Financial Results Presentation

Q2 FY14: Quarter ended 30 September 2013

14 November 2013
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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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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.

Agenda

Q2 FY14: stable results despite adverse currency movements

	% change	Group highlights
Operating revenue › **S$4,163m**	**-9%**	› down 3% in constant currency › lower Australia mobile revenue › cautious business environment
EBITDA › **S$1,298m**	**+3%**	› up 9% in constant currency › strong cost management
Regional Mobile Associates' pre-tax earnings[1] › **S$498m**	**-9%**	› up 5% in constant currency and excluding fair value losses
Net profit › **S$870m**	**stable**	› up 7% in constant currency
Underlying net profit › **S$884m**	**stable**	› up 6% in constant currency
Free cash flow › **S$919m**	**-17%**	› higher cash taxes in Australia › timing of dividend receipts from Associates

1. Excluding exceptional items.

Foreign exchange movements

Currency	Quarter ended 30 September 2013			Half-year ended 30 September 2013	
	Exchange rate[1]	(Depreciation) / appreciation against S$		Exchange rate[1]	(Depreciation) / appreciation against S$
		YoY	QoQ		YoY
1 AUD[2]	S$1.1615	(10.3%)	(6.0%)	1.1985	(6.8%)
INR	48.8	(10.4%)	(9.4%)	47.1	(8.0%)
IDR	8,403	(10.1%)	(7.6%)	8,106	(8.1%)
PHP	34.5	(2.7%)	(3.3%)	33.9	(0.6%)
THB	24.8	1.2%	(3.8%)	24.3	2.4%

1. Average exchange rates for the quarter and half-year ended 30 September 2013.
2. Average A$ rate for translation of Optus' operating revenue.

Group Q2 FY14 highlights

Group

- Interim dividend per share — **6.8 cents**
- Increased effective stake back to 32.3%[1]

Group Consumer

Revenue	**EBITDA**
S$2,574m	S$858m
-12%	+4%

- Improved customer satisfaction index across Singapore and Australia
- Partnered Samsung to drive next-gen mobile communications across the Group

Group Enterprise

Revenue	**EBITDA**
S$1,548m	S$498m
-4%	+1%

- Won major customer contracts
- Won industry excellence awards from Frost & Sullivan

A$530m over 5 years

Service Provider of the Year:
- Carrier Ethernet
- Beyond Connectivity
- Telecom Services

Group Digital L!fe

Revenue	**EBITDA**
S$42m	(S$40m)
+44%	-28%

- Amobee's acquisition of Gradient X creates differentiator for digital marketing technology
- AMPed named Editor's Choice[2] in Singapore

1. SingTel's effective stake in Bharti Airtel was diluted following an equity placement in June 2013.
2. By the Straits Times Digital Life.

Strong core earnings growth

	3 months to			6 months to		
	Sep 13	Sep 12	YoY % change	Sep 13	Sep 12	YoY % change
Operating revenue	4,163	4,572	(8.9%)	8,456	9,105	(7.1%)
EBITDA	1,298	1,267	2.5%	2,594	2,509	3.4%
- margin	31.2%	27.7%		30.7%	27.6%	
Associates pre-tax earnings[1]	519	574	(9.6%)	1,090	1,080	0.9%
EBITDA & share of associates' pre-tax earnings	1,817	1,840	(1.3%)	3,691	3,589	2.8%
Depreciation & amortisation	(527)	(535)	(1.6%)	(1,066)	(1,053)	1.2%
Net finance expense	(55)	(86)	(35.5%)	(104)	(157)	(33.5%)
Profit before EI and tax	1,235	1,220	1.3%	2,520	2,379	5.9%
Tax	(350)	(334)	5.0%	(736)	(642)	14.6%
Underlying net profit	884	886	(0.2%)	1,781	1,736	2.6%
Exceptional Items (post tax)	(13)	(18)	(26.7%)	101	77	30.4%
Net profit	870	868	0.3%	1,881	1,813	3.8

