



**SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 30 JUNE 2012**

<u>Contents</u>	<u>Page</u>
Consolidated income statement	1
Consolidated statement of comprehensive income	2
Statements of financial position (Group and Company)	3
Statements of changes in equity (Group and Company)	4
Consolidated statement of cash flows	8
Selected notes to the interim financial statements	12
Group segment information	20
Dividends	24
Other information	24
Subsequent event	24
Confirmation by the Board	25
Independent Auditors' review report	26

CONSOLIDATED INCOME STATEMENT (UNAUDITED)*For the first quarter ended 30 June 2012*

	Notes	30 Jun 12 S\$ Mil	30 Jun 11 S\$ Mil
Operating revenue		4,533.0	4,605.2
Operating expenses		(3,316.0)	(3,352.2)
Other income	2	25.5	31.1
		1,242.5	1,284.1
Depreciation and amortisation	3	(518.2)	(501.2)
		724.3	782.9
Exceptional items	4	102.2	(18.4)
Profit on operating activities		826.5	764.5
Associates and joint ventures			
- share of ordinary results		506.3	500.4
- share of exceptional items	5	(10.2)	61.8
- share of tax		(142.1)	(147.2)
		354.0	415.0
Profit before interest, investment income (net) and tax		1,180.5	1,179.5
Interest and investment income (net)	6	16.4	3.1
Finance costs	7	(87.4)	(95.9)
Profit before tax		1,109.5	1,086.7
Tax expense	8	(163.5)	(169.6)
Profit after tax		946.0	917.1
Attributable to:			
Shareholders of the Company		945.3	916.2
Non-controlling interests		0.7	0.9
		946.0	917.1
Earnings per share attributable to shareholders of the Company			
- basic	10	5.93¢	5.75¢
- diluted	10	5.92¢	5.74¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)*For the first quarter ended 30 June 2012*

	30 Jun 12 S\$ Mil	30 Jun 11 S\$ Mil
Profit after tax	946.0	917.1
Other comprehensive (loss)/ income		
Exchange differences arising from translation of foreign operations and other currency translation differences for the quarter	(632.3)	(59.1)
Cash flow hedges		
- Fair value changes	(61.1)	(120.6)
- Tax effects	13.9	8.8
	(47.2)	(111.8)
- Fair value changes transferred to income statement	(30.6)	114.8
- Tax effects	(1.7)	(10.6)
	(32.3)	104.2
	(79.5)	(7.6)
Fair value changes on available-for-sale investments during the quarter	(113.6)	9.9
Share of other comprehensive gain/(loss) of associates and joint ventures	0.3	(3.0)
Other comprehensive loss, net of tax	(825.1)	(59.8)
Total comprehensive income	120.9	857.3
Attributable to:		
Shareholders of the Company	120.5	856.3
Non-controlling interests	0.4	1.0
	120.9	857.3

