



**SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
ASX APPENDIX 4E PRELIMINARY FINAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR
ENDED 31 MARCH 2014**

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RESULTS FOR ANNOUNCEMENT TO THE MARKET (APPENDIX 4E)*For the financial year ended 31 March 2014*

| Group | Year ended 31 March | | Percentage change |
|---|---------------------|-----------------|-------------------|
| | 2014 S\$ Mil | 2013 S\$ Mil | |
| Revenue from ordinary activities | 16,848.1 | 18,183.0 | -7.3% |
| Profit from ordinary activities after taxation attributable to shareholders | 3,652.0 | 3,508.3 | 4.1% |
| Net profit attributable to shareholders | 3,652.0 | 3,508.3 | 4.1% |
| Net tangible assets per ordinary share ⁽¹⁾ | 82.72¢ | 83.58¢ | -1.0% |

| Group | Amount per security ⁽²⁾ | Franked amount per security ⁽³⁾ |
|--------------------|------------------------------------|--|
| | (SGD cents) | (SGD cents) |
| Dividend per share | | |
| - final | 10.0 | Nil |
| - interim | 6.8 | Nil |

Record date for determining entitlements to dividends

To be announced later

Notes:

- (1) As at 31 March 2014, the number of ordinary shares was 15,933,449,630 after adjustment to exclude the number of performance shares held by the Trust.
- (2) The dividends received by Singapore tax residents will be tax exempt for Singapore income tax purposes (being a one-tier exempt dividend).
- (3) For Australian resident individual shareholders, the dividends are subject to tax in Australia. Australian resident individual shareholders cannot claim a tax rebate or credit in their Australian income tax return for corporate income tax paid in Singapore.

The results for the financial year ended 31 March 2014 presented in this announcement are extracted from the financial statements for the year that have been audited in accordance with Singapore Standards on Auditing.

The Independent Auditors' Report on the full financial statements is on page 36 of this announcement.

CONSOLIDATED INCOME STATEMENT

For the fourth quarter and financial year ended 31 March 2014

| | Notes | Quarter 31 Mar | | Year 31 Mar | |
|---|-------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| | | 2014 S\$ Mil (Unaudited) | 2013 S\$ Mil (Unaudited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Operating revenue | | 4,128.4 | 4,481.4 | 16,848.1 | 18,183.0 |
| Operating expenses | | (2,859.5) | (3,091.6) | (11,800.3) | (13,100.0) |
| Other income | 2 | 28.3 | 38.6 | 107.6 | 116.8 |
| | | 1,297.2 | 1,428.4 | 5,155.4 | 5,199.8 |
| Depreciation and amortisation | 3 | (533.6) | (550.8) | (2,132.7) | (2,127.4) |
| | | 763.6 | 877.6 | 3,022.7 | 3,072.4 |
| Exceptional items | 4 | (20.0) | (104.7) | 114.0 | (40.1) |
| Profit on operating activities | | 743.6 | 772.9 | 3,136.7 | 3,032.3 |
| Associates and joint ventures | | | | | |
| - share of ordinary results | | 580.0 | 540.3 | 2,200.8 | 2,105.8 |
| - share of tax of ordinary results | | (193.4) | (154.1) | (721.4) | (625.7) |
| - share of exceptional items (post-tax) | 5 | (20.2) | (33.6) | (86.8) | (82.9) |
| | | 366.4 | 352.6 | 1,392.6 | 1,397.2 |
| Profit before interest, investment income (net) and tax | | 1,110.0 | 1,125.5 | 4,529.3 | 4,429.5 |
| Interest and investment income (net) | 6 | 31.5 | 18.1 | 124.5 | 46.9 |
| Finance costs | 7 | (75.2) | (82.1) | (305.9) | (345.1) |
| Profit before tax | | 1,066.3 | 1,061.5 | 4,347.9 | 4,131.3 |
| Tax expense | 8 | (167.7) | (192.4) | (691.0) | (620.7) |
| Profit after tax | | 898.6 | 869.1 | 3,656.9 | 3,510.6 |
| Attributable to: | | | | | |
| Shareholders of the Company | | 898.3 | 868.2 | 3,652.0 | 3,508.3 |
| Non-controlling interests | | 0.3 | 0.9 | 4.9 | 2.3 |
| | | 898.6 | 869.1 | 3,656.9 | 3,510.6 |
| Earnings per share attributable to shareholders of the Company | | | | | |
| - basic | 11 | 5.64¢ | 5.45¢ | 22.92¢ | 22.02¢ |
| - diluted | 11 | 5.62¢ | 5.44¢ | 22.87¢ | 21.96¢ |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the fourth quarter and financial year ended 31 March 2014*

| | Quarter | | Year | |
|---|----------------|-------------|------------------|-----------|
| | 31 Mar | | 31 Mar | |
| | 2014 | 2013 | 2014 | 2013 |
| | S\$ Mil | S\$ Mil | S\$ Mil | S\$ Mil |
| | (Unaudited) | (Unaudited) | (Audited) | (Audited) |
| Profit after tax | 898.6 | 869.1 | 3,656.9 | 3,510.6 |
| Other comprehensive income/ (loss) | | | | |
| Items that may be reclassified subsequently to income statement: | | | | |
| Exchange differences arising from translation of foreign operations and other currency translation differences for the period | 404.6 | 508.9 | (1,127.5) | (413.9) |
| Cash flow hedges | | | | |
| - Fair value changes during the period | (110.4) | 31.3 | 455.3 | (108.4) |
| - Tax effects | 25.4 | 11.5 | (102.7) | 24.1 |
| | (85.0) | 42.8 | 352.6 | (84.3) |
| - Fair value changes transferred to income statement | 90.9 | 9.4 | (334.1) | 112.7 |
| - Tax effects | (23.6) | (13.7) | 92.9 | (16.7) |
| | 67.3 | (4.3) | (241.2) | 96.0 |
| | (17.7) | 38.5 | 111.4 | 11.7 |
| Fair value changes on available-for-sale investments during the period | 41.8 | 10.7 | 25.4 | (67.9) |
| Share of other comprehensive income/ (loss) of associates and joint ventures | 9.9 | (90.6) | (72.6) | 21.8 |
| Other comprehensive income/ (loss), net of tax | 438.6 | 467.5 | (1,063.3) | (448.3) |
| Total comprehensive income | 1,337.2 | 1,336.6 | 2,593.6 | 3,062.3 |
| Attributable to: | | | | |
| Shareholders of the Company | 1,336.7 | 1,336.0 | 2,588.4 | 3,060.2 |
| Non-controlling interests | 0.5 | 0.6 | 5.2 | 2.1 |
| | 1,337.2 | 1,336.6 | 2,593.6 | 3,062.3 |

