

Financial results presentation

Q2 FY10: Quarter ended 30 September 2009

11 Nov 2009

Forward looking statements - important note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

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

Asia's Leading Communications Company

Chua Sock Koong
Group CEO



Group Q2 FY10: strong earnings growth

Group performance

Revenue
➤ up 5%

S\$4,103m

Underlying NPAT
➤ up 19%

S\$952m

Singapore

Revenue
➤ up 8%

S\$1,442m

EBITDA¹
➤ up 11%

S\$556m

Optus

Revenue²
➤ up 7%

A\$2,218m

EBITDA²
➤ up 6%

A\$509m

Regional Mobile

Customers³
➤ up 26%

273m

Earnings⁴
➤ up 32%

S\$571m

1. Excludes Group and International Business net corporate costs
2. In A\$ terms
3. Group mobile subscribers, including SingTel, Optus and Regional Mobile associates
4. Based on the Group's share of Regional Mobile Associates earnings before tax and exceptionals

Group Q2 FY10 highlights

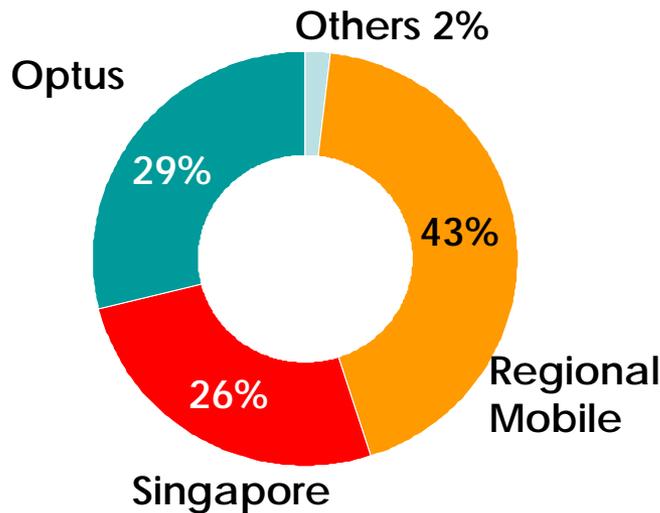
Proportionate EBITDA¹ outside Singapore

74%

Interim dividend

52% payout ratio²

6.2¢



Singapore

wins exclusive rights to BPL & ESS



\$S113m data center contract for IRAS

Optus

strong mobile customer growth

223k

launched D3 satellite

completed 10 year US\$500 million note issue

Regional Mobile

strong customer growth³

11m

Telkomsel regained market share

51%

raised effective interest in Bharti Airtel (from 30.43%)

31.95%

1. Based on 3 months to Sep 09
2. Based on Group underlying net profit
3. Group mobile subscribers including SingTel, Optus and Regional Mobile Associates

Q2 FY10: Double-digit EBITDA growth

| S\$m | 3 months to Sep 09 | 3 months to Sep 08 | YoY % change | 3 months to Jun 09 | Sequential % change |
|------------------------------------|-----------------------|-----------------------|-----------------|-----------------------|------------------------|
| Operating revenue | 4,103 | 3,891 | 5.4% | 3,848 | 6.6% |
| Operational EBITDA | 1,149 | 1,079 | 6.5% | 1,128 | 1.9% |
| - margin | 28.0% | 27.7% | NM | 29.3% | NM |
| Associates (ex exceptionals) | 606 | 461 | 31.5% | 647 | (6.2%) |
| EBITDA ¹ | 1,756 | 1,540 | 14.0% | 1,775 | (1.1%) |
| Net profit | 956 | 868 | 10.1% | 945 | 1.1% |
| Exclude: Exceptional items/FX | (4) | (67) | NM | - | NM |
| Underlying net profit ² | 952 | 801 | 18.8% | 945 | 0.7% |

1. Operational EBITDA+share of results of associates
2. Excludes exceptional items and currency translation gains

1H FY10: Strong rebound in associates earnings

| S\$m | 6 months to Sep 09 | 6 months to Sep 08 | YoY % change |
|------------------------------------|-----------------------|-----------------------|-----------------|
| Operating revenue | 7,951 | 7,668 | 3.7% |
| Operational EBITDA | 2,278 | 2,225 | 2.4% |
| - margin | 28.6% | 29.0% | NM |
| Associates (ex exceptionals) | 1,253 | 1,031 | 21.5% |
| EBITDA ¹ | 3,531 | 3,260 | 8.3% |
| Net profit | 1,901 | 1,746 | 8.9% |
| Exceptional items | (4) | (88) | NM |
| Underlying net profit ² | 1,897 | 1,658 | 14.4% |

