SingTel

Singapore Telecommunications Limited
And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2014

The financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards, which are the same, in material respects, to International Financial Reporting Standards. The financial statements for the period ended, and as at, 30 June 2014 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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FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014

- **In constant currency terms[1], underlying net profit grew 4.9% on higher associates' contributions and EBITDA was stable.**

- **Results were impacted by exceptional items and adverse currency movements.**

- **Underlying net profit declined 1.8% and EBITDA fell 3.2% with the effects of the depreciation of the Australian Dollar and Indonesian Rupiah by 5% and 19% respectively.**

- **Net profit declined 12% in constant currency terms[1] caused by exceptional losses of S$46 million this quarter compared with net exceptional gains of S$114 million in June quarter last year mainly from the dilution of equity interest in Airtel.**

- **Free cash flow increased by S$291 million or 33% to S$1.18 billion on strong operating cash flows.**

[1] Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2013.

SECTION 1 : GROUP

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Operating revenue	4,148	4,293	-3.4
EBITDA	1,254	1,296	-3.2
EBITDA margin	*30.2%*	*30.2%*	
Share of associates' pre-tax profits	622	578	7.6
EBITDA and share of associates' pre-tax profits	1,876	1,874	0.1
EBIT	1,344	1,334	0.7
(excluding share of associates' pre-tax profits)	*722*	*756*	*-4.6*
Underlying net profit	881	897	-1.8
Exceptional items (post-tax)	(46)	114	nm
Net profit	835	1,011	-17.4
Free cash flow	1,184	893	32.6
Underlying earnings per share (S cents)	5.53	5.63	-1.8
Basic earnings per share (S cents)	5.24	6.35	-17.5

	As at 30 Jun 2014 S$ m	As at 31 Mar 2014 S$ m	As at 30 Jun 2013 S$ m
Total assets	39,013	39,320	39,003
Shareholders' funds	24,645	23,868	24,137
Net debt (1)	6,539	7,534	6,495
Net debt gearing ratio (2)	*21.0%*	*24.0%*	*21.2%*
Net debt to EBITDA and share of associates' pre-tax profits (3)	*0.87X*	*1.02X*	*0.87X*
Interest cover:			
- EBITDA and share of associates' pre-tax profits/ net interest expense (4)	*29.9X*	*28.7X*	*27.4X*

Notes:

(1) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.

(2) Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.

(3) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis. The ratio would have been 1.08X if the final dividend of 10 cents per share is paid as at 30 June 2014 instead of August 2014.

(4) Net interest expense refers to interest expense less interest income.

SECTION 1 : GROUP

GROUP SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Operating revenue	**4,148**	**4,293**	**-3.4**
Operating expenses	(2,922)	(3,032)	-3.7
	1,226	1,261	-2.8
Other income	29	35	-18.3
EBITDA	**1,254**	**1,296**	**-3.2**
- EBITDA margin	***30.2%***	***30.2%***	
Share of associates' pre-tax profits			
- operating results	622	571	8.9
- exceptional items	-	7	nm
	622	578	7.6
EBITDA and share of associates' pre-tax profits	**1,876**	**1,874**	**0.1**
Depreciation	(490)	(497)	-1.6
Amortisation of intangibles	(43)	(42)	2.6
	(533)	(540)	-1.2
EBIT	**1,344**	**1,334**	**0.7**
Net finance expense			
- net interest expense	(63)	(68)	-8.2
- other finance income	11	19	-42.8
	(52)	(49)	5.5
Profit before exceptional items and tax	**1,292**	**1,285**	**0.5**
Taxation	(410)	(386)	6.1
Profit after tax	**882**	**899**	**-1.9**
Minority interests	(1)	(2)	-36.4
Underlying net profit	**881**	**897**	**-1.8**
Exceptional items (post-tax)	(46)	114	nm
Net profit	**835**	**1,011**	**-17.4**
Depreciation as % of operating revenue	***12%***	***12%***	

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 L!fe, 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, PBTL in Bangladesh, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, residential pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore and Australia and focuses on growing the Group's position in the enterprise markets. Key services include mobile, fixed voice and data, managed services, cloud computing, and IT services and professional consulting.

Group Digital L!fe 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. It includes digital and mobile advertising, e-commerce, concierge and hyper-local services.

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

COST ALLOCATION

The costs of shared and common infrastructure are allocated to business segments using established methodologies. As a result of higher utilisation of shared infrastructure by mobile in Australia, certain costs have been reallocated between Consumer and Enterprise business segments with effect from 1 April 2014. For comparative purpose, the EBITDA and EBIT of the business segments for the prior periods have been restated in the following table to reflect the changes in cost allocation:

	Quarter 30 Jun			Year 31 Mar		
	Restated 2013 S$ m	Change S$ m	Change %	Restated 2014 S$ m	Change S$ m	Change %
EBITDA						
Group Consumer	789	(19)	-2.3	3,283	(62)	-1.9
Group Enterprise	551	19	3.4	2,094	62	3.0
Group Digital L!fe	(32)	-	-	(170)	-	-
Corporate	(12)	-	-	(52)	-	-
Group	**1,296**	**-**	**-**	**5,155**	**-**	**-**
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	415	(36)	-8.6	1,819	(123)	-6.7
Group Enterprise	397	36	8.9	1,475	123	8.3
Group Digital L!fe	(44)	-	-	(217)	-	-
Corporate	(12)	-	-	(54)	-	-
Group	**756**	**-**	**-**	**3,023**	**-**	**-**

SECTION 1 : GROUP

The Group's overall EBITDA and EBIT for the respective periods remained unchanged. See **Appendix 5** for the restated EBITDA and EBIT of the business segments for the respective quarters in FY 2014.

The following table shows the operating performance of the three business segments in the current quarter ended 30 June 2014:

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun Restated 2013 S$ m	YOY Chge %
Operating revenue			
Group Consumer	2,544	2,703	-5.9
Group Enterprise	1,556	1,560	-0.3
Core Business	**4,100**	**4,264**	**-3.8**
Group Digital L!fe	48	30	60.6
Group	**4,148**	**4,293**	**-3.4**
EBITDA			
Group Consumer	806	789	2.2
Group Enterprise	510	551	-7.4
Core Business	**1,316**	**1,340**	**-1.8**
Group Digital L!fe	(45)	(32)	40.1
Corporate	(17)	(12)	41.9
Group	**1,254**	**1,296**	**-3.2**
EBIT (exclude share of associates' pre-tax profits)			
Group Consumer	439	415	5.7
Group Enterprise	359	397	-9.7
Core Business	**797**	**812**	**-1.8**
Group Digital L!fe	(58)	(44)	33.3
Corporate	(17)	(12)	46.2
Group	**722**	**756**	**-4.6**

SECTION 1 : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2014

In constant currency terms, the Group recorded stable EBITDA and 4.9% growth in underlying net profit driven mainly by higher associates' contributions. With the depreciation of Australian Dollar and the regional currencies, EBITDA declined 3.2% and underlying net profit was down 1.8%.

The Group's operating revenue declined 3.4% as the Australian Dollar weakened 5%. In constant currency terms, the Group's revenue would have been stable.

Group Consumer revenue declined 5.9% and in constant currency terms would have decreased 1.7%. Strong performance from Consumer Home and Mobile Communications in Singapore was offset by lower revenue in Australia. In Australia, mobile outgoing service revenue was flat but there were declines in equipment sales, fixed revenues and incoming revenue from a further mandated decline in mobile termination rates from 1 January 2014. EBITDA grew 2.2% and in constant currency terms, rose 6.7% with growth in Singapore and Australia driven mainly by lower handset subsidy costs.

Group Enterprise revenue was stable against a cautious business environment. In constant currency terms, revenue would have increased 1.3% with higher ICT revenue in Singapore partly offset by lower revenue in Australia. EBITDA declined 7.4% due to keen competition in core carriage business, price declines with the Next Gen NBN environment in Singapore, and lower pricing with contract transition for a large government infrastructure and ICT project. The corresponding quarter last year further included a gain on sale of submarine cable asset.

Group Digital L!fe achieved revenue growth of S$18 million or 61% in the quarter, with Amobee's higher mobile advertising revenue. Ongoing start-up costs and investments in new initiatives resulted in negative EBITDA of S$45 million, which included S$5 million of transaction costs related to the acquisitions of Adconion and Kontera. These acquisitions will strengthen Amobee's position as the leading provider of mobile-led digital marketing technology and solutions. Excluding the costs of new initiatives in the quarter such as 'Dash', mobile video, data analytics, as well as the acquisition transaction costs, negative EBITDA for Group Digital L!fe would have been S$37 million.

The Group and its regional mobile associates continued to record strong customer growth. The combined mobile customer base reached 525 million as at 30 June 2014, up 2.1% from a quarter ago.

The Group's share of associates' pre-tax profits grew 7.6% to S$622 million with strong earnings growth from Airtel India. Excluding currency translation effect, the pre-tax contribution from the associates would have recorded strong growth of 19%.

Net finance expense increased 5.5% as fair value gains recorded in June quarter last year were not repeated this quarter.

The higher Group's tax expense resulted mainly from share of Airtel's higher income taxes with higher profits in India as well as increased taxes in Africa.

SECTION 1 : GROUP

The net exceptional loss of S$46 million this quarter mainly comprised S$27 million of staff restructuring costs from Optus, and the Group's share of Airtel's exceptional losses of S$17 million arising from various disputes and related tax provisions. In the corresponding quarter last year, an exceptional gain of S$150 million was recognised from the dilution of equity interest in Airtel (see Page 14).

With the net exceptional loss, net profit declined 17% to S$835 million and in constant currency terms, would have been down by 12%.

Free cash flow in the quarter was S$1.18 billion, higher by S$291 million or 33% from a year ago. Excluding associates' dividends, free cash flow was S$502 million, an increase of S$273 million with strong operating cash flows.

The Group continued to maintain a healthy capital structure. As at 30 June 2014, net debt gearing ratio was at 21%, down from 24% a quarter ago.

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 75% (Q1 FY2014: 77%) of the Group's proportionate revenue and 73% (Q1 FY2014: 73%) of proportionate EBITDA.

SECTION 1 : GROUP

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2014 were as follows:

	Quarter		
	30 Jun 2014 S$ m	31 Mar 2014 S$ m	QOQ Chge %
Operating revenue	**4,148**	**4,128**	**0.5**
EBITDA	**1,254**	**1,297**	**-3.3**
EBITDA margin	***30.2%***	***31.4%***	
Share of associates' pre-tax profits	**622**	**566**	**9.9**
EBITDA and share of associates' pre-tax profits	**1,876**	**1,863**	**0.7**
EBIT	**1,344**	**1,330**	**1.0**
Profit before exceptional items and tax	**1,292**	**1,286**	**0.5**
Underlying net profit	**881**	**920**	**-4.2**
Exceptional items (post-tax)	**(46)**	**(21)**	**118.9**
Net profit	**835**	**898**	**-7.1**
Free cash flow	**1,184**	**868**	**36.4**

Group's EBITDA was lower by 3.3% from the preceding quarter, mainly due to higher selling and administrative expenses including the 2014 FIFA World Cup subsidy in Singapore, and some one-off credits related to staff costs in the preceding quarter. Underlying net profit declined 4.2% on higher withholding taxes from associates' dividends this quarter. The increase in free cash flow was due to the higher dividends from associates and lower cash capital expenditure.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2015

The Group affirms the guidance previously issued in May 2014.

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

SECTION 1 : GROUP

OPERATING REVENUE

By Products and Services	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Mobile communications	1,803	1,866	-3.3
Data and Internet	773	818	-5.5
Managed services	425	392	8.3
Business solutions	130	131	-0.7
Infocomm Technology ("ICT")	*555*	*523*	*6.1*
National telephone	355	405	-12.3
Sale of equipment	280	313	-10.3
International telephone	166	181	-7.9
Pay television	81	59	36.5
Digital businesses (1)	44	28	53.9
Fibre rollout and maintenance	42	54	-21.3
Others	48	48	1.7
Total	**4,148**	**4,293**	**-3.4**
Operating revenue	**4,148**	**4,293**	**-3.4**
Associates' proportionate revenue (2)	2,978	2,916	2.1
Group's proportionate revenue	**7,126**	**7,210**	**-1.2**

Notes:

(1) Comprise revenues mainly from digital and mobile advertising, e-commerce, concierge and hyper-local services.

(2) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by SingTel's effective ownership interest.

Operating Revenue Mix	Quarter 30 Jun 2014 Mix %	Quarter 30 Jun 2013 Mix %
Mobile communications	43.5	43.5
Data and Internet	18.6	19.1
Managed services	10.2	9.1
Business solutions	3.1	3.0
ICT	*13.3*	*12.1*
National telephone	8.6	9.4
Sale of equipment	6.8	7.3
International telephone	4.0	4.2
Pay television	1.9	1.4
Digital businesses	1.1	0.7
Fibre rollout and maintenance	1.0	1.3
Others	1.2	1.0
	100.0	**100.0**

SECTION 1 : GROUP

With the weaker Australian Dollar, operating revenue declined 3.4%. In constant currency terms, revenue would have been stable.

