



Singapore Telecommunications Limited And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2016

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 September 2016 are unaudited.

Numbers in all tables may not exactly add due to rounding.

For all pages, "@" denotes more than +/- 500%, "" denotes less than +/- S\$0.5 million or A\$0.5 million and "***" denotes less than +/- 0.05%, unless otherwise indicated.*

For all tables, a negative sign for year-on-year change denotes a decrease in operating revenue, expense, gain or loss.

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SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

- Operating revenue fell 2.3% impacted by the decline in mobile termination rates¹. Excluding the rates change, revenue would have increased by 2.3%.
- EBITDA declined 4.4% due to investments in content and heightened competition in Australia.
- Post-tax underlying profit contributions from the associates rose 11% mainly from Telkomsel and lower fair value losses at Airtel, partly offset by decline at Globe.
- Underlying net profit was stable at S\$978 million.
- Net profit declined 5.6%, with exceptional losses compared to exceptional gains in the last corresponding quarter.
- Free cash flow increased S\$164 million or 34% to S\$641 million mainly on working capital movements.

FINANCIAL HIGHLIGHTS**FOR THE HALF YEAR ENDED 30 SEPTEMBER 2016**

- Operating revenue fell 4.8% and would have been stable excluding the rates change.
- EBITDA declined 2.5%.
- Post-tax underlying profit contributions from the associates increased 15% mainly from Telkomsel and lower fair value losses at Airtel, partly offset by decline at Globe.
- Underlying net profit grew 3.4% to S\$1.93 billion.
- Net profit declined 2.8%, with exceptional losses compared to exceptional gains in the last corresponding period.
- Free cash flow increased by S\$422 million or 29% to S\$1.87 billion on working capital movements and higher dividends from associates.

¹ Effective from 1 January 2016, mobile termination rates in Australia declined and reduced the Group's operating revenue by S\$194 million (A\$189 million) and S\$383 million (A\$376 million) for the current quarter and half year ended 30 September 2016 respectively, with minimal impact on profitability.

SECTION 1 : GROUP

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Operating revenue <i>(exclude mobile termination rates decline)</i>	4,086 4,280	4,184 4,184	-2.3 2.3	7,994 8,377	8,393 8,393	-4.8 -0.2
EBITDA	1,233	1,290	-4.4	2,469	2,531	-2.5
EBITDA margin	30.2%	30.8%		30.9%	30.2%	
Share of associates' pre-tax profits	737	706	4.3	1,504	1,372	9.7
EBITDA and share of associates' pre-tax profits	1,970	1,996	-1.3	3,973	3,903	1.8
EBIT <i>(exclude share of associates' pre-tax profits)</i>	1,421 684	1,465 758	-3.0 -9.8	2,881 1,377	2,836 1,464	1.6 -6.0
Underlying net profit	978	974	0.4	1,933	1,870	3.4
Exceptional items (post-tax)	(6)	55	nm	(16)	102	nm
Net profit	972	1,030	-5.6	1,917	1,971	-2.8
Free cash flow	641	477	34.4	1,874	1,451	29.1
Underlying earnings per share (S cents)	6.14	6.11	0.5	12.13	11.73	3.4
Basic earnings per share (S cents)	6.10	6.46	-5.6	12.03	12.37	-2.7

	As at		
	30 Sep 2016 S\$ m	30 Jun 2016 S\$ m	30 Sep 2015 S\$ m
Total assets	43,558	42,840	43,366
Shareholders' funds	25,037	25,413	24,542
Net debt ⁽¹⁾	9,263	7,860	9,331
Net debt gearing ratio ⁽²⁾	27.0%	23.6%	27.5%
Net debt to EBITDA and share of associates' pre-tax profits ⁽³⁾	1.17X	0.98X	1.20X
Interest cover: - EBITDA and share of associates' pre-tax profits/ net interest expense ⁽⁴⁾	24.6X	25.2X	27.1X

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.

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

SECTION 1 : GROUP**GROUP SUMMARY INCOME STATEMENTS****For The Second Quarter and Half Year Ended 30 September 2016**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Operating revenue	4,086	4,184	-2.3	7,994	8,393	-4.8
Operating expenses	(2,901)	(2,934)	-1.1	(5,633)	(5,942)	-5.2
	1,186	1,250	-5.2	2,361	2,451	-3.7
Other income	47	39	20.2	107	80	34.4
EBITDA	1,233	1,290	-4.4	2,469	2,531	-2.5
- EBITDA margin	30.2%	30.8%		30.9%	30.2%	
Share of associates' pre-tax profits	737	706	4.3	1,504	1,372	9.7
EBITDA and share of associates' pre-tax profits	1,970	1,996	-1.3	3,973	3,903	1.8
Depreciation	(480)	(472)	1.5	(956)	(950)	0.7
Amortisation of intangibles	(69)	(59)	17.3	(136)	(117)	16.3
	(549)	(531)	3.3	(1,092)	(1,067)	2.4
EBIT	1,421	1,465	-3.0	2,881	2,836	1.6
Net finance expense						
- net interest expense	(82)	(77)	7.3	(162)	(144)	12.3
- other finance income	11	23	-53.2	25	33	-23.6
	(71)	(53)	33.8	(136)	(111)	23.0
Profit before exceptional items and tax	1,350	1,412	-4.4	2,744	2,725	0.7
Taxation	(376)	(440)	-14.5	(820)	(859)	-4.5
Profit after tax	974	972	0.2	1,925	1,867	3.1
Minority interests	4	3	61.5	8	3	166.7
Underlying net profit	978	974	0.4	1,933	1,870	3.4
Exceptional items (post-tax)	(6)	55	nm	(16)	102	nm
Net profit	972	1,030	-5.6	1,917	1,971	-2.8
Depreciation as % of operating revenue	12%	11%		12%	11%	