1. Operational EBITDA+share of results of associates
2. Excludes exceptional items and currency translation gains

Foreign exchange movements

| Currency | Exchange rate ¹ | | Currency appreciation / (depreciation) against S\$ | |
|--|----------------------------|--|--|-----------|
| | S\$ 1.00 | | YoY | QoQ |
| 1 AUD ²  | S\$ 1.1998 | | (3.2%) | 7.0% |
| INR  | 33.7 | | (7.7%) | (1.8%) |
| IDR  | 6,944 | | (5.5%) | 2.8% |
| PHP  | 33.4 | | (2.5%) | (2.8%) |
| THB  | 23.6 | | 2.5% | unchanged |
| BDT  | 48.1 | | 1.8% | (2.6%) |
| PKR  | 57.5 | | (8.1%) | (4.7%) |

1. Average exchange rates for the quarter ended 30 Sep 09

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

Trends in constant currency terms¹

| 3 months to Sep 09 | 2Q FY10 (reported S\$m) | YoY % change (reported S\$) | YoY % change (at constant FX) ¹ |
|----------------------------------|----------------------------|--------------------------------|---|
| Group revenue | 4,103 | 5.4% | 7.7% |
| Group underlying NPAT | 952 | 18.8% | 22.1% |
| Optus revenue | 2,661 | 4.0% | 7.4% |
| Associates earnings ² | 606 | 31.5% | 38.1% |

| 6 months to Sep 09 | 1H FY10 (reported S\$m) | YoY % change (reported S\$) | YoY % change (at constant FX) ¹ |
|----------------------------------|----------------------------|--------------------------------|---|
| Group revenue | 7,951 | 3.7% | 9.7% |
| Group underlying NPAT | 1,897 | 14.4% | 19.2% |
| Optus revenue | 5,125 | 0.9% | 9.8% |
| Associates earnings ² | 1,253 | 21.5% | 28.1% |

1. Assuming constant exchange rates from corresponding period in FY09

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

Singapore



Singapore: continued growth across key products

| Q2 FY10 | Revenue (\$\$ m) | YoY Change | Highlights |
|-------------------------|------------------|---|--|
| Total revenue | 1,442 |  8% | <ul style="list-style-type: none">• SCS acquisition boosted growth |
| Data & Internet | 393 |  3% | <ul style="list-style-type: none">• continued demand for IP-VPN, Ethernet and Managed ICT services |
| Mobile | 384 |  8% | <ul style="list-style-type: none">• strong growth in customer base |
| IT & Engineering | 320 |  63% | <ul style="list-style-type: none">• inclusion of SCS revenue & rollout of fibre for OpenNet |
| International telephone | 142 |  10% | <ul style="list-style-type: none">• lower average collection rates |
| Sale of equipment | 53 |  42% | <ul style="list-style-type: none">• lower handset sales volume |

