

Financial Results Presentation

Q4 FY13: Quarter ended 31 March 2013



15 May 2013
Chua Sock Koong
Group CEO

Forward looking statement – important note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

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



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Q4 FY13: resilient core operations

Group performance	Revenue › down 6%	S\$4,481m	Underlying net profit S\$1,001m › down 2% › up 1% ex currency impact	
			Net profit › down 33% due to exceptionals	S\$868m
Singapore¹	Revenue › down 2%	S\$1,688m	EBITDA › stable	S\$529m
Optus	Revenue › down 5%	A\$2,173m	EBITDA › up 3%	A\$700m
Regional Mobile	Customers² › up 9%	468m	Pre-tax earnings³ › up 1% › up 6% in constant currency	S\$514m

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

2. Group mobile subscribers, including SingTel, Optus, and Regional Mobile Associates. Excluding Warid Pakistan which was disposed in March 2013.

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

Group Q4 FY13 highlights

Group Consumer

Revenue
S\$2,796m

- › Achieved 4G nation-wide coverage in Singapore
- › Acquired 4G spectrum in Australia for A\$649m
- › Pre-qualified for telco license in Myanmar



Group Enterprise

Revenue
S\$1,657m

- › Award-winning apps and portals in support of Singapore e-government initiatives



Group Digital Life¹

Revenue
S\$29m

- › Launched NewsLoop in Australia and Indonesia
- › Launched multi-view experience for premiere sports events on mio TV



1. In this quarter, the Group Digital Life segment has been re-defined to exclude mio TV. Comprises mainly e-commerce, concierge and hyper-local services, and mobile advertising of Amobee Inc.

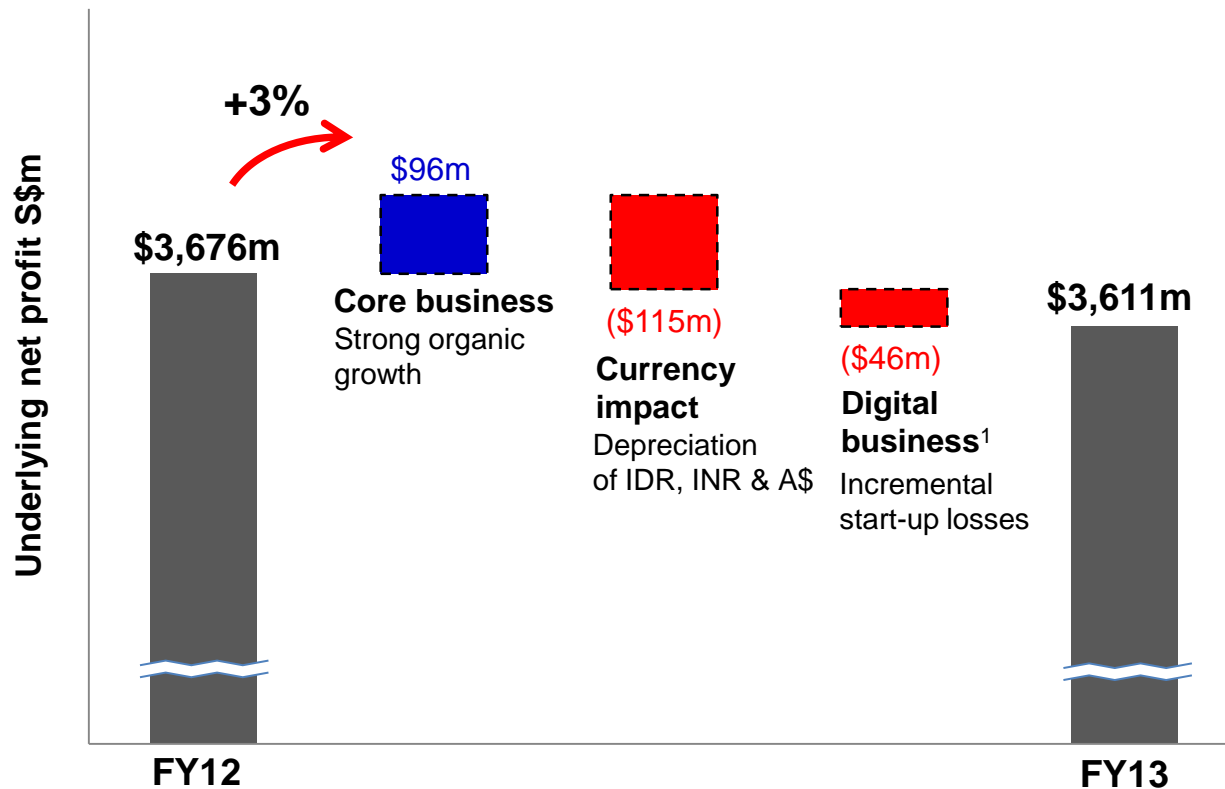
Stable EBITDA

	3 months		YoY % change	12 months		YoY % change
	Mar 13	Mar 12		Mar 13	Mar 12	
Operating revenue	4,481	4,780	(6.3%)	18,183	18,825	(3.4%)
EBITDA	1,428	1,430	(0.1%)	5,200	5,219	(0.4%)
- margin	31.9%	29.9%		28.6%	27.7%	
Associates pre-tax earnings ¹	540	539	0.3%	2,106	2,013	4.6%
EBITDA & share of associates' pre-tax earnings	1,969	1,953	0.8%	7,306	7,223	1.1%
Depreciation & amortisation	(551)	(508)	8.5%	(2,127)	(2,002)	6.3%
Net finance expense	(64)	(93)	(31.3)	(298)	(341)	(12.5%)
Exceptional Items	(149)	(4)	N.M.	(154)	86	N.M.
Pre-tax profit	1,205	1,349	(10.6%)	4,726	4,967	(4.9%)
Tax	(336)	(60)	N.M.	(1,216)	(978)	24.3%
Net profit	868	1,289	(32.6%)	3,508	3,989	(12.0%)
Underlying net profit	1,001	1,023	(2.2%)	3,611	3,676	(1.8%)

1. Excludes exceptionals.

FY2013: Driving transformation for long term growth

**Underlying net profit would have been up 3%
excluding Digital investments & currency movements**



1. Digital business refers to all businesses under Group Digital Life segment and comprises mainly e-commerce, concierge and hyper-local services, and mobile advertising of Amobee Inc.