Mobile Communications revenue declined 3.3% but would have been stable in constant currency terms. In Singapore, mobile revenue grew 2.4% on data growth and increased mix of tiered data plans. In Australia, mobile service revenue was stable.

Data and Internet revenue declined 5.5% reflecting price declines with increased competition.

Revenue from ICT services, which comprised Managed services and Business solutions, grew 6.1% lifted by sale of equipment under a government infrastructure project, and growth in service and maintenance revenues. In constant currency terms, Group ICT revenue would have increased 7.6% from a year ago.

The lower equipment sales were due to lower volume of handset sales. In Australia, equipment sales had declined with the change in channel mix to more Optus owned stores.

Fibre rollout revenue was lower with lower build activity due to increased completion of the Next Gen NBN rollout in Singapore. The decline was partly offset by increased revenue share and maintenance revenue.

The Group’s enlarged revenue, including the proportionate share of operating revenue from the associates, amounted to S$7.13 billion, down 1.2% due mainly to weaker regional currencies. In constant currency terms, the Group’s enlarged revenue rose 4.5%.

SECTION 1 : GROUP

OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Selling & administrative	976	1,042	-6.4
Traffic expenses	638	655	-2.6
Cost of sales	625	661	-5.5
Staff costs	607	588	3.2
Repair & maintenance	79	84	-6.2
Others	(2)	3	nm
Total	**2,922**	**3,032**	**-3.7**

As a percentage of operating revenue	Quarter 30 Jun 2014 %	Quarter 30 Jun 2013 %
Selling & administrative	23.5	24.3
Traffic expenses	15.4	15.3
Cost of sales	15.1	15.4
Staff costs	14.6	13.7
Repair & maintenance	1.9	2.0
Others	**	**
Total	**70.4**	**70.6**

Total operating expenses decreased 3.7% from the same quarter last year, but in constant currency terms would have been stable.

Selling and administrative expenses, the largest expense category at 24% of operating revenue, declined 6.4% mainly due to lower handset subsidy costs and dealers' commissions. The decline was in part offset by higher retail staff costs in Australia.

Cost of sales fell 5.5%, corresponding to lower equipment sales.

Traffic expenses decreased 2.6% due mainly to lower interconnect costs from the mandated decline in mobile termination rates in Australia.

SECTION 1 : GROUP

STAFF COSTS

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Staff costs			
Optus	317	317	**
Amobee	12	7	70.8
SingTel and other subsidiaries	277	264	5.3
Group	**607**	**588**	**3.2**

	Quarter 30 Jun 2014	Quarter 31 Mar 2014	Quarter 30 Jun 2013	YOY Chge %
Average number of staff				
Optus	9,043	9,014	8,571	5.5
SingTel and other subsidiaries	13,161	12,997	13,027	1.0
Group	**22,204**	**22,011**	**21,598**	**2.8**
As at end of period				
Number of staff				
Optus	9,015	9,088	8,582	5.0
SingTel and other subsidiaries	13,378	12,978	13,084	2.2
Group	**22,393**	**22,066**	**21,666**	**3.4**

Staff costs grew 3.2% and would have increased 6.4% in constant currency terms. The increase was mainly due to higher average headcount and annual salary increments.

As of 30 June 2014, Group headcount increased 727 or 3.4% from a year ago to 22,393. The increase was due to higher number of retail staff in Australia with the change in channel mix to more Optus owned stores, and acquisition of talent for the Group Digital L!fe businesses.

DEPRECIATION AND AMORTISATION

In the quarter, the Group revised the useful lives of certain property, plant and equipment which resulted in lower depreciation charges of S$14 million (S$10 million post-tax) for the quarter.

SECTION 1 : GROUP

NET FINANCE EXPENSE

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Net interest expense:			
- Interest income	5	3	48.4
- Interest expense	(72)	(76)	-5.4
	(68)	**(73)**	**-7.6**
- Net interest income from NetLink Trust (1)	5	5	**
	(63)	**(68)**	**-8.2**
Other finance income			
- Dividend from Southern Cross/ PCHL	10	11	-10.7
- Investment gain (2)	2	2	-5.6
- Net foreign exchange (loss)/ gain	(1)	2	nm
- Fair value adjustments (3)	*	5	nm
	11	**19**	**-42.8**
Net finance expense	**(52)**	**(49)**	**5.5**

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 other non-equity accounted investments.

(3) Comprise mainly adjustments for hedging instruments measured at fair values at reporting date under FRS 39, *Financial Instruments: Recognition and Measurement*.

Net finance expense increased as fair value gains in the June quarter last year were not repeated this quarter.

Interest income increased on higher average cash balance while interest expense decreased due mainly to lower interest rates.

In the quarter, the Group received dividend income of S$10 million (Q1 FY2014: S$11 million) from the Southern Cross consortium.

SECTION 1 : GROUP

EXCEPTIONAL ITEMS [1]

	Quarter 30 June		YOY
	2014 S$ m	2013 S$ m	Chge %
Exceptional (losses)/ gains			
Dilution gain on Airtel	-	150	nm
Optus' staff restructuring costs	(27)	-	nm
Share of Airtel's one-off items	(17)	-	nm
Share of Globe's accelerated depreciation	(6)	(37)	-83.4
Gain on sale of venture investments	4	-	nm
Others	*	2	nm
Group net exceptional (losses)/ gains (post-tax)	**(46)**	**114**	**nm**

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 the June quarter last year, the Group recognised an exceptional gain of S$150 million from the dilution of 1.6% in its equity interest in Airtel following the issue of new equity shares to an investor.

In this quarter, the exceptional items included S$27 million (A$24 million) of staff restructuring costs at Optus, and the Group's share of Globe's accelerated depreciation of S$6 million (Q1 FY2014: S$37 million) from its network and IT transformation. The Group also recognised S$17 million of Airtel's exceptional losses arising from various disputes and related tax provisions.

SECTION 1 : GROUP

TAX EXPENSE

	Quarter 30 Jun		YOY Chge
	2014 S$ m	2013 S$ m	%
Income tax expense			
Optus	94	93	1.0
SingTel and other subsidiaries	50	49	0.8
Tax expense of SingTel and subsidiaries (a)	**143**	**142**	**0.9**
Share of associates' tax expense (b)	206	184	11.5
Withholding taxes on associates' dividend income [1]	61	60	2.0
Total	**410**	**386**	**6.1**
Profit before exceptional items and tax	1,292	1,285	0.5
Exclude:			
Share of associates' pre-tax profits	(622)	(578)	7.6
Adjusted pre-tax profit (c)	**670**	**707**	**-5.3**
Effective tax rate of SingTel and subsidiaries (a)/(c)	***21.4%***	***20.1%***	
Share of associates' pre-tax profits (d)	622	578	7.6
Effective tax rate of SingTel and subsidiaries (b)/(d)	***33.0%***	***31.9%***	

Note:

(1) Withholding taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at Group. The cash inflows upon the receipt of dividend are shown in **Section 5**.

The increase in the Group's tax expense was mainly due to share of Airtel's higher income taxes with higher profits in India as well as increased taxes in Africa.

SECTION 1 : GROUP

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2014 S$ m	31 Mar 2014 S$ m	30 Jun 2013 S$ m
Current assets (excluding cash)	3,842	3,729	3,726
Cash and bank balances	649	623	1,312
Non-current assets	34,522	34,969	33,966
Total assets	**39,013**	**39,320**	**39,003**
Current liabilities	4,681	5,690	5,987
Non-current liabilities	9,662	9,737	8,852
Total liabilities	**14,343**	**15,427**	**14,839**
Net assets	**24,670**	**23,893**	**24,164**
Share capital	2,634	2,634	2,634
Retained earnings	27,201	26,367	26,407
Currency translation losses	(3,802)	(3,693)	(3,397)
Other reserves	(1,388)	(1,439)	(1,506)
Equity attributable to shareholders	**24,645**	**23,868**	**24,137**
Minority interest	25	24	27
	24,670	**23,893**	**24,164**

The Group is in a sound financial position as at 30 June 2014. SingTel is rated Aa3 by Moody's and A+ by Standard & Poor's.

As at 30 June 2014, the currency translation losses increased by S$109 million from a quarter ago, arising mainly from the impact of the weaker Indonesian Rupiah and Indian Rupee against the Singapore Dollar on the translation of net investments in Telkomsel and Airtel.

SECTION 1 : GROUP

LIQUIDITY AND GEARING

	As at		
	30 Jun 2014 S$ m	31 Mar 2014 S$ m	30 Jun 2013 S$ m
Gross debt			
Current debt	37	814	1,233
Non-current debt	7,018	7,227	6,387
Gross debt as reported in statement of financial position	**7,055**	**8,040**	**7,620**
Related net hedging liability [(1)]	134	117	187
	7,188	**8,157**	**7,806**
Less : Cash and bank balances	(649)	(623)	(1,312)
Net debt	**6,539**	**7,534**	**6,495**
Gross debt gearing ratio [(2)]	***22.6%***	***25.5%***	***24.4%***
Net debt gearing ratio	***21.0%***	***24.0%***	***21.2%***

Notes:
(1) The net hedging liability arose from mark-to-market of cross currency and interest rate swaps.
(2) Gross debt gearing ratio refers to the ratio of gross debt to gross capitalisation. Gross capitalisation is the aggregate of gross debt, shareholders' funds and minority interests.

Hedged gross debt decreased by S$969 million to S$7.19 billion from a quarter ago, mainly due to S$981 million of net repayment in borrowings, and mark-to-market movements. Net debt gearing reduced to 21% from 24% a quarter ago.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			YOY chge
	30 Jun 2014 S$ m	30 Jun 2013 S$ m	31 Mar 2014 S$ m	%
Net cash inflow from operating activities				
Profit before exceptional items and tax	**1,292**	**1,285**	**1,286**	**0.5**
Non-cash items	(62)	9	10	nm
Operating cash flow before working capital changes	1,230	1,294	1,296	-4.9
Changes in operating assets and liabilities	(136)	(465)	248	-70.7
	1,094	829	1,544	32.0
Cash paid to employees under performance share plans	(1)	(4)	-	-88.1
Tax paid on operating activities	(46)	(47)	(97)	-3.8
Operating cash flow before dividends from associates	**1,048**	**778**	**1,447**	**34.8**
Dividends received from associates	757	736	85	2.9
Withholding tax paid on dividends received	(75)	(72)	(10)	4.0
	1,730	**1,441**	**1,522**	**20.0**
Net cash outflow for investing activities				
Payment for purchase of property, plant and equipment	(546)	(548)	(654)	-0.4
Proceeds from disposal of property, plant and equipment	1	4	1	-78.0
Payment for purchase of subsidiaries, net of cash acquired	(10)	(10)	(2)	**
Payment for purchase of spectrum	(80)	(161)	-	-50.7
Investment in associates	(1)	-	(3)	nm
Proceeds from disposal of venture investments	41	*	5	nm
Investment in venture investments	(11)	(7)	(2)	56.9
Withholding tax paid on interest received on inter-company loans	-	-	(16)	-
Others *(interest received etc)*	1	(9)	(15)	nm
	(605)	**(731)**	**(685)**	**-17.3**
Net cash outflow for financing activities				
Net decrease in borrowings	(981)	(175)	(359)	460.8
Net interest paid on borrowings and swaps	(97)	(91)	(65)	6.6
Interim dividends paid to shareholders	-	-	(1,084)	-
Purchase of performance shares	(21)	(20)	(6)	5.9
	(1,099)	**(286)**	**(1,514)**	**284.5**
Net increase/ (decrease) in cash and cash equivalents	**26**	**424**	**(677)**	**-94.0**
Exchange effects on cash and cash equivalents	1	(23)	17	nm
Group cash and cash equivalents at beginning	**623**	**911**	**1,283**	**-31.7**
Group cash and cash equivalents at end	**649**	**1,312**	**623**	**-50.5**
Singapore	354	217	353	63.6
Optus	148	13	440	@
Group free cash flow (before associates' dividends)	**502**	**230**	**793**	**118.6**
Dividends received from associates (net of withholding tax paid)	682	663	75	2.8
Group free cash flow	**1,184**	**893**	**868**	**32.6**
Optus free cash flow (in A$)	*126*	*28*	*387*	*359.6*
Cash capex to operating revenue	***13%***	***13%***	***16%***	

SECTION 1 : GROUP

Net cash inflow from operating activities for the quarter amounted to S$1.73 billion, up 20% from a year ago with strong cash flows from Singapore and Australia. Operating cash flow (before associates' dividend receipts) grew 35% to S$1.05 billion with positive working capital movements. Gross dividends increased 2.9% mainly due to dividend received from PCHL (part of the Southern Cross Consortium) in the quarter.

Compared to the preceding quarter, overall operating cash flow grew 14% on higher dividends received from associates partly offset by timing in various payments including annual staff incentive in the quarter.