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2014

| | Notes | Group | | Company | |
|---|-------|--|--|--|--|
| | | As at 31 Mar 14 S\$ Mil (Audited) | As at 31 Mar 13 S\$ Mil (Audited) | As at 31 Mar 14 S\$ Mil (Audited) | As at 31 Mar 13 S\$ Mil (Audited) |
| Current assets | | | | | |
| Cash and cash equivalents | | 622.5 | 911.0 | 105.0 | 167.8 |
| Trade and other receivables | | 3,555.8 | 3,680.0 | 652.2 | 634.1 |
| Due from subsidiaries | | - | - | 1,933.6 | 1,740.7 |
| Derivative financial instruments | | 3.4 | 1.1 | 2.5 | 3.2 |
| Inventories | | 169.6 | 213.7 | 19.5 | 27.7 |
| | | 4,351.3 | 4,805.8 | 2,712.8 | 2,573.5 |
| Non-current assets | | | | | |
| Property, plant and equipment | | 11,096.3 | 11,724.9 | 2,037.5 | 2,043.6 |
| Intangible assets | | 10,739.7 | 10,709.4 | 1.0 | 1.3 |
| Subsidiaries | | - | - | 13,484.5 | 12,971.1 |
| Joint ventures | | 9,949.9 | 9,691.0 | 24.1 | 24.1 |
| Associates | | 178.3 | 195.5 | 603.5 | 592.1 |
| Loan to an associate | | 1,330.5 | 1,330.5 | 1,330.5 | 1,330.5 |
| Available-for-sale investments ("AFS") | | 291.3 | 240.4 | 54.9 | 66.4 |
| Derivative financial instruments | | 298.0 | 131.0 | 160.5 | 247.1 |
| Deferred tax assets | | 828.5 | 945.2 | - | - |
| Other non-current receivables | | 256.2 | 209.8 | 198.5 | 221.9 |
| | | 34,968.7 | 35,177.7 | 17,895.0 | 17,498.1 |
| Total assets | | 39,320.0 | 39,983.5 | 20,607.8 | 20,071.6 |
| Current liabilities | | | | | |
| Trade and other payables | | 3,797.9 | 4,227.7 | 996.9 | 1,156.4 |
| Due to subsidiaries | | - | - | 837.2 | 893.3 |
| Advance billings | | 643.6 | 671.0 | 66.0 | 86.8 |
| Current tax liabilities | | 366.0 | 429.0 | 59.1 | 139.3 |
| Borrowings (unsecured) | 13 | 774.6 | 350.0 | - | - |
| Borrowings (secured) | 13 | 38.9 | 41.8 | 1.5 | 0.2 |
| Derivative financial instruments | | 11.5 | 14.8 | 2.3 | 5.2 |
| Net deferred gain | | 57.5 | 57.5 | - | - |
| | | 5,690.0 | 5,791.8 | 1,963.0 | 2,281.2 |
| Non-current liabilities | | | | | |
| Borrowings (unsecured) | 13 | 7,046.9 | 7,329.7 | 793.2 | 856.3 |
| Borrowings (secured) | 13 | 179.7 | 207.2 | 161.9 | 157.3 |
| Derivative financial instruments | | 412.8 | 587.8 | 359.6 | 406.8 |
| Advance billings | | 298.5 | 332.1 | 164.1 | 165.8 |
| Deferred income | | 7.6 | 10.7 | - | - |
| Net deferred gain | | 1,155.7 | 1,186.4 | - | - |
| Deferred tax liabilities | | 444.9 | 299.4 | 242.5 | 114.0 |
| Other non-current liabilities | | 191.3 | 249.2 | 24.2 | 25.0 |
| | | 9,737.4 | 10,202.5 | 1,745.5 | 1,725.2 |
| Total liabilities | | 15,427.4 | 15,994.3 | 3,708.5 | 4,006.4 |
| Net assets | | 23,892.6 | 23,989.2 | 16,899.3 | 16,065.2 |
| Share capital and reserves | | | | | |
| Share capital | 15 | 2,634.0 | 2,634.0 | 2,634.0 | 2,634.0 |
| Reserves | | 21,234.2 | 21,330.6 | 14,265.3 | 13,431.2 |
| Equity attributable to shareholders of the Company | | | | | |
| | | 23,868.2 | 23,964.6 | 16,899.3 | 16,065.2 |
| Non-controlling interests | | 24.4 | 24.6 | - | - |
| Total equity | | 23,892.6 | 23,989.2 | 16,899.3 | 16,065.2 |

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2014*

| Group - 2014 | Attributable to shareholders of the Company | | | | | | | | | | Non-controlling Interests S\$ Mil | Total Equity S\$ Mil |
|--|---|---|---|--|----------------------------|-------------------------------|------------------------------|--|------------------|-------------|--------------------------------------|-------------------------|
| | Share Capital S\$ Mil | Treasury Shares ⁽¹⁾ S\$ Mil | Capital Reserve - Performance Shares S\$ Mil | Currency Translation Reserve ⁽²⁾ S\$ Mil | Hedging Reserve S\$ Mil | Fair Value Reserve S\$ Mil | Retained Earnings S\$ Mil | Other Reserves ⁽³⁾ S\$ Mil | Total S\$ Mil | | | |
| Balance as at 1 January 2014 | 2,634.0 | (32.8) | (104.0) | (4,097.4) | (121.1) | 64.4 | 25,472.7 | (1,279.5) | 22,536.3 | 19.2 | 22,555.5 | |
| Changes in equity for the quarter | | | | | | | | | | | | |
| Performance shares purchased by the Company | - | (1.4) | - | - | - | - | - | - | (1.4) | - | (1.4) | |
| Performance shares purchased by Trust ⁽⁴⁾ | - | (4.4) | - | - | - | - | - | - | (4.4) | - | (4.4) | |
| Equity-settled performance shares | - | - | 5.1 | - | - | - | - | - | 5.1 | - | 5.1 | |
| Share of other reserves of associates and joint ventures | - | - | (0.1) | - | - | - | - | 0.5 | 0.4 | - | 0.4 | |
| Interim dividend paid | - | - | - | - | - | - | 0.6 | - | 0.6 | - | 0.6 | |
| Others | - | - | - | - | - | - | (5.1) | - | (5.1) | 4.7 | (0.4) | |
| | - | (5.8) | 5.0 | - | - | - | (4.5) | 0.5 | (4.8) | 4.7 | (0.1) | |
| Total comprehensive income/ (loss) for the quarter | - | - | - | 404.4 | (17.7) | 41.8 | 898.3 | 9.9 | 1,336.7 | 0.5 | 1,337.2 | |
| Balance as at 31 March 2014 | 2,634.0 | (38.6) | (99.0) | (3,693.0) | (138.8) | 106.2 | 26,366.5 | (1,269.1) | 23,868.2 | 24.4 | 23,892.6 | |

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the fourth quarter ended 31 March 2014

| Group - 2013 | Attributable to shareholders of the Company | | | | | | | | | | |
|--|---|---|---|--|----------------------------|-------------------------------|------------------------------|--|------------------|--------------------------------------|-------------------------|
| | Share Capital S\$ Mil | Treasury Shares ⁽¹⁾ S\$ Mil | Capital Reserve - Performance Shares S\$ Mil | Currency Translation Reserve ⁽²⁾ S\$ Mil | Hedging Reserve S\$ Mil | Fair Value Reserve S\$ Mil | Retained Earnings S\$ Mil | Other Reserves ⁽³⁾ S\$ Mil | Total S\$ Mil | Non-controlling Interests S\$ Mil | Total Equity S\$ Mil |
| Balance as at 1 January 2013 | 2,634.0 | (34.6) | (93.9) | (3,074.4) | (288.7) | 70.1 | 24,556.1 | (1,137.0) | 22,631.6 | 24.0 | 22,655.6 |
| Changes in equity for the quarter | | | | | | | | | | | |
| Performance shares purchased by Trust ⁽⁴⁾ | - | (4.9) | - | - | - | - | - | - | (4.9) | - | (4.9) |
| Equity-settled performance shares | - | - | 4.3 | - | - | - | - | - | 4.3 | - | 4.3 |
| Transfer of liability to equity | - | - | (0.1) | - | - | - | - | - | (0.1) | - | (0.1) |
| Performance shares purchased by SingTel Optus Pty Limited ("Optus") and vested | - | - | (0.6) | - | - | - | - | - | (0.6) | - | (0.6) |
| Share of other reserves of associates and joint ventures | - | (2.6) | 0.4 | - | - | - | - | - | (2.2) | - | (2.2) |
| Others | - | - | - | - | - | - | 0.5 | - | 0.5 | - | 0.5 |
| | - | (7.5) | 4.0 | - | - | - | 0.5 | - | (3.0) | - | (3.0) |
| Total comprehensive income/ (loss) for the quarter | - | - | - | 509.2 | 38.5 | 10.7 | 868.2 | (90.6) | 1,336.0 | 0.6 | 1,336.6 |
| Balance as at 31 March 2013 | 2,634.0 | (42.1) | (89.9) | (2,565.2) | (250.2) | 80.8 | 25,424.8 | (1,227.6) | 23,964.6 | 24.6 | 23,989.2 |

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2014*

| Company - 2014 | Share Capital S\$ Mil | Treasury Shares ⁽¹⁾ S\$ Mil | Capital Reserve - Performance Shares S\$ Mil | Hedging Reserve S\$ Mil | Fair Value Reserve S\$ Mil | Retained Earnings S\$ Mil | Total Equity S\$ Mil |
|--|-----------------------------|--|--|-------------------------------|----------------------------------|---------------------------------|----------------------------|
| Balance as at 1 January 2014 | 2,634.0 | - | (66.5) | (105.6) | 43.4 | 13,385.2 | 15,890.5 |
| Changes in equity for the quarter | | | | | | | |
| Performance shares purchased by the Company | - | (0.4) | - | - | - | - | (0.4) |
| Performance shares vested | - | (1.0) | 0.1 | - | - | - | (0.9) |
| Equity-settled performance shares | - | - | 2.9 | - | - | - | 2.9 |
| Cash paid to employees under performance share plans | - | - | (0.1) | - | - | - | (0.1) |
| Contribution to Trust ⁽⁴⁾ | - | - | (3.8) | - | - | - | (3.8) |
| | - | (1.4) | (0.9) | - | - | - | (2.3) |
| Total comprehensive income for the quarter | - | - | - | 1.1 | 1.9 | 1,008.1 | 1,011.1 |
| Balance as at 31 March 2014 | 2,634.0 | (1.4) | (67.4) | (104.5) | 45.3 | 14,393.3 | 16,899.3 |

