SingTel

Singapore Telecommunications Limited
And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2013

The financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards, which are the same, in material respects, to International Financial Reporting Standards. The financial statements for the period ended, and as at, 30 September 2013 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.

Table Of Contents

Table Of Contents (continued)

SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

- **Underlying net profit was stable despite adverse currency movements.**

- **In constant currency terms[1], underlying net profit increased 5.9% while EBITDA grew 9.3% and associates' pre-tax contributions declined 3.0% due mainly to fair value losses recorded by Airtel and Telkomsel.**

- **Free cash flow of S$919 million was lower by S$184 million or 17%, due to cash taxes in Australia and timing of dividend receipts from associates.**

FINANCIAL HIGHLIGHTS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

- **Net profit was up 3.8%, with the effect of the weaker Australian Dollar and regional currencies.**

- **In constant currency terms[1], net profit and EBITDA grew 7.7% each while associates' pre-tax contributions increased 6.5%.**

- **Free cash flow was stable at S$1.81 billion.**

[1] Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2012.

SECTION 1 : GROUP

	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
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
EBITDA margin	*31.2%*	*27.7%*		*30.7%*	*27.6%*	
Share of associates' pre-tax profits	519	574	-9.6	1,096	1,080	1.5
EBITDA and share of associates' pre-tax profits	1,817	1,840	-1.3	3,691	3,589	2.8
EBIT	1,290	1,305	-1.1	2,624	2,536	3.5
(ex-share of associates' pre-tax profits)	*772*	*732*	*5.5*	*1,528*	*1,456*	*5.0*
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
Free cash flow	919	1,102	-16.7	1,812	1,828	-0.9
Underlying earnings per share (S cents)	5.54	5.56	-0.4	11.18	10.90	2.6
Basic earnings per share (S cents)	5.46	5.45	0.2	11.81	11.38	3.8

	As at 30 Sep 2013 S$ m	As at 30 Jun 2013 S$ m	As at 30 Sep 2012 S$ m
Total assets	38,647	39,003	39,414
Shareholders' funds (1)	22,926	24,137	22,886
Net debt (2)	7,771	6,495	8,158
Net debt gearing ratio (3)	*25.3%*	*21.2%*	*26.3%*
Net debt to EBITDA and share of associates' pre-tax profits (4)	*1.05X*	*0.87X*	*1.14X*
Interest cover: *- EBITDA and share of associates' pre-tax profits/ net interest expense (5)*	*27.8X*	*27.4X*	*23.2X*

Notes:
(1) Shareholders' funds as at 30 September 2013 decreased from a quarter ago, due to the payment of final dividend totalling S$1.59 billion in August 2013.
(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 and share of associates' pre-tax profits is calculated on an annualised basis.
(5) Net interest expense refers to interest expense less interest income.

SECTION 1 : GROUP

GROUP SUMMARY INCOME STATEMENTS
For The Second Quarter And Half Year Ended 30 September 2013

	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
Operating revenue	**4,163**	**4,572**	**-8.9**	**8,456**	**9,105**	**-7.1**
Operating expenses	(2,886)	(3,331)	-13.4	(5,918)	(6,647)	-11.0
	1,277	1,241	3.0	2,538	2,458	3.3
Other income	21	26	-18.9	56	51	8.8
EBITDA	**1,298**	**1,267**	**2.5**	**2,594**	**2,509**	**3.4**
- EBITDA margin	***31.2%***	***27.7%***		***30.7%***	***27.6%***	
Share of associates' pre-tax profits						
- operating results	519	574	-9.6	1,090	1,080	0.9
- exceptional items	-	-	-	7	-	nm
	519	574	-9.6	1,096	1,080	1.5
EBITDA and share of associates' pre-tax profits	**1,817**	**1,840**	**-1.3**	**3,691**	**3,589**	**2.8**
Depreciation	(486)	(490)	-0.8	(983)	(970)	1.4
Amortisation of intangibles	(41)	(45)	-10.4	(83)	(84)	-0.8
	(527)	(535)	-1.6	(1,066)	(1,053)	1.2
EBIT	**1,290**	**1,305**	**-1.1**	**2,624**	**2,536**	**3.5**
Net finance expense						
- net interest expense	(65)	(79)	-18.6	(133)	(155)	-14.2
- other finance income/ (expense)	9	(7)	nm	29	(2)	nm
	(55)	(86)	-35.5	(104)	(157)	-33.5
Profit before exceptional items and tax	**1,235**	**1,220**	**1.3**	**2,520**	**2,379**	**5.9**
Taxation	(350)	(334)	5.0	(736)	(642)	14.6
Profit after tax	**885**	**886**	**-0.1**	**1,784**	**1,737**	**2.7**
Minority interests	(1)	*	nm	(4)	(1)	250.0
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**
Depreciation as % of operating revenue	***12%***	***11%***		***12%***	***11%***	

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”.

SECTION 1 : GROUP

BUSINESS SEGMENT TOTALS

From 1 April 2012, the Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital L!fe, to better serve the evolving needs of its customers and to exploit growth opportunities globally.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, namely AIS in Thailand, Airtel in India and Africa, Globe in the Philippines, PBTL in Bangladesh, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, residential pay TV, fixed, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore and Australia and focuses on growing the Group's position in the enterprise markets. Key services include mobile, voice and data infrastructure, managed services, cloud computing, and IT services and professional consulting.

Group Digital L!fe focuses on using the latest internet technologies and the assets of the Group's operating companies to develop new revenue growth engines by entering adjacent businesses where it has a competitive advantage. It includes e-commerce, concierge and hyper-local services, and mobile advertising.

Corporate comprises the costs of Group functions not allocated to the business segments.

The following table shows the operating performance of the three business segments.

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013 S$ m	2012 S$ m	Chge %	2013 S$ m	2012 S$ m	Chge %
Operating revenue						
Group Consumer	2,574	2,936	-12.3	5,277	5,823	-9.4
Group Enterprise	1,548	1,607	-3.7	3,108	3,234	-3.9
Group Digital L!fe	42	29	44.4	71	49	46.7
Group	**4,163**	**4,572**	**-8.9**	**8,456**	**9,105**	**-7.1**
EBITDA						
Group Consumer	858	825	3.9	1,665	1,597	4.3
Group Enterprise	498	492	1.2	1,030	1,008	2.2
Group Digital L!fe	(40)	(31)	27.6	(72)	(56)	29.5
Corporate	(17)	(20)	-11.7	(29)	(41)	-28.6
Group	**1,298**	**1,267**	**2.5**	**2,594**	**2,509**	**3.4**
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	510	462	10.4	961	892	7.6
Group Enterprise	330	336	-1.7	692	687	0.7
Group Digital L!fe	(51)	(47)	9.6	(95)	(83)	14.3
Corporate	(17)	(20)	-11.7	(29)	(40)	-26.8
Group	**772**	**732**	**5.5**	**1,528**	**1,456**	**5.0**

SECTION 1 : GROUP

DIVIDENDS

On 13 November 2013, the Directors approved an interim dividend of 6.8 cents (H1 FY2013: 6.8 cents) per share totalling approximately S$1.08 billion in respect of the current financial year ending 31 March 2014. This represents a 61% payout of the current half year earnings.

The financial statements for the half year ended, and as at, 30 September 2013 do not reflect this interim dividend. The dividend will be accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the quarter ending 31 December 2013.

In August 2013, SingTel paid a final dividend of 10 cents per share totalling S$1.59 billion in respect of the previous financial year ended 31 March 2013.

REVIEW OF GROUP OPERATING PERFORMANCE

For The Second Quarter Ended 30 September 2013

During the quarter, the Group continued to strengthen its core business and progressed on its strategic initiatives. Despite adverse currency movements with the Australian Dollar, Indonesian Rupiah and Indian Rupee declining significantly by 10% each against the Singapore Dollar, underlying net profit was stable. In constant currency terms, underlying net profit would have increased 5.9%.

EBITDA grew 2.5% and margin increased 3.5 percentage points. If the Australian Dollar was held constant against the Singapore Dollar from a year ago, EBITDA would have increased strongly by 9.3%.

The Group's operating revenue declined 8.9%. In constant currency terms, revenue would have decreased 2.7%, reflecting lower mobile revenue in Australia and a generally cautious business environment.

Group Consumer registered solid EBITDA growth and margin expansion across Singapore and Australia. EBITDA grew 3.9% and margin expanded 5.2 percentage points with continued focus on improving customer service and sustained profitability. In constant currency terms, EBITDA would have been up 13%. In Singapore, EBITDA increased 5.8% driven by both revenue growth and cost management. In Australia, though revenue fell 6.2%, EBITDA rose 15% on improved cost structure, as well as the effect of write-back of A$22 million of provision for base station rentals no longer required. Excluding this write-back, EBITDA would have increased 11%. The decline in revenue reflected lower equipment sales, lower mobile termination rates from 1 January 2013, and higher service credits associated with device repayment plans. Consequently, Group Consumer revenue declined 12% but in constant currency terms would have decreased by a lower 4.5%.

Group Enterprise delivered resilient performance with EBITDA up 1.2% and margin expansion of 1.6 percentage points on better business mix with reduced hardware sales and cost management. Operating revenue was lower by 3.7% amid a cautious business environment in the key markets in Asia Pacific, keen competition, as well as the weaker Australian Dollar. In constant currency terms, operating revenue would have been stable and EBITDA would have increased 2.8%.

SECTION 1 : GROUP

During the quarter, Group Enterprise secured major customer wins and renewals which included a contract with ANZ Banking Group to provide telecommunication and managed services across Australia and the Asia Pacific region for a further five years. It also won a five-year contract with Virgin Australia Airlines for the delivery of domestic and international telecommunication services.

Group Digital L!fe continued to drive growth in the digital space. Operating revenue grew a robust 44%, contributed by growth in digital advertising. The negative EBITDA of S$40 million reflected start-up costs and continued investments in digital businesses. During the quarter, Amobee acquired Gradient X, a developer of market-leading real-time bidding platform for mobile ads, thus creating a differentiation for the Group's digital marketing.

The Group and its regional mobile associates continued to record strong customer growth. Excluding Warid Pakistan which was disposed in March 2013, the combined mobile customer base reached 486 million as at 30 September 2013, up 6.8% from a year ago.

The Group's share of associates' pre-tax profits declined 9.6% to S$519 million. Higher operating profits from the regional mobile associates were offset by unfavourable currency movements, which resulted in currency translation losses as well as fair value losses recorded by the associates. Excluding currency translation and fair value losses, the pre-tax contribution from the regional mobile associates would have recorded a growth of 5.0% (see Page 36).

Telkomsel delivered strong operating performance underpinned by robust data growth but this was partly offset by fair value losses with a weaker Indonesian Rupiah. AIS recorded higher revenue and stable EBITDA while increased depreciation and amortisation charges from the 3G rollout led to a decline in overall earnings. Globe recorded service revenue growth with sustained momentum across mobile and broadband but had lower EBITDA on higher spectrum usage fees and higher marketing and subsidy expenses to drive acquisitions.

Airtel reported improved operating performance with higher margins in India from increased ARPU and continued data growth. The African market saw an uplift this quarter with steady improvements in key operating metrics. Airtel's consolidated operating revenue grew 10% and EBITDA expanded 15% on strong data growth and cost efficiencies. Net profit, however, declined 29% due to higher depreciation and spectrum amortisation charges on continued network investments, fair value losses from the weaker Indian Rupee, and unrealised mark-to-market investment losses.

Net finance expense decreased 36%. This was attributed to lower interest expense on reduced average borrowings, as well as the first time recognition of S$9 million of dividend income from a joint venture, Pacific Carriage Holdings Limited, which is part of the Southern Cross consortium (see Page 12).

The higher tax expense resulted from increased profits from SingTel and its subsidiaries this quarter, as well as the impact of some one-off tax credits in the same quarter last year (see Page 14).

Underlying net profit was stable at S$884 million and in constant currency terms would have been up 5.9%.

The net exceptional loss of S$13 million mainly comprised the post-tax share of Globe's accelerated depreciation of S$10 million (Q2 FY2013: S$18 million) from its network and IT transformation.

SECTION 1 : GROUP

Including exceptional items, net profit this quarter was stable at S$870 million.

Free cash flow in the quarter declined 17% to S$919 million mainly due to Optus' final cash tax payments in respect of its taxable income for the previous financial year ended 31 March 2013, and timing of dividend receipts from the associates.

The Group continued to maintain a healthy capital structure. As at 30 September 2013, net debt gearing ratio was at 25%.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for 74% (Q2 FY2013: 76%) of the Group's proportionate revenue and 76% (Q2 FY2013: 77%) of proportionate EBITDA.

For The Half Year Ended 30 September 2013

Operating revenue for the half year declined 7.1% to S$8.46 billion but would have declined 3.0% if the Australian Dollar has remained stable from a year ago.

EBITDA rose 3.4% to S$2.59 billion and would have increased 7.7% in constant currency terms, reflecting an improved cost structure and strong yield focus. With lower net finance expense and higher taxes, underlying net profit grew 2.6% to S$1.78 billion. In constant currency terms, underlying net profit would have been up 6.7%.

The Group's net exceptional gain of S$101 million for the half year mainly comprised a S$150 million dilution gain on its equity interest in Airtel, and an exceptional charge of S$48 million (post-tax) (H1 FY2013: S$28 million) from the share of Globe's accelerated depreciation (see Page 13).

Including exceptional items, net profit for the half year grew 3.8% to S$1.88 billion, and in constant currency terms would have increased 7.7%.

The Group's free cash flow was stable at S$1.81 billion. Excluding associates' dividends, free cash flow was S$891 million, 13% lower than a year ago due to working capital movements and cash tax payments in Australia partly offset by lower capital expenditure.

SECTION 1 : GROUP

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2013 were as follows:

	Quarter		
	30 Sep 2013 S$ m	30 Jun 2013 S$ m	QOQ Chge %
Operating revenue	**4,163**	**4,293**	**-3.0**
EBITDA	**1,298**	**1,296**	**0.2**
EBITDA margin	***31.2%***	***30.2%***	
Share of associates' pre-tax profits	**519**	**578**	**-10.3**
EBITDA and share of associates' pre-tax profits	**1,817**	**1,874**	**-3.0**
EBIT	**1,290**	**1,334**	**-3.3**
Profit before exceptional items and tax	1,235	1,285	-3.9
Underlying net profit	**884**	**897**	**-1.5**
Exceptional items (post-tax)	(13)	114	nm
Net profit	**870**	**1,011**	**-13.9**
Free cash flow	**919**	**893**	**2.9**

The Australian Dollar, Indonesian Rupiah and Indian Rupee depreciated by 6.0%, 7.6% and 9.4% respectively from the preceding quarter.

The decline in operating revenue was offset by lower selling and administrative costs including a write-back of provision for base station rentals this quarter. Consequently, the Group's EBITDA was stable. With associates' contributions impacted by currency translation losses, underlying net profit declined 1.5% from a quarter ago. The increase in free cash flow was mainly due to the timing of payments including annual staff incentive in the preceding June quarter, and lower capital spend.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2014

The Group affirms the guidance issued in the preceding quarter ended 30 June 2013.