1. Excludes exceptionals.

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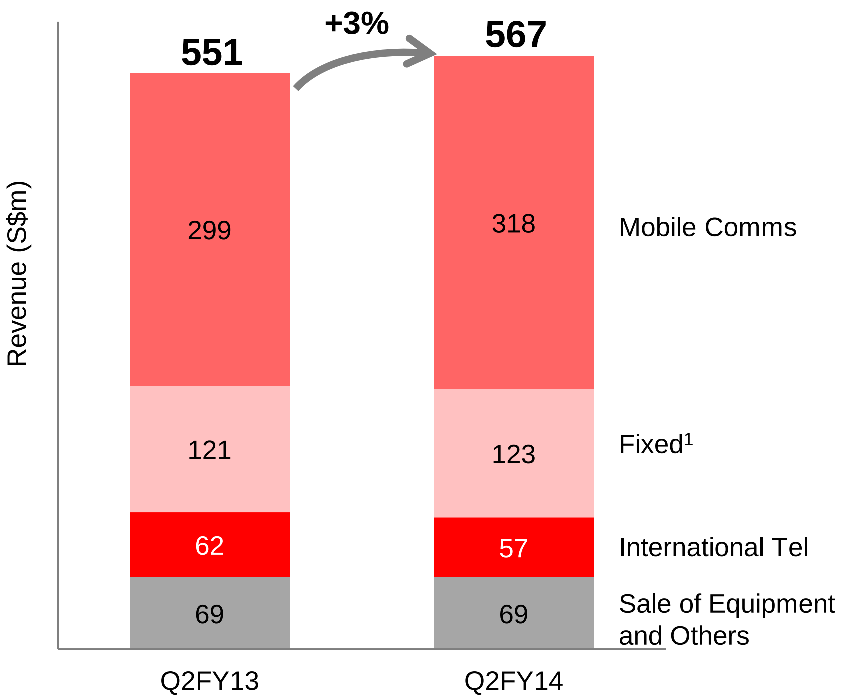
Group Consumer: strong margin uplift

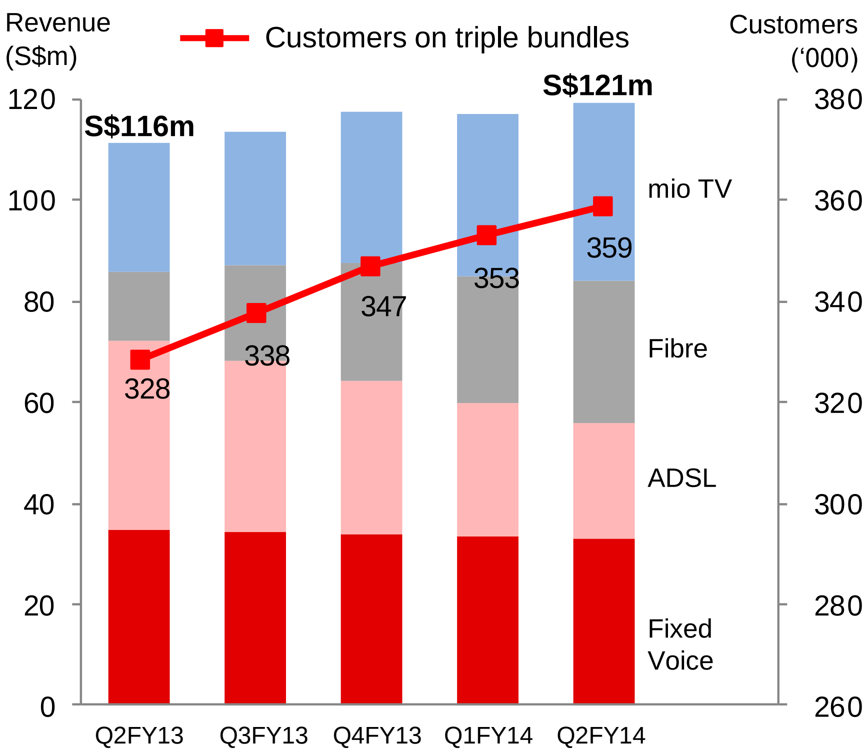
Q2 FY14	Singapore	Australia	
Revenue			
S$2,574m	**S$567m**	**A$1,728m**	› down 5% on constant currency basis › strong performance in Singapore › Australia mobile service revenue declined 5%
-12%	+3%	-6%	
EBITDA			
S$858m	**S$181m**	**A$587m**	› strong cost management › lower handset subsidies
+4%	+6%	+15%	
EBITDA margins			
33.3%	**32.0%**	**34.0%**	› write-back of A$22m provision for base station rentals in Australia › Group Consumer EBITDA margins of 32.3% excluding write-back
+5.2ppts	+1.0ppts	+6.3ppts	
EBIT			
S$510m	**S$124m**	**A$337m**	
+10%	+10%	+23%	

