



Singapore Telecommunications Limited And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 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 June 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.

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SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS**FOR THE FIRST QUARTER ENDED 30 JUNE 2013**

- **Operating revenue at S\$4.29 billion – down 5.3% on lower revenue in Australia and 3% depreciation in Australian Dollar. In constant currency terms, operating revenue declined 3.4%.**
- **EBITDA at S\$1.30 billion – up 4.3%.**
- **Associates' pre-tax contributions at S\$578 million – up 14%. With higher taxes in Airtel, associates' post-tax contributions grew 8.0% driven by Telkomsel and AIS.**
- **Underlying net profit at S\$897 million – up 5.5%.**
- **Net profit at S\$1.01 billion – up 7.0%, including exceptional items.**
- **Free cash flow of S\$893 million – higher by S\$168 million or 23%, mainly due to timing and higher dividend receipts from associates.**

SECTION 1 : GROUP

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Operating revenue	4,293	4,533	-5.3
EBITDA	1,296	1,243	4.3
<i>EBITDA margin</i>	<i>30.2%</i>	<i>27.4%</i>	
Share of associates' pre-tax profits	578	506	14.1
EBITDA and share of associates' pre-tax profits	1,874	1,749	7.1
EBIT	1,334	1,231	8.4
<i>(ex-share of associates' pre-tax profits)</i>	<i>756</i>	<i>724</i>	<i>4.4</i>
Underlying net profit	897	850	5.5
Exceptional items (post-tax)	114	95	19.6
Net profit	1,011	945	7.0
Free cash flow	893	725	23.1
Underlying earnings per share (S cents)	5.63	5.34	5.4
Basic earnings per share (S cents)	6.35	5.93	7.1

	As at		
	30 Jun	31 Mar	30 Jun
	2013 S\$ m	2013 S\$ m	2012 S\$ m
Total assets	39,003	39,984	40,247
Shareholders' funds	24,137	23,965	23,546
Net debt ⁽¹⁾	6,495	7,477	7,700
<i>Net debt gearing ratio</i> ⁽²⁾	<i>21.2%</i>	<i>23.8%</i>	<i>24.6%</i>
<i>Net debt to EBITDA and share of associates' pre-tax profits</i> ⁽³⁾	<i>0.87X</i>	<i>1.02X</i>	<i>1.10X</i>
<i>Interest cover:</i> <i>- EBITDA and share of associates' pre-tax profits/ net interest expense</i> ⁽⁴⁾	<i>27.4X</i>	<i>24.5X</i>	<i>23.1X</i>

Notes:

- (1) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
- (2) 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.
- (3) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis. The ratio would have been 1.08X if the final dividend of 10 cents per share is paid as at 30 June 2013 instead of August 2013.
- (4) Net interest expense refers to interest expense less interest income.

SECTION 1 : GROUP**GROUP SUMMARY INCOME STATEMENTS**

For The First Quarter Ended 30 June 2013

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Operating revenue	4,293	4,533	-5.3
Operating expenses	(3,032)	(3,316)	-8.6
	1,261	1,217	3.6
Other income	35	26	36.9
EBITDA	1,296	1,243	4.3
- EBITDA margin	30.2%	27.4%	
Share of associates' pre-tax profits			
- operating results	571	506	12.8
- exceptional items	7	-	nm
	578	506	14.1
EBITDA and share of associates' pre-tax profits	1,874	1,749	7.1
Depreciation	(497)	(480)	3.6
Amortisation of intangibles	(42)	(38)	10.4
	(540)	(518)	4.1
EBIT	1,334	1,231	8.4
Net finance expense			
- net interest expense	(68)	(76)	-9.7
- other finance income	19	5	321.7
	(49)	(71)	-31.1
Profit before exceptional items and tax	1,285	1,160	10.8
Taxation	(386)	(309)	24.9
Profit after tax	899	851	5.7
Minority interests	(2)	(1)	214.3
Underlying net profit	897	850	5.5
Exceptional items (post-tax)	114	95	19.6
Net profit	1,011	945	7.0
Depreciation as % of operating revenue	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 Life, 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 mainly in AIS in Thailand, Airtel in India and Africa, Globe in the Philippines, PBTB 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 Life focuses on using the latest internet technologies and the assets of the Group 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		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Operating revenue			
Group Consumer	2,703	2,887	-6.3
Group Enterprise	1,560	1,627	-4.1
Group Digital Life	30	20	50.0
Group	4,293	4,533	-5.3
EBITDA			
Group Consumer	808	772	4.6
Group Enterprise	532	516	3.1
Group Digital Life	(32)	(24)	32.0
Corporate	(12)	(21)	-43.3
Group	1,296	1,243	4.3

SECTION 1 : GROUP

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
EBIT (exclude share of associates' pre-tax profits)			
Group Consumer	450	430	4.7
Group Enterprise	361	351	3.1
Group Digital Llife	(44)	(36)	20.4
Corporate	(12)	(20)	-40.4
Group	756	724	4.4

REVIEW OF GROUP OPERATING PERFORMANCE**For The First Quarter Ended 30 June 2013**

The Group delivered strong earnings notwithstanding the costs of transformational initiatives to drive long term growth. EBITDA grew 4.3% and EBITDA margin expanded 2.8 percentage points. If the Australian Dollar was held constant against the Singapore Dollar, EBITDA would have increased 6.1%.

Operating revenue declined 5.3% and in constant currency terms, would have decreased 3.4% with the lower revenues in Australia.

Group Consumer EBITDA grew 4.6% and EBITDA margin expanded 3.2 percentage points with continuing focus on improving customer experience and sustainable profitability. In Singapore, EBITDA grew strongly by 20% driven by both revenue growth and cost management. In Australia, EBITDA was up 4.6% despite revenue decline of 5.7%. The revenue decline was a result of lower equipment sales, decline in mobile termination rates from 1 January 2013, and higher service credits associated with device repayment plans. Consequently, Group Consumer revenue declined 6.3% but in constant currency terms would have decreased 3.9%.

Group Enterprise EBITDA grew 3.1% and EBITDA margin expanded 2.4 percentage points amid a generally cautious business climate. Operating revenue was lower by 4.1% contributed also by price declines in the wholesale and legacy products, as well as the weaker Australian Dollar. In constant currency terms, Group Enterprise revenue would have decreased 3.1%. In the quarter, G-Cloud, the first private cloud infrastructure for the Singapore Government, successfully on-boarded its early adopters, opening the way for standardisation and sharing of computing resources and applications across government agencies in Singapore.

Group Digital Llife gained good momentum in the digital space. Operating revenue grew by 50%, mainly contributed by advertising. Negative EBITDA of S\$32 million was recorded, reflecting start-up costs and investments in digital businesses. In mobile advertising, Amobee continued to win new contracts with a number of global brands. Group Digital Llife continued to build capabilities in eCommerce and data analytics.

SECTION 1 : GROUP

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 477 million as at 30 June 2013, up 6.3% from a year ago.

The Group's share of associates' pre-tax profits grew strongly by 14% at S\$578 million. The results in the corresponding quarter last year had included losses from Warid which the Group disposed in March 2013. On a post-tax basis, with higher taxes in Airtel, earnings from the associates grew 8.0% at S\$394 million mainly on higher contributions from Telkomsel and AIS. Excluding currency translation impact, associates' pre-tax and post-tax contributions would have increased 17% and 11% respectively.

Telkomsel and AIS registered increases in revenue and EBITDA underpinned by strong data growth. Globe's service revenue reached another quarterly record on growth in mobile and broadband, and its EBITDA grew 13% despite higher subsidy expenses and service costs.

Airtel reported improved operating performance with higher margins in India on increased ARPU and lower selling costs. The Africa operations, however, were impacted by regulatory restrictions and social unrest in key markets. Mobile termination rates also declined in several key countries including Nigeria. Airtel's operating revenue rose 9% and EBITDA increased 19%. Its net profit, however, declined 10%. This was due to higher depreciation and spectrum amortisation charges on continued network investments, significant fair value losses from the weaker Indian Rupee compared to fair value gains in last corresponding quarter, as well as higher income taxes in Africa due to one-off settlements and withholding taxes on dividends from its subsidiaries.

Net finance expense decreased 31% attributed to lower interest expense on reduced average borrowings as well as recognition of S\$11 million of dividend income from Southern Cross (see Page 12).

The higher tax expense resulted from higher withholding tax on associates' dividends, share of Airtel's higher tax expense, and lower deferred tax credit.

Underlying net profit increased 5.5% to S\$897 million and would have been up 7.5% in constant currency terms.

The net exceptional gains amounted to S\$114 million, compared to S\$95 million in the corresponding quarter last year. The Group recognised an exceptional gain of S\$150 million from the dilution of 1.6% of its equity interest in Airtel following the 5% new equity investment by an investor in June 2013, as well as exceptional charge of S\$37 million from the share of Globe's accelerated depreciation (see Page 13). In the corresponding quarter last year, an exceptional gain of S\$119 million was recognised on the divestment of its stake in Far EasTone Telecommunications.

Including exceptional items, net profit this quarter grew 7.0% to S\$1.01 billion.

Free cash flow in the quarter was S\$893 million, an increase of 23% from last year, mainly due to timing and higher dividend receipts from the associates. Excluding associates' dividends, free cash flow was S\$230 million, 13% lower than a year ago attributed to working capital movements and translation impact from a weaker Australian Dollar.

SECTION 1 : GROUP

The Group continued to maintain a healthy capital structure. As at 30 June 2013, net debt gearing ratio was at 21%, and cash balance was higher in view of the final dividend to be paid in August 2013.

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 76% (Q1 FY2013: 76%) of the Group's proportionate revenue and 75% (Q1 FY2013: 76%) of proportionate EBITDA.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2013 were as follows:

	Quarter		QOQ Chge %
	30 Jun 2013 S\$ m	31 Mar 2013 S\$ m	
Operating revenue	4,293	4,481	-4.2
EBITDA	1,296	1,428	-9.3
EBITDA margin	30.2%	31.9%	
Share of associates' pre-tax profits	578	540	6.9
EBITDA and share of associates' pre-tax profits	1,874	1,969	-4.8
EBIT	1,334	1,418	-5.9
Profit before exceptional items and tax	1,285	1,354	-5.1
Underlying net profit	897	1,001	-10.3
Exceptional items (post-tax)	114	(132)	nm
Net profit	1,011	868	16.4
Free cash flow	893	1,266	-29.4

The Group's EBITDA declined 9.3% on seasonality as well as the 4% depreciation in the Australian Dollar from the preceding quarter. Including exceptional items, net profit rose 16%. The lower free cash flow was due to timing of payments including annual staff incentive and higher capital expenditure.