Group FY13: met guidance; delivered strong free cash flow

FY13 Guidance

Consolidated revenue to decline by low single digit level

Consolidated EBITDA to be stable

Group free cash flow (excl. associates' dividends) to be around S\$2.6b

Ordinary dividends from regional mobile associates to grow

FY13 Outcomes

Operating revenue down 3% to S\$18,183m

EBITDA stable at S\$5,200m

Free cash flow of S\$2.9b

Ordinary dividends grew 17% to S\$902m

Dividend payout range increased to 60%-75%

Total dividends increased to 16.8¢ per share

Total dividends increased 6%

5 year ordinary dividends

> steady growth

Proposed final dividend

10.0¢

> up 11%, payable in Aug 2013

Interim dividend

6.8¢

> paid in Jan 2013

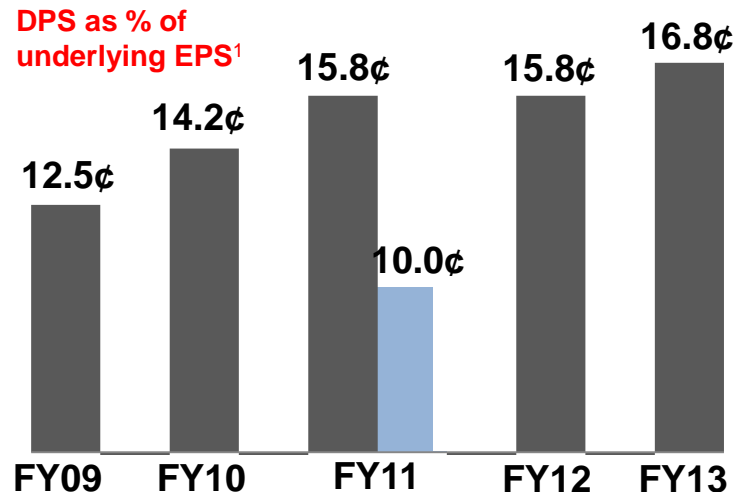
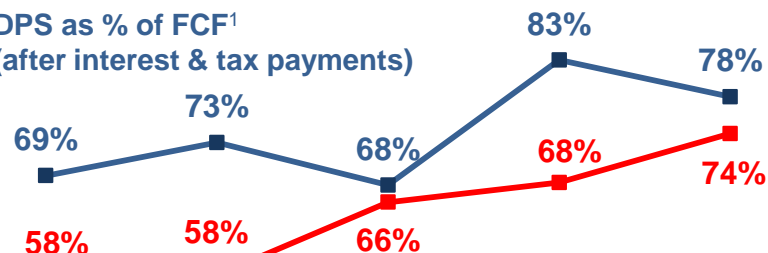
Total ordinary dividends

16.8¢

> up 6%

DPS as % of FCF¹

(after interest & tax payments)



■ Ordinary dividend per share

■ Special dividend

Dividend
payout ratio

60% to 75%
of underlying net profit

1. Does not include special dividends in FY11 – 10.0c



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Singapore FY13: met guidance

FY13 Guidance

Revenue to grow at low single digit level

EBITDA to be stable

Capital expenditure to be around S\$950m

FY13 Outcomes

Revenue increased 3% to S\$6,732m

EBITDA rose 1% to S\$2,147m

Capex at S\$731m

Singapore: strong Mobile & Data growth

Q4 FY13	Revenue S\$m	YoY Change	Highlights
Total revenue	1,688	-2%	› stable ex-fibre rollout
Mobile ¹	491	+4%	› strong postpaid customer growth offsets lower roaming and SMS interconnect revenue
Data & Internet	419	+4%	› growth in Managed Services
NCS	378	-4%	› phasing of equipment sales related to projects
Sale of equipment	69	-24%	› lower sales of handsets without contracts › timing difference of new smartphone launches
Digital business ^{1,2}	24	+156%	› includes contribution from Amobee

1. With effect from Q4FY13, Mobile revenue excludes mobile digital apps revenue, which are now classified under "Digital Business". Prior quarters' info have been restated to be consistent.
2. Digital business refers to all businesses under Singapore Digital Life and comprises mainly e-commerce, concierge and hyper-local services, and mobile advertising of Amobee Inc.