Please refer to **Appendix 6** for further details on the outlook for the current financial year.

SECTION 1 : GROUP

OPERATING REVENUE

By Products and Services	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
Mobile communications	1,809	1,998	-9.5	3,675	3,943	-6.8
Data and Internet	788	867	-9.1	1,610	1,734	-7.1
Managed services	413	437	-5.4	802	851	-5.8
National telephone	378	438	-13.8	782	871	-10.3
Sale of equipment	283	341	-17.1	595	702	-15.2
International telephone	177	195	-9.2	357	394	-9.3
Business solutions	131	145	-10.0	261	276	-5.3
Pay television	60	55	9.1	119	103	15.4
Digital businesses (1)	41	29	42.4	69	49	43.1
Fibre rollout and maintenance	34	25	38.3	88	80	10.9
Others	50	44	15.4	98	103	-5.0
Total	**4,163**	**4,572**	**-8.9**	**8,456**	**9,105**	**-7.1**
Operating revenue	**4,163**	**4,572**	**-8.9**	**8,456**	**9,105**	**-7.1**
Associates' proportionate revenue (2)	2,769	2,798	-1.1	5,685	5,596	1.6
Group's proportionate revenue	**6,932**	**7,370**	**-6.0**	**14,142**	**14,701**	**-3.8**

Notes:

(1) Comprise revenues mainly from e-commerce, concierge and hyper-local services, and mobile advertising. Exclude TV advertising revenue under 'Pay television'.

(2) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by SingTel's effective ownership interest.

Operating Revenue Mix	Quarter 30 Sep 2013 %	Quarter 30 Sep 2012 %	Half Year 30 Sep 2013 %	Half Year 30 Sep 2012 %
Mobile communications	43.5	43.7	43.5	43.3
Data and Internet	18.9	19.0	19.0	19.0
Managed services	9.9	9.6	9.5	9.4
National telephone	9.1	9.6	9.2	9.6
Sale of equipment	6.8	7.5	7.0	7.7
International telephone	4.2	4.3	4.2	4.3
Business solutions	3.1	3.2	3.1	3.0
Pay television	1.4	1.2	1.4	1.1
Digital businesses	1.0	0.6	0.8	0.5
Fibre rollout and maintenance	0.8	0.5	1.0	0.9
Others	1.2	1.0	1.2	1.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

Operating revenue of the Group has been impacted by the weaker Australian Dollar this quarter.

Mobile Communications revenue declined 9.5% on lower revenue in Australia.

SECTION 1 : GROUP

Data and Internet revenue fell 9.1% reflecting the impact of keen price competition and decline in legacy data services.

Revenues from Managed Services and Business Solutions declined, mainly impacted by competition and customers' longer procurement decision cycle in some segments of the market.

The Group's enlarged revenue, including the proportionate share of operating revenue from the associates, was at S$6.93 billion, down 6.0% due mainly to weaker regional currencies.

OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter 30 Sep			Half Year 30 Sep		
	2013 S$ m	2012 S$ m	YOY %	2013 S$ m	2012 S$ m	YOY %
Selling & administrative	950	1,163	-18.3	1,993	2,339	-14.8
Traffic expenses	652	731	-10.8	1,307	1,461	-10.6
Cost of sales	619	740	-16.3	1,280	1,470	-12.9
Staff costs	580	599	-3.1	1,168	1,195	-2.3
Repair & maintenance	81	86	-5.2	165	168	-1.5
Others	3	13	-77.1	6	15	-64.1
Total	**2,886**	**3,331**	**-13.4**	**5,918**	**6,647**	**-11.0**

As a percentage of operating revenue	Quarter 30 Sep		Half Year 30 Sep	
	2013 %	2012 %	2013 %	2012 %
Selling & administrative	22.8%	25.4%	23.6%	25.7%
Traffic expenses	15.7%	16.0%	15.5%	16.1%
Cost of sales	14.9%	16.2%	15.1%	16.1%
Staff costs	13.9%	13.1%	13.8%	13.1%
Repair & maintenance	2.0%	1.9%	2.0%	1.8%
Others	0.1%	0.3%	0.1%	0.2%
Total	**69.4%**	**72.9%**	**70.1%**	**73.0%**

Total operating expenses decreased 13% from the same quarter last year, and in constant currency terms would have decreased 7.4%.

Selling and administrative expenses, the largest expense category at 23% of operating revenue, declined mainly due to lower handset subsidy costs.

Cost of sales fell 16%, corresponding to lower Sale of equipment and Managed Services/ Business Solutions revenues.

Traffic expenses decreased 11% due to lower interconnect costs in Australia.

SECTION 1 : GROUP

STAFF COSTS

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013 S$ m	2012 S$ m	%	2013 S$ m	2012 S$ m	%
Staff costs						
Optus	299	334	-10.5	616	671	-8.2
SingTel and other subsidiaries	281	265	6.1	552	524	5.4
Group	**580**	**599**	**-3.1**	**1,168**	**1,195**	**-2.3**

	Quarter			Half Year		YOY Chge
	30 Sep 2013	30 Jun 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012	%
Average number of staff						
Optus	8,635	8,571	9,056	8,603	9,255	-7.0
SingTel and other subsidiaries	13,201	13,027	13,177	13,114	13,334	-1.6
Group	**21,836**	**21,598**	**22,233**	**21,717**	**22,589**	**-3.9**
As at end of period						
Optus	8,683	8,582	9,069	8,683	9,069	-4.3
SingTel and other subsidiaries	13,124	13,084	13,036	13,124	13,036	0.7
Group	**21,807**	**21,666**	**22,105**	**21,807**	**22,105**	**-1.3**

The Group staff costs declined 3.1% year-on-year. It would have increased 2.7% in constant currency terms with a lower average headcount offset by annual salary increments.

Overall, Group headcount fell 1.3% or 298 from a year ago to 21,807 as of 30 September 2013, mainly from Optus' workforce restructuring efforts.

SECTION 1 : GROUP

NET FINANCE EXPENSE

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2013 S$ m	2012 S$ m	%	2013 S$ m	2012 S$ m	%
Net interest expense:						
- Interest income	4	3	11.8	7	7	-5.5
- Interest expense	(74)	(88)	-16.2	(150)	(172)	-13.0
	(70)	(84)	-17.3	(143)	(165)	-13.3
- Net interest income from NetLink Trust	5	5	2.0	10	10	**
	(65)	(79)	-18.6	(133)	(155)	-14.2
Other finance income/ (expense):						
- Investment gain (1)	11	2	382.6	24	4	@
- Net foreign exchange loss	(2)	(11)	-77.6	(1)	(7)	-87.8
- Fair value adjustments (2)	1	2	-73.7	5	2	260.0
	9	(7)	nm	29	(2)	nm
Net finance expense	**(55)**	**(86)**	**-35.5**	**(104)**	**(157)**	**-33.5**

Notes:

(1) Comprise mainly dividend income from non-equity accounted investments.

(2) Comprise mainly adjustments for hedging instruments measured at fair values at reporting date under FRS 39, *Financial Instruments: Recognition and Measurement*.

Interest income increased on higher average cash balances while interest expense decreased mainly due to reduced average borrowings.

Net interest income from NetLink Trust comprised the interest earned on the unitholder's loan to NetLink Trust partially offset by finance lease expenses on the exchange buildings leased from NetLink Trust.

Investment income for the quarter included a dividend income of S$9 million received from a 40%-owned joint venture, Pacific Carriage Holdings Limited, part of the Southern Cross consortium, in which equity accounting ceased with effect from 2006.

SECTION 1 : GROUP

EXCEPTIONAL ITEMS [1]

	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
Exceptional (losses)/ gains						
Dilution gain on Airtel	-	-	-	150	-	nm
Gain on sale of FET (available-for-sale investment)	-	-	-	-	119	nm
Gain on sale of available-for-sale investment	6	-	nm	6	-	nm
Net income from Optus' legal disputes	-	-	-	-	36	nm
Optus' ex-gratia costs	(6)	-	nm	(6)	(46)	-86.4
Share of Globe's accelerated depreciation	(15)	(26)	-42.4	(72)	(40)	79.6
Impairment of available-for-sale investments	(5)	-	nm	(5)	(7)	-30.3
Others	*	*	nm	2	*	nm
Group net exceptional (losses)/ gains (pre-tax)	**(20)**	**(26)**	**-23.1**	**74**	**62**	**18.8**
Exceptional tax credit						
Share of Globe's tax credit on accelerated depreciation	5	8	-40.0	25	12	107.6
Others	2	-	nm	2	3	-28.1
Group exceptional taxes	**6**	**8**	**-14.7**	**27**	**15**	**78.7**
Group net exceptional (losses)/ gains (post-tax)	**(13)**	**(18)**	**-26.7**	**101**	**77**	**30.4**

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

In the quarter, the Group recognised its post-tax share of S$10 million (Q2 FY2013: S$18 million) of Globe's accelerated depreciation from its network and IT transformation.

SECTION 1 : GROUP

TAX EXPENSE

	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
Income tax expense						
Optus	110	96	14.3	203	188	8.3
SingTel and other subsidiaries	45	38	17.3	94	65	44.1
Tax expense of SingTel and its subsidiaries (a)	155	135	15.2	297	253	17.5
Share of associates' tax expense (b)	164	171	-3.9	349	313	11.3
Withholding taxes on dividend income from associates [(1)]	31	28	10.3	91	77	18.1
Total	**350**	**334**	**5.0**	**736**	**642**	**14.6**
Profit before exceptional items and tax	1,235	1,220	1.3	2,520	2,379	5.9
Exclude:						
Share of associates' pre-tax profits	(519)	(574)	-9.6	(1,096)	(1,080)	1.5
Adjusted pre-tax profit (c)	**717**	**646**	**10.9**	**1,424**	**1,299**	**9.6**
Effective tax rate of SingTel and subsidiaries (a)/(c)	***21.6%***	***20.8%***		***20.8%***	***19.4%***	
Share of associates' pre-tax profits (d)	519	574	-9.6	1,096	1,080	1.5
Effective tax rate of associates (b)/(d)	***31.7%***	***29.8%***		***31.8%***	***29.0%***	

Note:

(1) Withholding taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, 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 5**.

The increase in the Group's tax expense (before associates' taxes) was mainly attributed to higher profits from SingTel and its subsidiaries this quarter, and some one-off tax credits upon the finalisation of prior years' tax assessments in the same quarter last year.

SECTION 1 : GROUP

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2013 S$ m	30 Jun 2013 S$ m	30 Sep 2012 S$ m
Current assets (excluding cash)	3,834	3,726	3,817
Cash and bank balances	861	1,312	883
Non-current assets	33,952	33,966	34,713
Total assets	**38,647**	**39,003**	**39,414**
Current liabilities	6,823	5,987	5,110
Non-current liabilities	8,877	8,852	11,394
Total liabilities	**15,700**	**14,839**	**16,504**
Net assets	**22,947**	**24,164**	**22,910**
Share capital	2,634	2,634	2,634
Reserves	20,292	21,503	20,252
Equity attributable to shareholders	**22,926**	**24,137**	**22,886**
Minority interest	21	27	24
	22,947	**24,164**	**22,910**

The Group is in a sound financial position as at 30 September 2013. SingTel is rated Aa3 by Moody's and A+ by Standard & Poor's.

As at 30 September 2013, shareholders' equity was S$22.93 billion after accounting for the payment of final dividend totalling S$1.59 billion in August 2013.

SECTION 1 : GROUP

LIQUIDITY AND GEARING

	As at		
	30 Sep 2013 S$ m	30 Jun 2013 S$ m	30 Sep 2012 S$ m
Gross debt			
Current debt	2,034	1,233	141
Non-current debt	6,382	6,387	8,436
Gross debt as reported in statement of financial position	**8,416**	**7,620**	**8,577**
Related net hedging liability [1]	216	187	465
	8,632	**7,806**	**9,042**
Less : Cash and bank balances	(861)	(1,312)	(883)
Net debt	**7,771**	**6,495**	**8,158**
Gross debt gearing ratio [2]	***27.3%***	***24.4%***	***28.3%***
Net debt gearing ratio	***25.3%***	***21.2%***	***26.3%***

Notes:
(1) The net hedging liability relates to the fair values 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.

Hedged gross debt increased by S$826 million to S$8.63 billion from a quarter ago mainly due to a net increase in borrowings of S$795 million, and mark-to-market movements.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Half Year		YOY
	30 Sep 2013 S$ m	30 Sep 2012 S$ m	30 Jun 2013 S$ m	30 Sep 2013 S$ m	30 Sep 2012 S$ m	Chge %
Net cash inflow from operating activities						
Profit before exceptional items and tax	**1,235**	**1,220**	**1,285**	**2,520**	**2,379**	**5.9**
Non-cash items	70	51	9	79	133	-40.7
Operating cash flow before working capital changes	1,305	1,270	1,294	2,599	2,512	3.5
Changes in operating assets and liabilities	24	123	(465)	(441)	(237)	86.1
	1,330	1,393	829	2,159	2,276	-5.1
Cash paid to employees under performance share plans	(1)	-	(4)	(5)	(3)	48.5
Tax paid on operating activities	(228)	(72)	(47)	(275)	(126)	118.1
Operating cash flow before dividends from associates	**1,101**	**1,322**	**778**	**1,879**	**2,146**	**-12.5**
Dividends received from associates	285	368	736	1,020	888	14.8
Withholding tax paid on dividends received	(27)	(24)	(72)	(99)	(83)	18.7
	1,359	**1,666**	**1,441**	**2,800**	**2,951**	**-5.1**
Net cash outflow for investing activities						
Payment for purchase of property, plant and equipment	(441)	(564)	(548)	(988)	(1,124)	-12.0
Investment in associates	(385)	(6)	-	(385)	(6)	@
Payment for purchase of licences and other intangibles	(40)	(30)	(190)	(230)	(94)	144.7
Payment for purchase of subsidiaries [(1)]	(31)	(29)	(10)	(42)	(666)	-93.8
Investment in available-for-sale investments	(38)	(11)	(7)	(45)	(32)	42.5
Proceeds from disposal of available-for-sale investments	7	1	*	8	337	-97.8
Proceeds from disposal of property, plant and equipment	1	2	4	6	8	-26.7
Withholding tax paid on interest received on inter-company loans	(18)	(11)	-	(18)	(31)	-44.1
Others *(interest received, etc)*	6	8	20	26	24	9.7
	(937)	**(641)**	**(731)**	**(1,668)**	**(1,584)**	**5.3**
Net cash outflow for financing activities						
Net increase/ (decrease) in borrowings	795	2	(175)	620	(194)	nm
Net interest paid on borrowings and swaps	(68)	(79)	(91)	(159)	(175)	-9.0
Final dividend paid to shareholders	(1,594)	(1,434)	-	(1,594)	(1,434)	11.2
Proceeds from share issue	-	-	-	-	2	nm
Purchase of performance shares	(5)	(8)	(20)	(25)	(26)	-2.7
Others	-	(1)	-	-	(1)	nm
	(872)	**(1,521)**	**(286)**	**(1,158)**	**(1,828)**	**-36.7**
Net (decrease)/ increase in cash and cash equivalents	**(450)**	**(495)**	**424**	**(26)**	**(461)**	**-94.3**
Exchange effects on cash and cash equivalents	(1)	(3)	(23)	(24)	(2)	@
Group cash and cash equivalents at beginning	**1,312**	**1,382**	**911**	**911**	**1,346**	**-32.3**
Group cash and cash equivalents at end	**861**	**883**	**1,312**	**861**	**883**	**-2.5**
Singapore	384	400	217	601	604	-0.5
Optus	277	358	13	290	419	-30.8
Group free cash flow (before associates' dividends)	**661**	**758**	**230**	**891**	**1,023**	**-12.9**
Dividends received from associates (net of withholding tax)	**258**	**344**	**663**	**921**	**805**	**14.4**
Group free cash flow	**919**	**1,102**	**893**	**1,812**	**1,828**	**-0.9**
Optus (in A$)	*239*	*281*	*28*	*267*	*331*	*-19.4*
Cash capex to operating revenue	***11%***	***12%***	***13%***	***12%***	***12%***	

Note:

(1) The amount in the current quarter included deferred payments in respect of the acquisition of Amobee in April 2012.