SECTION 1 : GROUP**OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2014**

Since May 2013, there have been significant foreign exchange volatility, particularly with respect to the Australian Dollar.

The forward exchange rates applied to the outlook issued in May 2013 have changed significantly:

	Forward exchange rates as at 31 July 2013 ⁽¹⁾	Forward exchange rates previously used
Australian Dollar	AUD 1: SGD 1.1622	AUD 1: SGD 1.2755
Indonesian Rupiah	SGD 1: IDR 8,442	SGD 1: IDR 7,936
Indian Rupee	SGD 1: INR 48.1	SGD 1: INR 44.6
Thailand Baht	SGD 1: THB 24.7	SGD 1: THB 24.3
Philippine Peso	SGD 1: PHP 34.2	SGD 1: PHP 32.8

Note:

(1) Forward exchange rates as at 31 July 2013 for period from July 2013 to March 2014.

Accordingly, the outlook is updated as follows to reflect the forward exchange rates as of 31 July 2013:

Group Consumer

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

Group Enterprise

Revenue from Group Enterprise is expected to be stable, and EBITDA is expected to decline by low single digit level.

Group

Consolidated revenue for the Group is expected to decline by mid-single digit level and EBITDA is expected to decline by low single digit level. EBIT, excluding share of results of associates, is expected to decline by mid-single digit level.

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		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Mobile communications	1,866	1,945	-4.1
Data and Internet	822	867	-5.2
National telephone	405	434	-6.7
Managed services	389	415	-6.3
Sale of equipment	313	361	-13.4
International telephone	181	199	-9.3
Business solutions	131	131	**
Pay television	59	48	22.6
Fibre rollout and maintenance	54	55	-1.5
Digital businesses ⁽¹⁾	28	20	44.2
Others	48	59	-19.9
Total	4,293	4,533	-5.3
Operating revenue	4,293	4,533	-5.3
Associates' proportionate revenue ⁽²⁾	2,916	2,798	4.2
Group's proportionate revenue	7,210	7,331	-1.7

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 Jun	
	2013 Mix %	2012 Mix %
Mobile communications	43.5	42.9
Data and Internet	19.2	19.1
National telephone	9.4	9.6
Managed services	8.9	9.2
Sale of equipment	7.3	8.0
International telephone	4.2	4.4
Business solutions	3.0	2.9
Pay television	1.4	1.1
Fibre rollout and maintenance	1.3	1.2
Digital businesses	0.7	0.4
Others	1.1	1.2
	100.0	100.0

Mobile Communications revenue declined 4.1% due to lower revenue in Australia and the impact of a weaker Australian Dollar.

SECTION 1 : GROUP

The Group's enlarged revenue, including the proportionate share of operating revenue from the associates, was at S\$7.21 billion, down 1.7%.

OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Selling & administrative	1,042	1,176	-11.4
Cost of sales	661	730	-9.4
Traffic expenses	655	730	-10.3
Staff costs	588	596	-1.4
Repair & maintenance	84	82	2.4
Others	3	2	13.6
Total	3,032	3,316	-8.6

As a percentage of operating revenue	Quarter	
	30 Jun	
	2013 %	2012 %
Selling & administrative	24.3	25.9
Cost of sales	15.4	16.1
Traffic expenses	15.3	16.1
Staff costs	13.7	13.1
Repair & maintenance	2.0	1.8
Others	0.1	**
Total	70.6	73.2

Total operating expenses decreased 8.6% from the same quarter last year.

Selling & administrative expenses, the largest expense category at 24% of operating revenue, declined 11% mainly due to lower handset subsidy costs.

Cost of sales fell 9.4%, corresponding to lower Sale of equipment and Managed Services/ Business Solutions revenues.

Traffic expenses decreased 10% due mainly to lower interconnect costs in Australia.

SECTION 1 : GROUP**STAFF COSTS**

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Staff costs			
Optus	317	337	-6.0
SingTel and other subsidiaries	271	259	4.6
Group	588	596	-1.4

	Quarter			YOY Chge %
	30 Jun	31 Mar	30 Jun	
	2013	2013	2012	
Average number of staff				
Optus	8,571	8,745	9,454	
SingTel and other subsidiaries	13,027	12,986	13,492	
Group	21,598	21,731	22,946	
As at end of period				
Number of staff				
Optus	8,582	8,740	9,178	-6.5
SingTel and other subsidiaries	13,084	12,955	13,208	-0.9
Group	21,666	21,695	22,386	-3.2

The Group staff costs declined 1.4% on lower headcount partly offset by annual salary increments.

Overall, Group headcount fell 3.2% or 720 from a year ago to 21,666 as of 30 June 2013, mainly from Optus' workforce restructuring efforts.

SECTION 1 : GROUP**NET FINANCE EXPENSE**

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Net interest expense:			
- Interest income	3	4	-20.5
- Interest expense	(76)	(85)	-9.6
	(73)	(81)	-9.1
- Net interest income from NetLink Trust	5	5	**
	(68)	(76)	-9.7
Other finance income			
- Dividend from Southern Cross	11	-	nm
- Investment gain ⁽¹⁾	2	2	5.9
- Net foreign exchange gain	2	3	-54.5
- Fair value adjustments ⁽²⁾	5	*	nm
	19	5	321.7
Net finance expense	(49)	(71)	-31.1

Notes:

(1) Comprise mainly dividend income from available-for-sale 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 declined on lower average cash balance, and interest expense decreased mainly on 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.

The Group ceased equity accounting of Southern Cross with effect from 1 April 2013, and recognised dividend income of S\$11 million in the current quarter's income statement.

SECTION 1 : GROUP**EXCEPTIONAL ITEMS ⁽¹⁾**

	Quarter		YOY Chge %
	30 June		
	2013 S\$ m	2012 S\$ m	
Exceptional gains/ (losses)			
Dilution gain on Airtel	150	-	nm
Gain on sale of FET (available-for-sale investment)	-	119	nm
Net income from Optus' legal disputes	-	36	nm
Optus' ex-gratia costs	-	(46)	nm
Share of Globe's accelerated depreciation	(57)	(15)	295.9
Impairment of available-for-sale investments	-	(7)	nm
Others	1	*	nm
Group net exceptional gains (pre-tax)	94	88	6.6
Exceptional tax credit			
Share of Globe's tax credit on accelerated depreciation	20	4	365.1
Others	*	3	nm
Group exceptional taxes	20	8	172.0
Group net exceptional gains (post-tax)	114	95	19.6

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 June 2013, Airtel issued 199.87 million new equity shares to an investor which represented a 5% stake in Airtel for a consideration of US\$1.26 billion. This has resulted in an increase in Airtel's net assets and the dilution of the Group's equity interest in Airtel from 32.3% to 30.8% as of 30 June 2013. Consequently, the Group recognised an exceptional gain of S\$150 million from the dilution of 1.6% in its equity interest in Airtel in the quarter.

In addition, the Group recorded its share of Globe's accelerated depreciation of S\$37 million (post-tax) (Q1FY2013: S\$10 million post-tax) from its network and IT transformation.

SECTION 1 : GROUP**TAX EXPENSE**

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Income tax expense			
- Optus	93	91	1.9
- SingTel and other subsidiaries	49	27	81.9
- Withholding taxes on dividend income from associates ⁽¹⁾	60	49	22.6
	202	167	20.9
- Group share of associates' tax expense	184	142	29.7
Total	386	309	24.9

Note:

(1) Withholding taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purpose, 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 withholding taxes on increased dividends from associates, as well as lower deferred tax credit. In addition, the corresponding quarter last year included some one-off tax credits on the finalisation of prior years' tax assessments.

The increase in share of associates' tax expense was mainly due to Airtel's higher tax expense.

SECTION 1 : GROUP**SUMMARY STATEMENTS OF FINANCIAL POSITION**

	As at		
	30 Jun	31 Mar	30 Jun
	2013	2013	2012
	S\$ m	S\$ m	S\$ m
Current assets (excluding cash)	3,726	3,895	4,212
Cash and bank balances	1,312	911	1,382
Non-current assets	33,966	35,178	34,653
Total assets	39,003	39,984	40,247
Current liabilities	5,987	5,792	5,239
Non-current liabilities	8,852	10,203	11,440
Total liabilities	14,839	15,994	16,679
Net assets	24,164	23,989	23,567
Share capital	2,634	2,634	2,634
Reserves	21,503	21,331	20,912
Equity attributable to shareholders	24,137	23,965	23,546
Minority interest	27	25	21
	24,164	23,989	23,567

The Group is in a sound financial position as at 30 June 2013. SingTel is rated Aa2 by Moody's and A+ by Standard & Poor's.