Data & Mobile: leading & shaping the market

Mobile – Q2 net adds

109k

Corporate data services revenue

\$285m

➤ up 4%

Market share¹

46%

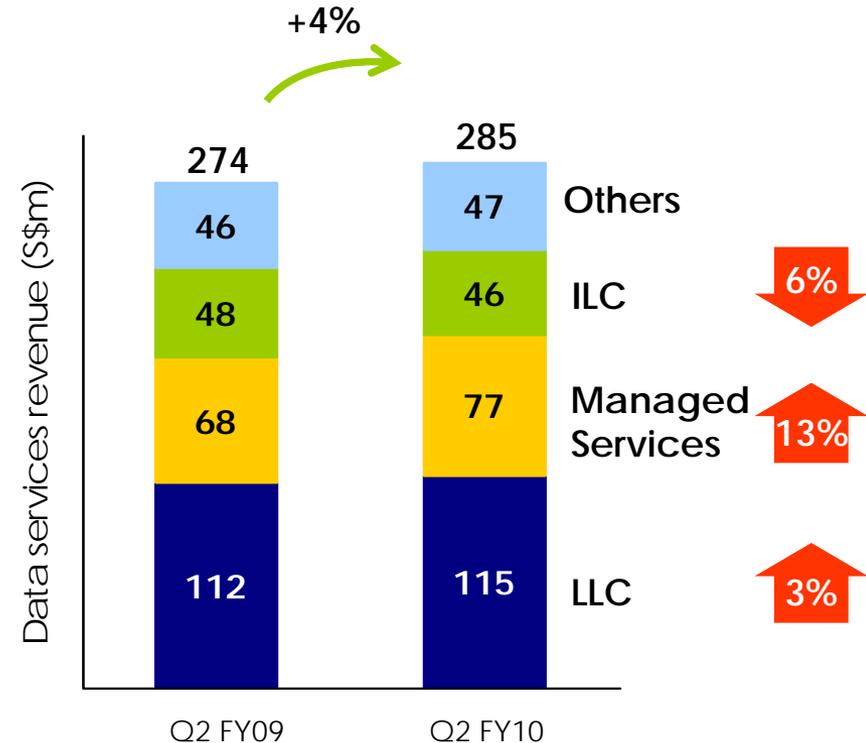
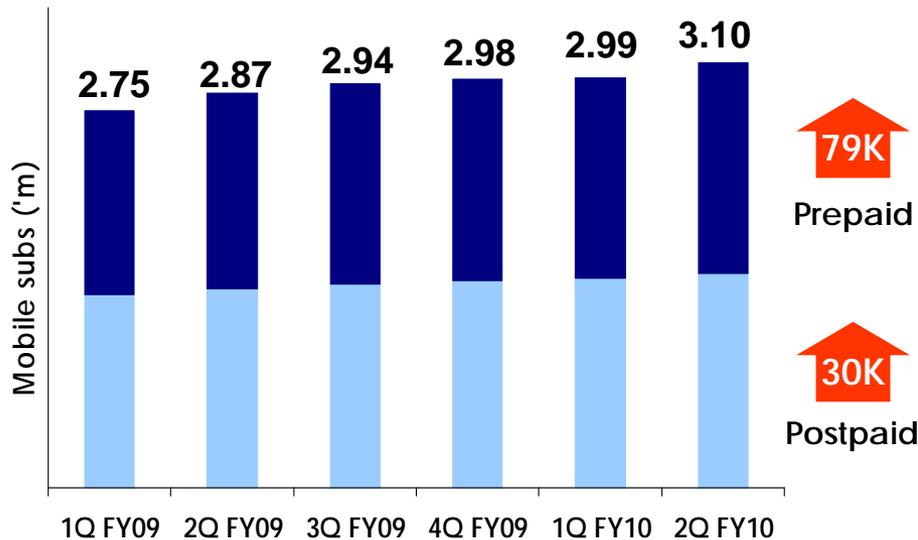
postpaid

46%

prepaid

Wireless BB subs²

306k



1. As at 30 Sep 09

2. Mobile subscribers who registered for monthly wireless broadband data subscription plans

Delivering integrated ICT & multimedia services

IT & Engineering revenue¹

➤ up 63%

S\$320m

NCS Group revenue:

➤ up 47%

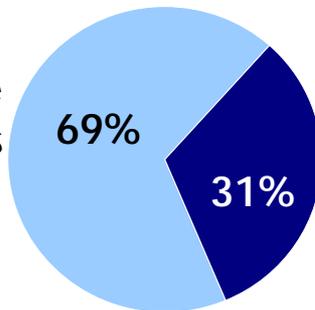
S\$289m

NCS Group:

2 main business segments

- Infrastructure services
- Business solutions

Infrastructure services



Business solutions

NCS Group order book²

S\$1.3bn

Redefining entertainment & communications

mio TV customers

126k

mio Plan & mio Home customers

152K

BPL & ESS

- S\$25/month – offering flexibility and choice
- mioTV to reach all households by July 2010