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2012

	Notes	Group		Company	
		As at 30 Jun 12 S\$ Mil (Unaudited)	As at 31 Mar 12 S\$ Mil (Audited)	As at 30 Jun 12 S\$ Mil (Unaudited)	As at 31 Mar 12 S\$ Mil (Audited)
Current assets					
Cash and cash equivalents		1,381.7	1,346.4	318.3	254.4
Trade and other receivables		3,972.7	3,927.0	834.4	785.3
Due from subsidiaries		-	-	2,090.9	1,775.9
Asset held for sale		-	334.1	-	-
Derivative financial instruments		6.4	2.9	4.9	5.1
Inventories		233.0	208.1	26.6	31.1
		5,593.8	5,818.5	3,275.1	2,851.8
Non-current assets					
Property, plant and equipment		11,519.1	11,580.0	1,883.2	1,925.5
Intangible assets		10,933.2	10,174.1	1.6	1.7
Subsidiaries		-	-	12,883.7	6,768.2
Associates		177.4	212.4	592.1	592.1
Joint ventures		9,295.6	9,968.1	24.1	24.1
Available-for-sale investments ("AFS")		166.0	148.7	44.5	41.7
Derivative financial instruments		156.6	98.2	227.3	157.5
Deferred tax assets		939.5	963.0	-	-
Loan to an associate		1,330.5	1,325.0	1,330.5	1,325.0
Other non-current receivables		134.8	129.6	242.1	241.4
		34,652.7	34,599.1	17,229.1	11,077.2
Total assets		40,246.5	40,417.6	20,504.2	13,929.0
Current liabilities					
Trade and other payables		4,681.0	5,053.2	1,178.6	1,281.7
Due to subsidiaries		-	-	896.3	893.1
Current tax liabilities		347.5	298.9	236.8	197.8
Borrowings (unsecured)	11	105.7	105.8	-	-
Borrowings (secured)	11	32.7	25.3	0.1	0.2
Derivative financial instruments		15.0	23.0	6.2	9.8
Deferred gain		57.5	29.2	-	-
		5,239.4	5,535.4	2,318.0	2,382.6
Non-current liabilities					
Borrowings (unsecured)	11	8,376.0	8,470.4	929.4	857.9
Borrowings (secured)	11	204.5	192.3	157.5	157.5
Advance billings		732.9	728.1	169.4	173.7
Deferred income		16.4	17.4	3.4	1.3
Deferred gain		1,013.5	1,060.5	-	-
Derivative financial instruments		518.6	508.3	376.4	356.4
Deferred tax liabilities		330.2	243.8	140.7	135.2
Other non-current liabilities		247.8	213.5	12.6	17.5
		11,439.9	11,434.3	1,789.4	1,699.5
Total liabilities		16,679.3	16,969.7	4,107.4	4,082.1
Net assets		23,567.2	23,447.9	16,396.8	9,846.9
Share capital and reserves					
Share capital	12	2,634.0	2,632.2	2,634.0	2,632.2
Reserves		20,912.4	20,795.3	13,762.8	7,214.7
Equity attributable to shareholders of the Company		23,546.4	23,427.5	16,396.8	9,846.9
Non-controlling interests		20.8	20.4	-	-
Total equity		23,567.2	23,447.9	16,396.8	9,846.9

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the first quarter ended 30 June 2012

Group - 2012	Attributable to shareholders of the Company										Non-controlling Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽²⁾⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 April 2012	2,632.2	(42.3)	(82.7)	(2,151.5)	(261.9)	148.7	24,434.4	(1,249.4)	23,427.5	20.4	23,447.9	
Changes in equity for the quarter												
Issue of new shares	1.8	-	-	-	-	-	-	-	1.8	-	1.8	
Performance shares purchased by the Company	-	(3.4)	-	-	-	-	-	-	(3.4)	-	(3.4)	
Performance shares purchased by Trust ⁽⁵⁾	-	(5.6)	-	-	-	-	-	-	(5.6)	-	(5.6)	
Performance shares vested	-	30.3	(30.3)	-	-	-	-	-	-	-	-	
Equity-settled performance shares	-	-	6.0	-	-	-	-	-	6.0	-	6.0	
Transfer of liability to equity	-	-	7.9	-	-	-	-	-	7.9	-	7.9	
Performance shares purchased by SingTel Optus Pty Limited ("Optus") and vested	-	-	(8.3)	-	-	-	-	-	(8.3)	-	(8.3)	
	1.8	21.3	(24.7)	-	-	-	-	-	(1.6)	-	(1.6)	
Total comprehensive (loss)/ income for the quarter	-	-	-	(632.0)	(79.5)	(113.6)	945.3	0.3	120.5	0.4	120.9	
Balance as at 30 June 2012	2,634.0	(21.0)	(107.4)	(2,783.5)	(341.4)	35.1	25,379.7	(1,249.1)	23,546.4	20.8	23,567.2	

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the first quarter ended 30 June 2012*

Group - 2011	Attributable to shareholders of the Company										
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ^{(2) (3)} S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil	Non-controlling Interests S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2011	2,622.8	(27.1)	(102.9)	(1,254.4)	(286.4)	56.1	24,550.0	(1,229.8)	24,328.3	22.0	24,350.3
Changes in equity for the quarter											
Issue of new shares	1.3	-	-	-	-	-	-	-	1.3	-	1.3
Performance shares purchased by the Company	-	(0.5)	-	-	-	-	-	-	(0.5)	-	(0.5)
Performance shares vested	-	3.2	(3.2)	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	6.3	-	-	-	-	-	6.3	-	6.3
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	(0.3)
Performance shares purchased by Optus and vested	-	-	(1.0)	-	-	-	-	-	(1.0)	-	(1.0)
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(0.2)	0.2	-	-	-
	1.3	2.7	1.8	-	-	-	(0.2)	0.2	5.8	-	5.8
Total comprehensive (loss)/ income for the quarter	-	-	-	(59.2)	(7.6)	9.9	916.2	(3.0)	856.3	1.0	857.3
Balance as at 30 June 2011	2,624.1	(24.4)	(101.1)	(1,313.6)	(294.0)	66.0	25,466.0	(1,232.6)	25,190.4	23.0	25,213.4

