



Singapore Telecommunications Limited And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009

The financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards, which are the same, in material respects, to International Financial Reporting Standards. The financial statements for the period ended, and as at, 30 September 2009 are unaudited.

Numbers in all tables may not exactly add due to rounding.

For all pages, "@" denotes more than +/- 500%, "" denotes less than +/- S\$500,000 or A\$500,000 and "***" denotes less than +/- 0.05%, unless otherwise indicated.*

For all tables, a negative sign for year-on-year change denotes a decrease in operating revenue, expense, gain or loss.

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SECTION I : GROUP

FINANCIAL HIGHLIGHTS**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009**

- Both Singapore and Australia reported strong revenue growth and improved EBITDA but Group's growth was moderated by weakness in the Australian Dollar and regional currencies.
- Group's revenue up 5.4% to S\$4.10 billion.
- Operational EBITDA increased 6.5% to S\$1.15 billion.
- Pre-tax profit from associates up 32% to S\$606 million.
- EBITDA grew 14% to S\$1.76 billion.
- Underlying net profit up 19% to S\$952 million.
- Free cash flow of S\$1.09 billion -- with S\$221 million from the Singapore business, S\$331 million (A\$271 million) from the Australia business and S\$542 million from the associates.

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009

- Operating revenue up 3.7% to S\$7.95 billion.
- Operational EBITDA up 2.4% to S\$2.28 billion.
- Pre-tax profit from associates up 21% to S\$1.25 billion.
- EBITDA up 8.3% to S\$3.53 billion.
- Underlying net profit up 14% to S\$1.90 billion.
- Free cash flow stable at S\$1.67 billion.

SECTION I : GROUP

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Operating revenue	4,103	3,891	5.4	7,951	7,668	3.7
Operating expenses	(2,974)	(2,829)	5.1	(5,719)	(5,488)	4.2
<i>(ex- Cost of Sales)</i>	(2,324)	(2,202)	5.5	(4,439)	(4,345)	2.2
Operational EBITDA	1,149	1,079	6.5	2,278	2,225	2.4
<i>Operational EBITDA margin</i>	28.0%	27.7%		28.6%	29.0%	
Share of associates' pre-tax profit	606	461	31.5	1,253	1,035	21.0
- ordinary operations	606	461	31.5	1,253	1,031	21.5
- exceptional items ⁽¹⁾	-	-	-	-	4	nm
EBITDA	1,756	1,540	14.0	3,531	3,260	8.3
Exceptional items ⁽¹⁾	4	1	@	4	21	-79.4
Underlying net profit	952	801	18.8	1,897	1,658	14.4
Net profit	956	868	10.1	1,901	1,746	8.9
Free cash flow	1,094	1,141	-4.1	1,666	1,694	-1.6
Underlying earnings per share (S cents)	5.98	5.03	18.9	11.92	10.42	14.4
Basic earnings per share (S cents)	6.00	5.45	10.1	11.95	10.97	8.9

	As at		
	30 Sep	30 Jun	31 Mar
	2009 S\$ m	2009 S\$ m	2009 S\$ m
Total assets	35,181	34,654	33,255
Shareholders' funds	22,209	22,086	20,476
Net debt ⁽²⁾	6,486	6,325	6,544
<i>Net debt gearing ratio</i> ⁽³⁾	22.6%	22.2%	24.2%
<i>Net debt to EBITDA</i> ⁽⁴⁾	0.92X	0.89X	1.01X
<i>Interest cover:</i>			
- EBITDA/ net interest expense ⁽⁵⁾	25.6X	24.4X	19.9X

Notes:

- (1) The Group's share of Bharti's dilution gain of S\$8 million initially recorded as part of Bharti's share of profits had been reclassified as part of the Group's exceptional items in the corresponding half year ended 30 September 2008.
- (2) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
- (3) Net debt gearing is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.
- (4) Net debt to EBITDA is calculated on an annualised basis.
- (5) Net interest expense refers to interest expense less interest income.

SECTION I : GROUP**GROUP SUMMARY INCOME STATEMENTS**

For The Second Quarter And Half Year Ended 30 September 2009

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Operating revenue	4,103	3,891	5.4	7,951	7,668	3.7
Operating expenses	(2,974)	(2,829)	5.1	(5,719)	(5,488)	4.2
	1,129	1,062	6.4	2,232	2,180	2.4
Other income	20	17	16.7	46	45	1.1
Operational EBITDA	1,149	1,079	6.5	2,278	2,225	2.4
-EBITDA margin	28.0%	27.7%		28.6%	29.0%	
Share of results of associates						
- ordinary operations	606	461	31.5	1,253	1,031	21.5
- exceptional items	-	-	-	-	4	nm
	606	461	31.5	1,253	1,035	21.0
EBITDA	1,756	1,540	14.0	3,531	3,260	8.3
Depreciation & amortisation	(464)	(447)	3.7	(906)	(929)	-2.5
EBIT	1,292	1,093	18.2	2,625	2,331	12.6
Net finance expense						
- net interest expense	(66)	(87)	-24.6	(138)	(175)	-21.0
- other finance (expense)/ income	(4)	1	nm	(14)	11	nm
- foreign exchange gain ⁽²⁾	-	67	nm	-	67	nm
	(69)	(20)	248.5	(153)	(97)	56.7
Profit before exceptional items	1,223	1,073	14.0	2,473	2,234	10.7
Exceptional items	4	1	@	4	21	-79.4
Profit before tax	1,227	1,074	14.3	2,477	2,255	9.8
Taxation	(271)	(205)	32.0	(575)	(509)	13.0
Profit after tax	956	868	10.1	1,902	1,746	8.9
Minority interests	*	*	nm	*	*	nm
Net profit	956	868	10.1	1,901	1,746	8.9
Net profit	956	868	10.1	1,901	1,746	8.9
<i>Exclude:</i>						
Exceptional items	(4)	(1)	720.0	(4)	(21)	-79.4
Foreign exchange gain ⁽²⁾	-	(67)	nm	-	(67)	nm
Underlying net profit	952	801	18.8	1,897	1,658	14.4

Notes:

- (1) Unless otherwise stated, the presentation of income statements in this document is consistent with prior periods. For income statements presented in accordance with FRS 1, **Presentation of Financial Statements**, please refer to "SGX Appendix 7.2 Announcement".
- (2) The foreign exchange gain of S\$67 million arose from capital reduction exercise undertaken by SAI in the corresponding quarter ended 30 September 2008.
- (3) See **Appendix 1** for the summary income statements of the various businesses for the second quarter and half year ended 30 September 2009.

SECTION I : GROUP

DIVISIONAL TOTALS

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Operating revenue by division:						
Singapore Telco	1,122	1,136	-1.2	2,234	2,209	1.1
IT and Engineering ⁽¹⁾	320	197	62.7	591	378	56.5
Singapore Business	1,442	1,332	8.2	2,825	2,587	9.2
Optus	2,661	2,559	4.0	5,125	5,081	0.9
Group	4,103	3,891	5.4	7,951	7,668	3.7
Operational EBITDA by division:						
Singapore Telco	517	484	6.8	1,063	994	7.0
IT and Engineering	39	16	148.7	71	29	144.0
Singapore Business	556	500	11.2	1,134	1,023	10.9
Optus	612	588	4.2	1,178	1,225	-3.8
Group and Int'l business net corporate costs ⁽²⁾	(19)	(9)	118.2	(35)	(23)	49.4
Group	1,149	1,079	6.5	2,278	2,225	2.4
Operational EBITDA margins by division:						
<i>Singapore Telco</i>	46.1%	42.6%		47.6%	45.0%	
<i>IT and Engineering</i>	12.3%	8.0%		12.0%	7.7%	
Singapore Business	38.6%	37.5%		40.1%	39.5%	
Optus (in S\$)	23.0%	23.0%		23.0%	24.1%	
(in A\$)	23.0%	23.2%		23.0%	24.2%	
Group	28.0%	27.7%		28.6%	29.0%	

Notes:

(1) Included fibre rollout revenue from OpenNet.

(2) Included amortisation of cost for Formula One™ title sponsorship.

DIVIDEND

On 10 November 2009, the directors approved an interim one-tier exempt ordinary dividend of 6.2 cents (H1 FY2009: 5.6 cents) per share totalling approximately S\$988 million in respect of the current financial year ending 31 March 2010.

The financial statements for the half year ended, and as at, 30 September 2009 do not reflect this interim dividend. The dividend will be accounted for in the shareholders' equity as an appropriation of Retained Earnings in the quarter ending 31 December 2009.

SECTION I : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The Second Quarter Ended 30 September 2009

The Group continued to deliver strong operational results and double-digit underlying earnings growth this quarter. Both the Singapore and Australia businesses reported solid revenue growth and higher EBITDA.

The Group's operating revenue increased 5.4% and underlying net profit grew a strong 19%, and would have increased 8% and 22% respectively if the Australian Dollar and regional currencies were stable from the same quarter last year.

Operating revenue for the Singapore Business was up 8.2%, boosted by contributions from SCS which was consolidated from October 2008 and fibre rollout revenue from OpenNet. The Singapore Telco business recorded flat revenue growth on lower handset sales. Excluding handset sales, the Telco service revenue was up 2.4%.

Optus' revenue rose 7.4%, driven primarily by robust growth in its mobile subscriber base. Outgoing mobile service revenue continued its momentum with a strong increase of 15% year-on-year. In Singapore Dollar terms, Optus' revenue increased 4.0% as the Australian Dollar depreciated 3% from a year ago.

On a sequential quarter, the Group's operating revenue was up 6.6%, uplifted by the 7% strengthening of the Australian Dollar from a quarter ago.

Operational EBITDA increased 6.5% to S\$1.15 billion. Margin was stable at 28.0% despite the increased contribution from the lower-margin IT and Engineering businesses as well as the higher mobile customer acquisition costs driven by strong net additions.

The Group's share of pre-tax profit from the associates recorded strong double-digit growth of 32% from a year ago even though major regional currencies depreciated 3% to 8% from the same quarter last year. Excluding the impact of currency translation, the share of associates' pre-tax earnings would have been up 38%, underpinned by a sharp improvement in Telkomsel's performance and lower fair value losses recorded on mark-to-market valuations of foreign currency denominated liabilities in Bharti and Warid.

With the higher associates' contribution, the Group's EBITDA grew 14% to S\$1.76 billion.

Net finance expense in the corresponding quarter last year included a foreign exchange gain of S\$67 million on the capital reduction of SAI, a wholly-owned investment holding company. Excluding this gain, net finance expense would have been lower by 20% mainly due to lower interest expense from lower interest rates.

Net profit grew 10% to S\$956 million from a year earlier. Excluding the foreign exchange gain of S\$67 million recorded in the corresponding quarter last year and other one-off items, the Group's underlying net profit was up a strong 19% to S\$952 million.

Free cash flow was down 4.1% to S\$1.09 billion compared to a year ago, mainly attributed to lower dividends from associates.

The Group continued to maintain strong credit metrics with net debt gearing ratio at approximately 22.6%.

SECTION I : GROUP

On a proportionate basis where the associates are consolidated line-by-line, operations outside Singapore accounted for 74% of both the Group's proportionate revenue and EBITDA.

For The Half Year Ended 30 September 2009

The Group's operating revenue for the half year grew 3.7% to S\$7.95 billion, with robust revenue growth from both the Singapore and Australia businesses.

Operational EBITDA was up 2.4% to S\$2.28 billion with margin stable at 28.6%.

EBITDA grew 8.3% to S\$3.53 billion, driven by double-digit growth of 21% in the associates' pre-tax profit contribution.

Net profit amounted to S\$1.90 billion, up 8.9% from a year earlier. Excluding the foreign exchange gain of S\$67 million recorded in the last corresponding period and other one-off items, the Group's underlying net profit grew strongly by 14% to S\$1.90 billion.

Free cash flow for the half year was stable at S\$1.67 billion.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2009 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2009 S\$ m	30 Jun 2009 S\$ m	
Operating revenue	4,103	3,848	6.6
Singapore Business	1,442	1,383	4.3
Optus	2,661	2,465	8.0
Operating expenses	(2,974)	(2,745)	8.3
Operational EBITDA	1,149	1,128	1.9
Operational EBITDA margin	28.0%	29.3%	
Singapore Business	38.6%	41.8%	
Optus	23.0%	23.0%	
Share of pre-tax profit of associates	606	647	-6.2
Profit before exceptional items and tax	1,223	1,250	-2.1
Underlying net profit	952	945	0.7
Net profit	956	945	1.1
Free cash flow	1,094	572	91.2

SECTION I : GROUP

The Australian Dollar and the Indonesian Rupiah strengthened 7% and 3% respectively whilst the other regional currencies declined slightly compared to a quarter ago.

Operational EBITDA improved 1.9%. Margin fell 1.3 percentage points from the preceding quarter attributable to the increased mix of IT and Engineering revenue as well as higher mobile selling costs associated with acquisition volumes.

The pre-tax profit contribution from associates fell 6.2% attributable mainly to lower share of profits from Bharti and Globe.

Underlying net profit was stable on a sequential quarter.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

In Singapore, the latest official GDP forecast for 2009 is a contraction of 2% to 2.5%, an upward revision from the forecast of 4% to 6% contraction in July 2009. In Australia, the latest GDP forecast by the Reserve Bank of Australia is a growth of around 1.5% for the year ending June 2010, compared to the previous forecast of a 0.5% contraction.

Taking into account the half year performance to 30 September 2009 and the general improved economic outlook for the current financial year, the Group expects the operating revenue of each of the Singapore and Australia businesses to grow at single-digit level and the EBITDA of the respective businesses to grow at low single-digit level.

Other than the above revisions, the Group affirms the guidance issued in May 2009.

Please refer to **Appendix 5** for further details on the outlook for the current financial year.

SECTION I : GROUP**GROUP OPERATING REVENUE**

By Products And Services	Quarter				YOY Chge %	Half Year		YOY Chge %
	30 Sep					30 Sep		
	2009		2008			2009	2008	
	S'pore Business S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m		Group S\$ m	Group S\$ m	
Mobile communications	384	1,355	1,739	1,563	11.3	3,297	3,111	6.0
Data and Internet	393	428	821	808	1.5	1,606	1,621	-0.9
National telephone	99	374	474	506	-6.3	920	1,021	-10.0
IT and Engineering ⁽¹⁾	320	129	449	320	40.6	880	646	36.3
Sale of equipment	53	280	333	374	-10.9	660	625	5.6
International telephone	142	28	170	206	-17.6	354	412	-14.1
Others ⁽²⁾	51	67	117	115	2.1	234	232	1.1
Total	1,442	2,661	4,103	3,891	5.4	7,951	7,668	3.7
Operating revenue			4,103	3,891	5.4	7,951	7,668	3.7
Associates' proportionate revenue ⁽³⁾			1,600	1,531	4.5	3,173	3,050	4.0
Group's proportionate revenue			5,703	5,422	5.2	11,124	10,718	3.8

Notes:

- (1) Included fibre rollout revenue from OpenNet.
(2) Comprise revenue from pay television, maritime and land mobile, lease of satellite transponders etc.
(3) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by SingTel's effective ownership interest.

Operating Revenue Mix By Services	Quarter		Half Year	
	30 Sep		30 Sep	
	2009	2008	2009	2008
	Mix	Mix	Mix	Mix
Mobile communications	42.4%	40.2%	41.5%	40.6%
Data and Internet	20.0%	20.8%	20.2%	21.1%
National telephone	11.5%	13.0%	11.6%	13.3%
IT and Engineering	11.0%	8.2%	11.1%	8.4%
Sale of equipment	8.1%	9.6%	8.3%	8.2%
International telephone	4.1%	5.3%	4.5%	5.4%
Others	2.9%	3.0%	2.9%	3.0%
	100.0%	100.0%	100.0%	100.0%

The Group's operating revenue would have been up 8% instead of 5.4% if the Australian Dollar rate was held constant from the same quarter last year.

Mobile Communications, the top revenue stream, posted solid revenue growth of 11% and accounted for 42% of the Group's revenue, up 2.2 percentage points from a year earlier.

National Telephone revenue accounted for 12% of total revenue, down 1.5 percentage points from a year ago, as Optus continued its managed exit from unprofitable Consumer Fixed resale business.

SECTION I : GROUP

Including contributions from the SCS business and the fibre rollout for OpenNet, IT and Engineering revenue grew strongly by 41% year-on-year and was the fourth largest revenue stream at 11% of total revenue, up from 8.2% a year ago.

The Group's enlarged revenue, including the proportionate share of operating revenue from the associates, was up 5.2% to S\$5.70 billion.

GROUP OPERATING EXPENSES (Before Depreciation And Amortisation)

	Quarter					YOY Chge %	Half Year		YOY Chge %
	30 Sep						30 Sep		
	2009			2009	2008		2009	2008	
	S'pore Business S\$ m	Optus S\$ m	Corp S\$ m	Group S\$ m	Group S\$ m		Group S\$ m	Group S\$ m	
Selling & administrative	239	782	8	1,030	965	6.7	1,958	1,873	4.6
Traffic expenses	210	476	-	685	655	4.6	1,313	1,298	1.1
Cost of sales	222	428	-	650	627	3.7	1,279	1,144	11.9
Staff costs	201	313	11	525	514	2.2	1,016	1,029	-1.3
Repair & maintenance	30	52	-	82	75	8.2	154	156	-0.8
Others	(4)	6	-	2	(7)	nm	(2)	(11)	-80.0
Total	897	2,057	19	2,974	2,829	5.1	5,719	5,488	4.2

As a percentage of operating revenue	Quarter		Half Year	
	30 Sep		30 Sep	
	2009	2008	2009	2008
Selling & administrative	25.1%	24.8%	24.6%	24.4%
Traffic expenses	16.7%	16.8%	16.5%	16.9%
Cost of sales	15.9%	16.1%	16.1%	14.9%
Staff costs	12.8%	13.2%	12.8%	13.4%
Repair & maintenance	2.0%	1.9%	1.9%	2.0%
Others	**	-0.2%	**	-0.1%
	72.5%	72.7%	71.9%	71.6%

The Group's operating expenses increased 5.1% to S\$2.97 billion, in line with revenue growth of 5.4%.