SECTION 1 : GROUP**LIQUIDITY AND GEARING**

	As at		
	30 Jun	31 Mar	30 Jun
	2013	2013	2012
	S\$ m	S\$ m	S\$ m
Gross debt			
Current debt	1,233	392	138
Non-current debt	6,387	7,537	8,581
Gross debt as reported in statement of financial position	7,620	7,929	8,719
Related net hedging liability ⁽¹⁾	187	459	363
	7,806	8,388	9,082
Less: Cash and bank balances	(1,312)	(911)	(1,382)
Net debt	6,495	7,477	7,700
Gross debt gearing ratio ⁽²⁾	24.4%	25.9%	27.8%
Net debt gearing ratio	21.2%	23.8%	24.6%

Notes:

- (1) The net hedging liability arose from mark-to-market 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 decreased by S\$581 million to S\$7.81 billion from a quarter ago mainly due to net repayment of borrowings of S\$175 million, and mark-to-market movements.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			YOY chge %
	30 Jun	30 Jun	31 Mar	
	2013 S\$ m	2012 S\$ m	2013 S\$ m	
Net cash inflow from operating activities				
Profit before exceptional items and tax	1,285	1,160	1,354	10.8
Non-cash items	9	83	67	-89.2
Operating cash flow before working capital changes	1,294	1,242	1,421	4.2
Changes in operating assets and liabilities	(465)	(360)	213	29.2
	829	882	1,634	-6.0
Cash paid to employees under performance share plans	(4)	(3)	-	27.3
Tax paid on operating activities	(47)	(55)	(51)	-13.0
Operating cash flow before dividends from associates	778	825	1,583	-5.7
Dividends received from associates	736	520	90	41.4
Withholding tax paid on dividends received	(72)	(60)	(10)	21.5
	1,441	1,285	1,664	12.1
Net cash outflow for investing activities				
Payment for purchase of property, plant and equipment	(548)	(560)	(398)	-2.2
Proceeds from disposal of property, plant and equipment	4	5	2	-22.6
Payment for purchase of subsidiaries, net of cash acquired ⁽¹⁾	(10)	(637)	(28)	-98.4
Payment for purchase of licences and other intangibles	(190)	(64)	(25)	197.8
Investment in associates	-	-	(1)	-
Proceeds from disposal of associates	-	-	87	-
Proceeds from disposal of available-for-sale investments	*	337	-	nm
Investment in available-for-sale investments	(7)	(21)	(11)	-64.9
Withholding tax paid on interest received on inter-company loans	-	-	(20)	-
Others (<i>interest received etc</i>)	20	(5)	4	nm
	(731)	(943)	(390)	-22.5
Net cash outflow for financing activities				
Net decrease in borrowings	(175)	(196)	(36)	-10.8
Net interest paid on borrowings and swaps	(91)	(95)	(73)	-4.7
Interim dividends paid to shareholders	-	-	(1,084)	-
Proceeds from share issue	-	2	-	nm
Purchase of performance shares	(20)	(18)	(6)	14.1
Others	-	-	*	-
	(286)	(307)	(1,198)	-7.0
Net increase in cash and cash equivalents	424	35	75	@
Exchange effects on cash and cash equivalents	(23)	1	5	nm
Group cash and cash equivalents at beginning	911	1,346	831	-32.3
Group cash and cash equivalents at end	1,312	1,382	911	-5.1
Singapore	217	204	479	6.1
Optus	13	60	706	-78.3
Group free cash flow (before associates' dividends)	230	265	1,185	-13.2
Dividends received from associates (net of withholding tax paid)	663	461	80	44.0
Group free cash flow	893	725	1,266	23.1
<i>Optus (in A\$)</i>	28	50	549	-45.0
Cash capex to operating revenue	13%	12%	9%	

Note:

(1) The amount in the current quarter relates to deferred payment 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\$1.44 billion, up 12% from a year ago. Operating cash flow (before associates' dividend receipts) declined 5.7% to S\$778 million mainly due to working capital movements. Gross dividends from associates increased by S\$216 million due to the timing of receipt as well as higher dividends from Telkomsel and AIS.

Compared to a quarter ago, overall operating cash flow decreased 13% attributed to timing in payments including annual staff incentive in the quarter partially offset by higher associates' dividends.

Net cash outflow for investing activities was S\$731 million, comprising mainly capital expenditure of S\$548 million and S\$190 million payment mainly for Optus' renewal of the 1800MHz spectrum and GSM900 apparatus licences. Capital expenditure, at 13% of operating revenue, was 2.2% lower at S\$548 million. Major investments in the quarter included approximately S\$284 million for mobile networks including LTE deployment, and S\$185 million for fixed and data infrastructure in Singapore and Australia.

With higher associates' dividend receipts, the Group's free cash flow grew 23% to S\$893 million.

Net cash financing outflow of S\$286 million arose from net repayment of borrowings of S\$175 million and interest payments of S\$91 million.

Overall cash balance increased S\$401 million from a quarter ago, with ending cash balance at S\$1.31 billion as at end of June 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 FIRST QUARTER ENDED 30 JUNE 2013

- Operating revenue at S\$2.70 billion – down 6.3%.
- EBITDA at S\$808 million – up 4.6%.
- EBIT at S\$450 million – up 4.7%.

GROUP CONSUMER SUMMARY INCOME STATEMENT

For The First Quarter Ended 30 June 2013

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Operating revenue	2,703	2,887	-6.3
Operating expenses	(1,914)	(2,134)	-10.3
	790	753	4.9
Other income	18	19	-6.7
EBITDA	808	772	4.6
- margin	29.9%	26.7%	
Depreciation & amortisation	(357)	(342)	4.5
EBIT	450	430	4.7

SECTION 2 : GROUP CONSUMER

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Selling & administrative	808	941	-14.2
Traffic expenses	479	526	-9.0
Cost of sales	321	355	-9.4
Staff costs	244	251	-2.8
Repair & maintenance	55	55	-0.5
Others	8	6	25.8
Operating expenses	1,914	2,134	-10.3

GROUP CONSUMER OPERATING HIGHLIGHTS

Australia Consumer contributed 79% (Q1 FY2013: 81%) and 79% (Q1 FY2013: 82%) to the Group Consumer operating revenue and EBITDA respectively. The Australian Dollar declined 3% against the Singapore Dollar from the same quarter last year.

Group Consumer EBITDA grew 4.6% and EBITDA margin expanded 3.2 percentage points. Operating revenue for Singapore Consumer grew 4.4% while Australia Consumer revenue in Australian Dollar terms fell 5.7%. With the weaker Australian Dollar, Group Consumer revenue declined 6.3%. 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, operating revenue would have declined 3.9% and EBITDA would have increased 7.3%.

In Singapore, EBITDA grew strongly by 20%, driven by both revenue growth and cost management. Investments in the 4G LTE and 3G networks delivered both customer growth and ARPU increases for both postpaid and prepaid consumer customers.

In Australia, despite lower operating revenue, EBITDA grew 4.6%. Total operating expenses decreased by 9.5% year-on-year, driven by lower selling and administrative expenses, traffic expenses, cost of sales and staff costs.

Group Consumer EBIT grew 4.7% with increased EBITDA partly offset by higher depreciation and amortisation from increased investments in the mobile networks and spectrum. In constant currency terms, EBIT would have increased 7.2%.

SECTION 2 : GROUP CONSUMER**SINGAPORE CONSUMER SUMMARY INCOME STATEMENT**

For The First Quarter Ended 30 June 2013

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Operating revenue	557	534	4.4
Operating expenses	(388)	(394)	-1.3
Other income	169	141	20.2
	5	4	15.3
EBITDA	174	145	20.0
- margin	31.2%	27.1%	
EBIT	118	90	31.4

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Mobile communications	310	287	8.2
Sale of equipment	58	62	-5.4
International telephone	57	62	-8.2
Internet	55	54	1.4
National telephone	35	37	-5.1
Residential mio TV ⁽¹⁾	32	21	52.3
Others ⁽²⁾	10	12	-13.8
Operating revenue	557	534	4.4
Selling & administrative	175	182	-4.0
Traffic expenses	80	80	0.6
Cost of sales	57	59	-3.9
Staff costs	51	50	1.6
Repair & maintenance	11	10	7.9
Others ⁽³⁾	14	12	21.5
Operating expenses	388	394	-1.3

Notes:

(1) Revenue in Q1 FY2013 included one-off rebates of S\$4 million.

(2) Include inter-operator tariff discounts and revenues from mobile network cabling works and projects.

(3) Include property related expenses, project costs recovery and other operating expenses.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER OPERATING PERFORMANCE

Singapore Consumer operations delivered a strong performance with EBITDA and EBIT growth of 20% and 31% respectively.

Operating revenue was up 4.4% with growth from Mobile Communications, Fixed broadband and residential mio TV. Excluding the one-off mio TV rebates of S\$4 million given in the corresponding quarter last year, operating revenue would be up 3.3%.

Mobile Communications revenue grew 8.2%. Investments in 4G LTE network and 3G expansion delivered both customer growth and higher ARPU as customers upgraded to higher tiered subscription plans and data usage increased. The increase in subscriptions and data usage were partly offset by lower voice usage and SMS interconnect revenue.

Home services revenue, comprising residential mio TV, Fixed broadband and voice, recorded strong growth of 9.6% in the quarter. Excluding the mio TV rebate in the same quarter last year, Home services revenue would have increased by 6%. Improved mio TV content line-up has lifted ARPU while customers with bundled services increased 11% from a year ago to 353,000 customers as at 30 June 2013. Singapore Consumer is focused on delivering superior bundled services and ensuring fast and consistent broadband connection speeds and enhanced TV viewing experience.

Sale of equipment revenue declined 5.4% on lower volume of handsets sold due to smartphone mix and the timing of smartphone launches.

Operating expenses decreased 1.3%. Selling & administrative expenses, the largest expense category, fell 4.0% attributable to lower handset subsidies.

Cost of sales decreased 3.9% corresponding to the lower equipment sales.

SECTION 2 : GROUP CONSUMER**AUSTRALIA CONSUMER SUMMARY INCOME STATEMENT**

For The First Quarter Ended 30 June 2013

	Quarter		YOY Chge %
	30 Jun		
	2013 A\$ m	2012 A\$ m	
Operating revenue	1,737	1,842	-5.7
Operating expenses	(1,230)	(1,359)	-9.5
	507	483	4.9
Other income	11	12	-9.4
EBITDA	518	495	4.6
- margin	29.8%	26.9%	
EBIT	274	271	1.3

	Quarter		YOY Chge %
	30 Jun		
	2013 A\$ m	2012 A\$ m	
Incoming	224	244	-8.3
Outgoing	873	908	-3.8
Total Mobile Service ⁽¹⁾	1,097	1,152	-4.8
Equipment	176	207	-15.1
Total Mobile Revenue	1,273	1,359	-6.3
Voice	146	154	-4.6
Broadband	115	126	-8.6
PayTV	19	19	-1.0
Mass Market Fixed On-net	280	298	-6.1
Mass Market Fixed Off-net	6	9	-31.1
Total Mass Market Fixed	286	307	-6.9
Data & IP	56	58	-3.1
Voice	38	34	11.8
Satellite	83	83	-0.4
Total Wholesale Fixed	178	176	1.0
Operating revenue	1,737	1,842	-5.7

Note:

(1) Include international incoming and outgoing revenue.

SECTION 2 : GROUP CONSUMER

	Quarter		YOY Chge %
	30 Jun		
	2013 A\$ m	2012 A\$ m	
Selling & administrative	495	581	-14.7
Traffic expenses	322	349	-7.8
Cost of sales	214	231	-7.4
Staff costs	151	153	-1.2
Repair & maintenance	35	35	0.9
Others	11	10	18.8
Operating expenses	1,230	1,359	-9.5

AUSTRALIA CONSUMER OPERATING PERFORMANCE

This quarter, Australia Consumer continued to execute on its transformation plan, and kept focus on profitability, improving customer experience and positioning itself to capitalise on mobile data usage growth. EBITDA grew 4.6% although operating revenue declined A\$105 million or 5.7%.