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the first quarter ended 30 June 2012*

Company - 2012	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2012	2,632.2	-	(67.9)	(164.9)	32.1	7,415.4	9,846.9
Changes in equity for the quarter							
Issue of new shares	1.8	-	-	-	-	-	1.8
Performance shares purchased by the Company	-	(3.4)	-	-	-	-	(3.4)
Performance shares vested	-	3.4	(3.1)	-	-	-	0.3
Equity-settled performance shares	-	-	3.5	-	-	-	3.5
Transfer of liability to equity	-	-	7.9	-	-	-	7.9
Contribution to Trust ⁽⁵⁾	-	-	(3.8)	-	-	-	(3.8)
	1.8	-	4.5	-	-	-	6.3
Total comprehensive (loss)/ income for the quarter	-	-	-	(20.0)	2.8	6,560.8	6,543.6
Balance as at 30 June 2012	2,634.0	-	(63.4)	(184.9)	34.9	13,976.2	16,396.8

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the first quarter ended 30 June 2012

Company - 2011	Share Capital S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2011	2,622.8	(64.6)	(197.3)	29.0	6,626.6	9,016.5
Changes in equity for the quarter						
Issue of new shares	1.3	-	-	-	-	1.3
Performance shares vested	-	(0.4)	-	-	-	(0.4)
Equity-settled performance shares	-	2.8	-	-	-	2.8
Transfer of liability to equity	-	(0.2)	-	-	-	(0.2)
Cash paid to employees under performance share plans	-	(0.3)	-	-	-	(0.3)
	1.3	1.9	-	-	-	3.2
Total comprehensive (loss)/ income for the quarter	-	-	(8.3)	1.0	170.7	163.4
Balance as at 30 June 2011	2,624.1	(62.7)	(205.6)	30.0	6,797.3	9,183.1

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Disclosure and Presentation**.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Pakistani Rupee, Philippine Peso, Thai Baht and United States Dollar.
- (3) Included currency translation losses of S\$365 million in respect of the translation of Warid Telecom (Private) Limited's carrying value denominated in Pakistani Rupee as at 30 June 2012 (as at 30 June 2011: S\$362 million).
- (4) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001.
- (5) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans effective from March 2012.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)*For the first quarter ended 30 June 2012*

	30 Jun 12 S\$ Mil	30 Jun 11 S\$ Mil
Cash Flows from Operating Activities		
Profit before tax	1,109.5	1,086.7
Adjustments for:		
Depreciation and amortisation	518.2	501.2
Exceptional items	(112.6)	(5.1)
Interest and investment income (net)	(16.4)	(3.1)
Finance costs	87.4	95.9
Share of results of associates and joint ventures (post-tax)	(354.0)	(415.0)
Other non-cash items	10.2	10.2
	<u>132.8</u>	<u>184.1</u>
Operating cash flow before working capital changes	1,242.3	1,270.8
Changes in operating assets and liabilities		
Trade and other receivables	(38.3)	(46.1)
Trade and other payables	(298.9)	(99.3)
Inventories	(26.9)	(27.2)
Currency translation adjustments of subsidiaries	4.2	(3.5)
	<u>882.4</u>	<u>1,094.7</u>
Cash generated from operations	882.4	1,094.7
Payment to employees in cash under performance share plans	(3.3)	(0.3)
Dividends received from associates and joint ventures	520.2	464.6
Income tax and withholding tax paid	(114.1)	(45.7)
	<u>1,285.2</u>	<u>1,513.3</u>
Net cash inflow from operating activities	1,285.2	1,513.3
Cash Flows from Investing Activities		
Dividends received from AFS investments	1.0	0.9
Interest received	15.1	9.0
Payment for acquisition of subsidiaries, net of cash acquired (Note 1)	(636.6)	-
Investment in associates and joint ventures	-	(7.6)
Investment in AFS investments	(20.5)	(38.1)
Proceeds from sale of AFS investments	336.9	-
Payment for purchase of property, plant and equipment	(560.0)	(599.9)
Drawdown of prepaid submarine cable capacity	-	11.0
Proceeds from sale of property, plant and equipment	5.3	2.1
Purchase of intangible assets	(63.9)	(33.1)
Withholding tax paid on intra-group interest income	(20.7)	(0.8)
	<u>(943.4)</u>	<u>(656.5)</u>
Net cash outflow from investing activities	(943.4)	(656.5)