Multimedia Services Partner for Singapore 2010 YOG



1. Includes NCS Group and rollout of fibre for OpenNet

2. As at 30 Sep 09

Double-digit EBITDA growth

S'pore Biz EBITDA

- EBITDA margin 38.6%

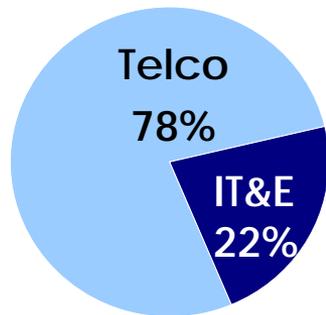


Operating expenses¹

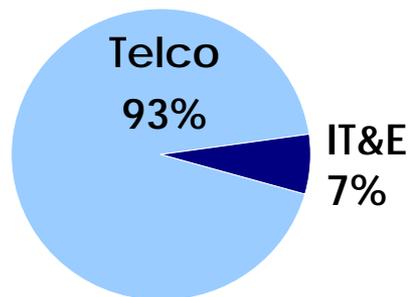
- in line with revenue growth



SG Biz Revenue
S\$1.4b



SG Biz EBITDA
S\$556m



Telco EBITDA margin

- up 3.5% points

46.1%

IT&E EBITDA margin

- up 4.3% points

12.3%

Selling & Admin

- higher mioTV content costs



Cost of sales

- higher cost of sales for OpenNet construction



Staff costs

- headcount increase due to SCS acquisition



Traffic expenses

- higher lease expenses due to growth in IP-VPN services



1. SCS was acquired in Aug 08

Optus



Optus: strong mobile performance drives revenue growth

| Q2 FY10 | Revenue A\$m | YoY change | Highlights |
|----------------------------|-----------------|---------------|---|
| Total revenue | 2,218 | 7% | <ul style="list-style-type: none"> strong mobile service revenue growth |
| Mobile | 1,381 | 12% | <ul style="list-style-type: none"> accelerating customer acquisition increase in ARPU equipment revenue growth moderates off a high base |
| Business & Wholesale Fixed | 492 | 2% | <ul style="list-style-type: none"> strong growth in ICT & managed services decline in corporate voice due to softness in business segment |
| Consumer & SMB Fixed | 347 | 2% | <ul style="list-style-type: none"> consumer fixed on-net revenue growth exit of unprofitable resale |

Mobile: strengthened market position

Mobile service revenue

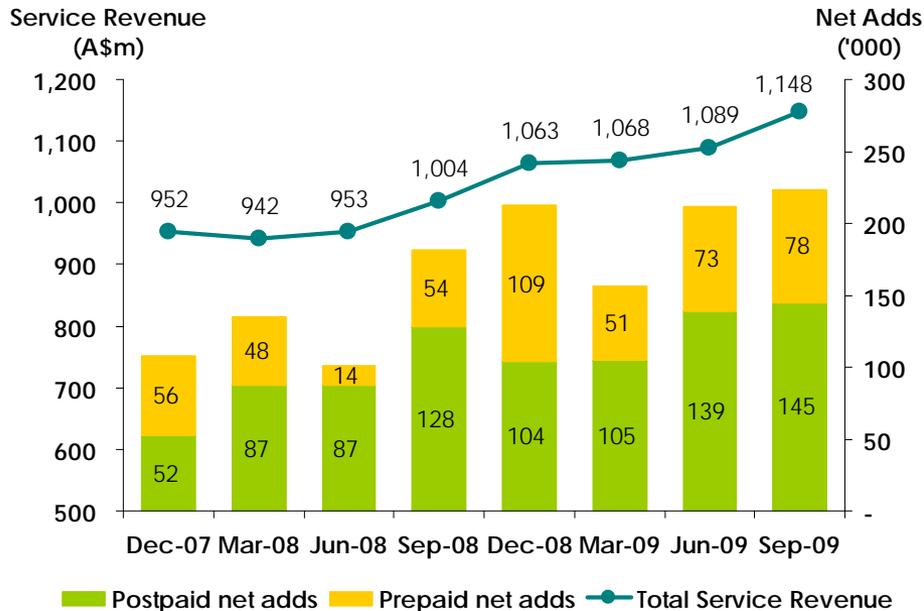
- 4th consecutive quarter of double digit growth