The decline in mobile revenue by A\$86 million or 6.3% were attributed to the following items that have minimal impact on EBITDA:

- Equipment sales decreasing by A\$31 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\$20 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.

Mobile customer usage trends continued with lower roaming and voice breakage revenues¹ partly offset by increased data usage. Excluding the impact of service credits associated with device repayment plans, mobile outgoing service revenue declined 1.6% year-on-year.

During the quarter, the transformational initiatives in Australia included:

- Fundamental renewal of the Optus brand supports clear market differentiation in customer experience;
- Launched market leading 'My Plan' to reduce bill shock and encourage future data usage and revenue;
- Heightened level of customer engagement resulting in lower TIO² complaints to Optus and improvements in customer touch point NPS³ scores;
- Investment in branded retail distribution and online capabilities while reducing the retail distribution footprint by 40%;

¹ Breakage revenues are charges for usage above plan allowances.

² The Telecommunications Industry Ombudsman ("TIO") is a free and independent dispute resolution service for small business and residential customers in Australia.

³ 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

- Realignment of the Optus Brand portfolio which included the integration of the Virgin Mobile business within Optus and new pricing of wholesale mobile services to support sustainable mobile data business; and
- Careful cost management which resulted in postpaid unit subscriber acquisition cost declining by 36%.

Optus continued to invest in its mobile networks to enhance customer experience, particularly data services. Significant developments in network included:

- Over 800 4G sites providing high speed data services in major capital cities and selected regional areas;
- TD-LTE⁴ customer trials commenced in Canberra utilising 2300 MHz spectrum; and
- Ongoing U900 spectrum migration program with a total of 4,300 sites so far upgraded to 3G, including Adelaide with NSW Central Coast, Wollongong and Canberra to follow.

In Mass Market Fixed, lower broadband ARPU from discounted bundled plans has resulted in on-net revenue declining by 6.1%. With the establishment of a separate division for Mass Market Fixed, the focus has been on retention and improving customer experience.

Wholesale fixed revenue was up 1.0% compared to the same quarter last year as higher voice revenues were partly offset by lower Data & IP revenues.

Overall Australia Consumer EBITDA grew 4.6% and EBITDA margin expanded 2.9 percentage points to 29.8%.

EBIT increased by 1.3% with higher EBITDA partly offset by higher depreciation and amortisation from increased investments in the mobile network and amortisation charges for the Vividwireless spectrum acquired in June 2012.

⁴ 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 2300 MHz 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 FIRST QUARTER ENDED 30 JUNE 2013**

- **Operating revenue at S\$1.56 billion – down 4.1%.**
- **EBITDA at S\$532 million – up 3.1%.**
- **EBIT at S\$361 million – up 3.1%.**

GROUP ENTERPRISE SUMMARY INCOME STATEMENT**For The First Quarter Ended 30 June 2013**

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Operating revenue	1,560	1,627	-4.1
Operating expenses	(1,043)	(1,118)	-6.7
	517	509	1.6
Other income	15	7	105.4
EBITDA	532	516	3.1
- margin	34.1%	31.7%	
Depreciation & amortisation	(171)	(165)	3.3
EBIT	361	351	3.1

SECTION 3 : GROUP ENTERPRISE

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Cost of sales	338	374	-9.6
Staff costs	304	315	-3.5
Selling & administrative	201	204	-1.3
Traffic expenses	176	203	-13.4
Others	25	23	9.3
Operating expenses	1,043	1,118	-6.7

GROUP ENTERPRISE OPERATING HIGHLIGHTS

Group Enterprise EBITDA grew 3.1% and EBITDA margin expanded 2.4 percentage points, reflecting resilient performance in a generally cautious business environment.

Singapore Enterprise contributed 70% (Q1 FY2013: 69%) to the Group Enterprise operating revenue. Group Enterprise revenue was lower by 4.1% amid weaker macro-economic environment, price declines in wholesale and legacy products, as well as the 3% depreciation of the Australian Dollar against Singapore Dollar. If the Australian Dollar was constant from a year ago, operating revenue would have declined 3.1% and EBITDA would have increased 3.5%.

Total operating expenses decreased 6.7% with declines in cost of sales and traffic expenses corresponding to the lower revenue. Staff costs declined 3.5% primarily due to workforce restructuring in Australia.

Other income for the quarter included a gain on sale of submarine cable asset.

After depreciation and amortisation, EBIT increased 3.1% to S\$361 million.

Group Enterprise continued to gain industry recognition and maintain leadership in the Asia Pacific (excluding Japan)⁵ region with its strong suite of integrated enterprise solutions. SingTel won the 2013 Frost & Sullivan Asia Pacific ICT Award for 'Data Communications Service Provider of the Year' and the 2013 Asia Communications Award for 'Best Enterprise Service – Connectivity-as-a-Service'. NCS also won four awards at the inaugural Singapore eGov Excellence Awards in recognition of its innovation and initiatives in using information technology to enhance government operations.

⁵ Source: IDC APeJ Fixed Line Telecom Service Tracker 2H2012 Update.

SECTION 3 : GROUP ENTERPRISE

G-Cloud, the first private cloud infrastructure hosted by SingTel in collaboration with HP for the Singapore Government, successfully on-boarded three government agencies as its early adopters, opening the way for the standardisation and sharing of computing resources and applications across government agencies in Singapore, and leading to greater agility and lowering of IT costs. It also enables more government e-services to be delivered quickly and securely on-demand. G-Cloud brings together innovation, technology and skills to deliver faster and more efficient services to the Singapore public sector.

SINGAPORE ENTERPRISE OPERATING REVENUE

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Data and internet	322	328	-1.9
Managed services ⁽¹⁾	245	265	-7.6
Mobile communications	196	187	4.6
Business solutions ⁽²⁾	131	131	**
International telephone	59	64	-8.2
Fibre rollout and maintenance ⁽³⁾	54	55	-1.5
National telephone	46	47	-2.1
Miscellaneous ⁽⁴⁾	39	47	-16.9
Operating revenue ⁽⁵⁾	1,091	1,124	-2.9

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.

Singapore Enterprise revenue declined 2.9% with growth in Mobile Communications offset by lower Data and Internet and Managed Services revenues.

Data and Internet revenue was down 1.9% to S\$322 million with growth in the retail segment offset by price declines in the wholesale segment and planned price adjustments for Local Leased Circuit.

Managed Services revenue declined 7.6% due to lower project equipment sales and related project implementation billings, mitigated by year-on-year growth in services and maintenance revenue.

Mobile Communications recorded growth of 4.6% underpinned by strong growth in mobile customer base partially offset by lower ARPU caused by lower roaming traffic.

SECTION 3 : GROUP ENTERPRISE

Business Solutions revenue was stable year-on-year. This quarter, NCS' major customer wins included a 5-year contract to provide system operations and maintenance services for a government agency, an application maintenance and support services contract with a Singapore government ministry, and a portal system development and maintenance contract with a professional association.

International Telephone revenue was down 8.2% year-on-year with lower inpayment rates and call revenue. Lower outpayment costs from reduced traffic rates mitigated the impact on earnings.

AUSTRALIA ENTERPRISE OPERATING REVENUE

	Quarter		YOY Chge %
	30 Jun		
	2013 A\$ m	2012 A\$ m	
ICT and Managed Services	117	117	-0.4
Data and IP	103	111	-7.1
Voice	93	98	-4.6
Mobile ⁽¹⁾	66	67	-1.6
Operating revenue ⁽²⁾	379	394	-3.6

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 3.6% primarily due to declines in Data and IP and Voice revenues.

ICT and Managed Services revenue was stable at A\$117 million with growth in service revenue offset by lower project related equipment sales.

Data and IP revenue was 7.1% lower mainly driven by competition and decline in legacy data services as customers continue to migrate to IP network solutions.

Voice revenue declined 4.6%, in line with market, due to price erosion and declines in switched voice as businesses migrate to lower cost IP-based voice solutions.

Mobile revenue fell 1.6% due to the mandated reduction in mobile termination rates from 6 cents to 4.8 cents per minute from 1 January 2013. Excluding the impact of the termination rate reduction, mobile revenue would have been stable.

During the quarter, Optus Business integrated its IT services arm Alphawest, creating a single ICT organisation designed to better serve the end-to-end needs of the enterprise and government segments.

SECTION 4 : GROUP DIGITAL LIFE**GROUP DIGITAL LIFE****MANAGEMENT DISCUSSION AND ANALYSIS**

Group Digital Life focuses on using the latest internet technologies and the assets of the Group operating companies to develop new revenue growth engines by entering adjacent businesses where it has a competitive advantage.

FINANCIAL HIGHLIGHTS**FOR THE FIRST QUARTER ENDED 30 JUNE 2013**

- **Operating revenue at S\$30 million – up 50%.**
- **Negative EBITDA of S\$32 million, reflecting start-up costs and investment initiatives.**
- **Negative EBIT of S\$44 million.**

GROUP DIGITAL LIFE SUMMARY INCOME STATEMENT**For The First Quarter Ended 30 June 2013**

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Advertising Business			
- Mobile advertising ⁽¹⁾	16	8	100.0
- Other advertising ⁽²⁾	4	4	10.0
	20	12	69.5
Others ⁽³⁾	10	8	21.3
Operating revenue	30	20	50.0
Operating expenses	(61)	(44)	38.9
	(32)	(24)	29.9
Other income	(1)	*	nm
EBITDA	(32)	(24)	32.0
Depreciation	(4)	(3)	25.8
Amortisation of intangibles	(8)	(9)	-13.8
	(11)	(12)	-3.4
EBIT	(44)	(36)	20.4

Notes:

(1) Mainly advertising revenue from Amobee.

(2) Mainly advertising revenues from TV and Internet.

(3) Included revenues from e-commerce, concierge and hyper-local services.

SECTION 4 : GROUP DIGITAL LIFE

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Selling & administrative	29	22	33.6
Staff costs	29	19	50.8
Cost of sales	2	2	11.1
Others	2	2	**
Operating expenses	61	44	38.9

GROUP DIGITAL LIFE OPERATING HIGHLIGHTS

Group Digital Life continues to take bold steps to adapt to the dynamic changes in the digital space and to invest for future growth.

