



## **Singapore Telecommunications Limited And Subsidiary Companies**

### **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015**

*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, 31 December 2015 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**

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**FINANCIAL HIGHLIGHTS****FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

- Trustwave, acquired in September 2015, contributed S\$75 million in operating revenue, S\$3 million in EBITDA and S\$8 million in net loss.
- With 8% decline in the Australian Dollar, operating revenue grew 1.1% while EBITDA was stable.
- In constant currency terms<sup>1</sup>, operating revenue and EBITDA would have increased by 6.2% and 4.5% respectively.
- Post-tax contributions from the associates increased 4.7% with higher earnings at AIS and NetLink Trust.
- Excluding the one-off tax credit of S\$39 million in the last corresponding quarter and impact of Trustwave, underlying net profit would be up 3.5%, and up 6.3% in constant currency terms<sup>1</sup>.
- Free cash flow decreased S\$84 million or 13% to S\$585 million on higher vendor payments and increased investments in mobile acquisitions and retentions in Australia, partly offset by higher cash dividends from associates and lower cash capital expenditure.

**FINANCIAL HIGHLIGHTS****FOR THE NINE MONTHS ENDED 31 DECEMBER 2015**

- Operating revenue was stable but EBITDA declined 1.7%.
- In constant currency terms<sup>1</sup>, operating revenue and EBITDA would have increased by 6.5% and 4.7% respectively.
- Post-tax contributions from the associates increased 7.2% with higher earnings at Telkomsel, AIS and NetLink Trust.
- Underlying net profit was stable and would have grown 3.1% in constant currency terms<sup>1</sup>.
- Net profit was up 2.9% on higher exceptional gains.
- Free cash flow decreased by S\$549 million or 21% to S\$2.04 billion mainly on increased investments in mobile acquisitions and retentions in Australia, as well as approximately S\$230 million received from OpenNet in the last corresponding period on fibre rollout completion.

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<sup>1</sup> Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 31 December 2014.

## SECTION 1 : GROUP

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
Operating revenue	4,474	4,427	1.1	12,867	12,884	-0.1
EBITDA	1,220	1,229	-0.7	3,751	3,817	-1.7
<i>EBITDA margin</i>	<i>27.3%</i>	<i>27.8%</i>		<i>29.2%</i>	<i>29.6%</i>	
Share of associates' pre-tax profits	698	667	4.7	2,070	1,933	7.1
EBITDA and share of associates' pre-tax profits	1,918	1,896	1.2	5,821	5,750	1.2
EBIT	1,381	1,355	2.0	4,217	4,131	2.1
<i>(exclude share of associates' pre-tax profits)</i>	<i>683</i>	<i>688</i>	<i>-0.7</i>	<i>2,147</i>	<i>2,198</i>	<i>-2.3</i>
Underlying net profit	955	970	-1.5	2,824	2,830	-0.2
<i>(exclude one-off tax credit and Trustwave) <sup>(1)</sup></i>	<i>963</i>	<i>931</i>	<i>3.5</i>	<i>2,833</i>	<i>2,791</i>	<i>1.5</i>
Exceptional items (post-tax)	(1)	*	nm	101	13	@
Net profit	954	970	-1.7	2,925	2,843	2.9
<i>(exclude one-off tax credit and Trustwave) <sup>(1)</sup></i>	<i>962</i>	<i>931</i>	<i>3.3</i>	<i>2,933</i>	<i>2,804</i>	<i>4.6</i>
Free cash flow	585	669	-12.5	2,036	2,585	-21.2
Underlying earnings per share (S cents)	5.99	6.08	-1.5	17.72	17.75	-0.2
Basic earnings per share (S cents)	5.98	6.08	-1.6	18.35	17.84	2.9

	As at		
	31 Dec 2015 S\$ m	30 Sep 2015 S\$ m	31 Dec 2014 S\$ m
	Total assets	43,877	43,366
Shareholders' funds	24,532	24,542	23,674
Net debt <sup>(2)</sup>	8,916	9,331	7,863
<i>Net debt gearing ratio <sup>(3)</sup></i>	<i>26.6%</i>	<i>27.5%</i>	<i>24.9%</i>
<i>Net debt to EBITDA and share of associates' pre-tax profits <sup>(4)</sup></i>	<i>1.15X</i>	<i>1.20X</i>	<i>1.02X</i>
<i>Interest cover:</i>			
<i>- EBITDA and share of associates' pre-tax profits/ net interest expense <sup>(5)</sup></i>	<i>25.9X</i>	<i>27.1X</i>	<i>29.2X</i>

**Notes:**

- (1) Adjusted to exclude one-off tax credit of S\$39 million arising from certain property, plant and equipment transferred to an associate recorded in the corresponding quarter last year, and impact of Trustwave Holdings, Inc. with net loss of S\$8 million (based on provisional purchase price allocation).
- (2) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
- (3) 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.
- (4) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.
- (5) Net interest expense refers to interest expense less interest income.

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

For The Third Quarter And Nine Months Ended 31 December 2015

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Operating revenue</b>	<b>4,474</b>	<b>4,427</b>	<b>1.1</b>	<b>12,867</b>	<b>12,884</b>	<b>-0.1</b>
Operating expenses	(3,290)	(3,232)	1.8	(9,232)	(9,165)	0.7
	1,184	1,195	-0.9	3,635	3,720	-2.3
Other income	36	33	7.5	116	97	18.9
<b>EBITDA</b>	<b>1,220</b>	<b>1,229</b>	<b>-0.7</b>	<b>3,751</b>	<b>3,817</b>	<b>-1.7</b>
- EBITDA margin	<b>27.3%</b>	<b>27.8%</b>		<b>29.2%</b>	<b>29.6%</b>	
Share of associates' pre-tax profits	698	667	4.7	2,070	1,933	7.1
<b>EBITDA and share of associates' pre-tax profits</b>	<b>1,918</b>	<b>1,896</b>	<b>1.2</b>	<b>5,821</b>	<b>5,750</b>	<b>1.2</b>
Depreciation	(467)	(496)	-5.8	(1,417)	(1,476)	-4.0
Amortisation of intangibles	(70)	(45)	54.5	(187)	(143)	30.9
	(537)	(541)	-0.8	(1,604)	(1,619)	-0.9
<b>EBIT</b>	<b>1,381</b>	<b>1,355</b>	<b>2.0</b>	<b>4,217</b>	<b>4,131</b>	<b>2.1</b>
Net finance expense						
- net interest expense	(81)	(71)	13.1	(224)	(197)	14.1
- other finance income	18	2	@	51	32	58.9
	(63)	(69)	-9.4	(174)	(165)	5.5
<b>Profit before exceptional items and tax</b>	<b>1,319</b>	<b>1,285</b>	<b>2.6</b>	<b>4,044</b>	<b>3,966</b>	<b>1.9</b>
Taxation	(368)	(353)	4.1	(1,226)	(1,171)	4.7
<b>Profit after tax</b>	<b>951</b>	<b>932</b>	<b>2.0</b>	<b>2,817</b>	<b>2,795</b>	<b>0.8</b>
Minority interests	4	(1)	nm	7	(4)	nm
<b>Profit before tax credit</b>	<b>955</b>	<b>931</b>	<b>2.6</b>	<b>2,824</b>	<b>2,791</b>	<b>1.2</b>
Tax credit on transfer of assets to associate	-	39	nm	-	39	nm
<b>Underlying net profit</b>	<b>955</b>	<b>970</b>	<b>-1.5</b>	<b>2,824</b>	<b>2,830</b>	<b>-0.2</b>
(exclude one-off tax credit and Trustwave)	963	931	3.5	2,833	2,791	1.5
Exceptional items (post-tax)	(1)	*	nm	101	13	@
<b>Net profit</b>	<b>954</b>	<b>970</b>	<b>-1.7</b>	<b>2,925</b>	<b>2,843</b>	<b>2.9</b>
(exclude one-off tax credit and Trustwave)	962	931	3.3	2,933	2,804	4.6
<b>Depreciation as % of operating revenue</b>	<b>10%</b>	<b>11%</b>		<b>11%</b>	<b>11%</b>	

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 SEGMENTS

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 capture growth opportunities globally.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly, AIS in Thailand, Airtel in India, Africa and South Asia, 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, U.S.A. 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 operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. From 1 April 2015, GDL had sharpened its strategy to focus on three key businesses in digital life – digital marketing (Amobee), regional premium 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 following table shows the operating performance of the three business segments:

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	Restated 2014 S\$ m		2015 S\$ m	Restated 2014 S\$ m	
<b>Operating revenue</b>						
Group Consumer	2,677	2,770	-3.3	7,815	7,964	-1.9
Group Enterprise	1,677	1,559	7.6	4,718	4,712	0.1
<b>Core Business</b>	<b>4,354</b>	<b>4,329</b>	<b>0.6</b>	<b>12,533</b>	<b>12,676</b>	<b>-1.1</b>
Group Digital Life	120	98	22.8	334	208	60.3
<b>Group</b>	<b>4,474</b>	<b>4,427</b>	<b>1.1</b>	<b>12,867</b>	<b>12,884</b>	<b>-0.1</b>
<b>EBITDA</b>						
Group Consumer	785	796	-1.3	2,420	2,446	-1.1
Group Enterprise	489	491	-0.3	1,484	1,542	-3.7
<b>Core Business</b>	<b>1,274</b>	<b>1,287</b>	<b>-0.9</b>	<b>3,904</b>	<b>3,988</b>	<b>-2.1</b>
Group Digital Life	(33)	(40)	-18.1	(98)	(118)	-16.6
Corporate	(21)	(18)	21.1	(55)	(54)	3.4
<b>Group</b>	<b>1,220</b>	<b>1,229</b>	<b>-0.7</b>	<b>3,751</b>	<b>3,817</b>	<b>-1.7</b>
<b>EBIT (exclude share of associates' pre-tax profits)</b>						
Group Consumer	428	425	0.6	1,330	1,335	-0.4
Group Enterprise	328	338	-2.9	1,025	1,085	-5.6
<b>Core Business</b>	<b>756</b>	<b>763</b>	<b>-1.0</b>	<b>2,354</b>	<b>2,419</b>	<b>-2.7</b>
Group Digital Life	(51)	(57)	-11.7	(149)	(167)	-10.7
Corporate	(22)	(18)	20.1	(58)	(55)	6.0
<b>Group</b>	<b>683</b>	<b>688</b>	<b>-0.7</b>	<b>2,147</b>	<b>2,198</b>	<b>-2.3</b>

**SECTION 1 : GROUP**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	Restated			Restated		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Group Enterprise (excluding fibre rollout and maintenance and Trustwave)</b>						
Operating revenue	1,602	1,559	2.8	4,643	4,631	0.3
EBITDA	487	479	1.6	1,482	1,474	0.5
EBIT	337	326	3.4	1,034	1,018	1.5

**Note:**

From 1 April 2015, certain businesses which were previously within Group Digital Life were transferred to Singapore Consumer. To better reflect the underlying performance, the results for the respective comparative periods have been restated on the basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from refinement of revenue/ cost allocation methodologies between the various business units in Singapore. See [Appendix 5](#) for more details.

**REVIEW OF GROUP OPERATING PERFORMANCE****For The Third Quarter Ended 31 December 2015**

Trustwave, a cyber security company acquired on 1 September 2015, was consolidated with effect from 30 September 2015. For the quarter and period ended 31 December 2015, Trustwave contributed S\$75 million in operating revenue, S\$3 million in EBITDA and S\$8 million in net loss.

The Group continued to strengthen its core operations and improve the performance of its digital marketing business. Underlying net profit, however, was impacted by the decline of 8% in the Australian Dollar and a one-off tax credit in the corresponding quarter last year.

The weaker Australian Dollar adversely impacted the translated results of Optus, which contributed 55% and 57% to the Group's operating revenue and EBITDA respectively.

In constant currency terms, operating revenue and EBITDA would have increased strongly by 6.2% and 4.5% respectively while underlying net profit would have increased by 6.3% excluding the one-off tax credit of S\$39 million on transfer of assets to an associate (see page 14) as well as the impact of Trustwave.

Group Consumer contributed 60% (Q3 FY2015: 63%) and 64% (Q3 FY2015: 65%) to the Group's operating revenue and EBITDA respectively. Operating revenue and EBITDA declined 3.3% and 1.3% respectively, and in constant currency terms would have increased by 3.4% and 5.7% respectively. With cautious consumer sentiment, Singapore Consumer revenue declined 3.7% with slower growth in Mobile Communications and declines in Equipment sales and International Telephone revenue. EBITDA was up 8.9% with cost discipline and lower selling expenses with lower re-contracting activities. Australia Consumer delivered growth in revenue and EBITDA of 5.7% and 4.8% respectively, driven by stronger Equipment sales and sustained growth in mobile and fixed with higher take-up of device repayment plans.



## SECTION 1 : GROUP

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Group Enterprise contributed 37% (Q3 FY2015: 35%) and 40% (Q3 FY2015: 40%) to the Group's operating revenue and EBITDA respectively. The results of Group Enterprise reflected the first full quarter's contribution of Trustwave. Singtel strengthened its market leadership and enhanced its abilities in cyber security, cloud computing and smart nation solutions, despite weaker business sentiment amid slowing economies. In constant currency terms and excluding contributions from fibre rollout and Trustwave, operating revenue would have increased 5.3% driven by stronger ICT performance across Singapore and Australia, while EBITDA would have increased 3.1%.

GDL contributed 3% (Q3 FY 2015: 2%) to the Group's operating revenue. Operating revenue grew strongly at 23% to S\$120 million on higher advertising revenue mainly from mobile, video and social. Negative EBITDA fell 18%, reflecting business rationalisation and improved gross margins.

Depreciation and amortisation charges were stable but would have increased 4.9% in constant currency terms. The higher depreciation was due to increased investments in mobile networks including LTE deployment in Singapore and Australia, while amortisation charges increased due mainly to acquired intangibles of Trustwave and investments in spectrums.

EBIT (before share of results of associates) was stable at S\$683 million.

The Group and its regional mobile associates continued to record strong customer growth. The combined mobile customer base reached 595 million as at 31 December 2015, up 3.1% from a quarter ago.

Despite hefty investments in mobile network infrastructure and spectrums, the Group's share of associates' post-tax profits increased 4.7% to S\$479 million on higher contributions from AIS and NetLink Trust.

Net finance expense decreased S\$7 million to S\$63 million mainly due to fair value gains from mark-to-market valuation of interest rate swaps partly offset by higher interest expense on higher average borrowings (see Page 12).

The Group's tax expense in the corresponding quarter last year included a one-off tax credit of S\$39 million recorded on the transfer of certain property, plant and equipment to an associate (see Page 14).

Consequently, underlying net profit and net profit declined by 1.5% and 1.7% respectively. In constant currency terms, underlying net profit and net profit would have increased by 1.2% and 1.1% respectively.

Free cash flow in the quarter was S\$585 million, down 13% from the same quarter last year mainly on higher vendor payments and increased investments in mobile acquisitions and retentions in Australia, partly offset by higher cash dividends from associates and lower cash capital expenditure (see page 18).

The Group continued to maintain a healthy capital structure. As at 31 December 2015, net debt gearing ratio was at 27%, down from 28% a quarter ago, following a net decrease in borrowings of S\$538 million in the quarter.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. Hence, the Group is exposed to currency movements. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for three-quarters of both the Group's proportionate revenue and EBITDA.

## SECTION 1 : GROUP

### For The Nine Months Ended 31 December 2015

Operating revenue for the nine months was stable while EBITDA declined 1.7% as the Australian Dollar fell a steep 11%. In constant currency terms, operating revenue and EBITDA would have increased by 6.5% and 4.7% respectively.

With 7.2% increase in post-tax contributions from associates, underlying net profit was stable at S\$2.82 billion. In constant currency terms, underlying net profit would have been up 3.1%.

The Group's net exceptional gain of S\$101 million for the nine months mainly comprised share of Airtel's net exceptional gains of S\$65 million and gains on sale of venture investments of S\$49 million partially offset by net impairment charges and staff restructuring costs. In the corresponding period, the net exceptional gain of S\$13 million included S\$65 million of gain on dilution of the Group's equity interest in SingPost partially offset by S\$29 million of staff restructuring costs.

Including exceptional items, net profit was up 2.9% to S\$2.93 billion, and in constant currency terms would have increased by 6.1%.

### SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2015 were as follows:

	Quarter		QOQ Chge %
	31 Dec 2015 S\$ m	30 Sep 2015 S\$ m	
<b>Operating revenue</b>	<b>4,474</b>	<b>4,184</b>	<b>6.9</b>
<b>EBITDA</b>	<b>1,220</b>	<b>1,290</b>	<b>-5.4</b>
<b><i>EBITDA margin</i></b>	<b>27.3%</b>	<b>30.8%</b>	
<b>Share of associates' pre-tax profits</b>	<b>698</b>	<b>706</b>	<b>-1.1</b>
<b>EBIT</b>	<b>1,381</b>	<b>1,465</b>	<b>-5.7</b>
Profit before exceptional items and tax	1,319	1,412	-6.6
<b>Underlying net profit</b>	<b>955</b>	<b>974</b>	<b>-2.0</b>
Exceptional items (post-tax)	(1)	55	nm
<b>Net profit</b>	<b>954</b>	<b>1,030</b>	<b>-7.4</b>
<b>Free cash flow</b>	<b>585</b>	<b>477</b>	<b>22.6</b>

With the exception of the Indonesian Rupiah which strengthened 2%, the Australian Dollar and regional currencies remained relatively stable from the preceding quarter.

The lower underlying net profit was mainly attributable to seasonally higher selling costs in Singapore and Australia in the current quarter, as well as consolidation of Trustwave's losses.

**SECTION 1 : GROUP**

The higher free cash flow was mainly due to higher operating cash with lower cash taxes partly offset by lower dividends from associates, as well as lower capital expenditure.

**OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2016**

The Group affirms the guidance previously issued in November 2015.

Please refer to **Appendix 7** for further details on the outlook for the current financial year.

**OPERATING REVENUE**

By Products and Services	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
Mobile communications	1,748	1,841	-5.1	5,222	5,479	-4.7
Data and Internet <sup>(1)</sup>	795	795	**	2,344	2,388	-1.8
<i>Managed services</i>	478	430	11.2	1,357	1,300	4.4
<i>Business solutions</i>	169	154	9.5	463	441	5.1
Infocomm Technology (ICT)	646	584	10.7	1,820	1,741	4.5
Sale of equipment	540	501	7.9	1,408	1,114	26.3
National telephone <sup>(1)</sup>	278	316	-11.9	856	982	-12.9
International telephone	132	148	-10.5	419	480	-12.8
Digital businesses <sup>(2)</sup>	125	104	20.6	350	223	56.9
Pay television	70	71	-2.0	215	232	-7.3
Others	65	68	-4.3	161	164	-2.3
	<b>4,400</b>	<b>4,427</b>	<b>-0.6</b>	<b>12,793</b>	<b>12,803</b>	<b>-0.1</b>
Trustwave	75	-	nm	75	-	nm
Fibre rollout and maintenance <sup>(3)</sup>	-	-	-	-	81	nm
<b>Total</b>	<b>4,474</b>	<b>4,427</b>	<b>1.1</b>	<b>12,867</b>	<b>12,884</b>	<b>-0.1</b>
<b>Operating revenue</b>	<b>4,474</b>	<b>4,427</b>	<b>1.1</b>	<b>12,867</b>	<b>12,884</b>	<b>-0.1</b>
Associates' proportionate revenue <sup>(4)</sup>	3,370	3,123	7.9	9,857	9,091	8.4
<b>Group's proportionate revenue</b>	<b>7,845</b>	<b>7,550</b>	<b>3.9</b>	<b>22,724</b>	<b>21,975</b>	<b>3.4</b>

**Notes:**

- (1) Comparatives have been restated to be consistent with the current periods.
- (2) Comprise revenues mainly from Amobee, HOOQ, AMPed, Dash, inSing.com, and Hungry-Go-Where.
- (3) Fibre rollout and maintenance revenue ceased to be recognised with effect from 1 October 2014 as Singtel relinquished its role as OpenNet's key subcontractor.
- (4) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by Singtel's effective ownership interest.

**SECTION 1 : GROUP**

Operating Revenue Mix	Quarter		Nine Months	
	31 Dec		31 Dec	
	2015 %	2014 %	2015 %	2014 %
Mobile communications	39.1	41.6	40.6	42.5
Data and Internet	17.8	18.0	18.2	18.5
Infocomm Technology (ICT)	14.4	13.2	14.1	13.5
Sale of equipment	12.1	11.3	10.9	8.6
National telephone	6.2	7.1	6.6	7.6
International telephone	3.0	3.3	3.3	3.7
Digital businesses	2.8	2.3	2.7	1.7
Others	3.0	3.1	2.9	3.1
	<b>98.3</b>	<b>100.0</b>	<b>99.4</b>	<b>99.4</b>
Trustwave	1.7	-	0.6	-
Fibre rollout and maintenance	-	-	-	0.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Operating revenue of the Group grew 1.1% and would have increased 6.2% in constant currency terms with first full quarter's contribution from Trustwave and increases in Equipment sales and ICT revenues.