Net cash outflow for investing activities was S$605 million. Capital expenditure was S$546 million, comprising S$175 million for Singapore and S$371 million (A$317 million) for Australia. In Singapore, major capital investments in the quarter included S$52 million for mobile networks, and S$70 million for fixed and data infrastructure. In Australia, capital investments in mobile networks and other core infrastructure were A$208 million and A$109 million respectively. Other investing cash flows included spectrum payments of S$80 million (A$68 million) for Optus' renewal of certain spectrum and GSM 900 licences.

With higher operating cash flow, the Group's free cash flow grew strongly by 33% to S$1.18 billion.

Net cash financing outflow of S$1.10 billion arose from net repayment of borrowings and interest payments.

Overall cash balance increased S$27 million from a quarter ago, and the cash balance was S$649 million at 30 June 2014.

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER

MANAGEMENT DISCUSSION AND ANALYSIS

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the regional mobile associates in the emerging markets. Group Consumer showed strong earnings growth despite the weakening of the Australian Dollar against the Singapore Dollar by 5% this quarter. Comparatives have been restated (see page 4 of **Section 1**). The results of regional mobile associates are discussed in **Section 5**.

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014

- **Operating revenue at S$2.54 billion – down 5.9%.**
- **EBITDA at S$806 million – up 2.2%.**
- **EBIT at S$439 million – up 5.7%.**

GROUP CONSUMER SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun Restated 2013 S$ m	YOY Chge %
Operating revenue	**2,544**	**2,703**	**-5.9**
Operating expenses	(1,760)	(1,933)	-8.9
	784	771	1.8
Other income	22	19	18.9
EBITDA	**806**	**789**	**2.2**
- margin	***31.7%***	***29.2%***	
Depreciation & amortisation	(368)	(374)	-1.7
EBIT	**439**	**415**	**5.7**

SECTION 2 : GROUP CONSUMER

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun Restated 2013 S$ m	YOY Change %
Selling & administrative	722	811	-10.9
Traffic expenses	457	482	-5.1
Cost of sales	270	332	-18.7
Staff costs	255	248	2.9
Repair & maintenance	47	52	-9.2
Others	8	8	6.6
Operating expenses	**1,760**	**1,933**	**-8.9**

GROUP CONSUMER OPERATING HIGHLIGHTS

For The First Quarter Ended 30 June 2014

Australia Consumer contributed 78% (Q1 FY2014: 79%) and 76% (Q1 FY2014: 79%) to the Group Consumer operating revenue and EBITDA respectively. The Australian Dollar depreciated 5% against the Singapore Dollar from the same quarter last year, negatively impacting Group Consumer’s results.

EBITDA margin expanded 2.5 percentage points and EBITDA improved 2.2% despite lower revenues in Australia and the impact of the weaker Australian Dollar. If the Australian Dollar was held constant against the Singapore Dollar, operating revenue would have declined 1.7% and EBITDA would have increased strongly by 6.7%.

Operating revenue for Singapore Consumer grew 1.9% while Australia Consumer revenue in Australian Dollar terms fell 2.6%. Revenue in Australia declined with flat mobile outgoing service revenue and lower equipment sales, fixed revenues and incoming service revenue from a further mandated decline in mobile termination rates from 1 January 2014.

In Singapore, EBITDA grew 13% despite World Cup subsidy, with revenue growth from mio TV and Mobile Communications, and lower overall selling and administrative costs. Investments in the 4G LTE and 3G networks continued to deliver customer growth and increased data usage, while handset subsidies continued to reduce.

In Australia, EBITDA improved 4.5% despite operating revenue decline of A$46 million or 2.6%. Total operating expenses decreased 5.2% from a year ago, driven by lower cost of sales and selling and administrative costs partially offset by higher staff costs with the increase in retail staff headcount.

Group Consumer EBIT increased 5.7%, and in constant currency terms was up 9.9%.

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2014 were as follows:

	Quarter		
	30 Jun 2014 S$ m	Restated 31 Mar 2014 S$ m	QOQ Chge %
Operating revenue	**2,544**	**2,466**	**3.2**
Operating expenses	(1,760)	(1,627)	8.2
EBITDA	**806**	**861**	**-6.4**
- margin	***31.7%***	***34.9%***	
EBIT	**439**	**497**	**-11.8**

Group Consumer EBITDA decreased 6.4% against the preceding quarter on higher traffic expenses, World Cup subsidy in Singapore as well as increased selling and administrative expenses and one-off credits related to staff costs in March 2014 quarter.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Operating revenue	**568**	**557**	**1.9**
Operating expenses	(376)	(390)	-3.4
	192	168	14.3
Other income	4	5	-18.8
EBITDA	**196**	**173**	**13.4**
- margin	***34.5%***	***31.0%***	
EBIT	**139**	**117**	**19.2**

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Mobile communications	316	310	1.9
International telephone	55	57	-3.9
Residential mio TV	53	32	64.2
Sale of equipment	51	58	-12.5
Fixed broadband	50	55	-8.7
National telephone	32	35	-7.7
Others (2)	11	10	10.0
Operating revenue	**568**	**557**	**1.9**
Selling & administrative	188	195	-3.4
Traffic expenses	83	80	3.0
Staff costs	51	52	-2.5
Cost of sales	49	57	-14.3
Repair & maintenance	11	11	3.7
Others (3)	(6)	(6)	1.8
Operating expenses	**376**	**390**	**-3.4**

Notes:
(1) The above figures exclude costs of International Group which have responsibility over the regional mobile associates.
(2) Include inter-operator tariff discounts, and revenue from mobile network cabling works and projects.
(3) Include project costs recovery and other operating expenses.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2014

In this quarter, Singapore Consumer EBITDA and EBIT grew 13% and 19% respectively. The results were strong notwithstanding the 2014 FIFA World Cup subsidy.

Operating revenue increased by 1.9% with growth from Mobile Communications and mio TV offsetting lower equipment sales.

Mobile Communications revenue grew 1.9%. The growth was driven by higher data revenue from both the prepaid and postpaid segments partly offset by lower voice usage and SMS revenue. Data usage continued to grow as more prepaid customers took up data bundles and more postpaid customers signed up for 4G data plans. In the quarter, SingTel launched the world's first 4G clear voice service (VoLTE) followed by the ultrafast LTE Advance 300 Mbps service. For data roaming users, the daily unlimited DataRoam Saver service was expanded to 70 countries, and a new prepaid DataRoam Pass service was introduced to ten popular destinations.

Consumer Home revenue comprising residential mio TV, fixed broadband and voice grew by 11%. The number of customers on bundled triple and quad play services grew by 4.8% to 370,000 as at end June 2014. Revenue from mio TV grew by a robust 64% as a result of growth in the number of customers with bundled services and subscriptions to 2014 FIFA World Cup. Fixed broadband revenue declined by 8.7% with pricing and promotional offers in a highly competitive NBN environment.

Equipment sales revenue declined by 13% due to lower mobile connections and handset sales.

Overall operating expenses were lower by 3.4%. Selling and administrative expenses declined by 3.4% due to lower acquisition costs, lower administrative and property expenses, partially offset by World Cup content cost and related expenses. Cost of sales decreased 14%, in line with the lower equipment sales.

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2014 were as follows:

	Quarter		
	30 Jun 2014 S$ m	31 Mar 2014 S$ m	QOQ Chge %
Operating revenue	**568**	**565**	**0.6**
Operating expenses	(376)	(369)	1.9
EBITDA	**196**	**199**	**-1.5**
- margin	***34.5%***	***35.2%***	
EBIT	**139**	**137**	**1.2**

EBITDA declined 1.5% compared to the preceding quarter, mainly due to the World Cup subsidy. Operating expenses increased by 1.9% from higher traffic expenses and World Cup content cost and related expenses. EBIT grew 1.2% on lower depreciation and amortisation charges.

SECTION 2 : GROUP CONSUMER

AUSTRALIA CONSUMER SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun 2014 A$ m	Quarter 30 Jun Restated 2013 A$ m	YOY Chge %
Operating revenue	**1,691**	**1,737**	**-2.6**
Operating expenses	(1,180)	(1,245)	-5.2
	511	492	3.8
Other income	15	11	34.5
EBITDA	**525**	**503**	**4.5**
- margin	***31.1%***	***28.9%***	
EBIT	**259**	**246**	**5.6**

	Quarter 30 Jun 2014 A$ m	Quarter 30 Jun 2013 A$ m	YOY Chge %
Incoming	216	224	-3.6
Outgoing	873	873	-0.1
Total Mobile Service (1)	1,088	1,097	-0.8
Equipment	161	176	-8.5
Total Mobile Revenue	**1,249**	**1,273**	**-1.9**
Voice	133	146	-9.2
Broadband	112	115	-2.2
Pay TV	19	19	-0.9
Mass Market Fixed On-net	264	280	-5.8
Mass Market Fixed Off-net	11	6	76.7
Total Mass Market Fixed	**275**	**286**	**-4.0**
Data & IP	62	56	9.8
Voice	35	38	-7.6
Satellite	70	83	-16.3
Total Wholesale Fixed	**167**	**178**	**-6.1**
Operating revenue	**1,691**	**1,737**	**-2.6**

Note:
(1) Includes international incoming and outgoing revenue.

SECTION 2 : GROUP CONSUMER

	Quarter 30 Jun		YOY Chge
	2014 A$ m	Restated 2013 A$ m	%
Selling & administrative	456	498	-8.5
Traffic expenses	321	325	-1.3
Cost of sales	189	223	-15.3
Staff costs	172	155	10.9
Repair & maintenance	31	33	-7.5
Others	12	11	12.3
Operating expenses	**1,180**	**1,245**	**-5.2**

AUSTRALIA CONSUMER OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2014

This quarter, Australia Consumer continued to execute on its transformation plan, leading the market with mobile product innovations and accelerating its national 4G network rollout, to improve customer experience and drive sustainable profitability. EBITDA increased 4.5% although operating revenue declined A$46 million or 2.6%.

The decline in mobile revenue of A$24 million or 1.9% was attributed to the following items that have minimal impact on EBITDA:

- Lower equipment sales by A$15 million from lower shipment volumes and change in channel mix to Optus owned stores; and
- Lower mobile incoming revenue by A$9 million mainly from the mandated reduction in the mobile termination rate from 4.8 cents to 3.6 cents per minute from 1 January 2014.

The number of 4G mobile customers increased by 282,000 this quarter, resulting in the total 4G customer base increasing to 2.43 million at 30 June 2014, up from 2.15 million a quarter ago.

Building on the ‘My Plan’ offers launched last year, Australia Consumer introduced new ‘My Plan’ products which allow convenient data sharing between up to 5 devices on a single bill. The new SIM-only version targets the growing market of customers retaining their own devices and seeking a month by month service contract. Mobile outgoing service revenue was stable, as customer usage trends continued with increased data revenues offset by lower roaming and voice breakage revenues.

Continued focus on customer engagement and innovation has resulted in a 41% year-on-year reduction in Telecommunications Industry Ombudsman (TIO) complaints during the March 2014 quarter. Optus’ average monthly postpaid churn continued to decline to 1.4% in the current quarter from 1.5% in the same quarter last year.

SECTION 2 : GROUP CONSUMER

Optus continued its focus on mobile network investment, targeting 90% 4G national population coverage by March 2015. In this quarter, Optus successfully launched commercial 4G pilots in Darwin and Perth using early access commercial licenses on the 700MHz band. As at 30 June 2014, Optus had expanded the 4G metro population coverage to 78% (on-street) and 58% (in-building), with 1,980 sites upgraded to 4G.

In Mass Market Fixed, on-net revenue declined 5.8% on lower telephony customer numbers and reduced ARPU.

Wholesale fixed revenue was down 6.1% compared to the same quarter last year as the increase in higher margin data and IP revenues was offset by the decline in lower margin satellite and voice revenues. The satellite revenue decline was mainly driven by lower equipment sales.

Total operating expenses fell 5.2%. Selling and administrative expenses declined 8.5% mainly due to lower handset subsidies and dealer commissions with lower number of franchised stores. Cost of sales declined 15% due to lower shipment volumes and change in channel mix to Optus owned stores. Traffic expenses declined 1.3% due to lower interconnect costs from the mandated decline in mobile voice termination rates. Staff costs increased A$17 million or 11%, the main driver being an increase of retail staff costs as the number of Optus owned stores increased from 33 a year ago, and 152 a quarter ago, to 160 as at 30 June 2014.

Overall Australia Consumer EBITDA improved A$22 million or 4.5% year-on-year and EBITDA margin expanded by 2.2 percentage points to 31.1%.

EBIT increased A$13 million or 5.6% as higher EBITDA was partially offset by higher depreciation and amortisation charges from increased investment in the mobile network.