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)*For the first quarter ended 30 June 2012*

	30 Jun 12 S\$ Mil	30 Jun 11 S\$ Mil
Cash Flows from Financing Activities		
Proceeds from term loans	799.0	-
Repayment of term loans	(1,015.1)	-
Proceeds from bond issue	-	100.4
Proceeds from finance lease liabilities	27.7	-
Finance lease payments	(7.7)	(7.6)
Net (repayment of)/ proceeds from borrowings	(196.1)	92.8
Net interest paid on borrowings and swaps	(95.2)	(132.3)
Proceeds from issue of shares	1.8	1.3
Deposit in lieu of bankers' guarantee	-	26.2
Purchase of performance shares	(17.7)	(1.8)
Net cash outflow from financing activities	(307.2)	(13.8)
Net change in cash and cash equivalents	34.6	843.0
Exchange effects on cash and cash equivalents	0.7	1.9
Cash and cash equivalents at beginning of period	1,346.4	2,738.0
Cash and cash equivalents at end of period	1,381.7	3,582.9

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)*For the first quarter ended 30 June 2012***Note****(1) Acquisition of subsidiaries****(a) Amobee, Inc and GTW Holdings Private Limited**

During the quarter, the Company acquired 100% of the share capital of Amobee Inc., a premium provider of mobile advertising solutions, and GTW Holdings Private Limited, the owner of restaurant review portal HungryGoWhere, for US\$321 million and S\$12 million respectively. The fair values of identifiable net assets and the net cash outflow on the acquisitions were as follows –

	30 Jun 12 S\$ Mil
Identifiable intangible assets (provisional)	110.3
Non-current assets	6.1
Cash and cash equivalents	32.3
Current assets (excluding cash and cash equivalents)	13.5
Total liabilities	<u>(49.5)</u>
Net assets acquired	112.7
Goodwill (provisional)	<u>302.7</u>
Total cash consideration	415.4
Less: Consideration unpaid as at 30 June 2012	(32.5)
Less: Cash and cash equivalents acquired	<u>(32.3)</u>
Net outflow of cash	<u>350.6</u>

(b) Vividwireless Group Limited

In June 2012, Optus Mobile Pty Limited, a wholly-owned subsidiary of the Group, acquired 100% of the share capital of Vividwireless Group Limited (“**Vividwireless**”) for A\$230 million. Fair values of identifiable net assets of Vividwireless acquired and the net cash outflow on the acquisition were as follows -

	30 Jun 12 S\$ Mil
Identifiable intangible assets	256.5
Non-current assets	62.3
Cash and cash equivalents	7.6
Current assets (excluding cash and cash equivalents)	3.8
Total liabilities	<u>(36.6)</u>
Total cash consideration	293.6
Less: Cash and cash equivalents acquired	<u>(7.6)</u>
Net outflow of cash	<u>286.0</u>

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)*For the first quarter ended 30 June 2012***Note**

(2) For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise:

	As at 30 June	
	2012	2011
	S\$ Mil	S\$ Mil
Fixed deposits	717.1	2,778.4
Cash and bank balances	<u>664.6</u>	<u>804.5</u>
	<u>1,381.7</u>	<u>3,582.9</u>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2012***1. BASIS OF PREPARATION**

The Group prepares its condensed consolidated interim financial statements in accordance with Singapore Financial Reporting Standard (“FRS”) 34, *Interim Financial Reporting*. The same accounting policies and methods of computation have been applied in the preparation of the financial statements for the current quarter as the most recent audited financial statements as at 31 March 2012. The adoption of the new or revised FRS and Interpretations to FRS which became mandatory from 1 April 2012 did not result in substantial changes to the Group’s accounting policies.

