

Financial Results Presentation

Q2 FY13: Quarter ended 30 September 2012



14 November 2012
Chua Sock Koong
Group CEO

Forward looking statement – important note

The following presentation contains forward looking statements by the management of Singapore Telecommunications Limited ("SingTel"), relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of SingTel. In particular, such targets should not be regarded as a forecast or projection of future performance of SingTel. It should be noted that the actual performance of SingTel may vary significantly from such targets.

“S\$” means Singapore dollars and "A\$" means Australian dollars unless otherwise indicated. Any discrepancies between individual amounts and totals are due to rounding.



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Stable earnings – strong performance from Singapore & Associates offset higher depreciation and acquisitions

Group performance	Revenue › stable	S\$4,572m	Underlying net profit › stable	S\$886m
			Depreciation › up 8%	S\$535m
Singapore¹	Revenue › up 4%	S\$1,672m	EBITDA › up 2%	S\$541m
Optus	Revenue › down 4%	A\$2,239m	EBITDA › stable	A\$560m
Regional Mobile	Customers² › up 11%	468 m	Pre-tax earnings³ › up 17% › up 26% in constant currency	S\$549m

1. Singapore refers to the Group operations but excludes Optus and the Associates

2. Group mobile subscribers, including SingTel, Optus and Regional Mobile Associates

3. Based on the Group's share of Regional Mobile Associates profit before tax and exceptionals

Q2 FY13: Growth in EBITDA and strong Associates' contribution

	3 months to Sep 12	3 months to Sep 11	YoY % change	3 months to Jun 12	Sequential % change
Operating revenue	4,572	4,610	(0.8%)	4,533	0.9%
EBITDA	1,267	1,249	1.4%	1,243	1.9%
- margin	27.7%	27.1%		27.4%	
Associates pre-tax earnings ¹	574	498	15.2%	506	13.3%
EBITDA & share of associates' pre-tax earnings	1,840	1,747	5.3%	1,749	5.2%
Depreciation & amortisation	(535)	(494)	8.2%	(518)	3.2%
Net finance expense	(86)	(72)	18.4%	(71)	20.7%
Exceptional Items	(26)	(4)	N.M.	88	N.M.
Pre-tax profit	1,194	1,177	1.4%	1,247	(4.3%)
Tax	(326)	(296)	10.0%	(301)	8.2%
Net profit	868	882	(1.6%)	945	(8.2%)
Underlying net profit	886	885	0.1%	850	4.2%

1. Excludes exceptionals

1H FY13: Resilient earnings amid adverse currency movements

	6 months to Sep 12	6 months to Sep 11	YoY % change
Operating revenue	9,105	9,215	(1.2%)
EBITDA	2,509	2,534	(1.0%)
- margin	27.6%	27.5%	
Associates pre-tax earnings ¹	1,080	998	8.2%
EBITDA & share of associates' pre-tax earnings	3,589	3,539	1.4%
Depreciation & amortisation	(1,053)	(996)	5.8%
Net finance expense	(157)	(165)	(5.1%)
Exceptional Items	62	58	7.6%
Pre-tax profit	2,441	2,436	0.2%
Tax	(627)	(638)	(1.7%)
Net profit	1,813	1,798	0.9%
Underlying net profit	1,736	1,758	(1.3%)

1. Excludes exceptionals

Group Q2 FY13 highlights

Group

- › Interim dividend per share

6.8¢

Group Consumer

Revenue
S\$2,864m

- › Optus rationalised distribution channels & investing in branded channels
- › AIS won 3G spectrum on 2.1GHz



Group Enterprise

Revenue
S\$1,611m

- › Singapore's largest all-in-one online SME community – attracts 500,000 site visits per month

myBusiness

Group Digital Life

Revenue
S\$97m






- › mio TV added 40 new channels – now more than 110 channels
- › Secured BPL broadcast rights till 2016
- › Acquired US-based social photo aggregator

FOX | INTERNATIONAL CHANNELS



ixable

Foreign exchange movements

Currency	Quarter ended 30 September 2012			Half-year ended 30 September 2012	
	Exchange rate ¹	Appreciation / (depreciation) against S\$		Exchange rate ¹	Appreciation / (depreciation) against S\$
		YoY	QoQ		
1 AUD ² 	S\$1.2953	0.6%	1.4%	S\$1.2860	(1.2%)
INR 	44.2	(18.5%)	(3.5%)	43.6	(18.8%)
IDR 	7,634	(8.4%)	(3.8%)	7,501	(7.2%)
PHP 	33.6	3.4%	0.6%	33.7	3.2%
THB 	25.1	(2.0%)	(1.2%)	24.9	(1.6%)

1. Average exchange rates for the quarter and half-year ended 30 September 2012

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

Trends in constant currency terms¹

3 months to Sep 12	2Q FY13 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX)¹
Group revenue	4,572	(0.8%)	(1.2%)
Group underlying NPAT	886	0.1%	2.9%
Optus revenue	2,900	(3.6%)	(4.2%)
Regional Mobile Associates pre-tax earnings ²	549	16.6%	25.8%

6 months to Sep 12	1H FY13 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX)¹
Group revenue	9,105	(1.2%)	(0.4%)
Group underlying NPAT	1,736	(1.3%)	1.7%
Optus revenue	5,759	(4.9%)	(3.7%)
Regional Mobile Associates pre-tax earnings ²	1,033	9.5%	17.2%