Total operating expenses were at 73% of operating revenue, comparable to a year earlier.

Selling & administrative expenses, the largest expense category at 25% of operating revenue, increased 6.7% year-on-year. The increase was primarily due to higher mobile selling expenses in the Australia business.

Cost of Sales increased 3.7% and accounted for 16% of revenue, comparable to a year ago. The increase was attributable to higher IT and Engineering revenue, partly offset by lower equipment sales.

SECTION I : GROUP**GROUP EXCEPTIONAL ITEMS ⁽¹⁾**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Dilution gain on associates	2	1	260.0	2	3	-19.2
Share of Bharti's dilution gain on Infratel	-	-	-	-	8	nm
Corporate	2	1	260.0	2	11	-80.2
Gain on sale of Available-For-Sale investment	2	-	nm	2	-	nm
Write-back of impairment of property, plant and equipment	-	-	-	-	11	nm
Singapore	2	-	nm	2	11	-78.7
Group	4	1	@	4	21	-79.4

Note:

(1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.

The exceptional gain of S\$4 million in the quarter comprised the gain on the dilution of equity interest in certain associates and the gain on disposal of an available-for-sale investment.

GROUP SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep	30 Jun	31 Mar
	2009 S\$ m	2009 S\$ m	2009 S\$ m
Current assets (excluding cash)	3,308	3,514	2,718
Cash and bank balances	1,208	1,086	1,076
Non-current assets	30,665	30,054	29,461
Total assets	35,181	34,654	33,255
Current liabilities	5,104	5,210	5,103
Non-current liabilities	7,843	7,333	7,652
Total liabilities	12,947	12,543	12,754
Net assets	22,234	22,111	20,500
Share capital	2,610	2,607	2,606
Reserves	19,599	19,479	17,871
Equity attributable to shareholders	22,209	22,086	20,476
Minority interest	25	25	24
	22,234	22,111	20,500

The Group continues to be in a strong financial position with a cash balance of S\$1.21 billion as at 30 September 2009. SingTel remains rated at Aa2 by Moody's and A+ by Standard & Poor's.

SECTION I : GROUP

Equity attributable to the shareholders was up S\$1.73 billion from 31 March 2009 to S\$22.21 billion as at 30 September 2009. Reserves of S\$19.60 billion included a net translation loss of S\$879 million recorded under foreign currency translation reserve account as the Singapore Dollar translated net assets of foreign subsidiaries and associates declined on the depreciation of the respective local currencies against the Singapore Dollar.

Compared to a quarter ago, shareholders' equity increased S\$123 million after accounting for the final dividend payment of S\$1.10 billion and included a net translation gain of S\$268 million primarily from a stronger Australian Dollar this quarter.

GROUP LIQUIDITY AND GEARING

	As at		
	30 Sep	30 Jun	31 Mar
	2009	2009	2009
	S\$ m	S\$ m	S\$ m
Gross debt			
Current debt	1,007	1,274	1,434
Non-current debt	5,968	5,582	6,061
Gross debt as reported in balance sheet	6,974	6,855	7,495
Related net hedging liability ⁽¹⁾	720	556	125
	7,694	7,411	7,620
Less: Cash and bank balances	(1,208)	(1,086)	(1,076)
Net debt	6,486	6,325	6,544
Gross debt gearing ratio ⁽²⁾	25.7%	25.1%	27.1%
Net debt gearing ratio	22.6%	22.2%	24.2%

Notes:

(1) The net hedging liability arose from mark-to-market of cross currency and interest rate swaps.

(2) Gross debt gearing refers to the ratio of gross debt to gross capitalisation. Gross capitalisation is the aggregate of gross debt, shareholders' funds and minority interests.

Gross debt (net of hedging) of S\$7.69 billion increased S\$283 million from a quarter ago. The increase was due mainly to higher net borrowings of S\$121 million and the increase in hedging liability due to mark-to-market adjustments.

SECTION I : GROUP

GROUP CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Half Year		YOY Chge %
	30 Sep	30 Sep	30 Jun	30 Sep		
	2009	2008	2009	2009	2008	
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m	
Net cash inflow from operating activities						
Profit before tax	1,227	1,074	1,250	2,477	2,255	9.8
Non-cash items	(71)	16	(112)	(183)	(12)	@
Operating cashflow before working capital changes	1,157	1,089	1,138	2,294	2,243	2.3
Changes in operating assets and liabilities	(36)	21	(214)	(250)	(234)	6.8
	1,121	1,110	924	2,045	2,009	1.8
Cash paid to employees under performance share plans	(1)	(1)	(1)	(2)	(3)	-18.5
Tax paid on operating activities	(111)	(119)	(8)	(119)	(122)	-2.2
Operating cashflow before dividends from associates	1,009	990	914	1,924	1,885	2.1
Dividends received from associates	598	702	91	689	827	-16.7
Withholding tax paid on dividends received	(56)	(73)	(8)	(64)	(81)	-21.5
	1,552	1,619	997	2,549	2,630	-3.1
Net cash outflow for investing activities						
Net investment in associates	-	(140)	(4)	(4)	(155)	-97.6
Payment for purchase of subsidiary company, net of cash acquired	-	(81)	-	-	(81)	nm
Payment for purchase of property, plant and equipment	(458)	(478)	(425)	(883)	(937)	-5.8
Advance payment for purchase of C2C submarine cable capacity	(29)	(44)	-	(29)	(44)	-33.1
Drawdown of prepaid C2C submarine cable capacity	-	-	33	33	-	nm
Proceeds from disposal of property, plant and equipment	14	*	1	15	1	@
Withholding tax paid on interest received on inter-company loans	(1)	(70)	(1)	(1)	(71)	-98.4
Others (<i>interest received, etc</i>)	31	33	2	33	47	-29.4
	(443)	(781)	(393)	(835)	(1,239)	-32.6
Net cash outflow for financing activities						
Final dividend paid to SingTel shareholders	(1,097)	(1,098)	-	(1,097)	(1,098)	-0.1
Net increase/ (decrease) in borrowings	121	557	(434)	(313)	(109)	188.3
Settlement of swap upon bond redemption	-	(137)	-	-	(137)	nm
Net interest paid on borrowings and swaps	(28)	(58)	(126)	(154)	(205)	-24.7
Loan contribution from a minority shareholder	5	-	-	5	-	nm
Proceeds from share issue	3	9	1	4	11	-58.1
Purchase of performance shares	(3)	(22)	(51)	(55)	(54)	1.1
	(998)	(750)	(611)	(1,609)	(1,593)	1.0
Net increase/ (decrease) in cash & cash equivalents	111	89	(7)	104	(202)	nm
Exchange effects on cash and cash equivalents	11	(90)	17	28	(81)	nm
Group cash and cash equivalents at beginning	1,086	1,091	1,076	1,076	1,372	-21.6
Group cash and cash equivalents at end	1,208	1,089	1,086	1,208	1,089	10.9
Free cash flow (ex-associates' dividends)	551	512	490	1,041	948	9.8
Free cash flow	1,094	1,141	572	1,666	1,694	-1.6
Cash capex to operating revenue	11%	12%	11%	11%	12%	

Net cash inflow from operating activities for the quarter was down 4.1% to S\$1.55 billion attributable mainly to lower dividends received from the associates partially offset by improved operational performance. Compared to a quarter ago, operating cash flow grew 56% driven by working capital movements and higher associates' dividends including a first-time dividend from Bharti.

SECTION I : GROUP

Net cash outflow for investing activities amounted to S\$443 million, with capital expenditure of S\$458 million.

Capital expenditure declined 4.2% year-on-year from reduced spending at the Singapore Business and the impact of a weaker Australian Dollar from a year ago. It represented 11% of operating revenue, down from 12% a year ago.

Free cash flow generated in the quarter was down 4.1%, attributed to lower operating cash flow partially offset by lower capital expenditure. Compared to the preceding quarter, free cash flow increased significantly with the receipt of higher associates' dividends.

Net cash outflow for financing activities amounted to S\$998 million, mainly from the payment of final dividend of S\$1.10 billion in respect of the previous financial year ended 31 March 2009. This was partially offset by net borrowings of S\$121 million in the quarter.

Overall cash balance increased S\$122 million from a quarter ago to S\$1.21 billion.

SECTION II : SINGAPORE

SINGAPORE**MANAGEMENT DISCUSSION AND ANALYSIS**

The equity accounted results of associates, as well as dividends from associates, are disclosed in **Section IV**.

FINANCIAL HIGHLIGHTS**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009**

- **Operating revenue up 8.2% to S\$1.44 billion.**
- **Operational EBITDA at S\$556 million – up 11%.**
- **Operational EBITDA margin at 38.6% – up 1.1 percentage points.**
- **Underlying net profit at S\$318 million – up 11%.**
- **Free cash flow of S\$221 million – up 13%.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009

- **Operating revenue up 9.2% to S\$2.83 billion.**
- **Operational EBITDA at S\$1.13 billion – up 11%.**
- **Operational EBITDA margin at 40.1% – up 0.6 percentage point.**
- **Underlying net profit at S\$657 million – up 7.2%.**
- **Free cash flow of S\$550 million – up 14%.**

SECTION II : SINGAPORE

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Operating revenue						
Singapore Business	1,442	1,332	8.2	2,825	2,587	9.2
<i>Singapore Telco business</i>	1,122	1,136	-1.2	2,234	2,209	1.1
<i>IT and Engineering business</i>	320	197	62.7	591	378	56.5
<i>Operating expenses</i>	(917)	(851)	7.7	(1,750)	(1,609)	8.8
<i>Singapore Business</i>	(897)	(834)	7.5	(1,715)	(1,578)	8.7
<i>Group and Int'l business corp costs</i>	(19)	(17)	14.9	(35)	(31)	11.1
Operational EBITDA						
Singapore Business	556	500	11.2	1,134	1,023	10.9
Operational EBITDA margin						
Singapore Business	38.6%	37.5%		40.1%	39.5%	
<i>Singapore Telco business</i>	46.1%	42.6%		47.6%	45.0%	
<i>IT and Engineering business</i>	12.3%	8.0%		12.0%	7.7%	
Exceptional items ⁽³⁾	2	-	nm	2	11	-78.7
Underlying net profit	318	286	11.4	657	612	7.2
Net profit	321	352	-9.0	659	690	-4.5
Free cash flow	221	195	12.9	550	483	13.8

Notes:

- (1) The figures in this section are after elimination of inter-company transactions and cash flows within the Group except for transactions and cash flows with Optus. Material inter-company transactions, cash flows and balances between Singapore and Optus are eliminated in the Group's financials under **Section I**.
- (2) With effect from 1 April 2009, SCS' operations have been integrated with NCS. Consequently, the financial information excluding SCS are not shown as they are not meaningful.
- (3) The exceptional items in the quarter comprised a gain on disposal of an available-for-sale investment. The item in the last corresponding period comprised a write-back of impairment on property, plant and equipment, and does not include exceptional items recognised directly at Group as disclosed in **Section I**.

SECTION II : SINGAPORE**SINGAPORE SUMMARY INCOME STATEMENTS**
For The Second Quarter And Half Year Ended 30 September 2009

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Singapore Business						
Operating revenue	1,442	1,332	8.2	2,825	2,587	9.2
Operating expenses	(897)	(834)	7.5	(1,715)	(1,578)	8.7
	545	498	9.4	1,110	1,009	10.0
Other income	11	2	489.5	24	14	79.3
Operational EBITDA	556	500	11.2	1,134	1,023	10.9
- EBITDA margin	38.6%	37.5%		40.1%	39.5%	
Group and Int'l business net corp costs	(19)	(9)	118.2	(35)	(23)	49.4
	537	491	9.3	1,099	999	10.0
Depreciation & amortisation	(127)	(114)	11.1	(254)	(225)	12.9
EBIT	410	377	8.8	845	774	9.2
Net finance (expense)/ income						
- net interest expense	(50)	(47)	4.7	(100)	(97)	3.3
- other finance (expense)/ income	(7)	(2)	362.5	(14)	10	nm
- foreign exchange gain ⁽¹⁾	-	67	nm	-	67	nm
	(57)	18	nm	(114)	(20)	462.9
Profit before exceptional items	353	394	-10.5	732	754	-3.0
Exceptional items	2	-	nm	2	11	-78.7
Profit before tax	355	394	-9.9	734	765	-4.1
Taxation	(35)	(42)	-17.4	(75)	(75)	-0.4
Profit after tax	321	352	-9.0	659	690	-4.5
Minority interests	*	*	nm	*	*	nm
Net profit	321	352	-9.0	659	690	-4.5
Net profit	321	352	-9.0	659	690	-4.5
<i>Exclude:</i>						
Exceptional items	(2)	-	nm	(2)	(11)	-78.7
Foreign exchange gain ⁽¹⁾	-	(67)	nm	-	(67)	nm
Underlying net profit	318	286	11.4	657	612	7.2

Note:

(1) The foreign exchange gain of S\$67 million arose from the capital reduction of SAI in the corresponding quarter last year.

SECTION II : SINGAPORE

REVIEW OF SINGAPORE OPERATING PERFORMANCE

For The Second Quarter Ended 30 September 2009

The Singapore economy recorded a year-on-year growth of 0.8% in the September 2009 quarter, compared to the decline of 3.5% in the preceding June 2009 quarter.

Operating revenue for the Singapore Business was up 8.2% year-on-year, boosted by the contribution from SCS which was consolidated from October 2008 and the fibre rollout revenue from OpenNet.

Revenue from the Singapore Telco business was flat on lower handset sales. Excluding handset sales, the Telco service revenue was up 2.4%. Mobile Communications continued its strong growth at 7.9% to S\$384 million on a higher subscriber base of 3.1 million as at 30 September 2009. This quarter, subscriber growth regained its momentum with 109,000 net subscriber additions, up from 15,000 in the preceding quarter. SingTel extended its lead in the mobile market with a share of 46.2% as at 30 September 2009. Data & Internet revenue was up only 2.6% to S\$393 million on cautious business spending with higher sales of Managed ICT services partially offset by the price erosion in International Leased Circuits.

Including revenues from SCS and OpenNet, IT and Engineering revenue was up significantly by 63%. Revenue from the NCS group grew 47% as it continued to win significant customer contracts both locally and overseas. Its order book was approximately S\$1.3 billion as at end September 2009.

As at 30 September 2009, mio TV customer base was 126,000, up a record 25,000 net customers in the quarter. The increase was driven mainly by the strong take-up of mio Home bundled plans.

A significant milestone in mio TV was achieved in September 2009 when SingTel won the rights to the Barclays Premier League matches for three years commencing August 2010, and secured the exclusive broadcast rights to a suite of sports networks and services from ESPN STAR Sports starting July 2010.

SingTel continued to innovate and invest in the multimedia segment. In the quarter, it launched *Football Frenzy*, Singapore's first multimedia social football experience available across the internet, mio TV and mobile platforms.

Operating expenses rose 7.5%, slower than revenue growth, reflecting careful cost management. Consequently, operational EBITDA grew strongly by 11% to S\$556 million and margin improved 1.1 percentage points to 38.6%. Both the Singapore Telco and IT & Engineering businesses recorded improved margins.

Net finance expense in the corresponding quarter last year included a foreign exchange gain of S\$67 million arising from the capital reduction of SAI, a wholly-owned subsidiary of the Group.

Tax expense declined 17% year-on-year mainly due to higher net deferred tax credit recognised on inter-company interest expense.

SECTION II : SINGAPORE

Net profit fell 9.0% to S\$321 million. Excluding the foreign exchange gain of S\$67 million recognised in the corresponding quarter last year and other one-off items, underlying net profit grew a strong 11% to S\$318 million.

Free cash flow generated in the quarter was S\$221 million, up from S\$195 million, driven mainly by better operational performance and lower capital expenditure.

For The Half Year Ended 30 September 2009

Operating revenue for the half year grew 9.2% to S\$2.83 billion from strong gains in Data, Mobile Communications and IT and Engineering.

With robust revenue growth and stringent cost management, operational EBITDA for the Singapore Business grew 11% to S\$1.13 billion and margin was up 0.6 percentage point to 40.1%.

Net profit was down 4.5% to S\$659 million. Excluding the foreign exchange gain of S\$67 million recorded in the last corresponding period and other one-off items, underlying net profit rose 7.2% to S\$657 million.

Free cash flow grew 14% to S\$550 million on strong operating results, with stable capital expenditure.

SECTION II : SINGAPORE**SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 30 June 2009 were as follows:

	Quarter		QOQ Chge %
	30 Sep	30 Jun	
	2009 S\$ m	2009 S\$ m	
Operating revenue			
Singapore Business	1,442	1,383	4.3
<i>Singapore Telco business</i>	1,122	1,112	0.9
<i>IT and Engineering business</i>	320	271	17.9
<i>Operating expenses</i>	(917)	(834)	9.9
<i>Singapore Business</i>	(897)	(818)	9.7
<i>Group and Int'l business corp costs</i>	(19)	(16)	23.7
Operational EBITDA			
Singapore Business	556	578	-3.8
Operational EBITDA margin			
Singapore Business	38.6%	41.8%	
<i>Singapore Telco business</i>	46.1%	49.1%	
<i>IT and Engineering business</i>	12.3%	11.7%	
Profit before exceptional items and tax	353	379	-6.7
Net profit	321	338	-5.2
Underlying net profit	318	338	-5.9
Free cash flow	221	329	-32.9

Operating revenue was up 4.3% from the preceding quarter, boosted by higher IT and Engineering revenue for the quarter.

Operational EBITDA, however, fell 3.8% with higher mobile selling costs associated with iPhone 3GS launched in July 2009 as handset subsidy costs are expensed upfront. Consequently, margin for the Singapore Business fell 3.2 percentage points to 38.6%.

