Singapore Telecommunications Limited
And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2010

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 June 2010 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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FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2010

- **Operating revenue at S$4.29 billion – up 12%.**
- **Operational EBITDA at S$1.26 billion – up 11%.**
- **Operating revenue and operational EBITDA lifted by 10% appreciation of the Australian Dollar.**
- **Pre-tax profit contribution from associates at S$541 million – down 16%.**
- **EBITDA at S$1.80 billion – up 1.2%.**
- **Underlying net profit flat at S$943 million.**
- **Free cash flow of S$776 million – up 36%, with S$330 million from the Singapore business, S$238 million (A$195 million) from the Australia business and S$208 million from the associates.**

SECTION I : GROUP

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Operating revenue	**4,289**	**3,848**	**11.5**
Operating expenses	(3,058)	(2,745)	11.4
(ex- Cost of Sales)	*(2,388)*	*(2,116)*	*12.9*
Operational EBITDA	**1,255**	**1,128**	**11.3**
Operational EBITDA margin	***29.3%***	***29.3%***	
Share of pre-tax profit of associates	**541**	**647**	**-16.3**
- ordinary operations	**551**	**647**	**-14.8**
- exceptional item	**(10)**	**-**	**nm**
EBITDA	**1,797**	**1,775**	**1.2**
Exceptional items (1)	*****	*****	**nm**
Underlying net profit	**943**	**945**	**-0.2**
Net profit	**943**	**945**	**-0.2**
Free cash flow	**776**	**572**	**35.7**
Underlying earnings per share (S cents)	**5.92**	**5.94**	**-0.3**
Basic earnings per share (S cents)	**5.92**	**5.94**	**-0.3**

	As at 30 Jun 2010 S$ m	As at 31 Mar 2010 S$ m	As at 30 Jun 2009 S$ m
Total assets	**37,189**	**37,952**	**34,654**
Shareholders' funds	**23,738**	**23,493**	**22,086**
Net debt (2)	**5,552**	**6,311**	**6,325**
Net debt gearing ratio (3)	***18.9%***	***21.2%***	***22.2%***
Net debt to EBITDA (4)	***0.77X***	***0.87X***	***0.89X***
Interest cover:			
- EBITDA/net interest expense (5)	***21.4X***	***23.5X***	***24.4X***

Notes:

(1) Exceptional items are material items for which separate disclosure is considered necessary to avoid distortion of reported results of performance. The exceptional items for both periods related to dilution gains on associates.

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

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

(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 First Quarter Ended 30 June 2010

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Operating revenue	**4,289**	**3,848**	**11.5**
Operating expenses	(3,058)	(2,745)	11.4
	1,231	1,103	11.6
Other income	24	25	-3.9
Operational EBITDA	**1,255**	**1,128**	**11.3**
- EBITDA margin	***29.3%***	***29.3%***	
Share of pre-tax profit of associates			
- ordinary operations	551	647	-14.8
- exceptional item	(10)	-	nm
	541	647	-16.3
EBITDA	**1,797**	**1,775**	**1.2**
Depreciation & amortisation	(484)	(442)	9.6
EBIT	**1,312**	**1,333**	**-1.6**
Net finance expense			
- net interest expense	(84)	(73)	15.6
- other finance income/ (expense)	5	(11)	nm
	(79)	(84)	-5.7
Profit before exceptional items	**1,234**	**1,250**	**-1.3**
Exceptional items	*	*	nm
Profit before tax	**1,234**	**1,250**	**-1.3**
Taxation	(292)	(304)	-4.1
Profit after tax	**942**	**946**	**-0.4**
Minority interests	1	*	nm
Net profit	**943**	**945**	**-0.2**
Net profit	**943**	**945**	**-0.2**
Exclude :			
Exceptional items	*	*	nm
Underlying net profit	**943**	**945**	**-0.2**

<u>Notes:</u>
(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) See **Appendix 1** for the summary income statements of the various businesses for the first quarter ended 30 June 2010.

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DIVISIONAL TOTALS

	Quarter 30 Jun		YOY Chge
	2010 S$ m	2009 S$ m	%
Operating revenue by division:			
Singapore Telco	1,174	1,112	5.6
IT and Engineering	346	271	27.5
Singapore Business	1,520	1,383	9.9
Optus	2,769	2,465	12.3
Group	**4,289**	**3,848**	**11.5**
Operational EBITDA by division:			
Singapore Telco	540	546	-1.1
IT and Engineering	51	32	60.9
Singapore Business	591	578	2.3
Optus	679	566	20.0
Group and Int'l Business net corporate costs	(15)	(16)	-4.5
Group	**1,255**	**1,128**	**11.3**
Operational EBITDA margins by division:			
Singapore Telco	*46.0%*	*49.1%*	
IT and Engineering	*14.7%*	*11.7%*	
Singapore Business	***38.9%***	***41.8%***	
Optus	***24.5%***	***23.0%***	
Group	***29.3%***	***29.3%***	

SECTION I : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2010

The Group delivered strong revenue growth of 12% to S$4.29 billion and operational EBITDA increase of 11%, benefiting from strong performance from Optus and the 10% strengthening of the Australian Dollar from a year ago. If the Australian Dollar had been stable from the same quarter last year, operating revenue would have increased by 5% and operational EBITDA would have been up by 6%.

The Singapore Business' revenue grew strongly by 9.9% year-on-year on a full quarter of fibre rollout revenue from OpenNet and strong mobile performance. IT and Engineering revenue rose significantly by 28% from a year ago. Mobile Communications revenue grew a robust 14%, driven by customer growth and higher postpaid ARPU.

In Australian Dollar terms, Optus' revenue was up 2.6%, with double-digit mobile service revenue growth partially offset by lower equipment revenue and the impact of one-off ICT project revenues in the corresponding quarter last year. Optus' revenue in Singapore Dollars grew 12% from a year ago.

Operational EBITDA grew 11% to S$1.26 billion with growth from both the Singapore and Australia businesses. Optus recorded the strongest quarterly EBITDA growth in five years while the Singapore Business' EBITDA grew 2.3% from a year ago.

The Group's share of pre-tax profit from the associates fell 16% year-on-year to S$541 million, impacted by fair value losses on mark-to-market valuations of the respective associates' foreign currency denominated liabilities compared to significant fair value gains a year ago. Excluding fair value adjustments, the Group's share of the associates' ordinary pre-tax operating profit declined 4.3%. Telkomsel and Globe reported lower operating profits in a competitive landscape. The acquisition of Airtel Bangladesh and Bharti's Africa operations, as well as the related financing and acquisition costs, also reduced the earnings of Bharti.

Consequently, the Group's EBITDA was up only 1.2% at S$1.80 billion.

The Group's EBIT declined 1.6% with higher depreciation expense mainly from the translation impact of a stronger Australian Dollar.

Net profit totalled S$943 million for the quarter. Excluding exceptional items, the Group's underlying net profit was flat at S$943 million and would have declined 4% if the Australian Dollar and regional currencies had been stable from a year earlier.

Free cash flow grew strongly by 36% from a year ago to S$776 million with higher free cash flows generated across the Group's businesses.

The Group continued to maintain an efficient capital structure while retaining flexibility for further investments. Net debt gearing ratio was at approximately 18.9%, down from 21.2% a quarter ago with repayment of borrowings during the quarter.

The Group has successfully diversified its earnings base through its expansion and investments in key markets overseas. On a proportionate basis where the associates are consolidated line-by-line, operations outside Singapore accounted for 74% (Q1 FY2010: 74%) and 73% (Q1 FY2010: 72%) of the Group's proportionate revenue and EBITDA respectively.

SECTION I : GROUP

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2010 were as follows:

	Quarter		QOQ
	30 Jun 2010 S$ m	31 Mar 2010 S$ m	Chge %
Operating revenue	**4,289**	**4,471**	**-4.1**
Singapore Business	1,520	1,640	-7.3
Optus	2,769	2,831	-2.2
Operating expenses	(3,058)	(3,162)	-3.3
Operational EBITDA	**1,255**	**1,336**	**-6.0**
Operational EBITDA margin	***29.3%***	***29.9%***	
Singapore Business	*38.9%*	*35.3%*	
Optus	*24.5%*	*27.3%*	
Share of pre-tax profit of associates	**541**	**565**	**-4.1**
Profit before exceptional items and tax	**1,234**	**1,307**	**-5.6**
Underlying net profit	**943**	**1,022**	**-7.8**
Net profit	**943**	**1,015**	**-7.1**
Free cash flow	**776**	**1,160**	**-33.1**

Operating revenue fell 4.1% on seasonally lower IT and Engineering revenue from NCS and a weaker Australian Dollar compared to the preceding quarter.

Underlying net profit declined 7.8% from the preceding quarter, reflecting operational performance due mainly to seasonal factors and lower profit contributions from the associates.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

The guidance issued earlier with the results for the financial year ended 31 March 2010 is affirmed and Telkomsel has recently announced that its revenue is expected to grow at single-digit level.

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 30 Jun 2010 S'pore Business S$ m	Quarter 30 Jun 2010 Optus S$ m	Quarter 30 Jun 2010 Group S$ m	Quarter 30 Jun Restated 2009 Group S$ m	YOY Chge %
Mobile communications	432	1,397	1,829	1,513	20.9
Data and Internet	395	452	847	785	7.8
IT and Engineering	346	133	479	430	11.3
National telephone	95	369	464	446	4.1
Sale of equipment	66	270	336	327	2.6
International telephone	126	84	210	230	-8.8
Pay television	14	29	42	37	14.1
Others (2)	47	35	83	80	3.2
Total	**1,520**	**2,769**	**4,289**	**3,848**	**11.5**
Operating revenue			4,289	3,848	11.5
Associates' proportionate revenue (3)			1,809	1,603	12.8
Group's proportionate revenue			**6,098**	**5,451**	**11.9**

Notes:

(1) Prior period comparatives have been restated to reclassify certain revenue streams from "Mobile communications" to "International telephone", consistent with the presentation in the current quarter.

(2) Include revenues from maritime and land mobile, and lease of satellite transponders.

(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 30 Jun 2010 Mix	Quarter 30 Jun Restated 2009 Mix
Mobile communications	42.7%	39.3%
Data and Internet	19.7%	20.4%
IT and Engineering	11.2%	11.2%
National telephone	10.8%	11.6%
Sale of equipment	7.8%	8.5%
International telephone	4.9%	6.0%
Pay television	1.0%	0.9%
Others	1.9%	2.1%
	100.0%	**100.0%**

Mobile Communications, the largest revenue stream, continued its strong momentum across Singapore and Australia, and contributed 43% to total revenue, 3.4 percentage points higher than a year ago.

The Group's enlarged revenue, including the proportionate share of operating revenue from the associates, was up 12% to S$6.10 billion.

SECTION I : GROUP

GROUP OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter					
	30 Jun					
	2010	2010	2010	2010	2009	
	S'pore Business S$ m	Optus S$ m	Corp S$ m	Group S$ m	Group S$ m	YOY Chge %
Selling & administrative	249	814	5	1,068	929	15.0
Traffic expenses	209	487	-	697	628	10.9
Cost of sales	253	417	-	670	629	6.5
Staff costs	203	331	10	544	490	10.9
Repair & maintenance	30	50	-	79	73	8.9
Others	(7)	8	*	1	(4)	nm
Total	**937**	**2,106**	**15**	**3,058**	**2,745**	**11.4**

	Quarter	
	30 Jun	
As a percentage of operating revenue	**2010**	**2009**
Selling & administrative	24.9%	24.1%
Traffic expenses	16.2%	16.3%
Cost of sales	15.6%	16.3%
Staff costs	12.7%	12.7%
Repair & maintenance	1.9%	1.9%
Others	**	-0.1%
	71.3%	**71.3%**

The Group's operating expenses would have increased 5% if the Australian Dollar had been stable against the Singapore Dollar from a year ago.

Total operating expenses were at 71% of operating revenue, similar to a year earlier.

Selling & administrative expenses, the largest expense category at 25% of operating revenue, rose 15% primarily due to higher mobile selling expenses from both Singapore and Australia and increased mio TV content and rollout costs in Singapore.

Cost of Sales increased 6.5% and accounted for 16% of revenue, comparable to a year earlier.

SECTION I : GROUP

GROUP NET FINANCE EXPENSE

	Quarter 30 Jun		YOY
	2010	2009	Chge
	S$ m	S$ m	%
Net interest expense:			
- Interest income	4	3	57.1
- Interest expense	(88)	(75)	17.1
	(84)	**(73)**	**15.6**
Other finance income/ (expense):			
- FRS 39 fair value adjustments (1)	(8)	*	nm
- Investment gain (2)	1	1	22.2
- Net foreign exchange gain/ (loss)	12	(12)	nm
	5	**(11)**	**nm**
Net finance expense	**(79)**	**(84)**	**-5.7**

Notes:

(1) Adjustment arose from the revaluation of trading investments and hedging instruments measured at fair values at reporting 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.

Net interest expense increased 16% mainly due to higher average interest rates and the translation impact of a stronger Australian Dollar from a year ago.

Other finance income for the quarter included an unrealised exchange gain of S$12 million on the Group’s foreign currency consideration payable in respect of the additional acquisition of 1.5% effective stake in Bharti Airtel Limited in November 2009, and partly offset by fair value losses recorded on mark-to-market valuation of certain interest rate swaps.

SECTION I : GROUP

GROUP SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2010 S$ m	31 Mar 2010 S$ m	30 Jun 2009 S$ m
Current assets (excluding cash)	3,956	3,531	3,514
Cash and bank balances	1,780	1,614	1,086
Non-current assets	31,453	32,807	30,054
Total assets	**37,189**	**37,952**	**34,654**
Current liabilities	4,874	6,835	5,210
Non-current liabilities	8,552	7,601	7,333
Total liabilities	**13,426**	**14,436**	**12,543**
Net assets	**23,763**	**23,516**	**22,111**
Share capital	2,621	2,616	2,607
Reserves	21,117	20,877	19,479
Equity attributable to shareholders	**23,738**	**23,493**	**22,086**
Minority interest	25	23	25
	23,763	**23,516**	**22,111**

The Group remained in a strong financial position as at 30 June 2010. SingTel is rated Aa2 by Moody's and A+ by Standard & Poor's.