1. Assuming constant exchange rates from corresponding periods in FY2012

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



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Singapore: broad-based revenue growth

Q2 FY13	Revenue S\$m	YoY Change	Highlights
Total revenue	1,672	+4%	
Mobile	487	+2%	> strong customer growth offsets lower roaming revenues
Data & Internet	412	+3%	> growth in Managed Services > increase in fibre customers
IT & Engg	385	+5%	> strong NCS revenue growth > lower fibre rollout revenue
Sale of equipment	80	+12%	> demand for smartphones and tablets

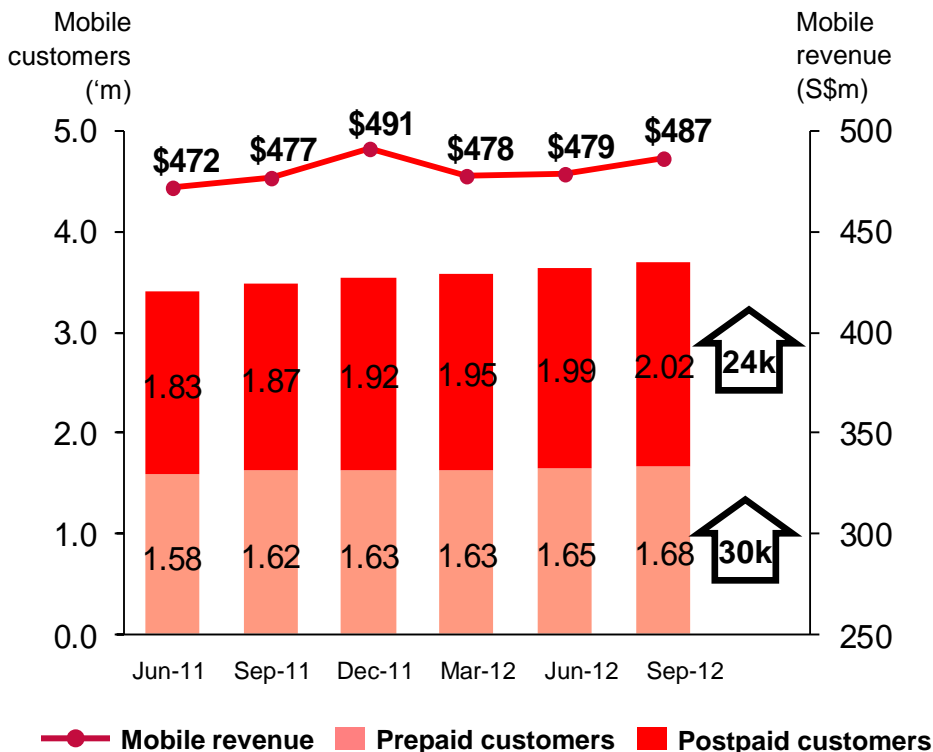
Mobile: continued market share gain

Mobile revenue growth **\$487m**

> up 2%

Market share

46.6%¹



Postpaid ARPU

\$80

- > reported ARPU down 6%
- > down 4% excluding data-only SIMs

Wireless BB subs up 32%²

1.4m

Total data as % of ARPU

41%

- > 20% non-SMS data

Subscriber acquisition cost

\$289

- > down 4% YoY

1. Market share as at 30 September 2012; based on Telco operators' published results.

2. Mobile subscribers who registered for monthly mobile broadband data subscription plans, including data packs attached to voice services

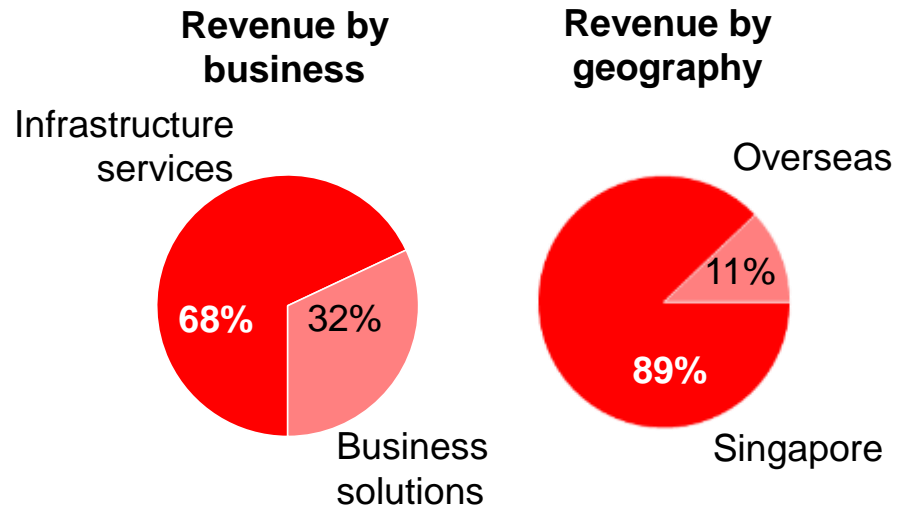
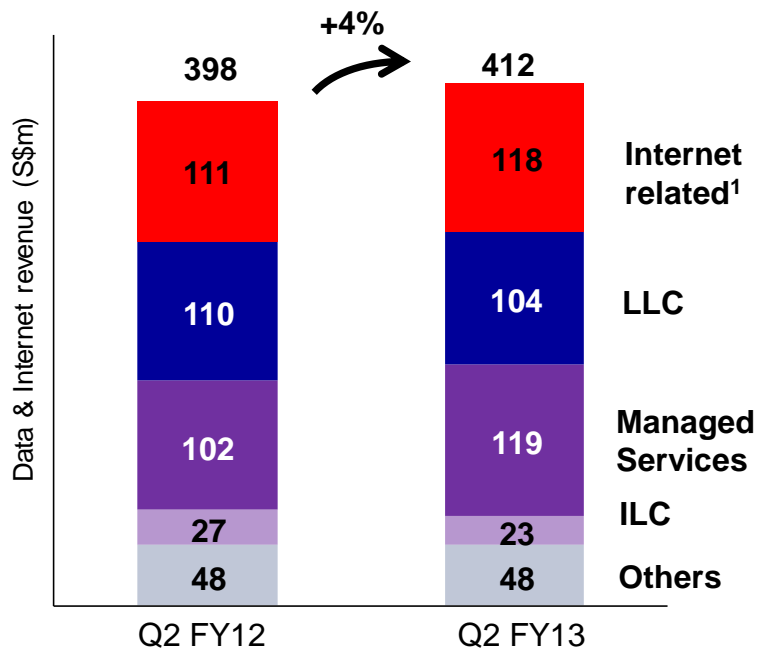
Data: Driving growth in Managed Services and ICT solutions