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2014 were as follows:

	Quarter		
	30 Jun 2014 A$ m	Restated 31 Mar 2014 A$ m	QOQ Chge %
Operating revenue	**1,691**	**1,671**	**1.2**
Operating expenses	(1,180)	(1,101)	7.3
EBITDA	**525**	**586**	**-10.3**
- margin	***31.1%***	***35.1%***	
EBIT	**259**	**320**	**-19.1**

Operating revenue increased 1.2% in the quarter. EBITDA, however, declined 10% from higher selling and administrative expenses as well as increased staff costs which was partly due to an increase in Optus owned stores. The staff costs in the preceding quarter were also lower due to one-off credits.

AUSTRALIAN GOVERNMENT'S NBN PROJECT

On 12 December 2013, NBN Co released its report following a strategic review of the Australian Government's NBN project. NBN Co has recommended an optimised multi-technology mix model which would require the re-negotiation of a number of existing contracts. On 8 April 2014, the Government issued a new Statement of Expectations to NBN Co which endorses the recommendation to transition to a multi-technology approach. The Hybrid Fibre-Coaxial (HFC) Subscriber Agreement (2012) continues to apply and Optus continues to operate under those terms having commenced migration of customers since 2013.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE

MANAGEMENT DISCUSSION AND ANALYSIS

Group Enterprise provides comprehensive and integrated ICT solutions to enterprise customers both in Singapore and Australia, covering mobile, fixed voice and data, managed services, cloud computing, and IT services and professional consulting. Comparatives have been restated (see page 4 of **Section 1)**.

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014

- **Operating revenue stable at S$1.56 billion**
- **EBITDA at S$510 million – down 7.4%.**
- **EBIT at S$359 million – down 9.7%.**

GROUP ENTERPRISE SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun		
	2014 S$ m	Restated 2013 S$ m	YOY Chge %
Operating revenue	**1,556**	**1,560**	**-0.3**
Operating expenses	(1,052)	(1,024)	2.6
	504	536	-5.9
Other income	6	15	-60.5
EBITDA	**510**	**551**	**-7.4**
- margin	***32.8%***	***35.3%***	
Depreciation & amortisation	(151)	(154)	-1.6
EBIT	**359**	**397**	**-9.7**

SECTION 3 : GROUP ENTERPRISE

	Quarter 30 Jun		
	2014 S$ m	Restated 2013 S$ m	YOY Chge %
Cost of sales	355	327	8.5
Staff costs	305	300	1.7
Selling & administrative	190	197	-3.5
Traffic expenses	181	173	4.2
Repairs, maintenance and other expenses/ recoveries	21	28	-22.5
Operating expenses	**1,052**	**1,024**	**2.6**

GROUP ENTERPRISE OPERATING HIGHLIGHTS

Operating revenue was stable against a cautious business environment in Asia Pacific, with competitive pricing and impacted by a weaker Australian Dollar. In constant currency terms, revenue would have increased 1.3%. Singapore Enterprise revenue grew 3.2%. In Australian Dollar terms, Australia Enterprise revenue fell 3.3%.

Operating expenses grew 2.6%. The increase was attributable to higher cost of sales in line with related revenue growth and increased traffic expenses, partly offset by lower selling and administrative and other expenses. Traffic expenses increased due mainly to the impact of one-off credits in the same quarter last year.

Other income in the quarter last year included a gain on sale of submarine cable asset.

EBITDA and EBIT declined 7.4% and 9.7% respectively due to keen competition in core carriage business, price declines with the Next Gen NBN environment in Singapore as well as pricing reduction with contract transition for a large government infrastructure and ICT project.

Group Enterprise continued to maintain its market leadership in International Data Services in the Asia Pacific excluding Japan region[2]. With the opening of a second EXPAN data centre in Hong Kong, the Group's total EXPAN data centre footprint in Asia Pacific increased to fourteen as at 30 June 2014.

In the Managed ICT space, Group Enterprise continued to make inroads in cloud with the launches of Video-Analytics-as-a-Service and Virtual Private Network-as-a-Service, as well as the continued on-boarding of Singapore government agencies to its G-Cloud platform.

Group Enterprise have gained industry wide recognition with several award wins. At Asia Communications Award 2014, SingTel won the Project of the Year for G-Cloud. At the Computerworld Hong Kong Awards 2014, SingTel won the IT Outsourcing and Managed Services category and NCS won the Systems Integration Services category. SingTel also bagged two awards for the Best in Disaster Recovery & Business Continuity, and the Best in Security as a Service at the NetworkWorld Asia Information Management Awards 2014.

[2] Based on IDC Fixed Line Tracker Market Share Report 2H 2013, May 2014.

SECTION 3 : GROUP ENTERPRISE

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2014 were as follows:

	Quarter		
	30 Jun 2014 S$ m	Restated 31 Mar 2014 S$ m	QOQ Chge %
Operating revenue	**1,556**	**1,613**	**-3.5**
Operating expenses	(1,052)	(1,113)	-5.5
EBITDA	**510**	**503**	**1.3**
- margin	***32.8%***	***31.2%***	
EBIT	**359**	**345**	**3.9**

Operating revenue declined 3.5% with seasonally lower ICT related revenue in the June quarter. EBITDA grew 1.3% with growth in core carriage business partly offset by the decline in ICT, and EBIT grew 3.9% with lower depreciation charges.

SECTION 3 : GROUP ENTERPRISE

SINGAPORE ENTERPRISE

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Managed services (1)	288	245	17.8
Business solutions (2)	130	131	-0.7
ICT	418	375	11.4
Data and Internet (3)	318	322	-1.1
Mobile communications	202	196	3.2
International telephone	56	59	-5.6
National telephone	46	46	-1.1
Fibre rollout and maintenance	42	54	-21.3
Miscellaneous (4)	44	39	13.3
Operating revenue	**1,127**	**1,092**	**3.2**
EBITDA	**427**	**464**	**-8.0**

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 (LLC), International Leased Circuits (ILC), Fixed Broadband, STIX and Satellite.
(4) Include sale of equipment and other miscellaneous revenue.

Singapore Enterprise contributed 72% (Q1 FY2014: 70%) to the Group Enterprise operating revenue. Operating revenue was up 3.2% at S$1.13 billion with growth in Managed Services and Mobile Communications partially offset by lower Fibre rollout, International Telephone and Data and Internet revenues.

Managed Services revenue benefited from sale of equipment under a public sector infrastructure project, and growth in service and maintenance revenue. NCS continued to maintain a healthy order book of S$2.2 billion as at 30 June 2014 on the back of major infrastructure outsourcing contract wins, including a two-year contract to host managed data centre services for a statutory board in Singapore.

Business Solutions revenue was stable year-on-year. In the area of safe and smart cities, NCS signed a Memorandum Of Understanding (MOU) with Airbus Defence and Space to establish a Center of Excellence in Singapore to research, develop and commercialise safe city solutions in Asia. NCS also showcased its smart city capabilities to global city leaders at the World Cities Summit 2014 held in July 2014.

Data and Internet revenue declined 1.1% due to price declines from increased competition.

SECTION 3 : GROUP ENTERPRISE

Mobile Communications grew 3.2% with growth in average mobile customer base. The increase in plan subscription revenue and data usage from increased proportion of customers on tiered data plans was partially offset by lower voice usage, SMS, VAS and roaming revenues.

International Telephone revenue declined 5.6% with lower inpayment rates and call volume. The impact of the decline was partially mitigated by lower traffic outpayment rates.

Fibre rollout revenue was lower with lower build activity due to increased completion of the Next Gen NBN rollout. The decline was partially offset by increased revenue share and maintenance revenue.

SECTION 3 : GROUP ENTERPRISE

AUSTRALIA ENTERPRISE

	Quarter 30 Jun		YOY Chge
	2014 A$ m	2013 A$ m	%
ICT and Managed Services	117	120	-2.2
Data and IP	91	100	-9.3
Voice	88	93	-5.2
Mobile (1)	71	66	6.3
Operating revenue (2)	**367**	**379**	**-3.3**
EBITDA	**71**	**70**	**1.6**

Notes:
(1) Include mobile service revenue and sale of equipment revenue.
(2) Exclude small and medium business segment which is reported under Australia Consumer.

ICT and Managed Services revenue in the quarter declined 2.2% with the growth in services and maintenance revenue being offset by delays in equipment orders from customers and delivery lead times.

Data and IP revenue declined 9.3% from continued price competition and migration of legacy data services to IP network solutions.

Voice revenue declined 5.2% in line with industry trends, due to price erosions and declines in switched voice as businesses migrated to lower cost IP-based voice solutions.

Mobile revenue grew 6.3% from higher sales of equipment and value added services (corporate messaging and applications), partially offset by the decline in mobile termination rates and lower roaming tariffs.

During the quarter, Optus won a five-year contract to provide domestic mobile network and managed services for Westpac Banking Corporation's international services and contact centre transformation.

SECTION 4 : GROUP DIGITAL L!FE

GROUP DIGITAL L!FE

MANAGEMENT DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014

- **Operating revenue at S$48 million – up 61%.**
- **Negative EBITDA of S$45 million, reflecting start-up costs and investment initiatives.**
- **Negative EBIT of S$58 million.**

GROUP DIGITAL L!FE SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun		YOY Chge
	2014 S$ m	2013 S$ m	%
Advertising Business			
- Mobile advertising [1]	30	16	93.8
- Other advertising [2]	9	5	63.8
	39	21	**86.1**
Others [3]	9	9	-1.0
Operating revenue	**48**	**30**	**60.6**
Operating expenses	(93)	(61)	51.6
	(45)	(32)	43.2
Other income	*	(1)	nm
EBITDA	**(45)**	**(32)**	**40.1**
Depreciation	(5)	(4)	39.5
Amortisation of intangibles	(8)	(8)	1.3
	(13)	(11)	14.0
EBIT	**(58)**	**(44)**	**33.3**

Notes:
(1) Mainly mobile advertising revenue from Amobee.
(2) Mainly advertising revenues from TV and Internet.
(3) Included revenues from e-commerce, concierge and hyper-local services.

SECTION 4 : GROUP DIGITAL L!FE

	Quarter 30 Jun		YOY Chge
	2014 S$ m	2013 S$ m	%
Selling & administrative	59	29	104.8
Staff costs	32	29	12.5
Cost of sales	1	2	-75.0
Others	1	2	-50.0
Operating expenses	**93**	**61**	**51.6**

The following table shows the results of the "existing businesses" of Group Digital L!fe:

Existing Businesses (1)	Quarter 30 Jun		YOY Chge
	2014 S$ m	2013 S$ m	%
Operating revenue	**47**	**30**	**58.2**
Operating expenses	(84)	(61)	36.5
EBITDA	**(37)**	**(32)**	**13.4**
EBIT	**(49)**	**(44)**	**13.1**

Note:
(1) Excluded the impact of new business initiatives from 1 April 2014 such as 'Dash', mobile video and data analytics, as well as S$5 million of acquisition transaction costs recorded in the quarter.

GROUP DIGITAL L!FE OPERATING HIGHLIGHTS

Group Digital L!fe achieved operating revenue growth of S$18 million or 61% to S$48 million this quarter with continued strong increase in mobile advertising revenue.

The negative EBITDA of S$45 million reflected ongoing investments in digital businesses. Including depreciation and amortisation of intangibles, negative EBIT amounted to S$58 million. Excluding new initiatives in the quarter such as 'Dash', mobile video and data analytics, as well as S$5 million of acquisition transaction costs, negative EBITDA and negative EBIT would have been at S$37 million and S$49 million respectively.

In the quarter, Amobee announced the acquisitions of Adconion and Kontera with total consideration payable of approximately US$359 million. The acquisitions will strengthen and scale Amobee's position as the leading provider of mobile-led digital marketing technology and solutions across all channels and screens for global brands. With the combined capabilities, Amobee is positioned to better capitalise on the fast-growing global digital advertising market.

SECTION 4 : GROUP DIGITAL L!FE

In the first-of-its-kind collaboration between a telco and a bank, SingTel and Standard Chartered Bank launched ‘Dash’ on 3 June 2014. This ground-breaking innovative service integrates mobile banking, mobile payments and mobile shopping into a single solution for consumers.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2014 were as follows:

	Quarter		
	30 Jun 2014 S$ m	31 Mar 2014 S$ m	QOQ Chge %
Operating revenue	**48**	**50**	**-3.6**
Operating expenses	(93)	(104)	-10.7
EBITDA	**(45)**	**(55)**	**-18.6**
EBIT	**(58)**	**(67)**	**-12.8**

Operating revenue remained strong at S$48 million, contributed mainly by mobile advertising. The decline of 3.6% was due to certain large one-off contracts in the preceding quarter. Excluding new initiatives in the quarter, negative EBITDA would be lower by 34% at S$37 million. Group Digital L!fe continued to drive active usage of its digital services and focus on growing scale in the fast-growing digital advertising market.