SECTION II : SINGAPORE**OPERATING REVENUE**

	Quarter				YOY Chge %	Half Year				YOY Chge %
	30 Sep					30 Sep				
	2009		2008			2009		2008		
	S\$ m	Mix %	S\$ m	Mix %		S\$ m	Mix %	S\$ m	Mix %	
Data and Internet	393	27	383	29	2.6	784	28	753	29	4.2
Mobile communications	384	27	356	27	7.9	756	27	703	27	7.5
International telephone	142	10	158	12	-10.0	287	10	317	12	-9.6
National telephone	99	7	101	8	-1.4	199	7	203	8	-1.6
Sale of equipment	53	4	92	7	-42.2	104	4	143	6	-27.3
Others ⁽¹⁾	51	4	47	3	9.5	104	4	91	4	14.7
Telco	1,122	78	1,136	85	-1.2	2,234	79	2,209	85	1.1
IT and Engineering ⁽²⁾	320	22	197	15	62.7	591	21	378	15	56.5
Total	1,442	100	1,332	100	8.2	2,825	100	2,587	100	9.2

Notes:

(1) Comprise revenue from mio TV, maritime & land mobile revenue and lease of satellite transponders etc.

(2) Included fibre rollout revenue from OpenNet with effect from 1 April 2009.

IT and Engineering revenue grew 63% to S\$320 million and accounted for 22% of total operating revenue, up 7 percentage points from 15% a year ago. The increase was contributed by the inclusion of SCS and the revenue recognised on the fibre rollout contract with OpenNet.

Revenue from International Telephone declined 10% year-on-year with lower call revenue, inpayments and net transit.

Sale of Equipment fell steeply year-on-year by 42% on lower sales volume. However, it grew 4.3% from a quarter ago driven by sales of the new iPhone 3GS in the quarter.

SECTION II : SINGAPORE**Data and Internet**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Data services						
Local Leased Circuits ⁽¹⁾	115	112	2.6	228	218	4.4
Managed Services ⁽²⁾	77	68	13.3	150	134	12.2
International Leased Circuits ("ILC")	46	48	-6.0	94	94	0.2
Others ⁽³⁾	47	46	3.7	96	89	7.9
	285	274	3.9	568	534	6.2
Internet related						
Fixed broadband ⁽⁴⁾	90	90	-0.3	180	181	-0.7
SingTel Internet Exchange ("STiX") ⁽⁵⁾	14	12	12.4	28	24	17.6
Narrowband and others	5	7	-30.3	9	14	-30.9
	108	109	-0.7	217	218	-0.6
Total	393	383	2.6	784	753	4.2

Key Drivers - Internet related	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep		
	2009	2009	2008	2009	2008	
Number of fixed broadband lines (000s) ⁽⁶⁾	503	500	494	503	494	1.9
<i>Singapore fixed broadband penetration rate</i> ⁽⁷⁾	86.3%	84.7%	75.3%	86.3%	75.3%	
<i>Fixed broadband market share</i> ⁽⁸⁾	47.0%	47.8%	52.9%	47.0%	52.9%	

Notes:

- (1) Include resale of overseas local leased circuits.
- (2) Include ATM, MEG@POP, Global Corporate IP, Frame Relay, Facility Management and Managed Hosting Services.
- (3) Include ISDN, VSAT, DTE/ DCE, digital video broadcasting etc.
- (4) Include revenue from Internet access under mio plans.
- (5) Include inter-company sales to Optus of S\$4 million (Q2 FY2009: S\$3 million) and S\$8 million (H1 FY2009: S\$7 million) for the quarter and half year ended 30 September 2009 respectively.
- (6) Fixed broadband service comprises all ADSL lines, including SingNet retail fixed broadband lines but excluding leased lines and other fixed broadband access.
- (7) Total estimated ADSL and cable lines divided by total number of households (Source: IDA).
- (8) Based on total SingTel ADSL lines divided by total ADSL and cable lines in the population. Market share information based on IDA's published statistics.

Data and Internet revenue grew 2.6% to S\$393 million, reflecting cautious business spending with the economic slowdown. Compared to a quarter ago, revenue was flat.

Data revenue was up 3.9% from a year ago, with double-digit growth in Managed Services partially offsetting lower sales in ILC. On a sequential quarter, data revenue was stable.

SECTION II : SINGAPORE

LLC, the largest component of Data revenue, was up 2.6% year-on-year and 1.1% against the preceding quarter. The increases were driven by higher sales of Ethernet services.

Managed Services maintained its strong momentum with revenue up a robust 13% from a year ago and 6.5% from a quarter ago. The increase was underpinned by the buoyant demand for international IP VPN services which rode on the success of the innovative Managed ICT Services solutions.

ILC revenue fell 6.0% from a year earlier, and was down 6.4% from a quarter ago. The decline was mainly due to price erosions which were not offset by volume increases as more customers migrated to higher bandwidth circuits.

Internet revenue remained stable at S\$108 million from a year ago and from the preceding quarter.

Revenue from Fixed Broadband was flat at S\$90 million. The take-up for fixed broadband has slowed, given the high penetration rate in Singapore and the intense competitive market conditions. In the quarter, SingTel added 3,000 fixed broadband lines, bringing the total number of lines to 503,000, up 1.9% from a year ago.

SingTel continued to offer compelling propositions through its bundled plans and it recently introduced free viewing for *Football Frenzy* till December 2009. With 18,000 net customers added in the quarter, the total customer base for mio bundles¹ grew to 152,000 as at 30 September 2009.

To cater to ever increasing demand for higher performance computing, SingTel has started to market its data centre facilities and services at the next-generation Green Data Centre (Kim Chuan Telecommunication Centre 2). Leveraging on the latest green technologies and managed services, the data centre will provide customers with cost effective and energy efficient Managed Hosting Services as well as green data centre services when ready in early 2010.

¹ mio bundles comprised mio Plan (bundling of mobile, fixed broadband and fixed line) and mio Home (bundling of mio TV, fixed broadband and fixed line).

SECTION II : SINGAPORE

Mobile Communications

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009	2008		2009	2008	
Cellular service ⁽¹⁾	384	356	7.9	756	703	7.5

Key Drivers	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep		
	2009	2009	2008	2009	2008	
Number of mobile subscribers (000s)						
Prepaid	1,541	1,462	1,419	1,541	1,419	8.6
Postpaid	1,559	1,529	1,455	1,559	1,455	7.1
Total	3,100	2,991	2,874	3,100	2,874	7.8
MOUs per subscriber per month ⁽²⁾						
Prepaid	323	315	372	314	360	-12.6
Postpaid ⁽³⁾	376	370	382	372	375	-0.8
Average revenue per subscriber per month ^{(2) (4)} (S\$ per month)						
Prepaid	14	14	14	14	15	-6.2
Postpaid	85	84	86	85	87	-2.3
Blended	50	50	51	49	52	-5.0
Data services as % of ARPU ⁽⁵⁾	34%	32%	34%	35%	33%	
Acquisition cost per postpaid subscriber (S\$)	327	304	306	316	283	11.7
Postpaid external churn per month ⁽⁶⁾	0.9%	0.9%	0.8%	0.9%	0.8%	
Singapore mobile penetration rate ⁽⁷⁾	134.5%	134.6%	129.3%	134.5%	129.3%	
Singapore mobile subscribers (000s) ⁽⁷⁾	6,706	6,514	6,258	6,706	6,258	
Market share ⁽⁷⁾						
Prepaid	46.2%	45.8%	46.7%	46.2%	46.7%	
Postpaid	46.2%	46.0%	45.2%	46.2%	45.2%	
Overall	46.2%	45.9%	45.9%	46.2%	45.9%	

Notes:

- (1) Cellular service revenue is determined net of bill rebates and net of prepaid sales discount, and includes revenue earned from mio plans and mobile broadband. It excludes revenue earned from international calls classified under "International Telephone" revenue, consistent with prior periods.
- (2) Based on average subscribers, calculated as the simple average of opening and closing subscribers.
- (3) Postpaid MOU is calculated based on voice plan customers only – i.e. it excludes customers with only data plan subscriptions.
- (4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Include revenue from SMS, *SEND, MMS and other data services.
- (6) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of the average subscribers.
- (7) Source: IDA.

SECTION II : SINGAPORE

Despite the challenging and mature mobile market, Mobile Communications was up a healthy 7.9% year-on-year and 3.2% from a quarter ago to S\$384 million.

SingTel's total mobile subscriber base crossed the 3-million mark to reach 3.1 million as at 30 September 2009, up 7.8% from a year ago. Total net additions for the quarter were 109,000, a sharp increase from 15,000 in the preceding quarter. As at 30 September 2009, SingTel strengthened its leadership in the mobile market with an overall share of 46.2%.

SingTel gained 79,000 prepaid subscribers in the quarter, reflecting the success of its targeted acquisition initiatives such as hi! Club, Singapore's first community networking service based on nationality. It also introduced innovative offerings such as 'Easy Mobile Top-up' where retailers can directly top up customers' prepaid phones without the use of physical top-up cards. As at 30 September 2009, with a prepaid subscriber base of 1.54 million, SingTel extended its lead in the prepaid market with a share of 46.2%.

Prepaid ARPU remained stable at S\$14 from a year ago and from the preceding quarter.

SingTel continued to strengthen its mobile offerings with introduction of revolutionary phones and applications. In the quarter, it was the first company in Asia to launch the INQ Mini 3G exclusively. This 3G social networking mobile phone allows SingTel to extend its foothold in the multimedia and social mobile networking space.

On the postpaid front, SingTel added 30,000 net subscribers, driven by strong take-up of iPhone 3GS and other mobile internet devices. Total postpaid subscriber base reached 1.56 million as at 30 September 2009, representing a market share of 46.2%.

With increased 3G offerings, demand for 3G mobile services rose steadily. Total 3G mobile subscriber base grew by 64,000 in the quarter to 1.34 million as at 30 September 2009 and accounted for 86% of SingTel's total postpaid base, up 2 percentage points from a quarter ago.

Postpaid ARPU grew to S\$85 from S\$84 a quarter ago, reflecting data growth partially offset by the averaging impact of 'data SIM' only price plans as the demand for mobile broadband increased. Compared to the same quarter last year, ARPU was down slightly, impacted by lower roaming traffic and 'data SIM' only price plans.

Blended ARPU remained stable at S\$50 from a quarter ago.

Mobile data services accounted for 34% of ARPU this quarter, up from 32% a quarter ago, helped by the iPhone initiative which spurred the rapid adoption of data services and mobile broadband. The mobile broadband subscriber base² grew strongly by 35% or a record 80,000 in the quarter to 306,000 as at 30 September 2009.

Postpaid churn remained stable at 0.9% in the quarter.

Acquisition cost per subscriber increased to S\$327 in the quarter, reflecting marketing initiatives to acquire higher-value customers and the launch of iPhone 3GS this quarter.

² Refer to mobile subscribers who registered for the monthly mobile broadband data subscription plans.

SECTION II : SINGAPORE**IT and Engineering**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Revenue from NCS group ⁽¹⁾	289	197	46.8	546	378	44.6
Fibre rollout revenue ⁽²⁾	31	-	nm	45	-	nm
Total	320	197	62.7	591	378	56.5

NCS group segment revenue (%)	Quarter			Half Year	
	30 Sep	30 Jun	30 Sep	30 Sep	
	2009	2009	2008	2009	2008
Geographical markets					
Singapore	78	83	72	80	74
Overseas	22	17	28	20	26
Total	100	100	100	100	100
Lines of business					
Infrastructure services ⁽³⁾	69	68	67	68	67
Business solutions ⁽⁴⁾	31	32	33	32	33
Total	100	100	100	100	100

Notes:

- (1) Generated by NCS and its subsidiaries. Included billings to Optus of approximately S\$27 million (Q2 FY 2009: S\$27 million) and S\$48 million (H1 FY2009: S\$48 million) for the second quarter and half year ended 30 September 2009 respectively.
- (2) This revenue is for the roll out of fibre on behalf of OpenNet under Singapore's Next Generation National Broadband Network (NGNBN) initiative.
- (3) Infrastructure services include the full suite of managed services, network and communication engineering services, and value-added reselling and services.
- (4) Business solutions include applications management services and outsourcing, system integration and business process outsourcing.

IT and Engineering revenue registered a significant 63% year-on-year growth including contribution from SCS and fibre rollout revenue from OpenNet. Compared to a quarter ago, revenue grew a solid 18%.

Revenue from the NCS group was up 47% year-on-year to S\$289 million for the quarter. Contribution from Singapore accounted for 78% of its total revenue, up 6 percentage points from a year ago due to the consolidation of SCS. On a sequential quarter, NCS group's revenue rose 12% from higher sales in China.

SECTION II : SINGAPORE

NCS continued to maintain its strong market position in the Singapore market while expanding its footprint in the overseas markets. In the latest 2008 Gartner Ranking for IT Professional Services, NCS strengthened its lead in Singapore with a market share of 19.5%, an increase of 5.6 percentage points from 2007. In the Asia Pacific (excluding Japan) region, NCS was ranked 8th in terms of market share in 2008, a sharp improvement from its 14th ranking in 2007.

During the quarter, NCS secured several significant contracts both locally and overseas.

New customer wins in Singapore included a major contract with the Inland Revenue Authority of Singapore to provide data centre operations and disaster recovery services, and a contract with the Ministry of Home Affairs to provide application and infrastructure support and maintenance services.

NCS also clinched some significant overseas contracts, including the provision of application development services to a broadcasting corporation in Australia, and provision of Hospital Information System and Automatic Announcement System to a hospital and airport in China respectively.

In the current quarter, NCS' customer, Immigration & Checkpoints Authority, won the inaugural Singapore Infocomm Technology Federation Awards (Government category) for its Integrated Visitor Management system. The award, which is given to the most innovative and impactful ICT implementation in Singapore public sector, is an endorsement of NCS' development and delivery capabilities.

Fibre rollout revenue, recognised based on stage of completion of rollout, was S\$31 million this quarter. Together with the S\$14 million recognised in the first quarter, total revenue amounted to S\$45 million for the current period.

SECTION II : SINGAPORE**International Telephone ⁽¹⁾**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
International (incl Malaysia) call revenue	118	128	-7.8	238	258	-7.5
Inpayments and net transit	24	30	-19.7	49	60	-18.4
Total	142	158	-10.0	287	317	-9.6
International Telephone outpayments	51	57	-11.7	98	111	-11.5
Net	92	101	-9.1	189	206	-8.5
Margin %	64%	64%		66%	65%	

Key drivers	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep		
	2009	2009	2008	2009	2008	
International telephone outgoing minutes (m mins) (excl Malaysia)	624	567	630	1,192	1,240	-3.9
Average IDD call collection rate - net basis (S\$/ min) (excl Malaysia)	0.167	0.183	0.174	0.175	0.181	-3.3

Note:

(1) International telephone services include international calling cards, IDD calls and facsimile services into and out of Singapore, other international call services, corporate voice, video and audio conferencing and wholesale voice services. It also includes international telephone revenue earned from calls made from mobile phones.

International Telephone revenue for the quarter declined 10% from a year ago but was stable on a sequential quarter.

International call revenue fell 7.8% mainly from lower collection rate as a result of higher mix of lower cost voice services as well as increased "free IDD" traffic volume in both prepaid and postpaid segments.

Inpayments and net transit were down 20% year-on-year from lower incoming and transit traffic volumes as well as lower inpayment rates.

Net revenue declined 9.1% with a corresponding decrease in outpayments while margin remained stable at 64%.

SECTION II : SINGAPORE**National Telephone**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Direct exchange lines ("DEL")						
- rental	42	42	1.2	85	84	1.3
- traffic	20	21	-6.2	40	43	-7.2
Others ⁽¹⁾	62	63	-1.3	125	127	-1.6
	45	45	-0.2	89	89	1.0
Inter-company eliminations	107	108	-0.8	214	215	-0.5
	(7)	(7)	7.2	(15)	(13)	17.5
	99	101	-1.4	199	203	-1.6

Key Drivers	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep		
	2009	2009	2008	2009	2008	
Fixed working lines (000s) ⁽²⁾						
Residential	907	917	980	907	980	-7.4
Business	764	762	773	764	773	-1.2
Total	1,671	1,679	1,753	1,671	1,753	-4.7
Singapore fixed line penetration rate ⁽³⁾	37.8%	38.9%	38.5%	37.8%	38.5%	
Singapore fixed working lines (000s) ⁽³⁾	1,887	1,884	1,864	1,887	1,864	
Fixed Line market share ⁽³⁾	88.5%	89.1%	94.0%	88.5%	94.0%	

Notes:

- (1) Include revenue from enhanced telephone services, payphones, DEL interconnect and call management services such as 1900/1800 call services, Telepoll and mio voice.
(2) Fixed working lines refer to Direct Exchange Lines (DEL) and mio voice.
(3) Source: IDA

Revenue from fixed line phone services was down 1.4% to S\$99 million in the quarter mainly attributable to lower voice traffic.

Compared to the preceding quarter, revenue was stable.

The number of business lines increased 2,000 while the number of residential lines decreased 10,000 from a quarter ago.

SECTION II : SINGAPORE**OPERATING EXPENSES
(Before Depreciation And Amortisation)**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Selling & administrative	248	240	3.3	461	449	2.7
Cost of sales	222	198	12.2	409	343	19.4
Staff costs	212	192	10.2	424	371	14.5
Traffic expenses	210	205	2.2	412	410	0.5
Repair & maintenance	30	23	27.0	56	50	13.3
Others ⁽¹⁾	(4)	(7)	-41.1	(13)	(13)	-3.1
Total	917	851	7.7	1,750	1,609	8.8
Total	917	851	7.7	1,750	1,609	8.8
Less: Group and Int'l business corp costs	(19)	(17)	14.9	(35)	(31)	11.1
Singapore Business	897	834	7.5	1,715	1,578	8.7

As a percentage of operating revenue	Quarter		Half Year	
	30 Sep		30 Sep	
	2009	2008	2009	2008
Selling & administrative	17.2%	18.0%	16.3%	17.4%
Cost of sales	15.4%	14.9%	14.5%	13.3%
Staff costs	14.7%	14.4%	15.0%	14.3%
Traffic expenses	14.5%	15.4%	14.6%	15.8%
Repair & maintenance	2.1%	1.7%	2.0%	1.9%
Others	-0.3%	-0.5%	-0.4%	-0.5%
Total	63.5%	63.9%	62.0%	62.2%
Singapore Business	62.2%	62.6%	60.7%	61.0%

Note:

(1) Include government grants and recoveries of costs.