Unless otherwise stated, the presentation of income statements in this document is consistent with prior periods. For income statements presented in accordance with FRS 1, **Presentation of Financial Statements**, please refer to "SGX Appendix 7.2 Announcement".

SECTION 1 : GROUP

BUSINESS SEGMENTS

The Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life, to better serve the evolving needs of its customers and to capture growth opportunities globally.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly, AIS in Thailand, Airtel in India, Africa and South Asia, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

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

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

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

The following table shows the operating performance of the three business segments:

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Operating revenue						
Group Consumer	2,340	2,535	-7.7	4,537	5,138	-11.7
(ex-mobile termination rates decline)	2,530	2,535	-0.2	4,914	5,138	-4.4
Group Enterprise	1,612	1,538	4.8	3,192	3,041	5.0
Core Business	3,951	4,073	-3.0	7,728	8,179	-5.5
Group Digital Life	135	111	21.1	266	214	24.3
Group	4,086	4,184	-2.3	7,994	8,393	-4.8
(ex-mobile termination rates decline)	4,280	4,184	2.3	8,377	8,393	-0.2
EBITDA						
Group Consumer	779	831	-6.3	1,578	1,635	-3.5
Group Enterprise	502	512	-1.8	993	995	-0.2
Core Business	1,281	1,343	-4.6	2,570	2,630	-2.3
Group Digital Life	(27)	(34)	-19.7	(63)	(65)	-3.1
Corporate	(21)	(19)	8.3	(39)	(34)	13.5
Group	1,233	1,290	-4.4	2,469	2,531	-2.5
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	403	468	-13.9	837	902	-7.2
Group Enterprise	346	362	-4.3	676	696	-3.0
Core Business	749	830	-9.7	1,512	1,598	-5.4
Group Digital Life	(44)	(51)	-14.5	(96)	(98)	-1.6
Corporate	(21)	(20)	4.4	(39)	(36)	9.4
Group	684	758	-9.8	1,377	1,464	-6.0

SECTION 1 : GROUP

DIVIDENDS

On 9 November 2016, the Directors approved an interim dividend of 6.8 cents (H1 FY2016: 6.8 cents) per share in respect of the current financial year ending 31 March 2017. Based on number of Singtel shares as at 30 September 2016, the total interim dividend payment is approximately S\$1.08 billion which represents 56% payout of the current half year's underlying net profit.

The financial statements for the half year ended, and as at, 30 September 2016 do not reflect this interim dividend. The dividend will be accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the quarter ending 31 December 2016.

In August 2016, Singtel paid a final dividend of 10.7 cents per share totalling S\$1.71 billion in respect of the previous financial year ended 31 March 2016.

ACQUISITION OF SHARES IN ASSOCIATES

On 18 August 2016, Singtel entered into conditional share purchase agreements with Temasek Holdings (Private) Limited ("**Temasek**"), its holding company, to acquire 21% of Intouch Holdings Public Company Limited ("**Intouch**") and 7.39% of Bharti Telecom Limited ("**BTL**") for approximately S\$1,585 million and S\$884 million respectively. The total consideration payable of approximately S\$2.47 billion will be funded through internal cash, short-term debt and proceeds from a share placement of 385,581,351 new Singtel shares to Temasek totalling S\$1,605 million at a price of S\$4.16 per new share.

The transaction has been approved by the shareholders of Singtel at the extraordinary general meeting held on 14 October 2016. The necessary regulatory approvals have been obtained and the transaction is expected to be completed in November 2016.

REVIEW OF GROUP OPERATING PERFORMANCE

For The Second Quarter Ended 30 September 2016

The Group delivered stable results with strong associates' earnings in the quarter.

Operating revenue declined by 2.3% impacted by the decline in mobile termination rates from 1 January 2016 ("**rates change**") and would have increased 2.3% excluding the rates change. EBITDA declined 4.4% due to investments in content and keen competition in Australia.

In constant currency terms, operating revenue declined by 3.1% but would have increased by 1.5% excluding the rates change, while EBITDA declined 5.3%.

Group Consumer contributed 57% (Q2 FY2016: 61%) and 63% (Q2 FY2016: 64%) to the Group's operating revenue and EBITDA respectively. Operating revenue fell 7.7% (stable excluding the rates change), while EBITDA declined 6.3%.