2. OTHER INCOME

Group	30 Jun 12 S\$ Mil (Unaudited)	30 Jun 11 S\$ Mil (Unaudited)
Rental income	1.4	1.2
Bad trade receivables recovered	0.7	3.8
Net exchange (losses)/ gains - trade related	(1.3)	2.0
Net gains on disposal of property, plant and equipment	0.2	0.3
Access fees from network facilities	12.9	13.2
Others	11.6	10.6
	25.5	31.1

3. DEPRECIATION AND AMORTISATION

Group	30 Jun 12 S\$ Mil (Unaudited)	30 Jun 11 S\$ Mil (Unaudited)
Depreciation of property, plant and equipment	479.9	469.2
Amortisation of intangible assets	39.4	33.1
Amortisation of sale and leaseback income	(0.3)	(0.3)
Amortisation of deferred gain on sale of a joint venture	(0.8)	(0.8)
	518.2	501.2

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2012***4. EXCEPTIONAL ITEMS**

Group	30 Jun 12 S\$ Mil (Unaudited)	30 Jun 11 S\$ Mil (Unaudited)
Exceptional gains		
Gain on sale of AFS investment	119.2	-
Net income from legal disputes	35.8	-
Foreign exchange gain on a subsidiary's loan payable	-	4.3
Gains on dilution of interest in associates and joint ventures	-	0.8
	155.0	5.1
Exceptional losses		
Provision for ex-gratia payment on staff restructuring	(46.2)	(23.5)
Impairment of AFS investment	(6.6)	-
	(52.8)	(23.5)
	102.2	(18.4)

5. SHARE OF EXCEPTIONAL ITEMS OF ASSOCIATES AND JOINT VENTURES

Group	30 Jun 12 S\$ Mil (Unaudited)	30 Jun 11 S\$ Mil (Unaudited)
Share of AIS' post-tax profits (Jan - Mar 2011)	-	54.6
Write-back of provisions	-	7.2
Share of Globe's accelerated depreciation (post-tax)	(10.2)	-
	(10.2)	61.8

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2012***6. INTEREST AND INVESTMENT INCOME (NET)**

Group	30 Jun 12 S\$ Mil (Unaudited)	30 Jun 11 S\$ Mil (Unaudited)
Interest income from		
- bank deposits	3.7	8.9
- others	8.1	0.1
	11.8	9.0
Gross dividends from AFS investments	1.7	1.0
Fair value losses on hedging instruments	(0.4)	(2.6)
Fair value gains/ (losses) on fair value hedges		
- hedged item	162.0	100.2
- hedging instrument	(162.0)	(100.2)
	-	-
Net exchange gains/ (losses) - non-trade related	3.3	(4.3)
	16.4	3.1

7. FINANCE COSTS

Group	30 Jun 12 S\$ Mil (Unaudited)	30 Jun 11 S\$ Mil (Unaudited)
Interest expense on		
- bonds	69.7	102.8
- bank loans	12.1	1.3
- others	7.4	4.2
	89.2	108.3
Less: Amounts capitalised	(3.0)	-
	86.2	108.3
Effects of hedging using interest rate swaps	(0.3)	(14.4)
Unwinding of discounts (including adjustments)	1.5	2.0
	87.4	95.9

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2012***8. TAX EXPENSE**

Group	30 Jun 12 S\$ Mil (Unaudited)	30 Jun 11 S\$ Mil (Unaudited)
Current and deferred tax expense attributable to current period's profits	193.5	202.7
Recognition of deferred tax asset on other temporary differences ⁽¹⁾	(31.6)	(32.7)
Current and deferred tax adjustments in respect of prior years	<u>1.6</u>	<u>(0.4)</u>
	<u>163.5</u>	<u>169.6</u>

Note:

(1) This relates to deferred tax asset recognised on interest expense arising from inter-company loans.

9. OTHER INCOME STATEMENT ITEMS

Group	30 Jun 12 S\$ Mil (Unaudited)	30 Jun 11 S\$ Mil (Unaudited)
Impairment of trade receivables	17.5	22.1
Allowance for inventory obsolescence	<u>4.1</u>	<u>0.9</u>

10. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

Group	30 Jun 12 '000 (Unaudited)	30 Jun 11 '000 (Unaudited)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	15,929,223	15,927,392
Adjustment for dilutive effect of share options	-	4,281
Adjustment for dilutive effect of SingTel Performance Share Plan	<u>40,252</u>	<u>41,513</u>
Weighted average number of ordinary shares for calculation of diluted earnings per share	<u>15,969,475</u>	<u>15,973,186</u>

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

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2012***11. GROUP'S BORROWINGS AND DEBT SECURITIES**

Group	30 Jun 12 S\$ Mil (Unaudited)	31 Mar 12 S\$ Mil (Audited)
Unsecured borrowings		
Repayable within one year	105.7	105.8
Repayable after one year	8,376.0	8,470.4
	8,481.7	8,576.2
Secured borrowings		
Repayable within one year	32.7	25.3
Repayable after one year	204.5	192.3
	237.2	217.6
	8,718.9	8,793.8

Secured borrowings comprise finance lease liabilities, including lease liabilities in respect of certain assets leased from NetLink Trust.