Singapore – strong core support digital initiatives

Q4 FY13	YoY change		Highlights
	Reported	Excl Digital	
EBITDA	0%	+6%	› up 6% excluding digital businesses
Total Opex	-1%	-5%	
› Selling & Admin	+4%	-3%	› development of digital initiatives and Amobee's costs
› Staff costs	+9%	+4%	› annual salary increments › growth in digital talents
› Cost of sales	-9%	-9%	› declines in NCS & fibre rollout revenue and lower equipment sales
› Traffic expenses	-13%	-13%	› lower mobile roaming outpayments and SMS interconnect costs

Mobile: continued growth momentum

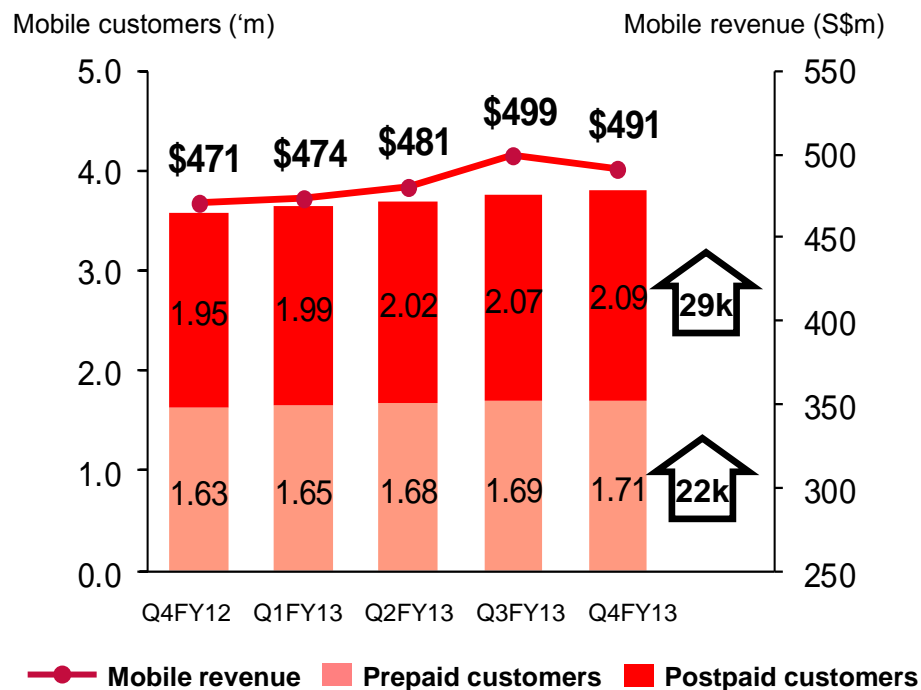
Mobile revenue¹

S\$491m

> up 4%

Market share

47.2%²



Tiered data plans³

- > Postpaid customers on tiered plans **23%**
- > Tiered plans customers who exceed data bundles **10%**

Postpaid ARPU

S\$78

- > down 4%
- > lower roaming revenue & increased mix of data-only SIMs

Wireless BB subs up 24%⁴

1.6m

Acquisition cost per subscriber

S\$288

- > down 1%

1. With effect from Q4 FY13, Mobile revenue excludes mobile digital apps revenue, which are now classified under "Digital Business". Prior quarters' info have been restated to be consistent.

2. Market share as at 31 March 2013; based on Telco operators' published results.

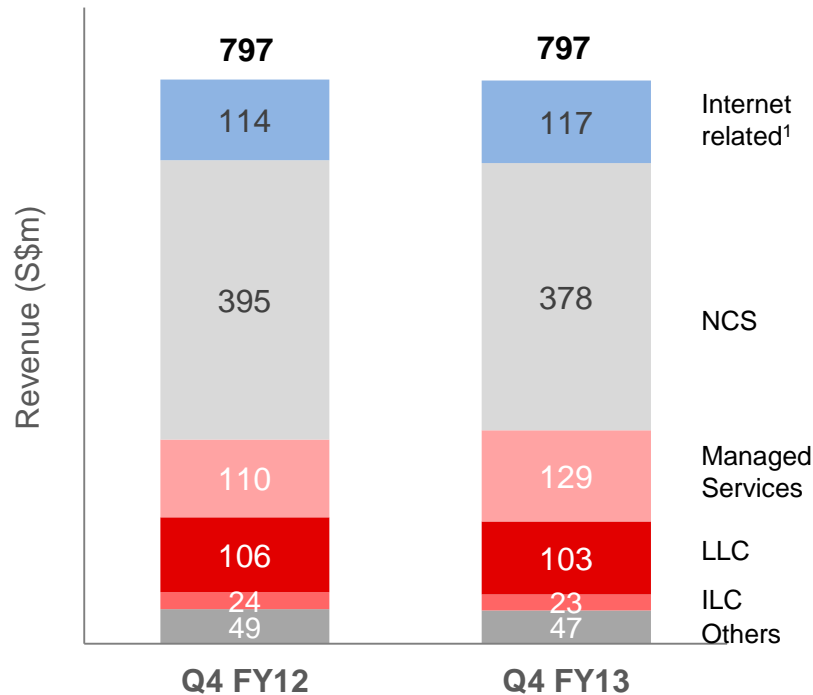
3. Tiered mobile data plans were introduced in July 2012.