Operating revenue in Singapore decreased by 3.4% with declines in voice, including mobile voice roaming, and Equipment sales amid a more subdued economic environment. The decrease in Equipment sales has minimal impact on profitability. Operating expenses fell 6.6% on lower selling and administrative costs and traffic expenses. With a slight trade foreign exchange loss compared to S\$7 million of gain in the last corresponding quarter, EBITDA declined 1.2%.

SECTION 1 : GROUP

In Australia, operating revenue declined 11% reflecting the decline in mobile termination rates and higher mobile service credits from device repayment plans partly offset by higher Equipment sales. Excluding the rates change, revenue would have been stable. The rates change has minimal impact on profitability. EBITDA declined 9.2% mainly on lower revenues with heightened competition and higher investment in content and programming.

Group Enterprise contributed 39% (Q2 FY2016: 37%) and 41% (Q2 FY2016: 40%) to the Group's operating revenue and EBITDA respectively. With contribution from Trustwave, operating revenue grew 4.8% driven by higher ICT and Data and Internet revenues, with growth of 5.5% and 1.1% in Singapore and Australia respectively. EBITDA, however, fell 1.8% from declines in voice and roaming services, ramp up of cyber security business, as well as intense competition in Australia.

GDL contributed 3% (Q2 FY2016: 3%) to the Group's operating revenue. Operating revenue grew 21% driven by higher advertising revenue mainly from Amobee's social, video and display businesses. Negative EBITDA decreased by 20% due mainly to lower losses at Amobee on improved revenue.

Depreciation and amortisation charges rose 3.3% on network and spectrum investments and amortisation charges of the acquired intangibles of Trustwave.

Consequently, EBIT (before share of results of associates) declined 9.8% at S\$684 million.

The Group and its regional mobile associates continued to record strong customer growth. The combined mobile customer base reached 629 million as at 30 September 2016, up 16 million or 2.6% from a quarter ago.

The associates' post-tax underlying profit contributions increased by 11% mainly from Telkomsel and lower fair value losses at Airtel, partly offset by decline at Globe.

Net finance expense increased S\$18 million to S\$71 million this quarter due mainly to lower foreign exchange gains from movements in the US Dollar.

The decrease in the Group's tax expense reflected lower withholding taxes on associates' dividend receipts, as well as lower taxes at Airtel due to one-off tax credits and change in profit mix in the African countries.

Consequently, underlying net profit was stable at S\$978 million.

The net exceptional loss of S\$6 million in the quarter comprised mainly the Group's share of AIS' handset subsidy costs for migrating its 2G handset customers to 3G/4G of S\$9 million and reversal of impairment provision of venture investments of S\$5 million (see Page 13).

With an exceptional loss compared to an exceptional gain of S\$55 million in the same quarter last year, net profit declined by 5.6% and would be down by 5.9% in constant currency terms.

Free cash flow in the quarter was S\$641 million, an increase of 34% from the last corresponding quarter mainly on working capital movements across Singapore and Australia (see Page 17).

The Group continued to maintain a healthy capital structure. As at 30 September 2016, net debt gearing ratio was 27.0%, up from 23.6% a quarter ago, following a net increase in borrowings of S\$910 million in the quarter and a lower cash balance.

SECTION 1 : GROUP

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

For The Half Year Ended 30 September 2016

For the first half year, operating revenue declined 4.8% but would have been stable excluding the rates change. EBITDA declined 2.5% mainly from Australia. In constant currency terms, operating revenue and EBITDA would have decreased by 4.4% and 2.1% respectively.

With increase in associates' post-tax underlying profit contributions of 15% mainly from Telkomsel, underlying net profit grew 3.4% to S\$1.93 billion. In constant currency terms, underlying net profit would have been up by 4.2%.

With an exceptional loss compared to an exceptional gain in the corresponding period, net profit declined by 2.8% to S\$1.92 billion, and in constant currency terms would have decreased by 2.0%.

SECTION 1 : GROUP

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2016 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2016 S\$ m	30 Jun 2016 S\$ m	
Operating revenue	4,086	3,908	4.6
EBITDA	1,233	1,236	-0.2
- <i>margin</i>	30.2%	31.6%	
Share of associates' pre-tax profits	737	767	-3.9
EBIT	1,421	1,460	-2.6
Underlying net profit	978	954	2.5
Exceptional items (post-tax)	(6)	(10)	-39.4
Net profit	972	944	3.0
Free cash flow	641	1,232	-48.0

Operating revenue rose 4.6% from higher Equipment sales and increased ICT, while EBITDA remained stable, reflecting higher content and selling expenses in the quarter and a one-off GST refund in the preceding quarter. With lower withholding taxes from associates' dividends, underlying net profit grew 2.5% from the preceding quarter.

The lower free cash flow was mainly due to higher cash taxes and lower dividends received from associates this quarter.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2017

The Group's performance for the half year ended 30 September 2016 was impacted by moderating growth from heightened competition in the mobile market in Australia. As a result, mobile service revenue from Australia is expected to decline by mid teens.

Taking into account the first half performance ended 30 September 2016 and the revision in guidance for the Australian mobile service revenue, operating revenue for the Group and for the Core Business (comprising Group Consumer and Group Enterprise) are both expected to decline by low single digit. EBITDA for the Group and for the Core Business are both expected to be stable.