Singapore Consumer: strong momentum in mobile and consumer home services

Revenue **S$567m**
› up 3%

Consumer home revenue **S$121m**
› up 4%





EBITDA **S$181m**
› up 6% on higher revenue & cost management

Household ARPU **S$54**
› up 7%

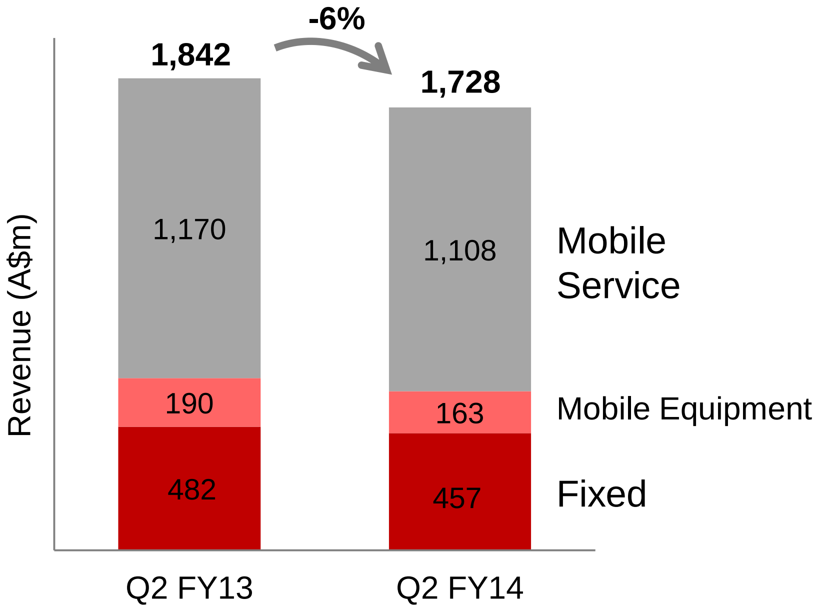
Households on bundles **359k**
› up 10%

1. Fixed services revenue comprises Internet, National Telephone and mio TV.

Australia Consumer: strong EBITDA growth and driving improved customer experience

Revenue **A$1,728m**
› down 6%

EBITDA **A$587m**
› up 15%[2] on lower selling costs



Mobile Service Revenue **down 5%**
› DRP[1] credits -2%
› MTR[1] decline -2%

› market leading My Plan (tiered data):
- 257k customers[3]
- approx 10% penetration of branded postpaid voice customers
- addressing unsustainable breakage revenues

› new roaming plans announced

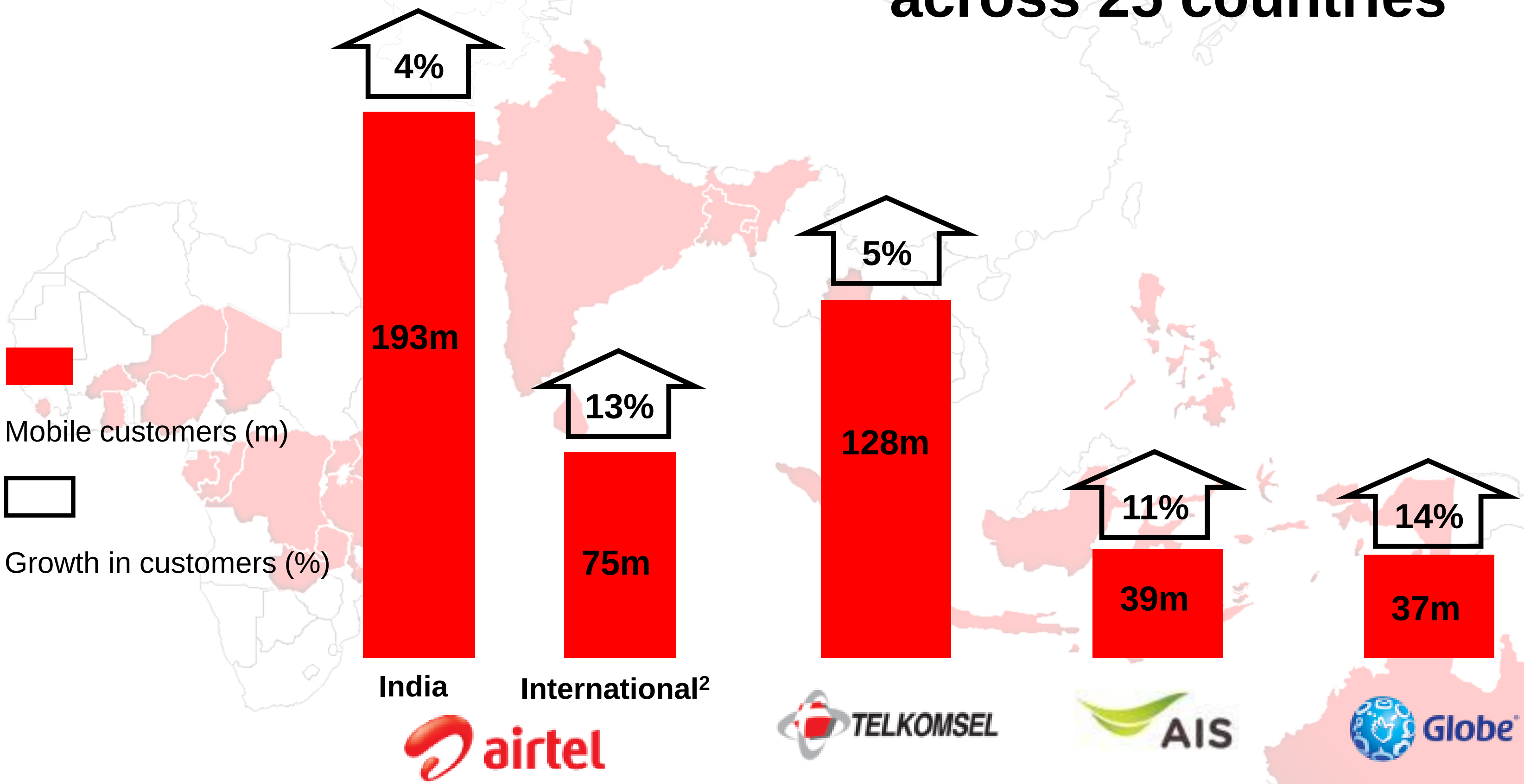
› overall TIO[4] complaints reduced by 36%[5]