SECTION 5: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014

- **Earnings contributions from associates negatively impacted by steep depreciation of regional currencies, particularly the Indonesian Rupiah which declined 19%.**

- **With strong earnings growth from Airtel India, associates' pre-tax contributions and post-tax contributions increased 7.6% and 5.8% respectively.**

- **If the regional currencies were held constant from a year ago, the pre-tax and post-tax contributions from the associates would have increased by 19% and 18% respectively.**

- **The Group's combined mobile customer base[3] was up 10.8 million or 2.1% in the quarter to 525 million.**

[3] 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 [1]	Equity Int %	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Regional mobile associates				
Telkomsel	35.0			
- operating results		228	258	-11.8
- fair value losses		(5)	(3)	112.0
		222	255	-13.0
Bharti Telecom / Bharti Airtel ("**Airtel**") [2][3]	32.4			
- operating results (India and South Asia) [4]		229	167	37.0
- operating results (Africa)		27	31	-12.7
- net finance costs		(45)	(46)	-3.1
- fair value losses		(20)	(39)	-47.4
		191	113	68.4
AIS	23.3			
- operating results		96	114	-15.7
- fair value gains/ (losses)		*	(2)	nm
		96	113	-14.4
Globe [5]	47.2			
- operating results		82	73	11.7
- fair value gains/ (losses)		2	(3)	nm
		84	71	19.6
		594	**552**	**7.6**
Other SingTel associates				
Singapore Post	25.4	13	12	4.2
NetLink Trust [6]	100.0	8	(1)	nm
Others		7	8	-9.8
SingTel share of ordinary results (pre-tax)		**622**	**571**	**8.9**
Optus share of ordinary results (pre-tax)		*****	*****	**nm**
Group share of ordinary results (pre-tax)		**622**	**571**	**8.9**
Exceptional item ("EI")				
Airtel - one-off items		-	7	nm
Group share of EI		**-**	**7**	**nm**
SingTel share of pre-tax profit [3][5]		**622**	**578**	**7.6**
Optus share of pre-tax profit		*****	*****	**nm**
Group share of pre-tax profit [3][5]		**622**	**578**	**7.6**

Share of associates' tax	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
SingTel share of associates' tax	(205)	(184)	11.2
Optus share of associates' tax	(1)	*	nm
Group share of associates' tax (a)	**(206)**	**(184)**	**11.5**
Group share of pre-tax results (b)	**622**	**578**	**7.6**
Effective tax rate (a)/(b)	***33.0%***	***31.9%***	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2014 % [7]	Quarter 30 Jun 2013 S$ m	Quarter 30 Jun 2013 % [7]	YOY Chge %
Regional mobile associates					
Telkomsel	167	19	192	21	-12.9
Airtel [2][3]					
- ordinary results (India and South Asia) [4]	148		73		101.8
- ordinary results (Africa)	(56)		(22)		154.6
- exceptional item	-		(1)		nm
	92	10	50	6	84.4
AIS	76	9	90	10	-14.9
Globe [5]	58	7	48	5	21.4
	394	**45**	**380**	**42**	**3.7**
Other SingTel associates	23	3	14	2	66.4
SingTel share of post-tax profit [3][5]	**417**	**47**	**394**	**44**	**6.0**
Optus share of post-tax profit	**(1)**	**	*	**	**nm**
Group share of post-tax profit [3][5]	**417**	**47**	**394**	**44**	**5.8**

Post-tax profit contribution (in constant currency) [8]	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Regional mobile associates			
- operating results	687	597	15.0
- fair value losses	(25)	(45)	-44.3
	662	552	19.9
Other associates	28	19	45.4
Group share of ordinary results	**690**	**571**	**20.8**
Group share of exceptional items	-	7	nm
Group share of pre-tax profit	**690**	**578**	**19.4**
Group share of tax	(226)	(184)	22.7
Group share of post-tax profit	**464**	**394**	**17.8**

Notes:

(1) The accounts of the associates are prepared based on local GAAP. Where applicable, the accounting policies of the associates have been restated for compliance with the Group's accounting policies.

(2) As at 30 June 2014, the Group's equity interest in Airtel further increased to 32.4% following Bharti Telecom Ltd's additional investment in Airtel.

(3) Share of results for the current quarter excluded the Group's share of Airtel's exceptional items which have been classified as exceptional items of the Group.

(4) With effect from 1 April 2014, Airtel reported the results of India, Bangladesh and Sri Lanka as part of its 'India and South Asia' segment. Comparatives have been restated accordingly.

(5) Share of results for the quarters ended 30 June 2014, and 30 June 2013, excluded the Group's share of Globe's accelerated depreciation arising from its network modernisation and IT transformation which has been classified as an exceptional item of the Group.

(6) NetLink Trust is currently 100% owned by SingTel and is equity accounted as an associate in the Group as SingTel does not control it. In November 2013, NetLink Trust acquired 100% of OpenNet Pte. Ltd.

(7) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.

(8) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2013.

"" denotes less than +/-S$500,000.*

SECTION 5 : ASSOCIATES/ JOINT VENTURES

The Group's share of associates' pre-tax profits grew 7.6% with strong earnings growth from Airtel India partially offset by the depreciation of the regional currencies. Post-tax contributions from the associates were up 5.8%. If the regional currencies were held constant, the pre-tax and post-tax contributions from the associates would have increased strongly by 19% and 18% respectively.

Airtel's consolidated revenue grew 13% and EBITDA increased 18% in Indian Rupee terms. Airtel India reported strong earnings growth on data traffic growth, voice rate improvements and a higher customer base. Pre-tax profit contribution from Airtel increased 68% after finance costs and fair value losses. Telkomsel recorded robust data growth and a 9% EBITDA growth offset by increased depreciation charges from network expansion. Globe registered higher profits with growth in mobile and data services, and market share gains. AIS reported lower profits due to the weak Thai economy and higher depreciation charges from its 3G network rollout.

On a post-tax basis, the associates in total contributed 47% to the Group's underlying net profit for the quarter, up from 44% a year ago.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 79,500 radio base stations (of which 43% are 3G Node B) providing nationwide coverage. Telkomsel continued to expand its network with a focus to grow data and digital businesses. In the quarter, Telkomsel added approximately 5,200 radio base stations, of which 71% are 3G Node B.

Operating revenue increased 10% year-on-year driven by strong growth in data and digital businesses, and higher voice revenue. Data and digital businesses rose a robust 35% on higher data usage and continued strong uptake of smartphones. Voice revenue grew 8% amid stable market conditions.

EBITDA was up 9% despite higher operation and maintenance costs from accelerated network deployment. With higher depreciation charges on the expanded network rollout, the Group's share of Telkomsel's pre-tax operating profit (before fair value adjustments) rose 4.6% in Indonesian Rupiah terms.

With the significant 19% depreciation of the Indonesian Rupiah against the Singapore Dollar this quarter, the Group's overall share of Telkomsel's pre-tax profit declined 13%.

On a post-tax basis, Telkomsel's profit contribution for the quarter declined 13% to S$167 million and comprised 19% (Q1 FY2014: 21%) of the Group's underlying net profit.

Compared to the preceding quarter, revenue and EBITDA grew 5% each from a higher customer base and increased usage.

Telkomsel gained 4.7 million mobile customers in the quarter, up from 1.1 million in the preceding quarter. The total mobile customer base grew 12.3 million or 9.8% from a year ago to 137 million, including 63 million data customers at end of June 2014.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

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 complete 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")

In the quarter, Airtel expanded its 4G footprint in India to Ludhiana and Jalandhar, and launched 4G on mobile in Tricity and Kolkata.

In India, Airtel reported improved operating metrics across all its business segments. Operating revenue grew 12% on data traffic growth, voice rate improvements and a higher customer base. Year-on-year, total minutes on its networks increased by 5% while voice realisation per minute was up 4%. Total data traffic rose strongly by 96% and ARPU increased by 8%.

EBITDA was up by 22% and margin expanded on robust revenue growth and improved operational efficiency.

In the quarter, Airtel won three awards at the '2014 Frost and Sullivan India Information and Communication Technology Awards' for its exemplary growth and performance.

'South Asia' comprised operations in Sri Lanka and Bangladesh. Operating revenue and EBITDA in South Asia grew by 12% and 42% respectively.

The Group's share of Airtel's pre-tax operating profit (before finance costs and fair value adjustments) in India and South Asia grew a robust 47% in Indian Rupee terms. However, with the 7% depreciation of the Indian Rupee against the Singapore Dollar, pre-tax operating profit contribution increased 37% to S$229 million.

Compared to the preceding quarter, Airtel's revenue and EBITDA from its India and South Asia operations grew 6% and 9% respectively.

Airtel added 3.9 million mobile customers in India this quarter, compared to 7.0 million added in the preceding quarter, due mainly to seasonality. As at 30 June 2014, Airtel had 209 million mobile customers in India, an increase of 18 million or 10% from a year ago. Reflecting the improved quality of customer acquisitions, the average mobile monthly churn in India remained healthy at 2.7%.

Africa

As at end of June 2014, 'Airtel Money' service was available in all the 17 African countries that Airtel operated in, while 3G mobile services has been launched across 15 African countries.

In US Dollar terms, Africa's operating revenue grew 10% and would have increased by 12% in constant currency terms. The increase was driven by strong growth in mobile data and 'Airtel Money' services. Mobile data revenue grew a robust 86% on higher usage and increased data penetration. With higher selling and administrative costs, EBITDA was stable.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Africa generated positive cash flows of US$123 million for the quarter, up from US$118 million in the same quarter last year.

With higher depreciation charges, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) amounted to S$27 million in the quarter, compared to S$31 million in the same quarter last year.

Compared to the preceding quarter, Airtel Africa's EBITDA declined 2% in US Dollar terms despite revenue growth of 2% due mainly to higher network costs.

Following promotional bans in Nigeria and customer registration requirements in Uganda, Airtel Africa recorded a net decline of 0.4 million mobile customers in the quarter compared to an increase of 1.1 million in the preceding quarter. As at 30 June 2014, the total customer base stood at 69 million, an increase of 4.9 million or 7.6% from a year ago.

On 8 July 2014, Airtel, through its subsidiary Bharti Airtel International (Netherlands) B.V., entered into agreements with Helios Towers Africa ("**HTA**") to divest over 3,100 telecom towers in four African countries. Airtel will have access to a dedicated portion of the towers from HTA under long term lease contracts. Completion is subject to condition precedents, including regulatory approvals.

Overall

The Group's share of Airtel's overall ordinary pre-tax profit increased 81% in Indian Rupee terms. In Singapore Dollar terms, with the Indian Rupee depreciating by 7%, the Group's share of overall ordinary pre-tax profit from Airtel grew 68% to S$191 million after including the share of net finance costs of S$45 million (Q1 FY2014: S$46 million) and fair value losses of S$20 million (Q1 FY2014: S$39 million). The decrease in fair value losses resulted from a stable Indian Rupee partly offset by the impact from a weaker Ghana Cedi.

The Group's share of Airtel's post-tax profit rose 84% to S$92 million. This contribution excluded Airtel's provisions on various disputes and related taxes in this quarter. The Group's share of this loss provision of S$17 million has been classified as an exceptional item of the Group.

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 24 million or 9.1% from a year ago to 287 million as at 30 June 2014.

Advanced Info Service ("AIS")

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

Service revenue (excluding interconnect revenue) grew 2% despite the economic slowdown in Thailand. The growth was underpinned by strong mobile data revenue with increased smartphone penetration from successful marketing initiatives and improved 3G network quality. EBITDA, however, was stable as the lower regulatory fees were offset by higher 3G related costs. Including higher depreciation and amortisation charges from 3G network expansion, AIS pre-tax profit fell 7.2% in Thai Baht terms. In Singapore Dollar terms, the Group's share of AIS' pre-tax profit declined 14% to S$96 million, as the Thai Baht depreciated 8% against the Singapore Dollar this quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax contribution declined 15% to S$76 million and comprised 9% (Q1 FY2014: 10%) of the Group's underlying net profit.

Against the preceding quarter, AIS' service revenue grew 2% while EBITDA declined 4% due to higher staff costs and increased marketing spend to drive 3G adoption.

During the quarter, AIS added 0.5 million mobile customers after including a one-time churn of 1.0 million prepaid customers whose validity expired in the quarter. Excluding this one-time impact, AIS' net additions would be 1.5 million, similar to the preceding quarter. The total customer base grew 5.2 million or 14% from a year ago to 43 million. AIS gained 8.2 million 3G customers in the quarter, bringing the total number of 3G customers to 34 million or 80% of its total mobile customer base as at 30 June 2014.

Globe Telecom, Inc ("Globe")

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

Globe's service revenue grew 6% driven by a higher mobile customer base and strong take-up of data services. Operating expenses however increased 9% on higher subsidy and service expenses to drive customer acquisitions and transformation initiatives. Consequently, Globe's EBITDA was stable. With lower depreciation charges, Globe's pre-tax operating profit (before exceptional items and fair value adjustments) rose 18% from a year ago in Philippine Peso terms.

Globe's ordinary pre-tax profit contribution increased 20% year-on-year to S$84 million despite 5% depreciation of the Philippine Peso against the Singapore Dollar. This contribution excluded Globe's accelerated depreciation charges related to its network modernisation and IT transformation programs. The Group's share of the post-tax charge of S$6 million (Q1 FY2014: S$37 million) has been classified as an exceptional item of the Group.