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

Data: Maintaining leadership in the Enterprise market

Data, Internet & ICT revenue **S\$797m**

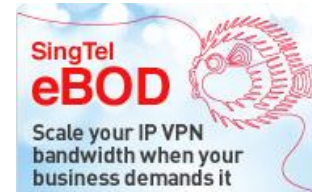
> Stable



New innovations and services



Self-learning portal for mother-tongue learning



Electronic Bandwidth on Demand

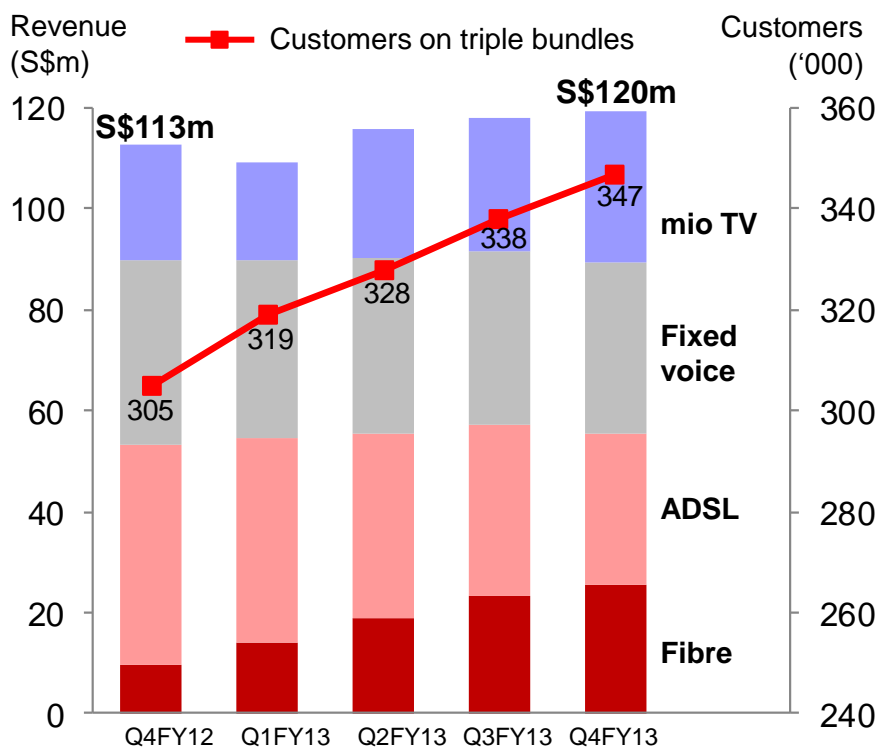


1. Include residential broadband revenue of S\$56m for Q4 FY13 (Q4 FY12: S\$54m).

Owning the homes, leading the digital home revolution

Consumer home revenue¹ S\$120m

> up 6%



Household ARPU

S\$53

> up 7%

mio TV revenue

S\$36m

> up 24%

mio TV customers

404k

> up 6k

Fibre customers²

192k

> up 25k

Boosted mio TV content



1. Revenue from home fixed services – including broadband, mio TV and fixed voice.

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



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Optus FY13: met guidance

FY13 Guidance

- › Revenue to decline by mid-single digit level

- › EBITDA to be stable

- › Capital expenditure to be approximately A\$1.1b

FY13 Outcomes

Revenue down 5% to A\$8,934m

EBITDA rose 1% to A\$2,381m

Capex at A\$1,036m

Optus: focus on customer experience and profitability

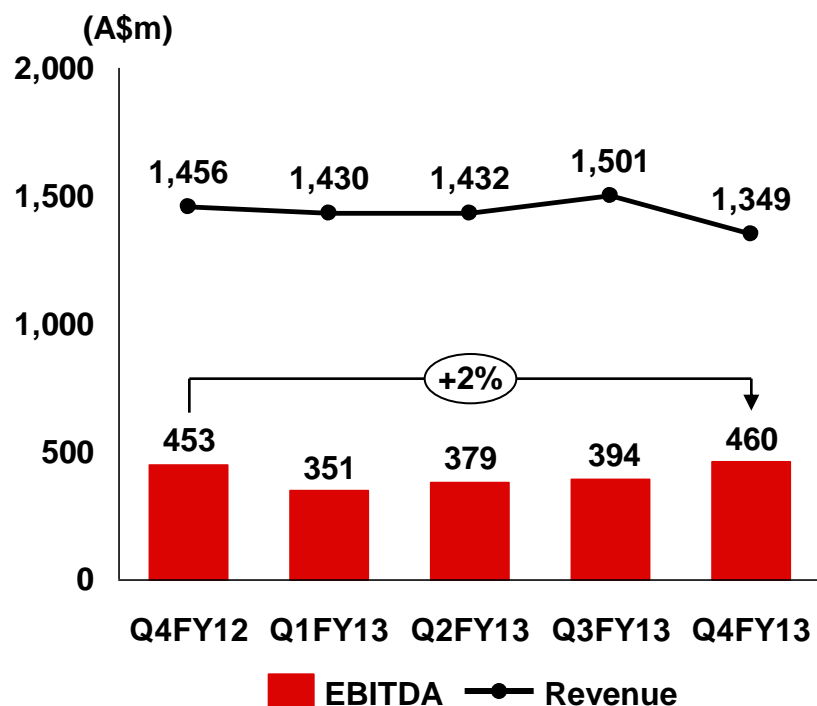
Q4 FY13	A\$m	YoY Change	Highlights
Total revenue	A\$2,173m	-5%	> positioning to capture profitable mobile data growth
Total EBITDA	A\$700m	+3%	> margin: 32.2% (Q4FY12: 29.5%)
Comprising:			
> Mobile	A\$460m	+2%	> lower subscriber acquisition costs
> Business & Wholesale Fixed	A\$170m	+6%	> recognition of \$25m non-recurring revenue
> Consumer & SMB Fixed	A\$70m	+9%	> lower operating expenses