Continuous strong net adds

- Postpaid customer base up 15% yoy

223k



Wireless broadband subs¹

- net adds of 102k

688k

Postpaid ARPU at A\$69

- up 7% excluding wireless BB

2%

Total data % of ARPU

- 12% non-sms data

35%

Subscriber acquisition cost

- up 4% yoy but down 10% qoq

A\$204

EBITDA margin

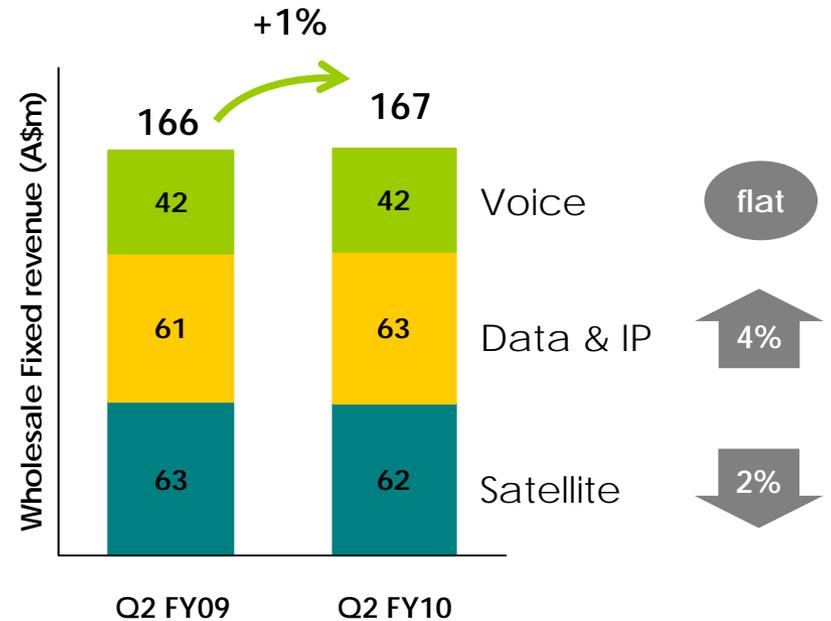
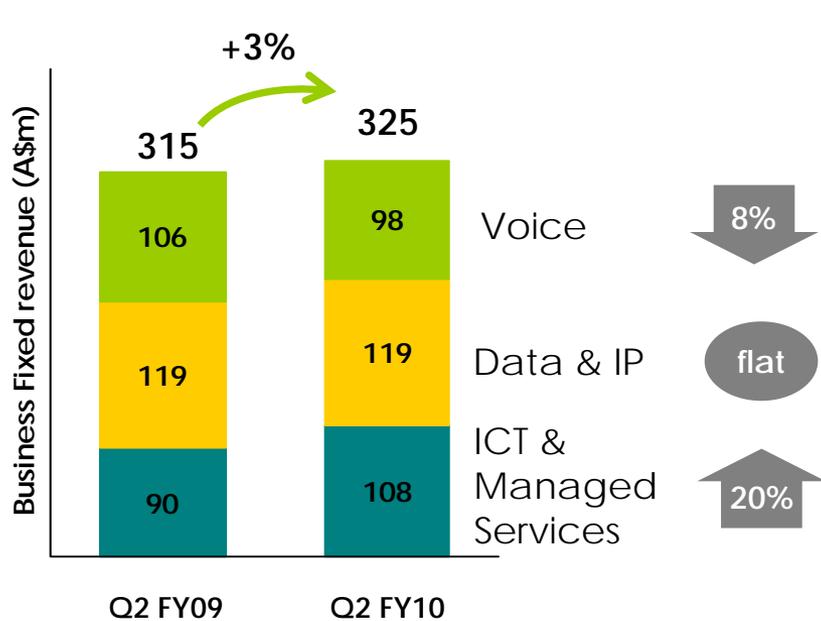
- down 1% pt yoy
- EBITDA growth of 7%