As at 30 June 2010, the shareholders' equity was S$23.74 billion, an increase of S$245 million from a quarter ago. The increase included a net translation loss of S$646 million recorded in foreign currency translation reserve account which resulted from lower Singapore Dollar translated net assets of foreign subsidiaries and associates, caused mainly by the depreciation of the Australian Dollar and Indian Rupee against the Singapore Dollar from a quarter ago.

SECTION I : GROUP

GROUP LIQUIDITY AND GEARING

	As at		
	30 Jun 2010 S$ m	**31 Mar 2010 S$ m**	**30 Jun 2009 S$ m**
Gross debt			
Current debt	34	1,528	1,274
Non-current debt	6,611	5,351	5,582
Gross debt as reported in statement of financial position	**6,645**	**6,879**	**6,855**
Related net hedging liability [(1)]	688	1,045	556
	7,333	**7,924**	**7,411**
Less : Cash and bank balances	(1,780)	(1,614)	(1,086)
Net debt	**5,552**	**6,311**	**6,325**
Gross debt gearing ratio [(2)]	***23.6%***	***25.2%***	***25.1%***
Net debt gearing ratio	***18.9%***	***21.2%***	***22.2%***

Notes:
(1) The net hedging liability arose from mark-to-market of cross currency and interest rate swaps.
(2) Gross debt gearing ratio 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) decreased S$592 million to S$7.33 billion from a quarter ago.

During the quarter, the Group received S$600 million from the successful completion of the Singapore Dollar bond issue and HKD 1 billion from the issue of bonds under Optus' €2 billion Euro Medium Term Note Programme. These were partially offset by net repayments of approximately S$413 million of bank loans and US$394 million of bonds due in June 2010.

The lower hedging liability from a quarter ago was due to settlement of related swaps on the bonds which have been redeemed as well as mark-to-market adjustments.

On 29 July 2010, SingTel Group Treasury Pte. Ltd., a wholly-owned subsidiary of the Group, established a S$10 billion Euro Medium Term Note Programme guaranteed by SingTel, pursuant to which notes may be issued from time to time. This programme forms part of the Group's long term financing strategy.

SECTION I : GROUP

GROUP CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			YOY
	30 Jun 2010 S$ m	30 Jun 2009 S$ m	31 Mar 2010 S$ m	chge %
Net cash inflow from operating activities				
Profit before tax	**1,234**	**1,250**	**1,300**	**-1.3**
Non-cash items	27	(112)	47	nm
Operating cash flow before working capital changes	1,261	1,138	1,346	10.8
Changes in operating assets and liabilities	(232)	(214)	273	8.5
	1,029	**924**	**1,619**	**11.4**
Cash paid to employees under performance share plans	(3)	(1)	-	114.3
Net tax refund/ (paid) on operating activities	29	(8)	(74)	nm
Operating cash flow before dividends from associates	1,055	914	1,545	15.4
Dividends received from associates	228	91	150	151.5
Withholding tax paid on dividends received	(20)	(8)	(18)	153.2
	1,263	**997**	**1,678**	**26.7**
Net cash outflow for investing activities				
Payment for purchase of property, plant and equipment	(486)	(425)	(518)	14.5
Drawdown of prepaid C2C submarine cable capacity	18	33	-	-45.8
Proceeds from disposal of property, plant and equipment	1	1	1	-50.0
Payment for purchase of licences and other intangibles	*	(2)	(115)	nm
Net investment in associates	(30)	(4)	(13)	@
Withholding tax paid on interest received on inter-company loans	(1)	(1)	(1)	16.7
Others *(interest received etc)*	8	4	6	88.4
	(491)	**(393)**	**(639)**	**25.0**
Net cash outflow for financing activities				
Net decrease in borrowings	(196)	(434)	*	-54.9
Net interest paid on borrowings and swaps	(122)	(126)	(43)	-3.2
Settlement of swaps paid	(218)	-	-	nm
Interim dividends paid to SingTel shareholders	-	-	(987)	-
Repayment of loans to minority shareholders	(25)	-	(1)	nm
Proceeds from share issue	5	1	3	291.7
Purchase of performance shares	(23)	(51)	(5)	-55.8
	(579)	**(611)**	**(1,034)**	**-5.2**
Net increase/ (decrease) in cash and cash equivalents	**193**	**(7)**	**5**	**nm**
Exchange effects on cash and cash equivalents	(26)	17	(6)	nm
Group cash and cash equivalents at beginning	**1,614**	**1,076**	**1,615**	**50.0**
Group cash and cash equivalents at end	**1,780**	**1,086**	**1,614**	**63.9**
Free cash flow (before associates' dividends)	**569**	**490**	**1,027**	**16.2**
Free cash flow	**776**	**572**	**1,160**	**35.7**
Cash capex to operating revenue	***11%***	***11%***	***12%***	

SECTION I : GROUP

Net cash inflow from operating activities for the quarter increased 27% to S$1.26 billion. Operating cash flow (before associates' dividend receipts) grew 15% to S$1.06 billion with improved operational performance. Gross dividends from associates increased by S$137 million from a year ago on receipt of a special dividend from AIS. Compared to a quarter ago, operating cash flow fell 25% due mainly to higher working capital with seasonality in timing of payments including annual staff bonus.

Net cash outflow for investing activities was S$491 million, mainly for payment of capital expenditure of S$486 million.

Capital expenditure rose 15% year-on-year largely due to increased expenditure at Optus and the translation impact of a stronger Australian Dollar. Capital expenditure represented 11% of operating revenue, similar to a year ago.

The Group's free cash flow for the quarter grew strongly by 36% year-on-year with higher operating cash flow partly offset by higher capital expenditure. Compared to the preceding quarter, free cash flow declined 33% on lower operating cash flow.

Net cash outflow of S$579 million for financing activities mainly comprised the settlement of swaps of S$218 million on bonds redeemed, net repayments of borrowings of S$196 million and interest payments of S$122 million.

Overall cash balance increased S$167 million from a quarter ago, resulting in ending cash balance of S$1.78 billion as at end of June 2010.

SINGAPORE

MANAGEMENT DISCUSSION AND ANALYSIS

The equity accounted results of associates, as well as dividends from associates, are disclosed in **Section IV** and aggregated at the Group.

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2010

- **Operating revenue at S$1.52 billion – up 9.9%.**
- **Operational EBITDA at S$591 million – up 2.3%.**
- **Operational EBITDA margin at 38.9%.**
- **Underlying net profit at S$372 million – up 9.8%.**
- **Free cash flow stable at S$330 million.**

SECTION II : SINGAPORE

	Quarter 30 Jun		YOY Chge
	2010 S$ m	2009 S$ m	%
Operating revenue			
Singapore Business	**1,520**	**1,383**	**9.9**
Singapore Telco business	*1,174*	*1,112*	*5.6*
IT and Engineering business	*346*	*271*	*27.5*
Operating expenses	(952)	(834)	14.2
Singapore Business	*(937)*	*(818)*	*14.5*
Group and International business corporate costs	*(15)*	*(16)*	*-3.2*
Operational EBITDA			
Singapore Business	**591**	**578**	**2.3**
Operational EBITDA margin			
Singapore Business	***38.9%***	***41.8%***	
Singapore Telco business	*46.0%*	*49.1%*	
IT and Engineering business	*14.7%*	*11.7%*	
Underlying net profit	**372**	**338**	**9.8**
Net profit	**372**	**338**	**9.8**
Free cash flow	**330**	**329**	**0.4**

Note:

(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**.

SECTION II : SINGAPORE

SINGAPORE SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2010

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Singapore Business			
Operating revenue	**1,520**	**1,383**	**9.9**
Operating expenses	(937)	(818)	14.5
	583	565	3.3
Other income	8	13	-41.5
Operational EBITDA	**591**	**578**	**2.3**
-EBITDA margin	***38.9%***	***41.8%***	
Group and International business net corporate costs	(15)	(16)	-4.5
	576	562	2.5
Depreciation & amortisation	(134)	(127)	5.2
EBIT	**443**	**435**	**1.7**
Net finance expense			
- net interest expense	(51)	(51)	0.8
- other finance income/ (expense)	2	(6)	nm
	(50)	(57)	-12.9
Profit before tax	**393**	**379**	**3.8**
Taxation	(23)	(40)	-43.8
Profit after tax	**371**	**339**	**9.5**
Minority interests	1	*	nm
Net profit	**372**	**338**	**9.8**
Underlying net profit	**372**	**338**	**9.8**

SECTION II : SINGAPORE

REVIEW OF SINGAPORE OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2010

The Singapore Business reported strong revenue growth of 9.9% for the first quarter ended 30 June 2010, driven by continued momentum in Mobile Communications and a full quarter of fibre rollout revenue.

Revenue from the Singapore Telco business was up 5.6% with strong mobile growth and higher handset sales.

Mobile Communications revenue grew a robust 14% year-on-year to S$432 million on customer growth and higher postpaid ARPU, reflecting the successful acquisition and retention of higher value smartphone customers and higher roaming revenue.

SingTel expanded its suite of Android-powered smartphones with the exclusive launch of Samsung Galaxy S this quarter. To complement the enhanced social networking experience offered by smartphones, SingTel introduced new subscription plans which offered more value including access to mobile TV channels and AMPed™, SingTel's award-winning music download service.

Revenue from Data and Internet was stable at S$395 million with higher IP VPN and Ethernet revenues offsetting the decline in legacy data services. SingTel continued to lead in the regional IP VPN and cloud services market with its extensive footprint and innovative suite of managed ICT offerings.

SingTel, in partnership with Google, launched 'SingTel ONEOffice', an all-in-one web based office solution for businesses this quarter. The offering includes high-speed broadband, email storage and real-time collaboration tools on a monthly subscription basis to help businesses improve efficiency and reduce costs.

IT and Engineering revenue grew a solid 28% to S$346 million. Fibre rollout revenue from OpenNet for the quarter amounted to S$73 million, compared to S$14 million recorded in the same quarter last year. NCS' revenue rose 6.1% to S$273 million, supported by strong contract wins in both local and overseas markets.

NCS was appointed the ICT partner for the S$850 million Ministry of Education's (MOE) Standard ICT Operating Environment for Schools (SOE) programme. This contract, the second largest government IT tender ever awarded in Singapore, involves the management of computers and provision of ICT and computing services to all schools over eight years. This significant ICT win further reinforced NCS' leadership in the government sector and significantly lifted its order book to approximately S$2 billion as at end of June 2010.

Operational EBITDA grew 2.3% to S$591 million with margin of 38.9% in the quarter whilst operating expenses increased 15%. The higher operating expenses were attributable to higher Cost of Sales in line with the higher IT and Engineering revenue and handset sales, and increased Selling & administrative expenses with continued investments in customer growth as well as in mio TV content and rollout.

The lower tax expense this quarter was due to the recognition of certain tax credits upon finalisation of earlier years' tax assessments.

SECTION II : SINGAPORE

Net profit and underlying net profit both grew 9.8% from a year ago to S$372 million.

Free cash flow generated in the quarter was stable at S$330 million as higher working capital was offset by lower capital expenditure.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2010 are as follows:

	Quarter		
	30 June 2010 S$ m	31 Mar 2010 S$ m	QOQ Chge %
Operating revenue			
Singapore Business	**1,520**	**1,640**	**-7.3**
Singapore Telco business	*1,174*	*1,177*	*-0.2*
IT and Engineering business	*346*	*463*	*-25.2*
Operating expenses	(952)	*(1,089)*	-12.6
Singapore Business	*(937)*	*(1,069)*	*-12.3*
Group and International business corporate costs	*(15)*	*(20)*	*-26.0*
Operational EBITDA			
Singapore Business	**591**	**579**	**2.0**
Operational EBITDA margin			
Singapore Business	***38.9%***	***35.3%***	
Singapore Telco business	*46.0%*	*43.3%*	
IT and Engineering business	*14.7%*	*15.1%*	
Profit before exceptional items and tax	**393**	**373**	**5.5**
Net profit	**372**	**341**	**8.9**
Underlying net profit	**372**	**349**	**6.6**
Free cash flow	**330**	**520**	**-36.5**

Operating revenue fell 7.3% from the preceding quarter mainly due to seasonally lower revenue from NCS while the Singapore Telco revenue was stable.

With 12% decline in operating expenses primarily from lower Cost of Sales and Selling & administrative expenses, operational EBITDA for the Singapore Business grew 2.0% to S$591 million from a quarter ago.

SECTION II : SINGAPORE

OPERATING REVENUE

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2010 Mix %	Quarter 30 Jun Restated 2009 S$ m	Quarter 30 Jun Restated 2009 Mix %	YOY Chge %
Mobile communications [1]	432	28	380	27	13.7
Data and Internet	395	26	392	28	0.8
International telephone [1]	126	8	136	10	-7.6
National telephone	95	6	100	7	-4.8
Sale of equipment	66	4	51	4	29.8
mio TV	14	1	3	**	419.2
Others [2]	47	3	51	4	-7.1
Singapore Telco	1,174	77	1,112	80	5.6
IT and Engineering	346	23	271	20	27.5
Total	**1,520**	**100**	**1,383**	**100**	**9.9**

Notes:

(1) Prior period comparatives have been restated to reclassify certain revenue from "International telephone" to "Mobile communications", consistent with the presentation in the current quarter.

(2) Include revenues from maritime & land mobile and lease of satellite transponders.

Mobile Communications, the largest revenue contributor this quarter, grew 14% and accounted for 28% of total revenue, 1 percentage point higher than a year ago.