Data & Internet revenue S\$412m

> up 3%

NCS Group revenue S\$360m

> up 11%



NCS Group order book² S\$2.1b

1. Include residential broadband revenue of S\$57m for Q2 FY13 (Q2 FY12: S\$50m).

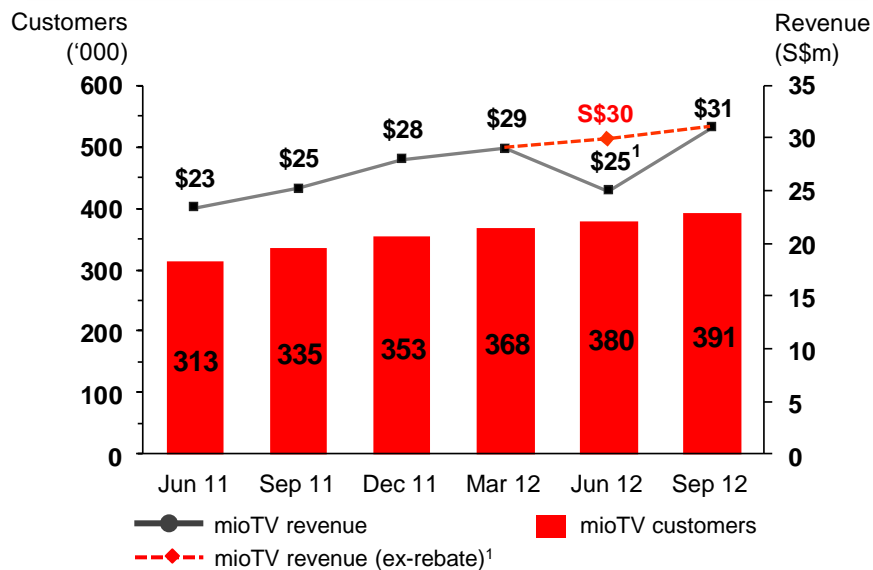
Leading the digital revolution

mio TV revenue

> up 24%

S\$31m

Growing our digital presence



Fibre customers³

> up 31k

136k

News service on iPad & iPhones



New mio TV content



mio TV customers

> up 11k

391k

Customers on bundles²

> up 9k

328k

1. mio TV rebate of S\$5m in quarter ended 30 June 2012

2. Bundled plans comprised mio Plan (mobile, fixed broadband & fixed voice), mio Home & exPlore Home (mio TV, fixed broadband & fixed voice)

3. Refers to residential and corporate subscriptions to broadband Internet services using optical fibre networks

Growth in EBITDA

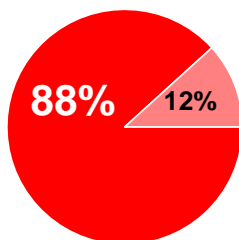
EBITDA up 2% S\$541m

- > up 5% to S\$556m excl Amobee & NetLink Trust

Operating expenses +6%

- > up 3% excl Amobee & NetLink Trust

Telco EBITDA¹
S\$478m



IT & Engg EBITDA
S\$64m

Telco EBITDA¹ S\$478m

- > up 2%
- > EBITDA margin 37.1%

IT & Engineering EBITDA S\$64m

- > up 7%
- > EBITDA margin 16.5%

Selling & Admin +11%

- > strong customer recontracts
- > outsourced maintenance cost
- > consolidation of Amobee

Cost of sales +1%

- > stable as mass fibre roll-out reached 95%

Staff costs +6%

- > annual salary increments
- > additional staff from acquisitions

Traffic expenses -2%

- > lower roaming outpayments



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Optus: stable EBITDA amid industry slowdown