Mobile Communications revenue declined 5.1% but would be up 1.0% in constant currency terms with data growth offset by lower roaming, SMS and voice revenues. It contributed 39% of total Group's revenue this quarter, down from 42% in the last corresponding quarter.

Equipment sales grew 7.9% but would have increased 15% in constant currency terms due to higher handset sales driven by continued demand for smartphones.

Revenue from ICT grew 11% with higher application development and maintenance projects and growth in government infrastructure and services in Singapore, as well as stronger product and maintenance sales and one-off project revenues in Australia.

Data and Internet revenue was stable but would have increased 4.6% in constant currency terms due to increased demand for both international and domestic circuits and bandwidth in Singapore, and higher off-net revenue driven by a higher NBN broadband customer base in Australia.

Including the proportionate share of operating revenue from the associates, the Group's enlarged revenue grew 3.9% to S\$7.85 billion, underpinned by strong revenue growth at Telkomsel, Airtel and Globe.

**SECTION 1 : GROUP****OPERATING EXPENSES (Before Depreciation and Amortisation)**

	Quarter		YOY %	Nine Months		YOY %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
Cost of sales	1,022	886	15.4	2,711	2,251	20.4
Selling & administrative <sup>(1)</sup>	912	1,010	-9.6	2,600	2,886	-9.9
Staff costs <sup>(1)</sup>	647	612	5.7	1,841	1,842	**
Traffic expenses	613	645	-5.0	1,808	1,931	-6.4
Repair & maintenance	87	78	11.5	257	246	4.2
Others	9	1	@	16	8	86.9
<b>Total</b>	<b>3,290</b>	<b>3,232</b>	<b>1.8</b>	<b>9,232</b>	<b>9,165</b>	<b>0.7</b>

As a percentage of operating revenue	Quarter		Nine Months	
	31 Dec		31 Dec	
	2015 %	2014 %	2015 %	2014 %
Cost of sales	22.8%	20.0%	21.1%	17.5%
Selling & administrative <sup>(1)</sup>	20.4%	22.8%	20.2%	22.4%
Staff costs <sup>(1)</sup>	14.5%	13.8%	14.3%	14.3%
Traffic expenses	13.7%	14.6%	14.1%	15.0%
Others	2.1%	1.8%	2.1%	2.0%
<b>Total</b>	<b>73.5%</b>	<b>73.0%</b>	<b>71.8%</b>	<b>71.2%</b>

**Note:**

(1) Comparatives have been restated to be consistent with the current periods.

Total operating expenses increased 1.8% from the same quarter last year, and in constant currency terms would have increased 7.0%.

Cost of sales, the largest expense category at 23% of operating revenue, grew 15% in line with higher equipment sales, ICT and digital revenues.

Selling and administrative expenses declined 9.6% mainly due to lower customer acquisition and retention costs across Singapore and Australia. The decline in Australia was mainly due to higher take-up of device repayment plans.

## SECTION 1 : GROUP

## STAFF COSTS

	Quarter		YOY %	Nine Months		YOY %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Staff costs</b>						
Optus <sup>(1)</sup>	292	291	0.2	849	918	-7.5
SingTel and other subsidiaries	296	292	1.6	864	859	0.6
	588	583	0.9	1,713	1,777	-3.6
Amobee <sup>(2)</sup>	27	29	-8.9	96	65	47.2
	615	612	0.4	1,809	1,842	-1.8
Trustwave	32	-	nm	32	-	nm
<b>Group <sup>(1)</sup></b>	<b>647</b>	<b>612</b>	<b>5.7</b>	<b>1,841</b>	<b>1,842</b>	<b>**</b>

	Quarter			Nine Months		YOY Chge %
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec		
				2015	2014	
<b>Average number of staff</b>						
Optus	9,229	9,265	9,130	9,248	9,088	1.8
Amobee <sup>(2)</sup>	543	554	543	543	401	35.4
Singtel and other subsidiaries	14,422	14,385	13,565	14,254	13,336	6.9
	24,194	24,204	23,238	24,045	22,825	5.3
Trustwave	1,325	-	-	1,325	-	nm
<b>Group <sup>(3)</sup></b>	<b>25,519</b>	<b>24,204</b>	<b>23,238</b>	<b>25,370</b>	<b>22,825</b>	<b>11.2</b>
<b>As at end of period</b>						
Optus	9,235	9,247	9,125	9,235	9,125	1.2
Amobee <sup>(2)</sup>	533	558	539	533	539	-1.1
Singtel and other subsidiaries	14,454	14,395	13,615	14,454	13,615	6.2
	24,222	24,200	23,279	24,222	23,279	4.1
Trustwave	1,337	1,282	-	1,337	-	nm
<b>Group <sup>(3)</sup></b>	<b>25,559</b>	<b>25,482</b>	<b>23,279</b>	<b>25,559</b>	<b>23,279</b>	<b>9.8</b>

**Notes:**

- (1) Comparatives have been restated to be consistent with the current periods.
- (2) Including Kontera and Adconion which were acquired in July and August 2014 respectively. Staff costs of Amobee Group in Q3 FY2015 included some earnout incentive accruals for prior months.
- (3) Headcount for staff deployed in capital projects are included in the table above, though the related staff costs were capitalised as part of the cost of property, plant and equipment.

As of 31 December 2015, Group headcount increased 2,280 or 9.8% from a year ago to 25,559. The net increase was mainly due to staff additions from the acquisition of Trustwave, increased IT hirings to support ICT projects and conversions of some contract staff to permanent staff in Singapore.

**SECTION 1 : GROUP****NET FINANCE EXPENSE**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Net interest expense:</b>						
- Interest income	2	*	nm	7	9	-16.9
- Interest expense	(90)	(78)	16.1	(254)	(222)	14.2
	<b>(88)</b>	<b>(78)</b>	<b>13.0</b>	<b>(246)</b>	<b>(213)</b>	<b>15.5</b>
- Net interest income from NetLink Trust <sup>(1)</sup>	7	7	12.3	22	17	31.1
	<b>(81)</b>	<b>(71)</b>	<b>13.1</b>	<b>(224)</b>	<b>(197)</b>	<b>14.1</b>
<b>Other finance income</b>						
- Dividend income from Southern Cross/ PCHL	9	9	4.5	30	36	-15.6
- Investment income <sup>(2)</sup>	*	1	nm	2	4	-61.5
- Net foreign exchange gains/ (losses) (non-trade)	*	(1)	nm	9	(1)	nm
- Fair value adjustments <sup>(3)</sup>	8	(7)	nm	10	(7)	nm
	<b>18</b>	<b>2</b>	<b>@</b>	<b>51</b>	<b>32</b>	<b>58.9</b>
<b>Net finance expense</b>	<b>(63)</b>	<b>(69)</b>	<b>-9.4</b>	<b>(174)</b>	<b>(165)</b>	<b>5.5</b>

**Notes:**

- (1) Comprise interest earned on the unitholder's loan to NetLink Trust, net of the finance lease expenses on the exchange buildings leased from NetLink Trust.
- (2) Comprise mainly dividend income from Available-For-Sale investments.
- (3) Comprise mainly adjustments for hedging instruments measured at fair values under *FRS 39 Financial Instruments: Recognition and Measurement*.

Interest expense increased mainly from higher average borrowings.

Net fair value gain of S\$8 million in the quarter arose from mark-to-market valuation of interest rate swaps.

**SECTION 1 : GROUP****EXCEPTIONAL ITEMS <sup>(1)</sup>**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Exceptional (losses)/ gains</b>						
Impairment of Pixable	(30)	-	nm	(30)	-	nm
Reversal of impairment provision of APT Satellite	32	-	nm	32	-	nm
Share of Airtel's one-off (losses)/ gains	(19)	-	nm	65	(17)	nm
Dilution gain on SingPost	-	-	-	-	65	nm
Net gains on sale/ liquidation of venture investments	19	17	14.5	49	17	192.3
Impairment of venture investments	(1)	(16)	-93.9	(12)	(16)	-29.4
Staff restructuring costs	(2)	*	nm	(6)	(29)	-78.7
Share of Globe's accelerated depreciation	-	(2)	nm	-	(11)	nm
Others	-	2	nm	2	3	-27.3
<b>Group net exceptional (losses)/ gains (post-tax)</b>	<b>(1)</b>	<b>*</b>	<b>nm</b>	<b>101</b>	<b>13</b>	<b>@</b>

**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 this quarter, the Group recorded an impairment charge of S\$30 million on Pixable, Inc. (a wholly-owned subsidiary where business operations were closed) as well as share of Airtel's net exceptional loss of S\$19 million arising mainly from staff restructuring in Africa. The Group also recorded a write back of impairment provision of S\$32 million on its associate (APT Satellite) which was no longer required.



**SECTION 1 : GROUP****TAX EXPENSE**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Income tax expense</b>						
Optus	99	95	3.6	289	303	-4.6
Singtel and other subsidiaries	44	44	1.4	149	141	5.5
Tax expense of Singtel and subsidiaries (a)	143	139	2.9	438	444	-1.4
Share of associates' tax expense (b)	219	209	4.7	668	625	6.9
Withholding and dividend distribution taxes on associates' dividend income <sup>(1)</sup>	6	5	13.7	121	103	17.7
	368	353	4.1	1,226	1,171	4.7
Tax credit on assets transferred to an associate	-	(39)	nm	-	(39)	nm
<b>Total</b>	<b>368</b>	<b>314</b>	<b>17.0</b>	<b>1,226</b>	<b>1,133</b>	<b>8.3</b>
Profit before exceptional items and tax	1,319	1,285	2.6	4,044	3,966	1.9
Exclude:						
Share of associates' pre-tax profits	(698)	(667)	4.7	(2,070)	(1,933)	7.1
<b>Adjusted pre-tax profit (c)</b>	<b>620</b>	<b>618</b>	<b>0.3</b>	<b>1,974</b>	<b>2,033</b>	<b>-2.9</b>
<b>Effective tax rate of Singtel and subsidiaries (a)/(c)</b>	<b>23.0%</b>	<b>22.5%</b>		<b>22.2%</b>	<b>21.8%</b>	
Share of associates' pre-tax profits (d)	698	667	4.7	2,070	1,933	7.1
<b>Effective tax rate of associates (b)/(d)</b>	<b>31.4%</b>	<b>31.4%</b>		<b>32.3%</b>	<b>32.3%</b>	

**Note:**

(1) Withholding and dividend distribution taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, the dividend income and related withholding or dividend distribution 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**.

Excluding the tax credit of S\$39 million recorded on the transfer of certain property, plant and equipment to an associate in the same quarter last year, the Group's tax expense rose 4.1%, in line with profit growth.

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

	As at		
	31 Dec 2015 S\$ m	30 Sep 2015 S\$ m	31 Dec 2014 S\$ m
Current assets (excluding cash)	4,607	4,658	4,070
Cash and bank balances	686	733	629
Non-current assets	38,584	37,975	36,552
<b>Total assets</b>	<b>43,877</b>	<b>43,366</b>	<b>41,251</b>
Current liabilities	6,794	5,366	6,019
Non-current liabilities	12,540	13,439	11,535
<b>Total liabilities</b>	<b>19,335</b>	<b>18,805</b>	<b>17,554</b>
<b>Net assets</b>	<b>24,542</b>	<b>24,561</b>	<b>23,697</b>
Share capital	2,634	2,634	2,634
Retained earnings	27,607	27,738	26,532
Currency translation reserves	(4,635)	(4,791)	(4,288)
Other reserves	(1,075)	(1,039)	(1,203)
<b>Equity attributable to shareholders</b>	<b>24,532</b>	<b>24,542</b>	<b>23,674</b>
Minority interest and other reserve	11	20	23
	<b>24,542</b>	<b>24,561</b>	<b>23,697</b>

The Group is in a strong financial position as at 31 December 2015. Singtel is rated Aa3 by Moody's and A+ by Standard & Poor's.

On 11 November 2015, the Directors approved an interim dividend of 6.8 cents per share totalling S\$1.08 billion in respect of the current financial year ending 31 March 2016. The dividend has been accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the current quarter ended 31 December 2015. The interim dividend was paid in January 2016.

As at 31 December 2015, the currency translation reserve decreased by S\$156 million from a quarter ago. The decrease arose mainly from translation gains of net assets of Optus and Telkomsel partly offset by translation losses of net investment in Airtel.

**SECTION 1 : GROUP****LIQUIDITY AND GEARING**

	As at		
	31 Dec 2015 S\$ m	30 Sep 2015 S\$ m	31 Dec 2014 S\$ m
Gross debt			
Current debt	342	94	26
Non-current debt	9,834	10,709	8,716
Gross debt as reported in statement of financial position	<b>10,176</b>	<b>10,802</b>	<b>8,742</b>
Related net hedging asset <sup>(1)</sup>	(574)	(739)	(250)
<b>Hedged gross debt</b>	<b>9,602</b>	<b>10,064</b>	<b>8,493</b>
Less: Cash and bank balances	(686)	(733)	(629)
<b>Net debt</b>	<b>8,916</b>	<b>9,331</b>	<b>7,863</b>
<b>Gross debt gearing ratio <sup>(2)</sup></b>	<b>28.1%</b>	<b>29.1%</b>	<b>26.4%</b>
<b>Net debt gearing ratio</b>	<b>26.6%</b>	<b>27.5%</b>	<b>24.9%</b>

**Notes:**

- (1) The net hedging asset relates to the fair values 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\$462 million to S\$9.60 billion from a quarter ago, mainly due to net decline in borrowings of S\$538 million and mark-to-market movements. Net debt gearing decreased to 27% from 28% a quarter ago.

With the acquisition of Trustwave, net debt increased by S\$1.1 billion from a year ago to S\$8.92 billion as at 31 December 2015.

## SECTION 1 : GROUP

## CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Nine Months		YOY Chge %
	31 Dec	31 Dec	30 Sep	31 Dec	31 Dec	
	2015	2014	2015	2015	2014	
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m	
<b>Net cash inflow from operating activities</b>						
Profit before exceptional items and tax	1,319	1,285	1,412	4,044	3,966	1.9
Non-cash items	(92)	(47)	(125)	(282)	(156)	80.2
<b>Operating cash flow before working capital changes</b>	1,226	1,239	1,287	3,762	3,810	-1.3
<b>Changes in operating assets and liabilities</b>	(312)	(8)	(365)	(1,054)	(139)	@
Cash paid to employees under performance share plans	915	1,231	922	2,708	3,671	-26.2
Tax paid on operating activities	-	-	(3)	(3)	(1)	181.8
<b>Operating cash flow before dividends from associates</b>	(110)	(68)	(243)	(423)	(399)	6.0
Dividends received from associates	804	1,164	676	2,282	3,270	-30.2
Withholding tax paid on dividends received	226	59	297	1,284	1,094	17.4
	(24)	(5)	(24)	(127)	(102)	24.3
	<b>1,007</b>	<b>1,217</b>	<b>950</b>	<b>3,439</b>	<b>4,262</b>	<b>-19.3</b>
<b>Net cash outflow for investing activities</b>						
Accrued capital expenditure	(550)	(613)	(449)	(1,389)	(1,533)	-9.4
Changes in creditors' balances	128	64	(23)	(14)	(144)	-90.4
Cash capital expenditure	(422)	(549)	(473)	(1,403)	(1,677)	-16.3
Investment in associates	*	(1)	-	*	(1)	nm
Deferred proceeds/ proceeds from disposal of associates	-	-	14	15	-	nm
Payment for purchase of spectrum	-	(40)	(44)	(72)	(865)	-91.7
Payment for purchase of subsidiaries, net of cash acquired	(1)	-	(1,057)	(1,058)	(443)	138.8
Investment in venture investments	(2)	(4)	(9)	(26)	(23)	11.7
Proceeds from disposal of venture investments	24	11	33	76	61	25.2
Proceeds from disposal of property, plant and equipment	1	6	5	5	10	-45.5
Withholding tax paid on interest received on inter-company loans	-	-	(13)	(13)	(16)	-18.9
Others	(9)	(2)	2	(20)	(15)	34.2
	<b>(408)</b>	<b>(578)</b>	<b>(1,542)</b>	<b>(2,496)</b>	<b>(2,970)</b>	<b>-16.0</b>
<b>Net cash outflow for financing activities</b>						
Net (decrease)/ increase in borrowings	(538)	(439)	1,683	1,140	601	89.7
Net interest paid on borrowings and swaps	(103)	(85)	(69)	(256)	(243)	5.2
Final dividend paid to shareholders	-	-	(1,705)	(1,705)	(1,594)	7.0
Purchase of performance shares	(4)	(6)	(19)	(38)	(41)	-8.2
Others	(5)	(5)	1	(4)	(5)	-15.6
	<b>(649)</b>	<b>(534)</b>	<b>(109)</b>	<b>(863)</b>	<b>(1,282)</b>	<b>-32.7</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(50)</b>	<b>105</b>	<b>(702)</b>	<b>80</b>	<b>10</b>	<b>@</b>
Exchange effects on cash and cash equivalents	3	1	45	43	(3)	nm
<b>Group cash and cash equivalents at beginning</b>	<b>733</b>	<b>524</b>	<b>1,390</b>	<b>563</b>	<b>623</b>	<b>-9.6</b>
<b>Group cash and cash equivalents at end</b>	<b>686</b>	<b>629</b>	<b>733</b>	<b>686</b>	<b>629</b>	<b>9.0</b>
<b>Group free cash flow</b>						
Singapore	231	283	134	616	951	-35.3
Optus	151	332	69	263	642	-59.0
<b>Group free cash flow (before associates' dividends)</b>	<b>383</b>	<b>615</b>	<b>203</b>	<b>879</b>	<b>1,594</b>	<b>-44.8</b>
Dividends received from associates (net of withholding tax)	202	54	274	1,158	992	16.7
<b>Group free cash flow</b>	<b>585</b>	<b>669</b>	<b>477</b>	<b>2,036</b>	<b>2,585</b>	<b>-21.2</b>
Optus free cash flow (in A\$)	147	306	71	259	571	-54.7
<b>Cash capex to operating revenue</b>	<b>9%</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>	

## SECTION 1 : GROUP

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Net cash inflow from operating activities (before associates' dividend receipts) for the quarter amounted to S\$804 million, down 31% from the last corresponding quarter. Gross dividends from associates increased due mainly to receipt of Telkomsel's special dividend in the quarter. In Singapore, operating cash inflow was down S\$59 million due to higher vendor payments and increased cash taxes. In Australia, net cash inflow also declined A\$247 million on higher vendor payments and increased investments in mobile customer acquisitions and retentions.

Compared to a quarter ago, cash flow from operating activities increased 6.0% on lower cash taxes partly offset by lower dividends received from associates.

Net cash outflow for investing activities was S\$408 million. Cash capital expenditure decreased 23% to S\$422 million. The expenditure comprised S\$180 million for Singapore and S\$242 million (A\$240 million) for Australia. In Singapore, major capital investments in the quarter included S\$72 million for fixed and data infrastructure, S\$63 million for mobile networks and S\$20 million for information systems. In Australia, capital investments in mobile networks and other core infrastructure amounted to A\$97 million and A\$143 million respectively.

The Group's free cash flow declined 13% to S\$585 million with lower operating cash partly offset by higher dividends received from associates and lower cash capital expenditure.

Net cash financing outflow of S\$649 million mainly comprised net decrease in borrowings of S\$538 million and interest payments of S\$103 million.

Overall cash balance decreased S\$47 million from a quarter ago, and the cash balance was S\$686 million as at 31 December 2015.

## OTHER INFORMATION

### Formation of IMDA and the Government Technology Organisation ("GTO")

On 18 January 2016, the Ministry of Communications and Information ("MCI") of Singapore announced that it will restructure the IDA and the Media Development Authority to form the IMDA and the GTO. This restructuring followed the launch of the first integrated industry development plan for the info-communications and media sectors in August 2015. The MCI announced that both the IMDA and the GTO will be established in the second half of 2016.

The role of the IMDA has been stated to be, amongst other things, to develop and regulate the converging info-communications and media sectors in a holistic way, and to deepen the regulatory capabilities for a converged info-communication media sector. It will also safeguard the interests of consumers as well as foster pro-enterprise regulations.

### Acquisition of 1800 MHz spectrum in Australia

In February 2016, Optus successfully acquired 1800 MHz regional spectrum for A\$196 million. The frequency complements Optus' existing spectrum in the metropolitan areas by reducing dead zones across urban and rural boundaries, thus giving customers a seamless 4G experience.

## SECTION 2 : GROUP CONSUMER

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### GROUP CONSUMER

#### MANAGEMENT DISCUSSION AND ANALYSIS

**Group Consumer** comprises the consumer businesses across Singapore and Australia, as well as the regional mobile associates in the emerging markets. The results shown in this section are for the consumer businesses across Singapore and Australia only. The results of the regional mobile associates are discussed in **Section 5**.