SECTION 1 : GROUP

Net cash inflow from operating activities for the quarter amounted to S$1.36 billion, down 18% from a year ago. Operating cash flow (before associates' dividend receipts) declined 17% to S$1.10 billion mainly due to working capital movements and higher cash taxes in Australia. Gross dividends from associates decreased by S$84 million due to the timing of dividend receipts from Telkomsel.

Compared to a quarter ago, overall operating cash flow decreased 5.7% mainly attributed to higher cash taxes as well as lower associates' dividend receipts.

Net cash outflow for investing activities was S$937 million. During the quarter, the Group acquired an additional 3.6% equity interest in Bharti Telecom Limited for S$384 million and 100% equity interest in Gradient X for S$19 million (US$15 million). Capital expenditure was 22% lower at S$441 million, and constituted 11% of operating revenue. Major investments across Singapore and Australia in the quarter included approximately S$216 million for mobile networks including LTE deployment, and S$126 million for fixed and data infrastructure.

With the lower operating cash flow, the Group's free cash flow declined 17% to S$919 million.

Net cash financing outflow of S$872 million mainly comprised the payment of final dividends totalling S$1.59 billion in August 2013 and interest payments of S$68 million, partially offset by a net increase in borrowings of S$795 million.

Overall cash balance decreased S$451 million from a quarter ago, and the cash balance was S$861 million at 30 September 2013.

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER

MANAGEMENT DISCUSSION AND ANALYSIS

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the regional associates and joint ventures in the emerging markets. The results of regional associates and joint ventures are discussed in **Section 5**.

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

- **Operating revenue at S$2.57 billion – down 12%.**
- **EBITDA at S$858 million – up 3.9%.**
- **EBIT at S$510 million – up 10%.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

- **Operating revenue at S$5.28 billion – down 9.4%.**
- **EBITDA at S$1.67 billion – up 4.3%.**
- **EBIT at S$961 million – up 7.6%.**

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER SUMMARY INCOME STATEMENTS
For The Second Quarter And Half Year Ended 30 September 2013

	Quarter		YOY	Half Year		YOY
	30 Sep		Chge	30 Sep		Chge
	2013 S$ m	2012 S$ m	%	2013 S$ m	2012 S$ m	%
Operating revenue	**2,574**	**2,936**	**-12.3**	**5,277**	**5,823**	**-9.4**
Operating expenses	(1,733)	(2,134)	-18.8	(3,646)	(4,268)	-14.6
	841	802	4.9	1,631	1,554	4.9
Other income	17	24	-29.8	35	43	-19.4
EBITDA	**858**	**825**	**3.9**	**1,665**	**1,597**	**4.3**
- margin	***33.3%***	***28.1%***		***31.6%***	***27.4%***	
Depreciation & amortisation	(347)	(363)	-4.3	(705)	(705)	**
EBIT	**510**	**462**	**10.4**	**961**	**892**	**7.6**

	Quarter		YOY	Half Year		YOY
	30 Sep		Change	30 Sep		Change
	2013 S$ m	2012 S$ m	%	2013 S$ m	2012 S$ m	%
Selling & administrative	693	928	-25.3	1,501	1,870	-19.7
Traffic expenses	466	539	-13.6	945	1,065	-11.3
Cost of sales	286	360	-20.6	608	715	-15.0
Staff costs	233	244	-4.5	477	495	-3.7
Repair & maintenance	48	54	-12.3	102	109	-6.4
Others	6	8	-19.7	14	14	0.7
Operating expenses	**1,733**	**2,134**	**-18.8**	**3,646**	**4,268**	**-14.6**

GROUP CONSUMER OPERATING HIGHLIGHTS

For the Second Quarter Ended 30 September 2013

Australia Consumer contributed 78% (Q2 FY2013: 81%) and 80% (Q2 FY2013: 80%) to the Group Consumer operating revenue and EBITDA respectively. The Australian Dollar declined 10% against the Singapore Dollar from the same quarter last year, adversely impacting its results.

SECTION 2 : GROUP CONSUMER

EBITDA grew 3.9% and EBITDA margin expanded 5.2 percentage points. Operating revenue for Singapore Consumer grew 2.9% while Australia Consumer revenue in Australian Dollar terms fell 6.2%. With the weaker Australian Dollar, Group Consumer revenue declined 12%. Australia operating revenue declined with the lower equipment sales, decline in mobile termination rates from 1 January 2013 and higher service credits associated with device repayment plans. If the Australian Dollar was held constant against the Singapore Dollar, Group Consumer operating revenue would have declined 4.5% and EBITDA would have increased 13%.

In Singapore, EBITDA grew 5.8%, driven by both revenue growth and cost management. Investments in the 4G LTE and 3G networks continued to deliver customer growth and ARPU increases across postpaid and prepaid customers.

In Australia, despite lower operating revenue, EBITDA grew strongly by 15%. Total operating expenses decreased 14% year-on-year, driven by lower selling and administrative expenses partly contributed by A$22 million write-back of provision for base station rentals, as well as lower cost of sales and traffic expenses. Excluding the provision write-back, EBITDA would have increased 11%.

Group Consumer EBIT grew 10%, and in constant currency terms would have increased 20%.

For the Half Year Ended 30 September 2013

Group Consumer delivered a strong performance in the first half year, with EBITDA and EBIT growing 4.3% and 7.6% respectively.

In constant currency terms, operating revenue declined 4.2% while EBITDA and EBIT grew 10% and 14% respectively.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER SUMMARY INCOME STATEMENTS
For The Second Quarter And Half Year Ended 30 September 2013

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013	2012	Chge	2013	2012	Chge
	S$ m	S$ m	%	S$ m	S$ m	%
Operating revenue	**567**	**551**	**2.9**	**1,124**	**1,085**	**3.6**
Operating expenses	(386)	(388)	-0.5	(775)	(782)	-0.9
	181	162	11.3	350	303	15.4
Other income	*	8	nm	5	13	-61.2
EBITDA	**181**	**171**	**5.8**	**354**	**315**	**12.4**
- margin	***32.0%***	***31.0%***		***31.5%***	***29.1%***	
EBIT	**124**	**113**	**9.6**	**242**	**203**	**19.2**

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013	2012	Chge	2013	2012	Chge
	S$ m	S$ m	%	S$ m	S$ m	%
Mobile communications	318	299	6.5	628	585	7.3
Sale of equipment	57	62	-8.2	115	124	-6.8
International telephone	57	62	-7.3	114	124	-7.7
Internet (1)	53	57	-7.0	108	111	-2.9
National telephone	35	38	-8.5	70	75	-6.8
Residential mio TV (2)	35	26	33.5	67	48	41.8
Others (3)	12	7	67.9	22	19	16.9
Operating revenue	**567**	**551**	**2.9**	**1,124**	**1,085**	**3.6**
Selling & administrative	176	178	-1.3	351	360	-2.7
Traffic expenses	80	77	3.9	161	157	2.2
Cost of sales	55	59	-7.0	112	118	-5.4
Staff costs	51	51	0.3	102	101	0.9
Repair & maintenance	11	11	6.5	22	21	7.1
Others (4)	13	13	3.7	27	24	12.2
Operating expenses	**386**	**388**	**-0.5**	**775**	**782**	**-0.9**

Notes:
(1) Include revenues from Internet access under DSL, fibre and Dial-up.
(2) Include one-off rebates of $4 million in the June 2012 quarter.
(3) Include inter-operator tariff discounts, and revenue from mobile network cabling works and projects.
(4) Include property related expenses, project costs recovery and other operating expenses.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER OPERATING PERFORMANCE

For the Second Quarter Ended 30 September 2013

The Singapore Consumer operations grew EBITDA and EBIT by 5.8% and 9.6% respectively.

Operating revenue increased 2.9% with robust growth from Mobile and mio TV offsetting the decline in equipment revenue and other fixed services.

Mobile communications revenue grew 6.5%. The growth was contributed by higher subscription revenue as more customers upgraded to the tiered plans to experience the faster 4G LTE network, increased data usage as well as higher data roaming revenue. The increase in subscriptions and data usage mitigated lower voice usage and SMS revenue.

Home services revenue comprising residential mio TV, fixed broadband and voice grew 4%. While mio TV revenue expanded by 34% with higher ARPU from enriched content line-up, fixed broadband revenue was impacted by promotional offers including waiver of installation charges, discounts and speed upgrades in the competitive National Broadband Network (NBN) environment. Customers on bundled triple/quad play services increased by 9.5% from a year ago to 359,000 as at 30 September 2013.

Sale of equipment revenue declined 8.2% on lower volume and change in sales mix of handsets.

Overall operating expenses were stable. Selling and administrative expenses, the largest expense category, fell 1.3% attributed to lower outsourcing and installation costs from increased productivity.

Cost of sales decreased 7.0%, corresponding to lower equipment sales.

Other income decreased due to unfavourable exchange rate movements, lower income from cable diversions and lower sales of scrap copper.

For the Half Year Ended 30 September 2013

Operating revenue for the first half year grew 3.6% to S$1.12 billion.

EBITDA grew 12% and EBIT grew 19%, which were faster than revenue growth, a result of lower selling and administrative expenses from reduced handset subsidies and lower advertising and promotion spend.

SECTION 2 : GROUP CONSUMER

AUSTRALIA CONSUMER SUMMARY INCOME STATEMENTS
For The Second Quarter And Half Year Ended 30 September 2013

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2013 A$ m	2012 A$ m	%	2013 A$ m	2012 A$ m	%
Operating revenue	**1,728**	**1,842**	**-6.2**	**3,465**	**3,684**	**-6.0**
Operating expenses	(1,154)	(1,344)	-14.1	(2,384)	(2,703)	-11.8
	573	498	15.1	1,080	981	10.2
Other income	14	11	19.1	24	23	4.7
EBITDA	**587**	**510**	**15.2**	**1,105**	**1,004**	**10.0**
- margin	***34.0%***	***27.7%***		***31.9%***	***27.3%***	
EBIT	**337**	**274**	**23.2**	**611**	**544**	**12.3**

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2013 A$ m	2012 A$ m	%	2013 A$ m	2012 A$ m	%
Incoming	234	253	-7.4	458	497	-7.8
Outgoing	874	917	-4.7	1,748	1,825	-4.3
Total Mobile Service (1)	1,108	1,170	-5.3	2,205	2,322	-5.0
Equipment	163	190	-14.3	339	397	-14.7
Total Mobile Revenue	**1,271**	**1,360**	**-6.5**	**2,544**	**2,719**	**-6.4**
Voice	143	154	-7.3	289	308	-6.0
Broadband	113	120	-5.6	228	245	-7.2
PayTV	19	20	-4.4	38	39	-2.8
Mass Market Fixed On-net	275	294	-6.4	555	592	-6.3
Mass Market Fixed Off-net	6	8	-27.9	12	17	-29.9
Total Mass Market Fixed	**281**	**302**	**-7.0**	**567**	**609**	**-6.9**
Data & IP	58	60	-2.4	115	118	-2.8
Voice	35	34	2.2	73	68	6.8
Satellite	83	86	-3.8	166	170	-2.1
Total Wholesale Fixed	**176**	**180**	**-2.2**	**354**	**356**	**-0.6**
Operating revenue	**1,728**	**1,842**	**-6.2**	**3,465**	**3,684**	**-6.0**

Note:
(1) Includes international incoming and outgoing revenue.

SECTION 2 : GROUP CONSUMER

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2013 A$ m	2012 A$ m	%	2013 A$ m	2012 A$ m	%
Selling & administrative	428	565	-24.2	923	1,146	-19.4
Traffic expenses	332	357	-6.9	654	706	-7.3
Cost of sales	199	233	-14.4	413	464	-10.9
Staff costs	154	146	5.3	305	299	2.0
Repair & maintenance	31	34	-7.5	67	69	-3.2
Others	10	10	6.8	22	19	12.8
Operating expenses	**1,154**	**1,344**	**-14.1**	**2,384**	**2,703**	**-11.8**

AUSTRALIA CONSUMER OPERATING PERFORMANCE

For the Second Quarter Ended 30 September 2013

This quarter, Australia Consumer continued to execute on its transformation plan, and kept its focus on sustained profitability, improving customer experience and positioning itself to capitalise on mobile data usage growth. EBITDA grew 15% although operating revenue declined A$114 million or 6.2%.

The decline in mobile revenue by A$89 million or 6.5% was attributed to the following items that have minimal impact on EBITDA:

- Equipment sales decreasing by A$27 million from lower shipment volumes as device subsidies were reduced;
- Higher service credits associated with the device repayment plans reducing outgoing service revenue by A$23 million; and
- Mobile incoming revenue falling by A$19 million from the mandated reduction in the mobile termination rate from 6 cents to 4.8 cents per minute from 1 January 2013.

Customer usage trends continued with lower roaming and voice breakage revenues. The introduction of "My Plan", which provides customers with data usage certainty, also allows Australia Consumer to further increase data revenues. Excluding the impact of service credits associated with device repayment plans, mobile outgoing service revenue declined 2.2% year-on-year.

During the quarter, continued focus on customer engagement has resulted in significant improvements in market NPS[2] scores and a reduction in TIO complaints. The customer centric initiatives in Australia included:

- Following the introduction of "My Plan", simpler and fairer roaming plans were launched with A$10 Optus Travel Packs for unlimited texts and calls in over 180 countries globally;
- Removal of credit card fees on direct debits for consumer and small business customers;

[2] The Net Promoter Score ("**NPS**") is a widely used metric to measure customer experience by scoring the willingness of customers to recommend a brand following an interaction with the company.

SECTION 2 : GROUP CONSUMER

- “Trade in, Trade up” program where customers can trade in their smartphones for a credit against a new handset; and
- Increased customer communication and engagement.