Operating expenses increased 7.7% to S\$917 million with the inclusion of SCS.

Selling & administrative expenses, the largest expense category, increased 3.3% year-on-year and constituted 17% of operating revenue, down from 18% a year ago.

Cost of Sales (including the costs of fibre rollout for OpenNet) were up 12% year-on-year, in line with higher IT and Engineering revenue partially offset by lower equipment sales. It accounted for 15% of operating revenue, comparable to a year earlier.

SECTION II : SINGAPORE**Selling & Administrative Expenses**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Selling & administrative expenses	248	240	3.3	461	449	2.7
Singapore Business - Selling & administrative expenses	239	232	3.1	448	435	2.8

The increase in Selling & Administrative expenses was mainly due to higher selling costs for fixed broadband and higher mio TV content costs as SingTel expanded its suite of content offerings. The increases were partially offset by lower unit mobile subscriber retention cost, lower advertising and marketing spend and utility charges.

On a sequential quarter, Selling & Administrative expenses of the Singapore Business increased by 15% with higher mobile selling costs associated with the new iPhone 3GS launched this quarter.

Traffic Expenses

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
International Telephone outpayments	51	57	-11.7	98	111	-11.5
Mobile roaming outpayments	53	59	-9.7	105	123	-14.3
Total outpayments	104	116	-10.7	204	234	-13.0
Leases ⁽¹⁾	83	69	21.3	165	138	19.7
Interconnect	23	20	11.4	44	38	13.9
Traffic expenses	210	205	2.2	412	410	0.5
Singapore Business - Traffic expenses	210	205	2.2	412	410	0.5

Note:

(1) Leases comprise backhaul charges, Inmarsat satellite rental, cost of restoring cable breakages and leased circuit charges.

See Page 27 for an analysis of International Telephone outpayments relative to inpayments.

Outpayments fell 11% from a year ago due mainly to lower international outpayment rates as well as decline in mobile roaming traffic.

Lease expenses were up 21% year-on-year and 2.1% from a quarter ago. The growth in IP VPN services had resulted in a corresponding increase in demand for leases of overseas ILC and cables. Leases of satellite circuits and transponder leases also increased, in line with higher fixed and mobile satellite revenue.

SECTION II : SINGAPORE

Interconnect expenses were up 11%, led by higher volume of inter-operator SMS and associated revenue.

Staff Costs

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Gross staff costs	210	191	9.9	419	367	14.2
Performance share cost ⁽¹⁾	7	6	8.3	14	12	17.1
Capitalisation of staff costs ⁽²⁾	217	197	9.9	432	378	14.2
	(5)	(5)	-2.1	(8)	(8)	2.6
Total, net	212	192	10.2	424	371	14.5
Singapore Business - Staff costs	201	183	9.7	403	353	14.2

Key Drivers	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep		
	2009	2009	2008	2009	2008	
Singapore average number of staff	12,631	12,691	11,088	12,661	10,840	16.8
Revenue per staff (S\$'000) ⁽³⁾	114	109	120	223	239	-6.5
As at end of period:						
Number of staff						
NCS group ⁽⁴⁾	5,772	5,761	4,257	5,772	4,257	35.6
SingTel and other subsidiaries	6,799	6,881	6,873	6,799	6,873	-1.1
Singapore	12,571	12,642	11,130	12,571	11,130	12.9
Optus	10,521	10,494	10,740	10,521	10,740	-2.0
Total Group	23,092	23,136	21,870	23,092	21,870	5.6

Notes:

- (1) Performance share expense for a share grant is amortised and recognised in income statement on a straight line basis over the vesting period of 3 years from the date of the grant.
- (2) The amounts represent capitalisation of direct staff costs in property, plant and equipment and/ or inventories (work-in-progress) related to the fibre rollout contract with OpenNet.
- (3) Based on average employee numbers.
- (4) SCS group was consolidated from the December 2008 quarter.

Staff Costs grew 10% year-on-year on higher average headcount mainly attributed to the inclusion of SCS from October 2008.

During the quarter, job credits amounting to S\$10 million (Q2 FY2009: Nil) were received from the Singapore Government under the Jobs Credit Scheme.

Overall headcount for Singapore, including SCS, was up 13% or 1,441 from a year ago to 12,571 as at 30 September 2009. The decrease in Singapore's headcount of 71 from a quarter ago was due to continued prudent headcount management.

SECTION II : SINGAPORE**OTHER INCOME STATEMENT ITEMS****Depreciation And Amortisation**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Depreciation of property, plant and equipment	123	114	8.2	248	224	10.6
Amortisation	4	1	@	7	1	407.7
	127	114	11.1	254	225	12.9
Depreciation as a percentage of operating revenue	8.5%	8.5%		8.8%	8.7%	

Depreciation expense grew 8.2% attributed to additions to property, plant and equipment and the shortening of depreciable lives of certain cable assets in the previous financial year.

Amortisation expense increased as additional intangibles were recognised from acquisition of SCS.

Net Finance (Expense)/ Income

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Net interest expense						
- Interest income	1	7	-82.1	2	13	-85.7
- Interest expense	(51)	(54)	-6.1	(102)	(110)	-6.9
	(50)	(47)	4.7	(100)	(97)	3.3
Other finance (expense)/ income						
- FRS 39 fair value adjustments ⁽¹⁾	(14)	*	nm	(14)	*	nm
- Investment gain ⁽²⁾	17	18	-7.7	18	21	-15.0
- Net foreign exchange loss	(10)	(20)	-48.7	(17)	(10)	68.6
	(7)	(2)	362.5	(14)	10	nm
Foreign exchange gain	-	67	nm	-	67	nm
Net finance (expense)/ income	(57)	18	nm	(114)	(20)	462.9

Notes:

(1) Adjustment arose from the revaluation of trading investments and hedging instruments measured at fair values at balance sheet date under FRS 39, *Financial Instruments: Recognition and Measurement*.

(2) Comprise mainly dividend income and realised gains or losses on disposals of investments held for resale.

In the corresponding quarter last year, a net foreign exchange gain of S\$67 million was recorded on the capital reduction of SAI, a wholly-owned investment holding company of the Group.

SECTION II : SINGAPORE

Interest income fell 82% from a year ago on both lower interest rates and lower average cash balance.

Interest expense was down 6.1% for the quarter attributed to lower interest rates.

The fair value loss of S\$14 million recognised in the quarter arose mainly from the mark-to-market valuation of certain interest rate swaps.

Investment gain mainly comprised dividend income of S\$16 million (Q2 FY2009: S\$18 million) received from Far EastTone Telecommunications Co. Ltd, a 3.98% investment held by SingTel.

Taxation

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m	2009 S\$ m	2008 S\$ m		
Taxation						
Current and deferred taxes (a)	65	63	2.5	133	132	0.2
Tax benefit of inter-company interest expense	(30)	(21)	42.2	(58)	(57)	1.0
Total	35	42	-17.4	75	75	-0.4
Effective tax rates based on :						
Singapore reported profit before tax				10.2%	9.8%	
Profit before tax				734	765	
<i>Exclude :</i>						
Exceptional items				(2)	(11)	
Net foreign exchange losses (non-trade)				17	10	
Fair value adjustments				14	*	
Foreign exchange gain				-	(67)	
Adjusted pre-tax profit (b)				763	698	
Effective tax rate (a)/ (b)				17.4%	19.0%	
Applicable statutory tax rate in the period ⁽¹⁾				17.0%	18.0%	

Note:

(1) The applicable statutory tax rate in the last corresponding period was 18% as the effect of the reduction in tax rate to 17% was only accounted for in the March 2009 quarter.

Tax expense for the quarter was provided based on the Singapore corporate tax rate of 17%. The effect of the reduction in tax rate from 18% to 17% related to the previous financial year was accounted for only in the March 2009 quarter following the Government's announcement of the tax changes in January 2009.

The net deferred tax credit was higher due to certain adjustments to inter-company interest expense in the same quarter last year.

SECTION II : SINGAPORE

SINGAPORE CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Half Year		YOY Chge %
	30 Sep	30 Sep	30 Jun	30 Sep		
	2009	2008	2009	2009	2008	
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m	
Net cash inflow from operating activities						
Profit before tax	355	394	379	734	765	-4.1
Non-cash items	187	105	191	379	249	51.9
Operating cash flow before working capital changes	543	499	570	1,112	1,014	9.7
Changes in operating assets and liabilities	(80)	(43)	(85)	(166)	(126)	31.8
	462	457	484	947	888	6.6
Cash paid to employees under performance share plans	(1)	(1)	(1)	(2)	(3)	-18.5
Tax paid on operating activities	(111)	(119)	(8)	(119)	(122)	-2.2
Operating cash flow	351	337	475	826	764	8.1
Net cash outflow for investing activities						
Net loan to STAI from Optus ⁽¹⁾	5	171	5	11	171	-93.9
Withholding tax paid on interest received on inter-company loans	(1)	(70)	(1)	(1)	(71)	-98.4
Payment for purchase of property, plant and equipment	(130)	(142)	(146)	(276)	(281)	-1.8
Advance payment for purchase of C2C submarine cable capacity	(29)	(44)	-	(29)	(44)	-33.1
Drawdown of prepaid C2C submarine cable capacity	-	-	33	33	-	nm
Proceeds from disposal of property, plant and equipment	14	1	1	15	1	@
Payment of purchase of subsidiary company, net of cash acquired	-	(81)	-	-	(81)	nm
Net investment in associates	-	(140)	(4)	(4)	(155)	-97.3
Others (dividends and interest received etc)	28	26	-	28	32	-14.5
	(112)	(280)	(111)	(224)	(427)	-47.6
Net cash outflow for financing activities						
Final dividend paid to shareholders	(1,097)	(1,098)	-	(1,097)	(1,098)	-0.1
Net increase/ (decrease) in borrowings	378	535	(237)	141	(55)	nm
Settlement of swap upon bond redemption	-	(137)	-	-	(137)	nm
Net interest paid on borrowings and swaps	(5)	(10)	(100)	(105)	(115)	-8.4
Loan contribution from a minority shareholder	5	-	-	5	-	nm
Proceeds from share issue	3	9	1	4	11	-58.1
Purchase of performance shares	(3)	(22)	(39)	(43)	(40)	6.0
	(720)	(723)	(375)	(1,095)	(1,435)	-23.7
Net decrease in Singapore cash balance	(481)	(666)	(11)	(492)	(1,098)	-55.2
Net decrease in Singapore cash balance	(481)	(666)	(11)	(492)	(1,098)	-55.2
Dividends received from associates	598	702	91	689	827	-16.7
Withholding tax paid	(56)	(73)	(8)	(64)	(81)	-21.5
Net dividends received from associates	542	629	83	625	746	-16.2
Net increase/ (decrease) in cash and cash equivalents	61	(37)	71	133	(353)	nm
SingTel cash and cash equivalents at beginning	780	937	725	725	1,250	-42.0
Exchange effects on cash and cash equivalents	(4)	(45)	(17)	(20)	(43)	-52.4
SingTel cash and cash equivalents at end	837	855	780	837	855	-2.0
Singapore free cash flow	221	195	329	550	483	13.8
Free cash flow from associates' dividends	542	629	83	625	746	-16.2
Cash capex to operating revenue	9%	11%	11%	10%	11%	

Note:

(1) This inter-company loan was eliminated at the Group level.

SECTION II : SINGAPORE

Operating cash flow for the quarter was up 4.1% to S\$351 million, driven by robust operational performance partially offset by higher working capital. Compared to a quarter ago, operating cash flow declined by 26% primarily on higher tax payment in the quarter.

Cash outflow for investing activities was S\$112 million, mainly attributed to capital expenditure of S\$130 million and payment of S\$29 million for the purchase of C2C submarine cable capacity. This was partially offset by proceeds of S\$14 million received from the sale of certain property, plant and equipment. In the same quarter last year, the investing cash flow included payments for the acquisition of SCS and additional equity interest in Globe.

Capital expenditure for the quarter decreased 8.1% and represented 9.0% of operating revenue, down from 11% a year ago. Major expenditure in the quarter included mobile network expansion and upgrades as well as progressive payment for the construction of ST-2 satellite.

Free cash flow from Singapore grew strongly by 13% to S\$221 million from a year ago on higher operating cash flow and lower capital expenditure.

Net cash outflow for financing activities amounted to S\$720 million for the quarter, comprising mainly the payment of final dividend to shareholders of S\$1.10 billion partially offset by cash inflow from net borrowings of S\$378 million.

Including net dividends of S\$542 million received from the associates in the quarter, overall cash balance as at 30 September 2009 increased S\$58 million from a quarter ago to S\$837 million.

SECTION III : OPTUS

SINGTEL OPTUS PTY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009

- Operating revenue up 7.4% to A\$2.22 billion.
- Operational EBITDA at A\$509 million – up 6.4%.
- Operational EBITDA margin stable at 23.0%.
- Net profit at A\$152 million – up 22%.
- Free cash flow of A\$271 million - up 2.5%.

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009

- Operating revenue up 9.8% to A\$4.42 billion.
- Operational EBITDA at A\$1.01 billion - up 4.2%.
- Operational EBITDA margin at 23.0% - down 1.2 percentage points.
- Net profit at A\$291 million – up 18%.
- Free cash flow of A\$411 million – up 7.7%.

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Operating revenue	2,218	2,064	7.4	4,415	4,021	9.8
Operational EBITDA	509	479	6.4	1,014	973	4.2
<i>Operational EBITDA margin</i>	<i>23.0%</i>	<i>23.2%</i>		<i>23.0%</i>	<i>24.2%</i>	
EBIT	229	210	8.8	452	417	8.4
Net profit	152	125	21.9	291	247	17.6
Free cash flow	271	265	2.5	411	382	7.7

SECTION III : OPTUS**OPTUS SUMMARY INCOME STATEMENTS – Singapore GAAP
For The Second Quarter and Half Year Ended 30 September 2009**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Operating revenue	2,218	2,064	7.4	4,415	4,021	9.8
Operating expenses	(1,716)	(1,592)	7.8	(3,420)	(3,066)	11.6
	502	473	6.1	995	955	4.2
Other income	7	6	25.4	18	18	1.1
Operational EBITDA <i>- EBITDA margin</i>	509 23.0%	479 23.2%	6.4	1,014 23.0%	973 24.2%	4.2
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA	509	479	6.4	1,014	973	4.2
Depreciation & amortisation	(280)	(268)	4.5	(562)	(556)	1.0
EBIT	229	210	8.8	452	417	8.4
Net finance expense	(10)	(30)	-67.2	(34)	(61)	-43.4
Profit before tax	219	180	21.6	417	356	17.3
Tax expense	(67)	(55)	21.1	(126)	(108)	16.6
Net profit after tax	152	125	21.9	291	247	17.6

Optus Mobile results have been disclosed as a division, consistent with general industry practice. Optus fixed line revenues have been presented in accordance with the organisational structure by customer segments.

SECTION III : OPTUS

**REVIEW OF OPTUS OPERATING PERFORMANCE
For The Second Quarter Ended 30 September 2009**

Optus operating revenue grew 7.4% to A\$2.22 billion following four quarters of double-digit mobile service revenue growth.

Optus mobile growth was led by strong subscriber acquisitions, with 223,000 new mobile and wireless broadband subscribers added in the quarter of which 145,000 were in postpaid. The growth in postpaid was underpinned by continuing wireless broadband subscriber growth and demand for iPhone 3G/3GS and "Timeless" plans.

On 3 August 2009, Woolworths Limited announced that it had signed an agreement to use the Optus mobile network to offer a prepaid mobile service to customers across Australia. This partnership combines Optus' operational expertise, flexibility and network reach with Woolworth's extensive distribution and retail footprint. Optus distribution reach was further strengthened with the launch of the 200th Optus 'yes' store in July 2009.

In another first, Optus launched the new Optus Family value packs with unlimited free standard voice calls within Australia between family members when eligible mobile, broadband and home phone services are combined. Further, the new Optus Zoo Music & Tones online store and nine new channels for Mobile TV were launched during the quarter, adding to an extensive suite of mobile content.

Mobile EBITDA margin was at 25% which was in line with the preceding quarter. The iPhone 3G/3GS continued its growth trajectory with another record quarter of activations.

Optus Business and Wholesale revenue grew 2.2% with lower corporate voice revenue mitigated by strong ICT and Managed services and wholesale domestic voice revenues. EBITDA margin for Optus Business and Wholesale was stable at 23%.

Optus' satellite fleet capacity was extended during the quarter with the successful launch of the newest Optus satellite D3 on 22 August 2009. The new D3 satellite, which was certified ready-for-service in October, will provide 30% additional capacity as well as in-orbit redundancy for existing customers. It also marked the first use of Broadcast Satellite Service spectrum in Australia, thereby increasing the delivery capacity of high definition television to more households.

In the Consumer Fixed business, Unbundled Local Loop (ULL) growth continued, with total ULL subscriber base reaching 478,000 as at 30 September 2009, up 20,000 subscribers from a quarter ago.

The increase in ULL subscriber base contributed to 25,000 on-net broadband additions in the quarter. The overall number of broadband subscribers grew 14,000 to 981,000, while the total number of on-net fixed customers exceeded 1 million as at 30 September 2009.