From 1 April 2015, certain businesses such as AMPed, Dash, Hungry-Go-Where, inSing.com and Newsloop which were previously within Group Digital Life were transferred to Singapore Consumer. To better reflect the underlying performance, the results for the respective comparative periods have been restated on the basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from refinement of revenue/ cost allocation methodologies between the various business units in Singapore. See **Appendix 5** for more details.

#### FINANCIAL HIGHLIGHTS

##### FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

- Results adversely impacted by 8% depreciation of the Australian Dollar.
- Operating revenue at S\$2.68 billion – down 3.3%.
- EBITDA at S\$785 million – down 1.3%.
- EBIT stable at S\$428 million.
- In constant currency terms, operating revenue, EBITDA and EBIT increased by 3.4%, 5.7% and 7.4% respectively.

##### FOR THE NINE MONTHS ENDED 31 DECEMBER 2015

- The Australian Dollar declined by 11% from the same period last year.
- Operating revenue at S\$7.82 billion – down 1.9%.
- EBITDA at S\$2.42 billion – down 1.1%.
- EBIT stable at S\$1.33 billion.
- In constant currency terms, operating revenue, EBITDA and EBIT increased strongly by 7.1%, 7.9% and 8.0% respectively.

**SECTION 2 : GROUP CONSUMER****GROUP CONSUMER SUMMARY INCOME STATEMENTS**

For The Third Quarter And Nine Months Ended 31 December 2015

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	Restated 2014 S\$ m		2015 S\$ m	Restated 2014 S\$ m	
<b>Operating revenue</b>	<b>2,677</b>	<b>2,770</b>	<b>-3.3</b>	<b>7,815</b>	<b>7,964</b>	<b>-1.9</b>
Operating expenses	(1,927)	(2,000)	-3.7	(5,495)	(5,594)	-1.8
	751	770	-2.6	2,321	2,370	-2.1
Other income	35	25	35.8	99	76	30.1
<b>EBITDA</b>	<b>785</b>	<b>796</b>	<b>-1.3</b>	<b>2,420</b>	<b>2,446</b>	<b>-1.1</b>
<b>- margin</b>	<b>29.3%</b>	<b>28.7%</b>		<b>31.0%</b>	<b>30.7%</b>	
Depreciation & amortisation	(357)	(370)	-3.5	(1,091)	(1,112)	-1.9
<b>EBIT</b>	<b>428</b>	<b>425</b>	<b>0.6</b>	<b>1,330</b>	<b>1,335</b>	<b>-0.4</b>

	Quarter		YOY Change %	Nine Months		YOY Change %
	31 Dec			31 Dec		
	2015 S\$ m	Restated 2014 S\$ m		2015 S\$ m	Restated 2014 S\$ m	
Selling & administrative	660	770	-14.3	1,906	2,211	-13.8
Cost of sales	528	461	14.7	1,390	1,058	31.3
Traffic expenses	434	475	-8.6	1,297	1,397	-7.2
Staff costs	245	244	0.3	723	762	-5.1
Repair & maintenance	48	41	18.2	147	139	6.0
Others	12	10	23.7	33	28	17.3
<b>Operating expenses</b>	<b>1,927</b>	<b>2,000</b>	<b>-3.7</b>	<b>5,495</b>	<b>5,594</b>	<b>-1.8</b>

**Note:**

(1) The above figures include the costs of International Group division which have responsibility over the regional mobile associates.

## **SECTION 2 : GROUP CONSUMER**

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### **GROUP CONSUMER OPERATING HIGHLIGHTS**

#### **For The Third Quarter Ended 31 December 2015**

The Australian Dollar depreciated 8% against the Singapore Dollar from the same quarter last year, thus negatively impacting the Group Consumer's results. Australia Consumer contributed 76% (Q3 FY2015: 76%) and 79% (Q3 FY2015: 81%) to the Group Consumer's operating revenue and EBITDA respectively.

Operating revenue and EBITDA declined by 3.3% and 1.3% respectively, while EBIT was stable. In constant currency terms, operating revenue, EBITDA and EBIT increased by 3.4%, 5.7% and 7.4% respectively.

In Australia, operating revenue grew 5.7% and EBITDA increased 4.8% driven mainly by stronger Equipment sales and sustained growth in mobile and fixed with higher take-up of device repayment plans.

With cautious consumer sentiment, operating revenue in Singapore declined 3.7% with slower growth in Mobile Communications and declines in Equipment sales and International Telephone revenues. EBITDA, however, rose 8.9% with cost discipline and lower selling and administrative expenses.

#### **For The Nine Months Ended 31 December 2015**

For the nine months, operating revenue and EBITDA declined by 1.9% and 1.1% respectively, while EBIT was stable, as the Australian Dollar fell a steep 11%. In constant currency terms, operating revenue, EBITDA and EBIT rose strongly by 7.1%, 7.9% and 8.0% respectively.



**SECTION 2 : GROUP CONSUMER****SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 30 September 2015 were as follows:

	Quarter		QOQ Chge %
	31 Dec 2015 S\$ m	30 Sep 2015 S\$ m	
<b>Operating revenue</b>	<b>2,677</b>	<b>2,535</b>	<b>5.6</b>
Operating expenses	(1,927)	(1,737)	10.9
<b>EBITDA</b>	<b>785</b>	<b>831</b>	<b>-5.6</b>
<b>- margin</b>	<b>29.3%</b>	<b>32.8%</b>	
Depreciation & amortisation	(357)	(364)	-1.7
<b>EBIT</b>	<b>428</b>	<b>468</b>	<b>-8.5</b>

Compared to the preceding quarter, operating revenue increased 5.6% mainly on seasonally higher Equipment sales. EBITDA and EBIT however declined 5.6% and 8.5% respectively, due mainly to higher selling costs in both Singapore and Australia.

**SECTION 2 : GROUP CONSUMER****SINGAPORE CONSUMER SUMMARY INCOME STATEMENTS**  
For The Third Quarter And Nine Months Ended 31 December 2015

	Quarter		YOY Chge %	Nine months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	Restated 2014 S\$ m		2015 S\$ m	Restated 2014 S\$ m	
<b>Operating revenue</b>	<b>635</b>	<b>659</b>	<b>-3.7</b>	<b>1,842</b>	<b>1,834</b>	<b>0.4</b>
Operating expenses	(468)	(505)	-7.3	(1,279)	(1,309)	-2.3
Other income <sup>(2)</sup>	166	154	8.1	564	525	7.3
	8	6	31.6	29	15	101.4
<b>EBITDA</b>	<b>174</b>	<b>160</b>	<b>8.9</b>	<b>593</b>	<b>540</b>	<b>9.8</b>
<b>- margin</b>	<b>27.4%</b>	<b>24.2%</b>		<b>32.2%</b>	<b>29.4%</b>	
<b>EBIT</b>	<b>109</b>	<b>95</b>	<b>13.7</b>	<b>396</b>	<b>355</b>	<b>11.7</b>

	Quarter		YOY Chge %	Nine months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	Restated 2014 S\$ m		2015 S\$ m	Restated 2014 S\$ m	
Mobile communications	330	328	0.4	985	965	2.1
Sale of equipment	107	122	-12.6	255	243	4.9
Fixed broadband	52	52	0.8	159	153	3.8
Residential Pay TV	51	49	3.7	154	154	**
International telephone	47	52	-10.3	149	160	-6.9
National telephone	30	32	-6.3	91	96	-5.2
Others <sup>(3)</sup>	18	24	-22.1	50	63	-21.9
<b>Operating revenue</b>	<b>635</b>	<b>659</b>	<b>-3.7</b>	<b>1,842</b>	<b>1,834</b>	<b>0.4</b>
Selling & administrative	230	251	-8.7	634	655	-3.1
Cost of sales	107	117	-8.4	256	234	9.5
Traffic expenses	69	76	-10.1	200	233	-13.8
Staff costs	55	56	-1.6	165	170	-3.3
Repair & maintenance	14	11	24.3	38	34	12.9
Others	(5)	(6)	-15.3	(15)	(17)	-7.3
<b>Operating expenses</b>	<b>468</b>	<b>505</b>	<b>-7.3</b>	<b>1,279</b>	<b>1,309</b>	<b>-2.3</b>

\*\*\* denotes less than 0.05%

**Notes:**

- (1) The above figures exclude costs of International Group which have responsibility over the regional mobile associates.
- (2) Other income include trade foreign currency exchange differences, rental income, gain or loss on disposal of scrap copper and property, plant and equipment and other recoveries. The net trade foreign exchange gains amounted to S\$3 million (Q3 FY2015: S\$1 million loss) for the quarter and S\$13 million (YTD December 2014: S\$1 million loss) for the nine months ended 31 December 2015.
- (3) Other revenue include digital services, inter-operator tariff discounts, and revenue from mobile network cabling works and projects.

## SECTION 2 : GROUP CONSUMER

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### SINGAPORE CONSUMER OPERATING PERFORMANCE

#### For The Third Quarter Ended 31 December 2015

With cautious consumer sentiment, operating revenue declined 3.7% with slower growth in Mobile Communications revenue and declines in Equipment sales and International Telephone revenues. EBITDA and EBIT, however, grew 8.9% and 14% respectively with cost discipline and lower selling & administrative expenses.

Mobile Communications revenue was stable with continued declines in roaming, voice and SMS revenues. Data, however, continued its strong momentum as more postpaid customers upgraded to higher data bundles. The number of postpaid customers grew 24k<sup>2</sup> and the prepaid customer base fell 17k in the quarter due to the shorter validity for tourist prepaid cards introduced in June 2015 quarter.

In the quarter, 26% of postpaid customers on tiered plans exceeded their data bundles, up from 21% in the last corresponding quarter, and more than half of prepaid customers were users of mobile data services.

To enhance customers' data usage experience and provide better network coverage, Singtel launched VoLTE (Voice over LTE) on iOS and further expanded its WiFi coverage.

During the quarter, Singtel launched 'Singtel Circle', a customer benefits programme that offers free unlimited local mobile data on Sundays and Hollywood movie on Singtel TV every weekend for customers who subscribed to the full suite of Singtel services.

Equipment sales revenue decreased 13% with lower volume of handset sales.

Consumer Home Services which comprise residential pay TV, fixed broadband and voice revenues was stable. As at 31 December 2015, 84% of broadband customers have made the transition to fibre. During the quarter, Singtel TV continued to broaden its content offerings with the addition of new channels including Warner TV, and also increased the number of channels made available on Singtel TV Go App. In January 2016, Singtel signed an exclusive partnership with Netflix to offer promotional subscriptions to customers as well as entered into an exclusive partnership with Viu, an online streaming service for Korean entertainment.

Total operating expenses decreased 7.3%. Selling and administrative expenses declined 8.7% mainly due to lower mobile customer acquisition and retention costs on lower connection volumes and increased take-up of SIM Only plans. The decrease in cost of sales was in line with lower handset sales. Traffic expenses declined 10% largely due to lower roaming traffic and outpayment rates.

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<sup>2</sup> Based on total product view, including Enterprise mobile.

**SECTION 2 : GROUP CONSUMER****For The Nine Months Ended 31 December 2015**

Operating revenue for the nine months was stable, with growth from Equipment sales and Mobile Communications revenue offset by decline in International Telephone revenue. EBITDA and EBIT grew by 9.8% and 12% respectively on cost management. Excluding the losses for the 2014 FIFA World Cup last year, EBITDA and EBIT rose by 7.8% and 8.7% respectively.

**SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 30 September 2015 were as follows:

	Quarter		QOQ Chge %
	31 Dec 2015 S\$ m	30 Sep 2015 S\$ m	
<b>Operating revenue</b>	<b>635</b>	<b>597</b>	<b>6.4</b>
Operating expenses	(468)	(405)	15.6
<b>EBITDA</b>	<b>174</b>	<b>205</b>	<b>-15.1</b>
<b>- margin</b>	<b>27.4%</b>	<b>34.3%</b>	
Depreciation & amortisation	(65)	(66)	-1.7
<b>EBIT</b>	<b>109</b>	<b>138</b>	<b>-21.5</b>

Operating revenue grew 6.4% mainly from higher Equipment sales and Mobile Communications revenue. EBITDA declined 15%, reflecting seasonally higher selling costs in the quarter combined with increased demand for new smartphones.

**SECTION 2 : GROUP CONSUMER****AUSTRALIA CONSUMER SUMMARY INCOME STATEMENTS**  
**For The Third Quarter And Nine Months Ended 31 December 2015**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 A\$ m	2014 A\$ m		2015 A\$ m	2014 A\$ m	
<b>Operating revenue</b>	<b>2,015</b>	<b>1,907</b>	<b>5.7</b>	<b>5,844</b>	<b>5,362</b>	<b>9.0</b>
Operating expenses	(1,433)	(1,344)	6.6	(4,111)	(3,734)	10.1
	582	563	3.3	1,733	1,628	6.5
Other income	26	18	50.3	68	53	27.3
<b>EBITDA</b>	<b>608</b>	<b>580</b>	<b>4.8</b>	<b>1,800</b>	<b>1,681</b>	<b>7.1</b>
<b>- margin</b>	<b>30.2%</b>	<b>30.4%</b>		<b>30.8%</b>	<b>31.3%</b>	
<b>EBIT</b>	<b>320</b>	<b>304</b>	<b>5.3</b>	<b>927</b>	<b>871</b>	<b>6.4</b>

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 A\$ m	2014 A\$ m		2015 A\$ m	2014 A\$ m	
Incoming	241	253	-4.6	722	702	3.0
Outgoing	935	912	2.5	2,763	2,675	3.3
<b>Total Mobile Service</b>	<b>1,176</b>	<b>1,165</b>	<b>1.0</b>	<b>3,486</b>	<b>3,376</b>	<b>3.2</b>
Equipment	371	292	27.2	985	649	51.8
<b>Total Mobile Revenue</b>	<b>1,547</b>	<b>1,457</b>	<b>6.2</b>	<b>4,471</b>	<b>4,025</b>	<b>11.1</b>
Voice <sup>(1)</sup>	104	114	-8.8	313	346	-9.5
Broadband <sup>(1)</sup>	124	133	-6.8	382	390	-1.9
Pay TV	24	19	25.5	70	57	22.1
Mass Market Fixed On-net	251	265	-5.3	765	793	-3.5
Mass Market Fixed Off-net <sup>(2)</sup>	53	23	130.9	112	48	131.8
<b>Total Mass Market Fixed</b>	<b>304</b>	<b>288</b>	<b>5.5</b>	<b>877</b>	<b>841</b>	<b>4.3</b>
Data & IP	61	59	4.1	181	181	0.1
Voice	32	32	-1.0	102	101	1.2
Satellite	70	71	-0.7	212	213	-0.6
<b>Total Wholesale Fixed</b>	<b>163</b>	<b>162</b>	<b>0.9</b>	<b>495</b>	<b>495</b>	<b>**</b>
<b>Operating revenue</b>	<b>2,015</b>	<b>1,907</b>	<b>5.7</b>	<b>5,844</b>	<b>5,362</b>	<b>9.0</b>

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

**Notes:**

(1) Comparatives have been restated to be consistent with the current periods.

(2) Included NBN migration and site preparation revenue of A\$28M (Q3 FY2015: A\$13M) for the quarter and A\$53M for the nine months ended 31 December 2015 (YTD-December 2014: A\$23M).

**SECTION 2 : GROUP CONSUMER**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 A\$ m	2014 A\$ m		2015 A\$ m	2014 A\$ m	
Selling & administrative <sup>(1)</sup>	423	466	-9.3	1,238	1,355	-8.7
Cost of sales	416	311	33.8	1,109	724	53.2
Traffic expenses	360	360	0.1	1,073	1,018	5.3
Staff costs <sup>(1)</sup>	184	166	10.8	538	506	6.3
Repair & maintenance	34	27	26.4	106	91	16.3
Others	17	14	17.9	47	39	20.0
<b>Operating expenses</b>	<b>1,433</b>	<b>1,344</b>	<b>6.6</b>	<b>4,111</b>	<b>3,734</b>	<b>10.1</b>

**Note:**

(1) Comparatives have been restated to be consistent with the current periods.

**AUSTRALIA CONSUMER OPERATING PERFORMANCE****For The Third Quarter Ended 31 December 2015**

This quarter, Australia Consumer reported operating revenue growth of 5.7% and EBITDA increase of 4.8%. The revenue increase was mainly driven by stronger Equipment sales and sustained growth in mobile and fixed.

Outgoing mobile service revenue grew 2.5% (up 8.2% excluding the impact of device repayment plan credits) as 'My Plan' offers continued to drive postpaid handset customer additions. The postpaid handset customer base grew 93,000 this quarter (branded handset customer base grew 89,000), excluding the impact of the TPG's wholesale customers who deactivated during the quarter. Incoming service revenue declined due to lower inbound roaming revenues (partly caused by a change in roaming rate from gross basis to net basis for a major roaming partner) and moderation of domestic voice and SMS usage.

Prepaid handset service revenue grew 2.4%, attributable to higher prepaid ARPU as customers consumed more data on their prepaid plans. The prepaid handset customer base grew 61,000 this quarter.

The number of 4G mobile customers increased by 312,000 this quarter, resulting in the total 4G customer base increasing to 4.39 million at 31 December 2015, up from 4.08 million<sup>3</sup> a quarter ago.

Building on the partnership with Cricket Australia, Optus signed up as the principal partner of the Melbourne Stars for the current and next two Big Bash cricket seasons in the quarter.

Optus continued its drive to become a mobile-led multimedia company, by entering into a 10-year partnership agreement with the Australian Olympic Committee as the official telecommunications partner of the Australian Olympic team. Optus also announced that Usain Bolt, one of the world's greatest athletes, is the new face of the Optus network in its advertising, symbolising the drive for relentless improvement.

<sup>3</sup> Including Enterprise customers, total Optus 4G customers increased from 4.13 million to 4.45 million.

## SECTION 2 : GROUP CONSUMER

Optus' mobile network investment continued, reaching 92% 4G population coverage with 4G available on 4,451 sites, of which 3,240 have been upgraded to 700 MHz spectrum, as of 31 January 2016.

In Mass Market Fixed, operating revenue grew 5.5% from higher off-net revenue driven mainly by an increase of 16,000 in the NBN broadband customer base and an increased take-up of Optus TV.

Wholesale fixed revenue was stable as lower voice and satellite revenues were offset by higher Data and IP revenues.

Total operating expenses increased 6.6%. The increase in cost of sales was in line with higher Equipment sales. Staff costs increased due to annual salary increases and accrual adjustments in the corresponding quarter. The increases were partially offset by lower selling and administrative expenses of 9.3% mainly due to lower customer acquisition and retention costs as a result of higher take-up of device repayment plans.

Overall EBITDA increased A\$28 million or 4.8%. EBIT grew A\$16 million or 5.3% with higher depreciation and amortisation charges from increased investments in the mobile network and spectrum (700 MHz spectrum was released on 1 January 2015).

### For The Nine Months Ended 31 December 2015

For the nine months ended 31 December 2015, operating revenue grew 9.0% driven by stronger mobile and fixed off-net revenues, with EBITDA and EBIT up by 7.1% and 6.4% respectively. Operating expenses increased 10% as higher revenues drove increases in cost of sales and traffic expenses.

## SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2015 were as follows:

	Quarter		QOQ Chge %
	31 Dec 2015 A\$ m	30 Sep 2015 A\$ m	
<b>Operating revenue</b>	<b>2,015</b>	<b>1,921</b>	<b>4.9</b>
Operating expenses	(1,433)	(1,316)	8.9
<b>EBITDA</b>	<b>608</b>	<b>625</b>	<b>-2.8</b>
<b>- margin</b>	<b>30.2%</b>	<b>32.5%</b>	
Depreciation & amortisation	(288)	(294)	-2.2
<b>EBIT</b>	<b>320</b>	<b>331</b>	<b>-3.3</b>

Operating revenue grew 4.9% mainly from higher Equipment sales. EBITDA and EBIT declined by 2.8% and 3.3% respectively due to higher selling and administrative expenses.

## SECTION 3 : GROUP ENTERPRISE

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### GROUP ENTERPRISE

#### MANAGEMENT DISCUSSION AND ANALYSIS

**Group Enterprise** provides comprehensive and integrated ICT solutions to enterprise customers in Singapore, Australia, U.S.A and the region, covering mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT services and professional consulting.

From 1 April 2015, Singtel refined the revenue/ cost allocation methodologies between the various business units in Singapore. The comparatives for Group Enterprise have been restated to be consistent with current periods. See **Appendix 5** for more details.

With the integration of NetLink Trust and OpenNet on 1 October 2014, Singtel relinquished its role as the key sub-contractor in respect of fibre rollout and maintenance.