Q2 FY13	A\$m	YoY Change	Highlights
Total revenue	A\$2,239m	-4%	<ul style="list-style-type: none"> > increased focus on customer experience and yield
Mobile	A\$1,432m	-5%	<ul style="list-style-type: none"> > lower incoming termination rates and equipment shipments > impact of DRP¹ service credits
Business & Wholesale Fixed	A\$505m	-1%	<ul style="list-style-type: none"> > higher ICT & Managed Services revenue partially offset declines in voice and data & IP revenues
Consumer & SMB Fixed	A\$302m	-6%	<ul style="list-style-type: none"> > lower on-net broadband ARPU
Total EBITDA	A\$560m	Stable	<ul style="list-style-type: none"> > margin: 25% (Q2 FY12: 23.9%)

1. Device repayment plans

Mobile: improved EBITDA despite lower revenue

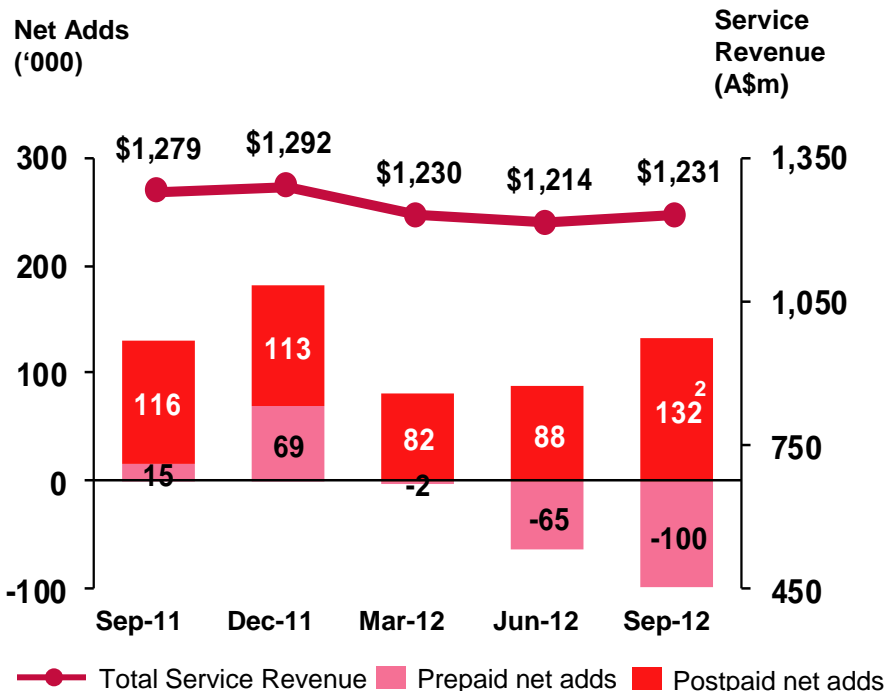
Total revenue

-\$77m

- > MTR decline -\$46m
- > Equipment -\$30m
- > DRP¹ credits -\$25m

Lower SAC increases EBITDA by 1%

- > EBITDA margin up 1ppt to 26%



Postpaid

- > ARPU **A\$59**
 - down 12%
- > Net adds **+132k²**
- > Retail churn **1.6%**
 - down from 1.7% in June 2012 quarter
- > SAC **A\$315**
 - down 23% YoY and down 6% QoQ

Prepaid

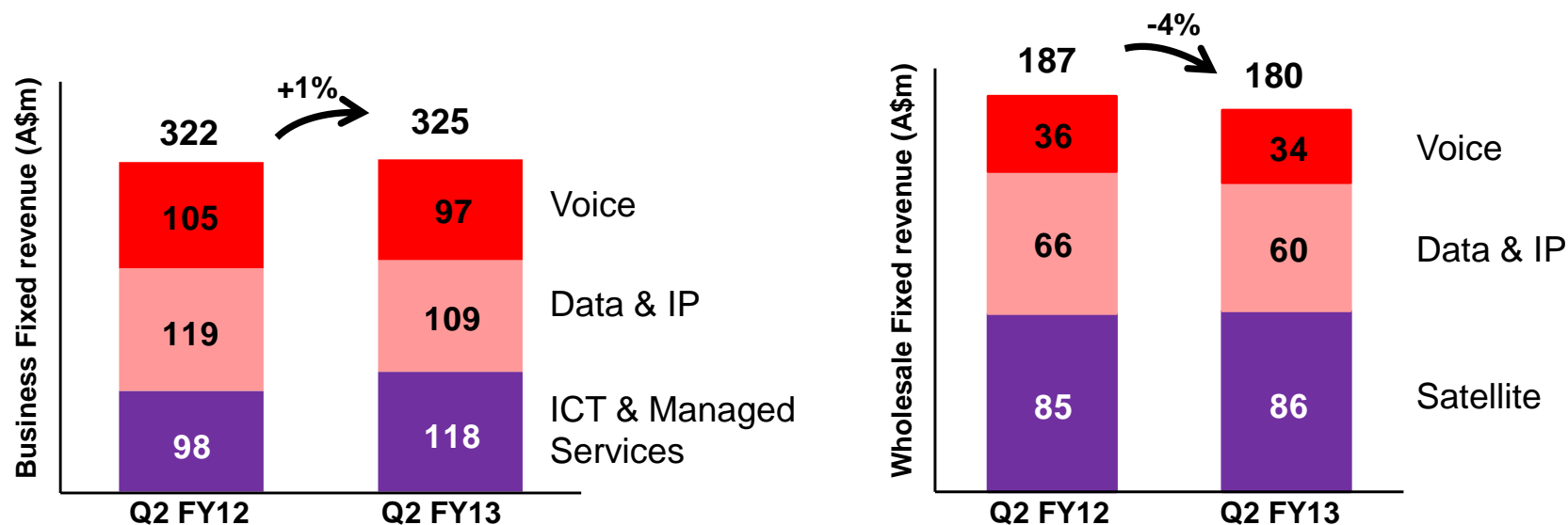
- > ARPU **A\$23**
 - down 2%
- > Net adds **-100k**
- > SAC **A\$19**
 - down 49% YoY and down 24% QoQ