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the fourth quarter ended 31 March 2014

| Company - 2013 | Share Capital S\$ Mil | Capital Reserve - Performance Shares S\$ Mil | Hedging Reserve S\$ Mil | Fair Value Reserve S\$ Mil | Retained Earnings S\$ Mil | Total Equity S\$ Mil |
|--|-----------------------------|--|-------------------------------|----------------------------------|---------------------------------|----------------------------|
| Balance as at 1 January 2013 | 2,634.0 | (66.5) | (145.5) | 43.8 | 12,501.2 | 14,967.0 |
| Changes in equity for the quarter | | | | | | |
| Equity-settled performance shares | - | 0.5 | - | - | - | 0.5 |
| Cash paid to employees under performance share plans | - | 0.1 | - | - | - | 0.1 |
| Contribution to Trust ⁽⁴⁾ | - | (4.0) | - | - | - | (4.0) |
| Others | - | - | - | - | 0.9 | 0.9 |
| | - | (3.4) | - | - | 0.9 | (2.5) |
| Total comprehensive income for the quarter | - | - | 15.2 | 13.0 | 1,072.5 | 1,100.7 |
| Balance as at 31 March 2013 | 2,634.0 | (69.9) | (130.3) | 56.8 | 13,574.6 | 16,065.2 |

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Disclosure and Presentation**.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive (loss)/ income of the associates and joint ventures.
- (4) DBS Trustee Limited (the "Trust") is the trustee of a trust established to administer the performance share plans.

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2014*

| Group - 2014 | Attributable to shareholders of the Company | | | | | | | | | | Non-controlling Interests S\$ Mil | Total Equity S\$ Mil |
|---|---|---|---|--|----------------------------|-------------------------------|------------------------------|--|------------------|-------------|--------------------------------------|-------------------------|
| | Share Capital S\$ Mil | Treasury Shares ⁽¹⁾ S\$ Mil | Capital Reserve - Performance Shares S\$ Mil | Currency Translation Reserve ⁽²⁾ S\$ Mil | Hedging Reserve S\$ Mil | Fair Value Reserve S\$ Mil | Retained Earnings S\$ Mil | Other Reserves ⁽³⁾ S\$ Mil | Total S\$ Mil | | | |
| Balance as at 1 April 2013 | 2,634.0 | (42.1) | (89.9) | (2,565.2) | (250.2) | 80.8 | 25,424.8 | (1,227.6) | 23,964.6 | 24.6 | 23,989.2 | |
| Changes in equity for the year | | | | | | | | | | | | |
| Performance shares purchased by the Company | - | (5.5) | - | - | - | - | - | - | (5.5) | - | (5.5) | |
| Performance shares purchased by Trust ⁽⁴⁾ | - | (19.0) | - | - | - | - | - | - | (19.0) | - | (19.0) | |
| Performance shares vested | - | 28.0 | (28.0) | - | - | - | - | - | - | - | - | |
| Equity-settled performance shares | - | - | 22.1 | - | - | - | - | - | 22.1 | - | 22.1 | |
| Transfer of liability to equity | - | - | 10.9 | - | - | - | - | - | 10.9 | - | 10.9 | |
| Cash paid to employees under performance share plans | - | - | (0.1) | - | - | - | - | - | (0.1) | - | (0.1) | |
| Performance shares purchased by Optus and vested | - | - | (12.1) | - | - | - | - | - | (12.1) | - | (12.1) | |
| Share of other reserves of associates and joint ventures | - | - | (1.9) | - | - | - | - | 2.1 | 0.2 | - | 0.2 | |
| Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution | - | - | - | - | - | - | (29.0) | 29.0 | - | - | - | |
| Final dividend paid | - | - | - | - | - | - | (1,594.2) | - | (1,594.2) | - | (1,594.2) | |
| Interim dividend paid | - | - | - | - | - | - | (1,083.6) | - | (1,083.6) | - | (1,083.6) | |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | - | (7.7) | (7.7) | |
| Others | - | - | - | - | - | - | (3.5) | - | (3.5) | 2.3 | (1.2) | |
| | - | 3.5 | (9.1) | - | - | - | (2,710.3) | 31.1 | (2,684.8) | (5.4) | (2,690.2) | |
| Total comprehensive (loss)/ income for the year | - | - | - | (1,127.8) | 111.4 | 25.4 | 3,652.0 | (72.6) | 2,588.4 | 5.2 | 2,593.6 | |
| Balance as at 31 March 2014 | 2,634.0 | (38.6) | (99.0) | (3,693.0) | (138.8) | 106.2 | 26,366.5 | (1,269.1) | 23,868.2 | 24.4 | 23,892.6 | |

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2014*

| Group - 2013 | Attributable to shareholders of the Company | | | | | | | | | | |
|--|---|---|---|--|----------------------------|-------------------------------|------------------------------|--|------------------|--------------------------------------|-------------------------|
| | Share Capital S\$ Mil | Treasury Shares ⁽¹⁾ S\$ Mil | Capital Reserve - Performance Shares S\$ Mil | Currency Translation Reserve ⁽²⁾ S\$ Mil | Hedging Reserve S\$ Mil | Fair Value Reserve S\$ Mil | Retained Earnings S\$ Mil | Other Reserves ⁽³⁾ S\$ Mil | Total S\$ Mil | Non-controlling Interests S\$ Mil | Total Equity S\$ Mil |
| Balance as at 1 April 2012 | 2,632.2 | (42.3) | (82.7) | (2,151.5) | (261.9) | 148.7 | 24,434.4 | (1,249.4) | 23,427.5 | 20.4 | 23,447.9 |
| Changes in equity for the year | | | | | | | | | | | |
| Issue of new shares | 1.8 | - | - | - | - | - | - | - | 1.8 | - | 1.8 |
| Performance shares purchased by the Company | - | (3.4) | - | - | - | - | - | - | (3.4) | - | (3.4) |
| Performance shares purchased by Trust ⁽⁴⁾ | - | (24.1) | - | - | - | - | - | - | (24.1) | - | (24.1) |
| Performance shares vested | - | 30.3 | (30.3) | - | - | - | - | - | - | - | - |
| Equity-settled performance shares | - | - | 24.2 | - | - | - | - | - | 24.2 | - | 24.2 |
| Transfer of liability to equity | - | - | 7.8 | - | - | - | - | - | 7.8 | - | 7.8 |
| Performance shares purchased by Optus and vested | - | - | (9.3) | - | - | - | - | - | (9.3) | - | (9.3) |
| Share of other reserves of associates and joint ventures | - | (2.6) | 0.4 | - | - | - | - | - | (2.2) | - | (2.2) |
| Contribution to subsidiary | - | - | - | - | - | - | - | - | - | 2.8 | 2.8 |
| Final dividend paid | - | - | - | - | - | - | (1,434.0) | - | (1,434.0) | - | (1,434.0) |
| Interim dividend paid | - | - | - | - | - | - | (1,083.7) | - | (1,083.7) | - | (1,083.7) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | - | (0.7) | (0.7) |
| Others | - | - | - | - | - | - | (0.2) | - | (0.2) | - | (0.2) |
| | 1.8 | 0.2 | (7.2) | - | - | - | (2,517.9) | - | (2,523.1) | 2.1 | (2,521.0) |
| Total comprehensive (loss)/ income for the year | - | - | - | (413.7) | 11.7 | (67.9) | 3,508.3 | 21.8 | 3,060.2 | 2.1 | 3,062.3 |
| Balance as at 31 March 2013 | 2,634.0 | (42.1) | (89.9) | (2,565.2) | (250.2) | 80.8 | 25,424.8 | (1,227.6) | 23,964.6 | 24.6 | 23,989.2 |

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2014*

| Company - 2014 | Share Capital S\$ Mil | Treasury Shares ⁽¹⁾ S\$ Mil | Capital Reserve - Performance Shares S\$ Mil | Hedging Reserve S\$ Mil | Fair Value Reserve S\$ Mil | Retained Earnings S\$ Mil | Total Equity S\$ Mil |
|--|-----------------------------|--|--|-------------------------------|----------------------------------|---------------------------------|----------------------------|
| Balance as at 1 April 2013 | 2,634.0 | - | (69.9) | (130.3) | 56.8 | 13,574.6 | 16,065.2 |
| Changes in equity for the year | | | | | | | |
| Performance shares purchased by the Company | - | (4.5) | - | - | - | - | (4.5) |
| Performance shares vested | - | 3.1 | (3.1) | - | - | - | - |
| Equity-settled performance shares | - | - | 9.5 | - | - | - | 9.5 |
| Transfer of liability to equity | - | - | 10.9 | - | - | - | 10.9 |
| Cash paid to employees under performance share plans | - | - | (0.2) | - | - | - | (0.2) |
| Contribution to Trust ⁽⁴⁾ | - | - | (14.6) | - | - | - | (14.6) |
| Final dividend paid | - | - | - | - | - | (1,595.0) | (1,595.0) |
| Interim dividend paid | - | - | - | - | - | (1,084.2) | (1,084.2) |
| | - | (1.4) | 2.5 | - | - | (2,679.2) | (2,678.1) |
| Total comprehensive income/ (loss) for the year | - | - | - | 25.8 | (11.5) | 3,497.9 | 3,512.2 |
| Balance as at 31 March 2014 | 2,634.0 | (1.4) | (67.4) | (104.5) | 45.3 | 14,393.3 | 16,899.3 |