Operating revenue grew strongly by 50% to S\$30 million, mainly contributed by advertising. Amobee continued to win new contracts with a number of global brands.

Negative EBITDA of S\$32 million was recorded, reflecting start-up costs and investments in digital businesses. Group Digital Life also continued to build capabilities in eCommerce, data analytics as well as innovation through its SingTel LifeLabs initiative. Including depreciation and amortisation of intangibles, a negative EBIT of S\$44 million was recorded.

In the eCommerce space, Group Digital Life launched Shopify's highly successful eCommerce solution in Singapore, Malaysia, Indonesia and India in the quarter. This solution is an easy and affordable way for individuals and SMEs to set up beautiful online shops within minutes and accept secure credit card payments for goods and services.

In the multimedia arena, AMPed, SingTel's award winning music service, was made available to customers of other Singapore carriers from May 2013.

Newsloop, a first-of-its-kind news app that caters specifically to the needs and interests of local readers, was launched in Indonesia and Australia. Newsloop was also extended to the Android platform in the quarter.

SECTION 5: ASSOCIATES / JOINT VENTURES

**FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2013**

- **Associates' pre-tax contributions at S\$578 million – up 14%. With higher taxes in Airtel, associates' post-tax contributions grew 8.0% at S\$394 million driven by higher earnings of Telkomsel and AIS.**
- **Airtel reported strong pre-tax earnings on improved margins in India, but net profit declined on fair value losses and higher taxes.**
- **If the regional currencies were held constant from a year ago, pre-tax and post-tax contributions from the associates would have increased 17% and 11% respectively.**
- **The Group's combined mobile customer base⁶ was up 2.0% or 9.2 million in the quarter to 477 million. Excluding Warid Pakistan which was disposed in March 2013, the mobile customer base was up 6.3% or 28.1 million from a year ago.**

⁶ 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		YOY Chge %
		30 Jun		
		2013 S\$ m	2012 S\$ m	
Regional mobile associates				
Telkomsel	35.0			
- operating results		258	247	4.6
- fair value losses		(3)	(6)	-56.1
		255	241	6.0
AIS	23.3			
- operating results		114	107	6.8
- fair value losses		(2)	*	nm
		113	107	5.5
Bharti Telecom / Bharti Airtel (" Airtel ")	30.8			
- operating results (India)		173	137	26.5
- operating results (" International " - Africa, Bangladesh and Sri Lanka) ⁽²⁾		25	20	25.6
- net finance costs		(46)	(74)	-38.1
- fair value (losses) / gains		(39)	12	nm
		113	95	20.0
Globe ⁽³⁾	47.3			
- operating results		73	58	26.4
- fair value (losses) / gains		(3)	2	nm
		71	60	18.5
Warid Pakistan ⁽⁴⁾	-	-	(18)	nm
		552	483	14.1
Other SingTel associates				
Singapore Post	25.5	12	12	**
Southern Cross ⁽⁵⁾	40.0	-	9	nm
Others		7	2	270.0
SingTel share of ordinary results (pre-tax)		571	506	12.8
Optus share of ordinary results (pre-tax)		*	*	nm
Group share of ordinary results (pre-tax)		571	506	12.8
Exceptional item ("EI")				
Airtel - one-off items		7	-	nm
Group share of EI		7	-	nm
SingTel share of pre-tax profit ⁽³⁾		578	506	14.1
Optus share of pre-tax profit		*	*	nm
Group share of pre-tax profit ⁽³⁾		578	506	14.1

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter				YOY Chge %
	30 Jun				
	2013		2012		
	S\$ m	% ⁽⁶⁾	S\$ m	% ⁽⁶⁾	
Regional mobile associates					
Telkomsel	192	21	181	21	6.1
AIS	90	10	82	10	9.3
Airtel					
- ordinary results (India)	102		120		-14.7
- ordinary results (International) ⁽²⁾	(51)		(62)		-18.1
- exceptional item	(1)		-		nm
	50	6	58	7	-13.4
Globe ⁽³⁾	48	5	42	5	15.1
Warid Pakistan ⁽⁴⁾	-	-	(18)	(2)	nm
	380	42	344	40	10.3
Other SingTel associates	14	2	20	2	-30.7
SingTel share of post-tax profit⁽³⁾	394	44	364	43	8.0
Optus share of post-tax profit	*	**	*	**	nm
Group share of post-tax profit⁽³⁾	394	44	364	43	8.0

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) 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.
- (3) Share of results for the quarters ended 30 June 2013 and 30 June 2012 excluded the Group's share of Globe's accelerated depreciation arising from its network modernisation and IT transformation programme which has been classified as an exceptional item of the Group.
- (4) Warid Pakistan was disposed in March 2013. In Q1 FY 2013, the Group's share of fair value loss of Warid amounted to S\$7 million.
- (5) 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 (see Page 12).
- (6) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.

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

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
SingTel share of associates' tax	(184)	(142)	29.7
Group share of associates' tax (a)	(184)	(142)	29.7
Group share of pre-tax results (b)	578	506	14.1
Effective tax rate (a)/(b)	31.9%	28.1%	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

The Group's share of associates' pre-tax profits grew strongly by 14% at S\$578 million. The results for the corresponding quarter last year had included losses from Warid which the Group disposed in March 2013. On a post-tax basis, with higher taxes in Airtel, earnings from the associates grew 8.0% at S\$394 million mainly on higher contributions from Telkomsel and AIS.

The Indonesian Rupiah and Indian Rupee depreciated by 6% and 4% respectively against the Singapore Dollar. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions from the associates would have increased 17% and 11% respectively.

Telkomsel and AIS registered increases in revenue and EBITDA underpinned by strong data growth. Globe's service revenue reached another quarterly record on growth in mobile and broadband, and its EBITDA grew 13% despite higher subsidy expenses and service costs.

Airtel reported improved operating performance with higher margins in India on increased ARPU and lower selling costs. The Africa operations, however, were impacted by regulatory restrictions and social unrest in key markets. Mobile termination rates also declined in several key countries including Nigeria. Airtel's operating revenue rose 9% and EBITDA increased 19%. Its net profit, however, declined 10%. This was due to higher depreciation and spectrum amortisation charges on continued network investments, significant fair value losses from the weaker Indian Rupee compared to fair value gains in last corresponding quarter, as well as higher income taxes in Africa due to one-off settlements and withholding taxes on dividends from its subsidiaries.

The associates contributed 44% to the Group's underlying net profit, 1 percentage point higher than a year ago.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 62,200 radio base stations (including 3G Node B) providing nationwide coverage.

Operating revenue grew strongly by 11% from a year ago amid stable market conditions. The revenue increase was boosted by strong data growth and higher SMS interconnect revenue following the interconnect regime implemented in June 2012. EBITDA increased 11% with operating expenses up 11% on higher operation and maintenance costs from increased network deployment. The Group's share of Telkomsel's pre-tax operating profit (before fair value adjustments) grew 11% in Indonesian Rupiah terms.

After including the Group's share of fair value losses of S\$3 million (Q1 FY2013: S\$6 million loss) and with the 6% depreciation of the Indonesian Rupiah against the Singapore Dollar, the Group's overall share of Telkomsel's pre-tax profit was up 6.0%.

On a post-tax basis, Telkomsel's contribution for the quarter increased 6.1% to S\$192 million and comprised 21% (Q1 FY2013: 21%) of the Group's underlying net profit.

Compared to the preceding quarter, EBITDA grew 4% on revenue growth of 4% from a higher customer base and increased usage.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Telkomsel recorded net additions of 4.5 million mobile customers this quarter, a turnaround from the 4.5 million net decrease in the preceding quarter. Total mobile customer base reached 125 million, up 6.7% or 7.9 million from a year ago. With strong data adoption, data subscribers increased by 9.9% or 4.6 million from a year ago to 52 million.

Telkomsel continued to expand its network, adding approximately 4,600 radio base stations in the quarter, compared to 3,400 in the preceding quarter.

Advanced Info Service (“AIS”)

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

In May 2013, AIS launched 3G 2.1GHz services with network coverage in 56 key provinces as of June 2013. Service revenue (excluding interconnect revenue) grew 5% driven by stellar growth of 25% in non-voice revenues on higher mobile data consumption stimulated through growing popularity of social applications and the launch of 3G 2.1GHz services. Operating expenses (excluding interconnect costs) grew 8% on higher marketing and network expenses for the 3G launch and network capacity expansion. Consequently, EBITDA rose 4%. AIS' pre-tax profit grew 2% in Thai Baht terms after accounting for fair value losses and higher depreciation and amortisation charges for the 3G network. In Singapore Dollar terms, the Group's share of AIS' pre-tax profit was up 5.5% to S\$113 million, reflecting the 4% appreciation in Thai Baht against the Singapore Dollar.

With a lower corporate tax rate in Thailand from 1 January 2013, post-tax contribution rose a higher 9.3% and contributed 10% (Q1 FY2013: 10%) to the Group's underlying net profit.

Against the preceding quarter, AIS' pre-tax contribution was 7% lower due to a seasonally softer June quarter, coupled with higher marketing expenses for 3G launch activities as well as increased depreciation and amortisation charges.

AIS added 548,000 mobile customers this quarter and total customer base grew 8.2% or 2.9 million from a year ago to 37.7 million.

Bharti Telecom Group (“Airtel”)

Airtel is listed on the National Stock Exchange and the Stock Exchange, Mumbai and is the first private telecom operator with an 'all India' presence offering mobile services in all 22 licenced circles. Airtel is also a leading integrated telecommunications company with operations in 20 countries across Asia and Africa.

India

Airtel reported strong operational performance with continued data growth momentum, higher incremental traffic minutes, reduced churn and improved EBITDA margins.

Operating revenue was up 12% mainly driven by higher ARPU from improved voice revenue per minute coupled with sustained usage and data growth. EBITDA grew strongly by 22% on higher margins with reduction in selling, general and administrative costs from improved customer acquisition processes. The Group's share of the pre-tax operating profit (before finance costs and fair value adjustments) was up strongly by 32% in Indian Rupee terms.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Airtel India's ordinary pre-tax operating profit contribution grew 27% to S\$173 million, after including the 4% depreciation of the Indian Rupee against the Singapore Dollar.