International Telephone revenue declined 7.6% year-on-year, due mainly to higher mix of "free IDD" mobile traffic, price competition and increased take-up of corporate call plans.

Sale of equipment revenue grew 30%, driven by higher smartphone volumes. However, it fell 23% from the preceding quarter on lower sales volume.

With a full quarter of fibre rollout revenue, IT and Engineering revenue rose 28% to S$346 million and accounted for 23% of total revenue, up 3 percentage points from 20% a year ago.

SECTION II : SINGAPORE

Mobile Communications

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun Restated 2009 S$ m	YOY Chge %
Cellular service (1) (2)	432	380	13.7

Key Drivers	Quarter 30 Jun 2010	Quarter 31 Mar 2010	Quarter 30 Jun 2009	YOY Chge %
Number of mobile subscribers (000s)				
Prepaid	1,468	1,496	1,462	0.4
Postpaid	1,645	1,620	1,529	7.6
Total	**3,113**	**3,116**	**2,991**	**4.1**
MOUs per subscriber per month (3)				
Prepaid	334	324	315	6.1
Postpaid (4)	367	369	370	-0.7
Average revenue per subscriber per month (3) (5) (S$ per month)				
Prepaid	14	14	14	0.7
Postpaid	89	86	84	6.0
Blended	**53**	**51**	**50**	**7.5**
Data services as % of ARPU				
- total data (6)	37%	36%	32%	
- non-SMS data	15%	14%	10%	
Acquisition cost per postpaid subscriber (S$)	**369**	**355**	**304**	21.4
Postpaid external churn per month (7)	*1.0%*	*0.9%*	*0.9%*	
Singapore mobile penetration rate (8)	***140%***	***138%***	***135%***	
Singapore mobile subscribers ('000s) (8)	***7,018***	***6,887***	***6,514***	
Market share (8)				
Prepaid	*42.9%*	*44.4%*	*45.8%*	
Postpaid	*45.8%*	*46.0%*	*46.0%*	
Overall	***44.4%***	***45.2%***	***45.9%***	

Notes:
(1) Prior period comparative has been restated to reclassify certain revenue from "International telephone", consistent with the presentation in the current quarter.
(2) 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.
(3) Based on average subscribers, calculated as the simple average of opening and closing subscribers.
(4) Postpaid MOU excludes customers that have 'data only' SIM plans.
(5) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
(6) Includes revenue from SMS, *SEND, MMS and other data services.

SECTION II : SINGAPORE

(7) 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.
(8) Source: IDA/ Telco's published results.

Mobile Communications continued its strong growth momentum with revenue increase of 14% year-on-year to S$432 million on customer growth and increased postpaid ARPU.

Compared to a quarter ago, revenue was up 3.6% on higher mobile roaming traffic driven by increased overseas travel and tourist arrivals.

Total mobile customer base grew 4.1% or 122,000 from a year ago. SingTel continued to lead the mobile market at 3.11 million customers with a market share of 44.4% as at 30 June 2010.

SingTel added 25,000 postpaid customers in the quarter. This brought the total postpaid base to 1.65 million with leading postpaid share at 45.8% as at 30 June 2010.

The continued demand for smartphones bundled with innovative price plans drove strong net additions of 41,000 for 3G mobile services in the quarter. Approximately 91% or 1.49 million of SingTel's total postpaid base were on 3G services, 1 percentage point higher than a quarter ago.

To further enrich customers' multimedia experience, SingTel launched three lifestyle mobile applications in July 2010 - 'Go! Shopping', 'Property Buddy' and 'Price Pal'. These new applications are aimed towards enhancing customers' mobile lifestyle and provide easy access to information such as shopping directions, property listings and price comparisons for merchandise sold in retail stores.

Prepaid customer base declined by 28,000 this quarter largely due to deactivation of inactive prepaid customers with reduced validity period for lower value denomination cards to 90 days. With a total prepaid base of 1.47 million, SingTel maintained its lead in the prepaid market with a share of 42.9% as at 30 June 2010.

Blended ARPU grew to S$53 from S$50 a year ago, and from S$51 a quarter ago, driven by postpaid ARPU growth.

Postpaid ARPU was S$89 for the quarter, up 6.0% year-on-year and 3.0% from a quarter ago. The ARPU uplift was driven by higher roaming revenue and increased data usage as penetration of smartphones in the customer base increased. Excluding 'data only' SIMs, postpaid ARPU grew 7.9% from a year ago.

Prepaid ARPU remained stable at S$14. In the quarter, SingTel introduced free incoming calls to its prepaid customers whereby with top ups of S$10 or S$20, customers will get to enjoy 10 or 20 days of free incoming calls.

Mobile data services accounted for 37% of ARPU this quarter, up from 32% a year ago. Non-SMS data revenue constituted 15% of ARPU, up from 10% a year earlier. The robust growth reflected SingTel's success in driving data growth with its array of smartphones and innovative mobile applications. Mobile broadband customer base[1] grew by 12% or 62,000 in the quarter to 567,000 as at 30 June 2010.

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[1] Refer to mobile customers who registered for the monthly mobile broadband data subscription plans, including data packs attached to voice services.

SECTION II : SINGAPORE

Acquisition cost per postpaid subscriber grew 21% from a year ago, attributed mainly to a higher mix of smartphones and continued investment in higher value customers.

Data and Internet

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Data services			
Local leased circuits [1]	113	113	-0.3
Managed services [2]	88	73	20.8
International leased circuits ("**ILC**")	38	49	-22.0
Others [3]	47	48	-1.7
	286	**283**	**1.2**
Internet related			
Fixed broadband [4]	92	90	3.1
SingTel Internet Exchange ("**STiX**") [5]	13	14	-11.8
Narrowband and others	4	5	-27.1
	109	**109**	**-0.2**
Total	**395**	**392**	**0.8**

Key Drivers - Internet related	Quarter 30 Jun 2010	Quarter 31 Mar 2010	Quarter 30 Jun 2009	YOY Chge %
Number of fixed broadband lines (000s) [6] [9]	**517**	**515**	**508**	**1.8**
Singapore fixed broadband penetration rate [7] [9]	***97.5%***	***94.2%***	***84.1%***	
Fixed broadband market share [8] [9]	***45.3%***	***45.7%***	***48.5%***	

Notes:
(1) Include resale of overseas local leased circuits.
(2) Include ATM, MEG@POP, Global Corporate IP, Facility Management and Managed Hosting Services.
(3) Include mainly ISDN, VSAT, DTE/ DCE, and digital video broadcasting.
(4) Include revenue from Internet access under mio plans.
(5) Include inter-company sales to Optus of S$4 million (Q1 FY2010: S$4 million) for the first quarter ended 30 June 2010.
(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 shareinformation based on IDA's published statistics.
(9) Comparatives for 30 June 2009 have been restated to be consistent with IDA's revised published statistics.

Data and Internet revenue was stable at S$395 million in the quarter with corporate telecom spending remaining cautious.

SECTION II : SINGAPORE

Data revenue grew 1.2% year-on-year, with strong growth in Managed Services partly offset by decline in International Leased Circuits.

Local Leased Circuits revenue was stable at S$113 million from a year ago and against the preceding quarter. The growth in Ethernet services continued to be offset by the decline in legacy Diginet services as customers increasingly migrated to IP-based services.

Revenue from International Leased Circuits fell 22% year-on-year and was down 6.2% from a quarter ago. The decline reflected the continued migration to Managed Services as well as the impact of customers consolidating their capacity requirements into higher bandwidth circuits.

Managed Services recorded double-digit growth of 21% to S$88 million from a year ago, reflecting SingTel's market share gains in regional IP VPN and the success of its ICT strategy. Compared to the preceding quarter, revenue fell 6.5% as the previous quarter included certain one-off project revenues.

SingTel continued to build scale in Managed Services with the launch of new services. The latest addition was 'SingTel Video Exchange', where enterprises can outsource their end-to-end technical integration and management of advanced video services to SingTel.

In this quarter, SingTel, a pioneer in offering cloud computing in Singapore, secured a contract with the Infocomm Development Authority (IDA) to supply Grid Products and Services to the government agencies for the next two years. It also won a further contract with IDA to be the infrastructure provider for 'Video Delivery Solutions' to all government agencies.

SingTel was awarded the 2010 Asia Pacific Frost & Sullivan ICT Awards for 'Managed Service Provider of the Year' and 'Data Communications Service Provider of the Year, a strong endorsement of SingTel's ICT achievements in the region.

Internet revenue remained stable at S$109 million from a year ago and was up 1.9% from a quarter ago.

Revenue from Fixed Broadband grew 3.1% year-on-year and was up 2.2% from a quarter ago, compared to the flat growth registered in preceding quarters. The increase was driven mainly by mix change as more customers migrated to higher bandwidth plans.

SingTel gained 2,000 fixed broadband lines in the quarter. This brought the total number of lines to 517,000 as at 30 June 2010, up 1.8% or 9,000 from a year ago.

SingTel continued to introduce innovative and compelling packages and enhanced its bundling offers. In the quarter, it launched new 'mio Home' Sports plans bundled with Barclays Premier League (BPL) and ESPN Sports content and enhanced its integrated plans by bundling 1.5 Mbps mobile broadband with its fixed broadband offerings. A total of 12,000 customers subscribed to mio bundles[2] this quarter, with the customer base totalling 199,000 as at 30 June 2010.

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[2] mio bundles comprised mio Plan (bundling of mobile, fixed broadband and fixed voice) and mio Home (bundling of mio TV, fixed broadband and fixed voice).

SECTION II : SINGAPORE

IT and Engineering

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Revenue from NCS (1)	273	258	6.1
Fibre rollout revenue (2)	73	14	424.5
Total	**346**	**271**	**27.5**

NCS segment revenue (%)	Quarter 30 Jun 2010	Quarter 31 Mar 2010	Quarter 30 Jun 2009
Geographical Markets			
Singapore	88	87	83
Overseas	12	13	17
Total	**100**	**100**	**100**
Lines of Business			
Infrastructure services (3)	67	69	68
Business solutions (4)	33	31	32
Total	**100**	**100**	**100**

Notes:

(1) Generated by NCS and its subsidiaries. Include billings to Optus of approximately S$18 million (Q1 FY2010: S$21 million) for the first quarter ended 30 June 2010.

(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 grew strongly by 28% from a year ago to S$346 million, boosted by a full quarter of fibre rollout revenue from OpenNet and higher sales from NCS.

Revenue from NCS was up 6.1% year-on-year to S$273 million, underpinned by growth in network integration, facility management, application and infrastructure maintenance services.

Compared to the preceding quarter, revenue fell 29% due to seasonally higher revenue in the preceding March quarter.

In Singapore, additional to the MOE's SOE contract, other major contract wins this quarter included the extension of a data centre contract for a government department, upgrading of two campus-wide backbone distribution network, as well as the upgrading of the flight information display centralised system at the Changi Airport.

SECTION II : SINGAPORE

International Telephone [1]

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun Restated 2009 S$ m	YOY Chge %
International (incl Malaysia) call revenue [2]	104	111	-6.4
Inpayments and net transit	22	25	-13.0
Total	**126**	**136**	**-7.6**
International Telephone outpayments	**48**	**48**	**1.0**
Net	**78**	**88**	**-12.2**
Margin %	***62%***	***65%***	

Key drivers	Quarter 30 Jun 2010	Quarter 31 Mar 2010	Quarter 30 Jun 2009	YOY Chge %
International telephone outgoing minutes (m mins) (excl Malaysia)	**717**	**684**	**567**	**26.5**
Average collection rate - net basis (S$/ min) (excl Malaysia) [2]	**0.127**	**0.127**	**0.165**	**-23.0**

Notes:

(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.

(2) Prior period comparatives have been restated to reclassify certain revenue to "Mobile communications", consistent with the presentation in the current quarter.

International Telephone revenue grew 1.9% from a quarter ago to S$126 million driven mainly by higher traffic.

Compared to a year ago, revenue fell 7.6% on lower international call revenue due primarily to higher mix of "free IDD" mobile traffic, price competition and increased take-up of corporate call plans.

Inpayments and net transit were down 13%, mainly due to lower inpayment rates and reduced transit traffic volume.

With lower revenue, margin fell 3 percentage points to 62% from a year ago.

SECTION II : SINGAPORE

National Telephone

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Direct exchange line (DEL)			
- rental	41	43	-3.5
- traffic	17	20	-14.9
	58	63	-7.2
Others (1)	46	44	2.7
	104	107	-3.1
Inter-company eliminations	(9)	(7)	20.3
	95	**100**	**-4.8**

Key Drivers	Quarter 30 Jun 2010	Quarter 31 Mar 2010	Quarter 30 Jun 2009	YOY Chge %
Fixed working lines (000s) (2)				
Residential	908	907	917	-0.9
Business	770	766	762	1.1
Total	**1,678**	**1,673**	**1,679**	**
Singapore fixed line penetration rate (3)	***39.0%***	***38.7%***	***38.9%***	
Singapore fixed working lines ('000s) (3)	**1,944**	**1,931**	**1,884**	
Fixed line market share (3)	***86.3%***	***86.6%***	***89.1%***	

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 declined 4.8% year-on-year to S$95 million on lower voice traffic with continued fixed-to-mobile substitution. Compared to a quarter ago, revenue was stable.

The number of residential lines increased 1,000 in the quarter driven by the take-up of mio bundled plans and mio TV subscription for BPL. The number of business lines grew 4,000 this quarter underpinned by the improved economic environment.

SECTION II : SINGAPORE

mio TV

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
mio TV	14	3	419.2

Key drivers	Quarter 30 Jun 2010	Quarter 31 Mar 2010	Quarter 30 Jun 2009	YOY Chge %
Number of mio TV subscribers ('000s) [1]	220	191	101	117.8

Note:
(1) Include subscribers in the residential segment only.

Revenue from mio TV was S$14 million for the quarter and SingTel continued to build its customer base through attractive entertainment and sports content bundles.