Consumer and SMB Fixed EBITDA grew 14% this quarter to A\$51 million with increased on-net traffic and improved margins.

Operational EBITDA grew 6.4% year-on-year to A\$509 million. Margin was stable at 23.0%.

Net finance expense fell 67% or A\$20 million on lower interest expense. Consequently, net profit for the quarter grew 22% to A\$152 million.

Free cash flow amounted to A\$271 million, up 2.5% with higher EBITDA partially offset by working capital movements.

SECTION III : OPTUS

For The Half Year Ended 30 September 2009

For the half year under review, Optus recorded a 9.8% increase in operating revenue to A\$4.42 billion.

Operational EBITDA grew 4.2% or A\$41 million to A\$1.01 billion with operational EBITDA margin at 23.0%.

With lower net finance expense, net profit increased by 18% to A\$291 million.

National Broadband Network (NBN)

On 15 September 2009, the Minister for Broadband, Communications and the Digital Economy announced fundamental reforms to existing telecommunications regulations in the interests of Australian consumers and businesses. The draft legislation will seek to promote competition across telecommunication platforms through separation of Telstra's wholesale and retail functions, expansion of the ACCC oversight authority and strengthening of consumer safeguards.

Optus Bond Issue

Subsequent to 30 September 2009, Optus Finance successfully completed a US\$500 million, 10 year note issue maturing in October 2019. The notes were distributed to institutional investors in Asia and Europe. The notes form part of Optus' long term financing strategy, increasing the diversity and maturity of its debt structure. Following the note issue, the principal and coupon payments were hedged into Australian dollars and related interest swaps.

SECTION III : OPTUS**SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 30 June 2009 were as follows:

	Quarter		QOQ Chge %
	30 Sep	30 Jun	
	2009 A\$ m	2009 A\$ m	
Operating revenue	2,218	2,198	0.9
Operating expenses	(1,716)	(1,704)	0.7
Operational EBITDA	509	505	0.9
Operational EBITDA margin	23.0%	23.0%	
<i>Mobile</i>	25%	25%	
<i>Business & wholesale fixed</i>	23%	23%	
<i>Consumer & SMB fixed</i>	15%	15%	
Profit before tax	219	199	10.1
Net profit	152	139	9.7
Free cash flow	271	139	95.0

Operating revenue grew 0.9% as higher mobile service revenue was offset by lower Business ICT & Managed services revenues.

Operational EBITDA margin was stable at 23.0% with margins held stable across all segments.

The higher free cash flow was driven by working capital movements, with increased payments including annual staff bonus and licence fees in the preceding June quarter.

SECTION III : OPTUS

DIVISIONAL TOTALS

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Operating revenue by division:						
Mobile	1,381	1,230	12.2	2,716	2,337	16.2
Optus Business Fixed	325	315	3.1	678	647	4.9
Optus Wholesale Fixed	167	166	0.6	335	325	3.2
Consumer and SMB Fixed	347	356	-2.3	692	719	-3.7
Less inter-divisional revenue ⁽¹⁾	(3)	(3)	-9.4	(6)	(7)	-17.9
Total	2,218	2,064	7.4	4,415	4,021	9.8
Operational EBITDA by division:						
Mobile	346	322	7.3	679	649	4.6
Optus Business & Wholesale Fixed	113	112	0.9	233	219	6.6
Consumer and SMB Fixed	51	44	13.5	101	104	-3.5
Total	509	479	6.4	1,014	973	4.2
Operational EBITDA margins by division:						
Mobile	25%	26%		25%	28%	
Optus Business & Wholesale Fixed	23%	23%		23%	23%	
Consumer and SMB Fixed	15%	13%		15%	15%	
Total	23.0%	23.2%		23.0%	24.2%	

Note:

(1) Inter-divisional revenue represents mobile termination revenue for fixed to mobile calls originating with Consumer and SMB fixed, and Optus Business fixed and preselected customers.

In the quarter, the Mobile division contributed 62% to total revenue, 2 percentage points higher than the same quarter last year. Its contribution to operational EBITDA was higher at 68% from 67% a year ago reflecting the positive effects of acquisition of higher value customers and ARPU improvements.

SECTION III : OPTUS

OPTUS MOBILE DIVISION

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Mobile communications revenue ⁽¹⁾						
Outgoing service revenue	934	813	14.9	1,818	1,582	14.9
Incoming service revenue	213	190	12.2	418	374	12.0
Service revenue	1,148	1,004	14.4	2,236	1,956	14.3
Equipment	233	227	2.8	479	381	25.7
Total Mobile revenue	1,381	1,230	12.2	2,716	2,337	16.2
Operational EBITDA ⁽²⁾	346	322	7.3	679	649	4.6
- EBITDA margin	25%	26%		25%	28%	

Key Drivers	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep	30 Sep	
	2009	2009	2008	2009	2008	
Number of mobile subscribers (000s)						
Prepaid	4,346	4,268	4,034	4,346	4,034	7.7
Postpaid ⁽³⁾	3,879	3,734	3,386	3,879	3,386	14.6
Total	8,225	8,002	7,420	8,225	7,420	10.9
Mobile penetration rate ⁽⁴⁾	ND	109%	ND	ND	ND	
MOUs per subscriber per month ⁽⁵⁾						
Prepaid	79	79	81	79	79	-
Postpaid	205	198	173	208	172	20.8
ARPU per month (A\$) ⁽⁶⁾						
Prepaid	28	27	27	27	26	3.8
Postpaid	69	68	68	68	67	1.8
Blended	47	46	46	47	45	3.8
Data revenue as a % of service revenue						
- total data	35%	35%	32%	35%	32%	
- non-SMS data	12%	11%	8.0%	12%	7.6%	
Market share - total	ND	29.1%	ND	ND	ND	
Retail postpaid churn rate per month ⁽⁷⁾	1.8%	1.6%	1.8%	1.7%	1.7%	
% users through wholesale	7%	6%	5%	7%	5%	
Acquisition cost per subscriber	A\$204	A\$226	A\$196	A\$215	A\$175	

Notes:

- (1) Includes international outgoing and international incoming revenue.
- (2) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.
- (3) Includes bundled telephony and broadband products delivered over the 3G network.
- (4) Penetration and market share are estimated by Optus based on published data.
- (5) Based on average customers, calculated as the simple average of opening and closing customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only wireless broadband.
- (6) Based on average customers, calculated as the simple average of opening and closing customers. Excludes equipment revenue.
- (7) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

SECTION III : OPTUS

Operating revenue for Mobile Division grew strongly at 12% to A\$1.38 billion.

Outgoing service revenue growth of 15% reflected strong customer growth of 11% and improved ARPU, with postpaid service growth accelerating to 17% and prepaid growth of 8.5%.

Total net additions for the September quarter were 223,000, bringing half year net additions to 436,000. Postpaid customer growth continued with strong net additions of 145,000 this quarter, supported by continued demand for offerings such as the iPhone, "Timeless" and wireless broadband. The number of 3G subscribers³ increased to 3.08 million, an 11% increase from a quarter ago, and this included a base of 688,000 Wireless Broadband⁴ subscribers.

Incoming service revenue continued to grow strongly at 12% this quarter supported by subscriber growth, increased voice and SMS terminating traffic. Termination rates remained at 9 cents per minute.

Equipment revenue increased by 2.8%, lower than the increase of 60% registered in the preceding June quarter, as the iPhone 3G was first launched in the September quarter last year.

Blended ARPU this quarter increased by 3.3% from a year ago, reflecting the acquisition of higher value customers.

SMS and other data revenue was at 35% of ARPU, up from 32% a year ago with increased penetration of wireless data products. The proportion of non-SMS data revenue (including premium content SMS) grew to 12% of ARPU in the current quarter, compared to 8.0% a year ago.

The launch of iPhone 3G/3GS and "Timeless" plans, which are offered to consumer and small business segments, have further increased the penetration of capped plans into the base. A total of 85%⁵ of new and recontracted postpaid customers chose capped plans this quarter. Approximately 59% of the total Optus postpaid mobile base were on capped plans as at 30 September 2009, 3 percentage points higher than a quarter ago and up from 47% a year ago⁶.

Acquisition cost per subscriber was 9.7% lower compared to the preceding quarter, and 4.1% higher than a year ago, impacted by increased postpaid subsidies from the mix of higher value handsets including iPhone 3G/3GS and other smart phones offered on "Timeless" plans.

Operational EBITDA grew 7.3% or A\$24 million. However margin was 25%, down from 26% a year ago, with strong service revenue growth offset by higher acquisition costs arising from customer growth, particularly for iPhone 3G/3GS and wireless broadband.

³ 3G subscribers are defined as subscribers who i) own a 3G device and ii) are provisioned with 3G Data Services access.

⁴ Wireless Broadband subscribers are defined as subscribers provisioned with an HSPA broadband service. Excludes data packs attached to voice services.

⁵ These cap penetration metrics exclude customers on Optus' capped plans offered through Optus wholesale service providers. Including these customers, the percentage of total Optus postpaid customers on capped plans as at 30 September 2009 was 65% (June 2009: 62%), with 77% of total new and recontracted customers choosing capped plans in this quarter (June 2009: 80%).

⁶ All calculations for capped plans include customers with voice plans only.

SECTION III : OPTUS

In December 2008, Optus completed its 3G mobile network rollout on schedule to reach 96% population coverage. Optus continues to invest in transmission, backhaul capacity and additional mobile site coverage. Coverage will be extended to 98% of the population with the mobile network footprint exceeding 97% coverage by 31 March 2010. With this significant investment, Optus will be the only carrier capable of challenging the incumbent telco's network on both coverage and speed.

SECTION III : OPTUS

OPTUS BUSINESS & WHOLESALE FIXED DIVISIONS

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Business revenue						
Voice	98	106	-7.5	192	212	-9.3
Data and IP	119	119	-	238	240	-0.7
ICT and Managed Services	108	90	19.6	247	195	27.1
Total Business fixed revenue	325	315	3.1	678	647	4.9
Wholesale revenue						
Domestic Voice	36	28	26.7	69	51	35.1
International Voice	6	14	-56.3	13	27	-51.5
Data and IP	63	61	4.3	128	118	8.2
Satellite	62	63	-1.7	125	128	-2.5
Total Wholesale fixed revenue	167	166	0.6	335	325	3.2
Total Business & Wholesale fixed revenue	492	482	2.2	1,013	972	4.3
Operational EBITDA ⁽¹⁾	113	112	0.9	233	219	6.6
- EBITDA margin	23%	23%		23%	23%	

Key Drivers	Quarter			Half Year		YOY Chge %
	30 Sept	30 Jun	30 Sept	30 Sept	30 Sept	
	2009	2009	2008	2009	2008	
Business voice minutes (m min)	1,219	1,206	1,369	2,425	2,758	-12.0
Wholesale domestic voice minutes (m min)	929	846	632	1,775	1,169	51.9
As at end of period:						
Buildings connected ⁽²⁾	17,251	17,178	16,759	17,251	16,759	2.9

Notes:

(1) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.

(2) Directly connected buildings include all connections via all access media - fibre, DSL, fixed wireless, satellite and leases.

Total Business and Wholesale fixed revenue grew 2.2% as strong growth in Wholesale domestic voice and Business ICT and Managed services revenues were partially offset by lower Business voice revenue.

Optus Business continued to focus on its key strategies of growing IP VPN, expanding ICT and Managed Services business and managing legacy telco products. Optus Business fixed revenue grew 3.1% as major corporate wins in the previous quarter continued to drive growth in ICT and Managed Services.

Optus Business' fixed voice revenue declined 7.5%, reflecting lower usage as corporate customers continued to rationalise their telecommunication spend. Data revenue remained stable.

SECTION III : OPTUS

During the quarter, the Brisbane City Council awarded Optus a network managed services contract worth approximately A\$60 million for a contracted period of up to seven years. Optus will utilise the Evolve IP network to connect approximately 200 sites across Queensland, as well as implement a new IP telephony system for the Council's 8,000 employees.

Total Wholesale fixed revenue was stable as strong domestic voice growth from carrier customers and increased on-net traffic was offset by lower international voice revenue from declining usage and rates for international inpayment traffic.

Satellite revenue declined 1.7% to A\$62 million with reduced VSAT revenues and equipment sales. The new D3 satellite which increases Optus' satellite capacity by more than 30% was certified ready-for-service in October 2009. Foxtel is launching their new high definition television services in Australia using the new D3 platform.

Operational EBITDA for the combined division grew this quarter by 0.9% to A\$113 million. EBITDA margin was stable at 23%.

SECTION III : OPTUS

OPTUS CONSUMER AND SMB FIXED DIVISION

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
On-net						
Voice	131	127	2.8	260	252	3.2
Broadband	109	90	22.0	211	174	21.0
Pay TV	28	34	-15.5	59	69	-14.8
Consumer Fixed on-net	269	251	7.2	530	495	6.9
Off-net						
Voice	22	37	-40.6	47	83	-42.9
Broadband	9	15	-41.2	19	33	-42.2
Dial-up	2	4	-50.0	5	9	-48.3
Consumer Fixed off-net	33	57	-41.7	71	125	-43.2
Consumer Fixed revenue	302	308	-1.8	601	621	-3.2
SMB						
Voice	34	37	-9.2	68	76	-11.1
Data and IP	12	11	6.4	23	22	6.9
SMB fixed revenue	45	48	-5.4	91	98	-7.1
Total Consumer & SMB fixed revenue	347	356	-2.3	692	719	-3.7
Operational EBITDA ⁽¹⁾	51	44	13.5	101	104	-3.5
- EBITDA margin	15%	13%		15%	15%	

Key Drivers	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep	30 Sep	
	2009	2009	2008	2009	2008	
On-net ARPU (A\$) ⁽²⁾						
Voice	52	53	54	52	55	-4.2
Broadband	48	46	43	47	42	10.6
Telephony customers ('000)						
HFC ⁽³⁾	524	521	527	524	527	-0.7
ULL ⁽⁴⁾	478	458	400	478	400	19.6
On-net	1,002	979	927	1,002	927	8.1
Resale	100	119	187	100	187	-46.5
Long distance only	18	23	36	18	36	-50.0
Off-net	118	142	223	118	223	-47.1
<i>HFC bundling rate ⁽⁵⁾</i>	85%	86%	83%	85%	83%	
<i>HFC penetration</i>	37%	37%	38%	37%	38%	
Internet customers (000s)						
On-net						
HFC broadband	430	429	419	430	419	2.7
ULL broadband ⁽⁴⁾	444	421	342	444	342	29.7
Business grade broadband ⁽⁶⁾	31	30	28	31	28	9.6
	905	880	789	905	789	14.7
Off-net						
Broadband	76	86	137	76	137	-44.5
Broadband subtotal	981	967	926	981	926	5.9
Dial-up	43	53	97	43	97	-55.5
Total Internet customers	1,024	1,020	1,023	1,024	1,023	0.1

SECTION III : OPTUS

Notes:

- (1) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.
- (2) Per month, based on average HFC and ULL customers.
- (3) Includes all customers who take local telephony over the HFC network, and customers who take one or more of pay TV or cable internet services over the HFC network.
- (4) Include wholesale ULL subscribers.
- (5) Based on customers who are receiving a "bundled benefit" from taking a package of products (local telephony plus at least one of broadband, dial-up internet or pay TV).
- (6) Revenue associated with the business grade retail broadband customers is included within Optus Business fixed segment.

Consumer fixed on-net revenue grew by 7.2%, driven by the higher number of ULL customers and continued demand for Optus Fusion, the innovative fixed telephony and broadband bundle. At 30 September 2009, Optus has 478,000 ULL customers, up from 458,000 a quarter ago and 400,000 a year ago.

Consistent with its strategy of focusing on on-net subscriber growth, Optus continued to exit the unprofitable resale services. Accordingly, off-net revenue declined by 42% and contributed to an overall revenue decrease of 1.8% for Consumer Fixed. The proportion of on-net revenue in Consumer fixed was 89% in the quarter, up from 81% a year ago.

SMB fixed revenue declined 5.4% with growth from on-net internet services offset by declining off-net voice revenue.

Optus continued to deliver value to SMB customers with the launch of "Optus One Office", a bundled solution offering free unlimited calls between their Optus mobile fleet and selected Optus fixed voice services.

On-net broadband revenue grew by 22% while customers increased 15% to 905,000 and accounted for 92% of the total broadband customer base. Broadband customers (including business grade customers) totalled 981,000, an increase of 55,000 or 5.9% from a year ago.

EBITDA grew 14% to A\$51 million, with margin expansion of 2 percentage points to 15%. The increase was driven by both higher on-net revenue mix and yield management initiatives.

SECTION III : OPTUS

OPTUS OPERATING EXPENSES (Before Depreciation and Amortisation)

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Interconnect	330	303	8.9	646	587	10.0
Outpayments & other leases	67	60	11.4	131	116	13.0
Traffic expenses	397	363	9.3	777	703	10.5
Selling & administrative	653	583	11.9	1,291	1,125	14.8
Cost of sales	357	345	3.4	749	633	18.4
Staff costs	298	298	0.0	577	593	-2.7
Repair & maintenance and others	55	49	12.5	107	99	7.7
Capitalisation of costs ⁽¹⁾	(43)	(46)	-6.5	(80)	(86)	-7.3
Total	1,716	1,592	7.8	3,420	3,066	11.6
As a percentage of operating revenue						
Traffic expenses	18%	18%		18%	17%	
Selling & administrative	29%	28%		29%	28%	
Cost of sales	16%	17%		17%	16%	
Staff costs	13%	14%		13%	15%	
Repair & maintenance and others	2%	2%		2%	2%	
Capitalisation of costs ⁽¹⁾	-2%	-2%		-2%	-2%	
	77%	77%		77%	76%	

	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep	30 Sep	
	2009	2009	2008	2009	2008	
Staff statistics						
Number of employees, at end of period	10,521	10,494	10,740	10,521	10,740	-2.0
Average number of employees	10,522	10,462	10,741	10,507	10,730	-2.1
Revenue per employee (A\$'000) ⁽²⁾	211	210	192	420	375	12.1

Notes:

(1) Capitalisation relates primarily to staff costs.