Mobile: driving EBITDA growth

EBITDA

+2%

- > EBITDA margin up 3ppts to 34%



4G handsets

785k

Total revenue

A\$1,349m

- > down 7%
 - > Equipment -3%
 - > DRP¹ credits -2%
 - > MTR decline -1%

Postpaid

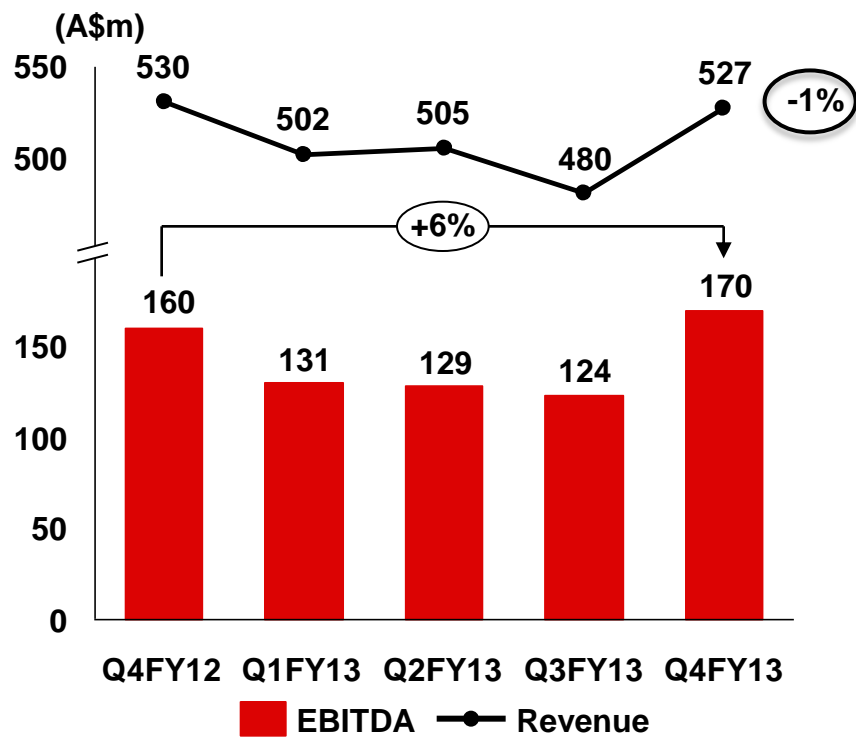
- > ARPU **A\$54**
 - down 13%
- > Net adds **+28k**
- > Retail churn **1.6%**
 - down from 1.8%
- > SAC **A\$210**
 - down 16% YoY and down 30% QoQ

Prepaid

- > ARPU **A\$22**
 - down 5%
- > Net adds **-2k**
- > SAC **A\$13**
 - down 53% YoY and down 28% QoQ

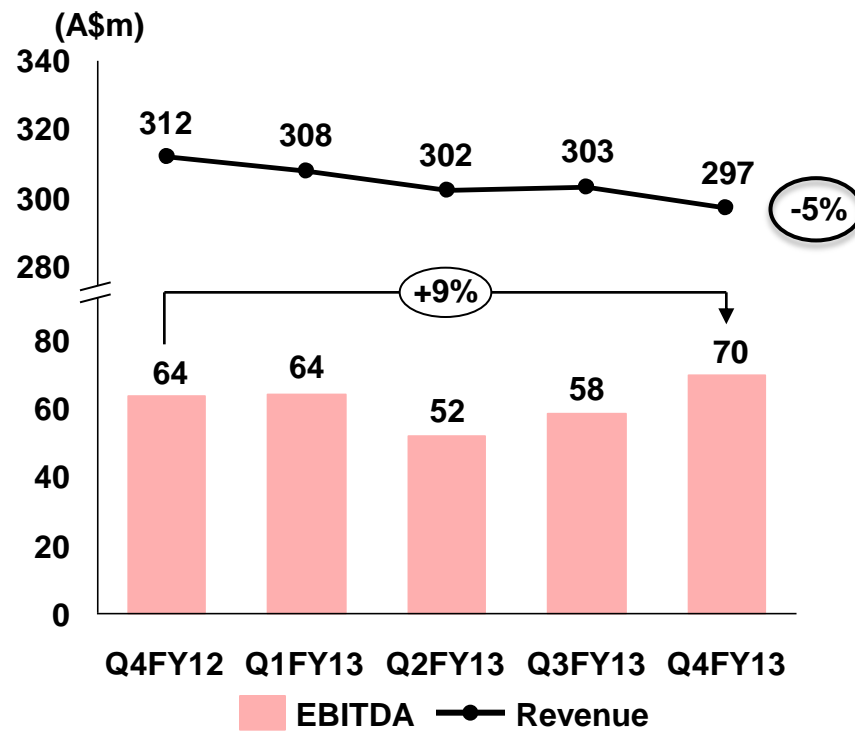
Fixed: EBITDA growth and higher margins

Business and Wholesale Fixed



› EBITDA margin up 2ppt to 32%

Consumer and SMB Fixed



› EBITDA margin up 3ppt to 23%

Network and cost transformation

Network investment

4G coverage

- › approx. 750 4G sites across major capital cities and selected regional areas

Spectrum holdings for 4G

- › **700MHz:** 2x10MHz to be available January 2015
- › **1800MHz:** 2x15MHz
- › **2300MHz:** over 90MHz available in major capital cities for TD-LTE network
- › **2500MHz:** 2x20MHz to be available October 2014