On a post-tax basis, Globe contributed S$58 million or 7% (Q1 FY2014: 5%) to the Group's underlying net profit.

Against the preceding quarter, Globe's service revenue rose 5% while EBITDA grew 17% with lower network costs.

Globe added 2.0 million mobile customers in the quarter, compared to 2.3 million in the preceding quarter. As at 30 June 2014, its mobile customer base expanded to 43 million, up 6.6 million or 18% from a year ago.

NetLink Trust

NetLink Trust was established to carry out the business of owning, installing, operating and maintaining ducts and manholes and exchange buildings for facilitating telecommunications activities.

The higher share of profits of NetLink Trust reflected the enlarged NetLink Trust following its acquisition of 100% equity interest in OpenNet Pte. Ltd. in November 2013.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

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 30 Jun		YOY
	2014 S$ m	2013 S$ m	Chge %
Group operating revenue			
Optus	2,409	2,620	-8.0
Singapore subsidiaries	1,632	1,585	3.0
Other overseas subsidiaries	106	89	19.5
	1,738	1,674	3.9
	4,148	**4,293**	**-3.4**
Proportionate share of operating revenue of associates			
Regional mobile associates	2,834	2,811	0.8
Singapore associates	126	88	42.6
Other overseas associates	18	17	6.4
	2,978	**2,916**	**2.1**
Enlarged revenue	**7,126**	**7,210**	**-1.2**
% of overseas revenue to enlarged revenue	***75%***	***77%***	

In the quarter, overseas revenue contributed 75% to the Group's enlarged revenue against 77% a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	YOY Chge %
Group EBITDA			
Optus	698	708	-1.5
Singapore subsidiaries	633	628	0.7
Other overseas subsidiaries	(76)	(41)	86.8
	556	587	-5.3
	1,254	**1,296**	**-3.2**
Proportionate share of associates' EBITDA (1)			
Regional mobile associates	1,146	1,140	0.6
Singapore associates	41	30	37.6
Other overseas associates	8	13	-35.9
	1,195	**1,182**	**1.1**
Total proportionate EBITDA	**2,450**	**2,478**	**-1.2**
Overseas proportionate EBITDA as a % to total proportionate EBITDA	***73%***	***73%***	
Contributions to total proportionate EBITDA			
Regional mobile associates	47%	46%	
Australia	28%	29%	
Singapore	27%	27%	
Others	-3%	-1%	
	100%	**100%**	

Note:
(1) Proportionate share of associates' EBITDA represents the Group's effective interests in the respective entities' EBITDA. As such, proportionate EBITDA does not represent EBITDA available to the Group.

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 73% to proportionate EBITDA, stable from a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share [1]		
	30 Jun 2014	31 Mar 2014	30 Jun 2013	30 Jun 2014	31 Mar 2014	30 Jun 2013
SingTel	4,013	3,984	3,847	4,013	3,984	3,847
Optus	9,407	9,432	9,533	9,407	9,432	9,533
	13,420	**13,416**	**13,380**	**13,420**	**13,416**	**13,380**
Regional Mobile Associates						
Airtel						
- *India*	209,411	205,519	190,948	67,849	66,547	58,737
- *Africa*	69,086	69,443	64,203	22,384	22,486	19,749
- *South Asia*	8,650	8,618	8,025	2,803	2,790	2,469
	287,147	283,580	263,176	93,036	91,823	80,955
Telkomsel	137,372	132,651	125,091	48,080	46,428	43,782
AIS	42,878	42,363	37,666	9,999	9,879	8,784
Globe	42,718	40,749	36,092	20,171	19,242	17,061
	510,115	499,343	462,025	171,286	167,372	150,582
PBTL	1,416	1,414	1,383	637	636	622
	511,531	**500,757**	**463,408**	**171,923**	**168,008**	**151,204**
Group	**524,951**	**514,173**	**476,788**	**185,343**	**181,424**	**164,584**

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 525 million as at 30 June 2014, up 10.8 million or 2.1% from a quarter ago, and 48.2 million or 10% from a year ago. On a proportionate share basis, the increase was 2.2% to 185 million from a quarter ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES [1]

	Quarter 30 Jun		YOY
	2014	2013	Chge
	S$ m	S$ m	%
Regional mobile associates			
Telkomsel [2]			
- final dividend FY 2013 / FY 2012	595	589	0.9
AIS [3]			
- final dividend FY 2013 / FY 2012	152	144	5.3
	747	**734**	**1.8**
Other associates			
Southern Cross/ PCHL [4]	10	-	nm
Others	*	2	nm
Total	**757**	**736**	**2.9**

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% on net profit for its 2013 financial year (FY 2012: 85%).

(3) AIS declared a full year dividend of 100% on net profit for its 2013 financial year (FY 2012: 93%). Dividends will be 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 final dividend for 2013 financial year of S$152 million in April 2014. AIS will pay its interim dividend of Baht 6.04 per share in September 2014. The Group's share of this dividend is Baht 4.19 billion (~S$161 million).

(4) Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited (PCHL), part of the Southern Cross consortium, do not have fixed dividend policies.

(5) Other information:

Globe's dividend policy is to pay ordinary dividends of 75% to 90% of prior year's core net income, payable semi-annually in March and September of each year. Globe declared a full year dividend of 86% of core net income for its 2013 financial year (FY 2012: 86%). The Group received its share of the first semi-annual dividend of S$67 million in March 2014. Effective from the second half of its 2014 financial year, Globe will pay dividends on a quarterly basis. Globe will pay its first quarterly dividend of Peso 18.75 per common share in September 2014. The Group's share of this dividend is Peso 1.17 billion (~S$34 million).

Airtel does not have a fixed dividend policy. Airtel declared a final dividend of Rs 1.8 per share for its 2014 financial year. The Group's share of the final dividend from its direct stake of 15.01% is Rs 1,080 million (~S$23 million) which will be received in September 2014. On 13 August 2014, Airtel declared an interim dividend of Rs 1.63 per share for its 2015 financial year, of which the Group will receive Rs 977 million (~S$19 million).

The total dividends received from the associates for the quarter increased 2.9% to S$757 million with dividends received from PCHL, part of the Southern Cross Consortium.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Airtel [1]	Telkomsel	AIS	Globe	PBTL
SingTel's investment:					
Year of initial investment	**2000**	**2001**	**1999**	**1993**	**2005**
Effective shareholding (%)	32.4%	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 [2]	INR 336.9	NA	THB 220.0 [3]	PHP 1,600	NA
Market capitalisation					
- Total	S$28.17 bil	NA	S$25.25 bil	S$6.03 bil	NA
- SingTel holding	S$9.13 bil	NA	S$5.89 bil	S$2.85 bil	NA
Operational Performance :					
Mobile penetration rate [4]	73%	121%	147%	112%	70%
Market share, 30 Jun 2014 [4]	22.9%	44.1%	45.2%	38.3%	1.2%
Market share, 31 Mar 2014 [5]	22.7%	44.1%	45.2%	36.6%	1.2%
Market position [4] [6]	#1	#1	#1	#2	#6
Mobile customers ('000)					
- Aggregate	287,147	137,372	42,878	42,718	1,416
- Proportionate	93,036	48,080	9,999	20,171	637
Growth in mobile customers (%) [7]	9.1%	9.8%	14%	18%	2.4%
Credit ratings					
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Baa3/BB+	Baa1/BBB+	Baa3/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 30 June 2014, in local currency.
(3) Based on local market price quoted on the Stock Exchange of Thailand.
(4) Based on actual data or latest available data as of 30 June 2014.
(5) Based on actual data.
(6) Based on number of mobile customers.
(7) Compared against 30 June 2013 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 30 Jun 2014	Quarter 31 Mar 2014	Quarter 30 Jun 2013	YOY Chge %
Mobile Communications revenue (S$'M) [1]	**518**	**508**	**506**	**2.4**
Number of mobile subscribers (000s)				
Prepaid	1,794	1,784	1,732	3.6
Postpaid	2,219	2,200	2,115	4.9
Total	**4,013**	**3,984**	**3,847**	**4.3**
4G mobile subscribers (000s)	**1,278**	**1,074**	**537**	**138.0**
Mobile broadband subscribers (000s) [2]	**1,857**	**1,806**	**1,620**	**14.6**
MOUs per subscriber per month [3]				
Prepaid	318	324	332	-4.2
Postpaid [4]	273	277	298	-8.4
Average revenue per subscriber per month [3] [5] **(S$ per month)**				
Prepaid	17	16	16	7.0
Postpaid	76	75	79	-4.3
Blended	**49**	**49**	**50**	**-2.4**
Data services as % of ARPU				
- total data [6]	45%	45%	41%	
- non-SMS data	33%	32%	25%	
Tiered data plans				
- postpaid base on tiered data plans [7]	54%	50%	31%	
- tiered data plan customers exceeding data bundles	18%	16%	13%	
Acquisition cost per postpaid subscriber (S$)	**211**	**263**	**284**	-25.7
Postpaid external churn per month [8]	*0.8%*	*0.8%*	*0.9%*	
Singapore mobile penetration rate [9]	***155%***	***156%***	***154%***	
Singapore mobile subscribers ('000s) [9]	***8,308***	***8,437***	***8,197***	
Market share [9]				
Prepaid	*48.5%*	*46.1%*	*45.1%*	
Postpaid	*48.1%*	*48.2%*	*48.5%*	
Overall	***48.3%***	***47.2%***	***46.9%***	

Notes:

(1) This comprises cellular service revenue in Singapore only and is determined net of bill rebates and net of prepaid sales discount, and includes revenue earned from mio plans and mobile broadband. It excludes revenue earned from international calls classified under "International Telephone" revenue.

(2) Mobile customers who registered for the monthly mobile broadband data subscription plans, including data packs attached to voice services.

(3) Based on average subscribers, calculated as the simple average of opening and closing subscribers.

(4) MOU of postpaid base excludes customers that have 'data only' SIM plans.

(5) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.

SECTION 6 : PRODUCT INFORMATION

(6) Includes revenue from SMS, *SEND, MMS and other data services.
(7) Excluding data-only SIMs, approximately 65% of postpaid customers were on tiered plans as at 30 June 2014. Of these customers, 18% had exceeded their data bundles.
(8) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of the average subscribers.
(9) Source: IDA. The market share data as at 30 June 2014 was based on Telco operators' published results. The other market statistics were based on IDA's latest available published statistics as of 31 May 2014.

AUSTRALIA MOBILE

	Quarter			YOY Chge
	30 Jun 2014	31 Mar 2014	30 Jun 2013	%
Optus' mobile revenue (A$'M) [1]	**1,323**	**1,296**	**1,343**	**-1.5**
Optus' mobile service revenue (A$'M)	**1,147**	**1,139**	**1,156**	**-0.7**
Number of mobile subscribers (000s)				
Prepaid	4,027	4,013	4,021	0.1
Postpaid [2]	5,381	5,419	5,512	-2.4
Total	**9,407**	**9,432**	**9,533**	**-1.3**
4G mobile subscribers (000s) [3]	**2,430**	**2,148**	**1,084**	**124.2**
Mobile broadband subscribers (000s) [4]	**1,322**	**1,363**	**1,494**	**-11.5**
Mobile penetration rate [5]	***ND***	***ND***	***133%***	
MOUs per subscriber per month [6]				
Prepaid	125	121	116	7.3
Postpaid	206	205	218	-5.5
ARPU per month (A$) [7]				
Prepaid	25	24	22	10.9
Postpaid	53	52	54	-2.0
Blended	**41**	**40**	**40**	**0.7**
Data revenue as a % of service revenue				
- total data	66%	64%	61%	
- non-SMS data	42%	39%	35%	
Tiered data plans				
- postpaid base on tiered data plans [8]	41%	32%	NA	
- tiered data plan customers exceeding data bundles	33%	31%	NA	
Market share - total [5]	***ND***	***ND***	***30.0%***	
Retail postpaid churn rate per month [9]	***1.4%***	***1.3%***	***1.5%***	
Acquisition cost per subscriber (A$)				
Prepaid	9	11	10	-9.2
Postpaid	206	239	225	-8.7
Blended	**105**	**118**	**121**	**-13.9**

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) Includes bundled telephony and broadband products delivered over the 3G and 4G network.
(3) Defined as 4G handsets on the Optus network.
(4) Defined as data-only SIMs incurring a monthly subscription fee.
(5) Penetration and subscriber market share are estimated by Optus based on published data.

SECTION 6 : PRODUCT INFORMATION

(6) Based on average customers, calculated as the simple average of opening and closing customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only wireless broadband.
(7) Based on average customers, calculated as the simple average of opening and closing customers. Excludes equipment revenue.
(8) Defined as a percentage of Consumer Branded customers which excludes Virgin Mobile and Wholesale customers.
(9) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

NA Denotes not applicable.