Other than the above, the Group affirms the guidance previously issued in May 2016.

Please refer to **Appendix 6** for further details on the outlook for the current financial year.

SECTION 1 : GROUP**OPERATING REVENUE**

By Products and Services	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Mobile communications	1,468	1,722	-14.8	2,924	3,473	-15.8
Data and Internet	813	773	5.1	1,598	1,549	3.1
<i>Cyber security</i>	129	28	363.4	238	48	397.7
<i>Other services</i>	426	426	-0.1	829	831	-0.3
Managed services	555	454	22.2	1,067	879	21.4
Business solutions	156	158	-1.5	306	295	3.8
Infocomm Technology ("ICT")	711	612	16.1	1,373	1,174	17.0
Sale of equipment	437	420	4.1	788	868	-9.2
National telephone	271	287	-5.6	538	578	-6.8
Digital businesses ⁽¹⁾	141	117	20.8	277	225	23.3
International telephone	124	137	-9.1	252	286	-12.0
Pay television	75	71	4.6	145	145	0.3
Others	48	46	3.2	100	96	4.0
Total	4,086	4,184	-2.3	7,994	8,393	-4.8
<i>(ex-mobile termination rates decline)</i>	<i>4,280</i>	<i>4,184</i>	<i>2.3</i>	<i>8,377</i>	<i>8,393</i>	<i>-0.2</i>
Operating revenue	4,086	4,184	-2.3	7,994	8,393	-4.8
Associates' proportionate revenue ⁽²⁾	3,391	3,304	2.6	6,738	6,487	3.9
Group's proportionate revenue	7,477	7,489	-0.2	14,732	14,880	-1.0

Notes:

(1) Comprise revenues mainly from Amobee, HOOQ, AMPed, Dash, inSing.com, and Hungry-Go-Where.

(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		Half Year	
	30 Sep		30 Sep	
	2016 %	2015 %	2016 %	2015 %
Mobile communications	35.9	41.1	36.6	41.4
Data and Internet	19.9	18.4	20.0	18.5
<i>Cyber security</i>	3.2	0.7	3.0	0.6
<i>Other services</i>	10.4	10.2	10.4	9.9
Managed services	13.6	10.9	13.3	10.5
Business solutions	3.8	3.8	3.8	3.5
ICT	17.4	14.7	17.2	14.0
Sale of equipment	10.7	10.0	9.9	10.3
National telephone	6.6	6.9	6.7	6.9
Digital businesses	3.5	2.8	3.5	2.7
International telephone	3.0	3.3	3.2	3.4
Pay television	1.8	1.7	1.8	1.7
Others	1.2	1.1	1.2	1.1
Total	100.0	100.0	100.0	100.0

Operating revenue of the Group fell 2.3%. In constant currency terms, operating revenue would have declined by 3.1% but would have increased 1.5% excluding the rates change.

SECTION 1 : GROUP

Mobile Communications revenue fell 15% and excluding the rates change, would have declined by 3.5%. Data revenue continued to register strong growth across Singapore and Australia. However, this was offset by the impact of higher mobile service credits from device repayment plans in Australia, and lower voice and SMS revenues.

Revenue from ICT was higher with the inclusion of Trustwave, growth from cyber security, provision of government infrastructure services and the continued on-boarding of Singapore government agencies to the G-Cloud platform, partly offset by lower one-off project revenues.

Data and Internet revenue grew 5.1% on the back of NBN customer growth and higher NBN revenue in Australia.

OPERATING EXPENSES (Before Depreciation and Amortisation)

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Cost of sales ⁽¹⁾	1,064	916	16.2	1,988	1,855	7.2
Selling & administrative ⁽¹⁾	722	759	-4.9	1,439	1,533	-6.1
Staff costs ⁽¹⁾	638	579	10.3	1,256	1,183	6.2
Traffic expenses	386	591	-34.7	767	1,195	-35.8
Repair & maintenance	90	86	5.6	180	169	6.5
Others	*	4	nm	3	7	-59.2
Total	2,901	2,934	-1.1	5,633	5,942	-5.2

As a percentage of operating revenue	Quarter		Half Year	
	30 Sep		30 Sep	
	2016 %	2015 %	2016 %	2015 %
Cost of sales ⁽¹⁾	26.0%	21.9%	24.9%	22.1%
Selling & administrative ⁽¹⁾	17.7%	18.1%	18.0%	18.3%
Staff costs ⁽¹⁾	15.6%	13.8%	15.7%	14.1%
Traffic expenses	9.4%	14.1%	9.6%	14.2%
Repair & maintenance	2.2%	2.0%	2.3%	2.0%
Others	**	0.1%	**	0.1%
Total	70.9%	70.0%	70.5%	70.8%

Note:

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

** denotes less than S\$0.5 million, and *** denotes less than 0.05%

Total operating expenses declined 1.1%, and would have declined 1.8% in constant currency terms.

Cost of Sales increased on higher ICT, digital services and Equipment sales and investment in content and programming.

