



**SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 30 JUNE 2017**

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CONSOLIDATED INCOME STATEMENT*For the first quarter ended 30 June 2017*

	Notes	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Operating revenue		4,232.2	3,907.9
Operating expenses	2	(3,035.5)	(2,732.4)
Other income	3	72.7	60.3
		<u>1,269.4</u>	<u>1,235.8</u>
Depreciation and amortisation	4	(571.8)	(543.4)
		697.6	692.4
Exceptional items	5	(25.4)	(30.5)
Profit on operating activities		672.2	661.9
Share of results of associates and joint ventures	6	515.4	551.5
Profit before interest, investment income (net) and tax		1,187.6	1,213.4
Interest and investment income (net)	7	11.5	25.0
Finance costs	8	(99.3)	(90.1)
Profit before tax		1,099.8	1,148.3
Tax expense	9	(213.7)	(207.8)
Profit after tax		886.1	940.5
Attributable to:			
Shareholders of the Company		891.6	944.3
Non-controlling interests		(5.5)	(3.8)
		<u>886.1</u>	<u>940.5</u>
Earnings per share attributable to shareholders of the Company			
- basic	10	5.46¢	5.93¢
- diluted	10	5.45¢	5.91¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the first quarter ended 30 June 2017*

	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Profit after tax	886.1	940.5
Other comprehensive (loss)/ income		
Items that may be reclassified subsequently to income statement:		
Exchange differences arising from translation of foreign operations and other currency translation differences for the quarter	(227.3)	(550.5)
Cash flow hedges		
- Fair value changes	16.1	79.8
- Tax effects	(20.6)	(13.1)
	(4.5)	66.7
- Fair value changes transferred to income statement	(17.9)	(56.4)
- Tax effects	18.1	11.9
	0.2	(44.5)
	(4.3)	22.2
Fair value changes on available-for-sale investments during the quarter	4.8	5.4
Share of other comprehensive loss of associates and joint ventures	(9.2)	(1.3)
Other comprehensive loss, net of tax	(236.0)	(524.2)
Total comprehensive income	650.1	416.3
Attributable to:		
Shareholders of the Company	655.5	420.0
Non-controlling interests	(5.4)	(3.7)
	650.1	416.3

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2017

	Notes	Group		Company	
		As at 30 Jun 17 S\$ Mil (Unaudited)	As at 31 Mar 17 S\$ Mil (Audited)	As at 30 Jun 17 S\$ Mil (Unaudited)	As at 31 Mar 17 S\$ Mil (Audited)
Current assets					
Cash and cash equivalents		632.0	533.8	95.9	89.2
Trade and other receivables		4,981.3	4,924.2	579.0	523.5
Due from subsidiaries		-	-	1,925.2	1,149.8
Loan to an associate		1,100.5	-	1,100.5	-
Derivative financial instruments		102.1	107.3	102.7	107.1
Inventories		400.7	352.2	26.2	23.8
		7,216.6	5,917.5	3,829.5	1,893.4
Non-current assets					
Property, plant and equipment		11,657.8	11,892.9	2,270.3	2,326.5
Intangible assets		14,334.4	13,072.8	-	-
Subsidiaries		-	-	17,830.1	17,441.0
Joint ventures		11,841.3	12,282.9	23.0	23.0
Associates		1,967.5	1,952.2	603.5	603.5
Loan to an associate		-	1,100.5	-	1,100.5
Available-for-sale investments ("AFS")		222.2	192.9	36.7	37.4
Derivative financial instruments		476.6	455.2	266.9	284.9
Deferred tax assets		661.4	657.8	-	-
Trade and other receivables		760.6	769.5	154.7	155.1
		41,921.8	42,376.7	21,185.2	21,971.9
Total assets		49,138.4	48,294.2	25,014.7	23,865.3
Current liabilities					
Trade and other payables		4,674.2	4,922.4	748.6	880.0
Due to subsidiaries		-	-	1,369.0	722.0
Advance billings		873.1	835.4	76.7	74.8
Current tax liabilities		373.6	296.3	127.5	100.6
Borrowings (unsecured)	12	1,682.2	3,046.9	-	-
Borrowings (secured)	12	56.9	86.7	1.2	1.5
Derivative financial instruments		18.4	15.8	109.9	110.0
Net deferred gain		68.8	68.8	-	-
		7,747.2	9,272.3	2,432.9	1,888.9
Non-current liabilities					
Borrowings (unsecured)	12	9,481.2	7,852.7	735.7	746.2
Borrowings (secured)	12	237.6	199.6	157.2	157.2
Derivative financial instruments		317.9	303.1	361.7	370.0
Advance billings		241.3	245.7	141.6	138.3
Net deferred gain		1,323.3	1,282.7	-	-
Deferred tax liabilities		594.6	574.6	294.1	282.2
Other non-current liabilities		328.4	349.9	14.5	23.7
		12,524.3	10,808.3	1,704.8	1,717.6
Total liabilities		20,271.5	20,080.6	4,137.7	3,606.5
Net assets		28,866.9	28,213.6	20,877.0	20,258.8
Share capital and reserves					
Share capital	13	4,127.3	4,127.3	4,127.3	4,127.3
Reserves		24,744.9	24,086.3	16,749.7	16,131.5
Equity attributable to shareholders of the Company					
Non-controlling interests		17.1	22.4	-	-
Other reserve		(22.4)	(22.4)	-	-
Total equity		28,866.9	28,213.6	20,877.0	20,258.8