1. Device Repayment Plans; Mobile Termination Rates
2. Includes A$22m provision write-back for base station rentals
3. As at 30 September 2013
4. Telecommunications Industry Ombudsman
5. For the 12 months ended 30 June 2013

Regional mobile associates – customer growth

486 million mobile customers[1]…

across 25 countries



1. Group mobile subscribers, including SingTel, Optus, and Regional Mobile Associates. Excludes Warid which was divested in March 2013
2. With effect from FY14, Airtel is reporting customers under India and International operations (Africa, Bangladesh and Sri Lanka) respectively

Regional mobile associates: strong revenue growth but earnings impacted by fair value losses

Q2 FY14	PBT[1] (S$m)	% Change (S$)	% Change (local curr)	Highlights
Regional Mobile	498	(9%)	N.A.	› down 2% in constant currency › up 5% further excluding fair value losses
Telkomsel	252	(7%)	+2%	› revenue growth across voice and data amid stable market conditions
AIS	101	(5%)	(6%)	› higher mobile data usage › increased marketing and network expenses for 3G expansion
Airtel	88	(19%)	(8%)	› India: improved ARPU and data growth › Africa: growth in net adds, voice and data traffic and pricing › profit declined on network and spectrum expenses, fair value and mark-to-market investment losses
Globe[2]	57	(10%)	(7%)	› strong customer growth and take-up of mobile data services › higher spectrum usage fees and marketing and acquisition costs

1. Excluding exceptional items – compared to 3 months to Sep 2012.
2. Globe's accelerated depreciation arising from network modernisation & IT transformation has been classified as a Group exceptional item.

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Group Enterprise: resilient performance

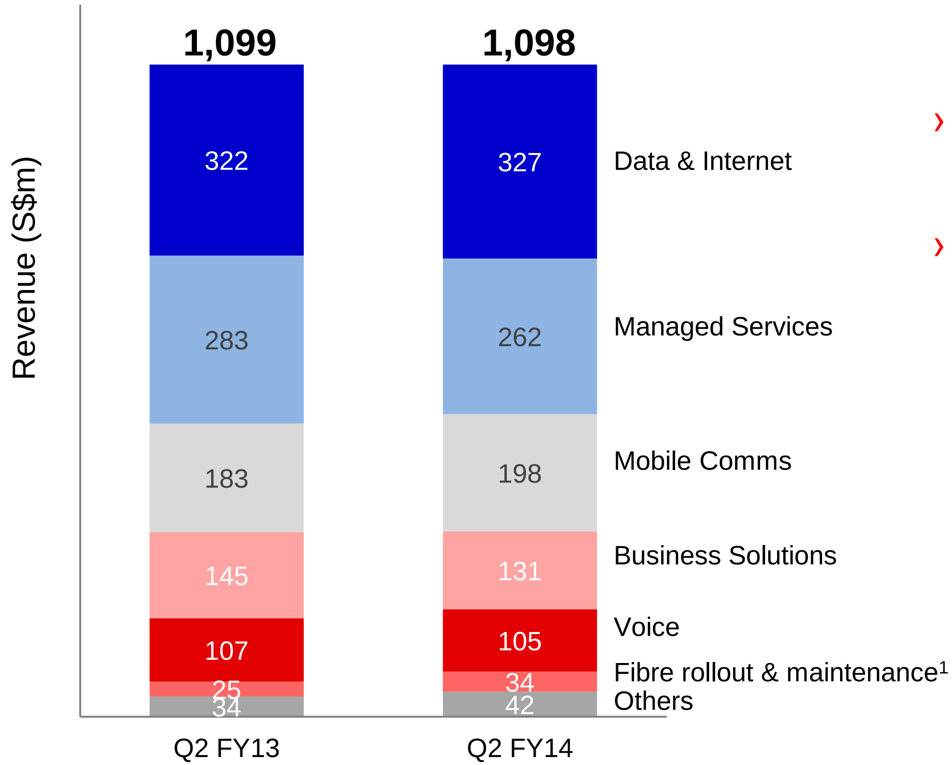
Q2 FY14	% growth	
Revenue **S$1,548m**	**-4%**	› stable on constant currency basis › cautious business environment and keen competition › impact of weaker Australian dollar
EBITDA **S$498m**	**+1%**	› better business mix › cost management
EBITDA margins **32.2%**	**+1.6ppts**	
EBIT **S$330m**	**-2%**	› higher depreciation from investments in data centres and core infrastructure