(2) Based on average employee numbers.

Operating expenses increased by 7.8% in the current quarter, mainly from increases in Traffic expenses and Selling & administrative expenses.

Traffic expenses grew 9.3% with increased mobile and outgoing international traffic as capped plan penetration in the mobile subscriber base continued to grow. This was partially offset by lower off-net fixed line traffic as a result of Optus' continued on-net focus.

Selling & Administrative expenses were up 12%. The increase was due mainly to higher advertising and mobile acquisition costs associated with the iPhone 3G/3GS and "Timeless" initiatives which delivered another consecutive quarter of strong net additions.

Total staff costs remained flat reflecting careful headcount and cost management.

SECTION III : OPTUS**OTHER INCOME**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Sublease income	8	8	6.6	16	15	3.9
Foreign exchange losses	(8)	(7)	13.7	(11)	(7)	52.7
Other	8	6	35.7	14	10	35.0
Total	7	6	25.4	18	18	1.1

Other income grew A\$1 million as a one-off receipt relating to submarine cables was partially offset by higher foreign exchange losses.

OTHER INCOME STATEMENT ITEMS**Depreciation and Amortisation**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Depreciation and amortisation expense	280	268	4.5	562	556	1.0
<i>As a percentage of operating revenue</i>	<i>13%</i>	<i>13%</i>		<i>13%</i>	<i>14%</i>	

Depreciation and amortisation expense grew 4.5% with growth from newly capitalised assets.

Net Finance Expense

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Interest expense	19	38	-51.2	40	75	-46.6
Interest capitalised	(4)	(2)	60.0	(5)	(4)	15.9
Interest income	15	36	-59.3	35	71	-50.5
Net interest expense	(3)	(5)	-46.9	(5)	(11)	-59.8
	12	31	-61.3	31	60	-48.7
Other finance costs						
Unwinding of discounts, incl adjs	1	1	10.0	2	2	4.8
Revaluation (loss)/gain of FX contracts	(3)	(2)	83.3	2	(1)	nm
Total	10	30	-67.2	34	61	-43.4

Net interest expense declined A\$19 million or 61% to A\$12 million primarily due to lower average debt levels and lower interest rates.

SECTION III : OPTUS

Taxation

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Optus' Australian income tax expense	66	55	21.1	126	108	16.5
Share of joint venture income tax expense	*	-	-	*	*	nm
	67	55	21.1	126	108	16.6

The income tax expense reflected primarily the Australian statutory tax rate of 30% together with variations between accounting and taxable income.

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Half Year		YOY Chge %
	30 Sep	30 Sep	30 Jun	30 Sep		
	2009 A\$ m	2008 A\$ m	2009 A\$ m	2009 A\$ m	2008 A\$ m	
Net cash inflow from operating activities						
Profit before tax	219	180	199	417	356	17.3
Non-cash items	292	300	308	599	620	-3.3
Operating cashflow before working capital changes	510	480	506	1,017	976	4.2
Changes in operating assets and liabilities	35	53	(117)	(81)	(78)	3.7
Net cash inflow from operating activities	546	533	390	935	897	4.2
Net cash outflow from investing activities						
Purchases of property, plant and equipment	(274)	(268)	(250)	(525)	(516)	1.7
Loan to STAI	-	(583)	-	-	(583)	nm
Others	3	5	2	5	11	-56.3
	(272)	(847)	(248)	(520)	(1,088)	-52.2
Net cash outflow from financing activities						
Net (decrease)/increase in bank borrowings	(213)	8	(178)	(392)	(51)	@
Proceeds from loan received on behalf of STAI	-	432	0	-	432	nm
Purchase of SingTel shares	-	-	(11)	(11)	(11)	0.9
Net interest paid on borrowings and swaps	(23)	(40)	(27)	(50)	(72)	-31.6
	(236)	400	(216)	(452)	297	nm
Net increase/(decrease) in cash and cash equivalents	38	86	(74)	(36)	107	nm
Cash and cash equivalents at beginning	260	117	335	335	97	246.4
Cash and cash equivalents at end	298	204	260	298	204	46.6
Free cash flow	271	265	139	411	382	7.7
Cash capital expenditure to operating revenue	12%	13%	11%	12%	13%	

In the quarter, operating cash flow amounted to A\$546 million, A\$13 million higher than the same quarter last year primarily from higher EBITDA, partially offset by working capital movements.

Cash capital expenditure was stable at A\$274 million and was at 12% of operating revenue this quarter.

SECTION III : OPTUS**Capital expenditure by division**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 A\$ m	2008 A\$ m		2009 A\$ m	2008 A\$ m	
Mobile	124	123	1.0	258	239	8.2
Business & Wholesale fixed	76	85	-10.6	120	167	-28.0
Consumer & SMB fixed	22	33	-32.4	42	53	-20.9
Other	51	27	89.3	105	58	81.9
Total	274	268	2.2	525	516	1.7

In the quarter, capital expenditure for the Mobile division was A\$124 million or 45% of Optus' total capital expenditure. Of this amount, A\$103 million was for the upgrade and expansion of Optus' 3G and High Speed Packet Access (HSPA) networks.

The capital expenditure of A\$76 million for the Optus Business and Wholesale fixed division was largely for the D3 satellite and the expansion of Customer Access Transmission and IP networks.

In Consumer and SMB Fixed division, the capital expenditure of A\$22 million primarily represented cost of new customer connections.

Other capital expenditure related mainly to investment in core network infrastructure, purchase of Southern Cross capacity and capital spend related to the upgrade of Optus' offices in Victoria upon consolidation of various call centre and office sites.

SECTION IV: ASSOCIATES/ JOINT VENTURES

FINANCIAL HIGHLIGHTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009

- **The pre-tax profit contributions from associates grew 32% to S\$606 million.**
- **On a post-tax basis, earnings from associates increased 19% to S\$472 million and contributed 50% to the Group's underlying net profit, comparable to a year ago.**
- **The contributions were negatively impacted by depreciation of 3% to 8% in the major regional currencies against the Singapore Dollar. If the regional currencies had remained stable from a year ago, pre-tax profit contributions would have increased by 38% and post-tax profit contributions would have grown by 25%.**
- **The Group's combined mobile subscriber base⁷ increased 4.3% or 11 million in the quarter to 273 million. Year-on-year, the subscriber base was up 26% or 57 million. On a proportionate share basis, the increase was 3.7% from a quarter ago to 95 million subscribers.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009

- **Group's share of pre-tax profits up 21% to S\$1.25 billion.**
- **Post-tax profit contributions from associates increased 18% to S\$969 million.**
- **If the regional currencies had remained stable from the last corresponding period, pre-tax profit contributions would have increased by 28% and post-tax profit contributions would have grown by 24%.**

⁷ Combined mobile subscriber base here refers to the total number of mobile subscribers in SingTel, Optus and the regional mobile associates.

SECTION IV : ASSOCIATES/ JOINT VENTURES

	Equity Int %	Quarter		YOY Chge %	Half Year		YOY Chge %
		30 Sep			30 Sep		
		2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Regional mobile associates							
Bharti Telecom / Bharti Airtel ⁽¹⁾	30.4						
- operating results		242	244	-0.7	491	493	-0.4
- fair value (losses)/gains ⁽²⁾		(6)	(57)	-89.3	17	(72)	nm
		236	187	26.4	508	422	20.5
Telkomsel	35.0						
- operating results		251	172	45.8	480	393	22.0
- fair value gains ⁽²⁾		1	1	60.0	18	1	@
		252	173	45.9	497	394	26.1
Globe Telecom ⁽³⁾	47.3						
- operating results		51	65	-21.4	118	135	-12.4
- fair value gains/(losses) ⁽²⁾		2	(4)	nm	3	(12)	nm
		53	60	-12.3	121	122	-1.5
AIS ⁽⁴⁾	21.3	53	63	-16.7	110	130	-14.9
Pacific Bangladesh Telecom Ltd ("PBTL")	45.0	(3)	(8)	-58.4	(7)	(14)	-51.1
Warid	30.0						
- operating results		(17)	(24)	-28.9	(31)	(41)	-23.4
- fair value losses ⁽²⁾		(2)	(17)	-86.7	(3)	(22)	-85.8
		(19)	(41)	-53.2	(35)	(63)	-45.2
		571	434	31.5	1,195	991	20.6
Other SingTel associates							
Singapore Post	25.6	13	11	10.5	25	24	3.8
Southern Cross	40.0	18	10	83.7	24	7	252.9
Others		5	6	-16.4	9	10	-3.1
SingTel share of ordinary results (pre-tax)		606	461	31.5	1,253	1,031	21.5
Optus share of ordinary results (pre-tax)		*	*	nm	*	*	nm
Group share of ordinary results (pre-tax)		606	461	31.5	1,253	1,031	21.5
Exceptional items ("EI")							
Telkomsel - recognition of prior years' frequency fees		-	-	-	-	(15)	nm
AIS - write back of over provision for concession rights payable		-	-	-	-	16	nm
Teletech Park - write back of impairment charge	40.0	-	-	-	-	4	nm
Group share of EI		-	-	-	-	4	nm
SingTel share of pre-tax profit		606	461	31.5	1,253	1,035	21.0
Optus share of pre-tax profit		*	*	nm	*	*	nm
Group share of pre-tax profit ⁽⁵⁾		606	461	31.5	1,253	1,035	21.0

Notes:

- (1) The accounts of the associates are prepared based on local GAAP. Where applicable, the accounting policies of the associates have been restated to ensure compliance with the Group's accounting policies.
- (2) Fair value gains or losses arose from mark-to-market of foreign currency liabilities, net of related hedging, if any.
- (3) In June 2008, the Group increased its shareholding in Globe from 44.47% to 47.34%.
- (4) AIS' financial year end is December. The Group equity accounted for its share of AIS' results based on the financials for the period ended 30 June 2009. One-off transactions between 1 July 2009 and 30 September 2009 which are material are also accounted by the Group in the current quarter.
- (5) Share of results for the half year ended 30 September 2008 excluded the Group's share of Bharti's exceptional dilution gain on Infratel recorded in June 2008 quarter, which had been reclassified as exceptional item of the Group in March 2009 quarter.

SECTION IV : ASSOCIATES/ JOINT VENTURES

	Quarter				YOY Chge %	Half Year				YOY Chge %
	30 Sep					30 Sep				
	2009		2008			2009		2008		
	S\$ m	% ⁽¹⁾	S\$ m	% ⁽¹⁾		S\$ m	% ⁽¹⁾	S\$ m	% ⁽¹⁾	
Post-tax profit contribution										
Bharti Telecom/ Bharti Airtel ⁽²⁾										
- ordinary results	210		184		13.8	441		387		14.2
- one-off tax credit	-		14		nm	-		14		nm
	210	22	199	25	5.6	441	23	401	24	10.1
Telkomsel										
- ordinary results	183		120		51.7	359		274		31.1
- exceptional item	-		-		-	-		(11)		nm
- one-off tax credit	-		22		nm	-		22		nm
	183	19	142	18	28.3	359	19	285	17	25.9
Globe Telecom	37	4	37	5	-0.3	84	4	77	5	10.2
AIS										
- ordinary results	36		45		-19.8	76		92		-17.0
- exceptional item	-		-		-	-		11		nm
	36	4	45	6	-19.8	76	4	103	6	-25.7
PBTL	(3)	**	(8)	(1)	-58.4	(7)	**	(14)	(1)	-50.4
Warid	(19)	(2)	(41)	(5)	-53.1	(34)	(2)	(63)	(4)	-45.7
Regional mobile associates	443	47	375	47	18.2	920	48	789	48	16.6
Other SingTel associates	29	3	22	3	32.6	49	3	36	2	38.0
SingTel share of post-tax profit	472	50	397	50	19.0	969	51	824	50	17.5
Optus share of post-tax profit	*	**	*	**	nm	1	**	*	**	nm
Group share of post-tax profit⁽²⁾	472	50	397	50	19.0	969	51	824	50	17.6

Notes:

- (1) The above table shows the post-tax profit contribution of the associates to the Group's underlying net profit.
(2) The comparatives excluded the Group's share of Bharti's exceptional dilution gain on Infratel recorded in the June 2008 quarter.

Despite weaker regional currencies, the Group's share of the pre-tax and post-tax profits from the associates registered double-digit increases of 32% and 19% respectively. The higher contributions were primarily from a sharp improvement in Telkomsel's operational performance and lower fair value losses on mark-to-market valuations of foreign currency denominated liabilities of Bharti and Warid.

The major regional currencies depreciated by 3% to 8% from a year ago. If the regional currencies had remained stable from a year ago, the pre-tax profit contributions of the associates would have grown by 38% and the post-tax profit contributions would have increased by 25%.

The associates contributed 50% to the Group's underlying net profit, comparable to a year ago.

For the half year ended 30 September 2009, the Group's share of the associates' pre-tax and post-tax profits increased 21% and 18% respectively. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax profit contributions of the associates would have grown by 28% and 24% respectively.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Bharti Telecom Group (“Bharti”)

Bharti is India's leading private sector provider of telecommunications services, offering mobile, fixed line, long distance, broadband and enterprise services. It is listed on the National Stock Exchange and the Stock Exchange, Mumbai and is the first private telecom operator with an ‘all India’ presence offering mobile services in all 22 licenced circles. Bharti is the largest mobile phone operator in India with 23.5% market share of the total wireless subscriber base.

This quarter, the Group’s share of Bharti’s pre-tax operating profit (before fair value losses) was up 6.7% in Indian Rupee terms. Operating revenue growth slowed to 9% on intense competitive pressures and a reduction in the domestic call termination charge from 0.30 Rupee per minute to 0.20 Rupee per minute from April 2009. ARPU declined 24% while MOU fell 15% compared to a year ago due to the proliferation of multiple SIMs and the acquisition of rural subscribers. Compared to the preceding quarter, pre-tax operating profit was stable.

In the corresponding quarter last year, the steep depreciation of the Indian Rupee against the US Dollar and Japanese Yen in a volatile currency market had resulted in heavy fair value losses on Bharti’s borrowings. The Group’s share of this fair value loss was S\$57 million, significantly higher than the S\$6 million loss recorded in this quarter. Including the fair value losses and with the effects of the Indian Rupee depreciating 8% against the Singapore Dollar from a year ago, the overall pre-tax contribution from Bharti grew 26% to S\$236 million.

In the corresponding quarter last year, Bharti recorded a one-off tax credit in respect of tax payments made during the tax holiday period. Consequently, the Group’s share of Bharti’s post-tax profit grew at a lower 5.6% year-on-year to S\$210 million.

Bharti added 8.1 million mobile subscribers this quarter, compared to 8.4 million in the preceding quarter, due to seasonality as well as competitors’ launches in the quarter. With a total mobile subscriber base of 110.5 million as at 30 September 2009, market share was 23.5%, down 0.5 percentage point from a quarter ago. During the quarter, Bharti passed the one-million customer mark for both its Digital TV Services in India and its mobile service in Sri Lanka.

Bharti contributed 22% to the Group’s underlying net profit, down 3 percentage points from 25% a year ago.

PT Telekomunikasi Selular (“Telkomsel”)

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 29,000 radio base stations (including 3G Node B) providing nationwide coverage.

Operating revenue grew a robust 25% on a higher subscriber base. Coupled with strong cost management, Telkomsel’s profit before tax rose 54% in Indonesian Rupiah terms.

In Singapore Dollar terms, the Group’s share of Telkomsel’s pre-tax profit was up strongly by 46% or S\$79 million as the Indonesian Rupiah depreciated by 6% against the Singapore Dollar.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Compared to the preceding quarter, the Group's share of operating profit was up 10% on strong operational performance. Including the Group's S\$17 million share of Telkomsel's fair value gains recorded in the June 2009 quarter, the overall pre-tax profit contribution was up 2.9% as the Indonesian Rupiah appreciated 3%.

In the corresponding quarter last year, Telkomsel recorded a one-off deferred tax credit from the reduction of corporate tax rate. The Group's share of this tax credit amounted to S\$22 million. Resultantly, the Group's share of post tax profit grew 28% to S\$183 million, constituting 19% of the Group's underlying net profit, up 1 percentage point from 18% a year ago.

In the quarter, Telkomsel added 3.8 million mobile subscribers, compared to 3.9 million in the preceding quarter. Total mobile subscriber base stood at 79.8 million, up 19.3 million or 32% from a year ago.

With its strong leadership in coverage and quality, coupled with three successive quarters of market stabilisation, Telkomsel's market share rose to approximately 51.4% as at 30 September 2009, the highest since 2008.

Telkomsel continued to roll out its network, deploying 1,300 radio base stations in the quarter, compared to 681 installed in the preceding quarter.

Globe Telecom, Inc ("Globe")

Globe is one of the largest mobile communications service providers in the Philippines and is listed on the Philippine Stock Exchange.

In Philippine Peso terms, the pre-tax operating profit contribution from Globe declined 19% year-on-year on lower revenue and higher operating expenses on an expanded mobile and broadband network. Intense competition, growing multi-SIM usage and the market's increasing preference for bucket and unlimited offerings continued to put pressure on mobile revenue. However, Globe's broadband revenue was up 86% as the subscriber base grew almost three-fold to over half a million as at 30 September 2009. In Singapore Dollar terms, the Group's share of pre-tax operating profit was down 21% as the Peso weakened 3% against the Singapore Dollar.

Including the share of fair value gains of S\$2 million, compared to losses of S\$4 million in the same quarter last year, the Group's share of pre-tax ordinary profit was down 12% year-on-year to S\$53 million.

Compared to the preceding quarter, Globe's overall pre-tax profit contribution fell 22%. This was attributable to lower operating revenue, higher expenses and depreciation, as well as the 3% decline of the Peso against the Singapore Dollar.