12. SHARE CAPITAL AND OTHER EQUITY INFORMATION

Group and Company	30 Jun 12	
	Number of shares Mil (Unaudited)	Share capital S\$ Mil (Unaudited)
Balance as at 1 April 2012	15,942.3	2,632.2
Issue of shares on exercise of share options	1.3	1.8
Balance as at 30 June 2012	15,943.6	2,634.0

(a) Changes to share capital

In the current quarter ended 30 June 2012, the Company issued 1,332,000 ordinary shares upon the exercise of 1,332,000 share options under the Singapore Telecom Share Option Scheme 1999 (at exercise price of S\$1.31 per share).

(b) Share options

There were no outstanding share options under the Singapore Telecom Share Option Scheme 1999 which expired in May 2012.

(c) Performance shares

As at 30 June 2012, the number of outstanding performance shares under the SingTel Performance Share Plan was 57,998,661 (31 March 2012: 66,889,497).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2012***13. NET ASSET VALUE**

	Group		Company	
	As at		As at	
	30 Jun 12	31 Mar 12	30 Jun 12	31 Mar 12
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value per ordinary share	147.75¢	147.08¢	102.84¢	61.77¢

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

14. CONTINGENT LIABILITIES**(a) Guarantees**

As at 30 June 2012,

- (i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S\$563.5 million and S\$417.4 million (31 March 2012: S\$572.8 million and S\$413.2 million) respectively.
 - (ii) The Company provided guarantees for loans of S\$850 million (31 March 2012: S\$1.55 billion) drawn down under various loan facilities entered into by SingTel Group Treasury Pte. Ltd. ("**SGT**") with maturities between September 2012 and June 2014. The Company also provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$3.28 billion due between July 2016 and September 2021.
 - (iii) The Company provided a guarantee for US\$90 million (S\$115 million) (31 March 2012: US\$90 million) on a proportionate share basis in respect of a loan obtained by an associate (refer to **Note 16** on page 19).
- (b)** SingTel is in dispute with OpenNet Pte Ltd, an associated company in which the Group has 30% equity interest, with respect to SingTel's contractual obligations as a key sub-contractor under various agreements between the parties. Both parties are currently in discussions to resolve the disputes through the dispute resolution process under the agreements and may refer the disputes to arbitration.
- (c)** Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first quarter ended 30 June 2012

15. CONTINGENT LIABILITIES OF JOINT VENTURES

- (a) Bharti Airtel Limited ("**Airtel**"), a 32.3% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

As at 30 June 2012, the taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately INR 58.7 billion (SingTel's equity share: S\$428 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Nigeria B.V. ("**ANBV**"), a 100% owned indirect subsidiary of Airtel, has 65.7% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

Econet Wireless Limited ("**EWL**") has claimed for entitlement to a 5% stake in ANL in 2004 and a claim alleging breach of a shareholders agreement between EWL and former shareholders of ANL in 2006. ANL and ANBV have filed appeals in Nigerian Federal and State High Courts on both matters.

Airtel is defending its positions vigorously. Under the terms of the acquisition by Airtel of these assets from Zain International B.V. in 2010, Airtel has the benefit of seller's indemnities in respect of such matters.

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

Revenue share disputes arising from abolishment of excise tax

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

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

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

TOT's demand for additional revenue share

On 26 January 2011, TOT sent a letter demanding AIS to pay additional revenue share based on gross interconnection income received from 2007 to 2010 of THB 17,803 million (SingTel's equity share: S\$166 million) plus interest at the rate of 1.25% per month. AIS sent a letter opposing the said claim to TOT on 21 February 2011. On 9 March 2011, AIS submitted the dispute to arbitration.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first quarter ended 30 June 2012

15. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)TOT's demand for access charge

On 9 May 2011, TOT submitted a case to the Central Administrative Court against CAT as first defendant and DPC as second defendant demanding access charge amounting to THB 2,954 million (SingTel's equity share: S\$28 million) plus interest. This case is pending.

AIS' management believes that the case has no material impact to its financial statements because DPC has correctly and fully complied with the law and the relevant agreements in all respects.

- (c) Globe Telecom, Inc. ("**Globe**"), a 47.3% joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on the Globe Group's financial position and results of operations.