25%

Business & Wholesale Fixed: sustained business performance

Business: growth in ICT & Managed services

Wholesale: continued growth in on-net voice and data



EBITDA margin

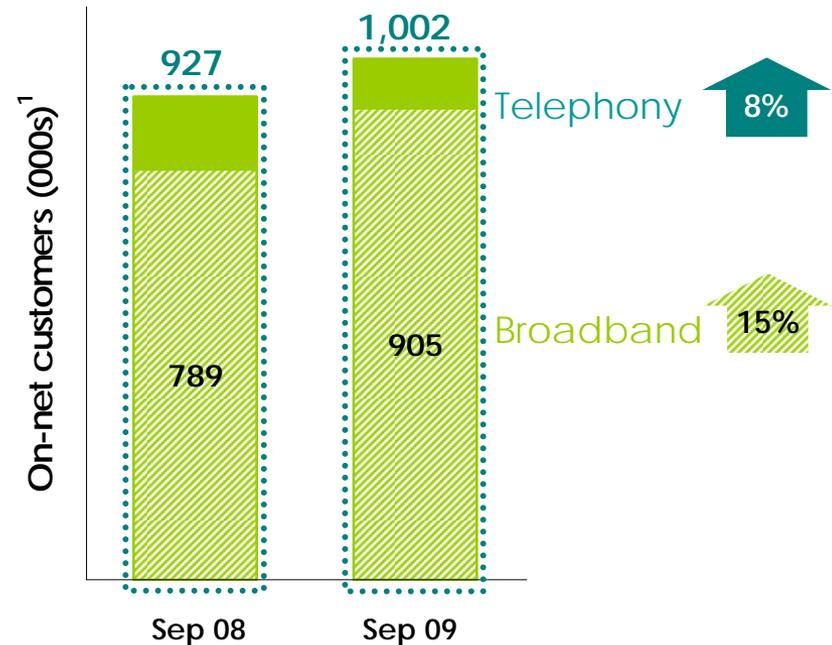
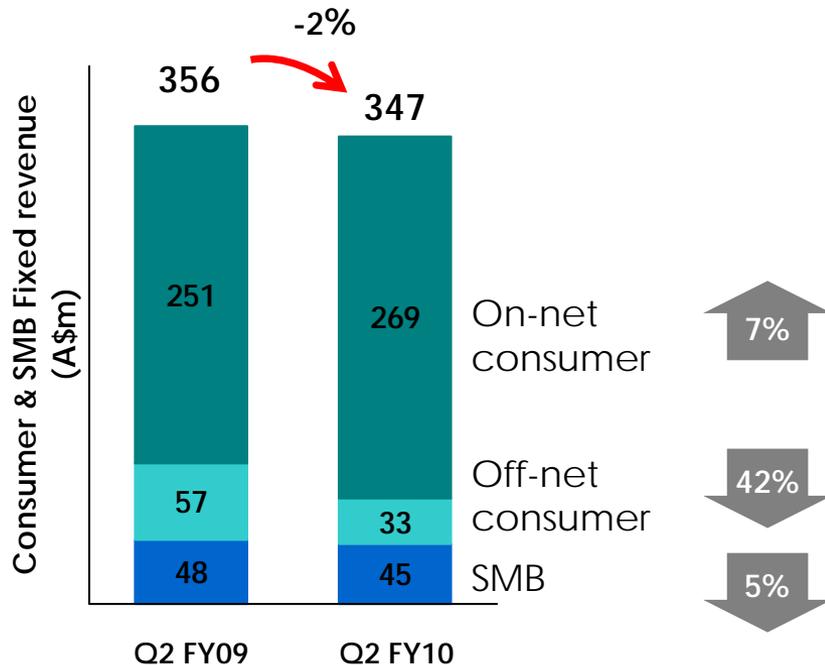
- stable margin yoy
- EBITDA growth of 1%

23%

Consumer & SMB Fixed: driving on-net growth

On-net growth; resale exit continues

On-net telephony customers **>1m**



EBITDA margin

- up 2% pts yoy
- EBITDA growth of 14%

15%

¹ Bundling rate of 85%

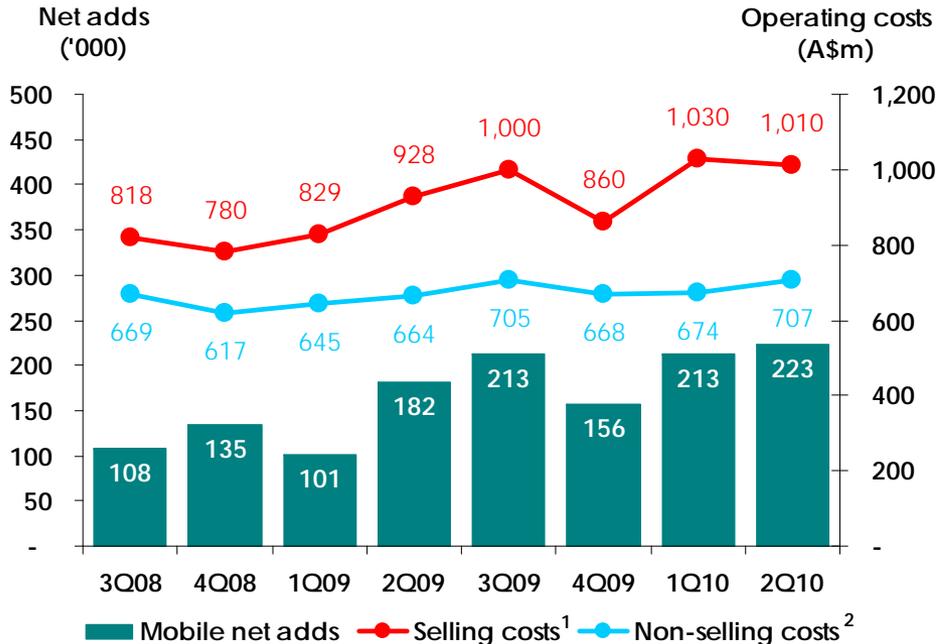
Operating costs: investing in customer growth