Trustwave, a cyber security company acquired on 1 September 2015, was consolidated with effect from 30 September 2015 under 'Singapore'<sup>4</sup> segment in this report. Trustwave is a managed cyber security services provider that provides on-demand data security and payment card industry compliance management solutions to businesses and organisations worldwide. The financial highlights shown below excluded the results of Trustwave and fibre rollout and maintenance business in order to better reflect the underlying trends of the businesses.

#### FINANCIAL HIGHLIGHTS

##### FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

- **Operating revenue at S\$1.60 billion – up 2.8%.**
- **EBITDA at S\$487 million – up 1.6%.**
- **EBIT at S\$337 million – up 3.4%.**
- **In constant currency terms, operating revenue, EBITDA and EBIT increased by 5.3%, 3.1% and 4.4% respectively.**

##### FOR THE NINE MONTHS ENDED 31 DECEMBER 2015

- **Operating revenue and EBITDA stable at S\$4.64 billion and \$1.48 billion respectively.**
- **EBIT at S\$1.03 billion – up 1.5%.**
- **In constant currency terms, operating revenue, EBITDA and EBIT grew by 3.4%, 2.4% and 2.8% respectively.**

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<sup>4</sup> "Singapore" refers to all geographies other than Australia.



## SECTION 3 : GROUP ENTERPRISE

**GROUP ENTERPRISE SUMMARY INCOME STATEMENTS**  
**For The Third Quarter And Nine Months Ended 31 December 2015**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	Restated 2014 S\$ m		2015 S\$ m	Restated 2014 S\$ m	
<b>Operating revenue</b>	<b>1,677</b>	<b>1,559</b>	<b>7.6</b>	<b>4,718</b>	<b>4,712</b>	<b>0.1</b>
Operating expenses	(1,192)	(1,077)	10.7	(3,256)	(3,191)	2.0
	484	482	0.6	1,462	1,521	-3.9
Other income <sup>(1)</sup>	5	9	-47.3	23	21	8.2
<b>EBITDA</b>	<b>489</b>	<b>491</b>	<b>-0.3</b>	<b>1,484</b>	<b>1,542</b>	<b>-3.7</b>
<b>- margin</b>	<b>29.2%</b>	<b>31.5%</b>		<b>31.5%</b>	<b>32.7%</b>	
Depreciation & amortisation	(161)	(153)	5.4	(460)	(457)	0.6
<b>EBIT</b>	<b>328</b>	<b>338</b>	<b>-2.9</b>	<b>1,025</b>	<b>1,085</b>	<b>-5.6</b>
<b><u>Excluding Fibre rollout &amp; maintenance</u></b>						
Operating revenue	1,677	1,559	7.6	4,718	4,631	1.9
EBITDA	489	479	2.2	1,484	1,474	0.7
EBIT	328	326	0.6	1,025	1,018	0.6
<b><u>Excluding Trustwave and fibre rollout &amp; maintenance</u></b>						
Operating revenue	1,602	1,559	2.8	4,643	4,631	0.3
EBITDA	487	479	1.6	1,482	1,474	0.5
EBIT	337	326	3.4	1,034	1,018	1.5

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	Restated 2014 S\$ m		2015 S\$ m	Restated 2014 S\$ m	
Cost of sales	383	367	4.4	1,065	1,053	1.1
Staff costs	322	310	3.8	928	931	-0.4
Selling & administrative	207	215	-3.7	602	595	1.2
Traffic expenses	179	170	5.1	511	517	-1.1
Repairs, maintenance and other expenses/ recoveries	30	27	9.5	79	81	-3.4
<b>Operating expenses</b>	<b>1,120</b>	<b>1,089</b>	<b>2.9</b>	<b>3,184</b>	<b>3,178</b>	<b>0.2</b>
Trustwave	72	-	nm	72	-	nm
Fibre rollout and maintenance	-	(12)	nm	-	13	nm
<b>Total operating expenses</b>	<b>1,192</b>	<b>1,077</b>	<b>10.7</b>	<b>3,256</b>	<b>3,191</b>	<b>2.1</b>

**Note:**

(1) Other income include trade foreign exchange differences, rental income, gain or loss on disposal of property, plant and equipment, and other recoveries.

## SECTION 3 : GROUP ENTERPRISE

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### GROUP ENTERPRISE OPERATING HIGHLIGHTS

#### For the Third Quarter Ended 31 December 2015

For the quarter and period ended 31 December 2015, Trustwave contributed S\$75 million in operating revenue, S\$3 million in EBITDA and S\$8 million in net loss.

Including Trustwave, Singapore contributed 75% (Q3 FY2015: 73%) and 85% (Q3 FY 2015: 84%) to Group Enterprise's operating revenue and EBITDA respectively.

Despite weaker market sentiment amid slowing economies, Singtel strengthened its market leadership position in International IP-VPN services in Asia Pacific excluding Japan, as well as in Singapore domestic data<sup>5</sup>, and enhanced its capabilities in cyber security, cloud computing and smart nation solutions. Operating revenue grew 7.6% with full quarter's revenue from Trustwave and stronger ICT performance across Singapore and Australia. Excluding Trustwave, operating revenue grew 2.8%. If the Australian Dollar was held constant against the Singapore Dollar, it would have increased 5.3%.

Singapore Enterprise's underlying revenue grew 3.6% mainly driven by higher ICT and Data and Internet revenues. In Australia, Enterprise revenue increased 9.7% on stronger ICT and Managed Services including one-off project revenues, and was stable in Singapore Dollar terms.

The underlying operating expenses increased 2.9%. Staff costs increased 3.8% with higher average headcount on increased IT hirings to deliver revenue growth as well as conversions of certain contract staff to permanent staff, mitigated by the impact of a weaker Australian Dollar and bonus accrual adjustments. Selling and administrative expenses decreased 3.7% due mainly to a weaker Australian Dollar, partially offset by increased mobile customer acquisition and retention costs. Traffic expenses increased due to write-back of some accruals in the last corresponding quarter not repeated this quarter, partially offset by lower outpayments. Trustwave's operating expenses comprised mainly staff costs, service delivery and other product development costs.

Other income decreased due mainly to foreign exchange losses recognised on revaluation of trade monetary balances. EBITDA grew 2.2% and EBIT was stable.

Excluding Trustwave and fibre rollout and maintenance, EBITDA and EBIT grew 1.6% and 3.4% respectively. In constant currency terms, EBITDA and EBIT would have increased by 3.1% and 4.4% respectively.

During the quarter, Singtel continued to gain recognition for its innovative solutions. Singtel's 'Managed Hybrid Network' won the Best Enterprise Service category at the recent World Communications Award 2015 – widely regarded as one of the most prestigious awards in the industry. The solution allows businesses to simplify management of different networks cost-effectively and in a secure manner, without compromising on business performance.

In Asia Pacific, Singtel signed a Memorandum Of Understanding with Globe to enhance Globe's cyber security capabilities with Trustwave Managed Security Services. At the global front, Trustwave entered into a strategic partnership with Rogers Communications Inc. to provide Trustwave Managed Security Services (MSS) in Canada.

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<sup>5</sup> Source: IDC Telecom Services Database Asia-Pacific 1H 2015 (Jan 2016).

**SECTION 3 : GROUP ENTERPRISE****For the Nine Months Ended 31 December 2015**

For the nine months ended 31 December 2015, operating revenue and EBITDA remained stable while EBIT grew 1.5%. If the Australian Dollar was held constant against the Singapore Dollar, operating revenue, EBITDA and EBIT would have increased by 3.4%, 2.4% and 2.8% respectively.

**SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 30 September 2015 were as follows:

	Quarter		QOQ Chge %
	31 Dec 2015 S\$ m	30 Sep 2015 S\$ m	
<b>Operating revenue</b>	<b>1,677</b>	<b>1,538</b>	<b>9.0</b>
Operating expenses	(1,192)	(1,036)	15.1
Other income	5	10	-51.0
<b>EBITDA</b>	<b>489</b>	<b>512</b>	<b>-4.4</b>
<b>- margin</b>	<b>29.2%</b>	<b>33.3%</b>	
Depreciation & amortisation	(161)	(150)	7.6
<b>EBIT</b>	<b>328</b>	<b>362</b>	<b>-9.3</b>
<b><u>Excluding Trustwave</u></b>			
Operating revenue	1,602	1,538	4.2
EBITDA	487	512	-4.8
EBIT	337	362	-6.8

Excluding the results of Trustwave, operating revenue grew 4.2% mainly due to increased ICT contribution from Australia in the quarter. The increase in operating expenses was due mainly to higher mobile customer retention costs and higher performance share and bonus expenses. Other income was lower due mainly to foreign exchange losses recognised on revaluation of monetary trade balances this quarter. Consequently, EBITDA and EBIT declined by 4.8% and 6.8% respectively.

## SECTION 3 : GROUP ENTERPRISE

## SINGAPORE ENTERPRISE

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m	2015 S\$ m	2014 S\$ m		
Managed services <sup>(1)</sup>	299	286	4.6	886	860	2.9
Business solutions <sup>(2)</sup>	169	154	9.5	463	441	5.1
ICT	468	440	6.3	1,349	1,301	3.7
Data and Internet <sup>(3)</sup>	342	328	4.2	1,012	969	4.4
Mobile communications	206	205	0.7	612	610	0.3
International telephone	50	50	-1.4	154	165	-6.3
National telephone	44	45	-2.7	133	136	-2.6
Sale of equipment	41	35	17.2	92	75	22.4
Miscellaneous	31	36	-15.9	74	79	-7.2
<b>Operating revenue</b>	<b>1,181</b>	<b>1,139</b>	<b>3.6</b>	<b>3,424</b>	<b>3,335</b>	<b>2.7</b>
Trustwave	75	-	nm	75	-	nm
Fibre rollout & maintenance	-	-	-	-	81	nm
<b>Total revenue</b>	<b>1,255</b>	<b>1,139</b>	<b>10.2</b>	<b>3,499</b>	<b>3,416</b>	<b>2.4</b>
<b>EBITDA <sup>(4)</sup></b>	<b>414</b>	<b>413</b>	<b>0.1</b>	<b>1,254</b>	<b>1,293</b>	<b>-3.0</b>
<b>(ex-Trustwave and fibre rollout &amp; maintenance)</b>	<b>411</b>	<b>401</b>	<b>2.5</b>	<b>1,251</b>	<b>1,226</b>	<b>2.1</b>

**Notes:**

- (1) Include facility management, managed and 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 local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.  
(4) Comparatives have been restated to be consistent with the current periods.

The underlying operating revenue increased by 3.6% driven mainly by strong growth in ICT, Data and Internet, and Equipment sales.

Overall ICT revenue increased 6.3%. Managed Services revenue grew 4.6% from the provision of managed security and government infrastructure services and the continued on-boarding of Singapore government agencies to the G-Cloud platform. This was partly offset by lower project related equipment services revenue. Business Solutions revenue grew 9.5% from increased application development and maintenance projects.

NCS continued to maintain a healthy order book of S\$2.1 billion as at 31 December 2015. In the quarter, NCS collaborated with Cisco to enhance Singapore Polytechnic's ("SP") educational technology so as to cultivate a holistic smart campus. With this collaboration, SP will be a microcosm for Singapore's Smart Nation programme.

Data and Internet revenue grew 4.2% from increased demand for both international and domestic circuits and bandwidth.

Mobile Communications revenue was stable on the back of a higher customer base and increased mix of customers on tiered data and roaming plans partially offset by lower roaming.

## SECTION 3 : GROUP ENTERPRISE

Trustwave's revenue comprised mainly cyber security subscription services, professional services and product sales.

### AUSTRALIA ENTERPRISE

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 A\$ m	2014 A\$ m		2015 A\$ m	2014 A\$ m	
ICT and Managed Services	176	130	35.7	461	384	20.0
Data and IP	82	89	-8.3	248	272	-8.8
Voice	85	86	-0.8	261	262	-0.3
Mobile <sup>(1)</sup>	73	74	-1.8	222	215	3.4
<b>Operating revenue <sup>(2)</sup></b>	<b>416</b>	<b>379</b>	<b>9.7</b>	<b>1,192</b>	<b>1,133</b>	<b>5.2</b>
<b>EBITDA</b>	<b>75</b>	<b>70</b>	<b>6.6</b>	<b>225</b>	<b>217</b>	<b>3.9</b>

**Notes:**

(1) Include mobile service revenue and sale of equipment revenue.

(2) Excludes small and medium business segment which is reported under Australia Consumer.

ICT and Managed Services revenue grew 36% mainly driven by stronger product and maintenance sales and one-off project revenues.

Data and IP revenue declined 8.3% from continued price competition, migration of legacy data services to IP network solutions and customer-led rationalisation of services.

Voice revenue decreased slightly, compared to the industry's decline of 8%<sup>6</sup>. The decrease was due to price erosions and declines in switched voice as businesses migrated to lower cost IP-based voice solutions.

Mobile revenue was down 1.8% from lower Equipment sales and roaming, partially offset by higher value added services (corporate messaging and M2M services).

During the quarter, Optus Business signed a major three-year agreement with the Department of Immigration and Border Protection ("DIBP") to supply end-to-end telecommunications and managed IT services, including supporting approximately 1,000 Wireless Access Points and 1,000 LAN switches across 200 sites in Australia delivered as an integrated managed service. Under the agreement, Optus will also support the integration of the telecommunications and ICT services of the former Australian Customs and Border Protection Service and the DIBP.

<sup>6</sup> Source: IDC's Fixed Line semi-annual tracker.

**SECTION 4 : GROUP DIGITAL LIFE**

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**GROUP DIGITAL LIFE****MANAGEMENT DISCUSSION AND ANALYSIS**

**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 into adjacent businesses where it has a competitive advantage.

From 1 April 2015, GDL had sharpened its strategy to focus on three key businesses – digital marketing (Amobee), regional premium video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel’s digital innovation engine through Innov8. Certain businesses such as AMPed, Dash, Hungry-Go-Where, inSing.com and Newsloop which were previously within GDL were transferred to Singapore Consumer. To better reflect the underlying performance, the results for the respective comparative periods have been restated on the basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from the refinement of revenue/ cost allocation methodologies between the various business units in Singapore. See **Appendix 5** for more details.

**FINANCIAL HIGHLIGHTS****FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

- **Operating revenue at S\$120 million – up 23%.**
- **Negative EBITDA at S\$33 million.**
- **Including amortisation of acquired intangibles, negative EBIT at S\$51 million.**

**FOR THE NINE MONTHS ENDED 31 DECEMBER 2015**

- **Operating revenue at S\$334 million – up 60%.**
- **Negative EBITDA at S\$98 million.**
- **Including amortisation of acquired intangibles, negative EBIT at S\$149 million.**

**SECTION 4 : GROUP DIGITAL LIFE****GROUP DIGITAL LIFE SUMMARY INCOME STATEMENTS**  
**For The Third Quarter And Nine Months Ended 31 December 2015**

	Quarter		YOY Chge %	Nine Months ended		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	Restated 2014 S\$ m		2015 S\$ m	Restated 2014 S\$ m	
Digital <sup>(1)</sup>	133	107	23.9	371	232	59.7
Others <sup>(2)</sup>	2	3	-31.5	5	16	-68.9
<b>Operating revenue</b>	<b>135</b>	<b>110</b>	<b>22.3</b>	<b>376</b>	<b>248</b>	<b>51.4</b>
Intercompany eliminations	(15)	(12)	18.2	(42)	(40)	4.8
<b>Operating revenue</b>	<b>120</b>	<b>98</b>	<b>22.8</b>	<b>334</b>	<b>208</b>	<b>60.3</b>
Operating expenses	(152)	(137)	10.9	(431)	(325)	32.4
	(32)	(39)	-18.7	(96)	(117)	-17.5
Other losses	(1)	(1)	**	(2)	(1)	129
<b>EBITDA</b>	<b>(33)</b>	<b>(40)</b>	<b>-18.1</b>	<b>(98)</b>	<b>(118)</b>	<b>-16.6</b>
Depreciation	(5)	(7)	-26.5	(14)	(13)	5.3
Amortisation of intangibles	(13)	(10)	23.3	(37)	(36)	2.5
	(18)	(17)	3.5	(51)	(49)	3.3
<b>EBIT</b>	<b>(51)</b>	<b>(57)</b>	<b>-11.7</b>	<b>(149)</b>	<b>(167)</b>	<b>-10.7</b>
<b>Amobee group</b>						
Operating revenue	133	107	23.9	371	232	59.7
Intercompany eliminations	(14)	(12)	16.3	(41)	(40)	2.8
Operating revenue	118	95	24.9	330	192	71.6
EBITDA	(5)	(19)	-74.4	(33)	(44)	-25.2
EBIT	(14)	(28)	-48.8	(60)	(69)	-12.1

\*A negative sign for year-on-year change in EBITDA and EBIT denotes decrease in losses.

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

**Notes:**

(1) Mainly digital marketing (which includes digital advertising) revenue from Amobee group.

(2) In FY 2015, other revenues were mainly from marginal businesses no longer in operation.

**SECTION 4 : GROUP DIGITAL LIFE**

	Quarter		YOY Chge %	Nine Months ended		YOY Chge %
	31 Dec			31 Dec		
	Restated			Restated		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
Cost of sales	86	70	22.5	232	144	61.4
Staff costs	36	43	-17.1	123	107	15.0
Selling & administrative	27	21	28.6	64	68	-6.4
Others	4	3	24.1	11	6	86.9
<b>Operating expenses</b>	<b>152</b>	<b>137</b>	<b>10.9</b>	<b>431</b>	<b>325</b>	<b>32.4</b>

**GROUP DIGITAL LIFE OPERATING HIGHLIGHTS****For The Third Quarter Ended 31 December 2015**

Operating revenue for the quarter grew 23% to S\$120 million (Q3 FY2015: S\$98 million) driven by higher advertising revenue mainly from mobile, video and social.

Negative EBITDA decreased by 18% to S\$33 million, reflecting business rationalisation and improved gross margins. The increase in cost of sales was in line with higher revenue. The lower staff costs were due mainly to lower staff incentive accruals. Negative EBIT was S\$51 million, after accounting for depreciation and amortisation of acquired intangibles for Amobee group.

If the US Dollar was held constant against the Singapore Dollar from a year ago, operating revenue would have increased by 13% while negative EBITDA and EBIT would have decreased by 24% and 19% respectively.

Amobee's businesses continued to gain scale. Key customer wins during the quarter include Microsoft, FIAT and Lexus. During the quarter, Amobee launched two innovative products, 'Mobile Display Guaranteed In-View' and 'Amobee Outstream Video' to accelerate growth in mobile and video. 'Mobile Display Guaranteed In-View' allows advertisers to only pay for mobile display impressions that are deemed viewable and brand safe prior to serving an advertisement, hence eliminating waste and improve on cost effectiveness. 'Amobee Outstream Video', powered by Amobee Brand Intelligence, allows next generation video advertising within premium editorial content and is fully customisable and interactive. Advertisements will only be launched and played when viewable and they reach users throughout the day even when users change devices.

The publisher platform of Amobee continued to rank first on the Mobile Seller Trust Index based on highest quality inventory, the first ever independent mobile in-app inventory quality ranking by Pivalate<sup>7</sup>.

HOOQ, which offers regional premium video, continued to expand its "Best of Hollywood" offering through the launch of exclusive hot titles direct from the US and its "Best of Local" offering by adding studio relationships across Asia. HOOQ became the first OTT premium play in the world to introduce sachet access to Hollywood and local premium content in India through its partnership with Airtel's Wynk movie store.

<sup>7</sup> Pivalate, Inc. is a leading global intelligence platform and real-time fraud protection provider.



## SECTION 4 : GROUP DIGITAL LIFE

DataSpark continued to see increased demand for its advanced analytics and intelligence services from the Group's associates as well as the public sector.

In the quarter, GDL launched Innov8 Connect to crowdsource smart solutions from start-ups to address business challenges faced by Singtel Group.

### For The Nine Months Ended 31 December 2015

Operating revenue for the nine months increased by 60% to S\$334 million (YTD December 2014: S\$208 million). Negative EBITDA and EBIT were at S\$98 million (YTD December 2014: S\$118 million) and S\$149 million (YTD December 2014: S\$167 million) respectively. If the US Dollar was held constant against the Singapore Dollar from a year ago, operating revenue for the current period would have grown by 48% while negative EBITDA and EBIT would have decreased by 20% and 17% respectively.

### SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2015 were as follows:

	Quarter		QOQ Chge %
	31 Dec 2015 S\$ m	30 Sep 2015 S\$ m	
<b>Operating revenue (before intercompany eliminations)</b>	<b>135</b>	<b>126</b>	<b>7.0</b>
<i>Intercompany eliminations</i>	(15)	(15)	-0.8
<b>Operating revenue</b>	<b>120</b>	<b>111</b>	<b>8.0</b>
Operating expenses	(152)	(144)	5.6
<b>EBITDA</b>	<b>(33)</b>	<b>(34)</b>	<b>-2.9</b>
<b>EBIT</b>	<b>(51)</b>	<b>(51)</b>	<b>-0.4</b>

Compared to a quarter ago, negative EBITDA decreased by 2.9% with revenue increase from Amobee partly offset by HOOQ's start-up costs.