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the first quarter ended 30 June 2017*

Group - 2017	Attributable to shareholders of the Company											Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency			Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil	Non- controlling Interests S\$ Mil	Other Reserve ⁽⁴⁾ S\$ Mil	
				Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil						
Balance as at 1 April 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6
Changes in equity for the quarter												
Performance shares purchased by the Company	-	(1.4)	-	-	-	-	-	-	(1.4)	-	-	(1.4)
Performance shares purchased by Trust ⁽⁵⁾	-	(2.2)	-	-	-	-	-	-	(2.2)	-	-	(2.2)
Performance shares vested	-	17.8	(17.8)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	9.1	-	-	-	-	-	9.1	0.1	-	9.2
Transfer of liability to equity	-	-	4.2	-	-	-	-	-	4.2	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	(0.1)
Performance shares purchased by Optus and vested	-	-	(6.5)	-	-	-	-	-	(6.5)	-	-	(6.5)
	-	14.2	(11.1)	-	-	-	-	-	3.1	0.1	-	3.2
Total comprehensive (loss)/ income for the quarter	-	-	-	(227.4)	(4.3)	4.8	891.6	(9.2)	655.5	(5.4)	-	650.1
Balance as at 30 June 2017	4,127.3	(18.3)	(119.1)	(4,734.9)	6.8	61.8	30,385.5	(836.9)	28,872.2	17.1	(22.4)	28,866.9

SINGAPORE TELECOMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the first quarter ended 30 June 2017

Group - 2016	Attributable to shareholders of the Company											Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency			Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil	Non-controlling Interests S\$ Mil	Other Reserve ⁽⁴⁾ S\$ Mil	
				Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil						
Balance as at 1 April 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5
Changes in equity for the quarter												
Performance shares purchased by the Company	-	(1.0)	-	-	-	-	-	-	(1.0)	-	-	(1.0)
Performance shares purchased by Trust ⁽⁵⁾	-	(2.4)	-	-	-	-	-	-	(2.4)	-	-	(2.4)
Performance shares vested	-	18.1	(18.1)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	10.6	-	-	-	-	-	10.6	0.5	-	11.1
Transfer of liability to equity	-	-	4.5	-	-	-	-	-	4.5	-	-	4.5
Cash paid to employees under performance share plans	-	-	(0.5)	-	-	-	-	-	(0.5)	-	-	(0.5)
Performance shares purchased by Optus and vested	-	-	(7.0)	-	-	-	-	-	(7.0)	-	-	(7.0)
Share of other reserves of associates and joint ventures	-	-	0.5	-	-	-	-	(0.5)	-	-	-	-
	-	14.7	(10.0)	-	-	-	-	(0.5)	4.2	0.5	-	4.7
Total comprehensive (loss)/ income for the quarter	-	-	-	(550.6)	22.2	5.4	944.3	(1.3)	420.0	(3.7)	-	416.3
Balance as at 30 June 2016	2,634.0	(15.9)	(126.4)	(5,490.9)	17.2	45.9	29,401.2	(1,051.7)	25,413.4	32.5	(22.4)	25,423.5

SINGAPORE TELECOMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the first quarter ended 30 June 2017

Company - 2017	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8
Changes in equity for the quarter							
Performance shares purchased by the Company	-	(1.4)	-	-	-	-	(1.4)
Performance shares vested	-	2.3	(2.3)	-	-	-	-
Equity-settled share based payment	-	-	4.6	-	-	-	4.6
Transfer of liability to equity	-	-	4.2	-	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	(0.1)
Contribution to Trust ⁽⁵⁾	-	-	(0.6)	-	-	-	(0.6)
	-	0.9	5.8	-	-	-	6.7
Total comprehensive (loss)/ income for the quarter	-	-	-	(3.9)	(0.7)	616.1	611.5
Balance as at 30 June 2017	4,127.3	-	44.1	56.4	27.0	16,622.2	20,877.0