Operating expenses

-9%

Selling & Admin

-11%

- › reduced subscriber acquisition costs
- › lower advertising costs

Cost of sales

-4%

- › lower mobile equipment costs

Traffic expenses

-8%

- › reduced interconnect costs

Staff costs

-15%

- › workforce reduction and higher accruals in the previous year



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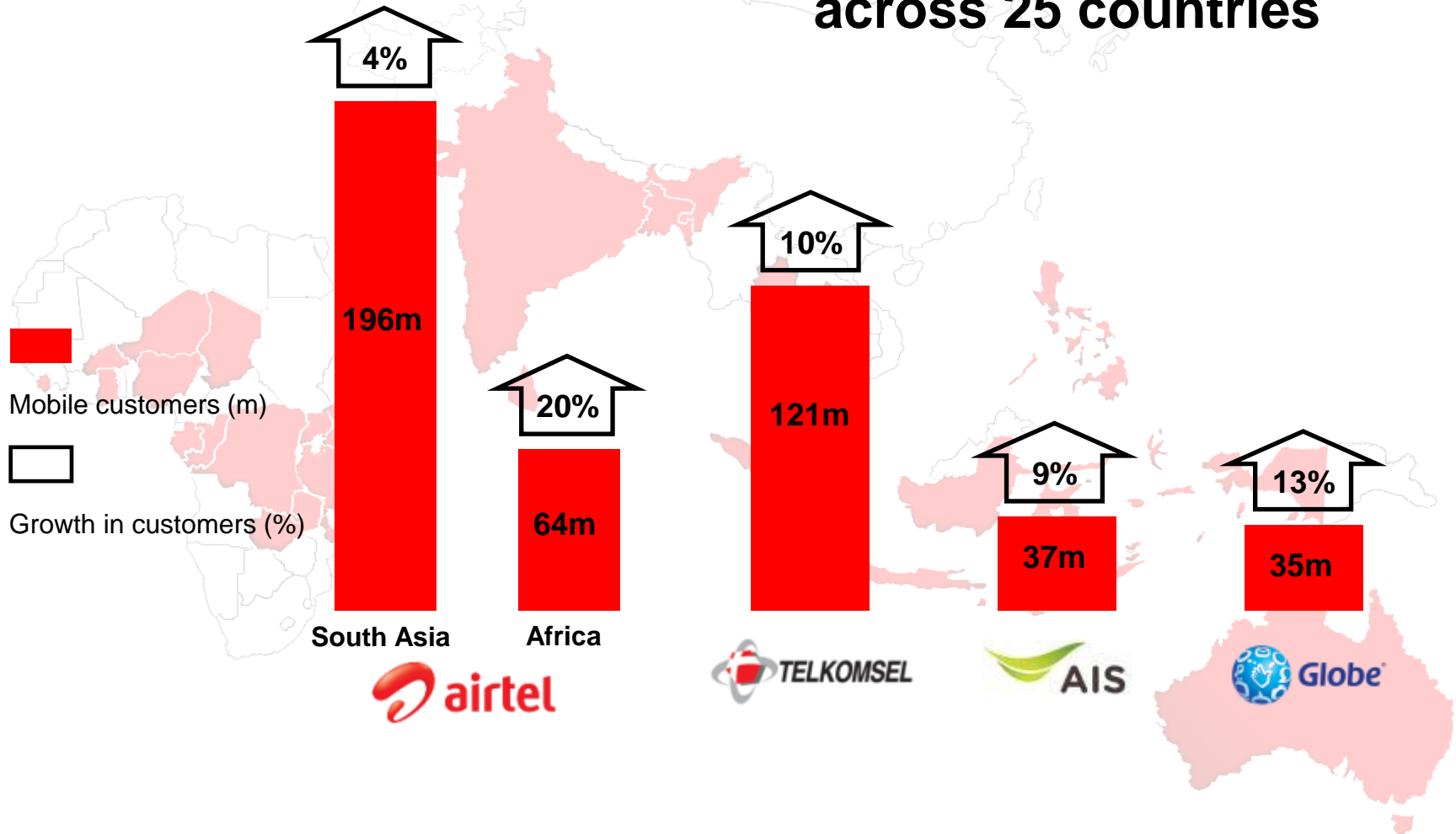
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Regional mobile associates – continued customer growth

468 million mobile customers¹...

across 25 countries



1. Group mobile subscribers, including SingTel, Optus, and Regional Mobile Associates. Excluding Warid Pakistan which was disposed in March 2013.

Regional mobile associates – strong performance

Q4 FY13	PBT ¹ (S\$m)	% Change (S\$)	% Change (local curr)	Highlights
Regional Mobile	514	+1%	N.A.	<ul style="list-style-type: none"> › up 6% in constant currency
Telkomsel	242	+6%	+15%	<ul style="list-style-type: none"> › robust revenue growth across voice, SMS and data › lower depreciation and higher interest income
AIS	120	+9%	+7%	<ul style="list-style-type: none"> › data growth driven by increased penetration of smart devices and popularity of social applications
Airtel	96	-31%	-24%	<ul style="list-style-type: none"> › earnings impacted by higher depreciation & amortisation and interest costs › South Asia: robust revenue & EBITDA growth offset by higher costs from network investments › Africa: impacted by economic headwinds and pricing pressure
Globe ²	57	+9%	+5%	<ul style="list-style-type: none"> › strong take-up of mobile data services and sustained broadband growth