1. Device repayment plans
 2. Includes 60k Vividwireless customers acquired

Business & Wholesale Fixed: stable EBITDA

Business: growth in ICT & Managed Services

Wholesale: price competition drives lower Data & IP revenue



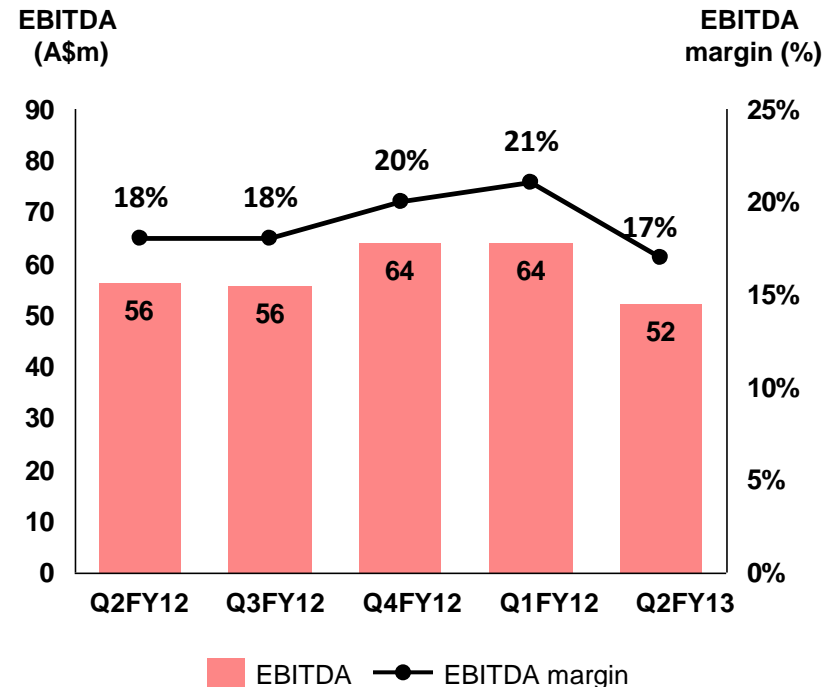
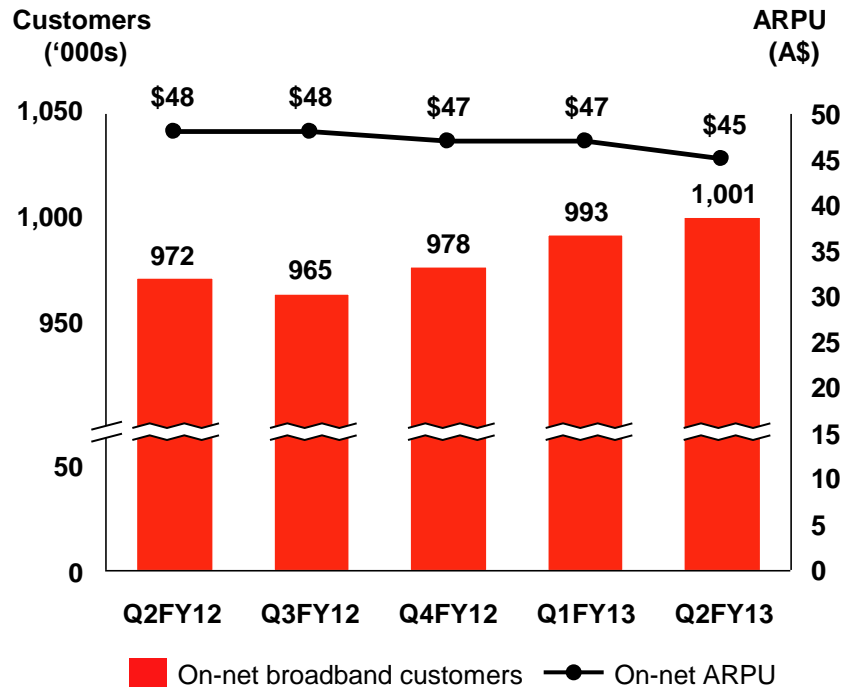
EBITDA **Stable**

> EBITDA margin stable at 25%

Consumer & SMB Fixed: EBITDA margin impacted by lower ARPU and higher selling costs

Over 1 million on-net broadband customers

Lower ARPU and higher selling costs impact margin



EBITDA -8%

› EBITDA margin down 1 ppt to 17%

Restructuring for greater efficiency and competitiveness

Operating expenses	-6%
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Key initiatives

Selling & Admin -11%
› reduction in subsidy levels

Cost of sales -1%
› lower mobile equipment costs

Traffic expenses -6%
› reduced interconnect costs

Staff costs +5%
› no incentive accrual in Q2FY12

› **Optimising acquisition and retention costs**

› **Restructuring workforce**
› increasing staff productivity with approx 10% workforce reduction
› investment in customer-facing roles