SingTel, together with another pay TV operator, secured the broadcast rights to the 2010 FIFA World Cup™ in May 2010. Fuelled by demand for the World Cup and BPL offers, SingTel added a net total of 29,000 customers in the quarter. This brought the total customer base to 220,000 as at 30 June 2010.

SingTel was also among the first in the world to broadcast the final match of the World Cup using the next generation 3D technology.

With the launch of 'mio Stadium' in July 2010, a dedicated football channel which host football content, SingTel aims to deliver a new social football experience to its mio TV viewers.

SECTION II : SINGAPORE

OPERATING EXPENSES
(Before Depreciation And Amortisation)

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Selling & administrative	254	213	19.0
Cost of sales	253	187	35.1
Staff costs	213	212	0.3
Traffic expenses	209	202	3.5
Repair & maintenance	30	27	10.9
Others (1)	(7)	(8)	-15.5
Total	**952**	**834**	**14.2**
Less: Group and International Business corporate costs	(15)	(16)	-3.2
Singapore Business	**937**	**818**	**14.5**

As a percentage of operating revenue	Quarter 30 Jun 2010	Quarter 30 Jun 2009
Selling & administrative	16.7%	15.4%
Cost of sales	16.6%	13.5%
Staff costs	14.0%	15.3%
Traffic expenses	13.8%	14.6%
Repair & maintenance	1.9%	1.9%
Others	-0.5%	-0.6%
Total	**62.6%**	**60.3%**
Singapore Business	**61.6%**	**59.2%**

Note:
(1) Include government grants and recoveries of costs.

Operating expenses increased 14% to S$952 million largely from higher Selling & administrative expenses and Cost of Sales. Compared to the preceding quarter, operating expenses decreased 13% with corresponding decline in operating revenue mainly from NCS.

Selling & administrative expenses increased 19% and was the largest expense category at 17% of operating revenue, up 1.3 percentage points from a year ago but was down 11% compared to the preceding quarter.

Cost of Sales grew 35% year-on-year in line with higher IT and Engineering and Sale of Equipment revenues. It accounted for 17% of operating revenue, 3.1 percentage points higher than a year ago.

SECTION II : SINGAPORE

Selling & administrative Expenses

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Selling & administrative expenses	**254**	**213**	**19.0**
Singapore Business - Selling & administrative expenses	**249**	**208**	**19.7**

Selling & administrative expenses increased 19% from a year ago mainly due to increased mobile subscriber acquisition and retention costs on higher connections and smartphone mix, as well as higher mio TV content and rollout costs. Rental expenses also increased due to the commissioning of Kim Chuan Telecommunications Centre II Data Centre in January 2010.

Compared to a quarter ago, Selling & administrative expenses declined on lower mobile subscriber retention costs.

Traffic Expenses

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
International Telephone outpayments	48	48	1.0
Mobile roaming outpayments	59	52	12.5
Total outpayments	107	100	7.0
Leases (1)	78	82	-5.0
Interconnect	25	21	19.5
Traffic expenses	**209**	**202**	**3.5**
Singapore Business - Traffic expenses	**209**	**202**	**3.5**

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

See Page 25 for an analysis of International Telephone outpayments relative to inpayments.

Outpayments for international calls remained stable as improved international outpayment rates were offset by higher traffic volume.

Mobile roaming outpayments grew 13% from a year ago and was up 8.7% from the preceding quarter with corresponding increase in mobile roaming traffic and related revenue in the quarter.

SECTION II : SINGAPORE

Lease expenses fell 5.0% year-on-year due to lower lease circuit rates and lower satellite lease costs with corresponding decline in mobile satellite services.

Interconnect expenses were up 20%, driven by higher volume of inter-operator SMS on an enlarged mobile customer base.

Staff Costs

	Quarter 30 Jun		YOY Chge
	2010 S$ m	2009 S$ m	%
Gross staff costs	214	218	-1.7
Performance share costs (1)	5	7	-29.2
	219	225	-2.5
Capitalisation of staff costs (2)	(4)	(3)	8.8
	215	**221**	**-2.7**
Job credits	(2)	(9)	-74.2
Total, net	**213**	**212**	**0.3**
Singapore Business	**203**	**202**	**0.3**

Key Drivers	Quarter			YOY Chge
	30 Jun 2010	31 Mar 2010	30 Jun 2009	%
SingTel average number of staff	12,666	12,660	12,691	-0.2
Revenue per staff (S$'000) (3)	120	130	109	10.1
As at end of period:				
Number of staff				
NCS group	5,818	5,859	5,761	1.0
SingTel and other subsidiaries	6,901	6,795	6,881	0.3
Singapore	**12,719**	**12,654**	**12,642**	**0.6**
Optus	**10,343**	**10,394**	**10,494**	**-1.4**
Total Group	**23,062**	**23,048**	**23,136**	**-0.3**

Notes:

(1) Performance share expense for a share grant is amortised and recognised in the 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.

Staff Costs were stable from a year ago. Excluding job credits of S$2 million (Q1 FY2010: S$9 million) received under the Jobs Credit Scheme, Staff Costs declined 2.7% due to higher mix of lower cost offshore resources and lower performance share costs with lower fair values from the same quarter last year.

Overall headcount for Singapore increased 77 from a year ago and was up 65 from a quarter ago to 12,719 as at 30 June 2010, reflecting continued prudent headcount management.

SECTION II : SINGAPORE

OTHER INCOME STATEMENT ITEMS

Depreciation And Amortisation

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Depreciation of property, plant and equipment	129	124	3.7
Amortisation	5	3	76.9
	134	**127**	**5.2**
Depreciation as a percentage of operating revenue	***8.5%***	***9.0%***	

Depreciation expense increased 3.7% from a year ago with additional investments in submarine cable and mobile network partly offset by the impact of fully depreciated assets in the previous financial year.

Amortisation expense increased mainly due to acquisition of additional intangible assets.

Net Finance Expense

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Net interest expense:			
- Interest income	1	1	50.0
- Interest expense	(52)	(51)	1.4
	(51)	**(51)**	**0.8**
Other finance income/ (expense):			
- Investment gain (1)	1	1	22.2
- Net foreign exchange loss	*	(7)	nm
	2	**(6)**	**nm**
Net finance expense	**(50)**	**(57)**	**-12.9**

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

Interest income increased from a year ago on a higher average cash balance.

The increase in interest expense for the quarter was due to higher interest rates partly offset by decline in average borrowing levels.

SECTION II : SINGAPORE

Taxation

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Taxation			
Current and deferred taxes **(a)**	53	68	-22.8
Tax benefit of inter-company interest expense	(30)	(28)	7.1
Total	**23**	**40**	**-43.8**
Effective tax rates based on :			
Singapore reported profit before tax	***5.7%***	***10.6%***	
Profit before tax	393	379	
Exclude :			
Net foreign exchange loss (non-trade)	*	7	
Adjusted pre-tax profit **(b)**	**393**	**386**	
Effective tax rate **(a)/(b)**	***13.4%***	***17.6%***	
Applicable statutory tax rate in the quarter	***17.0%***	***17.0%***	

The tax expense this quarter included the recognition of certain tax credits upon finalisation of tax assessments related to earlier years.

The deferred tax credit relating to intercompany interest expense benefited from a stronger Australian Dollar this quarter.

SECTION II : SINGAPORE

SINGAPORE CASH FLOW AND CAPITAL EXPENDITURE

	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	Quarter 31 Mar 2010 S$ m	YOY Chge %
Net cash inflow from operating activities				
Profit before tax	**393**	**379**	**365**	**3.8**
Non-cash items	187	191	204	-2.1
Operating cash flow before working capital changes	580	570	570	1.8
Changes in operating assets and liabilities	(160)	(85)	229	88.0
	420	**484**	**799**	**-13.3**
Cash paid to employees under performance share plans	(3)	(1)	-	114.3
Net tax refund/ (paid) on operating activities	29	(8)	(74)	nm
Operating cash flow	**446**	**475**	**725**	**-6.1**
Net cash outflow for investing activities				
Net loan to STAI from Optus [(1)]	7	5	604	33.3
Withholding tax paid on interest received on inter-company loans	(1)	(1)	(1)	16.7
Payment for purchase of property, plant and equipment	(115)	(146)	(205)	-21.0
Drawdown of prepaid C2C submarine cable capacity	18	33	-	-45.8
Proceeds from disposal of property, plant and equipment	1	1	1	-50.0
Net investment in associates	(32)	(4)	(13)	@
Others *(dividends and interest received etc)*	5	-	(3)	nm
	(118)	**(111)**	**385**	**5.7**
Net cash outflow for financing activities				
Net decrease in borrowings	(234)	(237)	(155)	-1.1
Net interest paid on borrowings and swaps	(89)	(100)	(10)	-11.1
Interim dividends paid to shareholders	-	-	(987)	-
Repayment of loan to minority shareholder	(25)	-	(1)	nm
Proceeds from share issue	5	1	3	291.7
Purchase of performance shares	(10)	(39)	(5)	-74.0
	(354)	**(375)**	**(1,154)**	**-5.6**
Net decrease in cash balance from Singapore	**(26)**	**(11)**	**(45)**	**126.3**
Net decrease in cash balance from Singapore	**(26)**	**(11)**	**(45)**	**126.3**
Dividends received from associates	228	91	150	151.5
Withholding tax paid	(20)	(8)	(18)	153.2
Net dividends received from associates	**208**	**83**	**132**	**151.3**
Net increase in cash and cash equivalents	**182**	**71**	**88**	**155.3**
SingTel cash and cash equivalents at beginning	**1,416**	**725**	**1,343**	**95.3**
Exchange effects on cash and cash equivalents	(8)	(17)	(15)	**-53.6**
SingTel cash and cash equivalents at end	**1,590**	**780**	**1,416**	**103.9**
Singapore free cash flow	**330**	**329**	**520**	**0.4**
Free cash flow from associates' dividends	**208**	**83**	**132**	**151.3**
Cash capex to operating revenue	***8%***	***11%***	***13%***	

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

SECTION II : SINGAPORE

Operating cash flow for the quarter amounted to S$446 million, down 6.1% from a year ago primarily on higher working capital. Compared to a quarter ago, operating cash flow fell 39% due mainly to seasonality in payments including annual staff bonus.

Cash outflow for investing activities was S$118 million, 5.7% higher than a year ago. This included additional funding for OpenNet and Warid Telecom (Private) Limited, and purchase of additional Bharti Airtel Limited shares.

Capital expenditure for the quarter totalled S$115 million, a decline of 21% from a year ago. Major expenditure this quarter was mainly for the expansion and enhancement of mobile network to support customer and data growth and investments in transmission network and mio TV rollout. It represented 8% of operating revenue, down from 11% a year ago.

Free cash flow from Singapore was stable at S$330 million from a year ago. Compared to the preceding quarter, free cash flow was down 37% due to working capital movements partly offset by lower capital expenditure.

Net cash outflow of S$354 million for financing activities mainly comprised net interest payments of S$89 million and repayment of S$234 million in borrowings, net of the proceeds from the S$600 million bond issue this quarter.

Including dividends of S$208 million net of withholding taxes received from the associates this quarter, overall cash balance increased by S$174 million from a quarter ago to S$1.59 billion as at 30 June 2010.

SECTION III : OPTUS

SINGTEL OPTUS PTY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2010

- **Operating revenue at A$2.26 billion – up 2.6%.**
- **Operational EBITDA at A$553 million – up 9.7%.**
- **Operational EBITDA margin at 24.5%.**
- **Net profit at A$170 million – up 22%.**
- **Free cash flow of A$195 million – up 40%.**

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Operating revenue	2,256	2,198	2.6
Operational EBITDA	553	505	9.7
Operational EBITDA margin	*24.5%*	*23.0%*	
EBIT	268	223	20.0
Net profit	170	139	22.4
Free cash flow	195	139	39.9

SECTION III : OPTUS

OPTUS SUMMARY INCOME STATEMENTS – Singapore GAAP
For The First Quarter Ended 30 June 2010

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Operating revenue	**2,256**	**2,198**	**2.6**
Operating expenses	(1,716)	(1,704)	0.7
	540	493	9.4
Other income	14	11	21.6
Operational EBITDA	**553**	**505**	**9.7**
- EBITDA margin	***24.5%***	***23.0%***	
Share of results of joint ventures	*	*	nm
EBITDA	**553**	**505**	**9.7**
Depreciation & amortisation	(286)	(281)	1.5
EBIT	**268**	**223**	**20.0**
Net finance expense	(25)	(25)	2.8
Profit before tax	**243**	**199**	**22.1**
Tax expense	(73)	(60)	21.5
Net profit after tax	**170**	**139**	**22.4**

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

SECTION III : OPTUS

REVIEW OF OPTUS OPERATING PERFORMANCE
For The First Quarter Ended 30 June 2010

Optus recorded the strongest quarterly EBITDA growth in five years, mainly driven by strong mobile growth and prudent cost management. Operating revenue grew 2.6%, reflecting seven consecutive quarters of double-digit mobile service revenue growth. The growth this quarter was partly offset by lower mobile equipment revenue and the impact of one-off ICT project revenue in the corresponding quarter last year.

In Mobile, service revenue rose 11% year-on-year, matched by strong EBITDA growth of 11%. EBITDA margin improved to 26%, 1 percentage point higher than the same quarter last year.

Optus' continued investment in the mobile network has delivered significant improvement in coverage and performance over the last 12 months. Coupled with a compelling array of smartphones and offerings, Optus gained 190,000 new mobile and wireless broadband subscribers this quarter.

Strong demand for mobile data services continued. Optus, as the official mobile broadcaster for the 2010 FIFA World Cup™, delivered over 350,000 live streams of the FIFA World Cup matches to customers on their compatible 3G handsets.