SINGAPORE TELECOMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the first quarter ended 30 June 2017

Company - 2016	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	18,233.8
Changes in equity for the quarter							
Performance shares purchased by the Company	-	(1.0)	-	-	-	-	(1.0)
Performance shares vested	-	2.2	(2.2)	-	-	-	-
Equity-settled share based payment	-	-	4.3	-	-	-	4.3
Transfer of liability to equity	-	-	4.8	-	-	-	4.8
Cash paid to employees under performance share plans	-	-	(0.5)	-	-	-	(0.5)
Contribution to Trust ⁽⁵⁾	-	-	(0.8)	-	-	-	(0.8)
	-	1.2	5.6	-	-	-	6.8
Total comprehensive income for the quarter	-	-	-	28.3	1.4	263.0	292.7
Balance as at 30 June 2016	2,634.0	-	(65.7)	75.0	26.9	15,863.1	18,533.3

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, **Financial Instruments: Presentation**.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.
- (4) This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave Holdings, Inc. ("**Trustwave**"). When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.
- (5) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

CONSOLIDATED STATEMENT OF CASH FLOWS*For the first quarter ended 30 June 2017*

	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Cash Flows from Operating Activities		
Profit before tax	1,099.8	1,148.3
Adjustments for		
Depreciation and amortisation	571.8	543.4
Exceptional items (non-cash)	(0.7)	(0.1)
Interest and investment income (net)	(11.5)	(25.0)
Finance costs	99.3	90.1
Share of results of associates and joint ventures (post-tax)	(515.4)	(551.5)
Other non-cash items	6.5	6.7
	<u>150.0</u>	<u>63.6</u>
Operating cash flow before working capital changes	1,249.8	1,211.9
Changes in operating assets and liabilities		
Trade and other receivables	(69.4)	(84.1)
Trade and other payables	(37.3)	(196.3)
Inventories	(51.1)	21.5
	<u>(157.8)</u>	<u>(258.9)</u>
Cash generated from operations	1,092.0	953.0
Payment to employees in cash under performance share plans	(0.8)	(0.3)
Dividends received from associates and joint ventures	961.3	945.3
Income tax and withholding tax paid	(166.8)	(161.2)
	<u>(206.3)</u>	<u>(206.8)</u>
Net cash from operating activities	1,885.7	1,736.8
Cash Flows from Investing Activities		
Payment for purchase of property, plant and equipment	(592.1)	(504.5)
Purchase of intangible assets	(976.9)	(50.7)
Investment in AFS investments	(25.3)	(12.2)
Investment in a joint venture	-	(1.7)
Proceeds from sale of AFS investments	1.3	50.5
Deferred proceeds/ proceeds from disposal of associates and joint ventures	-	42.3
Proceeds from sale of property, plant and equipment	3.9	32.7
Interest received	1.2	4.2
Dividends received from AFS investments	0.8	0.7
Payment for acquisition of subsidiary, net of cash acquired (Note 1)	(340.4)	-
	<u>(1,927.5)</u>	<u>(438.7)</u>
Net cash used in investing activities	(1,927.5)	(438.7)

CONSOLIDATED STATEMENT OF CASH FLOWS*For the first quarter ended 30 June 2017*

	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Cash Flows from Financing Activities		
Proceeds from term loans	2,921.8	655.2
Repayment of term loans	(2,634.9)	(1,329.6)
Proceeds from finance lease liabilities	5.3	1.7
Finance lease payments	<u>(11.8)</u>	<u>(8.7)</u>
Net proceeds from/ (repayment of) borrowings	280.4	(681.4)
Net interest paid on borrowings and swaps	(121.1)	(102.3)
Purchase of performance shares	<u>(10.2)</u>	<u>(10.5)</u>
Net cash from/ (used in) financing activities	<u>149.1</u>	<u>(794.2)</u>
Net change in cash and cash equivalents	107.3	503.9
Exchange effects on cash and cash equivalents	(9.1)	*
Cash and cash equivalents at beginning of period	<u>533.8</u>	<u>461.8</u>
Cash and cash equivalents at end of period	<u>632.0</u>	<u>965.7</u>

“*” denotes less than +/- S\$50,000.