STATEMENTS OF CHANGES IN EQUITY (AUDITED)

For the financial year ended 31 March 2014

| Company - 2013 | Share Capital S\$ Mil | Treasury Shares ⁽¹⁾ S\$ Mil | Capital Reserve - Performance Shares S\$ Mil | Hedging Reserve S\$ Mil | Fair Value Reserve S\$ Mil | Retained Earnings S\$ Mil | Total Equity S\$ Mil |
|---|--------------------------|---|--|----------------------------|-------------------------------|------------------------------|-------------------------|
| Balance as at 1 April 2012 | 2,632.2 | - | (67.9) | (164.9) | 32.1 | 7,415.4 | 9,846.9 |
| Changes in equity for the year | | | | | | | |
| Issue of new shares | 1.8 | - | - | - | - | - | 1.8 |
| Performance shares purchased by the Company | - | (3.1) | - | - | - | - | (3.1) |
| Performance shares vested | - | 3.1 | (3.1) | - | - | - | - |
| Equity-settled performance shares | - | - | 10.4 | - | - | - | 10.4 |
| Transfer of liability to equity | - | - | 7.9 | - | - | - | 7.9 |
| Contribution to Trust ⁽⁴⁾ | - | - | (17.2) | - | - | - | (17.2) |
| Final dividend paid | - | - | - | - | - | (1,434.9) | (1,434.9) |
| Interim dividend paid | - | - | - | - | - | (1,084.4) | (1,084.4) |
| Others | - | - | - | - | - | 1.1 | 1.1 |
| | 1.8 | - | (2.0) | - | - | (2,518.2) | (2,518.4) |
| Total comprehensive income for the year | - | - | - | 34.6 | 24.7 | 8,677.4 | 8,736.7 |
| Balance as at 31 March 2013 | 2,634.0 | - | (69.9) | (130.3) | 56.8 | 13,574.6 | 16,065.2 |

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Disclosure and Presentation**.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive (loss)/ income of the associates and joint ventures.
- (4) DBS Trustee Limited (the "Trust") is the trustee of a trust established to administer the performance share plans.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the fourth quarter and financial year ended 31 March 2014

| | Quarter 31 Mar | | Year 31 Mar | |
|--|--------------------------------|--------------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Unaudited) | 2013 S\$ Mil (Unaudited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Cash Flows from Operating Activities | | | | |
| Profit before tax | 1,066.3 | 1,061.5 | 4,347.9 | 4,131.3 |
| Adjustments for | | | | |
| Depreciation and amortisation | 533.6 | 550.8 | 2,132.7 | 2,127.4 |
| Exceptional items | 13.6 | 82.7 | (129.3) | (30.5) |
| Interest and investment income (net) | (31.5) | (18.1) | (124.5) | (46.9) |
| Finance costs | 75.2 | 82.1 | 305.9 | 345.1 |
| Share of results of associates and joint ventures (post-tax) | (366.4) | (352.6) | (1,392.6) | (1,397.2) |
| Other non-cash items | 5.4 | 14.9 | 24.6 | 42.8 |
| | 229.9 | 359.8 | 816.8 | 1,040.7 |
| Operating cash flow before working capital changes | 1,296.2 | 1,421.3 | 5,164.7 | 5,172.0 |
| Changes in operating assets and liabilities | | | | |
| Trade and other receivables | 87.9 | 53.7 | (136.2) | 268.0 |
| Trade and other payables | 104.3 | 110.8 | (195.3) | (350.2) |
| Inventories | 53.1 | 43.7 | 27.0 | (6.9) |
| Currency translation adjustments of subsidiaries | 2.4 | 4.8 | (0.7) | (2.7) |
| Cash generated from operations | 1,543.9 | 1,634.3 | 4,859.5 | 5,080.2 |
| Payment to employees in cash under performance share plans | - | - | (4.9) | (3.3) |
| Dividends received from associates and joint ventures | 84.9 | 90.1 | 1,156.5 | 993.3 |
| Tax benefit payment to an associate (Note 1) | - | - | (142.6) | - |
| Income tax and withholding tax paid | (107.1) | (60.8) | (518.2) | (252.7) |
| Net cash inflow from operating activities | 1,521.7 | 1,663.6 | 5,350.3 | 5,817.5 |
| Cash Flows from Investing Activities | | | | |
| Dividends received from AFS investments | - | - | 3.1 | 3.0 |
| Interest received | 7.5 | 3.8 | 49.1 | 41.6 |
| Payment for acquisition of subsidiaries, net of cash acquired (Note 2) | (2.3) | (27.5) | (50.7) | (697.9) |
| Contribution from non-controlling interests | - | - | - | 2.8 |
| Proceeds from disposal of subsidiary, net of cash received | - | - | 0.7 | - |
| Investment in associates and joint ventures (Note 3) | (2.5) | (0.9) | (400.4) | (8.3) |
| Proceeds from sale of associates and joint ventures | 0.3 | 87.1 | 38.1 | 87.1 |
| Balance carried forward | 3.0 | 62.5 | (360.1) | (571.7) |

CONSOLIDATED STATEMENT OF CASH FLOWS*For the fourth quarter and financial year ended 31 March 2014*

| | Quarter | | Year | |
|---|------------------|------------------|------------------|------------------|
| | 31 Mar | | 31 Mar | |
| | 2014 | 2013 | 2014 | 2013 |
| | S\$ Mil | S\$ Mil | S\$ Mil | S\$ Mil |
| | (Unaudited) | (Unaudited) | (Audited) | (Audited) |
| Cash Flows from Investing Activities (continued) | | | | |
| Balance brought forward | 3.0 | 62.5 | (360.1) | (571.7) |
| Investment in AFS investments | (2.1) | (11.3) | (49.6) | (56.0) |
| Proceeds from sale of AFS investments | 5.0 | - | 12.8 | 337.4 |
| Payment for purchase of property, plant and equipment | (653.6) | (398.1) | (2,101.5) | (2,058.6) |
| Proceeds from sale of property, plant and equipment | 1.2 | 1.9 | 7.1 | 10.0 |
| Purchase of intangible assets | (22.7) | (25.4) | (276.4) | (166.6) |
| Withholding tax paid on intra-group interest income | (16.0) | (20.0) | (33.5) | (51.3) |
| Net cash outflow for investing activities | (685.2) | (390.4) | (2,801.2) | (2,556.8) |
| Cash Flows from Financing Activities | | | | |
| Proceeds from term loans | 900.0 | 1,580.4 | 2,993.9 | 3,806.2 |
| Repayment of term loans | (1,380.3) | (1,608.1) | (3,221.2) | (4,643.4) |
| Proceeds from bond issue | 127.8 | - | 467.0 | - |
| Proceeds from finance lease liabilities | 7.7 | 3.3 | 14.4 | 76.4 |
| Finance lease payments | (14.1) | (11.5) | (49.0) | (44.6) |
| Net (repayment of)/ proceeds from borrowings | (358.9) | (35.9) | 205.1 | (805.4) |
| Net interest paid on borrowings and swaps | (65.1) | (73.1) | (308.8) | (343.5) |
| Final dividend paid to shareholders of the Company | - | - | (1,594.2) | (1,434.0) |
| Interim dividend paid to shareholders of the Company | (1,083.6) | (1,083.7) | (1,083.6) | (1,083.7) |
| Dividend paid to non-controlling interests | - | - | (7.7) | (0.7) |
| Proceeds from issue of shares | - | - | - | 1.8 |
| Purchase of performance shares | (5.8) | (5.5) | (36.6) | (36.8) |
| Others | (0.4) | - | 1.2 | - |
| Net cash outflow for financing activities | (1,513.8) | (1,198.2) | (2,824.6) | (3,702.3) |
| Net change in cash and cash equivalents | (677.3) | 75.0 | (275.5) | (441.6) |
| Exchange effects on cash and cash equivalents | 16.9 | 4.9 | (13.0) | 6.2 |
| Cash and cash equivalents at beginning of period | 1,282.9 | 831.1 | 911.0 | 1,346.4 |
| Cash and cash equivalents at end of period | 622.5 | 911.0 | 622.5 | 911.0 |