In an Australian first that reflected Optus' innovation and support for local developers, 'Optus Partner Connect' was launched during the quarter. This is Australia's first mobile operator portal that enables developers to showcase and sell their applications directly to the Optus mobile customer base, providing customers with an expanded suite of innovative content and applications.

Optus successfully acquired additional 2100 MHz spectrum licenses at almost 1,000 sites across regional Australia. This acquisition strengthened Optus' network presence and capability in those areas, and marked another significant milestone in bringing choice to communities across regional Australia. In addition, Optus is trialling Long Term Evolution (LTE) technology which will deliver an improved mobile customer experience.

In Optus Business and Wholesale fixed, growth in Business voice and satellite was offset by lower ICT and Managed services revenue, resulting in overall revenue decline of 5.1%. ICT and Managed services in the corresponding quarter last year included the benefit of one-off project revenue. Excluding this impact, underlying total revenue grew by 1.5%. EBITDA grew 7.0% and EBITDA margin expanded 3 percentage points year-on-year.

In April 2010, Optus launched Ethernet over Copper (EoC) service with initial deployment to more than 120 exchanges throughout Australia, enabling customers to use Ethernet, IP VPN and Internet services at speeds of up to 20 Mbps. With this investment, Optus is able to provide significantly higher on-net reach for Optus Business and Wholesale customers.

In Consumer & SMB fixed, on-net revenue increased 4.9% year-on-year and EBITDA grew 10%. EBITDA margin improved 1 percentage point year-on-year, as Optus' on-net strategy continued to yield results.

During the quarter, new broadband offers with higher included data at competitive prices were launched, providing customers with greater value and flexibility. As a result, the number of on-net broadband customers was up 5.3% to 926,000.

SECTION III : OPTUS

Optus' operational EBITDA grew strongly at 9.7% to A$553 million. EBITDA margin lifted 1.5 percentage points to 24.5%, a reflection of increased mobile service revenue contribution, lower equipment mix and prudent cost management.

Net profit for the quarter grew 22% to A$170 million.

Free cash flow generated in the quarter was A$195 million, up 40%. This was attributable to higher EBITDA and improved working capital movements, partly offset by higher capital expenditure.

National Broadband Network (NBN)

A detailed implementation study commissioned by the Government was released on 6 May 2010, which endorsed the establishment of a wholesale-only equivalent open access network within the cost estimate of A$43 billion. The study also recommended that the Government proceeds with the NBN network.

On 20 June 2010, NBNCo and Telstra announced that they had reached an agreement which provides for access to Telstra facilities as well as the progressive migration of Telstra traffic onto the National Broadband Network, subject to regulatory approval.

These developments are consistent with the objective of a level playing field in the fixed line industry. However, this outcome is dependent on further implementation details and the result of the Federal election scheduled on 21 August 2010.

SECTION III : OPTUS

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2010 were as follows:

	Quarter		QOQ
	30 Jun 2010 A$ m	31 Mar 2010 A$ m	Chge %
Operating revenue	**2,256**	**2,232**	**1.1**
Operating expenses	(1,716)	(1,634)	5.0
Operational EBITDA	**553**	**610**	**-9.3**
Operational EBITDA margin	***24.5%***	***27.3%***	
Mobile	*26%*	*30%*	
Business & wholesale fixed	*26%*	*28%*	
Consumer & SMB fixed	*16%*	*16%*	
Profit before tax	**243**	**305**	**-20.4**
Net profit	**170**	**220**	**-22.7**
Free cash flow	**195**	**399**	**-51.3**

Operating revenue grew 1.1% from the preceding quarter mainly due to higher mobile service revenue.

Operational EBITDA was seasonally lower across all segments, declining 9.3% or A$57 million. EBITDA margin was 2.8 percentage points lower.

Free cash flow was impacted by higher capital expenditure and the seasonality in timing of payments including annual staff incentive and licence fees paid in the June quarter.

SECTION III : OPTUS

DIVISIONAL TOTALS

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Operating revenue by division:			
Mobile	1,424	1,335	6.7
Optus Business Fixed	328	353	-6.9
Optus Wholesale Fixed	166	168	-1.3
Consumer and SMB Fixed	339	345	-1.5
Less inter-divisional revenue (1)	(2)	(3)	-11.5
Total	**2,256**	**2,198**	**2.6**
Operational EBITDA by division:			
Mobile	369	334	10.6
Optus Business & Wholesale Fixed	129	121	7.0
Consumer and SMB Fixed	55	50	10.1
Total	**553**	**505**	**9.7**
Operational EBITDA margins by division:			
Mobile	*26%*	*25%*	
Optus Business & Wholesale Fixed	*26%*	*23%*	
Consumer and SMB Fixed	*16%*	*15%*	
Total	***24.5%***	***23.0%***	

Note:

(1) Inter-divisional revenue represents mobile termination revenue for fixed to mobile calls originating from Optus customers.

In the quarter, mobile revenue was the key contributor to revenue growth, comprising 63% of total revenue, 2 percentage points higher than the same quarter last year. Strong EBITDA gains were recorded across all segments, reflecting increased mobile service revenue contribution, lower equipment revenue mix and strict cost control.

SECTION III : OPTUS

OPTUS MOBILE DIVISION

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Mobile communications revenue [(1)]			
Outgoing service revenue	981	883	11.0
Incoming service revenue	224	205	8.9
Service revenue	1,204	1,089	10.6
Equipment	220	246	-10.8
Total Mobile revenue	**1,424**	**1,335**	**6.7**
Operational EBITDA [(2)]	**369**	**334**	**10.6**
- EBITDA margin	***26%***	***25%***	

Key Drivers	Quarter 30 Jun 2010	Quarter 31 Mar 2010	Quarter 30 Jun 2009	YOY Chge %
Number of mobile subscribers (000s)				
Prepaid	4,358	4,307	4,268	2.1
Postpaid [(3)]	4,330	4,191	3,734	15.9
Total	**8,688**	**8,498**	**8,002**	**8.6**
Mobile penetration rate [(4)]	***ND***	***ND***	***109%***	
MOUs per subscriber per month [(5)]				
Prepaid	74	77	79	-6.4
Postpaid	221	213	204	8.3
ARPU per month (A$) [(6)]				
Prepaid	25	26	27	-7.4
Postpaid	69	69	68	1.6
Blended	**47**	**47**	**46**	**1.7**
Data revenue as a % of service revenue				
- total data	***40%***	***38%***	***35%***	
- non-SMS data	***18%***	***16%***	***11%***	
Market share - total [(4)]	***ND***	***ND***	***32.2%***	
Retail postpaid churn rate per month [(7)]	***1.5%***	***1.5%***	***1.6%***	
% users through wholesale	***9%***	***8%***	***6%***	
Acquisition cost per subscriber	**A$200**	**A$186**	**A$226**	

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 and includes wireless broadband subscribers.

(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. The prior period comparatives have been restated to include non-billable minutes of use previously excluded from some rate plans.

(6) Based on average customers, calculated as the simple average of opening and closing customers. Excludes equipment revenue.

SECTION III : OPTUS

(7) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

The Mobile business continued to deliver strong results with total revenue growth of 6.7% to A$1.42 billion. Service revenue continued its growth trajectory registering growth of 11%, representing seven consecutive quarters of double-digit growth. Equipment revenue, however, was lower than a year ago with the launch of iPhone 3GS in June 2009 whereas iPhone 4 was only launched in July 2010.

Customer growth and ARPU improvement delivered outgoing service revenue growth of 11%. Optus added 190,000 new mobile customers in the quarter, bringing net additions in the last twelve months to 686,000. Postpaid customer growth continued with strong net additions of 139,000 this quarter. The number of 3G subscribers[3] increased to 4.17 million, a 16% increase compared to a quarter ago. This included a base of 994,000 wireless broadband[4] subscribers.

Incoming service revenue increased 8.9% this quarter driven by subscriber growth, increased voice and SMS terminating traffic. Termination rates remained at 9 cents per minute.

Postpaid subscribers comprised 50% of the total base, up 3 percentage points from a year ago. The increased mix of postpaid subscribers and acquisition of higher value customers delivered blended ARPU growth of 1.7% to A$47. Excluding wireless broadband, postpaid ARPU grew 5.9% year-on-year.

SMS and other data revenue was at 40% of ARPU, up from 35% a year ago with increased data usage and higher penetration of wireless data products. The proportion of non-SMS data revenue (including premium content SMS) grew to 18% of ARPU in the current quarter, compared to 11% a year ago and 16% a quarter ago.

Supporting the growing demand for smartphones and mobile data, Optus refreshed its capped plans and increased the included value for voice and data. Optus also expanded the range of exclusive smartphones with the launch of Garmin-Asus A10, Samsung Galaxy S and Motorola Quench during the quarter.

The sustained demand for smartphones and "Timeless" plans has further increased the penetration of capped plans into the base. A total of 90%[5] of new and recontracted postpaid customers chose capped plans this quarter. Approximately 65% of the total Optus postpaid mobile base were on capped plans as at 30 June 2010, up from 56% a year ago[6] and 1 percentage point higher than a quarter ago.

Acquisition cost per subscriber was seasonally higher compared to the preceding quarter but was 12% lower year-on-year, due to a wider range of smartphones including more affordable models being offered.

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[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 June 2010 was 72% (March 2010: 70%), with 81% of total new and recontracted customers choosing capped plans in this quarter (March 2010: 83%).

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

SECTION III : OPTUS

Operational EBITDA rose 11% or A$35 million, while EBITDA margin improved 1 percentage point to 26% as a result of strong revenue gains and lower equipment mix.

Optus continues to invest in transmission, backhaul capacity and additional mobile site coverage. Expansion continues and coverage will be extended to 98% of the population, with the mobile network footprint exceeding 97% voice coverage as at 30 June 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 30 June		YOY Chge
	2010 A$ m	2009 A$ m	%
Business revenue			
Voice	101	94	7.0
Data and IP	119	119	0.2
ICT and Managed Services	108	140	-22.4
Total Business fixed revenue	**328**	**353**	**-6.9**
Wholesale revenue			
Domestic Voice	31	33	-6.0
International Voice	5	7	-31.9
Data and IP	63	65	-3.4
Satellite	67	63	6.7
Total Wholesale fixed revenue	**166**	**168**	**-1.3**
Total Business & Wholesale fixed revenue	**494**	**521**	**-5.1**
Operational EBITDA (1)	**129**	**121**	**7.0**
- EBITDA margin	***26%***	***23%***	

Key Drivers	Quarter			YOY Chge
	30 Jun 2010	31 Mar 2010	30 Jun 2009	%
Business voice minutes (m min)	1,242	1,230	1,206	2.9
Wholesale domestic voice minutes (m min)	836	837	846	-1.2
As at end of period:				
Buildings connected (2)	17,521	17,487	17,178	2.0

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 declined by 5.1% year-on-year, as growth in Optus Business fixed voice and satellite was offset by lower ICT and Managed services revenue.

Optus Business fixed voice traffic continued to grow, increasing 2.9% year-on-year. Data & IP revenue was stable as strong growth in Evolve™ services was offset by the accelerated exit of legacy data products.

ICT and Managed services in the corresponding quarter last year included the benefit of one-off project revenue. Excluding this impact, underlying revenue for the combined division and Business fixed grew by 1.5% and 3.0% respectively.

SECTION III : OPTUS

Alphawest was invited to join the exclusive Juniper Global Managed Services program this quarter, demonstrating the quality and strength of their managed services solutions. The program is awarded to only 12 service providers globally to provide next generation managed services to clients.

Total Wholesale fixed revenue declined 1.3% year-on-year, as lower voice and data & IP revenue was partly mitigated by sustained satellite growth. Domestic voice revenue was impacted by the impending deregulation of access pricing in nominated exchanges, while international voice revenue was down with declining usage and rates for international inpayment traffic. The decline in data revenue was due to the managed exit of unprofitable legacy products and network consolidation by certain customers.

Satellite continued its strong performance, with revenue lifting 6.7% to A$67 million boosted by increased contribution from the D3 satellite. In addition, Optus was awarded four multi-million dollar ten-year contracts by Australian broadcasters - Southern Cross Media Group, Australian Broadcasting Corporation, Special Broadcasting Service and Imparja Television - to deliver next generation digital free-to-air television services via satellite to households in black spot areas which do not have access to terrestrial digital television signals.

Operational EBITDA for the combined division grew 7.0% to A$129 million. EBITDA margin expanded 3 percentage points to 26%, as Optus' on-net strategy and careful cost management continued to deliver results.

SECTION III : OPTUS

OPTUS CONSUMER AND SMB FIXED DIVISION

	Quarter 30 June		YOY Chge
	2010 A$ m	2009 A$ m	%
On-net			
Voice	135	129	3.9
Broadband	116	101	14.8
Pay TV	23	31	-24.1
Consumer Fixed on-net	**274**	**261**	**4.9**
Off-net			
Voice	14	25	-43.9
Broadband	6	10	-38.2
Dial-up	1	2	-44.0
Consumer Fixed off-net	**22**	**38**	**-42.4**
Consumer Fixed revenue	**296**	**299**	**-1.1**
SMB			
Voice	31	34	-8.5
Data and IP	13	12	8.6
SMB fixed revenue	**44**	**46**	**-4.4**
Total Consumer & SMB fixed revenue	**339**	**345**	**-1.5**
Operational EBITDA (1)	**55**	**50**	**10.1**
- EBITDA margin	***16%***	***15%***	

Key Drivers	Quarter 30 Jun 2010	31 Mar 2010	30 Jun 2009	YOY Chge %
On-net ARPU (A$) (2)				
Voice	53	52	53	0.4
Broadband	50	49	46	9.9
Telephony customers ('000)				
HFC (3)	510	514	521	-2.1
ULL (4)	494	490	458	7.8
On-net	**1,004**	**1,004**	**979**	**2.5**
Resale	74	81	119	-38.0
Long distance only	11	11	23	-52.2
Off-net	**85**	**92**	**142**	**-40.3**
HFC bundling rate (5)	*86%*	*86%*	*86%*	
HFC penetration	***36%***	***37%***	***37%***	
Internet customers (000s)				
On-net				
HFC broadband	425	426	429	-1.0
ULL broadband (4)	470	463	421	11.7
Business grade broadband (6)	32	31	30	3.9
	926	920	880	5.3
Off-net				
Broadband	53	60	86	-38.9
Broadband subtotal	**979**	**980**	**967**	**1.3**
Dial-up	25	29	53	-52.6
Total Internet customers	**1,004**	**1,009**	**1,020**	**-1.5**

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.