› **Restructuring distribution**
› channels rationalisation
› investing in branded channels

Ongoing investment in the network

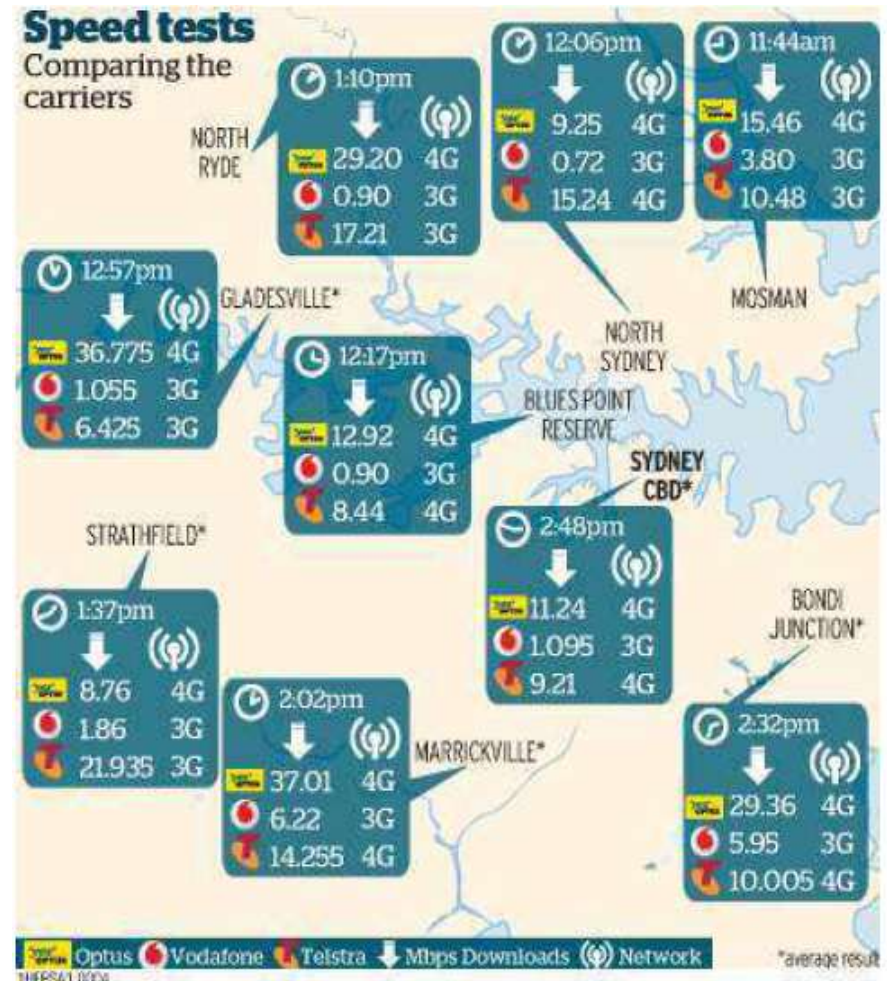
LTE commercial services launched

- › One of only two carriers providing LTE in Australia
- › launched in Sydney, Melbourne, Perth and Newcastle/Hunter region
- › LTE coverage in selected areas of Brisbane and Gold Coast
- › peak speeds up to 60Mbps achieved

900MHz spectrum migration program improves 3G coverage

- › over 3,000 sites upgraded, delivering >90% in-building 3G coverage

“Optus blitzes 4G tests”





the easier way to pay

load money into your mobile. pay for just about anything from utility bills, movie tickets, groceries and restaurants!