1. Excluding exceptional items – compared to 3 months to Mar 2012.

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



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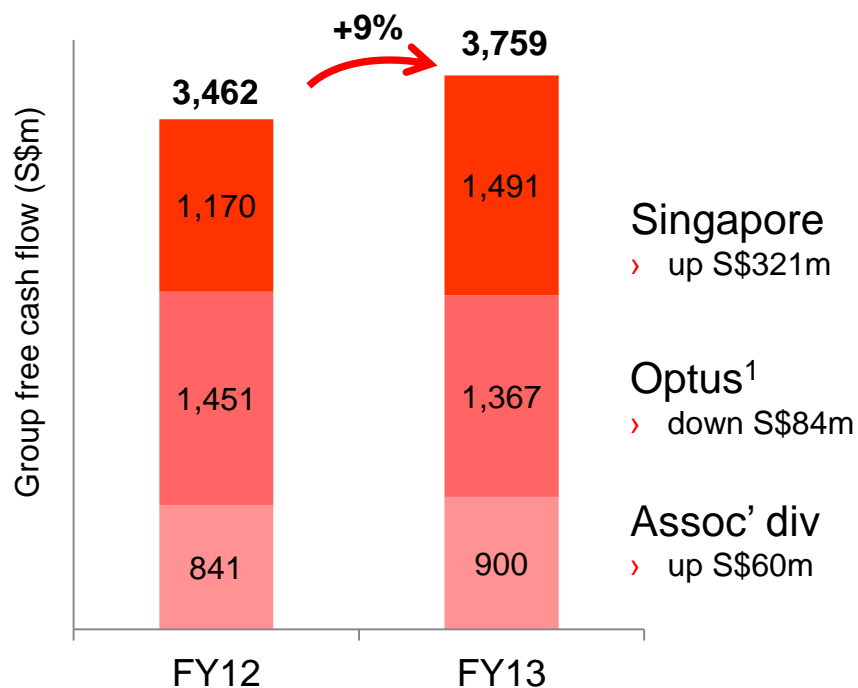
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Sound financial position

Free cash flow

S\$3,759m

Solid balance sheet



Net debt

S\$7.5b

Net gearing²

24%

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

1.0x

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

24.5x

S&P's rating A+

Moody's rating Aa3

1. Reflecting higher working capital due to handset receivables.

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



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Transformation Strategy

Focus Areas

Raise Business Performance

Drive profitable revenue growth, operational efficiencies and create competitive cost structure in the consumer and enterprise operations

Lift Customer Experience

With simplified and compelling value propositions, and extensive and reliable networks

Leverage Group Assets

To drive scale benefits

Innovative & Differentiated digital services

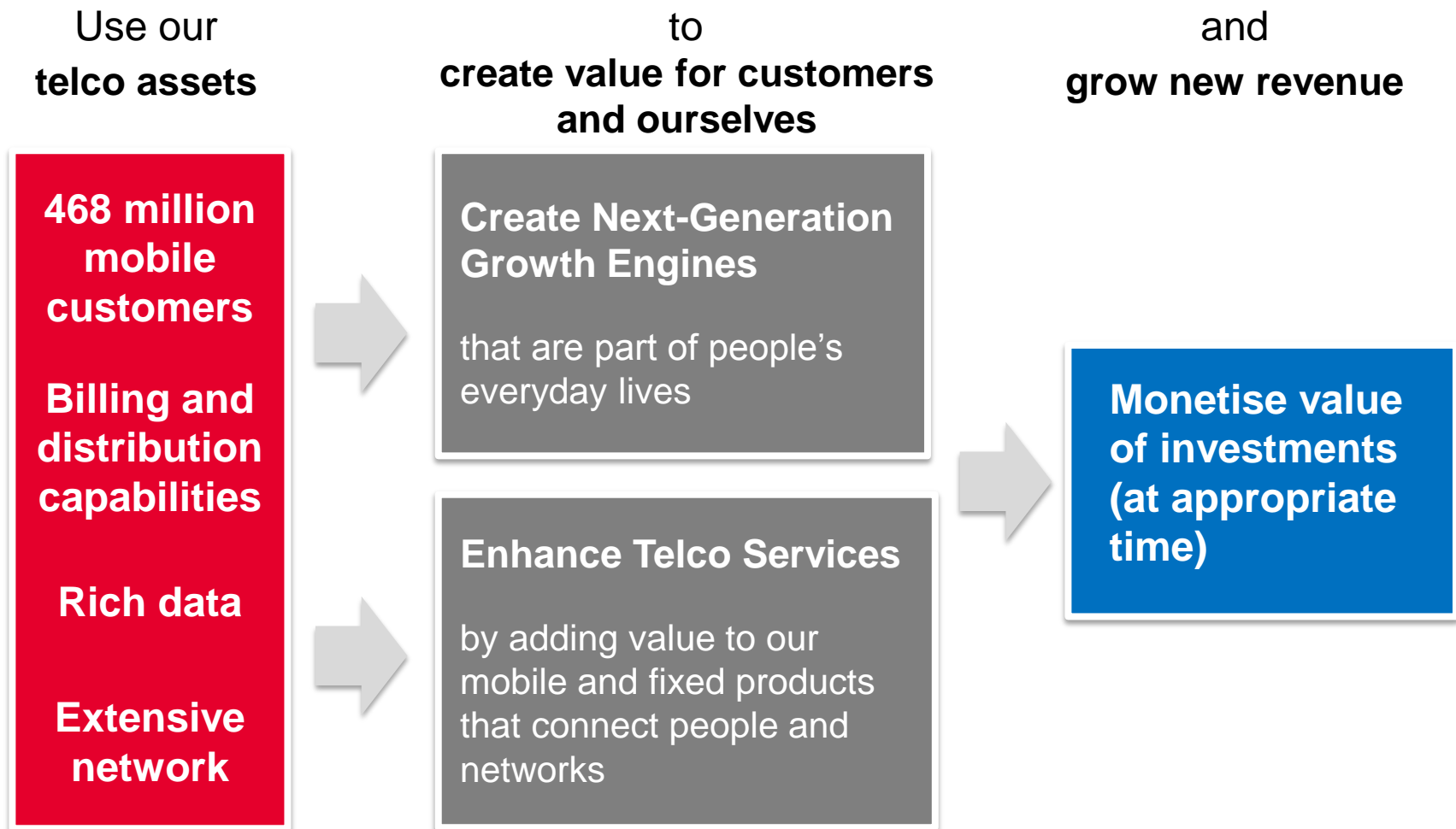
To enhance the core and deliver new revenue streams