In Consumer fixed, total on-net revenue growth of 4.9% was driven by continued customer growth in ULL and improved broadband ARPU. As at 30 June 2010, Optus has 494,000 ULL customers, up 4,000 from a quarter ago and up 36,000 from a year ago.

Led by continued demand for Optus' market-leading Fusion plans and a range of new broadband offers with generous data inclusions, on-net broadband revenue rose 15% while the number of customers increased 5.3% to 926,000 and accounted for 95% of the total broadband customer base as at 30 June 2010.

To support the growing demand for increased broadband speed, Optus has invested in the upgrade of Hybrid Fibre Coaxial (HFC) cable network to speeds of up to 100 Mbps. With this upgrade, Optus will deliver faster broadband speeds to customers in Sydney, Melbourne and Brisbane, enabling them to enjoy high-speed content and services.

Consistent with its strategy of focusing on on-net subscriber growth, Optus continued to exit the unprofitable resale services. Accordingly, off-net revenue declined 42% and contributed to an overall decline of 1.1% for Consumer fixed revenue. This quarter, on-net revenue contributed 93% to overall Consumer fixed, up from 87% a year ago.

SMB fixed revenue declined 4.4% with lower off-net revenue mitigated by strong demand for on-net voice and data services.

Optus' strategy of on-net growth delivered operational EBITDA growth of 10% to A$55 million, with margin expansion of 1 percentage point to 16%. The increase was driven by improved on-net revenue mix and yield management initiatives.

SECTION III : OPTUS

OPTUS OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Interconnect	337	316	6.3
Outpayments & other leases	60	64	-5.5
Traffic expenses	397	380	4.4
Selling & administrative	663	638	3.9
Cost of sales	340	392	-13.4
Staff costs	301	279	8.1
Repair & maintenance and others	53	52	3.3
Capitalisation of costs (1)	(39)	(37)	6.0
Total	**1,716**	**1,704**	**0.7**
As a percentage of operating revenue			
Traffic expenses	18%	17%	
Selling & administrative	29%	29%	
Cost of sales	15%	18%	
Staff costs	13%	13%	
Repair & maintenance and others	2%	2%	
Capitalisation of costs (1)	-2%	-2%	
	76%	**78%**	

	Quarter 30 Jun 2010	Quarter 31 Mar 2010	Quarter 30 Jun 2009	YOY Chge %
Staff statistics				
Number of employees, at end of period	10,343	10,394	10,494	-1.4
Average number of employees	10,380	10,450	10,462	-0.8
Revenue per employee (A$'000) (2)	217	214	210	3.4

Notes:
(1) Capitalisation relates primarily to staff costs.
(2) Based on average employee numbers.

Overall operating expenses were flat in the current quarter as increases in Traffic expenses, Selling & administrative expenses and Staff costs were offset by lower Cost of sales.

Traffic expenses grew 4.4% in line with higher mobile traffic, partially mitigated by lower off-net fixed line traffic as a result of Optus' continued on-net focus.

Selling & Administrative expenses were up 3.9% mainly from increased subscriber acquisition and retention costs, advertising expense and property costs related to the expansion of Optus' retail distribution footprint and 3G mobile network across regional Australia.

Staff costs increased 8.1% as a result of annual salary increments and higher incentive provisions in this quarter.

Cost of Sales was down 13% in line with lower mobile equipment and ICT revenue.

SECTION III : OPTUS

OTHER INCOME

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Sublease income	10	8	26.9
Foreign exchange losses	(3)	(3)	nm
Other	7	6	9.7
Total	**14**	**11**	**21.6**

Other income was up 22% with higher sublease income from co-located 3G mobile base stations.

OTHER INCOME STATEMENT ITEMS

Depreciation and Amortisation

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Depreciation and amortisation expense	286	281	1.5
As a percentage of operating revenue	***13%***	***13%***	

Depreciation and amortisation expense grew 1.5% and was consistent with asset movements during the quarter.

Net Finance Expense

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Interest expense	27	22	26.5
Interest capitalised	-	(1)	nm
	27	20	32.7
Interest income	(3)	(2)	57.9
Net interest expense	**24**	**19**	**30.6**
Other finance costs			
Unwinding of discounts, incl adjs	1	1	-9.1
Revaluation (gain)/loss of FX contracts	*	5	nm
Total	**25**	**25**	**2.8**

Net finance expense grew 2.8% to A$25 million primarily due to increased interest expense from higher interest rates, partially offset by a revaluation loss on foreign currency contracts in the same quarter last year.

SECTION III : OPTUS

Taxation

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Optus' Australian income tax expense	72	60	19.5
Share of joint venture income tax expense	1	*	-
	73	**60**	**21.5**

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 30 Jun 2010 A$ m	Quarter 30 Jun 2009 A$ m	Quarter 31 Mar 2010 A$ m	YOY Chge %
Net cash inflow from operating activities				
Profit before tax	**243**	**199**	**305**	**22.1**
Non-cash items	312	308	308	1.5
Operating cashflow before working capital changes	555	506	613	9.6
Changes in operating assets and liabilities	(59)	(117)	34	-49.5
Net cash inflow from operating activities	**496**	**390**	**646**	**27.3**
Net cash outflow from investing activities				
Purchases of property, plant and equipment	(301)	(250)	(247)	20.3
Loan to STAI	-	-	(468)	nm
Others	4	2	(83)	69.6
	(297)	**(248)**	**(798)**	**19.8**
Net cash outflow from financing activities				
Net (decrease)/increase in bank borrowings	(150)	(178)	122	-15.7
Purchase of SingTel shares	(10)	(11)	-	-4.6
Settlement on behalf of STAI	(6)	-	(5)	nm
Net interest paid on borrowings and swaps	(27)	(27)	(27)	1.9
	(193)	**(216)**	**90**	**-10.4**
Net increase/(decrease) in cash and cash equivalents	**5**	**(74)**	**(62)**	**nm**
Cash and cash equivalents at beginning	154	335	216	-53.9
Cash and cash equivalents at end	**159**	**260**	**154**	**-38.8**
Free cash flow	**195**	**139**	**399**	**39.9**
Cash capital expenditure to operating revenue	***13%***	***11%***	***11%***	

In the quarter, operating cash flow amounted to A$496 million, A$106 million higher than the same quarter last year with higher EBITDA and more favourable working capital movements.

Cash capital expenditure was 20% higher than the same quarter last year due to phasing of projects, and represented 13% of operating revenue, up 2 percentage points from a year ago.

Free cash flow rose a solid 40% to A$195 million.

SECTION III : OPTUS

Capital expenditure by division

	Quarter 30 June 2010 A$ m	Quarter 30 June 2009 A$ m	YOY Chge %
Mobile	173	134	28.9
Business & Wholesale fixed	40	43	-7.4
Consumer & SMB fixed	22	20	11.1
Other	67	53	24.7
Total	**301**	**250**	**20.3**

During the quarter, Optus maintained its investment commitment to deliver quality mobile network coverage to Australia, devoting 57% of total capital expenditure to Mobile. This was mainly incurred to increase speed, capacity and coverage of the 3G and High Speed Packet Access (HSPA) network to support the growing demand for voice and wireless broadband services.

In Optus Business and Wholesale fixed division, capital expenditure of A$40 million was mainly invested in the expansion of Customer Access, IP and core networks.

In Consumer and SMB fixed division, the capital expenditure of A$22 million primarily represented costs of new customer connections and upgrade of HFC network.

Other capital expenditure was incurred to upgrade core IT systems, facilities, network infrastructure and the acquisition of additional Southern Cross capacity.

SECTION IV: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2010

- **Bharti completed the acquisition of Zain's Africa mobile operations in 15 countries on 8 June 2010. Earnings were impacted by losses at Bangladesh and Africa, as well as acquisition financing costs.**

- **Ordinary pre-tax operating profit[7] contributions from associates down 4.3% on lower operating results from Bharti, Telkomsel and Globe.**

- **Overall pre-tax earnings contributions from associates down 16% at S$541 million on fair value losses compared to fair value gains a year ago, as well as Bharti's acquisition related costs.**

- **On a post-tax basis, earnings from associates declined 18% to S$409 million and contributed 43% to the Group's underlying net profit, 10 percentage points lower than a year ago.**

- **Including Bharti's 40.4 million customers in Bangladesh, Sri Lanka and across Africa, the Group's combined mobile customer base[8] was up 20% or 57.9 million in the quarter to 351 million. Year-on-year, the mobile customer base was up 34% or 88.5 million. On a proportionate share basis, the increase was 19% from a quarter ago to 123 million.**

[7] Operating profit refers to profit before fair value gains or losses.
[8] Combined mobile customer base here refers to the total number of mobile customers in SingTel, Optus and the regional mobile associates.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Pre-tax profit contribution	Equity Int %	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Regional mobile associates				
Bharti Telecom / Bharti Airtel [(2)]	32.0			
- operating results (India, Bangladesh and Sri Lanka)		237	249	-5.1
- operating results and acquisition financing cost (Africa)		(5)	-	nm
- fair value (losses) / gains [(3)]		(21)	23	nm
		210	272	-22.7
Telkomsel	35.0			
- operating results		221	228	-3.2
- fair value (losses) / gains [(3)]		*	17	nm
		221	245	-10.0
AIS [(4)]	21.3	68	58	18.6
Globe	47.3			
- operating results		50	67	-25.1
- fair value (losses) / gains [(3)]		(6)	*	nm
		45	68	-34.0
PBTL	45.0	(5)	(4)	25.0
Warid	30.0			
- operating results		(12)	(14)	-14.6
- fair value losses [(3)]		(2)	(1)	150.0
		(14)	(15)	-5.9
		525	**624**	**-15.8**
Other SingTel associates				
Singapore Post	25.6	13	12	4.1
Southern Cross	40.0	7	6	13.3
Others		6	5	34.0
SingTel share of ordinary results (pre-tax)		**551**	**647**	**-14.8**
Optus share of ordinary results (pre-tax)		*****	*****	**nm**
Group share of ordinary results (pre-tax)		**551**	**647**	**-14.8**
Exceptional item ("EI")				
Bharti - acquisition related costs		(10)	-	nm
Group share of EI		**(10)**	**-**	**nm**
SingTel share of pre-tax profit		**541**	**647**	**-16.3**
Optus share of pre-tax profit		*****	*****	**nm**
Group share of pre-tax profit		**541**	**647**	**-16.3**

SECTION IV : ASSOCIATES/ JOINT VENTURES

Notes:

(1) The accounts of the associates are prepared based on local GAAP. Where applicable, the accounting policies of the associates have been restated for compliance with the Group's accounting policies.
(2) During the quarter, the Group increased its shareholdings in Bharti from 32.0% to 32.04%. In November 2009, the Group increased its shareholdings in Bharti from 30.4% to 32.0%.
(3) Fair value gains or losses arose from mark-to-market valuation of foreign currency liabilities, net of related hedging, if any.
(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 31 March 2010. One-off transactions between 1 April 2010 and 30 June 2010 which are material are also accounted by the Group in the current quarter.

Post-tax profit contribution	Quarter 30 Jun				YOY Chge
	2010		2009		
	S$ m	% (1)	S$ m	% (1)	%
Regional mobile associates					
Bharti Telecom / Bharti Airtel					
- ordinary results (India, Bangladesh and Sri Lanka)	187		231		-19.3
- ordinary results and acquisition financing cost (Africa)	(13)		-		nm
- exceptional item	(10)		-		nm
	164	17	231	24	-29.1
Telkomsel	164	17	176	19	-6.9
AIS	48	5	40	4	19.3
Globe	31	3	47	5	-35.4
PBTL	(5)	**	(4)	**	25.0
Warid	(14)	(2)	(15)	(2)	-4.7
	388	**41**	**477**	**50**	**-18.6**
Other SingTel associates	23	2	20	2	13.4
SingTel share of post-tax profit	**411**	**44**	**497**	**53**	**-17.3**
Optus share of post-tax profit	**(2)**	**	**1**	**	**nm**
Group share of post-tax profit	**409**	**43**	**497**	**53**	**-17.8**

Note:

(1) The above table shows the post-tax profit contribution of the associates to the Group's underlying net profit.

SECTION IV : ASSOCIATES/ JOINT VENTURES

	Quarter 30 Jun		YOY Chge
	2010 S$ m	**2009 S$ m**	**%**
SingTel share of associates' tax	(131)	(150)	-12.8
Optus share of associates' tax	(2)	1	nm
Group share of associates' tax (a)	**(132)**	**(149)**	**-11.4**
Group share of pre-tax results (b)	**541**	**647**	**-16.3**
Effective tax rate (a)/(b)	***24.5%***	***23.1%***	

The Group's share of pre-tax and post-tax profits from the associates declined 16% and 18% respectively. Contributions from the associates in the current quarter were impacted by fair value losses on mark-to-market valuations of foreign currency denominated liabilities of the associates compared to significant fair value gains a year ago. Excluding fair value adjustments, the Group's share of the associates' ordinary pre-tax operating profit declined 4.3%.

Telkomsel and Globe reported lower operating results this quarter in a competitive landscape. Bharti's operating performance in India was affected by lower tariffs, though minutes of use had rebounded by 3% from the preceding quarter. Including the effects of a full quarter's loss reported by the Bangladesh operations and loss for the Africa operations since 8 June 2010, as well as related financing and acquisition costs, Bharti's overall post-tax profit contribution was down by 29%.