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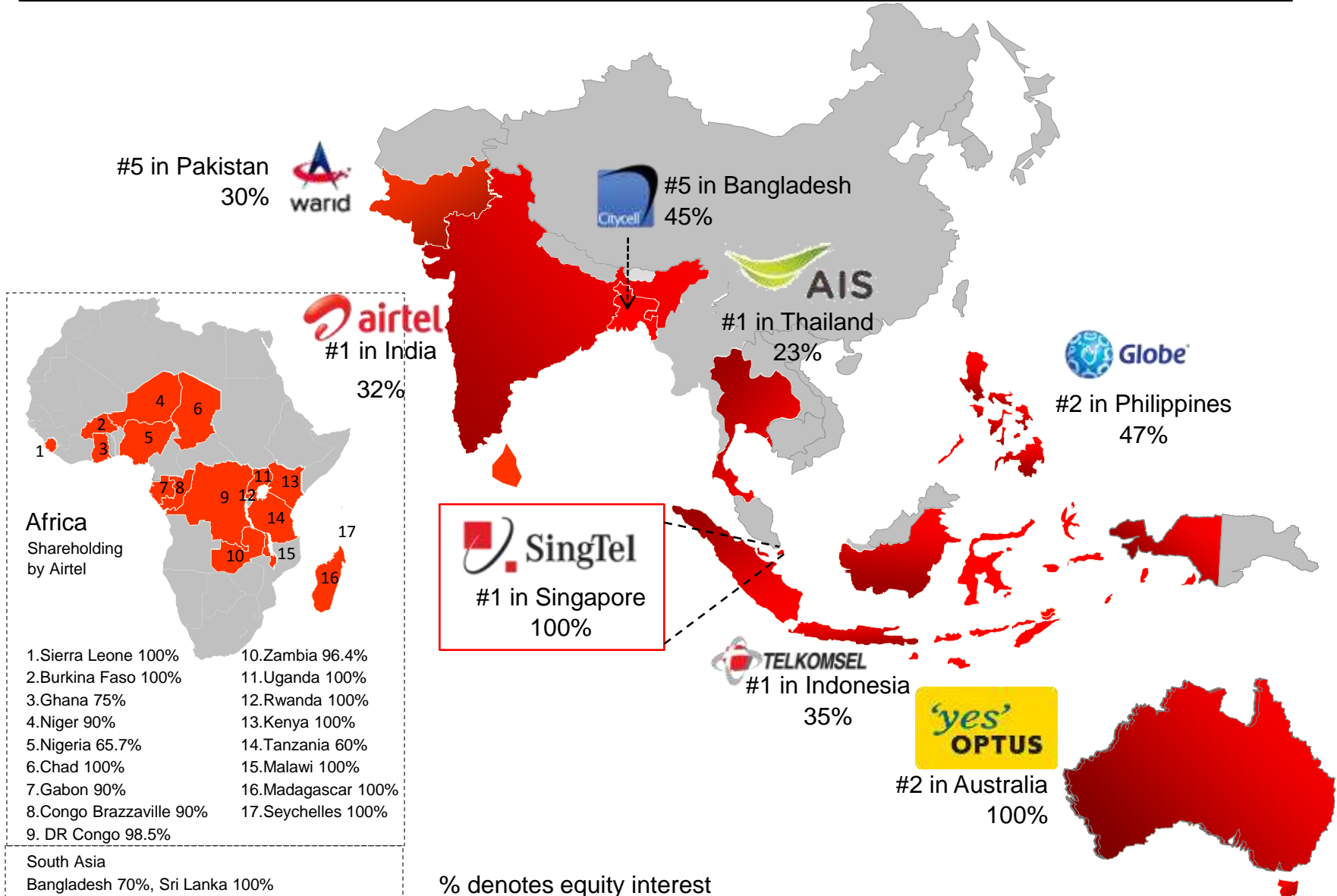
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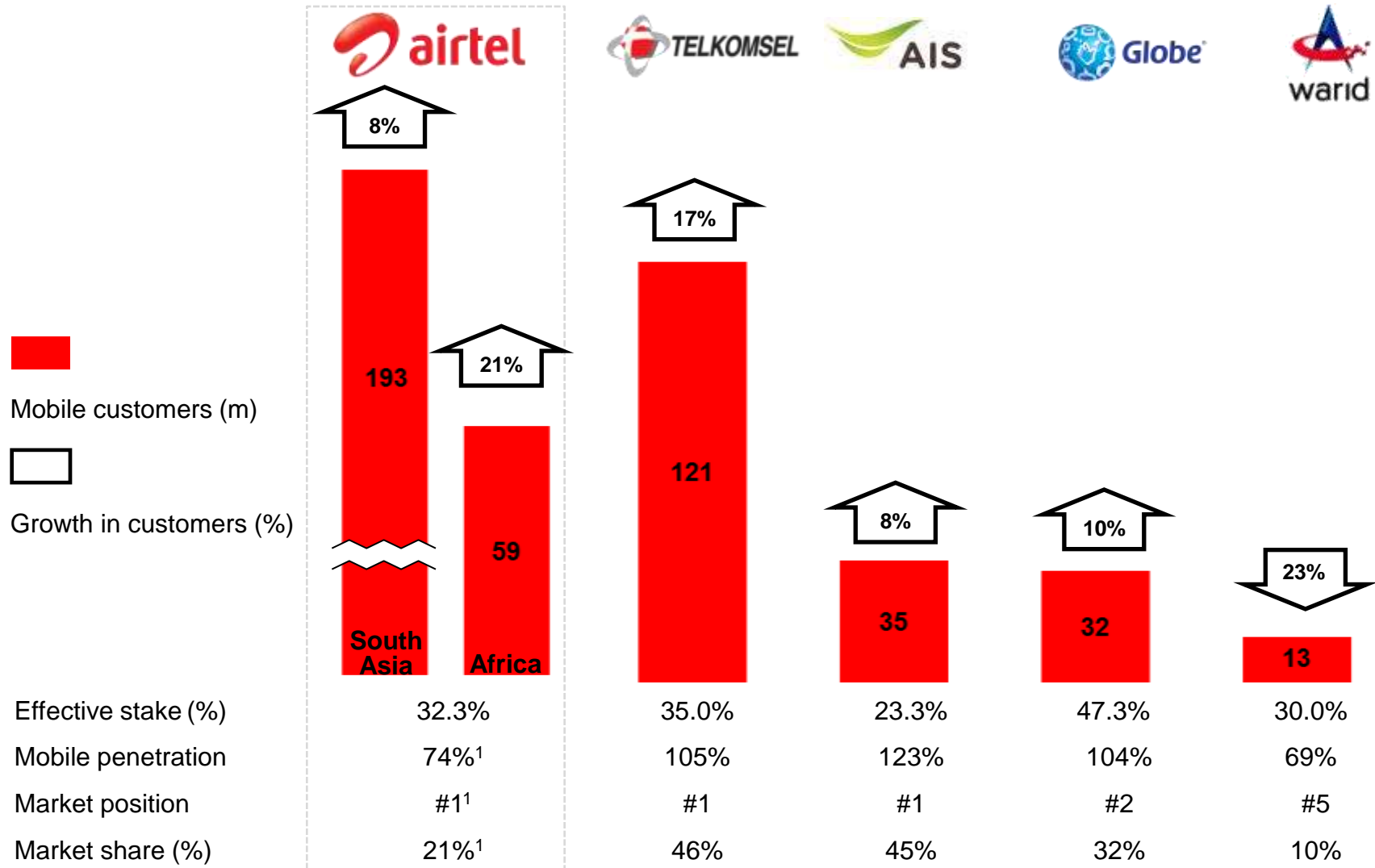
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Significant footprint across Asia & Africa