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS*For the fourth quarter and financial year ended 31 March 2014*

- Note (1):** During the financial year ended 31 March 2014, the Group made payments of S\$142.6 million to NetLink Trust in consideration of its transfer of tax benefits utilised by the Group, and S\$11.4 million for additional investment in NetLink Trust. The monies were subsequently utilised by NetLink Trust for its acquisition of 100% equity interest in OpenNet Pte. Ltd. ("**OpenNet**"). The Group received its share of the proceeds of S\$37.8 million following the divestment of its equity interest in OpenNet to NetLink Trust.
- Note (2):** (a) During the financial year ended 31 March 2014, the Group paid S\$18 million (US\$15 million) for the acquisition of Gradient X, Inc., and made deferred payments of S\$33 million in respect of the acquisitions of Amobee, Inc. ("**Amobee**"), Pixable, Inc. ("**Pixable**") and Eatability Pty Limited ("**Eatability**").
- (b) During the financial year ended 31 March 2013, the Group paid S\$698 million for the acquisitions of Amobee, GTW Holdings Private Limited and Pixable, as well as Vividwireless Group Limited and Eatability in Australia.
- Note (3):** In August 2013, the Group acquired additional equity interest of 3.62% in Bharti Telecom Limited from a wholly-owned subsidiary of Temasek Holdings (Private) Limited, for S\$384 million. Temasek Holdings (Private) Limited is the holding company of Singapore Telecommunications Limited ("**SingTel**").
- Note (4):** For the purposes of the consolidated cash flow statements, cash and cash equivalents comprise:

| | As at 31 Mar | |
|------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Fixed deposits | 89.3 | 526.5 |
| Cash and bank balances | 533.2 | 384.5 |
| | <u>622.5</u> | <u>911.0</u> |

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***1. BASIS OF PREPARATION**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current quarter/ year as the most recent audited financial statements as at 31 March 2013. The adoption of the new or revised Singapore Financial Reporting Standards (“FRS”), amendments to FRS and Interpretations to FRS which are mandatory from 1 April 2013 did not have a significant impact on the financial statements of the Group and the Company.

2. OTHER INCOME

This included the following items -

| Group | Quarter 31 Mar | | Year 31 Mar | |
|--|--------------------------------|--------------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Unaudited) | 2013 S\$ Mil (Unaudited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Rental income | 0.9 | 1.3 | 3.9 | 5.2 |
| Bad trade debts recovered | 0.7 | 0.4 | 3.0 | 2.6 |
| Net exchange (loss)/ gain - trade related | (2.6) | 0.5 | (10.3) | (7.4) |
| Net (loss)/ gain on disposal of property, plant and equipment | (1.8) | 1.5 | 2.6 | 2.1 |

3. DEPRECIATION AND AMORTISATION

| Group | Quarter 31 Mar | | Year 31 Mar | |
|---|--------------------------------|--------------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Unaudited) | 2013 S\$ Mil (Unaudited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Depreciation of property, plant and equipment | 490.6 | 510.1 | 1,964.4 | 1,971.3 |
| Amortisation of intangibles | 43.8 | 44.5 | 171.4 | 162.8 |
| Amortisation of deferred gain on sale of a joint venture | (0.8) | (0.7) | (3.1) | (3.0) |
| Amortisation of sale and leaseback income | - | (3.1) | - | (3.7) |
| | 533.6 | 550.8 | 2,132.7 | 2,127.4 |

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***4. EXCEPTIONAL ITEMS**

| Group | Quarter 31 Mar | | Year 31 Mar | |
|---|------------------------|------------------------|----------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | S\$ Mil (Unaudited) | S\$ Mil (Unaudited) | S\$ Mil (Audited) | S\$ Mil (Audited) |
| Exceptional gains | | | | |
| Gain on dilution of interest in Airtel | - | - | 149.7 | - |
| Gain on sale of AFS investments | 0.8 | - | 6.6 | 119.2 |
| Gain on dilution of interest in associates and joint ventures | 0.8 | 0.2 | 5.3 | 0.8 |
| Gain on disposal of a subsidiary | - | - | 1.0 | - |
| Net dividend income from a joint venture | - | 148.8 | - | 148.8 |
| Net income from legal disputes | - | - | - | 35.8 |
| | 1.6 | 149.0 | 162.6 | 304.6 |
| Exceptional losses | | | | |
| Loss on disposal of an associate - Warid Telecom (Private) Limited | - | (225.3) | - | (225.3) |
| Optus' ex-gratia costs on staff restructuring | - | (16.1) | (6.3) | (100.5) |
| SingTel's ex-gratia costs on staff restructuring | (0.4) | (5.9) | (3.0) | (5.9) |
| Impairment of AFS investments | (4.3) | (5.0) | (22.4) | (11.6) |
| Impairment of non-current assets | (9.7) | - | (9.7) | - |
| Accrued penalty charges on network incidents | (6.0) | - | (6.0) | - |
| Others | (1.2) | (1.4) | (1.2) | (1.4) |
| | (21.6) | (253.7) | (48.6) | (344.7) |
| | (20.0) | (104.7) | 114.0 | (40.1) |

5. SHARE OF EXCEPTIONAL ITEMS OF ASSOCIATES AND JOINT VENTURES (POST-TAX)

| Group | Quarter 31 Mar | | Year 31 Mar | |
|--|------------------------|------------------------|----------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | S\$ Mil (Unaudited) | S\$ Mil (Unaudited) | S\$ Mil (Audited) | S\$ Mil (Audited) |
| Share of Globe's accelerated depreciation | (4.7) | (33.6) | (60.7) | (82.9) |
| Share of Airtel's exceptional items | (15.5) | - | (33.7) | - |
| Share of ACPL Marine's gain on sale of asset | - | - | 7.6 | - |
| | (20.2) | (33.6) | (86.8) | (82.9) |

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2014

6. INTEREST AND INVESTMENT INCOME (NET)

| Group | Quarter 31 Mar | | Year 31 Mar | |
|--|--------------------------------|--------------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Unaudited) | 2013 S\$ Mil (Unaudited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Interest income from | | | | |
| - bank deposits | 6.1 | 3.7 | 15.4 | 14.9 |
| - others | 8.8 | 7.9 | 33.8 | 31.9 |
| | 14.9 | 11.6 | 49.2 | 46.8 |
| Dividends from joint ventures | 11.3 | - | 58.5 | - |
| Gross dividends from AFS investments | 0.5 | 0.6 | 5.3 | 5.5 |
| Fair value gains/ (losses) on fair value hedges | | | | |
| - hedged item | 40.6 | 52.7 | (186.9) | 38.5 |
| - hedging instrument | (41.2) | (52.7) | 186.3 | (38.5) |
| | (0.6) | - | (0.6) | - |
| Other fair value gains | 5.2 | 1.0 | 12.2 | 3.0 |
| Net exchange gains/ (losses) - non-trade related | 0.2 | 4.9 | (0.1) | (8.4) |
| | 31.5 | 18.1 | 124.5 | 46.9 |

7. FINANCE COSTS

| Group | Quarter 31 Mar | | Year 31 Mar | |
|---|--------------------------------|--------------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Unaudited) | 2013 S\$ Mil (Unaudited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Interest expense on | | | | |
| - bonds | 62.4 | 62.9 | 245.4 | 264.8 |
| - bank loans | 5.6 | 10.3 | 29.9 | 49.5 |
| - others | 7.7 | 8.5 | 30.3 | 32.4 |
| | 75.7 | 81.7 | 305.6 | 346.7 |
| Less: Amounts capitalised | (4.6) | (4.9) | (18.1) | (16.8) |
| | 71.1 | 76.8 | 287.5 | 329.9 |
| Effects of hedging using interest rate swaps | 2.9 | 3.4 | 13.8 | 9.2 |
| Unwinding of discounts (including adjustments) | 1.2 | 1.9 | 4.6 | 6.0 |
| | 75.2 | 82.1 | 305.9 | 345.1 |

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***8. TAX EXPENSE (NET)**

| Group | Quarter 31 Mar | | Year 31 Mar | |
|--|--------------------------------|--------------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Unaudited) | 2013 S\$ Mil (Unaudited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Current and deferred tax expense attributable to current period's profits | 189.5 | 190.0 | 714.3 | 639.7 |
| Current and deferred tax adjustments in respect of prior years | (21.8) | 2.4 | (23.3) | (19.0) |
| | 167.7 | 192.4 | 691.0 | 620.7 |