Note (1): Payment for acquisition of subsidiary

On 10 April 2017, Singtel's wholly-owned subsidiary, Amobee, Inc., acquired 100% of the share capital of Turn, Inc. (“Turn”) for S\$401 million (US\$287 million). The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows -

	30 June 2017 S\$ Mil (Unaudited)
Identifiable intangible assets	53.3
Non-current assets	11.8
Cash and cash equivalents	55.6
Current assets (excluding cash and cash equivalents)	109.0
Total liabilities	<u>(179.7)</u>
Net assets acquired	50.0
Goodwill	<u>350.6</u>
Total cash consideration	400.6
Less: Consideration unpaid as at 30 June 2017	(4.6)
Less: Cash and cash equivalents acquired	<u>(55.6)</u>
Net outflow of cash	<u>340.4</u>

CONSOLIDATED STATEMENT OF CASH FLOWS*For the first quarter ended 30 June 2017*

Note (2): For the purposes of the consolidated cash flow statements, cash and cash equivalents comprise:

	As at 30 Jun	
	2017	2016
	S\$ Mil	S\$ Mil
	(Unaudited)	(Unaudited)
Fixed deposits	190.4	262.2
Cash and bank balances	441.6	703.5
	<u>632.0</u>	<u>965.7</u>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first quarter ended 30 June 2017

1. BASIS OF PREPARATION

The Group prepares its condensed consolidated interim financial statements in accordance with Singapore Financial Reporting Standard (“FRS”) 34, *Interim Financial Reporting*. The same accounting policies and methods of computation have been applied in the preparation of the financial statements for the current quarter as the most recent audited financial statements as at 31 March 2017. The adoption of the new or revised FRS, amendments to FRS and Interpretations to FRS which became mandatory from 1 April 2017 did not have a significant impact on the financial statements of the Group and the Company.

2. OPERATING EXPENSES

The income statement included the following items -

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Impairment of trade receivables	42.7	35.4
Write-back of inventory obsolescence (net)	<u>(0.8)</u>	<u>(0.3)</u>

3. OTHER INCOME

Other income included the following items -

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Rental income	0.8	0.9
Net exchange losses - trade related	(1.4)	(3.8)
Net gains on disposal of property, plant and equipment	<u>1.8</u>	<u>5.4</u>

4. DEPRECIATION AND AMORTISATION

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Depreciation of property, plant and equipment ⁽¹⁾	498.8	476.3
Amortisation of intangibles	73.8	67.9
Amortisation of deferred gain on sale of a joint venture	<u>(0.8)</u>	<u>(0.8)</u>
	<u>571.8</u>	<u>543.4</u>

Note:

(1) Optus has revised the useful lives of certain network assets from 1 April 2017 as part of its periodic review. The revision has resulted in lower depreciation of S\$12 million (A\$12 million) in the current quarter.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***5. EXCEPTIONAL ITEMS**

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Exceptional gains		
Gain on sale of AFS investments	0.5	0.1
Reversal of impairment on AFS investments	0.2	-
	0.7	0.1
Exceptional losses		
Staff restructuring costs	(26.1)	(30.6)
	(25.4)	(30.5)

6. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Share of ordinary results ⁽¹⁾	733.6	753.0
Share of tax of ordinary results ⁽¹⁾	(215.1)	(224.3)
Share of exceptional items (post-tax) ⁽¹⁾⁽²⁾	(3.1)	22.8
	515.4	551.5

Notes:

- (1) AIS' 3G/4G handset subsidy costs have been reclassified from share of exceptional items to share of ordinary results to be consistent with the current quarter.
- (2) Comprise share of Airtel's exceptional items.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***7. INTEREST AND INVESTMENT INCOME (NET)**

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Interest income from		
- bank deposits	1.6	1.6
- others	7.0	9.0
	8.6	10.6
Dividends from joint ventures	5.5	17.8
Gross dividends from AFS investments	1.0	0.2
Fair value gains/ (losses) on fair value hedges		
- hedged item	19.1	(6.4)
- hedging instrument	(18.8)	7.5
	0.3	1.1
Fair value (losses)/ gains on cash flow hedges		
- hedged item	(17.9)	(56.4)
- hedging instrument	17.9	56.4
	-	-
Other fair value losses	(1.5)	(4.5)
Net foreign exchange losses - non-trade related	(2.4)	(0.2)
	11.5	25.0

