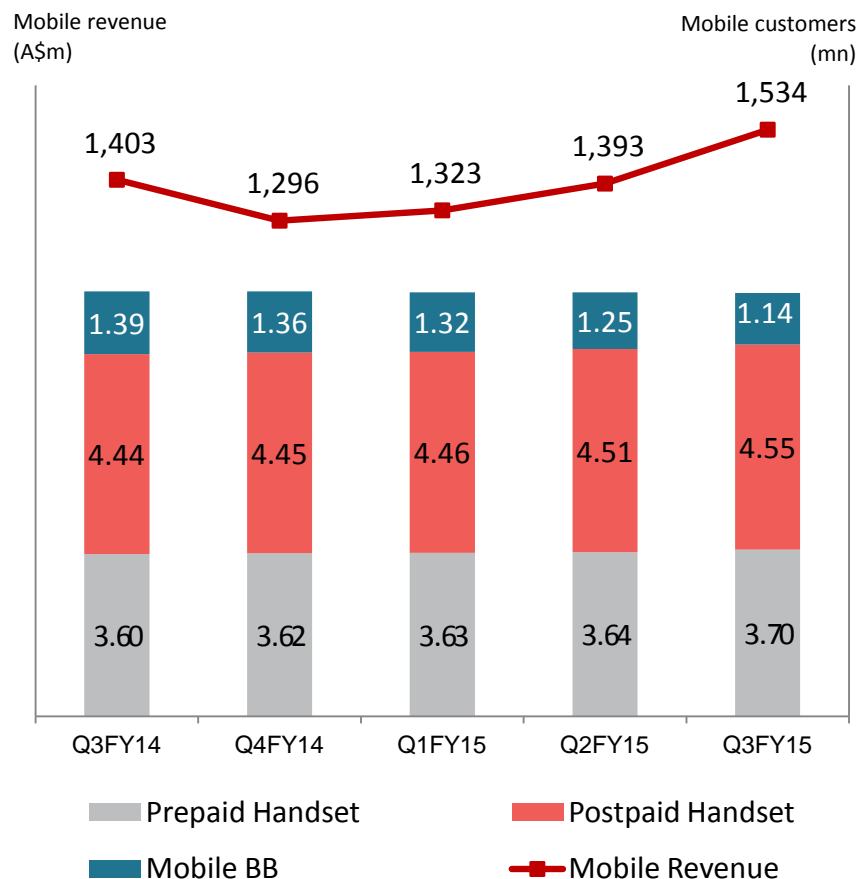
1. Exclude 19k cross-carriage customers who subscribed to 2014 FIFA World Cup only.

2. Refers to residential and corporate subscriptions to broadband internet services using optical fibre networks.

Australia Mobile

Mobile revenue up 9%

A\$1,534m



Net adds

- › Handset plans **+100k**
- › Mobile broadband **-112k**

Postpaid

- › Handset ARPU **A\$62**
- up 1%
- › Churn **1.4%**
- › SAC¹ **A\$198**
- down 17%

Prepaid

- › Handset ARPU **A\$27**
- up 8%
- › SAC **A\$13**

Trends in constant currency terms¹

3 months to Dec 14	Q3FY15 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	4,427	3.8%	6.6%
Group reported NPAT	970	11.2%	12.4%
Group underlying NPAT	970	6.6%	7.8%
Optus revenue	2,535	1.3%	6.0%
Regional Mobile Associates pre-tax earnings ²	646	27.6%	27.1%
9 months to Dec 14	9M FY15 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	12,884	1.3%	3.4%
Group reported NPAT	2,843	3.2%	6.7%
Group underlying NPAT	2,830	5.2%	8.8%
Optus revenue	7,439	(1.9%)	1.6%
Regional Mobile Associates pre-tax earnings ²	1,869	20.1%	26.4%

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

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



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