Singapore Enterprise: market leader in Asia Pacific

Revenue **S$1,098m**

› stable

Highlights



› **Customers' longer procurement cycles**

› **Managed Services and Business Solutions order book** **S$2b**

More than 375k cloud users

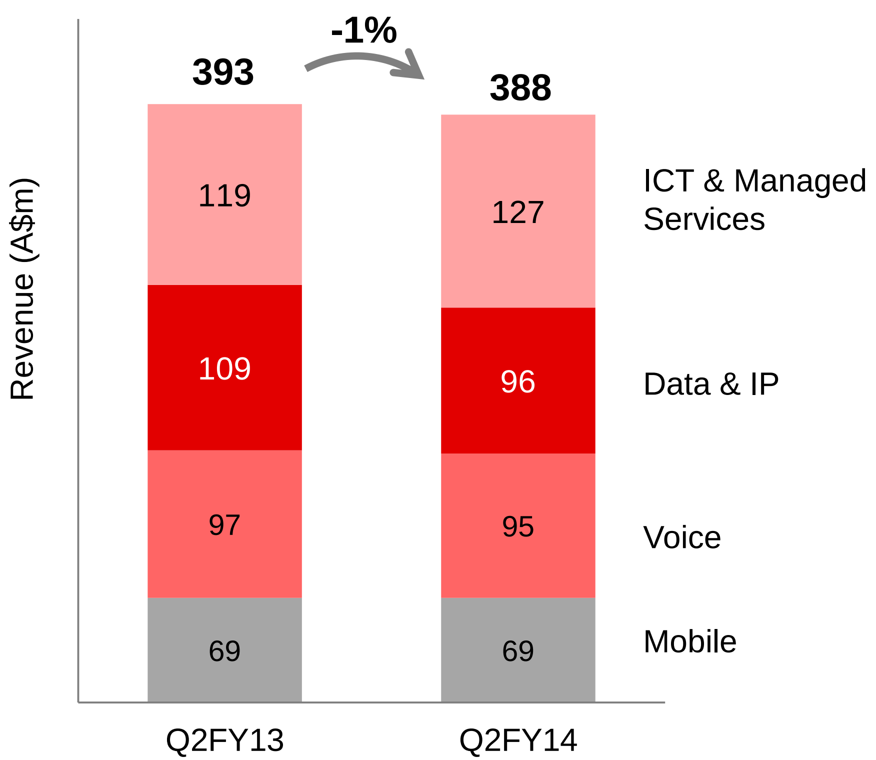
1. Include revenue from OpenNet for maintenance of fibre which commenced from April 2013.

Australia Enterprise: growth in ICT & managed services

Revenue **A$388m**

› down 1%

Highlights



› **Secured major new customer wins and renewals**
- ANZ Banking Group
- Virgin Australia Airlines
- Department of Agriculture, Fisheries and Forestry, Australian Government