The Philippines' corporate tax rate was reduced from 35% to 30% with effect from January 2009. With a lower effective tax rate, Globe's post-tax profit contribution was flat year-on-year at S\$37 million. On a post-tax basis, Globe contributed 4% to the Group's underlying net profit, 1 percentage point lower than a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

During the quarter, Globe continued to churn out its lower quality prepaid subscribers and focus its acquisition drives towards better quality subscribers. As a result, as at 30 September 2009, its mobile subscriber base was 23.1 million, down 1.9 million or 7.6% from a quarter ago, or 0.6 million or 2.6% from a year ago.

Advanced Info Service (“AIS”)

AIS is the largest mobile communications operator in Thailand. As at 30 September 2009, it was the fourth largest listed company on the Stock Exchange of Thailand in terms of market capitalisation.

AIS' pre-tax profit contribution for its second quarter ended 30 June 2009 was down 19% year-on-year in Thai Baht terms. On a year-on-year basis, service revenue (net of interconnect) declined 4% as challenging macro-economic conditions, political instability and lower tourist arrivals had adversely impacted voice revenue. EBITDA margin, however, was up 2.3 percentage points attributable to strong cost control measures as well as lower handset sales which contributed lower margins. In Singapore Dollar terms, the Group's share of AIS' pre-tax profit was down 17% to S\$53 million as the Thai Baht strengthened 3% against the Singapore Dollar.

Compared to the preceding quarter, AIS' pre-tax profit contribution declined 8.2% in Thai Baht terms on lower service revenue attributable to seasonality, as well as disruptions caused by the political turmoil during Songkran (Thai New Year) in April 2009.

AIS' post-tax profit contributed 4% to the Group's underlying net profit, down 2 percentage points from 6% a year ago.

In the September quarter, AIS added 380,000 mobile subscribers, up from 320,000 in the preceding quarter. Year-on-year, AIS' subscriber base grew 1.5 million or 5.6% to 28.3 million. As at 30 September 2009, AIS continued to lead the market with approximately 44.3% market share.

Pacific Bangladesh Telecom Limited (“PBTL”)

PBTL is the only CDMA operator in Bangladesh.

Year-on-year, the Group's share of PBTL's losses decreased 58% or S\$5 million to S\$3 million attributable to higher operating revenue on a larger subscriber base. Acquisition costs also declined from lower handset subsidies. EDITDA was positive for the second consecutive quarter.

Against the preceding quarter, the Group's share of losses decreased 11% or S\$0.4 million from cost containment.

As at 30 September 2009, PBTL's total mobile subscriber base was 2.0 million, up 233,000 or 13% from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Warid Telecom (Private) Limited (“Warid”)

Warid is the fourth largest mobile operator in Pakistan. It launched its services in May 2005 and has a 15-year licence to operate GSM-mobile services in Pakistan, Azad Jammu and Kashmir, and the Northern areas.

Year-on-year, the Group's share of pre-tax operating losses of Warid declined 49% in Pakistani Rupee terms. Operating revenue was up 8% while operating expenses declined 7% on cost management initiatives. In Singapore Dollar terms, with the 8% depreciation of the Pakistani Rupee against the Singapore Dollar, the Group's share of the losses fell 29% to S\$17 million.

In this quarter, Warid recognised further fair value losses on its US Dollar liabilities including licence fee payable as the Pakistani Rupee continued to decline against the US Dollar. Including the Group's share of this fair value loss of S\$2 million (Q2 FY 2009: S\$17 million), the overall pre-tax losses declined 53%.

Against the preceding quarter, the Group's share of pre-tax losses from Warid increased by 27% or S\$4 million on higher operating expenses and fair value losses.

Warid's total mobile subscriber base rose to 18.5 million as at 30 September 2009. Compared to a quarter ago, the increase was 0.6 million or 3.2%.

SECTION IV : ASSOCIATES/ JOINT VENTURES

PROFORMA INFORMATION

The following tables show unaudited proforma proportionate financial information which has been derived from the Income Statements of the Group prepared on a statutory basis.

Proportionate presentation is not required by Singapore GAAP and is not intended to replace the financial statements prepared in accordance with Singapore GAAP. However, since the associates are not consolidated on a line by line basis, proportionate information is provided as supplemental data to facilitate a better appreciation of the relative contribution from the Group's operations in Australia, Singapore and other regional markets.

Proportionate operating revenue	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m	2009 S\$ m	2008 S\$ m		
Group operating revenue						
Singapore Business	1,442	1,332	8.2	2,825	2,587	9.2
Optus	2,661	2,559	4.0	5,125	5,081	0.9
	4,103	3,891	5.4	7,951	7,668	3.7
Proportionate share of operating revenue of associates						
Regional mobile associates	1,503	1,445	4.0	2,991	2,886	3.6
Singapore associates	59	56	6.5	113	110	3.5
Other overseas associates	38	31	21.4	69	54	26.1
	1,600	1,531	4.5	3,173	3,050	4.0
Enlarged revenue	5,703	5,422	5.2	11,124	10,718	3.8
% of overseas revenue to enlarged revenue	74%	74%		74%	75%	

In the quarter, overseas revenue contributed 74% to the Group's enlarged revenue, stable from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA ⁽¹⁾	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Operational EBITDA						
Singapore Business	556	500	11.2	1,134	1,023	10.9
Optus	612	588	4.2	1,178	1,225	-3.8
Group and Int'l business net corporate costs	(19)	(9)	118.2	(35)	(23)	49.4
	1,149	1,079	6.5	2,278	2,225	2.4
Proportionate share of EBITDA of associates						
Regional mobile associates	911	788	15.5	1,849	1,642	12.6
Singapore associates	21	22	-2.3	42	42	0.5
Other overseas associates	35	26	36.0	54	40	35.3
	967	836	15.7	1,946	1,725	12.8
Total proportionate EBITDA	2,116	1,915	10.5	4,223	3,949	6.9
Overseas EBITDA as a % to total EBITDA	74%	73%		73%	74%	
Contributions to total proportionate EBITDA						
Regional mobile associates	43%	41%		44%	42%	
Australia	29%	31%		28%	31%	
Singapore	26%	27%		27%	26%	
Others	2%	1%		1%	1%	
	100%	100%		100%	100%	

Note:

(1) Proportionate EBITDA represents the Group's effective interests in the respective entities' EBITDA. As such, proportionate EBITDA does not represent EBITDA available to the Group.

Through its investments in key markets overseas, the Group has diversified its earnings base. Overseas operations contributed 74% to proportionate EBITDA, up 1 percentage point from a year ago.

Proportionate share of mobile subscribers ⁽¹⁾	Total Number			Prorata Number		
	30 Sep	30 Jun	30 Sep	30 Sep	30 Jun	30 Sep
	2009	2009	2008	2009	2009	2008
(In 000s)						
SingTel Mobile	3,100	2,991	2,874	3,100	2,991	2,874
Optus	8,225	8,002	7,420	8,225	8,002	7,420
	11,325	10,993	10,294	11,325	10,993	10,294
Regional Mobile Associates						
- Bharti	110,511	102,368	77,479	32,839	30,443	23,073
- Telkomsel	79,774	76,013	60,503	27,921	26,605	21,176
- AIS	28,282	27,902	26,775	6,030	5,954	5,717
- Globe	23,128	25,024	23,749	10,949	11,846	11,243
- Warid	18,468	17,887	16,158	5,540	5,366	4,847
- PBTL	1,979	1,965	1,746	891	884	786
	262,142	251,160	206,410	84,170	81,098	66,842
Group	273,467	262,153	216,704	95,495	92,091	77,136

Note:

(1) Proportionate share of mobile subscribers represents the number of mobile subscribers of an associate multiplied by the Group's effective percentage ownership in the venture at the respective dates.

SECTION IV : ASSOCIATES/ JOINT VENTURES

With stellar growth, Bharti's subscriber base constituted 40% of the Group's combined mobile subscriber base as at 30 September 2009, up 4 percentage points from 36% a year ago.

As at 30 September 2009, the Group's combined mobile subscriber base rose 4.3% or 11 million to 273 million from a quarter ago. Year-on-year, the total subscriber base was up 26% or 57 million. On a proportionate share basis, the increase was 3.7% to 95 million subscribers from a quarter ago.

CASH DIVIDENDS RECEIVED FROM ASSOCIATES/ JOINT VENTURES ⁽¹⁾

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Regional mobile associates						
Telkomsel ⁽²⁾						
- final dividend FY 2008 / FY 2007	392	403	-2.7	392	403	-2.7
Globe ⁽³⁾						
- second dividend FY 2008 / FY 2007	60	72	-17.3	60	72	-17.3
- special dividend FY 2008	-	96	nm	-	96	nm
	60	168	-64.6	60	168	-64.6
AIS ⁽⁴⁾						
- interim dividend FY 2009 / FY 2008	80	79	1.9	80	79	1.9
- final dividend FY 2008 / FY 2007	-	-	-	89	90	-1.6
	80	79	1.9	169	169	0.1
Bharti ⁽⁵⁾						
- final dividend FY 2009	18	-	nm	18	-	nm
	549	649	-15.5	638	740	-13.8
Other associates						
Southern Cross ⁽⁶⁾	26	30	-13.9	26	58	-55.5
SingPost	19	19	-	19	19	-
Others	5	4	27.5	7	10	-34.6
Total	598	702	-14.8	689	827	-16.7

Notes:

- (1) The cash dividends received from overseas associates as stated here are before related tax payments.
- (2) Telkomsel declared a full year dividend of 80% on net profit for its 2008 financial year (FY 2007: 85%). The Group's share of the final dividend is approximately S\$447 million, of which S\$214 million and S\$178 million were received in July and September 2009 respectively. The remaining amount of approximately S\$55 million is expected to be received in the March 2010 quarter.
- (3) Globe's ordinary dividend payout ratio is approximately 75% of the prior year's net profit, payable semi-annually in March and September of each year. Its first semi-annual dividend for 2008 financial year was paid in March 2009. The Group received the second semi-annual dividend of S\$60 million in the September 2009 quarter. In September 2008, Globe paid a special dividend of S\$96 million to the Group. Globe declared a special dividend in November 2009 and the Group expects to receive its share of the special dividend of approximately S\$93 million in the December 2009 quarter. On 6 November 2009, Globe's Board approved, with effect from 2010, the increase in the ordinary dividend payout ratio to a range of 75% to 90% of prior year's net profit, payable semi-annually in March and September of each year.
- (4) AIS' dividend policy is to pay dividend of not less than 40% of its consolidated net profit, provided that there is no default of principal or interest payment on its debentures. The dividend payout ratio will also depend on AIS' cash flow and investment requirements and it shall not exceed its retained earnings. AIS declared a full year dividend of 114% on net profit for its 2008 financial year (FY2007: 114%). The interim and final dividends were paid out in September 2008 and May 2009 respectively.
- (5) Bharti does not have a fixed dividend policy.
- (6) Southern Cross does not have a fixed dividend policy.

SECTION IV : ASSOCIATES/ JOINT VENTURES

The total dividends received from the associates for the quarter was down 15% to S\$598 million. This was mainly due to a special dividend received from Globe in the corresponding quarter last year. In the current quarter, the Group received S\$18 million from Bharti as it declared its maiden dividend.

KEY OPERATIONAL DATA

	Bharti	Telkomsel	Globe	AIS	PBTL	Warid
SingTel's investment:						
Year of initial investment	2000	2001	1993	1999	2005	2007
Effective shareholding (%)	30.43%	35.0%	47.34%	21.32%	45.0%	30.0%
Investment to date	S\$1.55 bil	S\$1.93 bil	S\$1.02 bil	S\$870 mil	S\$238 mil	S\$1.28 bil
Closing market share price ⁽¹⁾	INR 419	NA	PHP 980	THB 94.3 ⁽⁶⁾ THB 96.0 ⁽⁷⁾	NA	NA
Market capitalisation						
- Total	S\$47.01 bil	NA	S\$3.87 bil	S\$11.89 bil	NA	NA
- SingTel holding	S\$14.31 bil	NA	S\$1.83 bil	S\$2.55 bil	NA	NA
Operational Performance :						
Mobile penetration rate ⁽²⁾	40%	65%	79%	102%	31%	59%
Market share, 30 Sep 2009 ⁽²⁾	23.5%	51.4%	31.7%	44.3%	3.9%	19.0%
Market share, 30 Jun 2009 ⁽³⁾	24.0%	51.1%	33.9%	44.1%	4.2%	19.0%
Market position ^{(2) (4)}	#1	#1	#2	#1	#5	#4
Mobile subs ('000)						
- Aggregate	110,511	79,774	23,128	28,282	1,979	18,468
- Proportionate	32,839	27,921	10,949	6,030	891	5,540
Growth in mobile subs (%) ⁽⁵⁾	43%	32%	-2.6%	5.6%	13%	14%
Credit ratings						
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Ba2/BB-	Ba3/BB-	Baa1/BBB+	NA	B3/B-
- Company (Moody's/ S&P's)	NA/BBB-	NA/BB+	NA/BB+	NA/A-	NA	NA

Notes:

- (1) Based on closing market price on 30 September 2009, in local currency.
- (2) Based on actual or estimated data available as at 30 September 2009.
- (3) Based on actual data a quarter ago.
- (4) Based on number of mobile subscribers.
- (5) Compared against 30 September 2008 and based on aggregate mobile subscribers.
- (6) Based on local market price quoted on the Stock Exchange of Thailand.
- (7) Based on foreign market price quoted on the Stock Exchange of Thailand.

On 30 October 2009, SingTel entered into a conditional share purchase agreement with a Bharti Group entity to purchase an additional 730,000 issued shares in Bharti Telecom Limited ("BTL"), subject to applicable approvals or consents being obtained. Completion will take place on 12 November 2009 or such other date as the parties may agree. Following the acquisition, SingTel's interest in BTL will increase from 32.81% to 36.16% and its effective interest in Bharti Airtel Limited will increase from 30.43% to 31.95%. The aggregate consideration, payable in cash, will be between approximately INR18,073 million to INR30,084 million.

Please refer to **Appendix 3** for the currency rate movements of the major associates.

SECTION V : GLOSSARY

“ACCC”	Australian Competition And Consumer Commission.
“ARPU”	Average revenue per user.
“Associate”	An associated or a joint venture company under Singapore Financial Reporting Standard.
“DEL”	Direct exchange lines, which are telephone lines connected directly to a telephone switch.
“EI”	Exceptional items, which refer to items of income or expense within profit or loss from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial period.
“EBIT”	Earnings before interest and tax.
“EBITDA”	Earnings before interest, tax, depreciation and amortisation.
“EPS”	Earnings per share.
“FRS”	Financial Reporting Standard.
“Free Cash Flow”	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
“GDP”	Gross Domestic Product.
“HFC”	Hybrid fibre coaxial cable, a system that has the potential to deliver voice, video and data via fibre optic cable for long haul transmission and via coaxial cable for short haul transmission.
“ICT”	Infocomm Technology.
“IP”	Internet protocol.
“IP VPN”	Internet Protocol Virtual Private Network.
“MMS”	Multimedia messaging service.
“MOU”	Minutes of use per subscriber.
“NA”	Not applicable.
“ND”	Not disclosed.
“NCS”	NCS Pte Ltd, SingTel’s wholly-owned subsidiary, and its subsidiaries.
“NM”	Not meaningful.
“OpenNet”	OpenNet Pte Ltd, the Netco for Singapore’s Next Generation National Broadband Network, which SingTel has a 30% equity interest.
“Optus”	SingTel Optus Pty Limited, SingTel’s wholly-owned subsidiary, and its subsidiaries.
“Operational EBITDA”	EBITDA (see above) before the share of pre-tax results of the associates.
“Operational EBITDA margin”	Ratio of operational EBITDA over operating revenue.
“SAI”	SingTel Australia Investment Ltd, SingTel’s wholly-owned subsidiary, which has 100% equity interest in Singapore Telecom Australia Investments Pty Limited (“STAI”).
“SCS”	SCS Computer Systems Pte. Ltd. (formerly known as Singapore Computer Systems Limited), a wholly-owned subsidiary of NCS, and its subsidiaries.
“STAI”	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
“SMB”	Small and medium sized business.
“SMS”	Short message service.
“Singapore”	Unless expressly stated, the term refers to SingTel Group excluding Optus and the associates.
“Singapore Business”	Comprised both the Singapore Telco and IT businesses.
“SME”	Refers to small-medium businesses.
“ULL”	Unbundled Local Loop.
“Underlying net profit”	Defined as net profit before exceptional items and exchange differences on capital reductions of certain overseas subsidiaries, net of hedging, as well as significant exceptional items of associates.