- (d) As at 30 June 2012, Telkomsel, a 35% joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 1,523 billion (SingTel's equity share: S\$72 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which are not presently determinable.

16. ASSOCIATE- PROPOSED RESTRUCTURING OF LOAN FACILITIES

Warid Telecom (Private) Limited ("**Warid**"), an associate in which the Group has 30% equity interest, is currently in discussions with its lenders in relation to a proposed restructuring of its loan facilities. As at 30 June 2012, the outstanding principal amounted to approximately US\$742 million, net of hedging, and was secured by a floating charge on Warid's assets. In addition, US\$90 million of these loan facilities was guaranteed by SingTel (see **Note 14 (a)(iii)**) and US\$512 million was secured by guarantees of the other shareholder group of Warid. SingTel received a guarantee call of US\$30.3 million which has not been met as restructuring discussions between Warid, its shareholders and the lenders are on-going.

17. GROUP SEGMENT INFORMATION

Segment information is presented based on the information reviewed by the chief operating decision maker for performance measurement and resource allocation.

For the first quarter ended 30 June 2012, the Group's reportable segments is prepared as follows -

Singapore – represent the services and products provided by SingTel and its subsidiaries (excluding Optus).

Australia – represent the services and products provided by Optus, a wholly-owned subsidiary of the Group domiciled in Australia.

Associates & Joint Ventures (“Assoc & JV”) – represent the Group's investments in associates and joint ventures which mainly comprised AIS in Thailand, Airtel in India, Globe in the Philippines, and Telkomsel in Indonesia.

The main services and products provided in both Singapore and Australia are mobile communications, data and Internet, national telephone, information technology and engineering, sale of equipment, international telephone and pay television.

Segment results represent operating revenue less expenses. Corporate costs represent the costs of the Group function not allocated to the reportable operating segments.

Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, and inventories. Assets held at corporate level include cash and bank balances, fixed deposits and AFS investments.

17. GROUP SEGMENT INFORMATION (Continued)*For the first quarter ended 30 June 2012*

Group - 2012 (Unaudited)	Singapore S\$ Mil	Australia S\$ Mil	Assoc & JV S\$ Mil	Elim S\$ Mil	Group Total S\$ Mil
Operating revenue	1,674.0	2,859.0	-	-	4,533.0
Segment results	372.1	326.7	-	-	698.8
Other income	9.4	16.1	-	-	25.5
Profit before exceptional items	381.5	342.8	-	-	724.3
Exceptional items	112.6	(10.4)	-	-	102.2
Profit on operating activities	494.1	332.4	-	-	826.5
Share of results of associates and joint ventures					
- Airtel	-	-	57.6	-	57.6
- Telkomsel	-	-	180.8	-	180.8
- Globe	-	-	31.6	-	31.6
- AIS	-	-	82.1	-	82.1
- Others	-	-	1.9	-	1.9
	-	-	354.0	-	354.0
Profit before interest, investment income (net) and tax	494.1	332.4	354.0	-	1,180.5
Interest and investment income (net)	13.3	3.1	-	-	16.4
Finance costs	(38.5)	(48.9)	-	-	(87.4)
Profit before tax	468.9	286.6	354.0	-	1,109.5
Segment assets					
Investment in associates and joint ventures					
- Airtel	-	-	4,257.5	-	4,257.5
- Telkomsel	-	-	3,055.2	-	3,055.2
- Globe	-	-	1,082.1	-	1,082.1
- AIS	-	-	699.4	-	699.4
- Others	-	-	378.8	-	378.8
	-	-	9,473.0	-	9,473.0
Goodwill on acquisition of subsidiaries	387.7	9,573.5	-	-	9,961.2
Other assets	8,502.4	17,404.4	-	(5,094.5)	20,812.3
	8,890.1	26,977.9	9,473.0	(5,094.5)	40,246.5