The major regional currencies remained stable against the Singapore Dollar from a year ago, except for the Indonesian Rupiah which appreciated 9%. Excluding the currency translation impact, the overall pre-tax and post-tax profit contributions of the associates would have declined by 20% and 21% respectively.

The associates contributed 43% to the Group's underlying net profit, 10 percentage points lower from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Bharti Airtel ("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 telecom circles. Bharti is the largest mobile phone operator in India with 21.5% market share of the total wireless customer base.

India, Bangladesh and Sri Lanka

In India, Bharti won 3G licences in 13 circles and Broadband Wireless Access ("**BWA**") spectrum in 4 circles at total costs of INR 123 billion and INR 33 billion respectively. The BWA spectrum was awarded in July 2010 while the 3G spectrum is expected to be allocated in September 2010.

In the current quarter, revenue grew 8% and EBITDA remained stable against a year ago despite continued intense competition in India. The Group's share of the pre-tax operating profit (before fair value adjustments) for the quarter, including a first full quarter of loss from the Bangladesh operations, was down 6.0% year-on-year in Indian Rupee terms.

In Singapore Dollar terms, the Group's share of the pre-tax operating profit was down 5.1% against a year ago to S$237 million as the Indian Rupee was stable against the Singapore Dollar.

Compared to the preceding quarter, pre-tax operating profit contribution was up 3.5% in Indian Rupee terms underpinned by 5% increase in revenue and 3% growth in EBITDA.

Africa

On 8 June 2010, Bharti announced that it has completed the acquisition of Zain's Africa mobile operations in 15 countries.

Bharti consolidated the results of the Africa operations with effect from 8 June 2010. Including financing costs on borrowings related to the acquisition, the Group's share of the Africa operations' pre-tax operating loss (before fair value adjustments) for the period amounted to S$5 million (S$6 million post-tax).

Overall

Bharti recorded fair value losses on mark-to-market valuation of its foreign currency denominated liabilities as the Indian Rupee weakened 6% and 3% against the US Dollar and Japanese Yen respectively. The Group's share of the fair value losses amounted to S$21 million, compared to gains of S$23 million a year ago. Including the fair value adjustments, overall pre-tax ordinary profit contribution from Bharti amounted to S$210 million, down 23% from a year ago.

In the current quarter, Bharti recorded additional costs related to its acquisitions in Bangladesh and Africa. The Group's share of this exceptional expenditure amounted to S$10 million.

On a post-tax basis, overall profit contribution from Bharti was down 29% to S$164 million and accounted for 17% of the Group's underlying net profit, 7 percentage points lower than a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Bharti added 9.0 million mobile customers in India this quarter, up from 8.8 million in the preceding quarter. With a mobile customer base of 136.6 million in India as at 30 June 2010, Bharti's subscriber market share was 21.5%. Including mobile customers across operations in 18 countries covering India, Bangladesh, Sri Lanka and across Africa, Bharti's total mobile customer base across all geographies reached 177.0 million as at 30 June 2010.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 34,000 radio base stations (including 3G Node B) providing nationwide coverage.

Despite the aggressive SMS promotions in the industry, Telkomsel's operating revenue grew 5% year-on-year on a higher mobile customer base and non-voice data revenue growth. Operating expenses, however, were up 22% due to network upgrades and expansion as well as one-off credit adjustments to network maintenance costs recorded in the corresponding quarter last year. Depreciation charge increased 12% due to higher capital expenditure on network rollout and the shortening of the useful life of certain infrastructure and supporting facilities assets during the December 2009 quarter.

Consequently, the Group's share of Telkomsel's pre-tax operating profit (before fair value adjustments) was down 11% in Indonesian Rupiah terms.

Including fair value adjustments and the 9% appreciation of the Indonesian Rupiah against the Singapore Dollar, the Group's overall share of Telkomsel's pre-tax profit in Singapore Dollar terms declined by 10%.

On a post-tax basis, Telkomsel's contribution for the quarter declined 6.9% to S$164 million, constituting 17% of the Group's underlying net profit compared to 19% a year ago.

Compared to the preceding quarter, the Group's share of operating profit in Indonesian Rupiah terms was up 9.2% on the back of a 6% growth in operating revenue, reflecting improved net customer additions on attractive pricing plans and innovative products.

Telkomsel added 6.4 million mobile customers this quarter, significantly higher than 307,000 in the preceding quarter. Consequently, Telkomsel's market share improved to approximately 47.2% as at 30 June 2010, up 0.6 percentage point from a quarter ago. Total mobile customer base reached 88.3 million, up 16% or 12.3 million from a year ago.

Telkomsel continued to expand its network, deploying around 1,700 radio base stations (including 3G Node B) in the quarter, compared to 1,300 installed in the preceding quarter.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Advanced Info Service ("AIS")

AIS is the largest mobile communications operator in Thailand. As at 30 June 2010, it was the fifth largest listed company on the Stock Exchange of Thailand in terms of market capitalisation.

AIS' pre-tax profit contribution for its first quarter ended 31 March 2010 rose a strong 17% year-on-year in Thai Baht terms. Service revenue (net of interconnection) grew 5% as non-voice revenue surged 37% on continued rising demand for mobile internet connectivity and growing popularity of social networking. Coupled with lower maintenance expenses and marketing spend, EBITDA margin improved by 3.8 percentage points to 48.1%, registering the highest quarterly margin in three years. In Singapore Dollar terms, the Group's share of AIS' pre-tax profit was up 19% to S$68 million with the Thai Baht stable against the Singapore Dollar.

In Thai Baht terms, AIS' pre-tax profit contribution was 29% higher compared to the preceding quarter on seasonally lower marketing spend, as well as lower staff costs and bad debt provision.

AIS' post-tax profit contributed 5% to the Group's underlying net profit, from 4% a year ago.

In the June 2010 quarter, AIS added 499,000 mobile customers, compared to 736,000 in the preceding quarter. Year-on-year, AIS' customer base grew 7.5% or 2.1 million to 30.0 million. As at 30 June 2010, AIS' market share was 44.5%, up 0.4 percentage point from a quarter ago.

Globe Telecom, Inc ("Globe")

Globe is the second largest mobile communications service provider in the Philippines and is listed on the Philippine Stock Exchange.

In Philippine Peso terms, Globe's pre-tax operating profit (before fair value adjustments) declined 25% from a year ago.

Operating revenue was flat against the corresponding quarter on continued aggressive competition and proliferation of multi-SIM. The popularity of bundled services and unlimited offerings exerted pressure on mobile revenue. The growth momentum for wireless broadband however, continued to be strong, with revenue up 93%. Corporate data business also gained traction and grew 20% from a year ago. Operating expenses increased 18% mainly due to higher broadband related expenses.

Including the Group's share of fair value losses of S$6 million and with the Peso stable against the Singapore Dollar, the Group's share of Globe's pre-tax profit declined 34% year-on-year to S$45 million.

Against the preceding quarter, Globe's pre-tax operating profit declined 12% in Peso terms on increased marketing spend and higher depreciation expenses.

Globe contributed 3% to the Group's underlying net profit, down 2 percentage points from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Globe added 732,000 mobile customers in the current quarter, up from 645,000 in the preceding quarter. As at 30 June 2010, its mobile customer base was 24.6 million, down 1.6% or 402,000 from a year ago due to prior quarters' churn out of lower quality prepaid customers.

Pacific Bangladesh Telecom Limited ("PBTL")

PBTL is the only CDMA operator in Bangladesh.

The Group's share of PBTL's losses increased 25% from a year ago, and 67% from a quarter ago, to S$5 million for the current quarter. The increases were attributable to higher subscriber acquisition costs on connections driven by promotional campaigns.

As at 30 June 2010, PBTL's total mobile customer base was 2.0 million, up 4.7% or 89,000 from a quarter ago.

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.

The Group's share of pre-tax operating losses (before fair value losses) of Warid declined 6.4% in Pakistani Rupee terms on the back of a 9% growth in operating revenue. Including fair value losses and with the Pakistani Rupee depreciating 10% against the Singapore Dollar, the overall pre-tax losses fell 5.9% to S$14 million.

Against the preceding quarter, the Group's share of pre-tax losses from Warid increased by 5.9% or S$0.8 million on fair value losses compared to gains in the preceding quarter.

Warid's total mobile customer base stood at 16.9 million as at 30 June 2010, 4.0% or 656,000 higher than a quarter ago.

Warid is currently in discussions with its lenders in relation to a proposed restructuring of its loan facilities. As at 30 June 2010, the outstanding principal under such loan facilities amounted to approximately US$756 million, and was secured by a floating charge on Warid's assets. In addition, US$90 million of the loan facilities was guaranteed by SingTel and US$512 million was secured by guarantees of the other shareholder group of Warid. Warid has also received notice from an equipment vendor seeking repayment of an outstanding payable of approximately US$140 million and discussions with the vendor are currently ongoing.

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 30 Jun 2010 S$ m**	**Quarter 30 Jun 2009 S$ m**	**YOY Chge %**
Group operating revenue			
Singapore Business	1,520	1,383	9.9
Optus	2,769	2,465	12.3
	4,289	**3,848**	**11.5**
Proportionate share of operating revenue of associates			
Regional mobile associates	1,718	1,518	13.2
Singapore associates	60	54	10.9
Other overseas associates	31	31	**
	1,809	**1,603**	**12.8**
Enlarged revenue	**6,098**	**5,451**	**11.9**
% of overseas revenue to enlarged revenue	***74%***	***74%***	

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

SECTION IV : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA [(1)]	Quarter 30 Jun 2010 S$ m	Quarter 30 Jun 2009 S$ m	YOY Chge %
Group operational EBITDA			
Singapore Business	591	578	2.3
Optus	679	566	20.0
Group and Int'l Business net corporate costs	(15)	(16)	-4.5
	1,255	**1,128**	**11.3**
Proportionate share of EBITDA of associates			
Regional mobile associates	928	938	-1.1
Singapore associates	22	21	4.2
Other overseas associates	24	19	26.4
	974	**979**	**-0.5**
Total proportionate EBITDA	**2,230**	**2,107**	**5.8**
Overseas EBITDA as a % to total EBITDA	***73%***	***72%***	
Contributions to total proportionate EBITDA			
Regional mobile associates	42%	45%	
Australia	30%	27%	
Singapore	27%	28%	
Others	1%	1%	
	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 market overseas, the Group has diversified its earnings base. Overseas operations contributed 73% to proportionate EBITDA, up 1 percentage point from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share [1]		
	30 Jun 2010	31 Mar 2010	30 Jun 2009	30 Jun 2010	31 Mar 2010	30 Jun 2009
SingTel	3,113	3,116	2,991	3,113	3,116	2,991
Optus	8,688	8,498	8,002	8,688	8,498	8,002
	11,801	**11,614**	**10,993**	**11,801**	**11,614**	**10,993**
Regional Mobile Associates						
Bharti						
- *India, Bangladesh and Sri Lanka*	140,613	127,619	102,368	45,052	39,849	30,443
- *Africa*	36,362	-	-	11,650	-	-
	176,975	127,619	102,368	56,702	39,849	30,443
Telkomsel	88,316	81,950	76,013	30,911	28,683	26,605
AIS	30,008	29,509	27,902	6,395	6,291	5,954
Globe	24,622	23,890	25,024	11,653	11,309	11,846
Warid	16,932	16,276	17,887	5,080	4,883	5,366
PBTL	1,998	1,909	1,965	899	859	884
	338,851	**281,153**	**251,160**	**111,640**	**91,874**	**81,098**
Group	**350,652**	**292,767**	**262,153**	**123,441**	**103,488**	**92,091**

Notes:

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

(2) Prior period comparatives exclude Sri Lanka and Bangladesh customers.

As at 30 June 2010, including Bharti's 4.0 million mobile customers in Bangladesh and Sri Lanka and 36.4 million mobile customers across Africa, the Group's combined mobile customer base rose 20% or 57.9 million to 351 million from a quarter ago. Year-on-year, the total customer base was up 34% or 88.5 million. On a proportionate share basis, the increase was 19% to 123 million mobile customers from a quarter ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES [1]

	Quarter		YOY
	30 Jun		Chge
	2010 S$ m	2009 S$ m	%
Regional mobile associates			
AIS [2]			
- special dividend FY 2009	134	-	nm
- final dividend FY 2009 / FY 2008	89	89	**
	223	89	150.9
Other associates			
Southern Cross [3]	4	-	nm
Others	1	2	-47.1
Total	**228**	**91**	**151.5**

Notes:

(1) The cash dividends received from overseas associates as stated here are before related tax payments.

(2) 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 110% on net profit for its 2009 financial year (FY 2008: 114%). The interim and final dividends were paid out in September 2009 and May 2010 respectively. AIS declared a special dividend in April 2010. The Group received its share of the special dividends in May 2010.

(3) Southern Cross does not have a fixed dividend policy.

(4) Telkomsel declared a full year dividend of 70% on net profit for its financial year 2009 (FY 2008: 80%). The Group's share of the dividend is approximately S$481 million, of which S$265 million had been received in July 2010 and S$216 million is expected to be received in the December 2010 quarter.

(5) With effect from 2010, Globe's dividend policy is to pay ordinary dividend of 75% to 90% of prior year's net profit, payable semi-annually in March and September of each year. Globe declared a full year dividend of 84% on net profit for its 2009 financial year (FY 2008: 75%). The Group received its share of the first semi-annual dividend of S$76 million in March 2010. The Group expects to receive the second semi-annual dividend of approximately S$75 million in September 2010.

The total dividends received from the associates for the quarter was up 152% to S$228 million primarily due to S$134 million of special dividends received from AIS.