**SECTION 5: ASSOCIATES / JOINT VENTURES**

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**FINANCIAL HIGHLIGHTS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

- Associates' pre-tax and post-tax contributions both grew 4.7% with strong earnings growth at AIS and NetLink Trust.
- The Group's combined mobile customer base<sup>8</sup> was up 18 million or 3.1% in the quarter to 595 million.

**FOR THE NINE MONTHS ENDED 31 DECEMBER 2015**

- Associates' pre-tax and post-tax contributions grew by 7.1% and 7.2% respectively mainly on higher earnings at Telkomsel, AIS and NetLink Trust.
- If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions from the associates would have increased by 7.8% and 8.3% respectively.

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<sup>8</sup> 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 <sup>(1)</sup>	Equity Int %	Quarter		YOY Chge %	Nine Months		YOY Chge %
		31 Dec			31 Dec		
		2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Regional mobile associates</b>							
Telkomsel	35.0						
- operating results		274	268	2.2	824	748	10.2
- fair value gains/ (losses)		1	5	-74.0	(1)	(5)	-88.9
		276	273	0.8	823	743	10.9
Bharti Telecom/ Bharti Airtel ("Airtel") <sup>(2)(3)</sup>	32.5						
- operating results (India and South Asia)		273	243	12.2	820	705	16.3
- operating results (Africa)		17	30	-42.3	50	95	-47.5
- net finance costs		(94)	(33)	183.2	(244)	(132)	84.9
- fair value losses		(2)	(37)	-94.1	(112)	(72)	54.8
		194	202	-4.4	514	596	-13.8
AIS	23.3						
- operating results		121	113	6.9	341	311	9.7
- fair value gains/ (losses)		2	*	nm	1	1	-18.2
		123	113	8.7	342	312	9.6
Globe	47.2						
- operating results		57	57	1.2	231	217	6.4
- fair value (losses)/ gains		(2)	1	nm	(6)	1	nm
		56	57	-3.1	225	219	3.1
		<b>647</b>	<b>646</b>	<b>0.2</b>	<b>1,904</b>	<b>1,869</b>	<b>1.9</b>
<b>Other Singtel associates</b>							
NetLink Trust <sup>(4)</sup>	100.0						
- operating results		14	1	@	28	(13)	nm
- amortisation of deferred gain		17	16	5.6	51	45	13.8
		31	17	85.0	79	32	145.8
Others		20	21	-2.9	64	59	8.8
<b>Singtel share of ordinary results (pre-tax)</b>		<b>698</b>	<b>683</b>	<b>2.2</b>	<b>2,048</b>	<b>1,960</b>	<b>4.5</b>
<b>Optus share of ordinary results (pre-tax)</b>		<b>*</b>	<b>*</b>	<b>nm</b>	<b>*</b>	<b>*</b>	<b>nm</b>
<b>Group share of ordinary results (pre-tax)</b>		<b>698</b>	<b>683</b>	<b>2.2</b>	<b>2,048</b>	<b>1,960</b>	<b>4.5</b>
<b>Exceptional item ("EI")</b>							
Globe - gains on disposal/ deemed disposal <sup>(5)</sup>		-	-	-	22	-	nm
Airtel - one-off items		-	(16)	nm	-	(27)	nm
<b>Group share of EI</b>		<b>-</b>	<b>(16)</b>	<b>nm</b>	<b>22</b>	<b>(27)</b>	<b>nm</b>
<b>Singtel share of pre-tax profit <sup>(3)</sup></b>		<b>698</b>	<b>667</b>	<b>4.7</b>	<b>2,070</b>	<b>1,933</b>	<b>7.1</b>
<b>Optus share of pre-tax profit</b>		<b>*</b>	<b>*</b>	<b>nm</b>	<b>*</b>	<b>*</b>	<b>nm</b>
<b>Group share of pre-tax profit <sup>(3)</sup></b>		<b>698</b>	<b>667</b>	<b>4.7</b>	<b>2,070</b>	<b>1,933</b>	<b>7.1</b>
<b>(excluding fair value losses)</b>		<b>699</b>	<b>699</b>	<b>**</b>	<b>2,188</b>	<b>2,009</b>	<b>8.9</b>
<b>Group share of taxes</b>		<b>219</b>	<b>209</b>	<b>4.7</b>	<b>668</b>	<b>625</b>	<b>6.9</b>
<b>Effective tax rate</b>		<b>31.4%</b>	<b>31.4%</b>		<b>32.3%</b>	<b>32.3%</b>	

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter				YOY Chge %	Nine Months				YOY Chge %
	31 Dec					31 Dec				
	2015		2014			2015		2014		
	S\$ m	% <sup>(6)</sup>	S\$ m	% <sup>(6)</sup>		S\$ m	% <sup>(6)</sup>	S\$ m	% <sup>(6)</sup>	
<b>Regional mobile associates</b>										
Telkomsel	208	22	206	21	0.6	618	22	559	20	10.6
Airtel <sup>(2)(3)</sup>										
- ordinary results (India and South Asia)	131		174		-24.7	402		475		-15.3
- ordinary results (Africa)	(34)		(57)		-40.3	(177)		(163)		9.0
	97		117		-17.2	225		312		-27.9
- exceptional items	-		(20)		nm	-		(30)		nm
	97	10	97	10	-0.3	225	8	282	10	-20.1
ALS	99	10	84	9	17.5	271	10	242	9	12.0
Globe										
- ordinary results	37		40		-8.7	154		151		2.0
- exceptional items	-		-		-	20		-		nm
	37	4	40	4	-8.7	174	6	151	5	15.3
	<b>440</b>	<b>46</b>	<b>428</b>	<b>44</b>	<b>2.8</b>	<b>1,289</b>	<b>46</b>	<b>1,234</b>	<b>44</b>	<b>4.4</b>
<b>Other Singtel associates</b>										
NetLink Trust <sup>(4)</sup>										
- operating results	9		1		@	20		(11)		nm
- amortisation of deferred gain	14		13		6.1	42		37		13.8
	23	2	14	1	66.4	62	2	26	1	137.9
Others	17	2	17	2	-2.9	54	2	49	2	10.0
<b>Singtel share of post-tax profit<sup>(3)</sup></b>	<b>480</b>	<b>50</b>	<b>459</b>	<b>47</b>	<b>4.5</b>	<b>1,405</b>	<b>50</b>	<b>1,310</b>	<b>46</b>	<b>7.3</b>
<b>Optus share of post-tax profit</b>	<b>*</b>	<b>**</b>	<b>(1)</b>	<b>**</b>	<b>nm</b>	<b>(3)</b>	<b>**</b>	<b>(1)</b>	<b>**</b>	<b>130.8</b>
<b>Group share of post-tax profit<sup>(3)</sup></b>	<b>479</b>	<b>50</b>	<b>458</b>	<b>47</b>	<b>4.7</b>	<b>1,402</b>	<b>50</b>	<b>1,308</b>	<b>46</b>	<b>7.2</b>

Post-tax profit contribution (in constant currency) <sup>(7)</sup>	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Regional mobile associates</b>						
- operating results	653	678	-3.6	2,034	1,945	4.6
- fair value losses	(1)	(32)	-98.1	(115)	(75)	52.0
	653	646	1.0	1,920	1,869	2.7
Other associates	51	37	36.8	143	91	57.1
<b>Group share of ordinary results</b>	<b>704</b>	<b>683</b>	<b>3.0</b>	<b>2,063</b>	<b>1,960</b>	<b>5.2</b>
Group share of exceptional items	-	(16)	nm	21	(27)	nm
<b>Group share of pre-tax profit</b>	<b>704</b>	<b>667</b>	<b>5.5</b>	<b>2,084</b>	<b>1,933</b>	<b>7.8</b>
Group share of tax expense	(219)	(209)	4.7	(667)	(625)	6.8
<b>Group share of post-tax profit</b>	<b>485</b>	<b>458</b>	<b>5.8</b>	<b>1,417</b>	<b>1,308</b>	<b>8.3</b>

**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.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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- (2) The Group's equity interest in Airtel increased to 32.49% from 32.43% a quarter ago following Bharti Telecom Ltd's additional investment in Airtel in December 2015 quarter.
- (3) Share of results excluded the Group's share of certain Airtel's exceptional items which have been classified as exceptional items of the Group.
- (4) NetLink Trust is 100% owned by Singtel and is equity accounted as an associate in the Group as Singtel does not control it. The amortisation of deferred gain arose from Singtel's gain on disposal of assets and business transferred to NetLink Trust in prior years, which was deferred in the Group's balance sheet and amortised over the useful lives of the transferred assets.
- (5) Gains on disposal/ deemed disposal relate to Globe's disposal of 51% equity interest in Yondu, Inc. (a former 100% owned subsidiary) and fair valuation of its previously held equity interest of 38.3% in Bayan Telecommunications, Inc.
- (6) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.
- (7) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 31 December 2014.

“\*\*” denotes less than +/- S\$0.5 million, “\*\*\*” denotes less than +/- 0.05% and “@” denotes more than +/-500%.

The Group's share of associates' pre-tax profits grew 4.7% mainly on higher contributions from AIS and NetLink Trust.

Telkomsel registered strong growth in revenue and EBITDA, boosted by higher voice and data revenues. However, its post-tax contribution was stable in Singapore Dollar terms due to a weaker Indonesian Rupiah and higher depreciation charges on network investments. Airtel recorded increases in both consolidated revenue and EBITDA on strong operational results in India partially offset by weaker performance in Africa mainly due to the steep depreciation of the African currencies against the USD. With higher depreciation and spectrum amortisation charges and spectrum related finance costs, overall post-tax contribution from Airtel was stable. AIS recorded higher profit with lower depreciation charges as its 2G assets were fully depreciated. Globe reported higher revenue and EBITDA but its overall profit declined due mainly to higher depreciation charges and interest expense. NetLink Trust's profit improved, led by higher sales.

On a post-tax basis, the associates' contributions were up 4.7% to S\$479 million and contributed 50% to the Group's underlying net profit, up 3 percentage points from the same quarter last year.

### ***PT Telekomunikasi Selular (“Telkomsel”)***

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 103,300 radio base stations (of which 53% are 3G/4G base transceiver stations) providing nationwide coverage. Telkomsel continued to expand its network with a focus on growing data and digital services. In the quarter, Telkomsel added approximately 2,900 radio base stations, of which 91% were 3G/4G.

Operating revenue was up 14% year-on-year fuelled by strong growth across voice, data and digital businesses. Data and digital services rose a robust 48% with higher data usage and continued strong take-up of smartphones. Voice and SMS revenues still grew at 9% and 3% respectively, against declining trends in the industry.

EBITDA rose 9% despite higher operation and maintenance costs from the accelerated network deployment. With higher depreciation charges on the expanded network rollout, the Group's share of Telkomsel's pre-tax profit rose 5% in Indonesian Rupiah terms after including fair value gains.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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With the 4% depreciation of the Indonesian Rupiah against the Singapore Dollar this quarter, the Group's share of Telkomsel's pre-tax profit was stable from a year ago.

On a post-tax basis, Telkomsel's profit contribution for the quarter was stable at S\$208 million which constituted 22% (Q3 FY2015: 21%) of the Group's underlying net profit.

Compared to the preceding quarter, revenue was stable in Indonesian Rupiah terms. Operating expenses increased 10% on higher network costs and marketing expenses. As a result, EBITDA declined 5%.

Telkomsel gained 4.1 million mobile customers in the quarter, compared to 4.5 million added in the preceding quarter. The total mobile customer base grew 12 million or 8.6% from a year ago to 153 million, including 74 million of data customers at end of December 2015.

### ***Bharti Telecom Group ("Airtel")***

Airtel is listed on the Indian Stock Exchanges - National Stock Exchange and the Bombay Stock Exchange. It is a leading integrated telecommunications company with operations in 20 countries across Asia and Africa, offering telecom services under wireless and fixed line technology, national and international long distance connectivity, digital TV and IPTV service and integrated telecom solutions to its enterprise customers. Airtel also owns tower infrastructure pertaining to telecom operations through its subsidiary and joint venture companies.

### ***India, Bangladesh and Sri Lanka ("India and South Asia")***

During the quarter, Airtel announced "Project Leap", its largest capital expenditure of INR 600 billion in the next 3 years. This network transformation program will enable Airtel to improve its network quality and deliver a world class voice and data experience for its customers in India.

Airtel continued its strong operating momentum in India this quarter. Operating revenue grew 9% with strong mobile data increase driven by higher usage and robust customer growth. Total data traffic rose a robust 73% while data ARPU increased 18% to touch the INR 200 mark during the quarter. Year-on-year, total voice minutes on its networks increased by 9% while voice realisation per minute was down 10% partly due to the regulatory change in interconnect usage charges ("**IUC**") effective 1 March 2015.

EBITDA was up strongly by 13% and margin expanded from sustained revenue growth and tighter control on operating expenses. EBIT increased 7% after including higher depreciation charges from network expansion and increased spectrum amortisation charges following launches of 4G as well as 3G on its newly acquired spectrum.

'South Asia' comprised operations in Sri Lanka and Bangladesh. Airtel recorded a 9% increase in operating revenue in South Asia, the highest in six quarters, on strong data revenue growth. However, EBITDA was negative due to higher network and operating costs.

The Group's share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia grew 10% in Indian Rupee terms. With a 2% appreciation of the Indian Rupee against the Singapore Dollar, pre-tax operating profit contribution increased 12% to S\$273 million.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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Compared to the preceding quarter, Airtel's revenue and EBITDA from its India and South Asia operations grew 1% and 2% respectively.

Airtel added 8.1 million mobile customers in India this quarter, up from 4.6 million added in the preceding quarter. As at 31 December 2015, Airtel had 243 million mobile customers in India, an increase of 26 million or 12% from a year ago. The number of data customers grew 13 million or 30% to 55 million, representing 23% of mobile customers.

### Africa

As at 31 December 2015, 'Airtel Money' and 3G mobile were available in all the 17 African countries that Airtel has presence in.

In constant currency terms, Africa's operating revenue and EBITDA grew by 3% and 2% respectively. These were driven by growth in mobile data and 'Airtel Money' services, partly offset by the impact of an IUC rate change in Nigeria and lower operating lease revenue with the divestment of some tower assets. Mobile data revenue grew 41% in constant currency terms on higher usage and increased data penetration. However, the sharp depreciation of certain African currencies had negatively impacted Africa's reported results in US Dollar terms. Consequently, operating revenue declined 14% and EBITDA fell 16% and the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value losses) declined 42% to S\$17 million in the quarter.

Compared to the preceding quarter, Airtel Africa's revenue was stable while EBITDA increased 6% in constant currency terms. With the weaker African currencies, operating revenue declined 2% while EBITDA grew 4%.

Airtel Africa added 1.2 million mobile customers in the quarter, compared to 2.5 million added in the preceding quarter. As at 31 December 2015, the mobile customer base stood at 82 million, an increase of 7.5 million or 10% from a year ago. The number of data customers grew 4.2 million or 37% to 15 million, representing 19% of mobile customers.

During the quarter, Airtel successfully completed the sales of telecom towers in Burkina Faso. The total proceeds from sales of towers in 8 countries up to 31 December 2015 amounted to approximately USD 1.8 billion.

### Overall

Airtel's consolidated revenue, EBITDA and EBIT grew 4%, 8% and 3% respectively.

In Singapore Dollar terms, the Group's share of overall pre-tax ordinary profit from Airtel declined 4.4% to S\$194 million after including net finance costs and fair value losses. The share of net finance costs amounted to S\$94 million, up significantly from S\$33 million. The increase was due mainly to increased spectrum related finance cost and interest on finance lease obligations from the lease back of tower assets, as well as lower investment income. The share of fair value losses (mainly derivatives and forex losses) amounted to S\$2 million, down from S\$37 million in the same quarter last year.

Year-on-year, post-tax ordinary profit contribution from Airtel declined 17% to S\$97 million on higher effective tax rate in India due to expiry and reduction of tax holiday benefits in certain circles.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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The share of Airtel's exceptional post-tax losses of S\$20 million in the corresponding quarter last year included fair value losses arising from the translation of foreign currency denominated liabilities in Nigeria from the one-off re-instatement of Central Bank administered rates to open market exchange rates, as well as provisions on various disputes and tax charges.

Overall post-tax profit contribution from Airtel was stable and contributed 10% (Q3 FY2015: 10%) to the Group's underlying net profit. This contribution excluded Airtel's exceptional items in this quarter which comprised mainly of staff restructuring costs in Africa and network re-farming and upgrading costs, partially offset by gains from the divestment of telecom tower assets. The Group's share of this net exceptional loss of S\$19 million has been classified as an exceptional item of the Group (see Page 13).

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 grew 36 million or 12% from a year ago to 336 million as at 31 December 2015.

In the quarter, Airtel completed the acquisition of 100% of Augere Wireless Broadband India Pvt. Ltd., which holds 20 MHz of 2300 band spectrum in the telecom circles of Madhya Pradesh and Chhattisgarh Augere.

On 13 January 2016, Airtel signed a definitive agreement with Orange to sell its operations in Burkina Faso and Sierra Leone. The transactions are subject to regulatory approvals and other closing conditions. The previous exclusive agreement for the sales of operations in Congo B and Chad has lapsed.

On 28 January 2016, Airtel and Axiata Group Berhad signed a definitive agreement to merge their respective telecommunication subsidiaries in Bangladesh. The proposed transaction is subject to conditions precedent and is expected to complete in the first half of 2016. Upon completion, Airtel will hold 25% in the combined entity.

### **Advanced Info Service ("AIS")**

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand. AIS provides mobile services on both 2G, 3G and 4G networks. The 2G service is operated under Built-Transfer-Operate agreements with TOT Public Company Limited, which expired on 30 September 2015.

The National Broadcasting and Telecommunications Commission (NBTC) has since announced a temporary measure requiring AIS to continue providing service to its customers until the 900 MHz licences are granted to the spectrum's winners.

At the spectrum auction held in November 2015, Advanced Wireless Network ("**AWN**"), a subsidiary of AIS, won 2 x 15 MHz of 1800 MHz licence at Baht 41 billion. This license is valid for 18 years from 17 November 2015. In January 2016, AWN officially launched LTE network on 1800 MHz. The initial 4G coverage is in 42 cities including Bangkok, with 7,000 sites, and will reach 77 provinces by middle of 2016.

AIS did not secure any 900 MHz licence at the spectrum auction in December 2015. AIS will continue to invest in expanding its 3G and 4G networks on 2100 and 1800 spectrums.



## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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In the current quarter, service revenue (excluding interconnect) was stable amid weak economic recovery in Thailand. EBITDA declined 3% with higher handset subsidies and marketing expenses from handset campaigns to drive 3G adoption partly offset by regulatory costs savings from continued 3G migration. AIS' pre-tax profit, however, grew 10% in Thai Baht terms after including lower depreciation charges on fully depreciated 2G assets.

With a stable Thai Baht against the Singapore Dollar this quarter, the Group's share of AIS' pre-tax profit increased 8.7% to S\$123 million.

Post-tax contribution, however, rose 18% to S\$99 million and constituted 10% (Q3 FY2015: 9%) of the Group's underlying net profit due to a one-off deferred tax asset adjustment in the same quarter last year.

Against the preceding quarter, service revenue remained stable while EBITDA declined 1% from increased handset subsidies.

AIS gained 0.7 million of mobile customers in the quarter to 39 million, compared to a decline of 2.3 million in the preceding quarter (mainly due to regulatory requirement for all prepaid SIM cards to be registered by 31 July 2015). At the end of the quarter, approximately 38 million or 98% of the total mobile customer base were on 3G.

AIS continues to maintain its position as the largest network coverage operator in Thailand and its leadership in both revenue and mobile subscriber market share.

### ***Globe Telecom, Inc (“Globe”)***

Globe, the second largest mobile communications service provider in the Philippines, is listed on the Philippine Stock Exchange.

Globe's service revenue grew 15% driven by a higher mobile customer base and strong adoption of data services. EBITDA rose 17% despite higher network costs, subsidies and marketing expenses to drive customer acquisitions. With higher depreciation charges from the expanded asset base and consolidation of Bayan Telecommunications, Inc., coupled with higher interest expense, Globe's pre-tax operating profit (before fair value adjustments) declined 3% in Philippine Peso terms.

After including the Group's share of fair value losses of S\$2 million (Q3 FY2015: S\$1 million gain) and with the 4% appreciation of the Philippine Peso against the Singapore Dollar this quarter, the Group's overall share of Globe's pre-tax profit declined 3.1% to S\$56 million.

On a post-tax basis, Globe contributed S\$37 million or 4% (Q3 FY2015: 4%) to the Group's underlying net profit.

Against the preceding quarter, Globe's service revenue grew 3% while EBITDA declined 7% from higher subsidies, marketing expenses and staff costs.