Optus continued to make significant investments in its mobile networks to enhance customer experience, particularly data services. Recent achievements during the quarter included:

- Launch of 4G Plus, an Optus' 4G TD-LTE[3] 2300 MHz network, in selected areas of Melbourne, Sydney, Brisbane and Adelaide, to complement the existing 4G 1800 MHz network; and
- Ongoing U900 spectrum migration program improving in-building coverage, with over 4,380 sites so far upgraded to 3G plus, including the NSW Central Coast with Wollongong and Canberra to follow by December 2013.

In Mass Market Fixed, the decline in the telephony customer base resulted in 6.4% decline in on-net revenue.

Wholesale fixed revenue was down 2.2% compared to the same quarter last year as the higher voice revenue was offset by lower Satellite and Data and IP revenues.

Total operating expenses fell 14%. Selling and administrative expenses, the largest expense category, declined 24% from lower subscriber acquisition costs, reduced advertising and promotion spend as well as A$22 million of provision write-back for base station rentals no longer required. Traffic expenses declined 6.9% due to lower interconnect costs from the mandated decline in mobile voice termination rates and lower outpayment costs. Cost of sales declined 14% due to lower handset sales.

Overall Australia Consumer EBITDA grew 15% and EBITDA margin expanded significantly by 6.3 percentage points to 34%. Excluding the provision write-back for base station rentals, EBITDA would have increased 11% and the EBITDA margin would have expanded by 5.0 percentage points.

EBIT increased by 23%, with the EBITDA growth partly offset by higher depreciation and amortisation from increased investments in the mobile network.

The future shape of the Australian Government’s NBN project (including technology choice and rollout plans) may be impacted with the recent change of government in September 2013. Post-election, the new Coalition government has instructed NBN Co to undertake a strategic review of the NBN project and to report by 2 December 2013 on a number of issues, including the estimated time and cost to complete the project under the existing as well as alternate technical solutions such as fibre to the node.

For the Half Year Ended 30 September 2013

For the first half year, Australia Consumer EBITDA grew 10% and EBIT grew 12%. Operating revenue declined 6.0% from lower shipment volumes, higher service credits and reduction of mobile termination rates. Operating expenses reduced 12% with lower selling and administrative expenses, cost of sales and traffic costs.

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[3] Current FD-LTE technology uses two separate frequency channels for data travelling in each direction. TD-LTE is another type of 4G technology that uses the Vivid 2300MHz spectrum, where the upload and download of data happens on the same frequency, but at different times – opening up the possibility to deliver even faster speeds.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE

MANAGEMENT DISCUSSION AND ANALYSIS

Group Enterprise provides comprehensive and integrated ICT solutions to enterprise customers both in Singapore and Australia, covering mobile, voice and data infrastructure, managed services, cloud computing, and IT services and professional consulting.

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

- **Operating revenue at S$1.55 billion – down 3.7%.**
- **EBITDA at S$498 million – up 1.2%.**
- **EBIT at S$330 million – down 1.7%.**

FINANCIAL HIGHLIGHTS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

- **Operating revenue at S$3.11 billion – down 3.9%.**
- **EBITDA at S$1.03 billion – up 2.2%.**
- **EBIT at S$692 million – up 0.7%.**

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE SUMMARY INCOME STATEMENTS
For The Second Quarter And Half Year Ended 30 September 2013

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013	2012	Chge	2013	2012	Chge
	S$ m	S$ m	%	S$ m	S$ m	%
Operating revenue	**1,548**	**1,608**	**-3.7**	**3,108**	**3,234**	**-3.9**
Operating expenses	(1,053)	(1,122)	-6.1	(2,097)	(2,240)	-6.4
	495	486	1.8	1,011	995	1.7
Other income	3	6	-45.2	19	14	36.8
EBITDA	**498**	**492**	**1.2**	**1,030**	**1,008**	**2.2**
- margin	***32.2%***	***30.6%***		***33.1%***	***31.2%***	
Depreciation & amortisation	(168)	(156)	7.3	(338)	(322)	5.2
EBIT	**330**	**336**	**-1.7**	**692**	**687**	**0.7**

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013	2012	Chge	2013	2012	Chge
	S$ m	S$ m	%	S$ m	S$ m	%
Cost of sales	332	376	-11.6	669	749	-10.6
Staff costs	306	324	-5.6	610	639	-4.6
Selling & administrative	201	197	2.1	402	401	0.3
Traffic expenses	186	192	-2.9	362	395	-8.3
Others	28	33	-15.3	53	56	-5.4
Operating expenses	**1,053**	**1,122**	**-6.1**	**2,097**	**2,240**	**-6.4**

GROUP ENTERPRISE OPERATING HIGHLIGHTS

For the Second Quarter Ended 30 September 2013

Group Enterprise delivered 1.2% EBITDA growth and 1.6 percentage points margin expansion in the current quarter on better business mix with reduced hardware sales and cost management.

Singapore Enterprise contributed 71% (Q2 FY2013: 68%) to the Group Enterprise operating revenue. With keen competition, a generally cautious business environment, as well as the steep 10% depreciation of the Australian Dollar against the Singapore Dollar, Group Enterprise revenue was lower by 3.7% year-on-year. If the Australian Dollar was constant from a year ago, operating revenue would have been stable and EBITDA would have increased 2.8%.

SECTION 3 : GROUP ENTERPRISE

Total operating expenses decreased 6.1% with declines in cost of sales and traffic expenses corresponding to the lower revenue. Staff costs declined 5.6% primarily due to workforce restructuring in Australia.

With higher depreciation and amortisation charges on investments in data centre and core infrastructure, EBIT declined by 1.7% to S$330 million.

Group Enterprise secured a A$530 million agreement with ANZ Banking Group to provide telecommunication and managed services for a further five years. The deal demonstrated Optus Business' ability to deliver end-to-end managed telecommunications services across Australia and the Asia Pacific region by leveraging SingTel's extensive international network reach and capabilities.

Group Enterprise continued to win various awards and gain industry recognition. During the quarter, SingTel received the Beyond Connectivity Service Provider of the Year, Singapore Telecom Service Provider of the Year and Singapore Carrier Ethernet Service Provider for the Year Awards from Frost & Sullivan.

For the Half Year Ended 30 September 2013

For the half year, Group Enterprise EBITDA was up 2.2% and EBIT grew 0.7% although operating revenue declined 3.9%, reflecting careful cost management.

In constant currency terms, EBITDA would have grown 3.2% while operating revenue declined 1.8%.

SINGAPORE ENTERPRISE OPERATING REVENUE

	Quarter		YOY	Half Year		YOY
	30 Sep			30 Sep		
	2013	2012	Chge	2013	2012	Chge
	S$ m	S$ m	%	S$ m	S$ m	%
Data and Internet	327	322	1.6	649	650	-0.2
Managed services (1)	262	283	-7.6	507	548	-7.6
Mobile communications	198	183	8.4	394	370	6.5
Business solutions (2)	131	145	-10.0	261	276	-5.3
International telephone	58	60	-3.7	117	125	-6.0
National telephone	47	47	-0.9	93	94	-1.5
Fibre rollout and maintenance (3)	34	25	37.8	88	80	10.8
Miscellaneous (4)	42	34	23.1	80	81	-0.1
Operating revenue (5)	**1,098**	**1,099**	**-0.1**	**2,189**	**2,223**	**-1.5**

Notes:
(1) Include Facility Management, Managed Services, Network Services, and value-added reselling and services.
(2) Include applications management services and outsourcing, system integration and business process outsourcing and communication engineering services.
(3) Include revenue from OpenNet for maintenance of fibre which commenced from April 2013.
(4) Include sale of equipment and other miscellaneous revenue.
(5) Include revenue from customers on staff mobile schemes for Enterprise customers.

SECTION 3 : GROUP ENTERPRISE

Singapore Enterprise revenue was stable at S$1.10 billion with growth in Mobile Communications and Data and Internet offsetting lower Managed Services and Business Solutions revenues.

Data and Internet revenue was up 1.6% to S$327 million as strong bandwidth demand for local and international data services mitigated continued price pressures on international data.

With lower project equipment sales partly mitigated by growth in services and maintenance revenue, Managed Services revenue declined 7.6%.

Mobile Communications recorded growth of 8.4% underpinned by strong growth in mobile customer base and higher data usage.

Business Solutions revenue declined 10% year-on-year, impacted by competition and customers' longer procurement decision cycle in some segments of the market. This quarter, NCS' major customer wins included a three-year contract to provide an integrated security management system and a five-year maintenance contract for a Singapore government ministry, and a one-year contract to provide ongoing applications management and support of information support system for an Australian government agency.

International Telephone revenue declined 3.7% with lower inpayment rates and call revenue. Lower outpayment rates reduced the impact on earnings.

AUSTRALIA ENTERPRISE OPERATING REVENUE

	Quarter		YOY	Half Year		YOY
	30 Sep			30 Sep		
	2013	2012	Chge	2013	2012	Chge
	A$ m	A$ m	%	A$ m	A$ m	%
ICT and Managed Services	127	119	7.2	244	236	3.4
Data and IP	96	109	-12.1	199	220	-9.6
Voice	95	97	-2.0	188	195	-3.3
Mobile (1)	69	69	1.3	136	136	-0.1
Operating revenue (2)	**388**	**393**	**-1.4**	**767**	**787**	**-2.5**

Notes:
(1) Include mobile service revenue and sale of equipment revenue.
(2) Exclude small and medium business segment which is reported under Australia Consumer.

Optus Business revenue declined 1.4% primarily due to declines in Data and IP and Voice revenues, compensated by higher ICT and Managed Services.

ICT and Managed Services revenue was up a strong 7.2% with growth in maintenance revenue and hardware and software sales.

Data and IP revenue fell 12% reflecting price competition and decline in legacy data services as customers continued to migrate to IP network solutions.

SECTION 3 : GROUP ENTERPRISE

Voice revenue declined 2.0%. Growth in Inbound Calling solution revenue partially mitigated the impact of price erosion and declines in switched voice as businesses migrated to lower cost IP-based voice solutions.

Mobile revenue grew 1.3% against the same quarter last year, although impacted by the mandated reduction in mobile termination rates from 6 cents to 4.8 cents from 1 January 2013.

Significant customer deals by Optus in the quarter included a A$60 million telecommunications services agreement with Virgin Australia Airlines to deliver domestic and international telecommunication services as well as managed services over five years.

In addition, Optus secured the Internet-based network connection tranche of the Australian Government Department of Agriculture, Fisheries and Forestry approach-to-market for outsourced telecommunication services at a total value of A$29 million over a four-year period.

SECTION 4 : GROUP DIGITAL L!FE

GROUP DIGITAL L!FE

MANAGEMENT DISCUSSION AND ANALYSIS

Group Digital L!fe focuses on using the latest Internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage.

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

- **Operating revenue at S$42 million – up 44%.**
- **Negative EBITDA of S$40 million, reflecting start-up costs and investment initiatives.**
- **Negative EBIT of S$51 million.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

- **Operating revenue at S$71 million – up 47%.**
- **Negative EBITDA of S$72 million.**
- **Negative EBIT of S$95 million.**

SECTION 4 : GROUP DIGITAL L!FE

GROUP DIGITAL L!FE SUMMARY INCOME STATEMENTS
For The Second Quarter And Half Year Ended 30 September 2013

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013 S$ m	2012 S$ m	Chge %	2013 S$ m	2012 S$ m	Chge %
Advertising Business						
- Mobile advertising [1]	28	15	91.9	44	23	94.7
- Other advertising [2]	3	5	-37.8	7	9	-15.3
	31	19	**61.7**	51	31	**64.6**
Others [3]	10	10	9.5	20	18	14.9
Operating revenue	**42**	**29**	**44.4**	**71**	**49**	**46.7**
Operating expenses	(81)	(61)	33.7	(142)	(105)	36.0
	(39)	(32)	24.0	(71)	(56)	26.8
Other income	(1)	1	nm	(1)	*	nm
EBITDA	**(40)**	**(31)**	**27.6**	**(72)**	**(56)**	**29.5**
Depreciation	(5)	(4)	31.4	(8)	(7)	27.3
Amortisation of intangibles	(7)	(12)	-43.0	(15)	(21)	-30.3
	(12)	(16)	-26.3	(23)	(27)	-16.4
EBIT	**(51)**	**(47)**	**9.6**	**(95)**	**(83)**	**14.3**

Notes:
(1) Mainly advertising revenue from Amobee.
(2) Mainly advertising revenues from TV and Internet.
(3) Include revenues from e-commerce, concierge and hyper-local services.

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013 S$ m	2012 S$ m	Chge %	2013 S$ m	2012 S$ m	Chge %
Selling & administrative	50	33	51.2	79	55	44.2
Staff costs	28	22	27.9	57	41	38.5
Cost of sales	1	4	-87.5	3	6	-56.9
Others	3	2	55.6	4	3	33.3
Operating expenses	**81**	**61**	**33.7**	**142**	**105**	**36.0**

SECTION 4 : GROUP DIGITAL L!FE

GROUP DIGITAL L!FE OPERATING HIGHLIGHTS

For The Second Quarter Ended 30 September 2013

Group Digital L!fe continued to invest and drive growth in the digital space. Operating revenue rose 44% to S$42 million, underpinned by growth in advertising.

The negative EBITDA of S$40 million reflected start-up costs and investments in digital businesses. Including depreciation and amortisation of intangibles, negative EBIT amounted to S$51 million.

In the quarter, Amobee acquired Gradient X, a developer of market-leading real-time bidding platform for mobile ads. With the added capabilities by Gradient X, Amobee's new digital advertising platform now offers companies the ability to bid for media buys in real time through multiple ad channels and formats, including video and HTML5.

Through a collaboration with AIS, the e-reader app, NewsLoop, was launched in Thailand in September 2013, opening a new chapter in the Thai content ecosystem. The app which was first introduced in Singapore has expanded into Australia, Indonesia and Malaysia. NewsLoop puts together the best news and lifestyle content from over 500 publishers to help readers discover relevant news that matter to them.

In August 2013, HungryGoWhere officially launched its website and mobile app in Malaysia and it aims to be a leading culinary guide in Malaysia. The website and app aggregates and makes recommendations through user reviews, critics' reviews and editorial content.

For The Half Year Ended 30 September 2013

Operating revenue for the half year grew strongly by 47% to S$71 million, contributed mainly by advertising. Negative EBITDA and EBIT were at S$72 million and S$95 million respectively.