SINGAPORE CONSUMER HOME

	Quarter			YOY
	30 Jun 2014	31 Mar 2014	30 Jun 2013	Chge %
Singapore Consumer home revenue (S$'M) [1][3]	133	127	120	11.0
Average revenue per customer per month [2][3] (S$ per month)	61	58	53	13.3
Number of customers on bundled plans (000s) [4]	370	368	353	4.8

Notes:
(1) This comprises fixed broadband, fixed voice and mio 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 households.
(3) Excluding 2014 FIFA World Cup revenue, Consumer home revenue would be S$127 million and ARPU would be S$58 for the current quarter.
(4) Total residential customers who subscribe to bundled plans which comprise mio Plan (bundling of mobile, fixed broadband and fixed voice), mio Home, and Fibre Entertainment Bundle (bundling of fixed broadband, fixed voice and mio TV).

	Quarter			YOY
	30 Jun 2014	31 Mar 2014	30 Jun 2013	Chge %
mio TV revenue (S$'M) [1]	63	50	38	65.2
Average revenue per customer per month (S$ per month) [1]	41	35	26	55.7
Number of residential TV customers (000s)	418	418	406	3.0

Note:
(1) Excluding 2014 FIFA World Cup revenue, mio TV revenue would be S$53 million and ARPU would be S$37 for the current quarter.

SECTION 6 : PRODUCT INFORMATION

OTHER PRODUCTS

Singapore	Quarter 30 Jun 2014	31 Mar 2014	30 Jun 2013	YOY Chge %
Internet				
Number of fixed broadband lines (000s) [(1)]	579	574	561	3.2
Singapore fixed broadband penetration rate [(2)]	*105%*	*106%*	*103%*	
Fixed broadband market share [(3) (4)]	*43.5%*	*43.5%*	*44.3%*	
Number of fibre broadband lines (000s)	347	321	224	54.9
Fibre broadband market share [(4)]	*59%*	*58%*	*58%*	
International Telephone				
International telephone outgoing minutes (m mins) (excl Malaysia)	876	878	874	0.3
Average collection rate - net basis (S$/ min) (excl Malaysia)	0.095	0.092	0.099	-4.0
National Telephone				
Fixed working lines (000s) [(5)]				
Residential	865	871	897	-3.6
Business	746	749	763	-2.2
Total	1,611	1,620	1,660	-3.0
Singapore fixed line penetration rate [(6)]	*36.4%*	*36.4%*	*37.3%*	
Singapore fixed working lines ('000s) [(6)]	*1,967*	*1,967*	*1,980*	
Fixed line market share [(6)]	*81.9%*	*82.4%*	*83.8%*	

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 30 June 2014 was based on IDA's latest available published statistics as of 31 May 2014.
(3) Based on total SingTel ADSL and fibre lines divided by total ADSL, cable and fibre lines in the population.
(4) The market share data as at 30 June 2014 was based on management's estimates.
(5) Fixed working lines refer to Direct Exchange Lines (DEL) and mio voice. Some lines are for connections of second set top box under mio bundles.
(6) The market share data as at 30 June 2014 was based on management's estimates. The other market statistics as at 30 June 2014 were based on IDA's latest available published statistics as of 31 March 2014.

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter 30 Jun 2014	31 Mar 2014	30 Jun 2013	YOY Chge %
Enterprise Fixed				
Business voice minutes (m min)	1,253	1,260	1,264	-0.9
Buildings connected at the end of the period (1)	18,166	18,143	18,052	0.6
Wholesale Fixed				
Wholesale domestic voice minutes (m min)	989	1,030	1,057	-6.4
Mass Market Fixed				
On-net ARPU (A$) (2)				
Voice	48	49	50	-3.9
Broadband	44	44	44	-1.0
Telephony customers ('000)				
HFC (3)	466	470	483	-3.4
ULL (4)	493	495	513	-4.1
On-net	**959**	**966**	**996**	**-3.8**
Resale	22	23	27	-21.3
Long distance only	5	5	6	-15.7
Off-net	**26**	**28**	**33**	**-20.4**
HFC bundling rate (5)	*92%*	*91%*	*91%*	
HFC penetration	***33%***	***34%***	***34%***	
Internet customers (000s)				
On-net				
HFC broadband	419	419	427	-2.0
ULL broadband (4)	534	531	529	1.0
Business grade broadband	29	29	30	-3.6
	982	978	986	-0.4
Off-net				
Broadband	9	10	13	-29.4
Broadband subtotal	**991**	**988**	**999**	**-0.8**
Dial-up	10	10	12	-13.0
Total Internet customers	**1,002**	**999**	**1,011**	**-1.0**

Notes:

(1) Directly connected buildings include all connections via all access media - fibre, DSL, fixed wireless, satellite and leases.
(2) Per month, based on average HFC and ULL customers.
(3) Includes all customers who take local telephony over the HFC network, and customers who take one or more of pay TV or cable internet services over the HFC network.
(4) Include wholesale ULL subscribers.
(5) Based on customers who are receiving a "bundled benefit" from taking a package of products (local telephony plus at least one of broadband, dial-up internet or pay TV).

SECTION 7 : GLOSSARY

"ACCC"	Australian Competition And Consumer Commission.
"ADSL"	Asymmetric digital subscriber line.
"ARPU"	Average revenue per user.
"Associate"	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standard.
"DEL"	Direct exchange lines, which are telephone lines connected directly to a telephone switch.
"Digital business"	Refers to all businesses under Group Digital L!fe segment.
"EI"	Exceptional items, which refer to items of income or expense within profit or loss from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial period.
"EBIT"	Earnings before interest and tax.
"EBITDA"	Earnings before interest, tax, depreciation and amortisation, namely the aggregate of operating revenue and other income less operating expenses of the Singapore and Australia operations, and excludes the share of pre-tax results of associates.
"EBITDA margin"	Ratio of EBITDA over operating revenue.
"EPS"	Earnings per share.
"FRS"	Financial Reporting Standard.
"Free Cash Flow"	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
"ICT"	Infocomm Technology.
"IDA"	Infocomm Development Authority of Singapore.
"IP VPN"	Internet Protocol Virtual Private Network.
"MMS"	Multimedia messaging service.
"MOU"	Minutes of use per subscriber.
"NA"	Not applicable.
"ND"	Not disclosed.
"NetLink Trust"	NetLink Trust, a business trust established as part of IDA's effective open access requirements under Singapore's 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 now owns 100% of OpenNet Pte. Ltd., the Netco for Singapore's NextGen NBN.
"NextGen NBN"	Next Generation Nationwide Broadband Network in Singapore.
"NM"	Not meaningful.
"Optus"	SingTel Optus Pty Limited, SingTel's wholly-owned subsidiary, and its subsidiaries.
"SAI"	SingTel Australia Investment Ltd, SingTel's wholly-owned subsidiary, which has 100% equity interest in Singapore Telecom Australia Investments Pty Limited ("**STAI**").
"STAI"	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
"SMS"	Short message service.
"Singapore"	The term refers to the Group's operations but excludes Optus and the associates. Therefore, this includes the overseas operations of SingTel including Amobee, Inc.
"Underlying net profit"	Defined as net profit before exceptional items.

GROUP SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun 2014							
	2014			2014		2014	2013	YOY
	Singapore S$ m	Asso/JV S$ m	Corp S$ m	SingTel S$ m	Optus S$ m	Group S$ m	Group S$ m	Chge %
Operating revenue	**1,738**	**-**	**-**	**1,738**	**2,409**	**4,148**	**4,293**	**-3.4**
Operating expenses	(1,192)	-	-	(1,192)	(1,730)	(2,922)	(3,032)	-3.7
	546	-	-	546	680	1,226	1,261	-2.8
Other income	10	-	-	10	18	29	35	-18.3
EBITDA	**556**	**-**	**-**	**556**	**698**	**1,254**	**1,296**	**-3.2**
- EBITDA margin	***32.0%***	**-**	**-**	***32.0%***	***29.0%***	***30.2%***	***30.2%***	
Share of associates' pre-tax profits								
Regional mobile associates	-	*594*	-	*594*	-	*594*	*552*	*7.6*
Other associates	-	*28*	-	*28*	*	*28*	*19*	*45.4*
- ordinary operations	-	622	-	622	*	622	571	8.9
- exceptional items	-	-	-	-	-	-	7	nm
	-	**622**	**-**	**622**	*****	**622**	**578**	**7.6**
EBITDA and share of associates' pre-tax profits	**556**	**622**	**-**	**1,178**	**698**	**1,876**	**1,874**	**0.1**
Depreciation & amortisation	(175)	-	-	(175)	(358)	(533)	(540)	-1.2
EBIT	**381**	**622**	**-**	**1,003**	**341**	**1,344**	**1,334**	**0.7**
Net finance expense								
- net interest expense	(25)	-	-	(25)	(38)	(63)	(68)	-8.2
- other finance income	1	-		1	11	11	19	*-42.8*
	(24)	-	-	(24)	(27)	(52)	(49)	5.5
Profit before EI and tax	**357**	**622**	**-**	**979**	**313**	**1,292**	**1,285**	**0.5**
Taxation								
- current and deferred taxes	(50)	-	-	(50)	(94)	(143)	(142)	0.9
- share of taxes of associates	-	(205)	-	(205)	(1)	(206)	(184)	11.5
- withholding taxes [(1)]	-	-	(61)	(61)	-	(61)	(60)	2.0
	(50)	(205)	(61)	(315)	(94)	(410)	(386)	6.1
Profit after tax	**307**	**417**	**(61)**	**663**	**219**	**882**	**899**	**-1.9**
Minority interests	(1)	-	-	(1)	-	(1)	(2)	-36.4
Underlying net profit	**306**	**417**	**(61)**	**662**	**219**	**881**	**897**	**-1.8**
Exceptional items ("EI") (post-tax)	3	(23)	1	(19)	(27)	(46)	114	nm
Net profit	**309**	**394**	**(60)**	**643**	**192**	**835**	**1,011**	**-17.4**

Note:

(1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at Group. The cash inflows upon the receipt of dividend are shown in **Section 5**.

GROUP SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun 2014 S$ m	YOY Change %	YOY Change in constant currency [1] %
Operating revenue	**4,148**	**-3.4**	**-0.2**
Operating expenses	(2,922)	-3.7	-0.4
	1,226	-2.8	0.4
Other income	29	-18.3	-14.9
EBITDA	**1,254**	**-3.2**	**
-EBITDA margin	***30.2%***		
Share of associates' pre-tax profits			
- Telkomsel	*222*	*-13.0*	*3.1*
- Airtel	*191*	*68.4*	*80.5*
- AIS	*96*	*-14.4*	*-7.2*
- Globe	*84*	*19.6*	*25.8*
Regional mobile associates	594	7.6	19.9
Other associates	28	45.4	45.4
- ordinary operations	622	*8.9*	20.8
- exceptional items	-	nm	nm
	622	**7.6**	**19.4**
EBITDA and share of associates' pre-tax profits	**1,876**	**0.1**	**6.0**
Depreciation & amortisation	(533)	-1.2	2.6
EBIT	**1,344**	**0.7**	**7.3**
Net finance expense	(52)	5.5	8.4
Profit before exceptional items and tax	**1,292**	**0.5**	**7.3**
Taxation	(410)	6.1	13.0
Profit after tax	**882**	**-1.9**	**4.8**
Minority interests	(1)	-36.4	-36.4
Underlying net profit	**881**	**-1.8**	**4.9**
Exceptional items (post-tax)	(46)	nm	nm
Net profit	**835**	**-17.4**	**-11.8**

Note:
(1) Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2013.