SECTION 1 : GROUP

The decline in Selling and administrative expenses was mainly due to lower customer acquisition and retention costs across Singapore and Australia.

Traffic expenses declined on lower rates (including mobile termination rates) as well as decline in international call and roaming traffic.

STAFF COSTS

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016	2015		2016	2015	
	S\$ m	S\$ m		S\$ m	S\$ m	
Staff costs						
Optus ⁽¹⁾	270	258	4.7	534	545	-2.0
Singtel and other subsidiaries	334	321	4.0	654	637	2.6
	604	579	4.3	1,188	1,183	0.5
Trustwave	35	-	nm	67	-	nm
Group ⁽¹⁾	638	579	10.3	1,256	1,183	6.2

	Quarter			Half Year		YOY Chge %
	30 Sep 2016	30 Jun 2016	30 Sep 2015	30 Sep 2016 2015		
Average number of staff						
Optus ⁽¹⁾	8,917	9,053	9,455	8,985	9,447	-4.9
Singtel and other subsidiaries	15,425	15,060	14,939	15,243	14,713	3.6
Trustwave	24,342	24,113	24,394	24,228	24,160	0.3
	1,458	1,376	-	1,417	-	nm
Group ^{(1) (2)}	25,800	25,489	24,394	25,645	24,160	6.1
Headcount as at end of period						
Optus ⁽¹⁾	8,896	9,012	9,458	8,896	9,458	-5.9
Singtel and other subsidiaries	15,416	15,189	14,953	15,416	14,953	3.1
Trustwave	24,312	24,201	24,411	24,312	24,411	-0.4
	1,496	1,386	1,282	1,496	1,282	16.7
Group ^{(1) (2)}	25,808	25,587	25,693	25,808	25,693	0.4

Notes:

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

(2) Headcount for staff deployed in capital projects are included in the table above, though the related staff costs were capitalised as part of the cost of property, plant and equipment.

SECTION 1 : GROUP

Excluding Trustwave, the Group's staff costs increased 4.3%. The increase was mainly due to lower capitalisation of staff costs to capital projects and higher accrual for performance share expense on increase in fair value of grants (cash-settled awards) this quarter.

As of 30 September 2016, Group headcount was stable from a year ago at 25,808. The staff additions at Trustwave and increased hirings to support ICT projects in Singapore were partly offset by lower headcount at Optus.

NET FINANCE EXPENSE

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Net interest expense						
- Interest income	2	2	-8.7	6	5	18.4
- Interest expense	(88)	(86)	2.4	(176)	(164)	7.4
	(86)	(84)	2.7	(170)	(159)	7.1
- Net interest income from NetLink Trust ⁽¹⁾	4	7	-44.6	8	15	-44.2
	(82)	(77)	7.3	(162)	(144)	12.3
Other finance income						
- Dividend income from Southern Cross/ PCHL	6	10	-36.6	24	21	14.2
- Investment income ⁽²⁾	1	1	-22.2	1	1	-25.0
- Net foreign exchange gains (non-trade)	2	14	-86.9	2	9	-82.2
- Fair value adjustments ⁽³⁾	2	(1)	nm	(1)	2	nm
	11	23	-53.2	25	33	-23.6
Net finance expense	(71)	(53)	33.8	(136)	(111)	23.0

Notes:

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

Interest expense increased by 2.4% from higher interest rates.

Net interest income from NetLink Trust declined due to lower interest income earned on partial repayment of unitholder's loan by NetLink Trust.

Net foreign exchange gains arose mainly from revaluation of net monetary assets due to US Dollar movements.

Net fair value gain of S\$2 million (Q2 FY2016: S\$1 million of loss) in the quarter arose from mark-to-market valuation of interest rate swaps.

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

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016	2015		2016	2015	
	S\$ m	S\$ m		S\$ m	S\$ m	
Exceptional (losses)/ gains						
Share of AIS' handset subsidy costs	(9)	-	nm	(21)	-	nm
Staff restructuring costs (mainly Optus)	(1)	(2)	-55.6	(22)	(5)	384.8
Impairment of venture investments	(1)	(5)	-88.5	(1)	(11)	-94.3
Reversal of impairment provision of venture investments	5	-	nm	5	-	nm
Net gains on sale/ liquidation of venture investments	-	7	nm	*	31	nm
Share of Airtel's one-off (losses)/ gains (net)	*	53	nm	23	84	-73.2
Others	*	2	nm	*	2	nm
Group net exceptional (losses)/ gains (post-tax)	(6)	55	nm	(16)	102	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.

“*” denotes less than S\$0.5 million

The exceptional items in this quarter comprised mainly share of AIS' handset subsidy costs for migrating its 2G handset customers to 3G/4G and reversal of impairment provision of venture investments.