Globe added 2.8 million mobile customers in the quarter, compared to 1.8 million in the preceding quarter. As at 31 December 2015, its mobile customer base expanded to 53 million, up 8.9 million or 20% from a year ago.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

### NetLink Trust

NetLink Trust was constituted as a business trust to own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network.

Year-on-year, operating revenue grew 28% and EBITDA increased 43%, reflecting customer growth as fibre penetration increased.

### 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 %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Group operating revenue</b>						
Optus	2,467	2,535	-2.7	7,198	7,439	-3.2
Singapore subsidiaries	1,721	1,719	0.1	5,006	5,015	-0.2
Other overseas subsidiaries (including Amobee)	287	173	66.0	663	430	54.0
	2,008	1,892	6.1	5,669	5,445	4.1
	<b>4,474</b>	<b>4,427</b>	<b>1.1</b>	<b>12,867</b>	<b>12,884</b>	<b>-0.1</b>
<b>Proportionate share of operating revenue of associates</b>						
Regional mobile associates	3,211	2,975	8.0	9,384	8,651	8.5
Singapore associates	139	129	8.2	415	383	8.3
Other overseas associates	20	19	1.6	58	57	1.9
	<b>3,370</b>	<b>3,123</b>	<b>7.9</b>	<b>9,857</b>	<b>9,091</b>	<b>8.4</b>
<b>Enlarged revenue</b>	<b>7,845</b>	<b>7,550</b>	<b>3.9</b>	<b>22,724</b>	<b>21,975</b>	<b>3.4</b>
<b>% of overseas revenue to enlarged revenue</b>	<b>76%</b>	<b>76%</b>		<b>76%</b>	<b>75%</b>	

In the quarter, overseas revenue contributed 76% to the Group's enlarged revenue, similar to same quarter last year.

**SECTION 5 : ASSOCIATES/ JOINT VENTURES**

Proportionate EBITDA	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Group EBITDA</b>						
Optus	695	721	-3.7	2,076	2,174	-4.5
Singapore subsidiaries	604	593	1.9	1,915	1,881	1.8
Other overseas subsidiaries (including Amobee)	(78)	(85)	-8.3	(240)	(239)	0.8
	526	507	3.6	1,675	1,643	1.9
	<b>1,220</b>	<b>1,229</b>	<b>-0.7</b>	<b>3,751</b>	<b>3,817</b>	<b>-1.7</b>
<b>Proportionate share of associates' EBITDA <sup>(1)</sup></b>						
Regional mobile associates	1,328	1,225	8.4	3,945	3,544	11.3
Singapore associates	65	45	45.1	191	124	54.2
Other overseas associates	17	15	13.3	46	40	15.3
	<b>1,411</b>	<b>1,285</b>	<b>9.8</b>	<b>4,182</b>	<b>3,708</b>	<b>12.8</b>
<b>Total proportionate EBITDA</b>	<b>2,631</b>	<b>2,514</b>	<b>4.7</b>	<b>7,933</b>	<b>7,525</b>	<b>5.4</b>
<b>Overseas proportionate EBITDA as a % to total proportionate EBITDA</b>	<b>75%</b>	<b>75%</b>		<b>73%</b>	<b>73%</b>	
<b>Contributions to total proportionate EBITDA</b>						
Regional mobile associates	50%	49%		50%	47%	
Australia	26%	29%		26%	29%	
Singapore	25%	25%		27%	27%	
Others	-2%	-3%		-2%	-3%	
	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

**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, stable from last corresponding quarter.

**SECTION 5 : ASSOCIATES/ JOINT VENTURES**

Number of mobile customers (000s)	Total Number			Proportionate Share <sup>(1)</sup>		
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	30 Sep 2015	31 Dec 2014
Singtel	4,101	4,094	4,092	4,101	4,094	4,092
Optus	9,371	9,359	9,391	9,371	9,359	9,391
	<b>13,472</b>	<b>13,453</b>	<b>13,483</b>	<b>13,472</b>	<b>13,453</b>	<b>13,483</b>
<b>Regional Mobile Associates</b>						
Airtel						
- India	243,289	235,212	217,215	79,045	76,279	70,378
- Africa	82,070	80,835	74,599	26,665	26,215	24,170
- South Asia	10,793	9,852	7,892	3,506	3,195	2,557
	336,152	325,899	299,706	109,216	105,689	97,105
Telkomsel	152,640	148,560	140,585	53,424	51,996	49,205
AIS	38,488	37,811	44,301	8,975	8,817	10,331
Globe	52,933	50,112	44,041	24,979	23,648	20,787
	580,213	562,382	528,633	196,594	190,150	177,428
PBTL	1,007	1,113	1,293	453	501	582
	<b>581,220</b>	<b>563,495</b>	<b>529,926</b>	<b>197,047</b>	<b>190,651</b>	<b>178,010</b>
<b>Group</b>	<b>594,692</b>	<b>576,948</b>	<b>543,409</b>	<b>210,519</b>	<b>204,104</b>	<b>191,493</b>

**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 595 million as at 31 December 2015, up 18 million or 3.1% from a quarter ago, and 51 million or 9.4% from a year ago. On a proportionate share basis, the Group's mobile customer base increased 3.1% to 211 million from a quarter ago.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES <sup>(1)</sup>

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 S\$ m	2014 S\$ m		2015 S\$ m	2014 S\$ m	
<b>Regional mobile associates</b>						
Telkomsel <sup>(2)</sup>						
- final dividend FY 2014 / FY 2013	-	-	-	557	595	-6.4
- special dividend FY 2014	165	-	nm	165	-	nm
	165	-	nm	722	595	21.4
AIS <sup>(3)</sup>						
- interim dividend FY 2015 / FY 2014	-	-	-	181	162	11.8
- final dividend FY 2014 / FY 2013	-	-	-	165	152	8.8
	-	-	-	346	314	10.4
Globe <sup>(4)</sup>						
- quarterly dividend FY 2014 / FY 2013	39	34	14.5	116	67	72.9
Airtel <sup>(5)</sup>						
- interim dividend FY 2015	-	-	-	-	20	nm
- final dividend FY 2015 / FY 2014	-	-	-	28	22	25.6
	-	-	-	28	43	-34.1
	<b>204</b>	<b>34</b>	<b>@</b>	<b>1,212</b>	<b>1,018</b>	<b>19.1</b>
<b>Other associates</b>						
Southern Cross/ PCHL <sup>(6)</sup>	9	9	4.5	30	36	-16.4
SingPost	7	6	19.4	31	25	25.1
Others	6	10	-45.2	11	15	-23.6
<b>Total</b>	<b>226</b>	<b>59</b>	<b>282.2</b>	<b>1,284</b>	<b>1,094</b>	<b>17.4</b>

**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 90% (FY 2013: 90%) on net profit for its 2014 financial year. The Group's share of the dividend was S\$628 million, of which S\$71 million was received in March 2015 quarter and S\$557 million was received in June 2015 quarter. With strong cash flows, Telkomsel further declared a special dividend of 25% on net profit of its 2014 financial year. The Group received its share of the special dividend of S\$165 million in October 2015.
- (3) AIS declared a full year dividend of 99% (FY 2013: 100%) on net profit for its 2014 financial year. Dividends are paid twice a year, with an interim dividend distributed from the first half operating results and final dividend distributed from the second half operating results. The Group received its share of the interim dividend for AIS' 2015 financial year in September 2015.
- (4) Effective from July 2014, Globe pays dividends on a quarterly basis. Globe's dividend policy is to pay ordinary dividends of 75% to 90% of prior year's core net income. The Group received its share of the fourth quarterly dividend for Globe's 2014 financial year in December 2015. Globe will pay its next quarterly dividend of PHP 22 per common share in March 2016. The Group's share of this dividend is PHP 1.38 billion (approximately S\$41 million).
- (5) Airtel does not have a fixed dividend policy. The Group received its share of the final dividend for FY 2015 financial year from its direct stake of 15.01% in August 2015.
- (6) Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited (PCHL), part of the Southern Cross consortium, do not have fixed dividend policies.

During the quarter, in view of its strong cash flows, Telkomsel paid a one-off special dividend of S\$165 million to Singtel in respect of its financial year ended 31 December 2014.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

## KEY OPERATIONAL DATA

	Airtel <sup>(1)</sup>	Telkomsel	AIS	Globe	PBTL
<b>Singtel's investment:</b>					
Year of initial investment	<b>2000</b>	<b>2001</b>	<b>1999</b>	<b>1993</b>	<b>2005</b>
Effective economic interest (%)	32.5%	35.0%	23.3%	47.2%	45.0%
Investment to date	S\$2.69 bil	S\$1.93 bil	S\$1.20 bil	S\$1.02 bil	S\$238 mil
Closing market share price <sup>(2)</sup>	INR 339.9	NA	THB 152 <sup>(3)</sup>	PHP 1,852	NA
Market capitalisation					
- Total	S\$28.75 bil	NA	S\$17.71 bil	S\$7.43 bil	NA
- Singtel holding	S\$9.34 bil	NA	S\$4.13 bil	S\$3.51 bil	NA
<b>Operational Performance :</b>					
Mobile penetration rate <sup>(4)</sup>	79%	122%	126%	117%	81%
Market share, 31 Dec 2015 <sup>(4)</sup>	23.7%	47.9%	46.6%	42.8%	0.8%
Market share, 30 Sep 2015 <sup>(5)</sup>	23.6%	48.0%	46.6%	42.8%	0.8%
Market position <sup>(6)</sup>	#1	#1	#1	#2	#6
Mobile customers ('000)					
- Aggregate	336,152	152,640	38,488	52,933	1,007
- Proportionate	109,216	53,424	8,975	24,979	453
Growth in mobile customers (%) <sup>(7)</sup>	12%	8.6%	-13%	20%	-22%
Credit ratings					
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Baa3/BB+	Baa1/BBB+	Baa2/BBB	Ba3/BB-
- Company (Moody's/ S&P's)	Baa3/BBB-	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 31 December 2015, in local currency.
- (3) Based on local market price quoted on the Stock Exchange of Thailand.
- (4) Based on actual data or latest data available as of 31 December 2015.
- (5) Based on actual data.
- (6) Based on number of mobile customers.
- (7) Compared against 31 December 2014 and based on aggregate mobile customers.

NA Denotes not applicable.

Please refer to **Appendix 6** for the currency rate movements of the major associates.

## SECTION 6 : PRODUCT INFORMATION

## SINGAPORE MOBILE

	Quarter			Nine Months		YOY Chge %
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
<b>Mobile Communications revenue (S\$'M) <sup>(1)</sup></b>	<b>536</b>	<b>531</b>	<b>533</b>	<b>1,596</b>	<b>1,574</b>	<b>1.4</b>
<b>Number of mobile subscribers (000s)</b>						
Prepaid	1,779	1,796	1,828	1,779	1,828	-2.7
Postpaid	2,322	2,298	2,264	2,322	2,264	2.6
<b>Total</b>	<b>4,101</b>	<b>4,094</b>	<b>4,092</b>	<b>4,101</b>	<b>4,092</b>	<b>0.2</b>
<b>Number of 4G mobile subscribers (000s)</b>	<b>2,205</b>	<b>2,083</b>	<b>1,661</b>	<b>2,205</b>	<b>1,661</b>	<b>32.8</b>
<b>MOUs per subscriber per month <sup>(2)</sup></b>						
Prepaid	275	290	310	287	316	-9.2
Postpaid <sup>(3)</sup>	246	255	264	252	270	-6.6
<b>Average revenue per subscriber per month <sup>(2)(4)</sup> (S\$ per month)</b>						
Prepaid	18	18	17	18	17	5.3
Postpaid	73	73	76	73	75	-2.9
<b>Blended</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>-0.8</b>
<b>Data services as % of ARPU</b>						
- total data <sup>(5)</sup>	51%	50%	48%	50%	47%	
- non-SMS data	41%	39%	36%	39%	34%	
<b>Tiered data plans</b>						
- postpaid base on tiered data plans <sup>(6)</sup>	65%	63%	59%	65%	59%	
- tiered data plan customers exceeding data bundles	26%	25%	21%	26%	21%	
<b>Acquisition cost per postpaid subscriber (S\$) <sup>(7)</sup></b>	<b>443</b>	<b>402</b>	<b>488</b>	<b>428</b>	<b>434</b>	<b>-1.4</b>
Postpaid external churn per month <sup>(8)</sup>	1.0%	0.8%	0.9%	0.9%	0.9%	
<b>Singapore mobile penetration rate <sup>(9)</sup></b>	<b>147%</b>	<b>149%</b>	<b>148%</b>	<b>147%</b>	<b>148%</b>	
<b>Market share <sup>(9)</sup></b>						
Prepaid	52.9%	53.4%	53.7%	52.9%	53.7%	
Postpaid	48.0%	47.9%	48.3%	48.0%	48.3%	
<b>Overall</b>	<b>50.0%</b>	<b>50.2%</b>	<b>50.6%</b>	<b>50.0%</b>	<b>50.6%</b>	

**Notes:**

- (1) This comprises cellular service revenue in Singapore only and is determined net of bill rebates and prepaid sales discount, and includes revenue earned from ADSL bundles. It excludes revenue earned from international calls classified under "International Telephone" revenue.
- (2) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (3) MOU of postpaid base excludes customers that have 'data-only' SIM plans.
- (4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Includes revenue from SMS, \*SEND, MMS and other data services.
- (6) If excluding data-only SIMs, approximately 79% of postpaid customers as at 31 December 2015 were on tiered plans. Of these customers, 26% had exceeded their data bundles.
- (7) This relates to blended acquisition and retention cost per postpaid customer.
- (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 average number of subscribers.
- (9) The market share data as at 31 December 2015 was based on management's estimates. The other market statistics were based on IDA's latest available published statistics as of 30 November 2015.

## SECTION 6 : PRODUCT INFORMATION

## AUSTRALIA MOBILE (PRODUCT VIEW)

	Quarter			Nine Months		YOY Chge %
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
<b>Optus' mobile revenue (A\$'M) <sup>(1)</sup></b>	1,623	1,544	1,534	4,699	4,251	10.6
<b>Optus' mobile service revenue (A\$'M)</b>	1,236	1,221	1,225	3,665	3,554	3.1
<b>Number of mobile subscribers (000s)</b>						
Prepaid Handset	3,664	3,603	3,695	3,664	3,695	-0.8
Postpaid Handset	4,688	4,714	4,555	4,688	4,555	2.9
Mobile Broadband <sup>(2)</sup>	1,019	1,042	1,141	1,019	1,141	-10.7
<b>Total</b>	<b>9,371</b>	<b>9,359</b>	<b>9,391</b>	<b>9,371</b>	<b>9,391</b>	<b>-0.2</b>
<b>Number of 4G mobile subscribers (000s) <sup>(3)</sup></b>	<b>4,445</b>	<b>4,131</b>	<b>3,182</b>	<b>4,445</b>	<b>3,182</b>	<b>39.7</b>
<b>Mobile penetration rate <sup>(4)</sup></b>	<b>ND</b>	<b>ND</b>	<b>134%</b>	<b>ND</b>	<b>ND</b>	
<b>MOUs per subscriber per month <sup>(5)</sup></b>						
Prepaid	138	132	130	129	128	1.2
Postpaid	258	243	226	245	226	8.4
<b>ARPU per month (A\$) <sup>(6)</sup></b>						
Prepaid Handset	28	29	27	28	26	5.4
Postpaid Handset	61	59	62	60	60	-0.1
Mobile Broadband <sup>(2)</sup>	23	24	22	23	22	6.9
<b>Blended</b>	<b>44</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>42</b>	<b>3.2</b>
Postpaid Handset excluding DRP impact	<b>68</b>	<b>65</b>	<b>66</b>	<b>66</b>	<b>63</b>	<b>4.6</b>
<b>Data revenue as a % of service revenue</b>						
- total data	69%	69%	67%	69%	66%	
- non-SMS data	49%	47%	45%	48%	43%	
<b>Tiered data plans</b>						
- postpaid base on tiered data plans <sup>(7)</sup>	88%	85%	66%	88%	66%	
- tiered data plan customers exceeding data bundles	26%	25%	32%	28%	32%	
<b>Market share - total <sup>(4)</sup></b>	<b>ND</b>	<b>ND</b>	<b>29.5%</b>	<b>ND</b>	<b>ND</b>	
<b>Retail postpaid churn rate per month <sup>(8)</sup></b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.3%</b>	

ND denotes 'Not disclosed'.

**Notes:**

- (1) This comprises mobile service revenue (both outgoing and incoming) and sales of equipment in Australia, covering Australia Consumer as well as Australia Enterprise.
- (2) Defined as data-only SIMs and include customers on both prepaid and postpaid plans. Postpaid plans incur a monthly subscription fee.
- (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 number of customers, calculated as the simple average of opening and closing number of customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only mobile broadband.
- (6) Based on average number of customers, calculated as the simple average of opening and closing number of customers. Excludes equipment revenue.
- (7) Defined as a percentage of Consumer Branded customers which excludes Virgin Mobile (which does not offer tiered data plans) and wholesale customers.
- (8) 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****Singtel TV <sup>(1)</sup> (PRODUCT VIEW)**

	Quarter			Nine Months		YOY Chge %
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
Singtel TV revenue (S\$'M) <sup>(2)</sup>	57	58	55	174	181	-3.6
Average revenue per customer per month (S\$ per month) <sup>(2)</sup>	39	39	39	39	41	-3.4
Number of residential TV customers (000s)	424	423	420	424	420	1.0

**Notes:**

- (1) With effect from 21 January 2015, mio TV has been renamed as Singtel TV.  
(2) Excluding 2014 FIFA World Cup revenue, Singtel TV revenue would be S\$161 million and ARPU would be S\$38 for the nine months ended 31 December 2014.

**SINGAPORE CONSUMER HOME**

	Quarter			Nine Months		YOY Chge %
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
Singapore Consumer home revenue (S\$'M) <sup>(1)(3)</sup>	131	132	131	395	398	-0.8
Average revenue per customer per month <sup>(2)(3)</sup> (S\$ per month)	61	61	60	61	61	0.3
Number of households on triple/ quad play services (000s) <sup>(4)</sup>	498	495	492	498	492	1.2

**Notes:**

- (1) This comprises fixed broadband, fixed voice and Singtel TV in the residential segment only and does not include mobile.  
(2) Based on average number of households, calculated as the simple average of opening and closing number of households.  
(3) Excluding 2014 FIFA World Cup revenue, Consumer Home revenue would be S\$388 million for the nine months ended 31 December 2014. ARPU would be S\$59 for the nine months ended 31 December 2014.  
(4) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, Singtel TV, fixed voice and mobile.

**SECTION 6 : PRODUCT INFORMATION****OTHER PRODUCTS**

Singapore	Quarter			Nine Months		YOY Chge %
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
<b>Internet</b>						
Number of fixed broadband lines (000s) <sup>(1)</sup>	597	592	585	597	585	2.1
Singapore fixed broadband penetration rate <sup>(2)</sup>	103%	103%	106%	103%	106%	
Fixed broadband market share <sup>(3)(4)</sup>	42.1%	42.0%	42.4%	42.1%	42.4%	
Number of fibre broadband lines (000s)	485	462	390	485	390	24.4
Fibre broadband market share <sup>(4)</sup>	52%	53%	55%	52%	55%	
<b>International Telephone</b>						
International telephone outgoing minutes (m mins) (excl Malaysia)	724	793	847	2,338	2,609	-10.4
Average collection rate - net basis (S\$/ min) (excl Malaysia)	0.095	0.093	0.091	0.094	0.094	**
<b>National Telephone</b>						
Fixed working lines (000s) <sup>(5)</sup>						
Residential	822	830	851	822	851	-3.4
Business	723	732	740	723	740	-2.3
<b>Total</b>	<b>1,545</b>	<b>1,562</b>	<b>1,591</b>	<b>1,545</b>	<b>1,591</b>	<b>-2.9</b>
Singapore fixed line penetration rate <sup>(6)</sup>	36.4%	36.4%	36.5%	36.4%	36.5%	
Singapore fixed working lines ('000s) <sup>(6)</sup>	2,015	2,015	1,980	2,015	1,980	
Fixed line market share <sup>(6)</sup>	76.7%	77.5%	80.3%	76.7%	80.3%	

**Notes:**

- (1) Include ADSL and fibre lines.
- (2) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IDA). The market penetration rate as at 31 December 2015 was based on IDA's latest available published statistics as of 31 October 2015.
- (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 31 December 2015 was based on management's estimates.
- (5) Fixed working lines refer to Direct Exchange Lines (DEL) and Home Digital Lines. Some lines are for connections of second set top box under ADSL bundles.
- (6) The market share data as at 31 December 2015 was based on management's estimates. The other market statistics as at 31 December 2015 were based on IDA's latest available published statistics as of 30 September 2015.