Compared to the preceding quarter, EBITDA increased 9% on the back of a 6% revenue growth and improved operational efficiency.

Airtel added 2.7 million mobile customers in India this quarter. Average monthly churn was stable at 3.2% from a quarter ago.

As at 30 June 2013, Airtel's mobile customer base in India stood at 191 million, of which 8.7 million were 3G customers.

Africa, Bangladesh and Sri Lanka ("International")

In US Dollar terms, Airtel International revenues comprising Africa and South Asia (Bangladesh and Sri Lanka) grew 1% year-on-year while EBITDA increased 7% with improved margins.

In Africa, Airtel offers mobile services in 17 countries. At end of June 2013, Airtel had launched 3G mobile services across 14 African countries and 'Airtel Money' service in all the 17 African countries. Further, Airtel Uganda acquired 100% stake in Warid Telecom Uganda on 13 May 2013, adding 2.4 million mobile customers on its network.

The Africa operations this quarter were significantly impacted by regulatory restrictions and social unrest in key markets. Mobile termination rates also declined in several key countries including Nigeria.

In US Dollar terms, Africa's operating revenue was flat with growth in non-voice revenues offset by lower handset sales and reduction in interconnect rates. While total mobile voice traffic grew a strong 32%, revenue per minute declined, reflecting the competitive intensity. With improved cost efficiency, EBITDA and EBIT grew 3% and 5% respectively. Africa recorded positive cash generation of US\$118 million for the quarter.

South Asia which comprised operations in Sri Lanka and Bangladesh showed improvements in financial and operating metrics. EBITDA turned positive this quarter with robust revenue growth of 32% and prudent cost management.

The Group's share of Airtel International's ordinary pre-tax operating profit (before finance costs and fair value adjustments) amounted to S\$25 million, up from S\$20 million in the corresponding quarter last year.

Compared to the preceding quarter, Airtel International's revenue fell 4% in US Dollar terms impacted by Africa, while EBITDA was stable.

As at 30 June 2013, Africa's mobile customer base grew 0.5 million in the quarter to 64.2 million, an increase of 15% or 8.3 million from a year ago. Including 8 million mobile customers from South Asia, Airtel International's mobile customer base reached 72.2 million as at end June 2013.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Overall

In this quarter, Airtel recorded lower net finance costs due to higher interest income from the placement of Infratel's Initial Public Offering (IPO) proceeds in high yielding short term investments.

During the quarter, Airtel replaced the Africa acquisition debt with a longer tenure US\$1.5 billion bond. With the 10% depreciation of the Indian Rupee against the US Dollar and the change in composition of net foreign currency exposure in India, Airtel recognised significant fair value losses in the quarter.

After including S\$46 million of net finance costs (Q1 FY2013: S\$74 million) and S\$39 million of fair value losses (Q1 FY2013: S\$12 million gain), the Group's share of ordinary pre-tax contribution from Airtel in the quarter amounted to S\$113 million, up 20% from a year ago.

The share of exceptional items this quarter comprised a one-time net gain from the sale of tower assets to Indus Towers Limited, its 42%-owned joint venture, per the approved Court scheme, and accelerated depreciation for certain network assets.

The Group's share of Airtel's tax expense amounted S\$70 million, compared to S\$37 million in the same quarter last year. The increase was mainly due to higher tax charge in Africa impacted by one-off settlements and higher withholding taxes on dividends from its subsidiaries.

Consequently, post-tax profit contribution from Airtel decreased 13% to S\$50 million and accounted for 6% of the Group's underlying net profit, 1 percentage point lower than a year ago.

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 increased 5.3% or 13.1 million from a year ago to 263 million as at 30 June 2013.

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 ordinary pre-tax profit contribution grew 19% year-on-year to S\$71 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\$57 million (S\$37 million post-tax) has been classified as an exceptional item of the Group.

Globe's service revenue reached another quarterly record, with double-digit growth of 13% despite intense competition. Mobile revenue grew 12% fuelled by customer growth and strong adoption of data services. Broadband revenue was up a robust 27% lifted by continued expansion in customer base. Globe's EBITDA grew 13% despite higher subsidy expenses and service costs.

With lower net interest expense, Globe's pre-tax operating profit (before exceptional items and fair value adjustments) grew 25% from a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

The Group's share of fair value losses amounted to S\$3 million, compared to S\$2 million of fair value gains in the same quarter last year.

Against the preceding quarter, EBITDA increased 16% on strong revenue growth of 8%.

On a post-tax basis, Globe contributed S\$48 million or 5% (Q1 FY2013: 5%) to the Group's underlying net profit.

Globe added 1.0 million mobile customers in the current quarter. As at 30 June 2013, its mobile customer base expanded to 36.1 million, up 14% or 4.4 million from a year ago.

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		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Group operating revenue			
Singapore	1,674	1,674	**
Optus	2,620	2,859	-8.4
	4,293	4,533	-5.3
Proportionate share of operating revenue of associates			
Regional mobile associates	2,811	2,692	4.4
Singapore associates	88	76	16.6
Other overseas associates	17	30	-42.2
	2,916	2,798	4.2
Enlarged revenue	7,210	7,331	-1.7
% of overseas revenue to enlarged revenue	76%	76%	

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

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Group EBITDA			
Singapore	587	546	7.6
Optus	708	697	1.7
	1,296	1,243	4.3
Proportionate share of associates' EBITDA ⁽¹⁾			
Regional mobile associates	1,140	1,054	8.1
Singapore associates	30	26	13.0
Other overseas associates	13	18	-28.4
	1,182	1,098	7.6
Total proportionate EBITDA	2,478	2,341	5.9
Overseas proportionate EBITDA as a % to total proportionate EBITDA	75%	76%	
Contributions to total proportionate EBITDA			
Regional mobile associates	46%	45%	
Australia	29%	30%	
Singapore	25%	24%	
Others	1%	1%	
	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 75% to proportionate EBITDA for the quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share ⁽¹⁾		
	30 Jun	31 Mar	30 Jun	30 Jun	31 Mar	30 Jun
	2013	2013	2012	2013	2013	2012
SingTel	3,847	3,806	3,638	3,847	3,806	3,638
Optus	9,533	9,592	9,512	9,533	9,592	9,512
	13,380	13,398	13,150	13,380	13,398	13,150
Regional Mobile Associates						
Airtel						
- India	190,948	188,220	187,302	58,737	60,869	60,536
- International	72,228	71,624	62,736	22,218	23,162	20,276
	263,176	259,844	250,038	80,955	84,031	80,812
Telkomsel	125,091	120,611	117,235	43,782	42,214	41,032
AIS	37,666	37,119	34,808	8,784	8,656	8,117
Globe	36,092	35,142	31,726	17,061	16,626	15,013
	462,025	452,716	433,807	150,582	151,527	144,974
Warid Pakistan	-	-	13,500	-	-	4,050
PBTL	1,383	1,451	1,700	622	653	765
	463,408	454,167	449,007	151,204	152,180	149,789
Group	476,788	467,565	462,157	164,584	165,578	162,939
Excluding Warid Pakistan	476,788	467,565	448,657	164,584	165,578	158,889

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 477 million as at 30 June 2013, up 2.0% or 9.2 million from a quarter ago. On a proportionate share basis, the mobile customers were stable at 165 million compared to the preceding quarter. Excluding Warid Pakistan which was disposed in March 2013, the Group's mobile customer base was up 6.3% or 28.1 million from a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES**CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES ⁽¹⁾**

	Quarter		YOY Chge %
	30 Jun		
	2013 S\$ m	2012 S\$ m	
Regional mobile associates			
Telkomsel ⁽²⁾			
- final dividend FY 2012 / FY 2011	589	389	51.5
AIS ⁽³⁾			
- final dividend FY 2012 / FY 2011	144	118	22.0
	734	507	44.6
Other associates			
Southern Cross ⁽⁶⁾	-	13	nm
Others	2	-	nm
Total	736	520	41.4

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 dividend 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 final dividend for 2012 financial year of S\$144 million in April 2013. AIS will pay its interim dividend of Baht 6.40 per share in September 2013. The Group's share of this dividend is approximately Baht 4.44 billion (S\$182 million).
- (4) Globe's dividend policy is to pay ordinary dividend 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. Globe will pay its second semi-annual dividend of Peso 33.5 per common share in September 2013. The Group's share of this dividend is approximately Peso 2.10 billion (S\$61 million).
- (5) Airtel does not have a fixed dividend policy.
- (6) Southern Cross does not have a fixed dividend policy. The Group received its share of the dividend of S\$11 million in July 2013.

The total dividends received from the associates for the quarter was up 41% to S\$736 million, due to the timing of receipt as well as higher dividends from Telkomsel and AIS.