8. FINANCE COSTS

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Interest expense on		
- bonds	77.2	74.6
- bank loans	12.8	8.3
	90.0	82.9
Financing related costs	8.3	7.0
Effects of hedging using interest rate swaps	(0.1)	(0.3)
Unwinding of discounts (including adjustments)	1.1	0.5
	99.3	90.1

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***9. TAX EXPENSE**

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
Current and deferred tax expense attributable to current period's profits	135.3	132.4
Current and deferred tax adjustments in respect of prior years	(0.6)	(3.0)
Withholding and dividend distribution taxes on dividend income from joint ventures	79.0	78.4
	<u>213.7</u>	<u>207.8</u>

10. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

Group	30 Jun 17 '000 (Unaudited)	30 Jun 16 '000 (Unaudited)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	16,321,949	15,936,803
Adjustment for dilutive effect of performance share plans	18,426	38,370
Weighted average number of ordinary shares for calculation of diluted earnings per share	<u>16,340,375</u>	<u>15,975,173</u>

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

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first quarter ended 30 June 2017

11. FAIR VALUE MEASUREMENTS

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

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

The following table presents the assets and liabilities measured at fair value as at 30 June 2017:

Group 30 Jun 2017 (Unaudited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾				
- Quoted investments	33.3	-	-	33.3
- Unquoted investments	-	-	110.6	110.6
	33.3	-	110.6	143.9
Derivative financial instruments	-	578.7	-	578.7
	33.3	578.7	110.6	722.6
Financial liabilities				
Derivative financial instruments	-	336.3	-	336.3

Group 31 Mar 2017 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾				
- Quoted investments	33.3	-	-	33.3
- Unquoted investments	-	-	90.3	90.3
	33.3	-	90.3	123.6
Derivative financial instruments	-	562.5	-	562.5
	33.3	562.5	90.3	686.1
Financial liabilities				
Derivative financial instruments	-	318.9	-	318.9

Note:

(1) Excluded AFS investments stated at cost of S\$78.3 million (31 March 2017: S\$69.3 million).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***11. FAIR VALUE MEASUREMENTS (Continued)**

Company 30 Jun 2017 (Unaudited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments				
- Quoted investments	27.5	-	-	27.5
- Unquoted investments	-	-	9.2	9.2
	27.5	-	9.2	36.7
Derivative financial instruments	-	369.6	-	369.6
	27.5	369.6	9.2	406.3
Financial liabilities				
Derivative financial instruments	-	471.6	-	471.6

Company 31 Mar 2017 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments				
- Quoted investments	29.1	-	-	29.1
- Unquoted investments	-	-	8.3	8.3
	29.1	-	8.3	37.4
Derivative financial instruments	-	392.0	-	392.0
	29.1	392.0	8.3	429.4
Financial liabilities				
Derivative financial instruments	-	480.0	-	480.0

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***11. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the liabilities not measured at fair value (but with fair value disclosed) as at 30 June 2017:

30 Jun 2017 (Unaudited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	<u>8,641.7</u>	6,727.6	2,364.9	-	<u>9,092.5</u>
Company					
Bonds	<u>735.7</u>	960.1	-	-	<u>960.1</u>

31 Mar 2017 (Audited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	<u>8,681.4</u>	6,722.9	2,402.9	-	<u>9,125.8</u>
Company					
Bonds	<u>746.2</u>	957.0	-	-	<u>957.0</u>

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

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first quarter ended 30 June 2017

11. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the reconciliation for the unquoted AFS investments measured at fair value based on unobservable inputs (**Level 3**) -

	Group		Company	
	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
AFS investments - unquoted				
Balance as at 1 April	90.3	42.9	8.3	7.7
Total gains included in 'Fair Value Reserve'	4.8	6.0	0.9	1.0
Additions	4.0	2.5	-	-
Transfer from Level 3	-	(0.9)	-	-
Transfer to Level 3	11.5	2.9	-	-
	110.6	53.4	9.2	8.7

12. GROUP'S BORROWINGS AND DEBT SECURITIES

	Group		Company	
	30 Jun 17 S\$ Mil (Unaudited)	31 Mar 17 S\$ Mil (Audited)	30 Jun 17 S\$ Mil (Unaudited)	31 Mar 17 S\$ Mil (Audited)
Unsecured borrowings				
Repayable within one year	1,682.2	3,046.9	-	-
Repayable after one year	9,481.2	7,852.7	735.7	746.2
	11,163.4	10,899.6	735.7	746.2
Secured borrowings				
Repayable within one year	56.9	86.7	1.2	1.5
Repayable after one year	237.6	199.6	157.2	157.2
	294.5	286.3	158.4	158.7
	11,457.9	11,185.9	894.1	904.9

Unsecured borrowings of the Group comprise bonds and bank loans. The unsecured borrowings of the Company comprise bonds.