GROUP SUMMARY INCOME STATEMENTS
For The Second Quarter Ended 30 September 2009

	Quarter							YOY Chge %
	30 Sep							
	2009			2009		2009	2008	
	Singapore S\$ m	SingTel Asso/JV S\$ m	Corp S\$ m	SingTel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m	
Operating revenue	1,442	-	-	1,442	2,661	4,103	3,891	5.4
Operating expenses	(897)	-	(19)	(917)	(2,057)	(2,974)	(2,829)	5.1
Other income	545	-	(19)	526	603	1,129	1,062	6.4
	11	-	*	11	9	20	17	16.7
Operational EBITDA	556	-	(19)	537	612	1,149	1,079	6.5
- EBITDA margin	38.6%	-	nm	37.2%	23.0%	28.0%	27.7%	
Grp & Int'l business net corp costs	(19)	-	19	-	-	-	-	-
Share of results of associates								
Regional mobile associates	-	571	-	571	-	571	434	31.5
Other associates	-	35	-	35	*	35	27	31.8
- ordinary operations	-	606	-	606	*	606	461	31.5
- exceptional items	-	-	-	-	-	-	-	-
	-	606	-	606	*	606	461	31.5
EBITDA	537	606	-	1,143	612	1,756	1,540	14.0
Depreciation & amortisation	(127)	-	-	(127)	(337)	(464)	(447)	3.7
EBIT	410	606	-	1,016	276	1,292	1,093	18.2
Net finance expense								
- net interest expense	(50)	-	-	(50)	(16)	(66)	(87)	-24.6
- other finance (expense)/ income	(7)	-	-	(7)	4	(4)	1	nm
- foreign exchange gain	-	-	-	-	-	-	67	nm
	(57)	-	-	(57)	(12)	(69)	(20)	248.5
Profit before exceptional items	353	606	-	959	264	1,223	1,073	14.0
Exceptional items	2	-	2	4	-	4	1	@
Profit before tax	355	606	2	964	264	1,227	1,074	14.3
Taxation								
- current and deferred taxes	(35)	-	-	(35)	(80)	(115)	(108)	6.0
- share of taxes of associates	-	(134)	-	(134)	-	(134)	(64)	108.7
- withholding and other taxes ⁽¹⁾	-	-	(22)	(22)	-	(22)	(33)	-32.4
	(35)	(134)	(22)	(191)	(80)	(271)	(205)	32.0
Profit after tax	321	472	(20)	773	184	956	868	10.1
Minority interests	*	-	-	*	-	*	*	nm
Net profit	321	472	(20)	773	184	956	868	10.1
Net profit	321	472	(20)	773	184	956	868	10.1
Exclude :								
Foreign exchange gain	-	-	-	-	-	-	(67)	nm
Exceptional items	(2)	-	(2)	(4)	-	(4)	(1)	@
Underlying net profit	318	472	(22)	768	184	952	801	18.8

Note:

(1) This comprised withholding taxes deducted at source or dividend distribution taxes paid by certain associates when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding and other taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at Group. The cash inflows upon the receipt of dividend are shown in **Section IV**.

GROUP SUMMARY INCOME STATEMENTS
For The Half Year Ended 30 September 2009

	Half Year							YOY Chge %
	30 Sep							
	2009			2009		2009	2008	
	Singapore S\$ m	SingTel Asso/JV S\$ m	Corp S\$ m	SingTel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m	
Operating revenue	2,825	-	-	2,825	5,125	7,951	7,668	3.7
Operating expenses	(1,715)	-	(35)	(1,750)	(3,968)	(5,719)	(5,488)	4.2
Other income	1,110	-	(35)	1,075	1,157	2,232	2,180	2.4
	24	-	*	24	21	46	45	1.1
Operational EBITDA	1,134	-	(35)	1,099	1,178	2,278	2,225	2.4
- EBITDA margin	40.1%	-	nm	38.9%	23.0%	28.6%	29.0%	
Grp & Int'l business net corp costs	(35)	-	35	-	-	-	-	-
Share of results of associates								
<i>Regional mobile associates</i>	-	1,195	-	1,195	-	1,195	991	20.6
<i>Other associates</i>	-	58	-	58	*	58	40	44.5
- ordinary operations	-	1,253	-	1,253	*	1,253	1,031	21.5
- exceptional items	-	-	-	-	-	-	4	nm
	-	1,253	-	1,253	*	1,253	1,035	21.0
EBITDA	1,099	1,253	-	2,352	1,178	3,531	3,260	8.3
Depreciation & amortisation	(254)	-	-	(254)	(651)	(906)	(929)	-2.5
EBIT	845	1,253	-	2,098	527	2,625	2,331	12.6
Net finance expense								
- net interest expense	(100)	-	-	(100)	(38)	(138)	(175)	-21.0
- other finance (expense)/ income	(14)	-	-	(14)	(1)	(14)	11	nm
- foreign exchange gain	-	-	-	-	-	-	67	nm
	(114)	-	-	(114)	(39)	(153)	(97)	56.7
Profit before exceptional items	732	1,253	-	1,984	488	2,473	2,234	10.7
Exceptional items	2	-	2	4	-	4	21	-79.4
Profit before tax	734	1,253	2	1,989	488	2,477	2,255	9.8
Taxation								
- current and deferred taxes	(75)	-	-	(75)	(149)	(223)	(211)	6.0
- share of taxes of associates	-	(284)	-	(284)	1	(284)	(211)	34.4
- withholding and other taxes	-	-	(69)	(69)	-	(69)	(87)	-21.5
	(75)	(284)	(69)	(427)	(148)	(575)	(509)	13.0
Profit after tax	659	969	(67)	1,561	340	1,902	1,746	8.9
Minority interests	*	-	-	*	-	*	*	nm
Net profit	659	969	(67)	1,561	340	1,901	1,746	8.9
Net profit	659	969	(67)	1,561	340	1,901	1,746	8.9
Exclude :								
Foreign exchange gain	-	-	-	-	-	-	(67)	nm
Exceptional items	(2)	-	(2)	(4)	-	(4)	(21)	-79.4
Underlying net profit	657	969	(69)	1,557	340	1,897	1,658	14.4

	Quarter	YOY		Half Year	YOY	
	30 Sep	Change	Change in constant currency ¹	30 Sep	Change	Change in constant currency ¹
	2009			2009		
	S\$ m	%	%	S\$ m	%	%
Operating revenue	4,103	5.4	7.7	7,951	3.7	9.7
Operating expenses	(2,974)	5.1	7.7	(5,719)	4.2	10.8
	1,129	6.4	7.6	2,232	2.4	6.8
Other income	20	16.7	19.0	46	1.1	8.4
Operational EBITDA	1,149	6.5	7.8	2,278	2.4	6.9
-EBITDA margin	28.0%			28.6%		
Share of results of associates						
- Bharti	236	26.4	35.7	508	20.5	30.2
- Telkomsel	252	45.9	54.0	497	31.3	38.5
- Globe	53	-12.3	-9.9	121	-1.5	1.3
- AIS	53	-16.7	-18.7	110	-24.0	-24.9
- PBTL	(3)	-58.4	-59.3	(7)	-51.1	-53.2
- Warid	(19)	-53.2	-49.2	(35)	-45.2	-40.1
Regional mobile associates	571	31.5	38.5	1,195	20.5	27.4
Other associates	35	31.8	31.8	58	32.3	32.3
	606	31.5	38.1	1,253	21.0	27.6
EBITDA	1,756	14.0	16.8	3,531	8.3	13.4
Depreciation & amortisation	(464)	3.7	6.1	(906)	-2.5	3.8
EBIT	1,292	18.2	21.2	2,625	12.6	17.3
Net finance expense	(69)	248.5	250.0	(153)	56.7	62.2
Profit before exceptional items	1,223	14.0	17.0	2,473	10.7	15.3
Exceptional items	4	@	@	4	-79.4	-79.4
Profit before tax	1,227	14.3	17.3	2,477	9.8	14.4
Taxation	(271)	32.0	34.9	(575)	13.0	17.7
Profit after tax	956	10.1	13.2	1,902	8.9	13.4
Minority interests	*	nm	nm	*	nm	nm
Net profit	956	10.1	13.2	1,901	8.9	13.4
Net profit	956	10.1	13.2	1,901	8.9	13.4
<i>Exclude:</i>						
Foreign exchange gain	-	nm	nm	-	nm	nm
Exceptional items	(4)	@	@	(4)	-79.4	-79.4
Underlying net profit	952	18.8	22.1	1,897	14.4	19.2

Note:

(1) Assuming constant exchange rates for the Australian Dollar and/ or regional currencies (Bangladesh Taka, Indian Rupee, Indonesian Rupiah, Pakistani Rupee, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2008.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2009	30 Jun 2009	31 Mar 2009
	(Unaudited) S\$ million	(Unaudited) S\$ million	(Audited) S\$ million
Current assets			
Cash and cash equivalents	1,208	1,086	1,076
Trade and other receivables	2,917	3,101	2,532
Financial assets at fair value through profit or loss	*	11	11
Derivative financial instruments	2	2	2
Inventories	389	400	173
	4,516	4,600	3,794
Non-current assets			
Property, plant and equipment	10,090	9,676	9,123
Intangible assets	10,090	10,076	10,027
Associated companies	551	602	669
Joint venture companies	8,390	8,111	7,990
Available-for-sale investments	254	255	236
Derivative financial instruments	274	315	461
Deferred tax assets	869	870	806
Other non-current receivables	146	149	148
	30,665	30,054	29,461
Total assets	35,181	34,654	33,255
Current liabilities			
Trade and other payables	3,471	3,314	3,268
Provision	17	16	17
Current tax liabilities	341	376	340
Borrowings (unsecured)	996	1,265	1,427
Borrowings (secured)	10	9	6
Derivative financial instruments	270	231	44
	5,104	5,210	5,103
Non-current liabilities			
Borrowings (unsecured)	5,951	5,567	6,048
Borrowings (secured)	17	15	14
Advance billings	561	534	533
Deferred income	39	41	34
Derivative financial instruments	760	691	563
Deferred tax liabilities	323	316	308
Other non-current liabilities	192	170	153
	7,843	7,333	7,652
Total liabilities	12,947	12,543	12,754
Net assets	22,234	22,111	20,500
Share capital and reserves			
Share capital	2,610	2,607	2,606
Reserves	19,599	19,479	17,871
Equity attributable to shareholders of the Company			
	22,209	22,086	20,476
Minority interests	25	25	24
Total equity	22,234	22,111	20,500

CURRENCY RISK MANAGEMENT & OTHER MATTERS

The Group maintains a policy of hedging all known foreign currency exposures related to commercial commitments or transactions. These commitments or transactions include payment of operating expenses, traffic settlement, capital expenditure, interest and debt. Translation risks of foreign currency EBITDA and net investments are not hedged unless specifically approved by the Board.

Financial instruments such as foreign currency forward contracts and cross currency swaps are used only to hedge underlying commercial exposures and are not held or sold for speculative purposes. All hedging transactions are reviewed regularly.

To minimise the adverse impact of foreign exchange movements on the Group's financial position, the Group determines the appropriate debt currency mix by matching it to the currency mix of the Group's underlying cash flows.

Debt Currency Mix	As at		
	30 Sep	30 Jun	31 Mar
	2009	2009	2009
SGD	67%	64%	66%
AUD	33%	36%	34%
Total	100%	100%	100%

The debt currency mix is constantly being reviewed and aligned with the Group's cash flows.

CREDIT RATINGS

As at 30 Sep 2009	SingTel	Optus
Standard & Poor's	A+ (stable)	A+ (stable)
Moody's Investors Service	Aa2 (stable)	Aa3 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate ⁽¹⁾ for:							
Operating revenue							
<u>SGD</u>							
FY09/10	1.1213	1.1998	<input type="checkbox"/>	<input type="checkbox"/>	1.1608	<input type="checkbox"/>	<input type="checkbox"/>
FY08/09	1.2895	1.2394	0.9980	1.0045	1.2638	1.0012	1.1281
Change (last corresponding period)	-13.0%	-3.2%	<input type="checkbox"/>	<input type="checkbox"/>	-8.2%	<input type="checkbox"/>	<input type="checkbox"/>
Underlying net profit							
<u>SGD</u>							
FY09/10	1.1298	1.2057	<input type="checkbox"/>	<input type="checkbox"/>	1.1695	<input type="checkbox"/>	<input type="checkbox"/>
FY08/09	1.2911	1.2096	0.9951	1.0047	1.2499	1.0006	1.1065
Change (last corresponding period)	-12.5%	-0.3%	<input type="checkbox"/>	<input type="checkbox"/>	-6.4%	<input type="checkbox"/>	<input type="checkbox"/>

Note:

(1) The monthly income statement of Optus is translated from Australian Dollar to Singapore Dollar based on the average exchange rate for the month. These rates represent the derived weighted average exchange rates for the Australian Dollar for the period to date.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Rupiah							
FY09/10	7,143	6,944	<input type="checkbox"/>	<input type="checkbox"/>	7,042	<input type="checkbox"/>	<input type="checkbox"/>
FY08/09	6,757	6,579	7,266	7,692	6,678	7,488	7,052
Change (last corresponding period)	5.7%	5.5%	<input type="checkbox"/>	<input type="checkbox"/>	5.5%	<input type="checkbox"/>	<input type="checkbox"/>
Baht							
FY09/10	23.6	23.6	<input type="checkbox"/>	<input type="checkbox"/>	23.6	<input type="checkbox"/>	<input type="checkbox"/>
FY08/09	23.6	24.2	23.4	23.4	23.9	23.4	23.7
Change (last corresponding period)	-	-2.5%	<input type="checkbox"/>	<input type="checkbox"/>	-1.3%	<input type="checkbox"/>	<input type="checkbox"/>
Peso							
FY09/10	32.5	33.4	<input type="checkbox"/>	<input type="checkbox"/>	32.9	<input type="checkbox"/>	<input type="checkbox"/>
FY08/09	31.4	32.6	32.6	31.6	32.0	32.0	32.0
Change (last corresponding period)	3.5%	2.5%	<input type="checkbox"/>	<input type="checkbox"/>	2.8%	<input type="checkbox"/>	<input type="checkbox"/>
Indian Rupee							
FY09/10	33.1	33.7	<input type="checkbox"/>	<input type="checkbox"/>	33.4	<input type="checkbox"/>	<input type="checkbox"/>
FY08/09	30.5	31.3	32.8	33.0	30.9	32.9	31.9
Change (last corresponding period)	8.5%	7.7%	<input type="checkbox"/>	<input type="checkbox"/>	8.1%	<input type="checkbox"/>	<input type="checkbox"/>
Taka							
FY09/10	46.9	48.1	<input type="checkbox"/>	<input type="checkbox"/>	47.4	<input type="checkbox"/>	<input type="checkbox"/>
FY08/09	50.3	49.0	46.3	45.5	49.5	46.0	48.1
Change (last corresponding period)	-6.8%	-1.8%	<input type="checkbox"/>	<input type="checkbox"/>	-4.2%	<input type="checkbox"/>	<input type="checkbox"/>
Pakistani Rupee							
FY09/10	54.9	57.5	<input type="checkbox"/>	<input type="checkbox"/>	56.4	<input type="checkbox"/>	<input type="checkbox"/>
FY08/09	48.5	53.2	53.8	52.6	51.7	53.2	52.3
Change (last corresponding period)	13.2%	8.1%	<input type="checkbox"/>	<input type="checkbox"/>	9.1%	<input type="checkbox"/>	<input type="checkbox"/>

OPTUS FINANCIALS IN SINGAPORE DOLLARS

Optus' contribution to the Group summary income statements (in Singapore Dollars) –

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Operating revenue	2,661	2,559	4.0	5,125	5,081	0.9
Operating expenses	(2,057)	(1,978)	4.0	(3,968)	(3,879)	2.3
Other income	9	8	20.0	21	24	-9.3
Operational EBITDA - EBITDA margin	612 23.0%	588 23.0%	4.2	1,178 23.0%	1,225 24.1%	-3.8
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA	612	588	4.2	1,178	1,225	-3.8
Depreciation & amortisation	(337)	(333)	1.1	(651)	(704)	-7.4
EBIT	276	255	8.2	527	522	1.0
Net finance expense	(12)	(37)	-67.6	(39)	(77)	-49.7
Profit before tax	264	218	21.2	488	445	9.8
Taxation	(80)	(66)	20.8	(148)	(136)	9.1
Net profit	184	151	21.4	340	309	10.1

Note:

The monthly income statement of Optus was translated from the Australian Dollar to Singapore Dollar based on the average exchange rate for the month. The derived weighted average exchange rates on translation of Optus income statement is shown in **Appendix 3**.

OPTUS FINANCIALS IN SINGAPORE DOLLARS

Optus' contribution to the Group operating revenue in Singapore Dollars –

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2009 S\$ m	2008 S\$ m		2009 S\$ m	2008 S\$ m	
Mobile communications	1,355	1,207	12.3	2,542	2,408	5.5
Data & Internet	428	425	0.5	821	869	-5.4
National telephone	374	405	-7.5	720	819	-12.0
Sale of equipment	280	282	-0.7	557	483	15.4
IT & Engineering	129	123	5.3	288	268	7.7
International telephone	28	48	-42.4	67	94	-29.1
Others	67	69	-2.9	130	141	-7.7
Total	2,661	2,559	4.0	5,125	5,081	0.9

Optus' contribution to certain Group items in the statement of financial position were –

	As at		
	30 Sep 2009 S\$ m	30 Jun 2009 S\$ m	31 Mar 2009 S\$ m
	Property, plant and equipment (net)	7,425	6,981
Gross debt			
Current debt	596	615	542
Non-current debt	649	865	1,044
Gross debt as reported in balance sheet	1,245	1,480	1,587
Related net hedging liability	238	180	80
	1,483	1,660	1,667
Less: Cash and bank balances	(371)	(306)	(351)
Net debt	1,113	1,354	1,316
	A\$ m	A\$ m	A\$ m
Property, plant and equipment (net)	5,971	5,935	6,014
Gross debt			
Current debt	479	523	517
Non-current debt	522	736	996
Gross debt as reported in balance sheet	1,002	1,258	1,513
Related net hedging liability	191	153	77
	1,193	1,411	1,590
Less: Cash and bank balances	(298)	(260)	(335)
Net debt	895	1,151	1,255

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2010

Singapore

- **Operating revenue to grow at single-digit level.**
- **EBITDA to grow at low single-digit level.**
- **EBITDA margin to decline to around 36-38%.**
- **Capital expenditure to be below S\$800 million.**
- **Free cash flow (excluding dividends from associates) to decline slightly.**

Australia

- **Operating revenue to grow at single-digit level.**
- **EBITDA to grow at low single-digit level.**
- **Capital expenditure to be approximately A\$1.1 billion.**
- **Free cash flow to be stable.**

Associates/ Joint Ventures

- **Bharti and Telkomsel earnings to grow in local currency terms.**
- **Ordinary dividends from regional mobile associates to be lower.**

Group

- **Consolidated operating revenue and operational EBITDA of the Group will be impacted by exchange rate movements of the Australian Dollar.**
- **Earnings contributions from the regional mobile associates will be impacted by the exchange rate movements of the regional currencies when translated to Singapore Dollar.**