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 (%)	30.8%	35.0%	23.3%	47.3%	45.0%
Investment to date	S\$2.31 bil	S\$1.93 bil	S\$1.20 bil	S\$1.02 bil	S\$238 mil
Closing market share price ⁽²⁾	INR 291	NA	THB 282 ⁽⁷⁾	PHP 1,590	NA
Market capitalisation					
- Total	S\$26.12 bil	NA	S\$35.08 bil	S\$6.46 bil	NA
- SingTel holding	S\$8.03 bil	NA	S\$8.18 bil	S\$3.06 bil	NA
Operational Performance :					
Mobile penetration rate ⁽³⁾	71%	115%	135%	110%	63%
Market share, 30 Jun 2013 ⁽³⁾	21.8%	43.4%	43.6%	33.0%	1.3%
Market share, 31 Mar 2013 ⁽⁴⁾	21.7%	43.6%	43.6%	32.9%	1.5%
Market position ^{(3) (5)}	#1	#1	#1	#2	#6
Mobile customers ('000)					
- Aggregate	263,176	125,091	37,666	36,092	1,383
- Proportionate	80,955	43,782	8,784	17,061	622
Growth in mobile customers (%) ⁽⁶⁾	5.3%	6.7%	8.2%	14%	-19%
Credit ratings					
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Baa3/BB+	Baa1/BBB+	Ba1/BBB-	Ba3/BB-
- Company (Moody's/ S&P's)	NA/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 June 2013, in local currency.
- (3) Based on actual or estimated data available as at 30 June 2013. Mobile penetration rate for Philippines was based on 31 March 2013, which was the latest available data. Mobile penetration rate for India and market share for Airtel were based on 30 April 2013, which were the latest available data. Market share for AIS was based on 31 March 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 June 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			YOY Chge %
	30 Jun	31 Mar	30 Jun	
	2013	2013	2012	
Mobile Communications revenue (S\$'M) ⁽¹⁾	506	491	474	6.8
Number of mobile subscribers (000s)				
Prepaid	1,732	1,711	1,646	5.2
Postpaid	2,115	2,095	1,992	6.2
Total	3,847	3,806	3,638	5.7
4G postpaid mobile subscribers (000s)	537	378	1	@
Mobile broadband subscribers (000s) ⁽²⁾	1,620	1,554	1,342	20.7
MOUs per subscriber per month ⁽³⁾				
Prepaid	332	334	339	-1.9
Postpaid ⁽⁴⁾	298	302	320	-6.7
Average revenue per subscriber per month ^{(3) (5)} (S\$ per month)				
Prepaid	16	15	15	7.5
Postpaid	79	78	80	-1.7
Blended	50	50	51	-0.2
Data services as % of ARPU				
- total data ⁽⁶⁾	41%	42%	42%	
- non-SMS data	25%	23%	21%	
Tiered data plans ⁽⁷⁾				
- new tiered data plans as % of postpaid base	31%	23%	NA	
- % of new tiered data plans exceeding data bundles	13%	10%	NA	
Acquisition cost per postpaid subscriber (S\$)	284	288	301	-5.6
Postpaid external churn per month ⁽⁸⁾	0.9%	0.8%	0.9%	
Singapore mobile penetration rate ⁽⁹⁾	153%	153%	151%	
Singapore mobile subscribers ('000s) ⁽⁹⁾	8,197	8,068	7,846	
Market share ⁽⁹⁾				
Prepaid	45.1%	45.6%	44.2%	
Postpaid	48.5%	48.5%	48.3%	
Overall	46.9%	47.2%	46.4%	

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.

SECTION 6 : PRODUCT INFORMATION

- (6) Includes revenue from SMS, *SEND, MMS and other data services.
 (7) Tiered mobile data plans were introduced in July 2012. 'NA' denotes not applicable.
 (8) 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.
 (9) Source: IDA. The market share data as at 30 June 2013 was based on Telco operators' published results. The other market statistics were based on IDA's latest available published statistics as of 31 May 2013.

AUSTRALIA MOBILE

	Quarter			YOY Chge %
	30 Jun	31 Mar	30 Jun	
	2013	2013	2012	
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,343	1,349	1,430	-6.1
Number of mobile subscribers (000s)				
Prepaid	4,021	4,089	4,227	-4.9
Postpaid ⁽²⁾	5,512	5,503	5,285	4.3
Total	9,533	9,592	9,512	0.2
4G mobile subscribers (000s) ⁽³⁾	1,084	785	ND	nm
Mobile penetration rate ⁽⁴⁾	ND	ND	133%	
MOUs per subscriber per month ⁽⁵⁾				
Prepaid	116	115	102	13.4
Postpaid	218	216	229	-4.6
ARPU per month (A\$) ⁽⁶⁾				
Prepaid	22	22	21	4.2
Postpaid	54	54	60	-10.5
Blended	40	40	43	-5.4
Data revenue as a % of service revenue				
- total data	60%	53%	50%	
- non-SMS data	34%	29%	25%	
Market share - total ⁽⁴⁾	ND	ND	31.5%	
Retail postpaid churn rate per month ⁽⁷⁾	1.5%	1.6%	1.6%	
Acquisition cost per subscriber	A\$121	A\$112	A\$178	
Prepaid	A\$10	A\$13	A\$25	
Postpaid	A\$225	A\$210	A\$334	

Notes:

- (1) This comprises mobile service revenue (both outgoing and incoming) and sales of equipment in Australia, covering Consumer Australia as well as Enterprise Australia.
 (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			YOY Chge %
	30 Jun	31 Mar	30 Jun	
	2013	2013	2012	
Singapore Consumer home revenue (S\$'M) ⁽¹⁾	120	120	110	9.6
Average revenue per customer per month ⁽²⁾ (S\$ per month)	53	53	48	11.3
Number of customers on bundled plans (000s) ⁽³⁾	353	347	319	10.7

Notes:

- (1) This comprises fixed broadband, fixed voice and mio TV in the residential segment.
(2) Based on average subscribers, calculated as the simple average of opening and closing subscribers.
(3) Total residential customers who subscribe to bundled plans which comprise mio Plan (bundling of mobile, fixed broadband and fixed voice), mio Home and exPlore Home (bundling of mio TV, fixed broadband and fixed voice).

	Quarter			YOY Chge %
	30 Jun	31 Mar	30 Jun	
	2013	2013	2012	
mio TV revenue (S\$'M) ⁽¹⁾	38	36	25	53.4
Number of residential TV customers (000s)	406	404	380	6.8

Note:

- (1) Revenue in Q1 FY2013 included one-off rebates of S\$5 million.

SECTION 6 : PRODUCT INFORMATION

OTHER PRODUCTS

Singapore	Quarter			YOY Chge %
	30 Jun	31 Mar	30 Jun	
	2013	2013	2012	
Internet				
Number of fixed broadband lines (000s) ⁽¹⁾	561	557	548	2.4
<i>Singapore fixed broadband penetration rate</i> ^{(2) (4)}	103%	103%	105%	
<i>Fixed broadband market share</i> ^{(3) (4)}	44.5%	44.4%	43.5%	
Number of fibre broadband lines (000s)	224	192	105	113.3
<i>Fibre broadband market share</i>	58%	58%	58%	
International Telephone				
International telephone outgoing minutes (m mins) (excl Malaysia)	874	847	819	6.7
Average collection rate - net basis (S\$/ min) (excl Malaysia)	0.099	0.103	0.108	-8.3
National Telephone				
Fixed working lines (000s) ⁽⁵⁾				
Residential	897	905	914	-1.9
Business	763	765	772	-1.2
Total	1,660	1,670	1,686	-1.5
<i>Singapore fixed line penetration rate</i> ⁽⁶⁾	37.4%	37.4%	38.9%	
<i>Singapore fixed working lines ('000s)</i> ⁽⁶⁾	1,988	1,988	2,017	
<i>Fixed line market share</i> ⁽⁶⁾	83.5%	84.0%	83.6%	

Notes:

(1) Include ADSL, cable 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 June 2013 was based on management's estimates. The market penetration rate was based on IDA's latest available published statistics as of 31 May 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 June 2013 was based on management's estimates. The other market statistics were based on IDA's latest available published statistics as of 31 March 2013.

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter			YOY Chge %
	30 Jun	31 Mar	30 Jun	
	2013	2013	2012	
Enterprise Fixed				
Business voice minutes (m min)	1,264	1,273	1,272	-0.6
Buildings connected at the end of the period ⁽¹⁾	18,052	18,022	17,961	0.5
Wholesale Fixed				
Wholesale domestic voice minutes (m min)	1,057	974	1,025	3.2
Mass Market Fixed				
On-net ARPU (A\$) ⁽²⁾				
Voice	50	51	49	1.8
Broadband	44	44	47	-6.0
Telephony customers ('000)				
HFC ⁽³⁾	483	488	498	-3.0
ULL ⁽⁴⁾	513	525	522	-1.6
On-net	996	1,013	1,019	-2.3
Resale	27	29	37	-25.1
Long distance only	6	6	7	-21.1
Off-net	33	35	44	-24.5
<i>HFC bundling rate ⁽⁵⁾</i>	91%	91%	90%	
<i>HFC penetration</i>	34%	35%	36%	
Internet customers (000s)				
On-net				
HFC broadband	427	431	433	-1.4
ULL broadband ⁽⁴⁾	529	539	528	0.2
Business grade broadband	30	30	31	-5.4
	986	999	993	-0.7
Off-net				
Broadband	13	15	20	-34.2
Broadband subtotal	999	1,014	1,013	-1.3
Dial-up	12	13	21	-43.4
Total Internet customers	1,011	1,027	1,034	-2.2

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 Life 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.
“GDP”	Gross Domestic Product.
“ICT”	Infocomm Technology.
“IP”	Internet Protocol.
“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.
“NCS”	NCS Pte Ltd, SingTel’s wholly-owned subsidiary, and its subsidiaries.
“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.
“SMB”	Small and medium sized business.
“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.
“SME”	Refers to small-medium businesses.
“ULL”	Unbundled Local Loop.
“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 First Quarter Ended 30 June 2013

	Quarter							YOY Chge %
	30 Jun							
	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	
Operating revenue	1,674	-	-	1,674	2,620	4,293	4,533	-5.3
Operating expenses	(1,106)	-	-	(1,106)	(1,927)	(3,032)	(3,316)	-8.6
Other income	568	-	-	568	693	1,261	1,217	3.6
	20	-	-	20	15	35	26	36.9
EBITDA	587	-	-	587	708	1,296	1,243	4.3
- EBITDA margin	35.1%	-	-	35.1%	27.0%	30.2%	27.4%	
Share of associates' pre-tax profits								
Regional mobile associates	-	552	-	552	-	552	483	14.1
Other associates	-	19	-	19	*	19	23	-15.3
- ordinary operations	-	571	-	571	*	571	506	12.8
- exceptional items	-	7	-	7	-	7	-	nm
	-	578	-	578	*	578	506	14.1
EBITDA and share of associates' pre-tax profits	587	578	-	1,165	708	1,874	1,749	7.1
Depreciation & amortisation	(172)	-	-	(172)	(367)	(540)	(518)	4.1
EBIT	415	578	-	993	341	1,334	1,231	8.4
Net finance expense								
- net interest expense	(27)	-	-	(27)	(41)	(68)	(76)	-9.7
- other finance income	8	-	11	19	-	19	5	321.7
	(19)	-	11	(8)	(41)	(49)	(71)	-31.1
Profit before EI and tax	396	578	11	985	300	1,285	1,160	10.8
Taxation								
- current and deferred taxes	(49)	-	-	(49)	(93)	(142)	(118)	20.2
- share of taxes of associates	-	(184)	-	(184)	-	(184)	(142)	29.7
- withholding taxes ⁽¹⁾	-	-	(60)	(60)	-	(60)	(49)	22.6
	(49)	(184)	(60)	(293)	(93)	(386)	(309)	24.9
Profit after tax	347	394	(48)	692	207	899	851	5.7
Minority interests	(2)	-	-	(2)	-	(2)	(1)	214.3
Underlying net profit	345	394	(48)	690	207	897	850	5.5
Exceptional items ("EI") (post-tax)	(2)	(37)	153	114	-	114	95	19.6
Net profit	343	356	105	804	207	1,011	945	7.0

Note:

- (1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, 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**.