Secured borrowings of the Group and the Company comprise finance lease liabilities including lease liabilities in respect of certain assets leased from NetLink Trust.

In addition, the Group's secured borrowings as at 30 June 2017 included:

- certain bank loans of Trustwave secured on the assets of Trustwave, and the assets and shares of certain of its subsidiaries;
- certain bank loans of Turn secured on the assets of Turn and its subsidiary (Turn International, Inc.), and shares in certain of its subsidiaries.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***13. SHARE CAPITAL AND OTHER EQUITY INFORMATION**

	30 Jun 17	
	Number of shares Mil (Unaudited)	Share capital S\$ Mil (Unaudited)
Group and Company		
Balance as at beginning and end of period	16,329.1	4,127.3

As at 30 June 2017, the number of outstanding performance shares under Singtel's performance share plans was 38,548,584 (31 March 2017: 38,090,751).

14. NET ASSET VALUE

	Group As at		Company As at	
	30 Jun 17 S\$ (Unaudited)	31 Mar 17 S\$ (Audited)	30 Jun 17 S\$ (Unaudited)	31 Mar 17 S\$ (Audited)
Net asset value per ordinary share	1.77	1.73	1.28	1.24

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

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

As at 30 June 2017,

- (i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S\$964.1 million and S\$263.6 million (31 March 2017: S\$437.5 million and S\$268.1 million) respectively.
- (ii) The Company provided guarantees for loans of S\$760 million (31 March 2017: S\$1.16 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**") with maturities between September 2018 and May 2020.
- (iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$4.92 billion (31 March 2017: S\$4.92 billion) due between September 2017 and October 2026.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first quarter ended 30 June 2017

15. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES (Continued)

- (b) In December 2013, Singapore Telecom Australia Investments Pty Limited (“**STAI**”) received a tax position paper from the Australian Taxation Office (“**ATO**”) in connection with the acquisition financing of Optus, and on 22 October 2014, received a Statement of Audit Position. On 30 November 2015, STAI received the final Statement of Audit Position from the ATO, and on 18 July 2016, received the findings and recommendations of ATO’s Independent Review. On 25 October 2016, STAI received the determinations from the ATO and on 2 November 2016, received the amended assessments totalling A\$326 million, comprising primary tax of A\$268 million and interest of A\$58 million. STAI’s holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax, estimated at A\$89 million.

On 21 March 2017, STAI received further notices of assessment totalling A\$67 million for penalties.

STAI has received advice from external experts in relation to the matter and has objected to the amended assessments and will vigorously defend its position. Accordingly, no provision has been made as at 30 June 2017.

In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continues to be recognised as a receivable as at 30 June 2017.

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

16. CONTINGENT LIABILITIES OF JOINT VENTURES

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

On 8 January 2013, the local regulator, Department of Telecommunications (“**DOT**”) issued a demand on Airtel Group for Rs. 52.01 billion (S\$1.11 billion) towards levy of one time spectrum charge.

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

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first quarter ended 30 June 2017

16. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)

As at 30 June 2017, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 136 billion (S\$2.90 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

- (b) Advanced Info Service Public Company Limited ("**AIS**"), a joint venture of the Group, has various commercial disputes and significant litigations.

In 2008, TOT Public Company Limited ("**TOT**") and CAT Telecom Public Company Limited ("**CAT**") demanded that AIS and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively pay additional revenue shares of THB 31.5 billion (S\$1.28 billion) and THB 3.4 billion (S\$138 million) arising from the abolishment of excise tax. In July 2017, the Supreme Administrative Court dismissed the claim from TOT. CAT's claim is still pending appeal before the Supreme Administrative Court.

In 2015, TOT demanded that AIS pays additional revenue share of THB 62.8 billion (S\$2.54 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S\$1.47 billion) plus interest. The claims are pending arbitration.

Between 2014 to 2016, TOT demanded that AIS pays THB 41.1 billion (S\$1.67 billion) plus interest for the porting of subscribers from 900MHz to 2100MHz network. This case is pending arbitration.

As at 30 June 2017, there are a number of other claims filed by third parties against AIS and its subsidiaries amounting to THB 27.1 billion (S\$1.10 billion) which are pending adjudication.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

- (c) Globe Telecom, Inc. ("**Globe**"), a joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe's financial position and results of operations.