**SECTION 6 : PRODUCT INFORMATION**

Australia	Quarter			Nine Months		YOY Chge %
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
<b>Enterprise Fixed</b>						
Business voice minutes (m min)	1,296	1,349	1,276	3,949	3,844	2.7
Buildings connected at the end of the period <sup>(1)</sup>	18,292	18,273	18,216	18,292	18,216	0.4
<b>Wholesale Fixed</b>						
Wholesale domestic voice minutes (m min)	991	1,071	1,002	3,087	2,946	4.8
<b>Mass Market Fixed</b>						
<b>On-net ARPU (A\$) <sup>(2)</sup></b>						
Voice	36	36	41	37	41	-10.8
Broadband <sup>(3)</sup>	53	53	54	53	53	1.2
<b>Telephony customers ('000)</b>						
HFC <sup>(4)</sup>	459	467	465	459	465	-1.1
ULL <sup>(5)</sup>	458	469	476	458	476	-3.7
<b>On-net</b>	<b>918</b>	<b>936</b>	<b>941</b>	<b>918</b>	<b>941</b>	<b>-2.4</b>
Resale	20	21	23	20	23	-14.8
NBN	85	67	23	85	23	271.1
<b>Off-net</b>	<b>104</b>	<b>89</b>	<b>46</b>	<b>104</b>	<b>46</b>	<b>127.9</b>
<i>HFC bundling rate <sup>(6)</sup></i>	97%	95%	93%	97%	93%	
<b>HFC penetration</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>	
<b>Internet customers (000s)</b>						
<b>On-net</b>						
HFC broadband	433	434	421	433	421	2.9
ULL broadband <sup>(5)</sup>	491	506	520	491	520	-5.5
Business grade broadband	25	29	28	25	28	-10.9
	949	968	969	949	969	-2.0
<b>Off-net</b>						
Resale	6	6	8	6	8	-23.9
NBN	88	72	26	88	26	237.9
<b>Broadband subtotal</b>	<b>1,044</b>	<b>1,046</b>	<b>1,003</b>	<b>1,044</b>	<b>1,003</b>	<b>4.0</b>
Dial-up	4	5	10	4	10	-61.9
<b>Total Internet customers</b>	<b>1,048</b>	<b>1,051</b>	<b>1,014</b>	<b>1,048</b>	<b>1,014</b>	<b>3.4</b>

**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 number of HFC and ULL customers. Comparatives have been restated to be consistent with the current quarter.
- (3) Includes Optus TV with Fetch.
- (4) 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.
- (5) Include wholesale ULL subscribers.
- (6) 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

<b>“ACCC”</b>	Australian Competition And Consumer Commission.
<b>“ADSL”</b>	Asymmetric digital subscriber line.
<b>“ARPU”</b>	Average revenue per user.
<b>“Associate”</b>	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standard.
<b>“DEL”</b>	Direct exchange lines, which are telephone lines connected directly to a telephone switch.
<b>“DRP”</b>	Device repayment plans.
<b>“EI”</b>	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.
<b>“EBIT”</b>	Earnings before interest and tax.
<b>“EBITDA”</b>	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.
<b>“EBITDA margin”</b>	Ratio of EBITDA over operating revenue.
<b>“EPS”</b>	Earnings per share.
<b>“FRS”</b>	Financial Reporting Standard.
<b>“Free Cash Flow”</b>	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
<b>“ICT”</b>	Infocommunication Technology.
<b>“IDA”</b>	Info-communications Development Authority of Singapore.
<b>“IP VPN”</b>	Internet Protocol Virtual Private Network.
<b>“MMS”</b>	Multimedia messaging service.
<b>“MTAS”</b>	Mobile terminating access services.
<b>“MOU”</b>	Minutes of use per subscriber.
<b>“NetLink Trust”</b>	NetLink Trust, a business trust established as part of IDA’s effective open access requirements under Singapore’s NextGen NBN, is currently 100% owned by Singtel. NetLink Trust is equity accounted as an associate in the Group as Singtel does not control it. NetLink Trust owns 100% of OpenNet Pte. Ltd.
<b>“Next Gen NBN”</b>	Next Generation Nationwide Broadband Network in Singapore.
<b>“NM”</b>	Not meaningful.
<b>“NPS”</b>	Net Promoter Score. This 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.
<b>“Optus”</b>	Singtel Optus Pty Limited, Singtel’s wholly-owned subsidiary, and its subsidiaries.
<b>“SaaS”</b>	Software-as-a-Service.
<b>“SAI”</b>	Singtel Australia Investment Ltd, Singtel’s wholly-owned subsidiary, which has 100% equity interest in Singapore Telecom Australia Investments Pty Limited (“STAI”).
<b>“STAI”</b>	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
<b>“SMS”</b>	Short message service.
<b>“SME”</b>	Small and medium-sized enterprises.
<b>“Singapore”</b>	The term refers to the Group’s operations excluding Optus and the associates. Therefore, this includes the overseas operations of Singtel including Amobee and Trustwave.
<b>“Underlying net profit”</b>	Defined as net profit before exceptional items.

## GROUP SUMMARY INCOME STATEMENTS

### For The Third Quarter Ended 31 December 2015

	Quarter							YOY Chge %
	31 Dec							
	2015			2015		2015	2014	
	Singapore S\$ m	Asso/JV S\$ m	Corp S\$ m	Singtel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m	
<b>Operating revenue</b>	<b>2,008</b>	-	-	<b>2,008</b>	<b>2,467</b>	<b>4,474</b>	<b>4,427</b>	<b>1.1</b>
Operating expenses	(1,489)	-	-	(1,489)	(1,801)	(3,290)	(3,232)	1.8
Other income	518	-	-	518	666	1,184	1,195	-0.9
	7	-	-	7	29	36	33	7.5
<b>EBITDA</b>	<b>526</b>	-	-	<b>526</b>	<b>695</b>	<b>1,220</b>	<b>1,229</b>	<b>-0.7</b>
- <i>EBITDA margin</i>	<b>26.2%</b>	-	-	<b>26.2%</b>	<b>28.2%</b>	<b>27.3%</b>	<b>27.8%</b>	
<b>Share of associates' pre-tax profits</b>								
<i>Regional mobile associates</i>	-	647	-	647	-	647	646	0.2
<i>Other associates</i>	-	51	-	51	*	51	37	36.8
- ordinary operations	-	698	-	698	*	698	683	2.2
- exceptional items	-	-	-	-	-	-	(16)	nm
	-	<b>698</b>	-	<b>698</b>	<b>*</b>	<b>698</b>	<b>667</b>	<b>4.7</b>
<b>EBITDA and share of associates' pre-tax profits</b>	<b>526</b>	<b>698</b>	-	<b>1,224</b>	<b>695</b>	<b>1,918</b>	<b>1,896</b>	<b>1.2</b>
Depreciation & amortisation	(204)	-	-	(204)	(334)	(537)	(541)	-0.8
<b>EBIT</b>	<b>322</b>	<b>698</b>	-	<b>1,020</b>	<b>361</b>	<b>1,381</b>	<b>1,355</b>	<b>2.0</b>
Net finance expense								
- net interest expense	(37)	-	-	(37)	(43)	(81)	(71)	13.1
- other finance income	5	-	-	5	12	18	2	@
	(32)	-	-	(32)	(31)	(63)	(69)	-9.4
<b>Profit before EI and tax</b>	<b>290</b>	<b>698</b>	-	<b>988</b>	<b>330</b>	<b>1,319</b>	<b>1,285</b>	<b>2.6</b>
Taxation								
- current and deferred taxes	(44)	-	-	(44)	(99)	(143)	(100)	42.8
- share of taxes of associates	-	(219)	-	(219)	*	(219)	(209)	4.7
- withholding taxes <sup>(1)</sup>	-	-	(6)	(6)	-	(6)	(5)	13.7
	(44)	(219)	(6)	(269)	(99)	(368)	(314)	17.0
<b>Profit after tax</b>	<b>246</b>	<b>480</b>	<b>(6)</b>	<b>720</b>	<b>231</b>	<b>951</b>	<b>971</b>	<b>-2.1</b>
Minority interests	4	-	-	4	-	4	(1)	nm
<b>Underlying net profit</b>	<b>250</b>	<b>480</b>	<b>(6)</b>	<b>724</b>	<b>231</b>	<b>955</b>	<b>970</b>	<b>-1.5</b>
Exceptional items ("EI") (post-tax)	17	(19)	2	*	(1)	(1)	*	nm
<b>Net profit</b>	<b>267</b>	<b>460</b>	<b>(4)</b>	<b>723</b>	<b>230</b>	<b>953</b>	<b>970</b>	<b>-1.7</b>

**Note:**

(1) These are withholding and dividend distribution taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding and dividend distribution 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 Nine Months Ended 31 December 2015

	Nine months							YOY Chge %
	31 Dec							
	2015			2015		2015	2014	
	Singapore S\$ m	Asso/JV S\$ m	Corp S\$ m	Singtel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m	
<b>Operating revenue</b>	<b>5,669</b>	-	-	<b>5,669</b>	<b>7,198</b>	<b>12,867</b>	<b>12,884</b>	<b>-0.1</b>
Operating expenses	(4,035)	-	-	(4,035)	(5,197)	(9,232)	(9,165)	0.7
	1,634	-	-	1,634	2,001	3,635	3,720	-2.3
Other income	41	-	-	41	75	116	97	18.9
<b>EBITDA</b>	<b>1,675</b>	-	-	<b>1,675</b>	<b>2,076</b>	<b>3,751</b>	<b>3,817</b>	<b>-1.7</b>
<b>- EBITDA margin</b>	<b>29.5%</b>	-	-	<b>29.5%</b>	<b>28.8%</b>	<b>29.2%</b>	<b>29.6%</b>	
<b>Share of associates' pre-tax profits</b>								
<i>Regional mobile associates</i>	-	1,904	-	1,904	-	1,904	1,869	1.9
<i>Other associates</i>	-	143	-	143	*	143	91	57.1
- ordinary operations	-	2,048	-	2,048	*	2,048	1,960	4.5
- exceptional items	-	22	-	22	-	22	(27)	nm
	-	<b>2,070</b>	-	<b>2,070</b>	*	<b>2,070</b>	<b>1,933</b>	<b>7.1</b>
<b>EBITDA and share of associates' pre-tax profits</b>	<b>1,675</b>	<b>2,070</b>	-	<b>3,745</b>	<b>2,076</b>	<b>5,821</b>	<b>5,750</b>	<b>1.2</b>
Depreciation & amortisation	(583)	-	-	(583)	(1,020)	(1,604)	(1,619)	-0.9
<b>EBIT</b>	<b>1,092</b>	<b>2,070</b>	-	<b>3,161</b>	<b>1,056</b>	<b>4,217</b>	<b>4,131</b>	<b>2.1</b>
Net finance expense								
- net interest expense	(97)	-	-	(97)	(128)	(224)	(197)	14.1
- other finance income	16	-	-	16	35	51	32	58.9
	(81)	-	-	(81)	(93)	(174)	(165)	5.5
<b>Profit before EI and tax</b>	<b>1,011</b>	<b>2,070</b>	-	<b>3,081</b>	<b>963</b>	<b>4,044</b>	<b>3,966</b>	<b>1.9</b>
Taxation								
- current and deferred taxes	(149)	-	-	(149)	(289)	(438)	(405)	8.0
- share of taxes of associates	-	(665)	-	(665)	(3)	(668)	(625)	6.9
- withholding taxes <sup>(1)</sup>	-	-	(121)	(121)	-	(121)	(103)	17.7
	(149)	(665)	(121)	(935)	(292)	(1,226)	(1,133)	8.3
<b>Profit after tax</b>	<b>862</b>	<b>1,405</b>	<b>(121)</b>	<b>2,146</b>	<b>671</b>	<b>2,817</b>	<b>2,834</b>	<b>-0.6</b>
Minority interests	7	-	-	7	-	7	(4)	nm
<b>Underlying net profit</b>	<b>869</b>	<b>1,405</b>	<b>(121)</b>	<b>2,153</b>	<b>671</b>	<b>2,824</b>	<b>2,830</b>	<b>-0.2</b>
EI (post-tax)	36	65	4	105	(4)	101	13	@
<b>Net profit</b>	<b>905</b>	<b>1,470</b>	<b>(117)</b>	<b>2,258</b>	<b>667</b>	<b>2,925</b>	<b>2,843</b>	<b>2.9</b>

**Note:**

(1) These are withholding and dividend distribution taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding and dividend distribution 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 Third Quarter And Nine Months Ended 31 December 2015

	Quarter	YOY		Nine months	YOY	
	31 Dec	Change	Change in constant currency <sup>(1)</sup>	31 Dec	Change	Change in constant currency <sup>(1)</sup>
	2015			2015		
	S\$ m	%	%	S\$ m	%	%
<b>Operating revenue</b>	<b>4,474</b>	<b>1.1</b>	<b>6.2</b>	<b>12,867</b>	<b>-0.1</b>	<b>6.5</b>
Operating expenses	(3,290)	1.8	7.0	(9,232)	0.7	7.5
	1,184	-0.9	4.2	3,635	-2.3	4.1
Other income	36	7.5	15.0	116	18.9	27.7
<b>EBITDA</b>	<b>1,220</b>	<b>-0.7</b>	<b>4.5</b>	<b>3,751</b>	<b>-1.7</b>	<b>4.7</b>
<b>-EBITDA margin</b>	<b>27.3%</b>			<b>29.2%</b>		
<b>Share of associates' pre-tax profits</b>						
- Telkomsel	276	0.8	4.8	823	10.9	16.7
- Airtel	194	-4.4	-6.6	514	-13.8	-15.8
- AIS	123	8.7	9.5	342	9.6	7.8
- Globe	56	-3.1	-6.7	225	3.1	-2.1
Regional mobile associates	647	0.2	1.0	1,904	1.9	2.7
Other associates	51	36.8	36.8	143	57.1	57.1
- ordinary operations	698	2.2	3.0	2,048	4.5	5.2
- exceptional items	-	<i>nm</i>	<i>nm</i>	22	<i>nm</i>	<i>nm</i>
	<b>698</b>	<b>4.7</b>	<b>5.5</b>	<b>2,070</b>	<b>7.1</b>	<b>7.8</b>
<b>EBITDA and share of associates' pre-tax profits</b>	<b>1,918</b>	<b>1.2</b>	<b>4.8</b>	<b>5,821</b>	<b>1.2</b>	<b>5.8</b>
Depreciation & amortisation	(537)	-0.8	4.9	(1,604)	-0.9	6.6
<b>EBIT</b>	<b>1,381</b>	<b>2.0</b>	<b>4.8</b>	<b>4,217</b>	<b>2.1</b>	<b>5.5</b>
Net finance expense	(63)	-9.4	-5.2	(174)	5.5	12.3
<b>Profit before EI and tax</b>	<b>1,319</b>	<b>2.6</b>	<b>5.3</b>	<b>4,044</b>	<b>1.9</b>	<b>5.2</b>
Taxation	(368)	4.1	6.7	(1,226)	4.7	7.6
<b>Profit after tax</b>	<b>951</b>	<b>2.0</b>	<b>4.8</b>	<b>2,817</b>	<b>0.8</b>	<b>4.2</b>
Minority interests	4	<i>nm</i>	<i>nm</i>	7	<i>nm</i>	<i>nm</i>
<b>Profit before tax credit</b>	<b>955</b>	<b>2.6</b>	<b>5.4</b>	<b>2,824</b>	<b>1.2</b>	<b>4.6</b>
Tax credit on transfer of assets to associate	-	<i>nm</i>	<i>nm</i>	-	<i>nm</i>	<i>nm</i>
<b>Underlying net profit</b>	<b>955</b>	<b>-1.5</b>	<b>1.2</b>	<b>2,824</b>	<b>-0.2</b>	<b>3.1</b>
<i>(exclude one-off tax credit and Trustwave) <sup>(2)</sup></i>	<i>963</i>	<i>3.5</i>	<i>6.3</i>	<i>2,833</i>	<i>1.5</i>	<i>4.9</i>
EI (post-tax)	(1)	<i>nm</i>	<i>nm</i>	101	@	@
<b>Net profit</b>	<b>954</b>	<b>-1.7</b>	<b>1.1</b>	<b>2,925</b>	<b>2.9</b>	<b>6.1</b>
<i>(exclude one-off tax credit and Trustwave) <sup>(2)</sup></i>	<i>962</i>	<i>3.3</i>	<i>6.2</i>	<i>2,933</i>	<i>4.6</i>	<i>7.9</i>

**Notes:**

- (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 periods ended 31 December 2014.
- (2) Adjusted to exclude one-off tax credit of S\$39 million arising from certain property, plant and equipment transferred to an associate recorded in the corresponding quarter last year, and impact of Trustwave with net loss of S\$8 million (based on provisional purchase price allocation).

**BUSINESS SEGMENTS**

For The Third Quarter And Nine Months Ended 31 December 2015

	Quarter	YOY		Nine months	YOY	
	31 Dec	Change	Change in constant currency <sup>(1)</sup>	31 Dec	Change	Change in constant currency <sup>(1)</sup>
	2015			2015		
	S\$ m	%	%	S\$ m	%	%
<b>Operating revenue</b>						
Group Consumer	2,677	-3.3	3.4	7,815	-1.9	7.1
Group Enterprise	1,677	7.6	10.1	4,718	0.1	3.2
<b>Core Business</b>	4,354	0.6	5.8	12,533	-1.1	5.6
Group Digital Life	120	22.8	23.1	334	60.3	60.7
<b>Group</b>	<b>4,474</b>	<b>1.1</b>	<b>6.2</b>	<b>12,867</b>	<b>-0.1</b>	<b>6.5</b>
<b>EBITDA</b>						
Group Consumer	785	-1.3	5.7	2,420	-1.1	7.9
Group Enterprise	489	-0.3	1.1	1,484	-3.7	-2.0
<b>Core Business</b>	1,274	-0.9	4.0	3,904	-2.1	4.1
Group Digital Life	(33)	-18.1	-18.9	(98)	-16.6	-17.4
Corporate	(21)	21.1	21.1	(55)	3.4	3.4
<b>Group</b>	<b>1,220</b>	<b>-0.7</b>	<b>4.5</b>	<b>3,751</b>	<b>-1.7</b>	<b>4.7</b>
<b>EBIT (exclude share of associates' pre-tax profits)</b>						
Group Consumer	428	0.6	7.4	1,330	-0.4	8.0
Group Enterprise	328	-2.9	-1.9	1,025	-5.6	-4.4
<b>Core Business</b>	756	-1.0	3.3	2,354	-2.7	2.4
Group Digital Life	(51)	-11.7	-12.2	(149)	-10.7	-11.3
Corporate	(22)	20.1	20.1	(58)	6.0	6.0
<b>Group</b>	<b>683</b>	<b>-0.7</b>	<b>4.1</b>	<b>2,147</b>	<b>-2.3</b>	<b>3.4</b>
<b>Group Enterprise (excluding fibre rollout and maintenance and Trustwave)</b>						
Operating revenue	1,602	2.8	5.3	4,643	0.3	3.4
EBITDA	487	1.6	3.1	1,482	0.5	2.4
EBIT	337	3.4	4.4	1,034	1.5	2.8

**Note:**

(1) Assuming constant exchange rates for the Australian Dollar from the corresponding periods ended 31 December 2014.



**GROUP STATEMENTS OF FINANCIAL POSITION**

	As at		
	31 Dec 2015 (Unaudited) S\$ million	30 Sep 2015 (Unaudited) S\$ million	31 Dec 2014 (Unaudited) S\$ million
<b>Current assets</b>			
Cash and cash equivalents	686	733	629
Trade and other receivables	4,273	4,284	3,776
Inventories	314	322	258
Derivative financial instruments	20	52	37
	<b>5,292</b>	<b>5,391</b>	<b>4,699</b>
<b>Non-current assets</b>			
Property, plant and equipment	10,589	10,298	10,580
Intangible assets	13,122	13,168	11,981
Associates	337	300	264
Loan to an associate	1,611	1,611	1,611
Joint ventures	10,507	10,135	10,130
Available-for-sale investments	201	221	278
Deferred tax assets	805	770	836
Derivative financial instruments	818	983	579
Other non-current receivables	595	491	295
	<b>38,584</b>	<b>37,975</b>	<b>36,552</b>
<b>Total assets</b>	<b>43,877</b>	<b>43,366</b>	<b>41,251</b>
<b>Current liabilities</b>			
Trade and other payables	4,062	4,048	3,842
Advance billings	794	769	632
Current tax liabilities	439	383	364
Interim dividend payable	1,084	-	1,084
Borrowings (unsecured)	250	-	-
Borrowings (secured)	92	94	26
Derivative financial instruments	6	4	4
Net deferred gain <sup>(1)</sup>	68	68	68
	<b>6,794</b>	<b>5,366</b>	<b>6,019</b>
<b>Non-current liabilities</b>			
Borrowings (unsecured)	9,589	10,460	8,512
Borrowings (secured)	245	248	205
Derivative financial instruments	241	238	313
Advance billings	280	282	287
Net deferred gain <sup>(1)</sup>	1,299	1,324	1,383
Deferred tax liabilities	583	591	556
Other non-current liabilities	304	296	280
	<b>12,540</b>	<b>13,439</b>	<b>11,535</b>
<b>Total liabilities</b>	<b>19,335</b>	<b>18,805</b>	<b>17,554</b>
<b>Net assets</b>	<b>24,542</b>	<b>24,561</b>	<b>23,697</b>
<b>Share capital and reserves</b>			
Share capital	2,634	2,634	2,634
Reserves	21,898	21,908	21,040
<b>Equity attributable to shareholders of the Company</b>	<b>24,532</b>	<b>24,542</b>	<b>23,674</b>
Minority interests and other reserve	11	20	23
<b>Total equity</b>	<b>24,542</b>	<b>24,561</b>	<b>23,697</b>

**Note:**

(1) This relates to deferred gain on transfer of certain assets and business to NetLink Trust.