9. BREAKDOWN OF SALES

| Group | Year | | % change |
|---|-------------------------------------|-------------------------------------|-------------|
| | 31 Mar 14 S\$ Mil (Unaudited) | 31 Mar 13 S\$ Mil (Unaudited) | |
| Sales reported for first half year | 8,456.4 | 9,105.0 | -7.1% |
| Operating profit after tax before deducting non-controlling interest reported for first half year | 1,884.9 | 1,814.0 | 3.9% |
| Sales reported for second half year | 8,391.7 | 9,078.0 | -7.6% |
| Operating profit after tax before deducting non-controlling interest reported for second half year | 1,772.0 | 1,696.6 | 4.4% |

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***10. OTHER INCOME STATEMENT ITEMS**

Other income included the following:

| Group | Quarter 31 Mar | | Year 31 Mar | |
|--------------------------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Unaudited) | 2013 S\$ Mil (Unaudited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Impairment of trade receivables | 13.9 | 0.4 | 137.4 | 170.5 |
| Allowance for inventory obsolescence | 8.4 | 9.1 | 27.9 | 17.5 |
| Inventory written off | 2.1 | 2.9 | 2.1 | 2.9 |

11. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

| Group | Quarter 31 Mar | | Year 31 Mar | |
|---|-----------------------------|-----------------------------|---------------------------|---------------------------|
| | 2014 '000 (Unaudited) | 2013 '000 (Unaudited) | 2014 '000 (Audited) | 2013 '000 (Audited) |
| Weighted average number of ordinary shares in issue for calculation of basic earnings per share | 15,933,653 | 15,931,512 | 15,934,006 | 15,932,143 |
| Adjustment for dilutive effect of performance share plan | 35,767 | 43,448 | 35,767 | 43,448 |
| Weighted average number of ordinary shares for calculation of diluted earnings per share | 15,969,420 | 15,974,960 | 15,969,773 | 15,975,591 |

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

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2014

12. FAIR VALUE MEASUREMENTS

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- (b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- (c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

The following table presents the assets and liabilities measured at fair value as at 31 March 2014:

| Group 31 March 2014 (Audited) | Level 1 S\$ Mil | Level 2 S\$ Mil | Level 3 S\$ Mil | Total S\$ Mil |
|-------------------------------------|--------------------|--------------------|--------------------|------------------|
| Financial assets | | | | |
| AFS investments ⁽¹⁾ | | | | |
| - Quoted equity securities | 62.9 | - | - | 62.9 |
| - Unquoted investments | - | - | 108.2 | 108.2 |
| | 62.9 | - | 108.2 | 171.1 |
| Derivative financial instruments | - | 301.4 | - | 301.4 |
| | 62.9 | 301.4 | 108.2 | 472.5 |
| Financial liabilities | | | | |
| Derivative financial instruments | - | 424.3 | - | 424.3 |

| Group 31 March 2013 (Audited) | Level 1 S\$ Mil | Level 2 S\$ Mil | Level 3 S\$ Mil | Total S\$ Mil |
|-------------------------------------|--------------------|--------------------|--------------------|------------------|
| Financial assets | | | | |
| AFS investments ⁽¹⁾ | | | | |
| - Quoted equity securities | 89.9 | - | - | 89.9 |
| - Unquoted investments | - | - | 14.1 | 14.1 |
| | 89.9 | - | 14.1 | 104.0 |
| Derivative financial instruments | - | 132.1 | - | 132.1 |
| | 89.9 | 132.1 | 14.1 | 236.1 |
| Financial liabilities | | | | |
| Derivative financial instruments | - | 602.6 | - | 602.6 |

Note:

(1) Excluded AFS investments stated at cost of S\$120.2 million (31 March 2013: S\$136.4 million).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***12. FAIR VALUE MEASUREMENTS (Continued)**

| Company 31 March 2014 (Audited) | Level 1 S\$ Mil | Level 2 S\$ Mil | Level 3 S\$ Mil | Total S\$ Mil |
|--|----------------------------|----------------------------|----------------------------|--------------------------|
| Financial assets | | | | |
| AFS investments | | | | |
| - Quoted equity securities | 44.4 | - | - | 44.4 |
| - Unquoted equity securities | - | - | 10.5 | 10.5 |
| | 44.4 | - | 10.5 | 54.9 |
| Derivative financial instruments | - | 163.0 | - | 163.0 |
| | 44.4 | 163.0 | 10.5 | 217.9 |
| Financial liabilities | | | | |
| Derivative financial instruments | - | 361.9 | - | 361.9 |

| Company 31 March 2013 (Audited) | Level 1 S\$ Mil | Level 2 S\$ Mil | Level 3 S\$ Mil | Total S\$ Mil |
|--|----------------------------|----------------------------|----------------------------|--------------------------|
| Financial assets | | | | |
| AFS investments | | | | |
| - Quoted equity securities | 56.3 | - | - | 56.3 |
| - Unquoted equity securities | - | - | 10.1 | 10.1 |
| | 56.3 | - | 10.1 | 66.4 |
| Derivative financial instruments | - | 250.3 | - | 250.3 |
| | 56.3 | 250.3 | 10.1 | 316.7 |
| Financial liabilities | | | | |
| Derivative financial instruments | - | 412.0 | - | 412.0 |

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***12. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the assets and liabilities not measured at fair value (but with fair value disclosed) as at 31 March 2014:

| 31 March 2014 (Audited) | Carrying Value S\$ Mil | Fair value | | | Total S\$ Mil |
|------------------------------|------------------------------|--------------------|--------------------|--------------------|------------------|
| | | Level 1 S\$ Mil | Level 2 S\$ Mil | Level 3 S\$ Mil | |
| Financial liabilities | | | | | |
| Group | | | | | |
| Bonds | 6,696.9 | 5,189.1 | 1,745.7 | - | 6,934.8 |
| Company | | | | | |
| Bonds | 793.2 | 835.6 | - | - | 835.6 |

| 31 March 2013 (Audited) | Carrying Value S\$ Mil | Fair value | | | Total S\$ Mil |
|------------------------------|------------------------------|--------------------|--------------------|--------------------|------------------|
| | | Level 1 S\$ Mil | Level 2 S\$ Mil | Level 3 S\$ Mil | |
| Financial liabilities | | | | | |
| Group | | | | | |
| Bonds | 6,243.7 | 5,097.8 | 1,258.1 | - | 6,355.9 |
| Company | | | | | |
| Bonds | 856.3 | 900.3 | - | - | 900.3 |

Except as disclosed in the above tables, the carrying values of other financial assets and financial liabilities approximate their fair values.

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***13. GROUP'S BORROWINGS AND DEBT SECURITIES**

| | Group | | Company | |
|-----------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 Mar 14 S\$ Mil (Audited) | 31 Mar 13 S\$ Mil (Audited) | 31 Mar 14 S\$ Mil (Audited) | 31 Mar 13 S\$ Mil (Audited) |
| Unsecured borrowings | | | | |
| Repayable within one year | 774.6 | 350.0 | - | - |
| Repayable after one year | 7,046.9 | 7,329.7 | 793.2 | 856.3 |
| | 7,821.5 | 7,679.7 | 793.2 | 856.3 |
| Secured borrowings | | | | |
| Repayable within one year | 38.9 | 41.8 | 1.5 | 0.2 |
| Repayable after one year | 179.7 | 207.2 | 161.9 | 157.3 |
| | 218.6 | 249.0 | 163.4 | 157.5 |
| | 8,040.1 | 7,928.7 | 956.6 | 1,013.8 |

Unsecured borrowings comprise bonds and bank loans. Secured borrowings comprise finance lease liabilities, including lease liabilities in respect of certain assets leased from NetLink Trust.

14. DETAILS OF MATERIAL ASSOCIATES AND JOINT VENTURES

| | Contribution to net profit after tax | | | |
|---|--------------------------------------|------------------------|------------------------------|------------------------------|
| | Equity interest as at 31 Mar | | Year 31 Mar | |
| | 2014 % (Audited) | 2013 % (Audited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Equity accounted associates and joint ventures | | | | |
| PT Telekomunikasi Selular | 35.0 | 35.0 | 704.8 | 753.5 |
| Bharti Airtel Limited | 32.4 | 32.3 | 184.1 | 164.1 |
| Advanced Info Service Public Company Limited | 23.3 | 23.3 | 334.9 | 338.4 |
| Globe Telecom, Inc. | 47.2 | 47.3 | 98.3 | 67.5 |
| Others | | | 70.5 | 73.7 |
| | | | 1,392.6 | 1,397.2 |

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***15. SHARE CAPITAL AND OTHER EQUITY INFORMATION**

| Group and Company | Quarter and Financial year 31 Mar 14 | |
|---|---|--|
| | Number of shares Mil (Audited) | Share capital S\$ Mil (Audited) |
| Balance as at beginning and end of period | 15,943.6 | 2,634.0 |

As at 31 March 2014, the number of outstanding performance shares under the SingTel Performance Share Plan and SingTel Performance Share Plan 2012 was 46,303,329 (31 March 2013: 56,040,571).