In June 2016, the Philippine Competition Commission ("**PCC**") claimed that the Joint Notice of Acquisition ("**Notice**") filed by Globe, PLDT and San Miguel Corporation ("**SMC**") on the acquisition of SMC's telecommunications business was deficient and cannot be claimed to be deemed approved. Globe responded that the Notice was filed in accordance with the prevailing rules and regulations. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines ("**CA**") to stop the PCC from reviewing the acquisition, and in August 2016, the PCC requested the CA to declare the acquisition to be void.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first quarter ended 30 June 2017

16. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)

PLDT filed a similar petition to the CA and secured a temporary restraining order (“TRO”) against the PCC from reviewing the acquisition in August 2016. Thereafter, Globe’s petition was consolidated with that of PLDT’s and the consolidation effectively extended the benefit of PLDT’s TRO to Globe.

In April 2017, the PCC filed a petition before the Supreme Court to lift the CA’s TRO that has prevented the PCC from reviewing the acquisition. Globe then filed a motion to dismiss the petition filed by the PCC.

- (d) As at 30 June 2017, PT Telekomunikasi Selular (“Telkomsel”), a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 116 billion (S\$12 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

17. DIVIDENDS

No dividends have been recommended in the current quarter ended 30 June 2017. No dividends were recommended or declared for the same period last year.

18. GROUP SEGMENT INFORMATION

For the first quarter ended 30 June 2017

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

The Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group’s investments, mainly AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore, Australia, United States of America, Europe and the region, and focuses on growing the Group’s position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT and professional consulting.

Group Digital Life (“GDL”) focuses on using the latest internet technologies and assets of the Group’s operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel’s digital innovation engine through Innov8.

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

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

The costs of shared and common infrastructure are allocated to the business segments using established methodologies.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***18. GROUP SEGMENT INFORMATION (Continued)***For the first quarter ended 30 June 2017*

Group 30 Jun 2017 (Unaudited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	2,360.9	1,598.0	273.3	-	4,232.2
Operating expenses	(1,595.7)	(1,121.4)	(296.2)	(22.2)	(3,035.5)
Other income/ (expenses)	65.4	7.4	(0.6)	0.5	72.7
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	830.6	484.0	(23.5)	(21.7)	1,269.4
Share of pre-tax results of associates and joint ventures					
- Airtel	99.2	-	-	-	99.2
- Telkomsel	383.1	-	-	-	383.1
- Globe	80.9	-	-	-	80.9
- AIS	82.0	-	-	-	82.0
- Intouch	23.8	-	-	-	23.8
- Others	0.2	-	-	60.5	60.7
	669.2	-	-	60.5	729.7
EBITDA and share of pre-tax results of associates and joint ventures	1,499.8	484.0	(23.5)	38.8	1,999.1
Depreciation and amortisation	(393.5)	(155.4)	(22.6)	(0.3)	(571.8)
Earnings before interest and tax ("EBIT")	1,106.3	328.6	(46.1)	38.5	1,427.3
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,803.9	-	-	-	6,803.9
- Telkomsel	3,138.9	-	-	-	3,138.9
- Globe	1,086.2	-	-	-	1,086.2
- AIS	713.0	-	-	-	713.0
- Intouch	1,592.4	-	-	-	1,592.4
- Others	25.0	-	-	449.4	474.4
	13,359.4	-	-	449.4	13,808.8
Goodwill on acquisition of subsidiaries	9,192.7	1,224.5	1,064.5	-	11,481.7
Other assets	13,330.8	5,548.9	854.7	4,113.5	23,847.9
	35,882.9	6,773.4	1,919.2	4,562.9	49,138.4

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***18. GROUP SEGMENT INFORMATION (Continued)***For the first quarter ended 30 June 2017*

Group 30 Jun 2016 (Unaudited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	2,197.1	1,579.9	130.9	-	3,907.9
Operating expenses	(1,459.2)	(1,095.9)	(158.4)	(18.9)	(2,732.4)
Other income/ (expenses)	61.4	6.1	(8.2)	1.0	60.3
EBITDA	799.3	490.1	(35.7)	(17.9)	1,235.8
Share of pre-tax results of associates and joint ventures					
- Airtel	176.4	-	-	-	176.4
- Telkomsel	325.6	-	-	-	325.6
- Globe	89.5	-	-	-	89.5
- AIS	108.3	-	-	-	108.3
- Others	0.1	-	-	53.1	53.2
	699.9	-	-	53.1	753.0
EBITDA and share of pre-tax results of associates and joint ventures	1,499.2	490.1	(35.7)	35.2	1,988.8
Depreciation and amortisation	(365.3)	(160.6)	(17.2)	(0.3)	(543.4)
EBIT	1,133.9	329.5	(52.9)	34.9	1,445.4