Mobile customer growth drives increase in selling costs

Operating expenses

- Opex excl selling up 6%

8%



Selling costs¹

- increased customer acquisition/retention costs as well as higher advertising costs

9%

Traffic expenses

- higher mobile traffic volume partially offset by lower resale interconnect volume

9%

Staff costs

- careful headcount management

flat

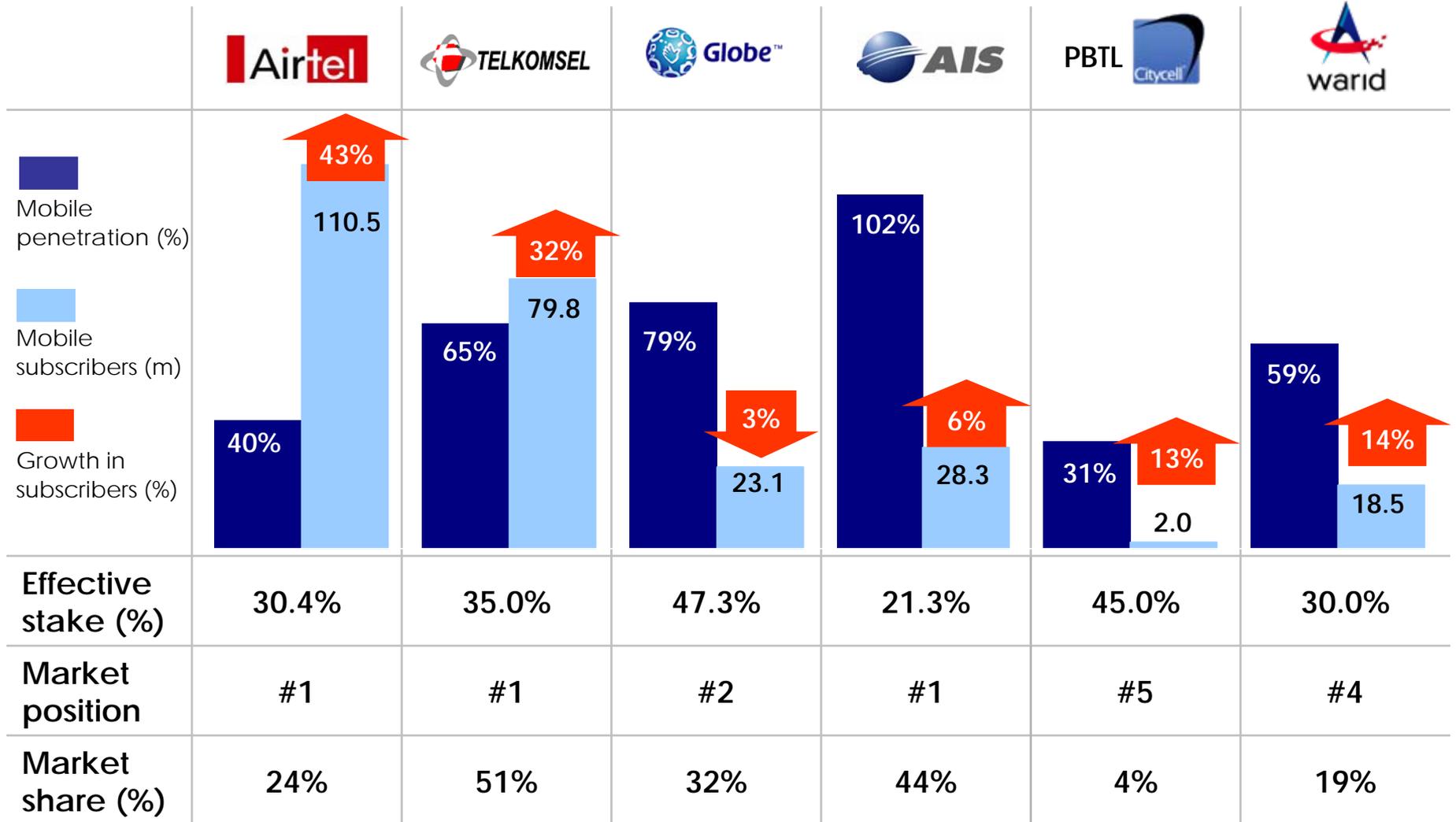
1. Selling costs include: Selling & Admin and Cost of sales