16. DIVIDENDS

| | Group | | Company | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) | 2014 S\$ Mil (Audited) | 2013 S\$ Mil (Audited) |
| Total annual exempt (one-tier) dividend | | | | |
| Final dividend | 1,594.2 | 1,434.0 | 1,595.0 | 1,434.9 |
| Interim dividend | 1,083.6 | 1,083.7 | 1,084.2 | 1,084.4 |
| Total | 2,677.8 | 2,517.7 | 2,679.2 | 2,519.3 |

During the financial year, a final one-tier exempt ordinary dividend of 10.0 cents per share, totalling S\$1.59 billion were paid in respect of the previous financial year ended 31 March 2013, and an interim one-tier exempt ordinary dividend of 6.8 cents per share totalling S\$1.08 billion was paid in respect of the current financial year ended 31 March 2014.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier exempt ordinary dividend of 10.0 cents per share totalling approximately S\$1.59 billion in respect of the current financial year ended 31 March 2014 for approval at the forthcoming Annual General Meeting.

This report does not reflect the above final dividend payable of approximately S\$1.59 billion, which will be accounted for in the Shareholders' Equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2015.

The date on which Registrable Transfers received by the Company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined, as well as the date the dividend is payable, will be announced in due course.

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2014***17. NET ASSET VALUE**

| | Group | | Company | |
|---|-------------|-----------|-------------|-----------|
| | As at | | As at | |
| | 31 Mar 14 | 31 Mar 13 | 31 Mar 14 | 31 Mar 13 |
| | S\$ | S\$ | S\$ | S\$ |
| | (Audited) | (Audited) | (Audited) | (Audited) |
| Net asset value per ordinary share | 1.50 | 1.50 | 1.06 | 1.01 |

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

18. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES**(a) Guarantees**

As at 31 March 2014,

- (i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S\$648.2 million and S\$312.7 million (31 March 2013: S\$730.1 million and S\$473.1 million) respectively.
- (ii) The Company provided guarantees for loans of S\$950 million (31 March 2013: S\$950 million) drawn down under various loan facilities entered into by SingTel Group Treasury Pte. Ltd. ("**SGT**") with maturities between June 2014 and December 2016. The Company also provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$3.40 billion due between July 2016 and September 2021.

- (b) Consistent with other large groups, Singapore Telecom Australia Investments Pty Limited ("**STAI**"), the head tax entity in Australia, has been subject to information requests from the Australian Taxation Office ("**ATO**"). STAI has received information requests in connection with the acquisition financing of Optus. STAI has been responding to the ATO's queries. In December 2013, STAI received a tax position paper from the ATO. STAI has received advice from external experts in relation to this and has responded to the ATO. Accordingly, no provision has been made as at 31 March 2014.

- (c) Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2014

19. CONTINGENT LIABILITIES OF JOINT VENTURES

- (a) Bharti Airtel Limited ("**Airtel**"), a 32.4% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (SingTel's share: S\$354 million) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion (SingTel's share: S\$62 million) for holding GSM spectrum beyond 6.2 Mhz for the period from 1 July 2008 to 31 December 2012 and also a prospective charge of Rs. 42.92 billion (SingTel's share: S\$292 million) for GSM spectrum held beyond 4.4 Mhz for the period from 1 January 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licenses issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 31 March 2014, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 73.9 billion (SingTel's share: S\$503 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Group has 79.05% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

Econet Wireless Limited ("**EWL**") has claimed for entitlement to a 5% stake in ANL in 2004 and a claim alleging breach of a shareholders' agreement between EWL and former shareholders of ANL in 2006. Airtel Group has filed appeals in the Supreme Court of Nigeria on both matters.

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2014

19. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)

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

Revenue share disputes arising from abolishment of excise tax

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

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

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

TOT’s demand for additional revenue share

On 26 January 2011, TOT sent a letter demanding AIS to pay additional revenue share based on gross interconnection income received from 2007 to 2010 of THB 17,803 million (SingTel’s share: S\$161 million) plus interest at the rate of 1.25% per month. AIS sent a letter opposing the said claim to TOT on 21 February 2011. On 9 March 2011, AIS submitted the dispute to arbitration. The said dispute is pending the arbitration procedures.

TOT’s demand for access charge

On 9 May 2011, TOT submitted a case to the Central Administrative Court against CAT as first defendant and DPC as second defendant demanding access charge amounting to THB 2,954 million (SingTel’s share: S\$27 million) plus interest. This case is pending the Court’s decision.

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

- (c) Globe Telecom, Inc. (“**Globe**”), a 47.2% joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe’s management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on the Globe Group’s financial position and results of operations.
- (d) The Group holds an equity interest of 35% in PT Telekomunikasi Selular (“**Telkomsel**”). As at 31 March 2014, Telkomsel has filed appeals and cross-appeals amounting to approximately IDR 1,054 billion (SingTel’s share: S\$41 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which are not presently determinable.

20. GROUP SEGMENT INFORMATION

For the financial year ended 31 March 2014

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

SingTel Group is structured into three business segments, namely Group Consumer, Group Enterprise and Group Digital L!fe.

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, Pacific Bangladesh Telecom Limited 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, IT services and professional consulting.

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. It includes mobile advertising, e-commerce, concierge and hyper-local services.

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

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

20. GROUP SEGMENT INFORMATION (Continued)*For the financial year ended 31 March 2014*

| Group - 2014 (Audited) | Group Consumer S\$ Mil | Group Enterprise S\$ Mil | Group Digital Life S\$ Mil | Corporate S\$ Mil | Group Total S\$ Mil |
|--|---------------------------------------|---|---|------------------------------|------------------------------------|
| Operating revenue | 10,411.2 | 6,268.4 | 168.5 | - | 16,848.1 |
| Operating expenses | (7,138.2) | (4,264.6) | (336.0) | (61.5) | (11,800.3) |
| Other income | 72.2 | 28.4 | (2.3) | 9.3 | 107.6 |
| Earnings before interest, tax, depreciation and amortisation ("EBITDA") | 3,345.2 | 2,032.2 | (169.8) | (52.2) | 5,155.4 |
| Share of pre-tax results of associates and joint ventures | | | | | |
| - Airtel | 512.1 | - | - | - | 512.1 |
| - Telkomsel | 937.1 | - | - | - | 937.1 |
| - Globe | 230.5 | - | - | - | 230.5 |
| - AIS | 427.7 | - | - | - | 427.7 |
| - Others | 0.5 | - | - | 93.3 | 93.8 |
| | 2,107.9 | - | - | 93.3 | 2,201.2 |
| EBITDA and share of pre-tax results of associates and joint ventures | 5,453.1 | 2,032.2 | (169.8) | 41.1 | 7,356.6 |
| Depreciation and amortisation | (1,403.9) | (679.7) | (47.5) | (1.6) | (2,132.7) |
| Earnings before interest and tax ("EBIT") | 4,049.2 | 1,352.5 | (217.3) | 39.5 | 5,223.9 |
| Segment assets | | | | | |
| Investment in associates and joint ventures | | | | | |
| - Airtel | 4,889.6 | - | - | - | 4,889.6 |
| - Telkomsel | 3,433.8 | - | - | - | 3,433.8 |
| - Globe | 900.0 | - | - | - | 900.0 |
| - AIS | 624.2 | - | - | - | 624.2 |
| - Others | 24.8 | - | - | 255.8 | 280.6 |
| | 9,872.4 | - | - | 255.8 | 10,128.2 |
| Goodwill on acquisition of subsidiaries | 9,232.2 | 148.8 | 322.6 | - | 9,703.6 |
| Other assets | 9,981.0 | 5,364.2 | 542.7 | 3,600.3 | 19,488.2 |
| | 29,085.6 | 5,513.0 | 865.3 | 3,856.1 | 39,320.0 |