Growing our Pan-Asia & Africa customer base



1. For India market only

Regional mobile associates – strong performance

Q2 FY13	PBT ¹ (S\$m)	% Change (S\$)	% Change (local curr)	Highlights
Regional Mobile	549	+17%	N.A.	<ul style="list-style-type: none"> › up 26% in constant currency
Telkomsel	271	+16%	+26%	<ul style="list-style-type: none"> › revenue growth across voice, SMS and data › lower depreciation and financing expenses
Airtel	109	-17%	-1%	<ul style="list-style-type: none"> › South Asia: strong revenue growth, partially offset by higher network related costs and access charges › Africa: EBITDA growth driven by robust customer additions and higher average minutes of use
AIS	106	+36%	+39%	<ul style="list-style-type: none"> › continued growth momentum in both voice and data › increased penetration of smart devices and popularity of social networking services
Globe ²	63	+31%	+25%	<ul style="list-style-type: none"> › continued strong take-up for mobile voice and data services despite competitive landscape › sustained growth in broadband customer base

1. Excluding exceptional items – compared to 3 months to Sep 2011. The Group ceased equity accounting for Warid from 1 July 2012

2. Globe's accelerated depreciation arising from network modernisation & IT transformation has been classified as a Group exceptional item



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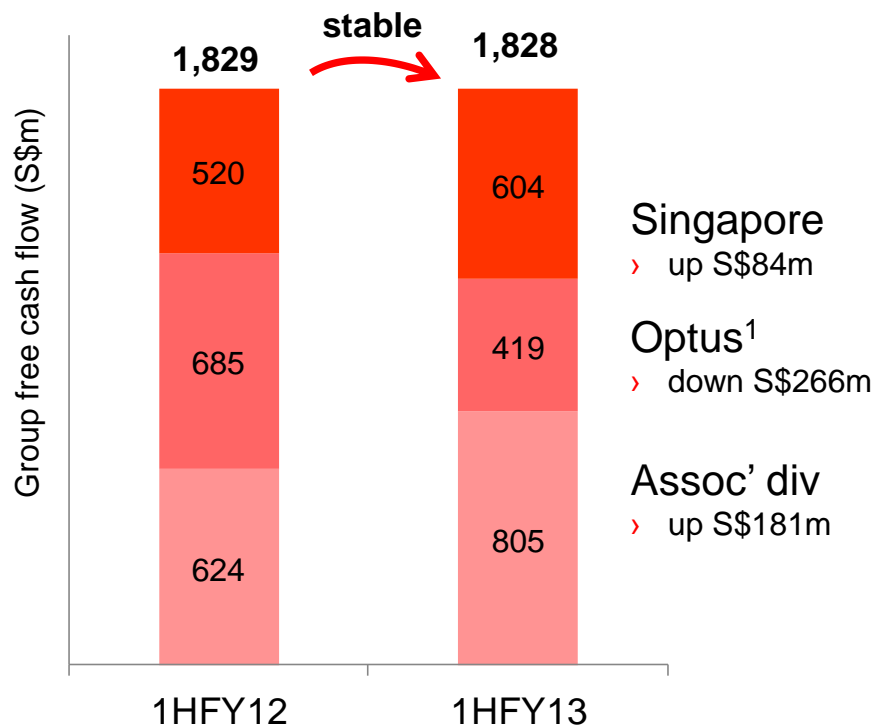
05 // Financial Position & Outlook

Sound financial position

Free cash flow

S\$1,828m

Solid balance sheet



Net debt

S\$8.2b

Net gearing²

26%

Net debt: EBITDA & share of associates' pre-tax profits

1.1x

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

23.2x

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

Moody's rating **Aa3**

1. Reflecting increased receivables for device repayment plans and higher capex

2. Ratio of net debt to net capitalisation, which is the aggregate of net debt, shareholders' funds and minority interests

FY13 Outlook: revised revenue guidance for Australia

Australia¹ : revenue to decline by mid single digit level
: EBITDA to be stable

Singapore¹ : revenue to grow by low single digit level
: EBITDA to be stable

Group revenue² Decline by low single digit level

- **Group Consumer** : decline by mid single digit level
- **Group Enterprise** : grow by low single digit level

Group EBITDA² Stable

Group Free Cash Flow^{2,3}
(excluding dividends from associates) Around S\$2.6 billion

- **Capital expenditure** Singapore: Approx. S\$950 million
Australia: Approx. A\$1.1 billion
- **Ordinary dividends from Regional Mobile Associates** To grow

1. In respective local currencies

2. Using forward exchange rate of A\$1: S\$1.3068 contained in guidance issued in May 2012

3. Operating cash less cash capex