FY13 Progress Highlights

- ✓ Combined procurement, network and IT capabilities
- ✓ Restructured sales and distribution channels
- ✓ Enhanced network experience with 4G rollout and introduced tiered data price plans
- ✓ Built foundations in digital space with acquisitions



Transformation Strategy: Group Digital Life Strategic Plan



Will allocate up to S\$2 billion for investments over the next 3 years

Amobee: delivering strong growth in revenue

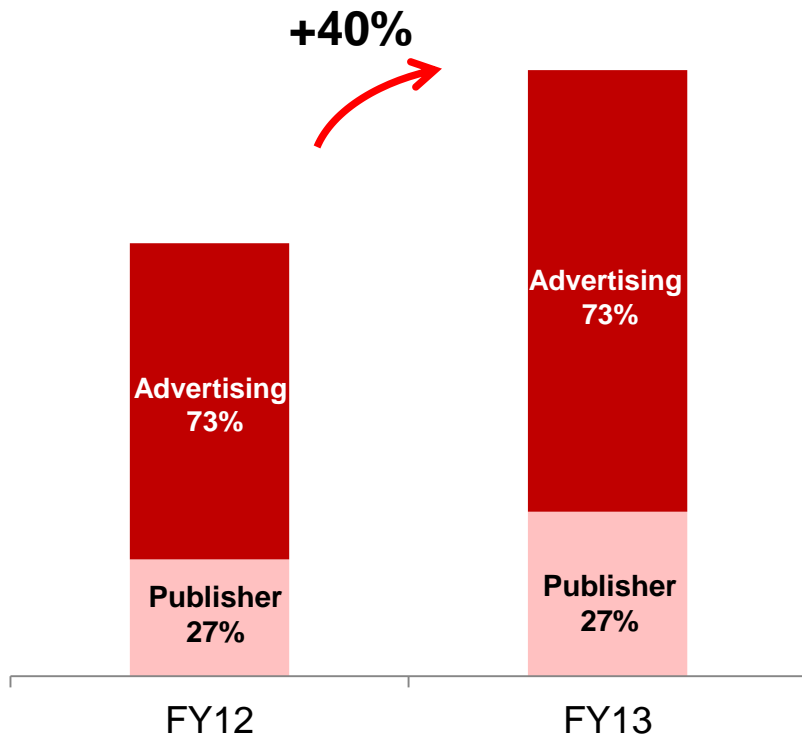
Strong revenue growth +40%

> Growing in line with industry

Enriching advertising with operator data

Already working with 40+ telcos

> Our objective is to become the primary, premium advertising platform for operators globally



Major customers

> serving global brands



FY14 Outlook

Group revenue¹

Stable

- **Group Consumer** : decline by low single digit level, with lower revenues from Australia
 - Singapore Mobile Comms : grow by low single digit level
 - Australia mobile service revenue : decline by mid single digit level
 - **Group Enterprise** : grow by low single digit level
 - **Group Digital Life²** : grow at least 50% on organic basis
-

Group EBITDA¹

Grow at low single digit level

- **Group Consumer** : grow by low single digit level
 - **Group Enterprise** : stable
 - **Group Digital Life²** : startup losses
-

Group EBIT¹ (excluding associates contribution)

Stable

1. Assuming forward exchange rate of A\$: S\$1.2755.

2. In this quarter, the Group Digital Life segment has been re-defined to exclude mio TV. Comprises mainly e-commerce, concierge and hyper-local services, and mobile advertising of Amobee Inc.

FY14 Outlook

Group Free Cash Flow^{1,2} (excluding dividends from associates)	Approx. S\$2.0 billion
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Capital expenditure	Approx. S\$2.5 billion
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Ordinary dividends from Regional Mobile Associates³	To grow
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1. Assuming forward exchange rate of A\$1: S\$1.2755

2. Operating cash less cash capex

3. Assuming forward exchange rates of S\$1 to IDR7,936 , INR44.6 , THB24.3 & PHP32.8



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Trends in constant currency terms¹






3 months to Mar 13	4Q FY13 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX)¹
Group revenue	4,481	(6.3%)	(4.1%)
Group underlying NPAT	1,001	(2.2%)	0.6%
Optus revenue	2,793	(8.8%)	(5.4%)
Regional Mobile Associates pre-tax earnings ²	514	0.9%	6.1%

12 months to Mar 13	12M FY13 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX)¹
Group revenue	18,183	(3.4%)	(2.1%)
Group underlying NPAT	3,611	(1.8%)	1.4%
Optus revenue	11,451	(6.7%)	(4.6%)
Regional Mobile Associates pre-tax earnings ²	2,002	5.2%	12.8%

1. Assuming constant exchange rates from corresponding periods in FY2012.

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

Foreign exchange movements

Currency	Quarter ended 31 March 2013		
	Exchange rate ¹	Appreciation / (depreciation) against S\$	
		YoY	QoQ
1 AUD ² 	S\$1.2856	(3.6%)	1.2%
INR 	43.9	(10.6%)	0.7%
IDR 	7,813	(8.6%)	0.8%
PHP 	32.9	3.2%	2.4%
THB 	24.1	1.6%	4.0%

1. Average exchange rates for the quarter ended 31 March 2013.

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

Focus Areas for Group Digital Life in FY14