17. GROUP SEGMENT INFORMATION (Continued)*For the first quarter ended 30 June 2012*

Group - 2011 (Unaudited)	Singapore S\$ Mil	Australia S\$ Mil	Assoc & JV S\$ Mil	Elim S\$ Mil	Group Total S\$ Mil
Operating revenue	1,557.3	3,047.9	-	-	4,605.2
Segment results	399.6	352.2	-	-	751.8
Other income	13.0	18.1	-	-	31.1
Profit before exceptional items	412.6	370.3	-	-	782.9
Exceptional items	5.1	(23.5)	-	-	(18.4)
Profit on operating activities	417.7	346.8	-	-	764.5
Share of results of associates and joint ventures					
- Airtel	-	-	103.1	-	103.1
- Telkomsel	-	-	156.9	-	156.9
- Globe	-	-	34.1	-	34.1
- AIS	-	-	107.8	-	107.8
- Others	-	-	13.1	-	13.1
	-	-	415.0	-	415.0
Profit before interest, investment income (net) and tax	417.7	346.8	415.0	-	1,179.5
Interest and investment income (net)	(4.0)	7.1	-	-	3.1
Finance costs	(51.8)	(44.1)	-	-	(95.9)
Profit before tax	361.9	309.8	415.0	-	1,086.7
Segment assets					
Investment in associates and joint ventures					
- Airtel	-	-	5,177.8	-	5,177.8
- Telkomsel	-	-	2,976.3	-	2,976.3
- Globe	-	-	1,024.3	-	1,024.3
- AIS	-	-	356.9	-	356.9
- Others	-	-	513.2	-	513.2
	-	-	10,048.5	-	10,048.5
Goodwill on acquisition of subsidiaries	81.9	9,577.7	-	-	9,659.6
Other assets	8,287.6	15,772.7	-	(3,765.8)	20,294.5
	8,369.5	25,350.4	10,048.5	(3,765.8)	40,002.6

17. GROUP SEGMENT INFORMATION (Continued)

For the first quarter ended 30 June 2012

From 1 April 2012, SingTel Group is restructured into three business segments, namely Group Consumer, Group Infocomm Technology (“ICT”) and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the regional associates and joint ventures in the emerging markets. It focuses on driving more value from the core carriage business including mobile, fixed and satellite telecommunications as well as equipment sales.

Group ICT comprises the business groups across Singapore and Australia and focuses on growing the Group’s position in the enterprise markets. Key services rendered included IT & Engineering, Managed Services, local and international leased circuits and mobile.

Group Digital Life focuses on developing new digital growth engines for existing customers and disrupting adjacent industries. It includes pay TV, e-commerce, concierge and hyper-local services, and mobile advertising.

Separate financial information on new business segments in accordance with FRS 108 *Operating Segments* will be disclosed when the requirements of FRS 108 are met after transition period.

Revenues for each of the new business segments are set out below:

Group	30 Jun 12 S\$ Mil (Unaudited)
Group Consumer	2,837.0
Group ICT	1,614.1
Group Digital Life	81.9
	4,533.0

18. DIVIDENDS

No dividends have been recommended in the current quarter ended 30 June 2012. No dividends were recommended or declared for the same period last year.

OTHER INFORMATION

- 19.** The financial position as at 30 June 2012 and the results and cash flows for the first quarter ended 30 June 2012 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP in accordance with the *Singapore Standard on Review Engagements 2410 ("SSRE 2410") – Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (see review opinion on page 26 of this announcement).

20. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the first quarter ended 30 June 2012.

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

Please refer to the Management Discussion and Analysis of the Group for the first quarter ended 30 June 2012.

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

Please refer to the Management Discussion and Analysis of the Group for the first quarter ended 30 June 2012.

23. SUBSEQUENT EVENT

On 20 July 2012, Optus received the Australian Competition and Consumer Commission (ACCC)'s final approval of the agreement with NBN Co to migrate Optus Hybrid Fibre Coaxial (HFC) cable customers to the National Broadband Network. The large-scale migration of customers to the NBN infrastructure is expected to commence in 2014, with payments from NBN Co to be received progressively on customer migration. The program is expected to be completed by 2018 across Optus' entire HFC footprint.

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the interim financial information for the first quarter ended 30 June 2012 to be false or misleading.

On behalf of the Board of Directors

Fang Ai Lian
Chairman of Audit Committee

Chua Sock Koong
Director

Singapore
13 August 2012

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

Dear Sirs

**SINGAPORE TELECOMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE FIRST
QUARTER ENDED 30 JUNE 2012**

Introduction

We have reviewed the accompanying statement of financial position of Singapore Telecommunications Limited (“SingTel” or the “Company”) as of 30 June 2012 and statement of changes in equity of the Company for the First Quarter then ended, the statement of financial position of Singapore Telecommunications Limited and its subsidiary companies (the “Group”) as of 30 June 2012 and related income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the First Quarter then ended, selected notes and other explanatory notes (“interim financial information”).

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

Scope of Review

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

Conclusion

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

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
13 August 2012