SECTION 5: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

- **Associates' pre-tax contributions were down 9.6%, adversely affected by the steep 10% depreciation of the Indonesian Rupiah and Indian Rupee as well as fair value losses recorded by the associates.**

- **Excluding their respective fair value losses, the pre-tax contributions from the regional mobile associates would have increased 5.0% in constant currency terms, contributed by strong performance of Telkomsel.**

- **If the regional currencies were held constant from a year ago, the pre-tax and post-tax contributions from the associates would have decreased 3.0% and 5.9% respectively.**

- **The Group's combined mobile customer base[4] was up 2.0% or 9.7 million in the quarter to 486 million. Excluding Warid Pakistan which was disposed in March 2013, the mobile customer base was up 6.8% or 30.9 million from a year ago.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

- **Associates' strong operating performance was impacted by adverse currency movements and fair value losses.**

- **Associates' pre-tax contributions grew 1.5%. With higher taxes recorded by Airtel, the post-tax contributions declined 2.5%.**

- **If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions from the associates would have increased 6.5% and 2.1% respectively.**

[4] Combined mobile customer base here refers to the total number of mobile customers in SingTel, Optus and the regional mobile associates.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Pre-tax profit contribution	Equity Int %	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
Regional mobile associates							
Telkomsel	35.0						
- operating results		270	273	-1.0	528	519	1.7
- fair value losses		(18)	(2)	@	(20)	(7)	179.5
		252	271	-7.0	507	512	-0.9
AIS	23.3						
- operating results		102	106	-4.0	216	212	1.5
- fair value (losses)/ gains		*	*	nm	(2)	*	nm
		101	106	-4.6	214	213	0.5
Bharti Telecom / Bharti Airtel ("**Airtel**") [(2)]	32.3						
- operating results (India)		169	156	8.3	342	293	16.8
*- operating results ("**International**" - Africa, Bangladesh and Sri Lanka)* [(3)]		22	28	-19.4	47	48	-0.6
- net finance costs		(81)	(73)	11.5	(127)	(147)	-13.5
- fair value (losses)/ gains		(22)	(2)	@	(61)	10	nm
		88	109	-19.2	202	204	-1.0
Globe [(4)]	47.3						
- operating results		58	63	-7.3	131	121	8.9
- fair value (losses) / gains		(1)	1	nm	(4)	2	nm
		57	63	-9.5	128	123	4.1
Warid Pakistan [(5)]	-	-	-	-	-	(18)	nm
		498	**549**	**-9.2**	**1,050**	**1,033**	**1.7**
Other SingTel associates							
Singapore Post	25.5	11	10	8.7	23	22	4.0
Southern Cross [(6)]	40.0	-	11	nm	-	20	nm
Others		9	3	175.0	16	5	211.5
SingTel share of ordinary results (pre-tax)		**519**	**574**	**-9.6**	**1,090**	**1,080**	**0.9**
Optus share of ordinary results (pre-tax)		*	*	**nm**	*	*	**nm**
Group share of ordinary results (pre-tax)		**519**	**574**	**-9.6**	**1,090**	**1,080**	**0.9**
Exceptional item ("EI")							
Airtel - one-off items		-	-	-	7	-	nm
Group share of EI		**-**	**-**	**-**	**7**	**-**	**nm**
SingTel share of pre-tax profit [(4)]		**519**	**574**	**-9.6**	**1,096**	**1,080**	**1.5**
Optus share of pre-tax profit		*	*	**nm**	*	*	**nm**
Group share of pre-tax profit [(4)]		**519**	**574**	**-9.6**	**1,096**	**1,080**	**1.5**

Pre-tax ordinary profit contribution (in constant currency) [(7)]	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
Regional mobile associates						
- operating results	579	552	5.0	1,195	1,035	15.4
- fair value losses	(43)	(3)	@	(90)	(2)	@
Group share of regional mobile associates' ordinary results	**536**	**549**	**-2.4**	**1,104**	**1,033**	**6.9**

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2013 % [8]	Quarter 30 Sep 2012 S$ m	Quarter 30 Sep 2012 % [8]	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2013 % [8]	Half Year 30 Sep 2012 S$ m	Half Year 30 Sep 2012 % [8]	YOY Chge %
Regional mobile associates										
Telkomsel	189	21	203	23	-7.0	381	21	384	22	-0.8
AIS	78	9	82	9	-4.0	168	9	164	9	2.6
Airtel [2]										
- ordinary results (India)	86		102		-15.7	188		221		-15.1
- ordinary results (International) [3]	(53)		(49)		8.2	(104)		(111)		-6.6
- exceptional item	-		-		-	(1)		-		nm
	33	4	53	6	-37.8	83	5	110	6	-25.0
Globe [4]	39	4	44	5	-11.1	88	5	86	5	1.6
Warid Pakistan [5]	-	-	-	-	-	-	-	(18)	(1)	nm
	339	**38**	**382**	**43**	**-11.1**	**719**	**40**	**726**	**42**	**-0.9**
Other SingTel associates	16	2	21	2	-23.6	30	2	41	2	-27.1
SingTel share of post-tax profit [4]	**355**	**40**	**403**	**45**	**-11.7**	**749**	**42**	**767**	**44**	**-2.3**
Optus share of post-tax profit	**(1)**	******	*****	******	**nm**	**(1)**	******	*****	******	**nm**
Group share of post-tax profit [4]	**354**	**40**	**403**	**45**	**-12.0**	**748**	**42**	**767**	**44**	**-2.5**

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) In August 2013, the Group increased its shareholding in Airtel from 30.76% to 32.34%.
(3) With effect from 1 April 2013, Airtel reported the results of Africa, Bangladesh and Sri Lanka as part of its "International" segment. Comparatives have been restated accordingly.
(4) Share of results for the second quarter and half year ended 30 September 2013 and 30 September 2012 excluded the Group's share of Globe's accelerated depreciation arising from its network modernisation and IT transformation which has been classified as an exceptional item of the Group.
(5) Warid Pakistan was disposed in March 2013.
(6) With effect from 1 April 2013, equity accounting of Southern Cross is suspended and dividend income from Southern Cross is recognised in the income statement when the right to receive payment is established.
(7) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2012.
(8) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.

*"**" denotes less than +/-0.05%.*

	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
SingTel share of associates' tax	(163)	(171)	-4.6	(347)	(313)	11.0
Optus share of associates' tax	(1)	*	nm	(1)	*	nm
Group share of associates' tax (a)	**(164)**	**(171)**	**-3.9**	**(349)**	**(313)**	**11.3**
Group share of pre-tax results (b)	**519**	**574**	**-9.6**	**1,096**	**1,080**	**1.5**
Effective tax rate (a)/(b)	***31.7%***	***29.8%***		***31.8%***	***29.0%***	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

The Group's share of pre-tax profit from the regional mobile associates was down 9.2%, caused by the 10% depreciation of both the Indonesian Rupiah and Indian Rupee against the Singapore Dollar from a year ago. The weaker currencies had also resulted in fair value losses being recognised by Telkomsel and Airtel in the quarter. If the regional currencies were held constant from a year ago and excluding the fair value losses, the pre-tax contribution from the regional mobile associates would have increased 5.0%.

Telkomsel delivered strong operating performance underpinned by robust data growth but this was partly offset by fair value losses with a weaker Indonesian Rupiah. AIS recorded higher revenue and stable EBITDA while increased depreciation and amortisation charges from the 3G rollout led to a decline in overall earnings. Globe recorded service revenue growth with sustained momentum across mobile and broadband but had lower EBITDA on higher spectrum usage fees and higher marketing and subsidy expenses to drive acquisitions.

Airtel reported improved operating performance with higher margins in India from increased ARPU and continued data growth. The African market saw an uplift this quarter with steady improvements in key operating metrics. Airtel's consolidated operating revenue grew 10% and EBITDA expanded 15% on strong data growth and cost efficiencies. Net profit, however, declined 29% due to higher depreciation and spectrum amortisation charges on continued network investments, fair value losses from the weaker Indian Rupee, and unrealised mark-to-market investment losses.

On a post-tax basis, the associates in total contributed 40% to the Group's underlying net profit, 5 percentage points lower than a year ago.

For the half year ended 30 September 2013, the Group's share of associates' pre-tax profits grew 1.5% while share of post-tax profits declined 2.5% on higher taxes recorded by Airtel. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions from the associates would have increased 6.5% and 2.1% respectively.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 65,600 radio base stations (including 3G Node B) providing nationwide coverage.

Operating revenue grew 8% year-on-year with growth across voice and data amid stable market conditions. EBITDA increased 12% despite higher operation and maintenance costs from increased network deployment. With higher depreciation charges on the expanded network rollout, the Group's share of Telkomsel's pre-tax operating profit (before fair value adjustments) rose 9% in Indonesian Rupiah terms.

With the steep decline of the Indonesian Rupiah against the US Dollar, Telkomsel recognised fair value losses on its US Dollar denominated liabilities. After including the Group's share of fair value losses of S$18 million (Q2 FY2013: S$2 million) and with the 10% depreciation of the Indonesian Rupiah against the Singapore Dollar, the Group's overall share of Telkomsel's pre-tax profit declined 7.0%.

On a post-tax basis, Telkomsel's contribution for the quarter declined 7.0% to S$189 million and comprised 21% (Q2 FY2013: 23%) of the Group's underlying net profit.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Compared to the preceding quarter, in Indonesian Rupiah terms, EBITDA grew 14% on revenue growth of 7% lifted by increased usage during the Lebaran season and a higher customer base.

Telkomsel gained 2.8 million mobile customers in the quarter, against 4.5 million in the preceding quarter. The total mobile customer base grew 5.3% or 6.4 million from a year ago to 128 million.

Telkomsel continued to expand its network, adding approximately 3,400 radio base stations in the quarter.

Advanced Info Service (“AIS”)

AIS is the largest mobile communications operator in Thailand and is listed on the Stock Exchange of Thailand.

In July 2013, the National Broadcast and Telecommunication Commission (“**NBTC**”) reduced the interconnection rate from Baht 1 to Baht 0.45 per minute across all mobile operators in Thailand. This affected both interconnect revenue and costs, with a positive impact on AIS’ EBITDA margin.

Service revenue (excluding interconnect revenue) grew 4%, driven by stellar growth of 23% in non-voice revenues with higher mobile data usage from 3G 2.1GHz services launched in May 2013 as well as increased smartphone penetration. Operating expenses (excluding interconnect costs) grew 11% on higher staff costs, increased marketing spend and network costs on 3G network expansion. Consequently, EBITDA was flat. AIS’ pre-tax profit fell 6% in Thai Baht terms after accounting for higher depreciation and amortisation charges for the 3G rollout. In Singapore Dollar terms, the Group’s share of AIS’ pre-tax profit was down 4.6% to S$101 million.

Post-tax contribution declined 4.0% and comprised 9% (Q2 FY2013: 9%) of the Group’s underlying net profit.

Against the preceding quarter, AIS’ EBITDA was 3% lower in Thai Baht terms on seasonally lower revenue and higher costs from 3G rollout, partially offset by lower regulatory fees from the higher proportion of 3G service revenue.

AIS added 1.5 million mobile customers this quarter, up from 548,000 in the preceding quarter. The total customer base grew 11% or 3.8 million from a year ago to 39.1 million. AIS has registered 10.5 million 3G customers as at 30 September 2013 since its commercial launch in May 2013.

Digital Phone Company Limited (DPC), a subsidiary of AIS, operates under a Build-Transfer-Operate (BTO) agreement which expired on 15 September 2013. The NBTC has since announced a temporary measure requiring DPC to continue service for up to one year after the expiration date.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Bharti Telecom Group ("Airtel")

Airtel is listed on the National Stock Exchange and the Stock Exchange, Mumbai and is a leading integrated telecommunications company with operations in 20 countries across Asia and Africa, offering telecom services under wireless and fixed line technology, national and international long distance connectivity, digital TV and IPTV service and complete integrated telecom solutions to its enterprise customers. Airtel also owns tower infrastructure pertaining to telecom operations through its subsidiary and joint venture entity.

India

Airtel reported improved operating performance this quarter, with continued data growth, stable customer churn with sustained benefits from the new customer acquisition and retention processes, as well as higher EBITDA margins.

Operating revenue was up 6% driven by higher ARPU from improved voice revenue per minute coupled with higher incremental traffic minutes and robust data growth. The revenue in the same quarter last year included a one-time impact on account of a favourable order by Telecom Dispute Settlement Appellate Tribunal (TDSAT) in respect of an outstanding dispute relating to interconnect agreements. Adjusting for this, revenue would have increased 11%. EBITDA grew strongly by 13% on higher margins driven by improved product mix and cost efficiencies. The Group's share of pre-tax operating profit (before finance costs and fair value adjustments) was up strongly by 20% in Indian Rupee terms.

With the significant 10% depreciation of the Indian Rupee against the Singapore Dollar, Airtel India's pre-tax operating profit contribution rose by a lower 8.3% to S$169 million.

Compared to the preceding quarter, both revenue and EBITDA were stable.

Airtel added 2.5 million mobile customers in India this quarter, compared to 2.7 million in the preceding quarter. Average monthly churn was stable at 3.2% from a quarter ago.

As at 30 September 2013, Airtel's mobile customer base in India stood at 193 million.

Africa, Bangladesh and Sri Lanka ("International")

In US Dollar terms, Airtel International revenues grew 4% while EBITDA increased 5% with improved margins.

In Africa, Airtel offers mobile services in 17 countries. As at end of September 2013, Airtel has launched 3G mobile services across 14 African countries and 'Airtel Money' service in all the 17 African countries. In the quarter, Airtel launched 'Airtel Connect', an integrated fiber and satellite network providing internet and data services.

The telecom market in Africa saw a positive uplift this quarter with key operating metrics such as customer net adds, voice and data traffic, price realisation, and smartphone penetration showing steady improvement.

In US Dollar terms, Africa's operating revenue grew 2% on strong data momentum. While total mobile voice traffic grew 18%, revenue per minute declined, reflecting the competitive intensity. With higher network costs from increased network rollout, EBITDA grew 1%. Africa recorded positive cash generation of US$147 million for the quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

During the quarter, Airtel acquired 5MHz of 3G spectrum in Bangladesh for US$105 million, which would enable Airtel to tap into the fast growing data youth segment in Bangladesh.

South Asia which comprised operations in Sri Lanka and Bangladesh continued to show improvements in financial and operating metrics. EBITDA was positive for the consecutive quarter with robust revenue growth of 36% and lower EBIT losses compared to a year ago.

After including an exceptional charge relating to a new regulatory levy in one of its international operations, the Group's share of Airtel International's pre-tax operating profit (before finance costs and fair value adjustments) amounted to S$22 million in the quarter, compared to S$28 million in the same quarter last year.

Compared to the preceding quarter, Airtel International's revenue grew 5% in US Dollar terms and EBITDA rose 7% on improved performance in Africa.

Africa's mobile customer base grew 2.2 million in the quarter, compared to 0.5 million in the preceding quarter. As at 30 September 2013, the total customer base stood at 66.4 million, an increase of 13% or 7.7 million from a year ago. Including 8.3 million mobile customers from South Asia, Airtel International's mobile customer base reached 74.7 million as at end September 2013.

Overall

The quarter saw significant volatility in the economic environment in India. The Indian Rupee declined sharply against the US Dollar and this resulted in higher fair value losses during the quarter. Airtel also recognised unrealised investment losses from mark-to-market adjustment on short term investments in debt linked mutual funds. Consequently, the Group's share of Airtel's overall pre-tax profit declined 8% in Indian Rupee terms. In Singapore Dollar terms, with the 10% depreciation of the Indian Rupee against the Singapore Dollar, the Group's share of overall pre-tax profit from Airtel declined 19% to S$88 million after including the share of net finance costs of S$81 million (Q2 FY2013: S$73 million) and fair value losses of S$22 million (Q2 FY2013: S$2 million).