2. Non-selling costs include: traffic, staff costs, repair & maintenance and capitalised costs

Associates and joint ventures



Regional Mobile: world's fastest growing mobile markets



Strong growth in Regional Mobile Associates earnings

| Q2 FY10 | PBT ¹ (S\$ m) | % Change (S\$) | % Change (local curr) | Highlights |
|------------------|-----------------------------|-------------------|--------------------------|--|
| Regional Mobile | 571 | 32% | NA | <ul style="list-style-type: none"> strong profit growth at Telkomsel |
| Bharti | 236 | 26% | 36% | <ul style="list-style-type: none"> slower revenue growth as strong customer adds were offset by lower ARPU and MOU lower fair value losses on USD and Yen borrowings |
| Telkomsel | 252 | 46% | 54% | <ul style="list-style-type: none"> robust revenue growth on higher customer base, coupled with strong cost management |
| Globe | 53 | 12% | 10% | <ul style="list-style-type: none"> challenging business conditions due to economic slowdown |
| AIS ² | 53 | 17% | 19% | <ul style="list-style-type: none"> weak economy, political instability and lower tourist arrivals affected voice revenue |
| Warid | (19) | 53% | 49% | <ul style="list-style-type: none"> improved operating results and lower fair value losses |

1. Excluding exceptional items – compared to 3 months to Sep 08

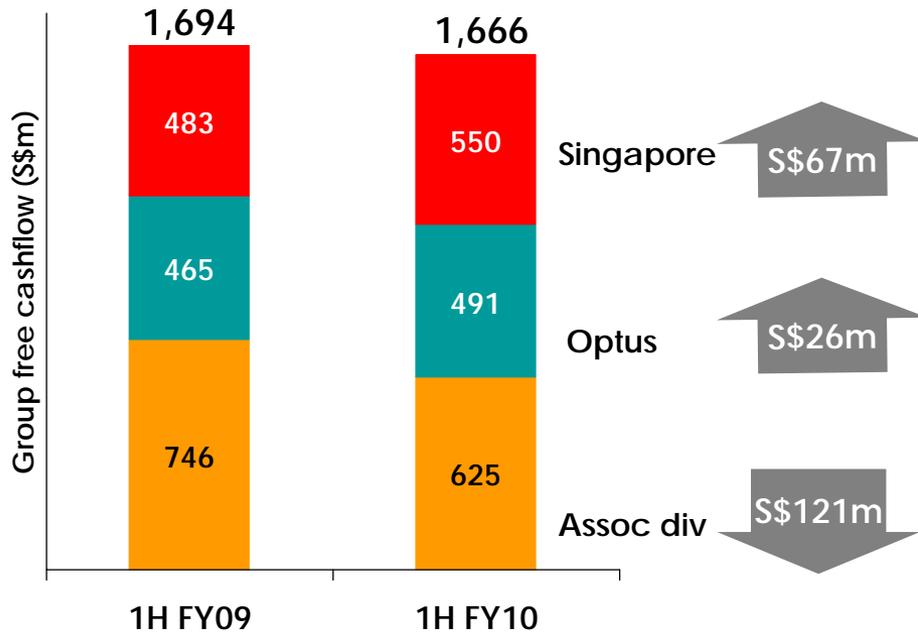
2. SingTel accounted for AIS Jun 09 quarter results in these results

Financial position



Strong financial position

Generating solid free cash flow¹



Strong balance sheet

Net debt

\$6.5bn

Net gearing

23%

Net debt:EBITDA²

0.9x

EBITDA:net interest expense

26x

S&P's rating

A+

Moody's rating

Aa2

1. Operating cash including associates dividends less cash capex
2. Annualised

Group outlook: revised for Singapore & Australia

Operating Revenue

Singapore : grow at single-digit level
Australia (A\$)

EBITDA

Singapore : grow at low single-digit level
Australia (A\$)

Capex

Singapore : below S\$800m
Australia (A\$) : approximately A\$1.1 billion

Regional Mobile Associates

Bharti and Telkomsel earnings to grow in local currency terms
Ordinary dividends from regional mobile associates to be lower



Asia's Leading Communications Company



www.singtel.com