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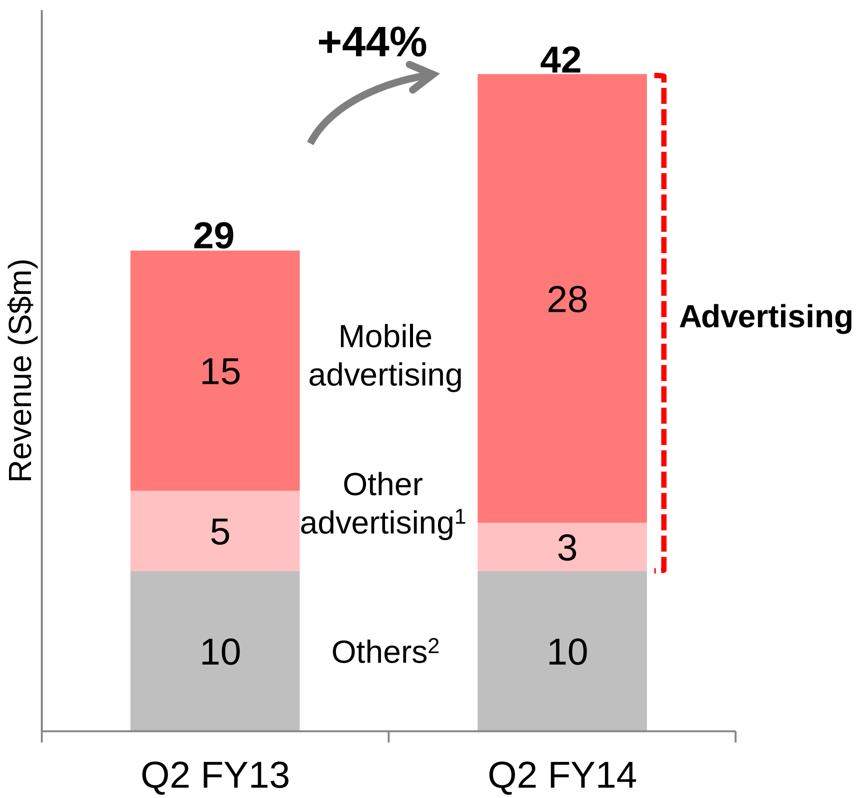
Group Digital L!fe: driving revenue growth in digital services

Q2 FY14	% growth	
Revenue › **S$42m**	**+44%**	› strong growth in digital advertising
OPEX › **S$81m**	**+34%**	› higher staff costs and selling and admin costs
EBITDA › **(S$40m)**	**-28%**	› start-up phase
EBIT › **(S$51m)**	**-10%**	› continued investments in digital businesses

Group Digital L!fe: strong growth in advertising business

Advertising revenue **S$31m**

- up 62%



Mobile advertising

- **Won new customers: AOL, Shazam.com, Wall Street Journal**

[a·mo·bee]

Multimedia

- **NewsLoop now in Singapore, Australia, Malaysia, Indonesia & Thailand**

466k downloads

- **Hungrygowhere launched in Malaysia**

1. Comprise advertising revenues mainly from internet and tv.
2. Comprise revenues mainly from e-commerce, concierge and hyper-local services.

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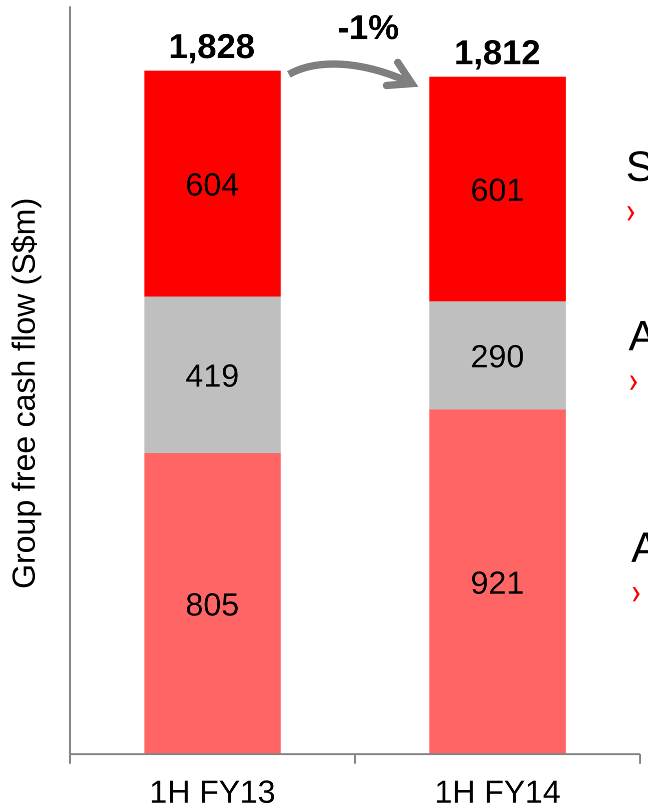
Sound financial position

Free cash flow **S$1,812m**



Singapore
- stable

Australia
- down S$129m

Assoc' div
- up S$116m

Solid balance sheet

Net debt	**S$7.8b**
Net gearing[1]	**25%**
Net debt: EBITDA & share of associates' pre-tax profits	**1.1x**
EBITDA & share of associates' pre-tax profits : Net interest expense	**27.8x**