GROUP SUMMARY INCOME STATEMENTS

For The First Quarter Ended 30 June 2013

	Quarter	YOY	
	30 Jun	Change	Change in constant currency ⁽¹⁾
	2013		
	S\$ m	%	%
Operating revenue	4,293	-5.3	-3.4
Operating expenses	(3,032)	-8.6	-6.6
	1,261	3.6	5.4
Other income	35	36.9	38.4
EBITDA	1,296	4.3	6.1
-EBITDA margin	30.2%		
Share of associates' pre-tax profits			
- <i>Telkomsel</i>	255	6.0	12.6
- <i>Airtel</i>	113	20.0	25.4
- <i>AIS</i>	113	5.5	1.9
- <i>Globe</i>	71	18.5	17.2
- <i>Warid</i>	-	<i>nm</i>	<i>nm</i>
Regional mobile associates	552	14.1	17.5
Other associates	19	-15.3	-15.3
- ordinary operations	571	12.8	16.1
- exceptional items	7	<i>nm</i>	<i>nm</i>
	578	14.1	17.4
EBITDA and share of associates' pre-tax profits	1,874	7.1	9.4
Depreciation & amortisation	(540)	4.1	6.4
EBIT	1,334	8.4	10.6
Net finance expense	(49)	-31.1	-29.3
Profit before exceptional items and tax	1,285	10.8	13.0
Taxation	(386)	24.9	27.8
Profit after tax	899	5.7	7.7
Minority interests	(2)	214.3	214.3
Underlying net profit	897	5.5	7.5
Exceptional items (post-tax)	114	19.6	19.6
Net profit	1,011	7.0	8.7

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 quarter ended 30 June 2012.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2013 (Unaudited) S\$ million	31 Mar 2013 (Audited) S\$ million	30 Jun 2012 (Unaudited) S\$ million
Current assets			
Cash and cash equivalents	1,312	911	1,382
Trade and other receivables	3,539	3,680	3,973
Inventories	180	214	233
Derivative financial instruments	7	1	6
	5,038	4,806	5,594
Non-current assets			
Property, plant and equipment	10,771	11,725	11,519
Intangible assets	10,754	10,709	10,933
Associates	199	196	177
Loan to an associate	1,331	1,331	1,331
Joint ventures	9,306	9,691	9,296
Available-for-sale investments	239	240	166
Deferred tax assets	907	945	940
Derivative financial instruments	249	131	157
Other non-current receivables	211	210	135
	33,966	35,178	34,653
Total assets	39,003	39,984	40,247
Current liabilities			
Trade and other payables	3,533	4,228	3,931
Advance billings	638	671	750
Current tax liabilities	520	429	348
Borrowings (unsecured)	1,192	350	106
Borrowings (secured)	41	42	33
Derivative financial instruments	6	15	15
Net deferred gain ⁽¹⁾	58	58	58
	5,987	5,792	5,239
Non-current liabilities			
Borrowings (unsecured)	6,188	7,330	8,376
Borrowings (secured)	198	207	205
Derivative financial instruments	418	588	519
Advance billings	321	332	733
Deferred income	10	11	16
Net deferred gain ⁽¹⁾	1,185	1,186	1,014
Deferred tax liabilities	318	299	330
Other non-current liabilities	214	249	248
	8,852	10,203	11,440
Total liabilities	14,839	15,994	16,679
Net assets	24,164	23,989	23,567
Share capital and reserves			
Share capital	2,634	2,634	2,634
Reserves	21,503	21,331	20,912
Equity attributable to shareholders of the Company	24,137	23,965	23,546
Non-controlling interests	27	25	21
Total equity	24,164	23,989	23,567

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 First Quarter Ended 30 June 2013

	Quarter			YOY Chge %
	30 Jun	30 Jun	31 Mar	
	2013 S\$ m	2012 S\$ m	2013 S\$ m	
Net cash inflow from operating activities				
Profit before exceptional items and tax	396	356	331	11.3
Non-cash items	188	198	206	-5.1
Operating cash flow before working capital changes	584	554	536	5.4
Changes in operating assets and liabilities	(128)	(200)	147	-36.1
	457	355	683	28.7
Cash paid to employees under performance share plans	(4)	(3)	-	27.3
Tax paid on operating activities	(16)	(5)	(18)	234.7
Operating cash flow	436	347	665	25.9
Net cash (outflow)/ inflow for investing activities				
Net loan to STAI from Optus ⁽¹⁾	-	207	(186)	nm
Dividend received by STAI from Optus ⁽¹⁾	-	-	703	-
Withholding tax paid on interest received on inter-company loans	-	(21)	(20)	nm
Payment for purchase of subsidiaries, net of cash acquired	(10)	(351)	(28)	-97.1
Payment for purchase of property, plant and equipment	(220)	(142)	(186)	54.2
Investment in available-for-sale investments	(7)	(21)	(11)	-64.9
Proceeds from disposal of available-for-sale investment	*	337	-	nm
Proceeds from disposal of associates	-	-	87	-
Proceeds from disposal of property, plant and equipment	4	5	2	-22.6
Others (<i>dividends and interest received etc</i>)	12	6	(2)	100.0
	(221)	21	359	nm
Net cash outflow for financing activities				
Net (decrease)/ increase in borrowings	(406)	(678)	94	-40.1
Net interest paid on borrowings and swaps	(43)	(47)	(28)	-8.1
Interim dividends paid to shareholders	-	-	(1,084)	-
Proceeds from share issue	-	2	-	nm
Purchase of performance shares	(9)	(9)	(5)	-2.2
Others	-	-	*	-
	(458)	(732)	(1,023)	-37.4
Net (decrease)/ increase in cash balance from Singapore	(243)	(365)	1	-33.5
Net (decrease)/ increase in cash balance from Singapore	(243)	(365)	1	-33.5
Dividends received from associates	736	520	90	41.4
Withholding tax paid	(72)	(60)	(10)	21.5
Net dividends received from associates	663	461	80	44.0
Net increase in cash and cash equivalents	421	96	82	338.3
SingTel cash and cash equivalents at beginning	716	804	627	-11.0
Exchange effects on cash and cash equivalents	*	4	7	nm
SingTel cash and cash equivalents at end	1,137	904	716	25.8
Singapore free cash flow	217	204	479	6.1
Free cash flow from associates' dividends	663	461	80	44.0
Cash capex to operating revenue	13%	9%	11%	

Note:

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

OPTUS CASH FLOW AND CAPITAL EXPENDITURE

For The First Quarter Ended 30 June 2013

	Quarter			YOY Chge %
	30 Jun	30 Jun	31 Mar	
	2013 A\$ m	2012 A\$ m	2013 A\$ m	
Net cash inflow from operating activities				
Profit before exceptional items and tax	242	233	376	4.0
Non-cash items	332	306	313	8.5
Operating cashflow before working capital changes	573	538	688	6.6
Changes in operating assets and liabilities	(259)	(123)	51	111.3
Tax paid	(24)	(38)	(25)	-37.1
Operating cash flow	290	377	714	-23.0
Net cash outflow from investing activities				
Purchases of property, plant and equipment	(263)	(327)	(165)	-19.7
Purchase of subsidiary, net of cash acquired	-	(224)	*	nm
Loan to STAI ⁽¹⁾	-	(162)	(155)	nm
Purchase of intangibles	(155)	(45)	(18)	245.5
Others	2	3	2	-23.1
	(416)	(756)	(337)	-45.0
Net cash inflow/ (outflow) from financing activities				
Net increase/ (decrease) in bank borrowings	175	380	(100)	-53.9
Dividend paid to STAI ⁽¹⁾	-	-	(550)	-
Proceeds of loan received from STAI ⁽¹⁾	-	-	300	-
Purchase of SingTel shares	(10)	(7)	*	39.1
Finance lease payments (exclude interest)	(2)	(2)	(2)	-
Net interest paid on borrowings and swaps	(39)	(38)	(35)	4.2
	125	334	(387)	-62.7
Net decrease in cash and cash equivalents	(1)	(44)	(10)	-98.2
Cash and cash equivalents at beginning	151	415	161	-63.6
Cash and cash equivalents at end	150	370	151	-59.5
Free cash flow	28	50	549	-45.0
Cash capex to operating revenue	12%	15%	8%	

Note:

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

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter		YOY Chge %
	30 Jun		
	2013 A\$ m	2012 A\$ m	
Operating revenue	2,120	2,239	-5.3
Operating expenses	(1,560)	(1,706)	-8.6
	560	533	5.1
Other income	12	13	-2.4
EBITDA - margin	572 27.0%	545 24.4%	4.9
Share of results of joint ventures	*	*	nm
EBITDA and share of results of joint ventures	572	545	4.9
Depreciation & amortisation	(297)	(277)	7.2
EBIT	275	268	2.6
Net finance expense	(34)	(36)	-6.7
Profit before exceptional items and tax	242	233	4.0
Taxation	(75)	(71)	4.9
Underlying net profit	167	161	3.6
Exceptional items (post-tax)	-	(6)	nm
Net profit	167	155	7.7

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

	As at		
	30 Jun	31 Mar	30 Jun
	2013	2013	2012
	A\$ m	A\$ m	A\$ m
Property, plant and equipment (net)	6,255	6,325	6,351
Gross debt			
Current debt	6	6	6
Non-current debt	2,335	1,963	2,545
Gross debt as reported in the statement of financial position	2,341	1,970	2,551
Related net hedging liability	34	241	231
	2,375	2,210	2,782
Less: Cash and bank balances	(150)	(151)	(370)
Net debt	2,225	2,060	2,412

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.

Debt Currency Mix	As at		
	30 Jun	31 Mar	30 Jun
	2013	2013	2012
SGD	64%	65%	59%
AUD	36%	35%	41%
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 Jun 2013	SingTel	Optus
Standard & Poor's	A+ (stable)	A (stable)
Moody's Investors Service	Aa3 (stable)	Aa3 (negative)

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 forward exchange rates as of 31 July 2013 for period from July 2013 to March 2014:

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 Life 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 tax payments in Australia.**
- **Ordinary dividends from regional mobile associates are expected to grow.**