With increased tax expense in Africa due to higher withholding taxes on dividends received from its subsidiaries and one-off settlements, the Group's share of Airtel's post-tax profit declined by 38% to S$33 million.

Including mobile customers across operations in 20 countries covering India, Bangladesh, Sri Lanka and across Africa, Airtel's total mobile customer base across all geographies grew 6.5% or 16.4 million from a year ago to 268 million as at 30 September 2013.

Airtel was assigned an investment grade rating of Baa3 by Moody's and was ranked fourth by Transparency International for 'Transparency in Corporate Reporting' among top 100 Emerging Market multinational corporations.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Globe Telecom, Inc ("Globe")

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

Globe's service revenue grew 11% from a year ago driven by a higher mobile customer base and strong take-up of data services. Broadband revenue was up a robust 17% fuelled by continued expansion in customer base. EBITDA however declined 1% on higher spectrum usage fees and higher marketing and subsidy expenses to drive customer acquisitions. Globe's pre-tax operating profit (before exceptional items and fair value adjustments) fell 5% from a year ago.

With the 3% depreciation of the Philippine Peso against the Singapore Dollar, Globe's ordinary pre-tax profit contribution declined 9.5% year-on-year to S$57 million. This contribution excluded Globe's accelerated depreciation charges related to its network modernisation and IT transformation programs. The Group's share of this exceptional charge of S$15 million (S$10 million post-tax) has been classified as an exceptional item of the Group.

On a post-tax basis, Globe contributed S$39 million or 4% (Q2 FY2013: 5%) to the Group's underlying net profit.

Against the preceding quarter, Globe's service revenue declined 2% while EBITDA declined 8% on higher subsidy expenses.

Globe added 425,000 mobile customers in the current quarter, compared to 1.0 million in the preceding quarter. As at 30 September 2013, its mobile customer base expanded to 36.5 million, up 14% or 4.5 million from a year ago.

Globe acquired 96.5% of Bayan Telecommunication Inc's ("**Bayan**") total debt in December 2012 and submitted a plan for approval to amend the terms of Bayan's rehabilitation plan. On 2 September 2013, the Philippines Court approved the debt restructuring and master restructuring plan that covers all creditors of Bayan. The approval paved the way for Globe to become a shareholder of Bayan and is expected to assure Bayan's successful rehabilitation.

SECTION 5 : 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 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
Group operating revenue						
SingTel	1,702	1,672	1.8	3,376	3,346	0.9
Optus	2,461	2,900	-15.1	5,081	5,759	-11.8
	4,163	**4,572**	**-8.9**	**8,456**	**9,105**	**-7.1**
Proportionate share of operating revenue of associates						
Regional mobile associates	2,658	2,691	-1.2	5,469	5,383	1.6
Singapore associates	93	76	22.6	182	152	19.6
Other overseas associates	17	31	-45.7	34	61	-44.0
	2,769	**2,798**	**-1.1**	**5,685**	**5,596**	**1.6**
Enlarged revenue	**6,932**	**7,370**	**-6.0**	**14,142**	**14,701**	**-3.8**
% of overseas revenue to enlarged revenue	***74%***	***76%***		***75%***	***76%***	

In the quarter, overseas revenue contributed 74% to the Group's enlarged revenue against 76% a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter 30 Sep 2013 S$ m	Quarter 30 Sep 2012 S$ m	YOY Chge %	Half Year 30 Sep 2013 S$ m	Half Year 30 Sep 2012 S$ m	YOY Chge %
Group EBITDA						
SingTel	550	541	1.6	1,137	1,087	4.6
Optus	748	725	3.2	1,457	1,422	2.5
	1,298	**1,267**	**2.5**	**2,594**	**2,509**	**3.4**
Proportionate share of associates' EBITDA (1)						
Regional mobile associates	1,090	1,099	-0.8	2,230	2,153	3.6
Singapore associates	29	25	14.6	59	52	13.8
Other overseas associates	14	29	-50.9	27	47	-42.2
	1,133	**1,153**	**-1.7**	**2,316**	**2,252**	**2.8**
Total proportionate EBITDA	**2,432**	**2,420**	**0.5**	**4,910**	**4,761**	**3.1**
Overseas proportionate EBITDA as a % to total proportionate EBITDA	***76%***	***77%***		***76%***	***76%***	
Contributions to total proportionate EBITDA						
Regional mobile associates	45%	45%		45%	45%	
Australia	31%	30%		30%	30%	
Singapore	24%	23%		24%	24%	
Others	1%	1%		1%	1%	
	100%	**100%**		**100%**	**100%**	

Note:

(1) Proportionate share of associates' 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 76% to proportionate EBITDA against 77% a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share [1]		
	30 Sep 2013	30 Jun 2013	30 Sep 2012	30 Sep 2013	30 Jun 2013	30 Sep 2012
SingTel	3,931	3,847	3,692	3,931	3,847	3,692
Optus	9,495	9,533	9,544	9,495	9,533	9,544
	13,426	**13,380**	**13,236**	**13,426**	**13,380**	**13,236**
Regional Mobile Associates						
Airtel						
- India	193,457	190,948	185,922	62,564	58,737	60,090
- International	74,720	72,228	65,903	24,164	22,218	21,300
	268,177	263,176	251,825	86,728	80,955	81,390
Telkomsel	127,904	125,091	121,477	44,766	43,782	42,517
AIS	39,125	37,666	35,324	9,124	8,784	8,238
Globe	36,517	36,092	32,055	17,258	17,061	15,168
	471,723	462,025	440,681	157,876	150,582	147,313
Warid Pakistan	-	-	12,646	-	-	3,794
PBTL	1,330	1,383	1,680	599	622	756
	473,053	**463,408**	**455,007**	**158,475**	**151,204**	**151,863**
Group	**486,479**	**476,788**	**468,243**	**171,901**	**164,584**	**165,099**
Excluding Warid Pakistan	***486,479***	***476,788***	***455,597***	***171,901***	***164,584***	***161,305***

Note:

(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.

The Group's combined mobile customer base was 486 million as at 30 September 2013, up 2.0% or 9.7 million from a quarter ago, and 3.9% or 18.2 million from a year ago. On a proportionate share basis, the increase was 4.4% to 172 million from a quarter ago. Excluding Warid Pakistan which was disposed in March 2013, the Group's mobile customer base was up 6.8% or 30.9 million from a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES [1]

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2013 S$ m	2012 S$ m	Chge %	2013 S$ m	2012 S$ m	Chge %
Regional mobile associates						
Telkomsel [2]						
- final dividend FY 2012 / FY 2011	-	96	nm	589	485	21.6
AIS [3]						
- interim dividend FY 2013 / FY 2012	181	163	11.2	181	163	11.2
- final dividend FY 2012 / FY 2011	-	-	-	144	118	22.0
	181	163	11.2	325	281	15.8
Globe [4]						
- second dividend FY 2012 / FY 2011	61	60	1.3	61	60	1.3
Airtel [5]						
- final dividend FY 2013 / FY 2012	12	13	-12.7	12	13	-12.7
	254	**332**	**-23.6**	**987**	**839**	**17.6**
Other associates						
Southern Cross [6]	11	10	14.3	11	23	-50.4
SingPost	19	19	-	19	19	-
Others	1	8	-85.0	3	8	-60.0
Total	**285**	**368**	**-22.7**	**1,020**	**888**	**14.8**

Notes:

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

(2) Telkomsel declared a full year dividend of 85% on net profit for its 2012 financial year (FY 2011: 80%).

(3) AIS dividend policy is to pay dividends of at least 100% of net profit. Dividends will be paid twice a year, with an interim dividend distributed from the first half operating results and annual dividend distributed from the second half operating results. The Group received its share of the interim dividend in respect of AIS' 2013 financial year in September 2013.

(4) Globe's dividend policy is to pay ordinary dividends of 75% to 90% of prior year's core net income, payable semi-annually in March and September of each year. Globe declared a full year dividend of 86% of core net income for its 2012 financial year (FY 2011: 86%). The Group received its share of the first semi-annual dividend of S$63 million in March 2013 and second semi-annual dividend of S$61 million in September 2013.

(5) Airtel does not have a fixed dividend policy.

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

The total dividends received from the associates for the quarter amounted to S$285 million compared to S$368 million in the corresponding quarter last year, mainly due to the timing of receipt from Telkomsel.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Airtel [1]	Telkomsel	AIS	Globe	PBTL
SingTel's investment:					
Year of initial investment	**2000**	**2001**	**1999**	**1993**	**2005**
Effective shareholding (%)	32.3%	35.0%	23.3%	47.3%	45.0%
Investment to date	S$2.69 bil	S$1.93 bil	S$1.20 bil	S$1.02 bil	S$238 mil
Closing market share price [2]	INR 318.3	NA	THB 255 [7]	PHP 1,600	NA
Market capitalisation					
- Total	S$26.07 bil	NA	S$30.57 bil	S$6.15 bil	NA
- SingTel holding	S$8.43 bil	NA	S$7.13 bil	S$2.91 bil	NA
Operational Performance :					
Mobile penetration rate [3]	71%	118%	139%	110%	66%
Market share, 30 Sep 2013 [3]	22.2%	43.6%	43.3%	33.5%	1.2%
Market share, 30 Jun 2013 [4]	21.9%	43.4%	43.3%	33.0%	1.3%
Market position [3] [5]	#1	#1	#1	#2	#6
Mobile customers ('000)					
- Aggregate	268,177	127,904	39,125	36,517	1,330
- Proportionate	86,728	44,766	9,124	17,258	599
Growth in mobile customers (%) [6]	6.5%	5.3%	11%	14%	-21%
Credit ratings					
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Baa3/BB+	Baa1/BBB+	Baa3/BBB-	Ba3/BB-
- Company (Moody's/ S&P's)	Baa3/BB+	Baa1/BBB-	NA/A-	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 September 2013, in local currency.
(3) Based on actual or estimated data available as at 30 September 2013. Market share for AIS was based on 30 June 2013, which was the latest available data.
(4) Based on actual data a quarter ago.
(5) Based on number of mobile customers.
(6) Compared against 30 September 2012 and based on aggregate mobile customers.
(7) Based on local market price quoted on the Stock Exchange of Thailand.

NA Denotes not applicable.

Please refer to **Appendix 5** for the currency rate movements of the major associates.

SECTION 6 : PRODUCT INFORMATION

SINGAPORE MOBILE

	Quarter 30 Sep 2013	Quarter 30 Jun 2013	Quarter 30 Sep 2012	Half Year 30 Sep 2013	Half Year 30 Sep 2012	YOY Chge %
Mobile Communications revenue (S$'M) [1]	**516**	**506**	**481**	**1,022**	**955**	**7.0**
Number of mobile subscribers (000s)						
Prepaid	1,766	1,732	1,676	1,766	1,676	5.4
Postpaid	2,165	2,115	2,016	2,165	2,016	7.4
Total	**3,931**	**3,847**	**3,692**	**3,931**	**3,692**	**6.5**
4G postpaid mobile subscribers (000s)	**694**	**537**	**48**	**694**	**48**	**@**
Mobile broadband subscribers (000s) [2]	**1,706**	**1,620**	**1,402**	**1,706**	**1,402**	**21.7**
MOUs per subscriber per month [3]						
Prepaid	333	332	339	332	338	-1.8
Postpaid [4]	299	298	316	298	318	-6.3
Average revenue per subscriber per month [3] [5] **(S$ per month)**						
Prepaid	16	16	15	16	15	6.8
Postpaid	79	79	80	78	80	-2.1
Blended	**50**	**50**	**50**	**50**	**50**	**-0.2**
Data services as % of ARPU						
- total data [6]	42%	41%	41%	42%	41%	
- non-SMS data	27%	25%	20%	26%	20%	
Tiered data plans						
- postpaid base on tiered data plans	37%	31%	7%	37%	7%	
- tiered data plan customers exceeding data bundles	13%	13%	8%	13%	8%	
Acquisition cost per postpaid subscriber (S$)	**204**	**284**	**289**	**239**	**296**	-19.3
Postpaid external churn per month [7]	*0.8%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	
Singapore mobile penetration rate [8]	***156%***	***153%***	***149%***	***156%***	***149%***	
Singapore mobile subscribers ('000s) [8]	***8,343***	***8,197***	***7,931***	***8,343***	***7,931***	
Market share [8]						
Prepaid	*45.3%*	*45.1%*	*44.7%*	*45.3%*	*44.7%*	
Postpaid	*48.8%*	*48.5%*	*48.2%*	*48.8%*	*48.2%*	
Overall	***47.1%***	***46.9%***	***46.6%***	***47.1%***	***46.6%***	

Notes:

(1) This comprises cellular service revenue in Singapore only and 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.
(2) Mobile customers who registered for the monthly mobile broadband data subscription plans, including data packs attached to voice services.
(3) Based on average subscribers, calculated as the simple average of opening and closing subscribers.
(4) MOU of postpaid base 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 6 : PRODUCT INFORMATION

(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. The market share data as at 30 September 2013 was based on Telco operators' published results. The other market statistics were based on IDA's latest available published statistics as of 31 August 2013.

AUSTRALIA MOBILE

	Quarter			Half Year		YOY
	30 Sep 2013	30 Jun 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012	Chge %
Optus' mobile revenue (A$'M) (1)	**1,343**	**1,343**	**1,432**	**2,686**	**2,861**	**-6.1**
Number of mobile subscribers (000s)						
Prepaid	4,001	4,021	4,127	4,001	4,127	-3.1
Postpaid (2)	5,494	5,512	5,417	5,494	5,417	1.4
Total	**9,495**	**9,533**	**9,544**	**9,495**	**9,544**	**-0.5**
4G mobile subscribers (000s) (3)	**1,377**	**1,084**	**ND**	**1,377**	**ND**	nm
Mobile penetration rate (4)	***ND***	***133%***	***ND***	***ND***	***ND***	
MOUs per subscriber per month (5)						
Prepaid	121	116	108	118	105	12.2
Postpaid	220	218	231	219	230	-4.7
ARPU per month (A$) (6)						
Prepaid	24	22	23	23	22	3.7
Postpaid	54	54	59	54	59	-9.6
Blended	**41**	**40**	**43**	**41**	**43**	**-5.1**
Data revenue as a % of service revenue						
- total data	***62%***	***60%***	***51%***	***62%***	***50%***	
- non-SMS data	***36%***	***34%***	***26%***	***36%***	***26%***	
Market share - total (4)	***ND***	***30.0%***	***ND***	***ND***	***ND***	
Retail postpaid churn rate per month (7)	***1.3%***	***1.5%***	***1.6%***	***1.5%***	***1.6%***	
Acquisition cost per subscriber (A$)						
Prepaid	25	10	19	18	22	-17.0
Postpaid	224	225	315	225	324	-30.7
Blended	**115**	**121**	**163**	**118**	**170**	**-30.5**

Notes:
(1) This comprises mobile service revenue (both outgoing and incoming) and sales of equipment in Australia, covering Australia Consumer as well as Australia Enterprise.
(2) Includes bundled telephony and broadband products delivered over the 3G and 4G network.
(3) Defined as 4G handsets on the Optus network.
(4) Penetration and subscriber market share are estimated by Optus based on published data.
(5) Based on average customers, calculated as the simple average of opening and closing customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only wireless broadband.
(6) Based on average customers, calculated as the simple average of opening and closing customers. Excludes equipment revenue.
(7) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

SECTION 6 : PRODUCT INFORMATION

SINGAPORE CONSUMER HOME

	Quarter			Half Year		YOY
	30 Sep 2013	30 Jun 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012	Chge %
Singapore Consumer home revenue (S$'M) [1]	121	120	116	241	225	6.7
Average revenue per household per month [2] (S$ per month)	54	53	51	54	50	8.0
Number of customers on bundled plans (000s) [3]	359	353	328	359	328	9.5

Notes:

(1) This comprises fixed broadband, fixed voice and mio TV in the residential segment only and does not include mobile.