SECTION 1 : GROUP**TAX EXPENSE**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016	2015		2016	2015	
	S\$ m	S\$ m		S\$ m	S\$ m	
Income tax expense						
Optus	80	100	-20.8	163	190	-14.4
Singtel and other subsidiaries	52	51	2.4	108	105	2.7
Tax expense of Singtel and subsidiaries (a)	132	151	-13.0	270	295	-8.3
Share of associates' tax expense (b)	216	236	-8.6	443	449	-1.4
Withholding and dividend distribution taxes on associates' dividend income ⁽¹⁾	29	53	-45.2	107	115	-6.9
Total	376	440	-14.5	820	859	-4.5
Profit before exceptional items and tax	1,350	1,412	-4.4	2,744	2,725	0.7
Exclude:						
Share of associates' pre-tax profits	(737)	(706)	4.3	(1,504)	(1,372)	9.7
Adjusted pre-tax profit (c)	613	705	-13.1	1,240	1,353	-8.4
Effective tax rate of Singtel and subsidiaries (a)/(c)	21.5%	21.5%		21.8%	21.8%	
Share of associates' pre-tax profits (d)	737	706	4.3	1,504	1,372	9.7
Effective tax rate of associates (b)/(d)	29.2%	33.4%		29.4%	32.7%	

Note:

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

The decrease in the Group's tax expense reflected lower earnings and lower withholding taxes on associates' dividend receipts. The effective tax rate at the associates declined due mainly to some one-off tax credits at Airtel India and change in Airtel's profit mix in the African countries in the quarter.

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

	As at		
	30 Sep	30 Jun	30 Sep
	2016	2016	2015
	S\$ m	S\$ m	S\$ m
Current assets (excluding cash)	4,832	4,526	4,658
Cash and bank balances	585	966	733
Non-current assets	38,141	37,349	37,975
Total assets	43,558	42,840	43,366
Current liabilities	8,468	6,530	5,366
Non-current liabilities	10,047	10,886	13,439
Total liabilities	18,515	17,416	18,805
Net assets	25,043	25,424	24,561
Share capital	2,634	2,634	2,634
Retained earnings	28,667	29,401	27,738
Currency translation reserve (loss)	(5,128)	(5,491)	(4,791)
Other reserves	(1,136)	(1,131)	(1,039)
Equity attributable to shareholders	25,037	25,413	24,542
Minority interest and other reserve	6	10	20
	25,043	25,424	24,561

The Group is in a strong financial position as at 30 September 2016. Singtel is rated Aa3 by Moody's and A+ by Standard & Poor's.

The currency translation reserve (loss) in equity decreased by S\$363 million from a quarter ago mainly due to translation gains of net assets of Optus, Airtel and Telkomsel.

SECTION 1 : GROUP**LIQUIDITY AND GEARING**

	As at		
	30 Sep	30 Jun	30 Sep
	2016	2016	2015
	S\$ m	S\$ m	S\$ m
Gross debt			
Current debt	2,997	1,048	94
Non-current debt	7,267	8,178	10,709
Gross debt as reported in statement of financial position	10,264	9,226	10,802
Related net hedging asset ⁽¹⁾	(416)	(400)	(739)
Hedged gross debt	9,848	8,826	10,064
Less : Cash and bank balances	(585)	(966)	(733)
Net debt	9,263	7,860	9,331
Gross debt gearing ratio ⁽²⁾	28.2%	25.8%	29.1%
Net debt gearing ratio	27.0%	23.6%	27.5%

Notes:

(1) The net hedging asset relates to the fair values of cross currency and interest rate swaps.

(2) Gross debt gearing ratio refers to the ratio of gross debt to gross capitalisation. Gross capitalisation is the aggregate of gross debt, shareholders' funds and minority interests.