S&P's rating **A+** **Moody's rating** **Aa3**

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

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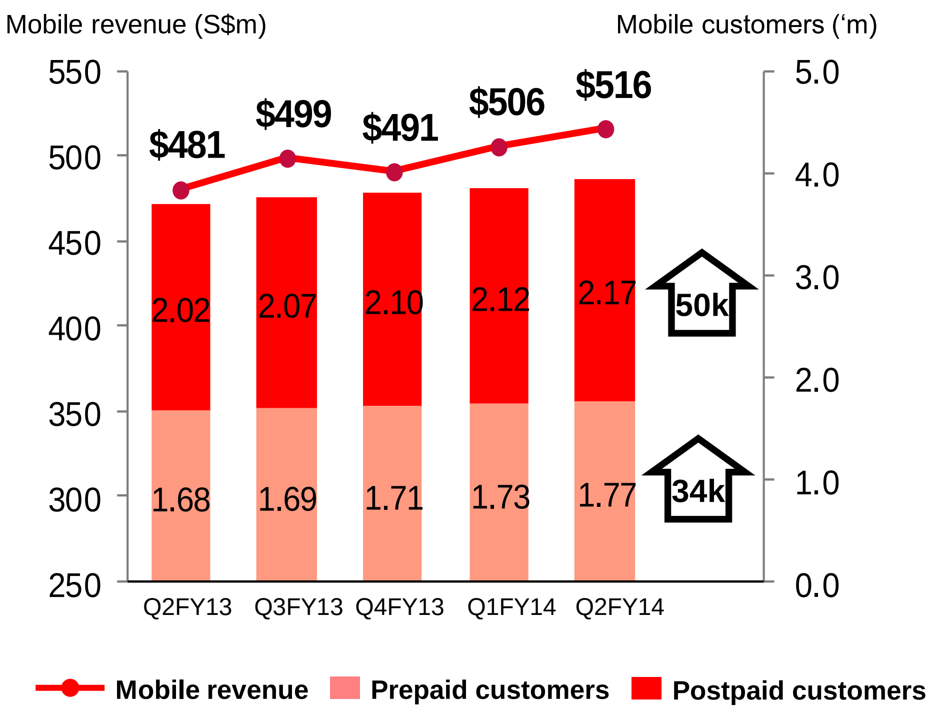
Singapore Mobile