(2) Based on average number of households, calculated as the simple average of opening and closing number of households.

(3) Total residential customers who subscribe to bundled plans which comprise mio Plan (bundling of mobile, fixed broadband and fixed voice), mio Home and Fibre Entertainment Bundle (bundling of fixed broadband, fixed voice and mio TV).

	Quarter			Half Year		YOY
	30 Sep 2013	30 Jun 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012	Chge %
mio TV revenue (S$'M)	41	38	31	79	56	40.9
Average revenue per customer per month (S$ per month)	29	26	22	28	20	40.3
Number of residential TV customers (000s)	414	406	391	414	391	5.9

SECTION 6 : PRODUCT INFORMATION

OTHER PRODUCTS

Singapore	Quarter 30 Sep 2013	Quarter 30 Jun 2013	Quarter 30 Sep 2012	Half Year 30 Sep 2013	Half Year 30 Sep 2012	YOY Chge %
Internet						
Number of fixed broadband lines (000s) [1]	564	561	549	564	549	2.7
Singapore fixed broadband penetration rate [2] [4]	*103%*	*103%*	*107%*	*103%*	*107%*	
Fixed broadband market share [3] [4]	*44.0%*	*44.3%*	*43.2%*	*44.0%*	*43.2%*	
Number of fibre broadband lines (000s)	258	224	136	258	136	89.7
Fibre broadband market share [4]	*58%*	*58%*	*58%*	*58%*	*58%*	
International Telephone						
International telephone outgoing minutes (m mins) (excl Malaysia)	886	874	830	1,759	1,649	6.7
Average collection rate - net basis (S$/ min) (excl Malaysia)	0.096	0.099	0.105	0.098	0.106	-7.5
National Telephone						
Fixed working lines (000s) [5]						
Residential	887	897	910	887	910	-2.5
Business	763	763	771	763	771	-1.0
Total	1,650	1,660	1,681	1,650	1,681	-1.8
Singapore fixed line penetration rate [6]	*37.3%*	*37.3%*	*38.6%*	*37.3%*	*38.6%*	
Singapore fixed working lines ('000s) [6]	1,980	1,980	2,000	1,980	2,000	
Fixed line market share [6]	*83.3%*	*83.8%*	*84.0%*	*83.3%*	*84.0%*	

Notes:

(1) Include ADSL and fibre lines.
(2) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IDA).
(3) Based on total SingTel ADSL and fibre lines divided by total ADSL, cable and fibre lines in the population.
(4) The market share data as at 30 September 2013 was based on management's estimates. The market penetration rate was based on IDA's latest available published statistics as of 31 August 2013.
(5) Fixed working lines refer to Direct Exchange Lines (DEL) and mio voice. Some lines are for connections of second set top box under mio bundles.
(6) The market share data as at 30 September 2013 was based on management's estimates. The other market statistics were based on IDA's latest available published statistics as of 30 June 2013.

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter 30 Sep 2013	30 Jun 2013	30 Sep 2012	Half Year 30 Sep 2013	30 Sep 2012	YOY Chge %
Enterprise Fixed						
Business voice minutes (m min)	1,287	1,264	1,293	2,551	2,565	-0.6
Buildings connected at the end of the period [(1)]	18,083	18,052	17,984	18,083	17,984	0.6
Wholesale Fixed						
Wholesale domestic voice minutes (m min)	906	1,057	1,043	1,963	2,068	-5.1
Mass Market Fixed						
On-net ARPU (A$) [(2)]						
Voice	49	50	50	50	49	2.1
Broadband	44	44	45	44	46	-3.7
Telephony customers ('000)						
HFC [(3)]	476	483	498	476	498	-4.4
ULL [(4)]	503	513	526	503	526	-4.4
On-net	**979**	**996**	**1,024**	**979**	**1,024**	**-4.4**
Resale	26	27	34	26	34	-22.0
Long distance only	6	6	6	6	6	-12.1
Off-net	**32**	**33**	**40**	**32**	**40**	**-20.4**
HFC bundling rate [(5)]	*92%*	*91%*	*91%*	*92%*	*91%*	
HFC penetration	***34%***	***34%***	***36%***	***34%***	***36%***	
Internet customers (000s)						
On-net						
HFC broadband	424	427	437	424	437	-2.9
ULL broadband [(4)]	526	529	534	526	534	-1.4
Business grade broadband	29	30	31	29	31	-5.0
	979	986	1,001	979	1,001	-2.2
Off-net						
Broadband	12	13	18	12	18	-34.6
Broadband subtotal	**992**	**999**	**1,020**	**992**	**1,020**	**-2.8**
Dial-up	11	12	15	11	15	-23.3
Total Internet customers	**1,003**	**1,011**	**1,034**	**1,003**	**1,034**	**-3.1**

Notes:

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

(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).

SECTION 7 : GLOSSARY

"ACCC"	Australian Competition And Consumer Commission.
"ADSL"	Asymmetric digital subscriber line.
"ARPU"	Average revenue per user.
"Associate"	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standard.
"DEL"	Direct exchange lines, which are telephone lines connected directly to a telephone switch.
"Digital business"	Refers to all businesses under Group Digital L!fe segment.
"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, namely the aggregate of operating revenue and other income less operating expenses of the Singapore and Australia operations, and excludes the share of pre-tax results of associates.
"EBITDA margin"	Ratio of EBITDA over operating revenue.
"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.
"ICT"	Infocomm Technology.
"IP VPN"	Internet Protocol Virtual Private Network.
"MMS"	Multimedia messaging service.
"MOU"	Minutes of use per subscriber.
"NA"	Not applicable.
"ND"	Not disclosed.
"NetLink Trust"	NetLink Trust, a business trust established as part of IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network, is currently 100% owned by SingTel. NetLink Trust is equity accounted as an associate in the Group as SingTel does not control it.
"NM"	Not meaningful.
"OpenNet"	OpenNet Pte Ltd, the Netco for Singapore's Next Generation Nationwide Broadband Network, which SingTel has a 30% equity interest.
"Optus"	SingTel Optus Pty Limited, SingTel's wholly-owned subsidiary, and its subsidiaries.
"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.
"SMS"	Short message service.
"Singapore"	The term refers to the Group's operations but excludes Optus and the associates. Therefore, this includes the overseas operations of SingTel including Amobee, Inc.
"Underlying net profit"	Defined as net profit before exceptional items and exchange differences on capital reductions of certain overseas subsidiaries, net of hedging, as well as significant exceptional items of associates.

GROUP SUMMARY INCOME STATEMENTS
For The Second Quarter Ended 30 September 2013

	Quarter 30 Sep 2013			2013		2013	2012	
	Singapore S$ m	Asso/JV S$ m	Corp S$ m	SingTel S$ m	Optus S$ m	Group S$ m	Group S$ m	YOY Chge %
Operating revenue	**1,702**	**-**	**-**	**1,702**	**2,461**	**4,163**	**4,572**	**-8.9**
Operating expenses	(1,156)	-	-	(1,156)	(1,730)	(2,886)	(3,331)	-13.4
	546	-	-	546	731	1,277	1,241	3.0
Other income	4	-	-	4	17	21	26	-18.9
EBITDA	**550**	**-**	**-**	**550**	**748**	**1,298**	**1,267**	**2.5**
- EBITDA margin	***32.3%***	**-**	**-**	***32.3%***	***30.4%***	***31.2%***	***27.7%***	
Share of associates' pre-tax profits								
Regional mobile associates	-	*498*	-	*498*	-	*498*	*549*	*-9.2*
Other associates	-	*20*	-	*20*	*	*20*	*24*	*-17.6*
- ordinary operations	-	519	-	519	*	519	574	-9.6
- exceptional items	-	-	-	-	-	-	-	-
	-	**519**	**-**	**519**	*****	**519**	**574**	**-9.6**
EBITDA and share of associates' pre-tax profits	**550**	**519**	**-**	**1,069**	**748**	**1,817**	**1,840**	**-1.3**
Depreciation & amortisation	(176)	-	-	(176)	(351)	(527)	(535)	-1.6
EBIT	**374**	**519**	**-**	**893**	**398**	**1,290**	**1,305**	**-1.1**
Net finance expense								
- net interest expense	(27)	-	-	(27)	(38)	(65)	(79)	-18.6
- other finance income/(expense)	*	-	-	*	9	9	(7)	nm
	(26)	-	-	(26)	(29)	(55)	(86)	-35.5
Profit before EI and tax	**348**	**519**	**-**	**866**	**369**	**1,235**	**1,220**	**1.3**
Taxation								
- current and deferred taxes	(45)	-	-	(45)	(110)	(155)	(135)	15.2
- share of taxes of associates	-	(163)	-	(163)	(1)	(164)	(171)	-3.9
- withholding taxes [1]	-	-	(31)	(31)	-	(31)	(28)	10.3
	(45)	(163)	(31)	(239)	(111)	(350)	(334)	5.0
Profit after tax	**303**	**355**	**(31)**	**627**	**258**	**885**	**886**	**-0.1**
Minority interests	(1)	-	-	(1)	-	(1)	*	nm
Underlying net profit	**302**	**355**	**(31)**	**626**	**258**	**884**	**886**	**-0.2**
Exceptional items ("EI") (post-tax)	1	(10)	*	(9)	(4)	(13)	(18)	-26.7
Net profit	**303**	**345**	**(31)**	**617**	**253**	**870**	**868**	**0.3**

Note:
(1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates.

GROUP SUMMARY INCOME STATEMENTS
For The Half Year Ended 30 September 2013

	Half Year 30 Sep 2013 Singapore S$ m	2013 Asso/JV S$ m	2013 Corp S$ m	2013 SingTel S$ m	2013 Optus S$ m	2013 Group S$ m	2012 Group S$ m	YOY Chge %
Operating revenue	**3,376**	**-**	**-**	**3,376**	**5,081**	**8,456**	**9,105**	**-7.1**
Operating expenses	(2,262)	-	-	(2,262)	(3,656)	(5,918)	(6,647)	-11.0
	1,114	-	-	1,114	1,424	2,538	2,458	3.3
Other income	23	-	-	23	33	56	51	8.8
EBITDA	**1,137**	**-**	**-**	**1,137**	**1,457**	**2,594**	**2,509**	**3.4**
- EBITDA margin	***33.7%***	**-**	**-**	***33.7%***	***28.7%***	***30.7%***	***27.6%***	
Share of associates' pre-tax profits								
Regional mobile associates	-	*1,050*	-	*1,050*	-	*1,050*	*1,033*	*1.7*
Other associates	-	*40*	-	*40*	*	*40*	*47*	*-16.5*
- ordinary operations	-	1,090	-	1,090	*	1,090	1,080	0.9
- exceptional items	-	7	-	7	-	7	-	nm
	-	**1,096**	**-**	**1,096**	*****	**1,096**	**1,080**	**1.5**
EBITDA and share of associates' pre-tax profits	**1,137**	**1,096**	**-**	**2,234**	**1,457**	**3,691**	**3,589**	**2.8**
Depreciation & amortisation	(348)	-	-	(348)	(718)	(1,066)	(1,053)	1.2
EBIT	**789**	**1,096**	**-**	**1,886**	**739**	**2,624**	**2,536**	**3.5**
Net finance expense								
- net interest expense	(54)	-	-	(54)	(79)	(133)	(155)	-14.2
- other finance income/(expense)	8	-	11	20	9	29	(2)	nm
	(45)	-	11	(34)	(70)	(104)	(157)	-33.5
Profit before EI and tax	**744**	**1,096**	**11**	**1,852**	**669**	**2,520**	**2,379**	**5.9**
Taxation								
- current and deferred taxes	(94)	-	-	(94)	(203)	(297)	(253)	17.5
- share of taxes of associates	-	(347)	-	(347)	(1)	(349)	(313)	11.3
- withholding taxes (1)	-	-	(91)	(91)	-	(91)	(77)	18.1
	(94)	(347)	(91)	(532)	(204)	(736)	(642)	14.6
Profit after tax	**650**	**749**	**(80)**	**1,320**	**464**	**1,784**	**1,737**	**2.7**
Minority interests	(4)	-	-	(4)	-	(4)	(1)	250.0
Underlying net profit	**647**	**749**	**(80)**	**1,316**	**464**	**1,781**	**1,736**	**2.6**
EI (post-tax)	(1)	(48)	153	105	(4)	101	77	30.4
Net profit	**646**	**701**	**74**	**1,421**	**460**	**1,881**	**1,813**	**3.8**

Note:
(1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates.