Hedged gross debt increased by S\$1.02 billion to S\$9.85 billion from a quarter ago, mainly due to net increase in borrowings of S\$910 million and mark-to-market movements. With higher debt and a lower cash balance following payment of final dividend, net debt gearing ratio increased to 27.0% from 23.6% a quarter ago.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Half Year		YOY Chge %
	30 Sep	30 Sep	30 Jun	30 Sep		
	2016	2015	2016	2016	2015	
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax	1,350	1,412	1,394	2,744	2,725	0.7
Non-cash items	(114)	(125)	(183)	(297)	(190)	56.4
Operating cash flow before working capital changes	1,236	1,287	1,212	2,448	2,536	-3.5
Changes in operating assets and liabilities	(186)	(365)	(259)	(445)	(742)	-40.0
	1,050	922	953	2,003	1,794	11.7
Cash paid to employees under performance share plans	-	(3)	*	*	(3)	nm
Tax paid on operating activities	(228)	(243)	(66)	(294)	(313)	-6.2
Operating cash flow before dividends from associates	822	676	887	1,709	1,478	15.7
Dividends/ Distributions received from associates	321	297	945	1,266	1,058	19.6
Withholding tax paid on dividends received	(22)	(24)	(95)	(117)	(103)	13.6
	1,121	950	1,737	2,858	2,433	17.5
Net cash outflow for investing activities						
Accrued capital expenditure	(518)	(449)	(391)	(910)	(839)	8.4
Changes in creditors' balances	39	(23)	(113)	(75)	(142)	-47.3
Cash capital expenditure	(480)	(473)	(505)	(984)	(981)	0.3
Investment in associates	-	-	(2)	(2)	-	nm
Deferred proceeds/ proceeds on disposal of associates	*	14	42	43	15	193.8
Purchase of spectrum	(99)	(44)	(27)	(126)	(72)	75.7
Purchase of other intangibles	(51)	(14)	(24)	(75)	(49)	51.5
Payment for purchase of subsidiaries, net of cash acquired	(5)	(1,057)	-	(5)	(1,057)	-99.5
Investment in venture investments	(10)	(9)	(12)	(22)	(24)	-9.5
Proceeds from disposal of venture investments	3	33	51	54	52	3.7
Proceeds from disposal of property, plant and equipment	4	5	33	36	5	@
Withholding tax paid on interest received on inter-company loans	(14)	(13)	-	(14)	(13)	7.5
Others	17	16	5	22	37	-42.4
	(634)	(1,542)	(439)	(1,073)	(2,088)	-48.6
Net cash outflow for financing activities						
Net increase/ (decrease) in borrowings	910	1,683	(681)	228	1,677	-86.4
Net interest paid on borrowings and swaps	(76)	(69)	(102)	(178)	(153)	16.5
Final dividend paid to shareholders	(1,706)	(1,705)	-	(1,706)	(1,705)	**
Purchase of performance shares	(5)	(19)	(11)	(15)	(34)	-55.7
Others	-	1	-	-	1	nm
	(876)	(109)	(794)	(1,671)	(214)	@
Net (decrease)/ increase in cash and cash equivalents	(390)	(702)	504	114	130	-12.4
Exchange effects on cash and cash equivalents	9	45	*	9	40	-76.8
Group cash and cash equivalents at beginning	966	1,390	462	462	563	-17.9
Group cash and cash equivalents at end	585	733	966	585	733	-20.1
Group free cash flow						
Singapore	114	134	291	405	384	5.3
Optus	229	69	92	321	112	186.2
Group free cash flow (before associates' dividends)	343	203	382	725	496	46.1
Dividends received from associates (net of withholding tax)	299	274	850	1,149	955	20.2
Group free cash flow	641	477	1,232	1,874	1,451	29.1
Optus free cash flow (in A\$)	221	71	99	320	112	185.7
Cash capex to operating revenue	12%	11%	13%	12%	12%	

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

SECTION 1 : GROUP

Net cash inflow from operating activities (before associates' dividend receipts) for the quarter grew 22% to S\$822 million. The increase was due mainly to working capital movements and lower cash taxes. Gross dividends/ distributions from the associates increased on distribution received from NetLink Trust of S\$80 million (Q2 FY2016: nil), partly offset by lower dividends received from AIS and the Southern Cross consortium. Consequently, total cash flow from operations increased 18% to S\$1.12 billion.

Compared to the preceding quarter, cash flow from operating activities declined 35% mainly attributed to higher cash taxes as well as lower dividends received from associates this quarter, partly offset by working capital movements.

Net cash outflow for investing activities was S\$634 million. Capital expenditure grew 1.5% to S\$480 million. Capital expenditure comprised S\$240 million for Singapore and S\$240 million (A\$234 million) for Australia. In Singapore, major capital investments in the quarter included S\$120 million for fixed and data infrastructure, S\$46 million for information systems and S\$37 million for mobile networks. In Australia, capital investments in mobile networks, and fixed and other core infrastructure amounted to A\$57 million and A\$177 million respectively. Other investing cash flows in the quarter included spectrum payment of S\$96 million for Singtel's 1800 MHz spectrum renewal and payments of S\$51 million for other intangibles mainly for Optus' mobile site access rights.

With higher operating cash flow, the Group's free cash flow grew strongly by 34% to S\$641 million.

Net cash financing outflow of S\$876 million mainly comprised payment for final dividends totalling S\$1.71 billion in August 2016 and interest payments of S\$76 million, partly offset by net increase in borrowings of S\$910 million.

Overall cash balance decreased S\$381 million from a quarter ago, and the cash balance was S\$585 million as at 30 September 2016.

OTHER INFORMATION

Formation of Info-communications Media Development Authority of Singapore ("IMDA") and the Government Technology Agency of Singapore

The IMDA and the Government Technology Agency of Singapore were formed by the Ministry of Communications and Information ("MCI") in October 2016 as part of the restructure of Info-communications Development Authority of Singapore and the Media Development Authority of Singapore.

Telecommunications (Amendment) Bill 2016 ("Bill")

Following public consultation by the MCI in August 2016, the Bill was introduced in Parliament on 10 October 2016. The Bill seeks to amend the Telecommunications Act to, *inter alia*, enable the IMDA to establish or approve a dispute resolution scheme(s), provide it with the powers to regulate and facilitate the use of and access to rooftop space for mobile deployment and impose certain conditions relating to the appointment of the CEO, director or chairman of the board of directors of designated telecommunication licensees.

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. The results shown in this section are for the consumer businesses across Singapore and Australia only. The results of the regional mobile associates are discussed in **Section 5**.

FINANCIAL HIGHLIGHTS

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

- Operating revenue was impacted by decline in mobile termination rates and higher mobile service credits in Australia.
- Operating revenue at S\$2.34 billion – down 7.7% (stable excluding the mobile termination rates change).
- EBITDA at S\$779 million – down 6.3%.
- EBIT at S\$403 million – down 14%.