Group 31 Mar 2017 (Audited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,847.0	-	-	-	6,847.0
- Telkomsel	3,606.2	-	-	-	3,606.2
- Globe	1,085.4	-	-	-	1,085.4
- AIS	646.4	-	-	-	646.4
- Intouch	1,577.2	-	-	-	1,577.2
- Others	25.2	-	-	447.7	472.9
	13,787.4	-	-	447.7	14,235.1
Goodwill on acquisition of subsidiaries	9,193.4	1,241.4	729.8	-	11,164.6
Other assets	12,590.8	5,637.4	602.5	4,063.8	22,894.5
	35,571.6	6,878.8	1,332.3	4,511.5	48,294.2

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the first quarter ended 30 June 2017***18. GROUP SEGMENT INFORMATION (Continued)***For the first quarter ended 30 June 2017*

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

Group	30 Jun 17 S\$ Mil (Unaudited)	30 Jun 16 S\$ Mil (Unaudited)
EBIT	1,427.3	1,445.4
Exceptional items	(25.4)	(30.5)
Share of exceptional items of associates and joint ventures (post-tax)	0.8	22.8
Share of tax of associates and joint ventures	(215.1)	(224.3)
Profit before interest, investment income (net) and tax	1,187.6	1,213.4
Interest and investment income (net)	11.5	25.0
Finance costs	(99.3)	(90.1)
Profit before tax	1,099.8	1,148.3

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 38% (30 June 2016: 41%) and 52% (30 June 2016: 52%) of the total revenue for the first quarter ended 30 June 2017, with the remaining 10% (30 June 2016: 7%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

OTHER INFORMATION

- 19.** The statements of financial position as at 30 June 2017 and the income statement, statement of comprehensive income, changes in equity and cash flows for the first quarter ended 30 June 2017 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (see review report on page 28 of this announcement).

20. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the first quarter ended 30 June 2017.

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

Please refer to the Management Discussion and Analysis of the Group for the first quarter ended 30 June 2017.

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

Please refer to the Management Discussion and Analysis of the Group for the first quarter ended 30 June 2017.

23. INTERESTED PERSON TRANSACTIONS

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

24. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

25. SUBSEQUENT EVENT

On 19 July 2017, Singtel completed its disposal of units in NetLink Trust (“**NLT**”) as well as the initial public offering and listing of NetLink NBN Trust (the “**Trust**”) on the Singapore Exchange. The Trust is established primarily for the purpose of owning all of the units of NLT.

Singtel sold its 100% stake in NLT to the Trust for an aggregate consideration of S\$1.88 billion comprising a cash consideration of S\$1.10 billion and 965,999,998 units or 25% less one unit in the Trust. Following the completion, Singtel ceased to own units in NLT but continues to have an interest of 25% less one unit in the Trust. Singtel will record a net gain on disposal of approximately S\$2 billion in the next quarter ending 30 September 2017.

This divestment fulfils Singtel’s undertaking to the IMDA to divest its 100% stake in NLT to less than 25% before 22 April 2018.

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 30 June 2017 to be false or misleading.

On behalf of the Board of Directors

Bobby Chin
Chairman of Audit Committee

Chua Sock Koong
Director

Singapore
10 August 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors
Singapore Telecommunications Limited
31 Exeter Road
Comcentre
Singapore 239732

Dear Sirs

**SINGAPORE TELECOMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE FIRST
QUARTER ENDED 30 JUNE 2017****Introduction**

We have reviewed the accompanying statement of financial position of Singapore Telecommunications Limited ("**Singtel**" or the "**Company**") as of 30 June 2017 and statement of changes in equity of the Company for the First Quarter then ended, the statement of financial position of Singapore Telecommunications Limited and its subsidiary companies (the "**Group**") as of 30 June 2017 and related income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the First Quarter then ended, selected notes and other explanatory information ("**interim financial information**").

The Management of Singtel are responsible for the preparation and presentation of the interim financial information in accordance with Financial Reporting Standard 34 *Interim Financial Reporting* ("**FRS 34**"). Such interim financial information has been prepared by Management of Singtel for announcement on the Singapore Exchange. Our responsibility is to express a conclusion to this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FRS 34.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
10 August 2017