## SINGAPORE CASH FLOW STATEMENT

### For The Third Quarter And Nine Months Ended 31 December 2015

	Quarter			Nine months		YOY Chge %
	31 Dec 2015 S\$ m	31 Dec 2014 S\$ m	30 Sep 2015 S\$ m	31 Dec		
				2015 S\$ m	2014 S\$ m	
<b>Net cash inflow from operating activities</b>						
<b>Profit before exceptional items and tax</b>	<b>290</b>	<b>292</b>	<b>368</b>	<b>1,011</b>	<b>1,015</b>	<b>-0.4</b>
Non-cash items	242	223	205	672	652	3.1
<b>Operating cash flow before working capital changes</b>	<b>532</b>	<b>515</b>	<b>573</b>	<b>1,683</b>	<b>1,667</b>	<b>1.0</b>
<b>Changes in operating assets and liabilities</b>	<b>(47)</b>	<b>5</b>	<b>(185)</b>	<b>(379)</b>	<b>(66)</b>	<b>478.4</b>
	<b>485</b>	<b>521</b>	<b>388</b>	<b>1,303</b>	<b>1,601</b>	<b>-18.6</b>
Cash paid to employees under performance share plans	-	-	(3)	(3)	(1)	181.8
Tax paid on operating activities	(74)	(51)	(89)	(164)	(122)	35.0
<b>Operating cash flow</b>	<b>411</b>	<b>470</b>	<b>296</b>	<b>1,136</b>	<b>1,478</b>	<b>-23.2</b>
<b>Net cash outflow for investing activities</b>						
Accrued capital expenditure	(176)	(186)	(137)	(389)	(372)	4.6
Changes in creditors' balances	(4)	(1)	(25)	(131)	(155)	-15.4
Cash capital expenditure	(180)	(187)	(162)	(520)	(527)	-1.3
Net loan to STAI from Optus <sup>(1)</sup>	-	-	140	140	166	-15.7
Withholding tax paid on interest received on inter-company loans	-	-	(13)	(13)	(16)	-18.9
Payment for purchase of subsidiaries, net of cash acquired	(1)	-	(1,057)	(1,057)	(443)	138.7
Contribution from minority interests	-	-	11	11	*	nm
Investment in venture investments	(2)	(4)	(9)	(26)	(23)	11.7
Proceeds from disposal of venture investments	24	11	33	76	61	25.2
Proceeds from disposal of property, plant and equipment	1	6	5	5	10	-45.5
Deferred proceeds/ proceeds from disposal of associates and joint ventures	-	-	12	12	-	nm
Payment for purchase of spectrum	-	(40)	-	-	(40)	nm
Others	15	19	2	34	25	33.1
	<b>(142)</b>	<b>(195)</b>	<b>(1,038)</b>	<b>(1,339)</b>	<b>(788)</b>	<b>69.9</b>
<b>Net cash outflow for financing activities</b>						
Net (decrease)/ increase in borrowings	(454)	(220)	1,574	1,023	142	@
Net interest paid on borrowings and swaps	(55)	(37)	(35)	(128)	(108)	18.5
Final dividends paid to shareholders	-	-	(1,705)	(1,705)	(1,594)	7.0
Purchase of performance shares	(4)	(6)	(4)	(22)	(26)	-12.8
Others	(5)	(5)	1	(4)	(5)	-15.6
	<b>(517)</b>	<b>(267)</b>	<b>(169)</b>	<b>(836)</b>	<b>(1,590)</b>	<b>-47.4</b>
<b>Net (decrease)/ increase in cash balance from Singapore</b>	<b>(249)</b>	<b>8</b>	<b>(911)</b>	<b>(1,039)</b>	<b>(899)</b>	<b>15.6</b>
<b>Net (decrease)/ increase in cash balance from Singapore</b>	<b>(249)</b>	<b>8</b>	<b>(911)</b>	<b>(1,039)</b>	<b>(899)</b>	<b>15.6</b>
Dividends received from associates	217	50	276	1,254	1,058	18.6
Withholding tax paid	(24)	(5)	(24)	(127)	(102)	24.3
<b>Net dividends received from associates</b>	<b>193</b>	<b>45</b>	<b>253</b>	<b>1,127</b>	<b>956</b>	<b>18.0</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(55)</b>	<b>53</b>	<b>(658)</b>	<b>88</b>	<b>56</b>	<b>56.8</b>
Singtel cash and cash equivalents at beginning	636	421	1,252	453	418	8.3
Exchange effects on cash and cash equivalents	1	2	42	40	2	@
<b>Singtel cash and cash equivalents at end</b>	<b>581</b>	<b>476</b>	<b>636</b>	<b>581</b>	<b>476</b>	<b>22.0</b>
<b>Singapore free cash flow</b>	<b>231</b>	<b>283</b>	<b>134</b>	<b>616</b>	<b>951</b>	<b>-35.3</b>
<b>Free cash flow from associates' dividends</b>	<b>193</b>	<b>45</b>	<b>253</b>	<b>1,127</b>	<b>956</b>	<b>18.0</b>
<b>Cash capex to operating revenue</b>	<b>9%</b>	<b>10%</b>	<b>9%</b>	<b>9%</b>	<b>10%</b>	

**Note:**

(1) The intercompany amounts are eliminated at the Group level.

## OPTUS CASH FLOW STATEMENT

### For The Third Quarter And Nine Months Ended 31 December 2015

	Quarter			Nine Months		YOY Chge %
	31 Dec 2015 A\$ m	31 Dec 2014 A\$ m	30 Sep 2015 A\$ m	31 Dec		
				2015 A\$ m	2014 A\$ m	
<b>Net cash inflow from operating activities</b>						
<b>Profit before exceptional items and tax</b>	<b>326</b>	<b>295</b>	<b>334</b>	<b>943</b>	<b>891</b>	<b>5.9</b>
Non-cash items	360	358	374	1,092	984	11.0
<b>Operating cashflow before working capital changes</b>	<b>685</b>	<b>653</b>	<b>708</b>	<b>2,035</b>	<b>1,875</b>	<b>8.5</b>
Changes in operating assets and liabilities	(263)	(6)	(175)	(657)	(57)	@
Tax paid	(36)	(14)	(154)	(255)	(241)	5.9
<b>Operating cash flow</b>	<b>387</b>	<b>633</b>	<b>379</b>	<b>1,123</b>	<b>1,576</b>	<b>-28.8</b>
<b>Net cash outflow from investing activities</b>						
Accrued capital expenditure	(369)	(385)	(311)	(980)	(1,018)	-3.7
Changes in creditors' balances	129	59	2	117	13	@
Cash capital expenditure	(240)	(327)	(308)	(864)	(1,005)	-14.0
Loan to STAI <sup>(1)</sup>	-	-	(133)	(133)	(143)	-6.7
Payment for purchase of spectrum	-	-	(44)	(70)	(720)	-90.3
Others	(23)	(20)	(9)	(62)	(37)	67.1
	<b>(263)</b>	<b>(346)</b>	<b>(495)</b>	<b>(1,130)</b>	<b>(1,905)</b>	<b>-40.7</b>
<b>Net cash (outflow)/ inflow from financing activities</b>						
Net (decrease)/ increase in borrowings	(80)	(200)	109	116	400	-71.0
Net interest paid on borrowings and swaps	(47)	(44)	(34)	(125)	(119)	5.5
Purchase of Singtel shares	-	-	(15)	(15)	(13)	16.0
Finance lease payments (exclude interest)	(0)	(2)	(0)	(1)	(5)	-69.7
	<b>(128)</b>	<b>(245)</b>	<b>59</b>	<b>(26)</b>	<b>263</b>	<b>nm</b>
<b>Net (decrease)/ increase in cash balance from Optus</b>	<b>(4)</b>	<b>41</b>	<b>(57)</b>	<b>(33)</b>	<b>(66)</b>	<b>-49.7</b>
Dividend received from associates	9	8	21	30	32	-5.7
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>5</b>	<b>49</b>	<b>(36)</b>	<b>(3)</b>	<b>(34)</b>	<b>-90.6</b>
Optus cash and cash equivalents at beginning	97	92	133	105	175	-40.1
<b>Optus cash and cash equivalents at end</b>	<b>102</b>	<b>141</b>	<b>97</b>	<b>102</b>	<b>141</b>	<b>-28.0</b>
<b>Optus free cash flow</b>	<b>147</b>	<b>306</b>	<b>71</b>	<b>259</b>	<b>571</b>	<b>-54.7</b>
<b>Free cash flow from associates' dividends</b>	<b>9</b>	<b>8</b>	<b>21</b>	<b>30</b>	<b>32</b>	<b>-5.7</b>
<b>Cash capex to operating revenue</b>	<b>10%</b>	<b>14%</b>	<b>13%</b>	<b>12%</b>	<b>15%</b>	

**Note:**

(1) The intercompany amounts are eliminated at the Group level.

## OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2015 A\$ m	2014 A\$ m		2015 A\$ m	2014 A\$ m	
<b>Operating revenue</b>	<b>2,433</b>	<b>2,290</b>	<b>6.3</b>	<b>7,042</b>	<b>6,506</b>	<b>8.2</b>
Operating expenses	(1,776)	(1,657)	7.2	(5,084)	(4,661)	9.1
Other income	28	19	51.3	73	56	31.0
<b>EBITDA - margin</b>	<b>685 28.2%</b>	<b>652 28.5%</b>	<b>5.1</b>	<b>2,032 28.9%</b>	<b>1,901 29.2%</b>	<b>6.9</b>
Share of results of joint ventures	*	*	nm	*	*	nm
<b>EBITDA and share of results of joint ventures</b>	<b>685</b>	<b>652</b>	<b>5.1</b>	<b>2,032</b>	<b>1,901</b>	<b>6.9</b>
Depreciation & amortisation	(329)	(317)	3.8	(998)	(929)	7.4
<b>EBIT</b>	<b>356</b>	<b>335</b>	<b>6.4</b>	<b>1,034</b>	<b>972</b>	<b>6.4</b>
Net finance expense	(31)	(40)	-23.7	(91)	(81)	12.2
<b>Profit before exceptional items and tax</b>	<b>326</b>	<b>295</b>	<b>10.5</b>	<b>943</b>	<b>891</b>	<b>5.9</b>
Taxation	(98)	(87)	12.6	(286)	(266)	7.6
<b>Underlying net profit</b>	<b>228</b>	<b>208</b>	<b>9.6</b>	<b>657</b>	<b>625</b>	<b>5.1</b>
Exceptional items (post-tax)	(1)	*	nm	(4)	(24)	-83.2
<b>Net profit</b>	<b>227</b>	<b>208</b>	<b>9.1</b>	<b>653</b>	<b>602</b>	<b>8.6</b>

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

	As at		
	31 Dec 2015 A\$ m	30 Sep 2015 A\$ m	31 Dec 2014 A\$ m
	<b>Property, plant and equipment (net)</b>	<b>6,847</b>	<b>6,767</b>
Gross debt			
Current debt	1	1	3
Non-current debt	3,117	3,313	2,784
Gross debt as reported in the statement of financial position	3,117	3,313	2,787
Related net hedging assets	(236)	(350)	(124)
	2,882	2,963	2,663
<b>Less:</b> Cash and bank balances	(102)	(97)	(141)
<b>Net debt</b>	<b>2,780</b>	<b>2,866</b>	<b>2,522</b>

**BUSINESS SEGMENT INFORMATION FOR FY 2015**

From 1 April 2015, certain businesses such as AMPed, Dash, Hungry-Go-Where, inSing.com and Newsloop which were previously within Group Digital Life were transferred to Singapore Consumer. To better reflect the underlying performance of the business segments, the results for the respective comparative periods have been restated on the basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from refinement of revenue/ cost allocation methodologies between the various business units in Singapore. The Group's overall results for the respective periods remained unchanged.

	Quarter			Quarter			Quarter			Quarter			Year		
	30 Jun			30 Sep			31 Dec			31 Mar			31 Mar		
	Restated 2014 S\$ m	Change S\$ m	Change %	Restated 2014 S\$ m	Change S\$ m	Change %	Restated 2014 S\$ m	Change S\$ m	Change %	Restated 2015 S\$ m	Change S\$ m	Change %	Restated 2015 S\$ m	Change S\$ m	Change %
<b>Revenue</b>															
Group Consumer	2,553	9	0.3	2,640	10	0.4	2,770	8	0.3	2,629	7	0.3	10,593	33	0.3
Group Enterprise	1,555	(1)	**	1,598	(1)	-0.1	1,559	(1)	**	1,606	(0.5)	**	6,318	(3)	**
Group Digital Life	35	(8)	-23.6	76	(9)	-11.8	98	(7)	-7.3	104	(6)	-6.0	313	(31)	-9.8
Corporate	5	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-
<b>Group</b>	<b>4,148</b>	<b>-</b>	<b>-</b>	<b>4,309</b>	<b>-</b>	<b>-</b>	<b>4,427</b>	<b>-</b>	<b>-</b>	<b>4,339</b>	<b>-</b>	<b>-</b>	<b>17,223</b>	<b>-</b>	<b>-</b>
<b>EBITDA</b>															
Group Consumer	804	(2)	-0.3	847	(3)	-0.3	796	(3)	-0.4	858	(4)	-0.5	3,304	(12)	-0.4
Group Enterprise	504	(6)	-1.1	547	(7)	-1.2	491	(6)	-1.1	497	(5)	-0.9	2,039	(23)	-1.1
Group Digital Life	(37)	8	-21.6	(40)	10	-24.7	(40)	9	-22.1	(62)	9	-14.9	(180)	36	-20.1
Corporate	(17)	(0.1)	0.6	(19)	(1)	3.6	(18)	(0.3)	1.7	(19)	(0.2)	1.1	(73)	(1)	1.8
<b>Group</b>	<b>1,254</b>	<b>-</b>	<b>-</b>	<b>1,334</b>	<b>-</b>	<b>-</b>	<b>1,229</b>	<b>-</b>	<b>-</b>	<b>1,274</b>	<b>-</b>	<b>-</b>	<b>5,091</b>	<b>-</b>	<b>-</b>
<b>EBIT (exclude share of associates' pre-tax profits)</b>															
Group Consumer	433	(5)	-1.2	476	(5)	-1.1	425	(5)	-1.2	481	(7)	-1.5	1,816	(23)	-1.3
Group Enterprise	352	(6)	-1.8	395	(8)	-2.0	338	(7)	-2.0	341	(6)	-1.8	1,426	(27)	-1.9
Group Digital Life	(46)	12	-25.2	(63)	14	-21.8	(57)	12	-21.6	(71)	14	-19.4	(237)	52	-21.7
Corporate	(18)	(0.1)	0.6	(19)	(1)	3.7	(18)	(0.4)	2.2	(20)	(0.4)	2.0	(75)	(2)	2.1
<b>Group</b>	<b>722</b>	<b>-</b>	<b>-</b>	<b>789</b>	<b>-</b>	<b>-</b>	<b>688</b>	<b>-</b>	<b>-</b>	<b>731</b>	<b>-</b>	<b>-</b>	<b>2,929</b>	<b>-</b>	<b>-</b>

Please refer to **SGX Appendix 7.2** announcement for the third quarter and nine months ended 31 December 2015 for group segment information prepared on statutory basis.

**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		
	31 Dec 2015	30 Sep 2015	31 Dec 2014
SGD	69%	70%	66%
AUD	31%	30%	34%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The debt currency mix is constantly being reviewed and aligned with the Group's cash flows.

**CREDIT RATINGS**

As at 31 Dec 2015	Singtel	Optus
Standard & Poor's	A+ (stable)	A (stable)
Moody's Investors Service	Aa3 (stable)	A1 (stable)

**MAJOR CURRENCY AVERAGE EXCHANGE RATES**

<b>1 Australian Dollar buys:</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Nine Months</b>
Derived weighted average exchange rate <sup>(1)</sup> for:				
Operating revenue				
<u>SGD</u>				
FY2016	1.0446	1.0089	1.0138	1.0222
FY2015	1.1688	1.1574	1.1073	1.1434
<i>Change (last corresponding period)</i>	<b>-10.6%</b>	<b>-12.8%</b>	<b>-8.4%</b>	<b>-10.6%</b>
Underlying net profit				
<u>SGD</u>				
FY2016	1.0445	1.0086	1.0140	1.0213
FY2015	1.1686	1.1563	1.1053	1.1430
<i>Change (last corresponding period)</i>	<b>-10.6%</b>	<b>-12.8%</b>	<b>-8.3%</b>	<b>-10.6%</b>

**Note:**

(1) The monthly income statement of Optus is translated from Australian Dollar to Singapore Dollar based on the average exchange rate for the month. These rates represent the derived weighted average exchange rates for the Australian Dollar for the period to date.

<b>1 Singapore Dollar buys:</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Nine Months</b>
<b><u>Rupiah</u></b>				
FY2016	9,804	10,000	9,804	9,875
FY2015	9,259	9,434	9,434	9,383
<i>Change (last corresponding period)</i>	<b>5.9%</b>	<b>6.0%</b>	<b>3.9%</b>	<b>5.2%</b>
<b><u>Indian Rupee</u></b>				
FY2016	47.2	46.7	46.7	46.9
FY2015	47.8	48.3	47.8	48.0
<i>Change (last corresponding period)</i>	<b>-1.3%</b>	<b>-3.3%</b>	<b>-2.3%</b>	<b>-2.3%</b>
<b><u>Baht</u></b>				
FY2016	24.8	25.3	25.4	25.2
FY2015	25.9	25.6	25.3	25.6
<i>Change (last corresponding period)</i>	<b>-4.2%</b>	<b>-1.2%</b>	<b>0.4%</b>	<b>-1.6%</b>
<b><u>Peso</u></b>				
FY2016	33.2	33.1	33.3	33.2
FY2015	35.2	35.0	34.6	35.0
<i>Change (last corresponding period)</i>	<b>-5.7%</b>	<b>-5.4%</b>	<b>-3.8%</b>	<b>-5.1%</b>



**OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2016**

- **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 is based on the following average exchange rates during FY 2015:

Australian Dollar	AUD 1	SGD 1.1234
Indonesian Rupiah	SGD 1	IDR 9,395
Indian Rupee	SGD 1	INR 47.5
Thailand Baht	SGD 1	THB 25.2
Philippine Peso	SGD 1	PHP 34.3

- The outlook for the current financial year does not include the impact of the following:
  - Wholesale price changes for MTAS with effect from 1 January 2016, which are expected to reduce Optus' incoming mobile service revenue by approximately A\$200 million for the quarter and financial year ending 31 March 2016. This is not expected to have a material impact on Optus' EBITDA for the current financial year.
  - The effects of the acquisition of Trustwave, whose results, financial position and cash flows are not yet material to the Group.
- **Revenue from Core Business (comprises Group Consumer and Group Enterprise) to grow at mid single digit level and EBITDA to grow at low single digit level.**
- **Mobile Communications revenue from Singapore to grow at low single digit level.**
- **Mobile service revenue from Australia to grow at low single digit level.**
- **Group ICT revenue (comprises Managed Services and Business Solutions) to grow at mid single digit level.**
- **Revenue from Amobee Group to be S\$350-S\$400 million. Group Digital Life to record negative EBITDA of S\$150-S\$180 million.**
- **Excluding acquisitions, consolidated revenue of the Group to grow at mid single digit level and EBITDA to grow at low single digit level.**
- **Capital expenditure for the Group on an accrual basis is expected to approximate S\$3.0 billion, comprising approximately S\$1.9 billion for Australia and S\$1.1 billion for Singapore in FY 2016. This reflects the Group's multi-year investments in a new data centre in Singapore, continued strategic investments in mobile network, particularly in Australia, and expected increased spend in customer care and management systems.**
- **Capital expenditure for the Group on a cash basis is expected to approximate S\$2.3 billion, with credit terms in place.**

- **Group free cash flow (excluding dividends from associates) to be approximately S\$1.5 billion.**
- **Ordinary dividends from regional mobile associates are expected to be approximately S\$1.1 billion.**