	Quarter 30 Sep 2013 S$ m	YOY Change %	YOY Change in constant currency [1] %	Half Year 30 Sep 2013 S$ m	YOY Change %	YOY Change in constant currency [1] %
Operating revenue	**4,163**	**-8.9**	**-2.7**	**8,456**	**-7.1**	**-3.0**
Operating expenses	(2,886)	-13.4	-7.4	(5,918)	-11.0	-7.0
	1,277	3.0	9.8	2,538	3.3	7.6
Other income	21	-18.9	-11.6	56	8.8	13.2
EBITDA	**1,298**	**2.5**	**9.3**	**2,594**	**3.4**	**7.7**
-EBITDA margin	***31.2%***			***30.7%***		
Share of associates' pre-tax profits						
- Telkomsel	*252*	*-7.0*	*2.4*	*507*	*-0.9*	*7.1*
- AIS	*101*	*-4.6*	*-5.7*	*214*	*0.5*	*-1.9*
- Airtel	*88*	*-19.2*	*-8.3*	*202*	*-1.0*	*7.0*
- Globe	*57*	*-9.5*	*-7.0*	*128*	*4.1*	*4.8*
- Warid	*-*	*-*	*-*	*-*	*nm*	*nm*
Regional mobile associates	498	-9.2	-2.4	1,050	1.7	6.9
Other associates	20	-17.6	-17.6	40	-16.5	-16.5
- ordinary operations	519	-9.6	-3.0	1,090	0.9	5.9
- exceptional items	-	-	-	7	nm	nm
	519	**-9.6**	**-3.0**	**1,096**	**1.5**	**6.5**
EBITDA and share of associates' pre-tax profits	**1,817**	**-1.3**	**5.5**	**3,691**	**2.8**	**7.4**
Depreciation & amortisation	(527)	-1.6	6.0	(1,066)	1.2	6.2
EBIT	**1,290**	**-1.1**	**5.3**	**2,624**	**3.5**	**7.8**
Net finance expense	(55)	-35.5	-31.4	(104)	-33.5	-30.4
Profit before EI and tax	**1,235**	**1.3**	**7.8**	**2,520**	**5.9**	**10.4**
Taxation	(350)	5.0	12.8	(736)	14.6	20.0
Profit after tax	**885**	**-0.1**	**6.0**	**1,784**	**2.7**	**6.8**
Minority interests	(1)	nm	nm	(4)	250.0	250.0
Underlying net profit	**884**	**-0.2**	**5.9**	**1,781**	**2.6**	**6.7**
EI (post-tax)	(13)	-26.7	-26.7	101	30.4	30.4
Net profit	**870**	**0.3**	**6.5**	**1,881**	**3.8**	**7.7**

Note:
(1) Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2012.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2013 (Unaudited) S$ million	30 Jun 2013 (Unaudited) S$ million	30 Sep 2012 (Unaudited) S$ million
Current assets			
Cash and cash equivalents	861	1,312	883
Trade and other receivables	3,613	3,539	3,560
Asset held for sale	-	-	38
Inventories	219	180	219
Derivative financial instruments	2	7	-
	4,695	**5,038**	**4,700**
Non-current assets			
Property, plant and equipment	10,745	10,771	11,517
Intangible assets	10,776	10,754	10,910
Associates	206	199	176
Loan to an associate	1,331	1,331	1,331
Joint ventures	9,291	9,306	9,391
Available-for-sale investments	271	239	181
Deferred tax assets	884	907	955
Derivative financial instruments	246	249	125
Other non-current receivables	202	211	128
	33,952	**33,966**	**34,713**
Total assets	**38,647**	**39,003**	**39,414**
Current liabilities			
Trade and other payables	3,699	3,533	3,843
Advance billings	645	638	718
Current tax liabilities	383	520	335
Borrowings (unsecured)	1,994	1,192	100
Borrowings (secured)	40	41	41
Derivative financial instruments	5	6	16
Net deferred gain (1)	58	58	58
	6,823	**5,987**	**5,110**
Non-current liabilities			
Borrowings (unsecured)	6,192	6,188	8,218
Borrowings (secured)	190	198	218
Derivative financial instruments	456	418	591
Advance billings	323	321	450
Deferred income	9	10	292
Net deferred gain (1)	1,183	1,185	1,043
Deferred tax liabilities	336	318	346
Other non-current liabilities	188	214	237
	8,877	**8,852**	**11,394**
Total liabilities	**15,700**	**14,839**	**16,504**
Net assets	**22,947**	**24,164**	**22,910**
Share capital and reserves			
Share capital	2,634	2,634	2,634
Reserves	20,292	21,503	20,252
Equity attributable to shareholders of the Company	22,926	24,137	22,886
Non-controlling interests	21	27	24
Total equity	**22,947**	**24,164**	**22,910**

Note:
(1) This relates to deferred gain on transfer of certain assets and business to NetLink Trust.

SINGAPORE CASH FLOW AND CAPITAL EXPENDITURE
For The Second Quarter And Half Year Ended 30 September 2013

	Quarter			Half Year		YOY
	30 Sep 2013 S$ m	30 Sep 2012 S$ m	30 Jun 2013 S$ m	30 Sep 2013 S$ m	30 Sep 2012 S$ m	Chge %
Net cash inflow from operating activities						
Profit before exceptional items and tax	**348**	**337**	**396**	**744**	**693**	**7.4**
Non-cash items	210	206	188	398	404	-1.4
Operating cash flow before working capital changes	558	543	584	1,142	1,097	4.1
Changes in operating assets and liabilities	9	131	(128)	(119)	(69)	72.9
	567	**674**	**457**	**1,024**	**1,028**	**-0.5**
Cash paid to employees under performance share plans	(1)	-	(4)	(5)	(3)	48.5
Tax paid on operating activities	(42)	(61)	(16)	(58)	(66)	-12.1
Operating cash flow	**524**	**612**	**436**	**961**	**959**	**0.2**
Net cash outflow for investing activities						
Net loan to STAI from Optus (1)	176	108	-	176	315	-44.3
Withholding tax paid on interest received on inter-company loans	(18)	(11)	-	(18)	(31)	-44.1
Payment for purchase of subsidiaries, net of cash acquired	(31)	(29)	(10)	(42)	(380)	-89.1
Payment for purchase of property, plant and equipment	(140)	(213)	(220)	(360)	(355)	1.3
Investment in available-for-sale investments	(38)	(11)	(7)	(45)	(32)	42.5
Proceeds from disposal of available-for-sale investments	7	1	*	8	337	-97.8
Proceeds from disposal of property, plant and equipment	1	2	4	6	8	-26.7
Investment in associates	(384)	(6)	-	(384)	(6)	@
Payment for purchase of licences and other intangibles	(21)	(2)	(5)	(27)	(9)	214.1
Others *(dividends and interest received etc)*	3	5	18	21	17	nm
	(445)	**(156)**	**(221)**	**(665)**	**(135)**	**392.3**
Net cash outflow for financing activities						
Net increase/ (decrease) in borrowings	793	468	(406)	386	(210)	nm
Net interest paid on borrowings and swaps	(27)	(29)	(43)	(70)	(76)	-8.7
Final dividends paid to shareholders	(1,594)	(1,434)	-	(1,594)	(1,434)	11.2
Proceeds from share issue	-	-	-	-	2	nm
Purchase of performance shares	(5)	(8)	(9)	(14)	(17)	-19.8
Others	-	(1)	-	-	(1)	nm
	(833)	**(1,005)**	**(458)**	**(1,291)**	**(1,737)**	**-25.7**
Net decrease in cash balance from Singapore	**(753)**	**(549)**	**(243)**	**(996)**	**(913)**	**9.0**
Net decrease in cash balance from Singapore	**(753)**	**(549)**	**(243)**	**(996)**	**(913)**	**9.0**
Dividends received from associates	285	368	736	1,020	888	14.8
Withholding tax paid	(27)	(24)	(72)	(99)	(83)	18.7
Net dividends received from associates	**258**	**344**	**663**	**921**	**805**	**14.4**
Net (decrease)/ increase in cash and cash equivalents	**(495)**	**(204)**	**421**	**(75)**	**(108)**	**-31.3**
SingTel cash and cash equivalents at beginning	**1,137**	**904**	**716**	**716**	**804**	**-11.0**
Exchange effects on cash and cash equivalents	(1)	(5)	*	(1)	(1)	-35.7
SingTel cash and cash equivalents at end	**640**	**694**	**1,137**	**640**	**694**	**-7.8**
Singapore free cash flow	**384**	**400**	**217**	**601**	**604**	**-0.5**
Free cash flow from associates' dividends	**258**	**344**	**663**	**921**	**805**	**14.4**
Cash capex to operating revenue	***8%***	***13%***	***13%***	***11%***	***11%***	

Note:
(1) The inter-company amounts are eliminated at the Group level.

OPTUS CASH FLOW AND CAPITAL EXPENDITURE
For The Second Quarter And Half Year Ended 30 September 2013

	Quarter			Half Year		YOY Chge
	30 Sep 2013 A$ m	30 Sep 2012 A$ m	30 Jun 2013 A$ m	30 Sep 2013 A$ m	30 Sep 2012 A$ m	%
Net cash inflow from operating activities						
Profit before tax	**312**	**239**	**242**	**554**	**462**	**19.8**
Non-cash items	331	323	332	663	637	4.0
Operating cashflow before working capital changes	643	561	573	1,217	1,100	10.6
Changes in operating assets and liabilities	13	(2)	(259)	(246)	(125)	97.3
Tax paid	(159)	(8)	(24)	(183)	(46)	295.5
Operating cash flow	**498**	**551**	**290**	**788**	**929**	**-15.2**
Net cash outflow from investing activities						
Payment for purchase of property, plant and equipment	(259)	(271)	(263)	(522)	(598)	-12.8
Payment for purchase of subsidiary, net of cash acquired	-	-	-	-	(224)	nm
Loan to STAI [(1)]	(149)	(83)	-	(149)	(245)	-39.1
Purchase of licences and other intangibles	(16)	(22)	(155)	(171)	(67)	155.8
Others	2	2	2	4	5	-27.1
	(422)	**(373)**	**(416)**	**(838)**	**(1,129)**	**-25.8**
Net cash (outflow)/ inflow from financing activities						
Net (decrease)/ increase in bank borrowings	-	(360)	175	175	20	@
Purchase of SingTel shares	-	-	(10)	(10)	(7)	39.1
Finance lease payments (exclude interest)	(2)	(2)	(2)	(3)	(3)	**
Net interest paid on borrowings and swaps	(36)	(39)	(39)	(75)	(77)	-2.2
	(37)	**(401)**	**125**	**87**	**(67)**	**nm**
Net increase/ (decrease) in cash and cash equivalents	**38**	**(222)**	**(1)**	**38**	**(267)**	**nm**
Optus cash and cash equivalents at beginning	150	370	151	151	415	-63.6
Optus cash and cash equivalents at end	**189**	**148**	**150**	**189**	**148**	**27.4**
Optus free cash flow	**239**	**281**	**28**	**267**	**331**	**-19.4**
Cash capex to operating revenue	***12%***	***12%***	***12%***	***12%***	***13%***	

Note:
(1) The inter-company amounts are eliminated at the Group level.

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter		YOY	Half Year		YOY
	30 Sep		Chge	30 Sep		Chge
	2013 A$ m	2012 A$ m	%	2013 A$ m	2012 A$ m	%
Operating revenue	**2,119**	**2,239**	**-5.4**	**4,239**	**4,478**	**-5.3**
Operating expenses	(1,489)	(1,691)	-11.9	(3,050)	(3,397)	-10.2
Other income	15	12	22.3	27	25	9.7
EBITDA	**644**	**560**	**15.1**	**1,217**	**1,105**	**10.1**
- margin	***30.4%***	***25.0%***		***28.7%***	***24.7%***	
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	**644**	**560**	**15.1**	**1,217**	**1,105**	**10.1**
Depreciation & amortisation	(302)	(284)	6.5	(599)	(561)	6.9
EBIT	**342**	**276**	**23.9**	**618**	**545**	**13.4**
Net finance expense	(25)	(38)	-33.9	(59)	(74)	-20.6
Profit before exceptional items and tax	**317**	**239**	**33.0**	**559**	**471**	**18.7**
Taxation	(96)	(74)	28.9	(171)	(146)	17.2
Underlying net profit	**222**	**164**	**34.9**	**389**	**325**	**19.4**
Exceptional items (post-tax)	(4)	-	nm	(4)	(6)	-37.7
Net profit	**218**	**164**	**32.6**	**385**	**319**	**20.5**

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

	As at		
	30 Sep 2013 A$ m	30 Jun 2013 A$ m	30 Sep 2012 A$ m
Property, plant and equipment (net)	**6,264**	**6,255**	**6,397**
Gross debt			
Current debt	556	556	6
Non-current debt	1,804	1,785	2,175
Gross debt as reported in the statement of financial position	2,360	2,341	2,181
Related net hedging liability	11	34	254
	2,371	2,375	2,435
Less: Cash and bank balances	(189)	(150)	(148)
Net debt	**2,182**	**2,225**	**2,287**

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		
Debt Currency Mix	**30 Sep 2013**	**30 Jun 2013**	**30 Sep 2012**
SGD	67%	64%	65%
AUD	33%	36%	35%
Total	**100%**	**100%**	**100%**

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

CREDIT RATINGS

As at 30 Sep 2013	SingTel	Optus
Standard & Poor's	A+ (stable)	A (stable)
Moody's Investors Service	Aa3 (stable)	Aa3 (negative)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate [(1)] for:							
Operating revenue							
<u>SGD</u>							
FY2014	1.2355	1.1615			1.1985		
FY2013	1.2768	1.2953	1.2699	1.2856	1.2860	1.2775	1.2818
Change (last corresponding period)	***-3.2%***	***-10.3%***			***-6.8%***		
Underlying net profit							
<u>SGD</u>							
FY2014	1.2389	1.1625			1.1954		
FY2013	1.2773	1.2954	1.2708	1.2863	1.2864	1.2799	1.2827
Change (last corresponding period)	***-3.0%***	***-10.3%***			***-7.1%***		

<u>Note:</u>
(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
<u>Rupiah</u>							
FY2014	7,813	8,403			8,106		
FY2013	7,353	7,634	7,874	7,813	7,501	7,844	7,669
Change (last corresponding period)	***6.3%***	***10.1%***			***8.1%***		
<u>Indian Rupee</u>							
FY2014	44.6	48.8			47.1		
FY2013	42.7	44.2	44.2	43.9	43.6	44.0	43.8
Change (last corresponding period)	***4.4%***	***10.4%***			***8.0%***		
<u>Baht</u>							
FY2014	23.9	24.8			24.3		
FY2013	24.8	25.1	25.1	24.1	24.9	24.5	24.7
Change (last corresponding period)	***-3.6%***	***-1.2%***			***-2.4%***		
<u>Peso</u>							
FY2014	33.4	34.5			33.9		
FY2013	33.8	33.6	33.7	32.9	33.7	33.1	33.4
Change (last corresponding period)	***-1.2%***	***2.7%***			***0.6%***		

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2014

- **Consolidated results and cash flow may be impacted by material exchange rate movements in the Australian Dollar and regional currencies.** The Group's outlook for the current financial year has incorporated the following exchange rates:

Australian Dollar	**AUD 1: SGD 1.1622**
Indonesian Rupiah	SGD 1: IDR 8,442
Indian Rupee	SGD 1: INR 48.1
Thailand Baht	SGD 1: THB 24.7
Philippine Peso	SGD 1: PHP 34.2

- **Revenue from Group Consumer to decline by high single digit level, with lower revenues from Australia, and EBITDA to decline by low single digit level.**

  Mobile Communications revenue from Singapore to grow by low single digit level.

  Mobile service revenue from Australia to decline by mid-single digit level.

- **Revenue from Group Enterprise to be stable and EBITDA to decline by low single digit level.**

- **Revenue from Group Digital L!fe to grow at least 50% on an organic basis and will continue to register startup losses.**

- **Consolidated revenue of the Group to decline by mid-single digit level and EBITDA to decline by low single digit level. EBIT, excluding share of associates' results, to decline by mid-single digit level, with higher depreciation and amortisation.**

- **Group capital expenditure will increase to S$2.5 billion, with expansion of the Group's LTE coverage and 3G network enhancements.**

- **The Group will allocate up to S$2 billion for investments to support growth in the digital business over the next three years.**

- **Group free cash flow (excluding dividends from associates) to be approximately S$2.0 billion, with increased capital expenditure in Singapore and Australia, as well as higher taxes.**

- **Ordinary dividends from regional mobile associates are expected to grow.**