Mobile revenue **S$516m**
› up 7%

4G customers **694k**
› up 157k QoQ



Tiered data plans

› Postpaid customers on tiered plans **37%**

› Tiered plans customers who exceed data bundles **13%**

Postpaid ARPU **S$79**

› down 1%

› up 2% excluding data-only SIMs

Postpaid SAC[1] **S$204**

› down 29%

1. Subscriber acquisition cost per customer

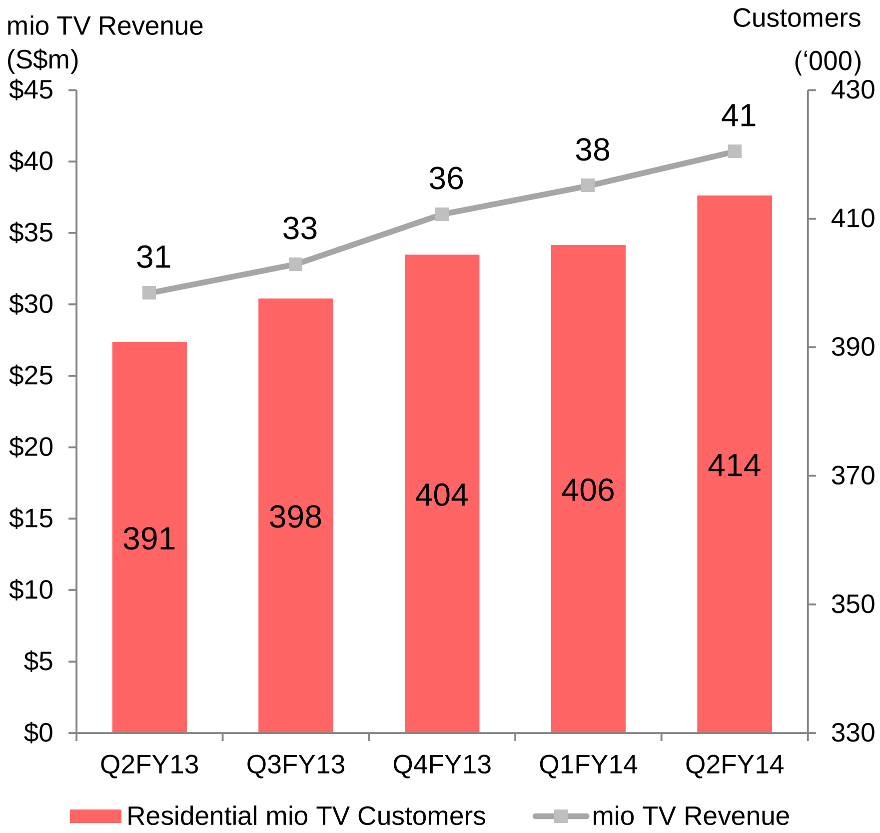
Singapore Fixed

mio TV revenue **S$41m**

› up 31%

mio TV ARPU **S$29**

› up 32%



mio TV now offers 134 channels

mio TV Go **116k**

› up 67k QoQ

Fibre customers[1] **258k**

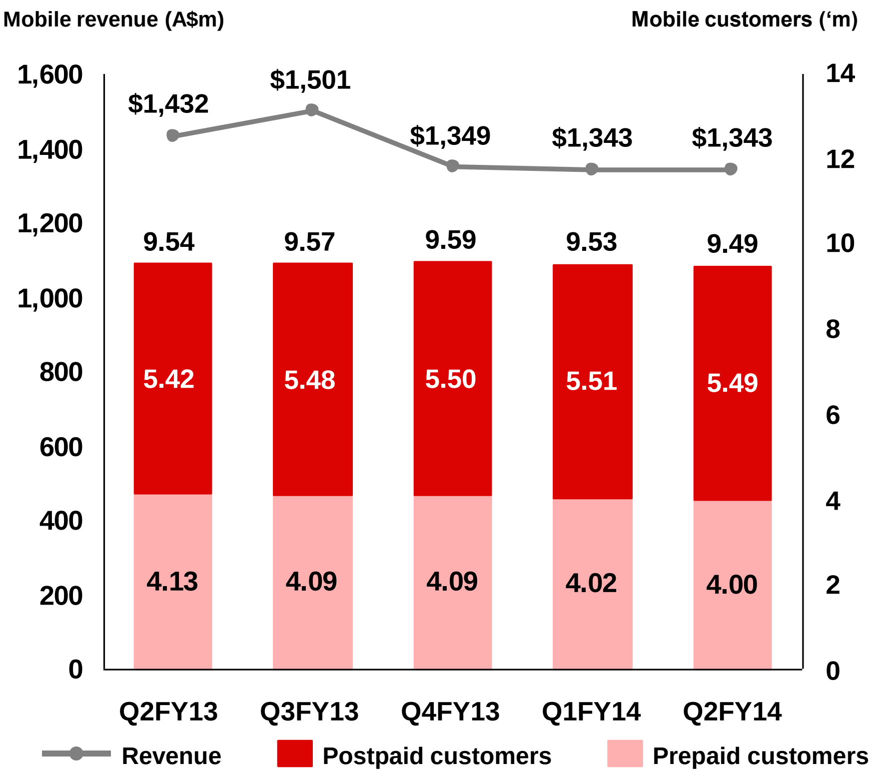
› up 34k QoQ

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

Australia Mobile

Mobile revenue **A$1,343m**
- down 6%

4G handsets **1.38m**
- up 293k QoQ



Postpaid

- ARPU **A$54**
  - down 9%
- Net adds QoQ **-18k**
- Retail churn **1.3%**
  - down from 1.5% QoQ
- SAC[1] **A$224**
  - down 29%

Prepaid

- ARPU **A$24**
  - up 4%
- Net adds QoQ **-20k**
- SAC[1] **A$25**
  - up 32%

1. Subscriber acquisition cost per customer

Trends in constant currency terms[1]

3 months to Sep 13	2Q FY14 (reported S$m)	YoY % change (reported S$)	YoY % change (at constant FX)[1]
Group revenue	4,163	(8.9%)	(2.7%)
Group underlying NPAT	884	(0.2%)	5.9%
Optus revenue	2,461	(15.1%)	(5.4%)
Regional Mobile Associates pre-tax earnings[2]	498	(9.2%)	(2.4%)

6 months to Sep 13	1H FY14 (reported S$m)	YoY % change (reported S$)	YoY % change (at constant FX)[1]
Group revenue	8,456	(7.1%)	(3.0%)
Group underlying NPAT	1,781	2.6%	6.7%
Optus revenue	5,081	(11.8%)	(5.3%)
Regional Mobile Associates pre-tax earnings[2]	1,050	1.7%	6.9%

1. Assuming constant exchange rates from corresponding periods in FY2013.
2. Based on the Group’s share of associates’ earnings before exceptionals.

SingTel