BUSINESS SEGMENTS
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun 2014	YOY	
		Change	Change in constant currency [1]
	S$ m	%	%
Operating revenue			
Group Consumer	2,544	-5.9	-1.7
Group Enterprise	1,556	-0.3	1.3
Core Business	**4,100**	**-3.8**	**-0.6**
Group Digital L!fe	48	60.6	61.3
Group	**4,148**	**-3.4**	**-0.2**
EBITDA			
Group Consumer	806	2.2	6.7
Group Enterprise	510	-7.4	-6.4
Core Business	**1,316**	**-1.8**	**1.3**
Group Digital L!fe	(45)	40.1	40.1
Corporate	(17)	41.9	41.9
Group	**1,254**	**-3.2**	**
EBIT (exclude share of associates' pre-tax profits)			
Group Consumer	439	5.7	9.9
Group Enterprise	359	-9.7	-9.0
Core Business	**797**	**-1.8**	**0.7**
Group Digital L!fe	(58)	33.3	33.3
Corporate	(17)	46.2	46.2
Group	**722**	**-4.6**	**-1.9**

Note:
(1) Assuming constant exchange rates for the Australian Dollar from the corresponding quarter ended 30 June 2013.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2014 (Unudited) S$ million	31 Mar 2014 (Audited) S$ million	30 Jun 2013 (Unudited) S$ million
Current assets			
Cash and cash equivalents	649	623	1,312
Trade and other receivables	3,599	3,556	3,539
Inventories	242	170	180
Derivative financial instruments	1	3	7
	4,491	**4,351**	**5,038**
Non-current assets			
Property, plant and equipment	10,980	11,096	10,771
Intangible assets	10,741	10,740	10,754
Associates	178	178	199
Loan to an associate	1,331	1,331	1,331
Joint ventures	9,576	9,950	9,306
Available-for-sale investments	302	291	239
Deferred tax assets	839	829	907
Derivative financial instruments	288	298	249
Other non-current receivables	287	256	211
	34,522	**34,969**	**33,966**
Total assets	**39,013**	**39,320**	**39,003**
Current liabilities			
Trade and other payables	3,517	3,798	3,533
Advance billings	630	644	638
Current tax liabilities	432	366	520
Borrowings (unsecured)	-	775	1,192
Borrowings (secured)	37	39	41
Derivative financial instruments	8	12	6
Net deferred gain (1)	58	58	58
	4,681	**5,690**	**5,987**
Non-current liabilities			
Borrowings (unsecured)	6,843	7,047	6,188
Borrowings (secured)	175	180	198
Derivative financial instruments	419	413	418
Advance billings	294	299	321
Deferred income	7	8	10
Net deferred gain (1)	1,146	1,156	1,185
Deferred tax liabilities	470	445	318
Other non-current liabilities	308	191	214
	9,662	**9,737**	**8,852**
Total liabilities	**14,343**	**15,427**	**14,839**
Net assets	**24,670**	**23,893**	**24,164**
Share capital and reserves			
Share capital	2,634	2,634	2,634
Reserves	22,011	21,234	21,503
Equity attributable to shareholders of the Company	24,645	23,868	24,137
Non-controlling interests	25	24	27
Total equity	**24,670**	**23,893**	**24,164**

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

SINGAPORE CASH FLOW AND CAPITAL EXPENDITURE
For The First Quarter Ended 30 June 2014

	Quarter 30 Jun 2014 S$ m	Quarter 30 Jun 2013 S$ m	Quarter 31 Mar 2014 S$ m	YOY Chge %
Net cash inflow from operating activities				
Profit before exceptional items and tax	**357**	**396**	**341**	**-10.0**
Non-cash items	210	188	212	11.8
Operating cash flow before working capital changes	567	584	552	-3.0
Changes in operating assets and liabilities	(39)	(128)	59	-69.3
	528	**457**	**612**	**15.5**
Cash paid to employees under performance share plans	(1)	(4)	-	-88.1
Tax refund/ (paid) on operating activities	2	(16)	(19)	nm
Operating cash flow	**529**	**436**	**593**	**21.3**
Net cash (outflow)/ inflow for investing activities				
Net loan to STAI from Optus [(1)]	-	-	(81)	-
Dividend received by STAI from Optus [(1)]	-	-	640	-
Withholding tax paid on interest received on inter-company loans	-	-	(16)	-
Payment for purchase of subsidiaries, net of cash acquired	(10)	(10)	-	**
Payment for purchase of property, plant and equipment	(175)	(220)	(240)	-20.3
Investment in venture investments	(11)	(7)	(2)	56.9
Proceeds from disposal of venture investments	41	*	5	nm
Proceeds from disposal of property, plant and equipment	1	4	1	-78.0
Others *(dividends and interest received etc)*	12	12	(8)	1.6
	(143)	**(221)**	**300**	**-35.4**
Net cash outflow for financing activities				
Net decrease in borrowings	(955)	(406)	(127)	135.0
Net interest paid on borrowings and swaps	(43)	(43)	(27)	-0.2
Interim dividends paid to shareholders	-	-	(1,084)	-
Purchase of performance shares	(7)	(9)	(6)	-26.1
	(1,004)	**(458)**	**(1,244)**	**119.2**
Net decrease in cash balance from Singapore	**(618)**	**(243)**	**(351)**	**154.7**
Net decrease in cash balance from Singapore	**(618)**	**(243)**	**(351)**	**154.7**
Dividends received from associates	747	736	74	1.5
Withholding tax paid	(75)	(72)	(10)	4.0
Net dividends received from associates	**672**	**663**	**64**	**1.3**
Net increase/ (decrease) in cash and cash equivalents	**54**	**421**	**(287)**	**-87.1**
SingTel cash and cash equivalents at beginning	418	716	704	-41.6
Exchange effects on cash and cash equivalents	(1)	*	2	nm
SingTel cash and cash equivalents at end	**471**	**1,137**	**418**	**-58.6**
Singapore free cash flow	**354**	**217**	**353**	**63.6**
Free cash flow from associates' dividends	**672**	**663**	**64**	**1.3**
Cash capex to operating revenue	***10%***	***13%***	***14%***	

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

OPTUS CASH FLOW AND CAPITAL EXPENDITURE
For The First Quarter Ended 30 June 2014

	Quarter			YOY Chge
	30 Jun 2014 A$ m	30 Jun 2013 A$ m	31 Mar 2014 A$ m	%
Net cash inflow from operating activities				
Profit before exceptional items and tax	**268**	**242**	**333**	**10.8**
Non-cash items	299	332	320	-9.7
Operating cashflow before working capital changes	567	573	653	-1.1
Changes in operating assets and liabilities	(83)	(259)	167	-68.0
Tax paid	(41)	(24)	(69)	69.3
Operating cash flow	**444**	**290**	**751**	**52.8**
Net cash outflow from investing activities				
Purchases of property, plant and equipment	(317)	(263)	(363)	20.7
Purchase of subsidiary, net of cash acquired	-	-	(2)	-
Loan to STAI [(1)]	-	-	(139)	-
Repayment of loan from STAI	-	-	210	-
Purchase of spectrum	(68)	(136)	-	-49.9
Others	(10)	(17)	(9)	-38.8
	(396)	**(416)**	**(303)**	**-4.8**
Net cash (outflow)/ inflow from financing activities				
Net (decrease)/ increase in bank borrowings	(20)	175	(200)	nm
Dividend paid to STAI [(1)]	-	-	(560)	-
Purchase of SingTel shares	(13)	(10)	-	32.3
Net interest paid on borrowings and swaps	(46)	(39)	(33)	16.8
Finance lease payments (exclude interest)	(2)	(2)	(2)	**
	(80)	**125**	**(795)**	**nm**
Net decrease in cash balance from Optus	**(32)**	**(1)**	**(347)**	**@**
Dividend received from associates	9	-	10	nm
Net decrease in cash and cash equivalents	**(24)**	**(1)**	**(337)**	**@**
Cash and cash equivalents at beginning	175	151	513	16.3
Cash and cash equivalents at end	**152**	**150**	**175**	**1.1**
Optus free cash flow	**126**	**28**	**387**	**359.6**
Free cash flow from associates' dividend	**9**	**-**	**10**	**nm**
Cash capex to operating revenue	***15%***	***12%***	***18%***	

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

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter 30 Jun 2014 A$ m	Quarter 30 Jun 2013 A$ m	YOY Chge %
Operating revenue	**2,061**	**2,120**	**-2.8**
Operating expenses	(1,480)	(1,560)	-5.2
	582	560	3.9
Other income	16	12	26.8
EBITDA	**597**	**572**	**4.4**
- margin	***29.0%***	***27.0%***	
Share of results of joint ventures	*	*	nm
EBITDA and share of results of joint ventures	**597**	**572**	**4.4**
Depreciation & amortisation	(306)	(297)	3.0
EBIT	**291**	**275**	**5.9**
Net finance expense	(23)	(34)	-30.4
Profit before exceptional items and tax	**268**	**242**	**10.9**
Taxation	(81)	(75)	7.8
Underlying net profit	**187**	**167**	**12.3**
Exceptional items (post-tax)	(24)	-	nm
Net profit	**164**	**167**	**-1.8**

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

	As at		
	30 Jun 2014 A$ m	**31 Mar 2014 A$ m**	**30 Jun 2013 A$ m**
Property, plant and equipment (net)	**6,429**	**6,455**	**6,255**
Gross debt			
Current debt	5	156	556
Non-current debt	2,238	2,139	1,785
Gross debt as reported in the statement of financial position	2,243	2,295	2,341
Related net hedging liability	(8)	(45)	34
	2,236	2,250	2,375
Less: Cash and bank balances	(152)	(176)	(150)
Net debt	**2,084**	**2,075**	**2,225**

BUSINESS SEGMENTS INFORMATION FOR FY 2014

The EBITDA and EBIT of Group Consumer and Group Enterprise for FY 2014 are restated as follows (see Page 4 of **Section 1**):

	Quarter 30 Jun			Quarter 30 Sep			Quarter 31 Dec			Quarter 31 Mar		
	Restated 2013 S$ m	Change S$ m	Change %	Restated 2013 S$ m	Change S$ m	Change %	Restated 2013 S$ m	Change S$ m	Change %	Restated 2014 S$ m	Change S$ m	Change %
EBITDA												
Group Consumer	789	(19)	-2.3	841	(16)	-1.9	792	(14)	-1.7	861	(14)	-1.6
Group Enterprise	551	19	3.4	514	16	3.1	526	14	2.6	503	14	2.7
Group Digital L!fe	(32)	-	-	(40)	-	-	(42)	-	-	(55)	-	-
Corporate	(12)	-	-	(17)	-	-	(11)	-	-	(12)	-	-
Group	**1,296**	**-**	**-**	**1,298**	**-**	**-**	**1,264**	**-**	**-**	**1,297**	**-**	**-**
EBIT (exclude share of associates' pre-tax profits)												
Group Consumer	415	(36)	-8.6	481	(30)	-6.1	426	(30)	-6.9	497	(28)	-5.7
Group Enterprise	397	36	8.9	360	30	8.2	373	30	7.9	345	28	8.2
Group Digital L!fe	(44)	-	-	(51)	-	-	(56)	-	-	(67)	-	-
Corporate	(12)	-	-	(17)	-	-	(12)	-	-	(12)	-	-
Group	**756**	**-**	**-**	**772**	**-**	**-**	**731**	**-**	**-**	**764**	**-**	**-**

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.

	As at		
Debt Currency Mix	**30 Jun 2014**	**31 Mar 2014**	**30 Jun 2013**
SGD	63%	67%	64%
AUD	37%	33%	36%
Total	**100%**	**100%**	**100%**

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

CREDIT RATINGS

As at 30 Jun 2014	SingTel	Optus
Standard & Poor's	A+ (stable)	A (stable)
Moody's Investors Service	Aa3 (stable)	A1 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	Full Year
Derived weighted average exchange rate [1] for:					
Operating revenue					
SGD					
FY2015	1.1688				
FY2014	1.2355	1.1615	1.1587	1.1383	1.1737
Change (last corresponding period)	***-5.4%***				
Underlying net profit					
SGD					
FY2015	1.1686				
FY2014	1.2389	1.1625	1.1544	1.1407	1.1696
Change (last corresponding period)	***-5.7%***				

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.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	Full Year
Rupiah					
FY2015	9,259				
FY2014	7,813	8,403	9,259	9,346	8,655
Change (last corresponding period)	***18.5%***				
Indian Rupee					
FY2015	47.8				
FY2014	44.6	48.8	49.5	48.5	48.2
Change (last corresponding period)	***7.2%***				
Baht					
FY2015	25.9				
FY2014	23.9	24.8	25.4	25.7	24.9
Change (last corresponding period)	***8.4%***				
Peso					
FY2015	35.2				
FY2014	33.4	34.5	34.8	35.3	34.5
Change (last corresponding period)	***5.4%***				

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2015

- **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 2014:

Australian Dollar	**AUD 1: SGD 1.1737**
Indonesian Rupiah	SGD 1: IDR 8,655
Indian Rupee	SGD 1: INR 48.2
Thailand Baht	SGD 1: THB 24.9
Philippine Peso	SGD 1: PHP 34.5

- **Revenue from Core Business (comprises Group Consumer and Group Enterprise) to be stable and EBITDA to increase by low single digit level.**

- **Mobile Communications revenue from Singapore to increase by mid single digit level.**

- **Mobile service revenue from Australia to decrease by low single digit level.**

- **Group ICT revenue (comprises Managed Services and Business Solutions) to increase by low single digit level.**

- **Revenue from the existing businesses[1] of Group Digital L!fe to increase by about 50% and negative EBITDA to decrease by about 20%.**

- **Consolidated revenue and EBITDA of the Group to be stable.**

- **Capital expenditure for Group is expected to approximate S$2.3 billion, comprising approximately S$900 million for Singapore and the balance for Australia. This reflects the Group's continued strategic investments in mobile network, particularly in Australia, and expected increased spend in customer care and management systems.**

- **Spectrum payments would be approximately S$900 million, mainly for Optus' 4G spectrum in the 700 MHz range. Consequently, amortisation costs would be higher.**

- **Group free cash flow (excluding spectrum payments and dividends from associates) to be stable.**

- **Ordinary dividends from regional mobile associates are expected to be approximately S$1.0 billion.**

[1] Existing businesses of Group Digital L!fe as at 31 March 2014.