20. GROUP SEGMENT INFORMATION (Continued)*For the financial year ended 31 March 2014*

| Group - 2013 (Audited) | Group Consumer S\$ Mil | Group Enterprise S\$ Mil | Group Digital Life S\$ Mil | Corporate S\$ Mil | Group Total S\$ Mil |
|---|---------------------------------------|---|---|------------------------------|------------------------------------|
| Operating revenue | 11,629.7 | 6,442.1 | 111.2 | - | 18,183.0 |
| Operating expenses | (8,389.1) | (4,407.2) | (216.4) | (87.3) | (13,100.0) |
| Other income | 90.0 | 27.7 | 1.2 | (2.1) | 116.8 |
| EBITDA | 3,330.6 | 2,062.6 | (104.0) | (89.4) | 5,199.8 |
| Share of pre-tax results of associates and joint ventures | | | | | |
| - Airtel | 368.5 | - | - | - | 368.5 |
| - Telkomsel | 1,003.7 | - | - | - | 1,003.7 |
| - Globe | 210.0 | - | - | - | 210.0 |
| - AIS | 437.6 | - | - | - | 437.6 |
| - Others | (16.6) | - | - | 102.6 | 86.0 |
| | 2,003.2 | - | - | 102.6 | 2,105.8 |
| EBITDA and share of pre-tax results of associates and joint ventures | 5,333.8 | 2,062.6 | (104.0) | 13.2 | 7,305.6 |
| Depreciation and amortisation | (1,423.9) | (665.7) | (41.3) | 3.5 | (2,127.4) |
| EBIT | 3,909.9 | 1,396.9 | (145.3) | 16.7 | 5,178.2 |
| Segment assets | | | | | |
| Investment in associates and joint ventures | | | | | |
| - Airtel | 4,382.7 | - | - | - | 4,382.7 |
| - Telkomsel | 3,540.7 | - | - | - | 3,540.7 |
| - Globe | 984.3 | - | - | - | 984.3 |
| - AIS | 683.3 | - | - | - | 683.3 |
| - Others | 26.3 | - | - | 269.2 | 295.5 |
| | 9,617.3 | - | - | 269.2 | 9,886.5 |
| Goodwill on acquisition of subsidiaries | 9,244.1 | 156.3 | 298.8 | - | 9,699.2 |
| Other assets | 10,587.2 | 5,478.7 | 479.6 | 3,852.3 | 20,397.8 |
| | 29,448.6 | 5,635.0 | 778.4 | 4,121.5 | 39,983.5 |

20. GROUP SEGMENT INFORMATION (Continued)*For the financial year ended 31 March 2014*

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax is as follows -

| Group | Year 31 Mar 14 S\$ Mil (Audited) | Year 31 Mar 13 S\$ Mil (Audited) |
|--|---|---|
| EBIT | 5,223.9 | 5,178.2 |
| Exceptional items | 114.0 | (40.1) |
| Share of exceptional items of associates and joint ventures (post-tax) | (87.2) | (82.9) |
| Share of tax of associates and joint ventures | (721.4) | (625.7) |
| | <hr/> | <hr/> |
| Profit before interest, investment income (net) and tax | 4,529.3 | 4,429.5 |
| Interest and investment income (net) | 124.5 | 46.9 |
| Finance costs | (305.9) | (345.1) |
| | <hr/> | <hr/> |
| Profit before tax | 4,347.9 | 4,131.3 |

The Group's revenue from its major products and services are as follows -

| Group | Year 31 Mar 14 S\$ Mil (Audited) | Year 31 Mar 13 S\$ Mil (Audited) |
|-------------------------------|---|---|
| Mobile communications | 7,249.9 | 7,836.6 |
| Data and Internet | 3,140.5 | 3,434.0 |
| Managed Services | 1,697.8 | 1,743.7 |
| National telephone | 1,502.5 | 1,723.3 |
| Sale of equipment | 1,244.0 | 1,485.7 |
| International telephone | 688.9 | 759.5 |
| Business Solutions | 567.8 | 560.1 |
| Pay television | 251.7 | 217.9 |
| Digital businesses | 164.6 | 111.2 |
| Fibre rollout and maintenance | 154.1 | 117.4 |
| Others | 186.3 | 193.6 |
| | <hr/> | <hr/> |
| Operating revenue | 16,848.1 | 18,183.0 |

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2014 and 31 March 2013.

OTHER INFORMATION

21. The statement of financial position as at 31 March 2014 and the income statement, statement of comprehensive income, changes in equity and cash flows for the financial year ended 31 March 2014 presented in this announcement have been audited in accordance with Singapore Standards on Auditing.

22. **REVIEW OF PERFORMANCE OF THE GROUP**

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2014.

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

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2014.

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

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2014.

25. **INTERESTED PERSON TRANSACTIONS**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

26. **DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION IN THE ISSUER OR ANY OF ITS PRINCIPAL SUBSIDIARIES WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER OF THE ISSUER.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

27. **SUBSEQUENT EVENT**

On 6 May 2014, the Infocomm Development Authority of Singapore imposed a financial penalty of S\$6 million in respect of the 9 October 2013 fire incident at Bukit Panjang Exchange. This amount has been fully provided in the financial statements as of 31 March 2014.

28. ASSOCIATES OF THE GROUP

| Name of Company | Percentage of effective equity interest held by the Group as at | |
|---|---|----------------|
| | 31 Mar 14 % | 31 Mar 13 % |
| ADSB Telecommunications B.V. | 25.6 | 25.6 |
| APT Satellite Holdings Limited | 20.3 | 20.3 |
| APT Satellite International Company Limited | 28.6 | 28.6 |
| NetLink Trust ⁽¹⁾ | 100.0 | 100.0 |
| OpenNet Pte. Ltd. ⁽²⁾ | - | 29.9 |
| Singapore Post Limited | 25.5 | 25.6 |
| Telescience Singapore Pte Ltd | 50.0 | 50.0 |
| Viewers Choice Pte Ltd | 49.2 | 49.2 |

Notes:

- (1) The Group regarded NetLink Trust, a 100%-owned business trust established as part of IDA's effective open access requirements under Singapore's Next Generation National Broadband Network, as an associate as it does not have effective control in the trust.
- (2) The Group sold its 29.9% equity interest in OpenNet Pte. Ltd. ("**OpenNet**") to NetLink Trust in November 2013. NetLink Trust currently owns 100% of OpenNet. Accordingly, the Group has 100% effective equity interest in OpenNet through its interest in NetLink Trust.

29. JOINT VENTURES OF THE GROUP

| Name of Company | Percentage of effective interest held by the Group as at | |
|--|--|----------------|
| | 31 Mar 14 % | 31 Mar 13 % |
| Abacus Travel Systems Pte Ltd | 30.0 | 30.0 |
| Acasia Communications Sdn Bhd | 14.3 | 14.3 |
| ACPL Marine Pte Ltd | 41.7 | 41.7 |
| Advanced Info Service Public Company Limited | 23.3 | 23.3 |
| ASEAN Cables Ship Pte Ltd | 16.7 | 16.7 |
| ASEAN Telecom Holdings Sdn Bhd | 14.3 | 14.3 |
| Asiacom Philippines, Inc. | 40.0 | 40.0 |
| Bharti Airtel Limited | 32.4 | 32.3 |
| Bharti Telecom Limited | 39.8 | 36.2 |
| Bridge Mobile Pte Ltd | 33.8 | 33.8 |

29. JOINT VENTURES OF THE GROUP (Continued)

| Name of Company | Percentage of effective equity interest held by the Group as at | |
|--|---|----------------|
| | 31 Mar 14 % | 31 Mar 13 % |
| Globe Telecom, Inc. | 47.2 | 47.3 |
| Grid Communications Pte Ltd | 50.0 | 50.0 |
| Indian Ocean Cables Pte Ltd | 50.0 | 50.0 |
| International Cables Pte Ltd | 45.0 | 45.0 |
| Main Event Television Pty Limited | 33.3 | 33.3 |
| OPEL Networks Pty Limited | 50.0 | 50.0 |
| Pacific Bangladesh Telecom Limited | 45.0 | 45.0 |
| Pacific Carriage Holdings Limited | 40.0 | 40.0 |
| PT Telekomunikasi Selular | 35.0 | 35.0 |
| Radiance Communications Pte Ltd | 50.0 | 50.0 |
| Southern Cross Cables Holdings Limited | 40.0 | 40.0 |
| SSBI Pte. Ltd. | 50.0 | 50.0 |
| VA Dynamics Sdn Bhd | 49.0 | 49.0 |

The auditors' report on the full financial statements of Singapore Telecommunications Limited for the financial year ended 31 March 2014 is as follows:

**“INDEPENDENT AUDITORS’ REPORT
TO THE MEMBERS OF SINGAPORE TELECOMMUNICATIONS LIMITED**

For the financial year ended 31 March 2014

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Telecommunications Limited (the “Company”) and its subsidiaries (the “Group”) which comprise the statements of financial position of the Group and the Company as at 31 March 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the “Act”) and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheets and to maintain accountability of assets.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore, 14 May 2014”