SECTION IV : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Bharti [1]	Telkomsel	AIS	Globe	PBTL	Warid
SingTel's investment:						
Year of initial investment	**2000**	**2001**	**1999**	**1993**	**2005**	**2007**
Effective shareholding (%)	32.0%	35.0%	21.3%	47.3%	45.0%	30.0%
Investment to date	S$2.24 bil	S$1.93 bil	S$870 mil	S$1.02 bil	S$238 mil	S$1.30 bil
Closing market share price [2]	INR 262.80	NA	THB 86.75 [7] THB 80.25 [8]	PHP 895	NA	NA
Market capitalisation						
- Total	S$29.94 bil	NA	S$10.70 bil	S$3.57 bil	NA	NA
- SingTel holding	S$9.59 bil	NA	S$2.21 bil	S$1.69 bil	NA	NA
Operational Performance :						
Mobile penetration rate [3]	54%	79%	107%	89%	36%	60%
Market share, 30 Jun 2010 [3]	21.5%	47.2%	44.5%	29.3%	3.3%	17.2%
Market share, 31 Mar 2010 [4]	21.8%	46.6%	44.1%	30.2%	3.5%	16.8%
Market position [3] [5]	#1	#1	#1	#2	#5	#4
Mobile customers ('000)						
- Aggregate	176,975	88,316	30,008	24,622	1,998	16,932
- Proportionate	56,702	30,911	6,395	11,653	899	5,080
Growth in mobile customers (%) [6]	73%	16%	7.5%	-1.6%	1.7%	-5.3%
Credit ratings						
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Ba2/BB	Baa1/BBB+	Ba3/BB-	Ba3/BB-	B3/B-
- Company (Moody's/ S&P's)	NA/BB+	NA/BBB-	NA/A-	NA	NA	NA

Notes:

(1) Mobile penetration rate, market share and market position pertain to India market only.
(2) Based on closing market price on 30 June 2010, in local currency.
(3) Based on actual or estimated data available as at 30 June 2010.
(4) Based on actual data a quarter ago.
(5) Based on number of mobile customers.
(6) Compared against 30 June 2009 and based on aggregate mobile customers.
(7) Based on local market price quoted on the Stock Exchange of Thailand.
(8) Based on foreign market price quoted on the Stock Exchange of Thailand.
NA Denotes not applicable.

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 and included share of pre-tax results of the associates.
"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**").
"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 First Quarter Ended 30 June 2010

	Quarter 30 Jun 2010						2009	
	2010			2010		2010	2009	
	Singapore S$ m	SingTel Asso/JV S$ m	Corp S$ m	SingTel S$ m	Optus S$ m	Group S$ m	Group S$ m	YOY Chge %
Operating revenue	**1,520**	**-**	**-**	**1,520**	**2,769**	**4,289**	**3,848**	**11.5**
Operating expenses	(937)	-	(15)	(952)	(2,106)	(3,058)	(2,745)	11.4
	583	-	(15)	568	663	1,231	1,103	11.6
Other income	8	-	*	8	17	24	25	-3.9
Operational EBITDA	**591**	**-**	**(15)**	**576**	**679**	**1,255**	**1,128**	**11.3**
- EBITDA margin	***38.9%***	**-**	***nm***	***37.9%***	***24.5%***	***29.3%***	***29.3%***	
Grp & Int'l business net corp costs	(15)	-	15	-	-	-	-	-
Share of pre-tax profit of associates								
Regional mobile associates	-	*525*	-	*525*	-	*525*	*624*	*-15.8*
Other associates	-	*26*	-	*26*	*	*26*	*23*	*12.7*
- ordinary operations	-	551	-	551	*	551	647	-14.8
- exceptional item	-	(10)	-	(10)	-	(10)	-	nm
	-	**541**	**-**	**541**	*****	**541**	**647**	**-16.3**
EBITDA	**576**	**541**	**-**	**1,117**	**679**	**1,797**	**1,775**	**1.2**
Depreciation & amortisation	(134)	-	-	(134)	(351)	(484)	(442)	9.6
EBIT	**443**	**541**	**-**	**984**	**329**	**1,312**	**1,333**	**-1.6**
Net finance expense								
- net interest expense	(51)	-	(2)	(53)	(31)	(84)	(73)	15.6
- other finance income/ (expense)	2	-	4	5	*	5	(11)	nm
	(50)	-	2	(48)	(31)	(79)	(84)	-5.7
Profit before EI	**393**	**541**	**2**	**936**	**297**	**1,234**	**1,250**	**-1.3**
Exceptional items ("EI")	-	-	*	*	-	*	*	nm
Profit before tax	**393**	**541**	*****	**937**	**297**	**1,234**	**1,250**	**-1.3**
Taxation								
- current and deferred taxes	(23)	-	-	(23)	(88)	(110)	(108)	1.8
- share of taxes of associates	-	(131)	-	(131)	(2)	(132)	(149)	-11.4
- withholding taxes (1)	-	-	(49)	(49)	-	(49)	(47)	5.8
	(23)	(131)	(49)	(202)	(89)	(292)	(304)	-4.1
Profit after tax	**371**	**411**	**(49)**	**734**	**208**	**942**	**946**	**-0.4**
Minority interests	1	-	-	1	-	1	*	nm
Net profit	**372**	**411**	**(49)**	**735**	**208**	**943**	**945**	**-0.2**
Net profit	**372**	**411**	**(49)**	**735**	**208**	**943**	**945**	**-0.2**
Exclude :								
Exceptional items	-	-	*	*	-	*	*	nm
Underlying net profit	**372**	**411**	**(49)**	**735**	**208**	**943**	**945**	**-0.2**

Note:

(1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding 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**.

	Quarter 30 Jun 2010 S$ m	YOY Change %	Change in constant currency [1] %
Operating revenue	**4,289**	**11.5**	**5.2**
Operating expenses	(3,058)	11.4	4.7
	1,231	11.6	6.4
Other income	24	-3.9	-9.8
Operational EBITDA	**1,255**	**11.3**	**6.1**
-EBITDA margin	***29.3%***	**-**	***0.3***
Share of pre-tax results of associates			
- Bharti	*210*	*-22.7*	*-23.5*
- Telkomsel	*221*	*-10.0*	*-17.6*
- Globe	*45*	*-34.0*	*-33.6*
- AIS	*68*	*18.6*	*16.8*
- PBTL	*(5)*	*25.0*	*34.4*
- Warid	*(14)*	*-5.9*	*3.6*
Regional mobile associates	525	-15.8	-19.5
Other associates	26	12.7	12.7
- ordinary operations	551	*-14.8*	-18.4
- exceptional item	(10)	nm	nm
	541	**-16.3**	**-19.9**
EBITDA	**1,796**	**1.2**	**-3.4**
Depreciation & amortisation	(484)	9.6	2.6
EBIT	**1,312**	**-1.6**	**-5.4**
Net finance expense	(79)	-5.7	-9.3
Profit before exceptional items	**1,233**	**-1.3**	**-5.1**
Exceptional items	*	nm	nm
Profit before tax	**1,234**	**-1.3**	**-5.1**
Taxation	(292)	-4.1	-8.2
Profit after tax	**942**	**-0.4**	**-4.1**
Minority interests	1	nm	nm
Net profit	**943**	**-0.2**	**-4.0**
Net profit	**943**	**-0.2**	**-4.0**
Exclude:			
Exceptional items	*	nm	nm
Underlying net profit	**943**	**-0.2**	**-4.0**

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 quarter ended 30 June 2009.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2010 (Unaudited) S$ million	31 Mar 2010 (Audited) S$ million	30 Jun 2009 (Unaudited) S$ million
Current assets			
Cash and cash equivalents	1,780	1,614	1,086
Trade and other receivables	3,557	3,172	3,101
Financial assets at fair value through profit or loss	-	-	11
Derivative financial instruments	5	13	2
Inventories	394	346	400
	5,736	**5,144**	**4,600**
Non-current assets			
Property, plant and equipment	10,084	10,750	9,676
Intangible assets	10,140	10,200	10,076
Associated companies	271	279	602
Joint venture companies	9,601	10,133	8,111
Available-for-sale investments	262	256	255
Derivative financial instruments	192	176	315
Deferred tax assets	772	890	870
Other non-current receivables	131	124	149
	31,453	**32,807**	**30,054**
Total assets	**37,189**	**37,952**	**34,654**
Current liabilities			
Trade and other payables	4,377	4,650	3,314
Provision	18	18	16
Current tax liabilities	421	339	376
Borrowings (unsecured)	18	1,513	1,265
Borrowings (secured)	16	15	9
Derivative financial instruments	25	300	231
	4,874	**6,835**	**5,210**
Non-current liabilities			
Borrowings (unsecured)	6,589	5,328	5,567
Borrowings (secured)	23	23	15
Advance billings	561	629	534
Deferred income	28	29	41
Derivative financial instruments	875	941	691
Deferred tax liabilities	299	295	316
Other non-current liabilities	177	356	170
	8,552	**7,601**	**7,333**
Total liabilities	**13,426**	**14,436**	**12,543**
Net assets	**23,763**	**23,516**	**22,111**
Share capital and reserves			
Share capital	2,621	2,616	2,607
Reserves	21,117	20,877	19,479
Equity attributable to shareholders of the Company	23,738	23,493	22,086
Minority interests	25	23	25
Total equity	**23,763**	**23,516**	**22,111**

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.

	As at		
	30 Jun	31 Mar	30 Jun
Debt Currency Mix	**2010**	**2010**	**2009**
SGD	62%	60%	64%
AUD	38%	40%	36%
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 Jun 2010	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							
SGD							
FY10/11	1.2276						
FY09/10	1.1213	1.1998	1.2681	1.2686	1.1608	1.2683	1.2153
Change (last corresponding period)	***9.5%***						
Underlying net profit							
SGD							
FY10/11	1.2257						
FY09/10	1.1298	1.2057	1.2677	1.2691	1.1695	1.2685	1.2259
Change (last corresponding period)	***8.5%***						

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							
FY10/11	6,536						
FY09/10	7,143	6,944	6,803	6,579	7,042	6,699	6,881
Change (last corresponding period)	***-8.5%***						
Baht							
FY10/11	23.3						
FY09/10	23.6	23.6	23.9	23.4	23.6	23.6	23.6
Change (last corresponding period)	***-1.3%***						
Peso							
FY10/11	32.7						
FY09/10	32.5	33.4	33.6	32.8	32.9	33.2	33.0
Change (last corresponding period)	***0.6%***						
Indian Rupee							
FY10/11	32.8						
FY09/10	33.1	33.7	33.4	32.7	33.4	33.0	33.2
Change (last corresponding period)	***-0.9%***						
Taka							
FY10/11	49.8						
FY09/10	46.9	48.1	49.5	49.3	47.4	49.4	48.5
Change (last corresponding period)	***6.2%***						
Pakistani Rupee							
FY10/11	60.6						
FY09/10	54.9	57.5	59.9	60.2	56.4	60.0	58.1
Change (last corresponding period)	***10.4%***						

OPTUS FINANCIALS IN SINGAPORE DOLLARS

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

	Quarter 30 June		YOY Chge
	2010 S$ m	2009 S$ m	%
Operating revenue	**2,769**	**2,465**	**12.3**
Operating expenses	(2,106)	(1,911)	10.2
Other income	17	12	33.9
Operational EBITDA	**679**	**566**	**20.0**
- EBITDA margin	***24.5%***	***23.0%***	
Share of results of joint ventures	*	*	nm
EBITDA	**679**	**566**	**20.0**
Depreciation & amortisation	(351)	(315)	11.4
EBIT	**329**	**251**	**30.8**
Net finance expense	(31)	(27)	16.9
Profit before tax	**297**	**225**	**32.5**
Taxation	(89)	(68)	31.9
Net profit	**208**	**157**	**32.7**

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 30 Jun		YOY Chge
	2010 S$ m	2009 S$ m	%
Mobile communications	1,397	1,132	23.3
Data and Internet	452	394	14.8
National telephone	369	346	6.7
Sale of equipment	270	276	-2.4
IT and engineering	133	159	-16.2
International telephone	84	94	-10.6
Pay television	29	34	-16.6
Others	35	29	21.2
Total	**2,769**	**2,465**	**12.3**

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

	As at		
	30 Jun 2010 S$ m	31 Mar 2010 S$ m	30 Jun 2009 S$ m
Property, plant and equipment (net)	**7,203**	**7,849**	**6,981**
Gross debt			
Current debt	13	578	615
Non-current debt	1,754	1,169	865
Gross debt as reported in the statement of financial position	1,767	1,746	1,480
Related net hedging (asset)/ liability	(41)	317	180
	1,726	2,064	1,660
Less: Cash and bank balances	(190)	(198)	(306)
Net debt	**1,536**	**1,866**	**1,354**
	A$ m	A$ m	A$ m
Property, plant and equipment (net)	**6,034**	**6,118**	**5,935**
Gross debt			
Current debt	11	450	523
Non-current debt	1,469	911	736
Gross debt as reported in the statement of financial position	1,480	1,361	1,258
Related net hedging (asset)/ liability	(34)	247	153
	1,446	1,608	1,411
Less: Cash and bank balances	(159)	(154)	(260)
Net debt	**1,286**	**1,454**	**1,151**

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2011

Singapore

- **Operating revenue to grow at mid single-digit level.**
- **EBITDA to decline within low to mid single-digit range.**
- **EBITDA margin to decline to around 35%.**
- **Capital expenditure to be approximately S$830 million.**
- **Free cash flow (excluding dividends from associates) to be in the range of S$1.1 billion.**

Australia

- **Operating revenue and EBITDA to grow at mid single-digit levels.**
- **Capital expenditure to be approximately A$1.2 billion.**
- **Free cash flow to be above A$1.0 billion.**

Associates/ Joint Ventures

- **Bharti's earnings would be diluted by acquisition financing costs for Zain and the investment in 3G spectrum.**
- **Telkomsel's operating revenue to grow at single-digit level. EBITDA margin to decline slightly.**
- **Ordinary dividends from regional mobile associates to be higher.**

Group

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