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2016

- The Australian Dollar was stable from the same period last year.
- Operating revenue at S\$4.54 billion – down 12% (down 4.4% excluding the mobile termination rates change).
- EBITDA at S\$1.58 billion – down 3.5%.
- EBIT at S\$837 million – down 7.2%.

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

For The Second Quarter And Half Year Ended 30 September 2016

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Operating revenue	2,340	2,535	-7.7	4,537	5,138	-11.7
Operating expenses	(1,595)	(1,737)	-8.2	(3,055)	(3,568)	-14.4
	744	798	-6.7	1,482	1,570	-5.6
Other income	34	33	3.0	96	65	47.5
EBITDA	779	831	-6.3	1,578	1,635	-3.5
- margin	33.3%	32.8%		34.8%	31.8%	
Depreciation & amortisation	(376)	(364)	3.4	(741)	(734)	1.0
EBIT	403	468	-13.9	837	902	-7.2

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016	2015		2016	2015	
	S\$ m	S\$ m		S\$ m	S\$ m	
Selling & administrative ⁽²⁾	516	542	-4.9	1,016	1,105	-8.0
Cost of sales ^{(2) (3)}	542	483	12.3	979	1,012	-3.3
Traffic expenses	246	429	-42.7	477	863	-44.7
Staff costs ⁽²⁾	231	226	2.5	455	469	-3.0
Repair & maintenance	51	49	3.7	102	99	3.3
Others	10	9	10.2	25	21	21.5
Operating expenses	1,595	1,737	-8.2	3,055	3,568	-14.4

Notes:

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

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

(3) Cost of sales included cost of content and programming.

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER OPERATING HIGHLIGHTS

For The Second Quarter Ended 30 September 2016

Operating revenue for Group Consumer was impacted by the decline in mobile termination rates in Australia (“**rates change**”) from 1 January 2016.

Australia Consumer contributed 75% (Q2 FY2016: 76%) and 75% (Q2 FY2016: 76%) to the Group Consumer’s operating revenue and EBITDA respectively.

Operating revenue fell 7.7% (stable excluding the rates change), while both EBITDA and EBIT declined 6.3% and 14% respectively.

Operating revenue in Singapore decreased by 3.4% with declines in voice, including mobile voice roaming, and Equipment sales. The decrease in Equipment sales has minimal impact on profitability. Operating expenses fell 6.6% on lower selling and administrative costs and traffic expenses. With a slight trade foreign exchange loss compared to S\$7 million of gain in the last corresponding quarter, EBITDA declined 1.2%.

In Australia, operating revenue declined 11% reflecting the decline in mobile termination rates and higher mobile service credits from device repayment plans partly offset by higher Equipment sales. Excluding the rates change, revenue would have been stable. The rates change has minimal impact on profitability. EBITDA declined 9.2% mainly on lower revenues and higher investment in content and programming.

For The Half Year Ended 30 September 2016

For the first half year, operating revenue declined by 12% (down 4.4% excluding the rates change) while EBITDA and EBIT decreased by 3.5% and 7.2% respectively, reflecting declines in Australia.

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

Results for the current quarter compared to the preceding quarter ended 30 June 2016 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2016 S\$ m	30 Jun 2016 S\$ m	
Operating revenue	2,340	2,197	6.5
Operating expenses	(1,595)	(1,459)	9.3
	744	738	0.9
Other income	34	61	-44.1
EBITDA	779	799	-2.6
- margin	33.3%	36.4%	
EBIT	403	434	-7.2

Operating revenue grew 6.5% on higher Equipment sales and Mobile Communications revenue driven by new smartphone launches. EBITDA, however, declined due to higher content and programming costs, as well as a one-off GST refund recorded in 'Other income' in the preceding quarter. With higher depreciation charges from network investments, EBIT decreased 7.2%.

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

For The Second Quarter And Half Year Ended 30 September 2016

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Operating revenue	576	597	-3.4	1,135	1,207	-6.0
Operating expenses	(378)	(405)	-6.6	(727)	(810)	-10.3
	198	192	3.4	408	397	2.7
Other income ⁽²⁾	4	13	-68.2	10	22	-56.2
EBITDA	202	205	-1.2	418	419	-0.3
- margin	35.1%	34.3%		36.8%	34.7%	
Depreciation & amortisation	(72)	(66)	8.0	(142)	(132)	8.0
EBIT	131	138	-5.6	276	288	-4.1

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Mobile communications	327	328	-0.3	649	655	-0.9
Residential Pay TV	57	52	9.0	110	103	7.2
Sale of equipment	57	71	-20.0	99	149	-33.2
Fixed broadband	55	54	3.2	110	106	3.3
International telephone	41	48	-14.4	85	102	-16.6
National telephone	29	31	-6.2	58	61	-5.9
Others ⁽³⁾	12	15	-19.3	23	31	-26.0
Operating revenue	576	597	-3.4	1,135	1,207	-6.0
Selling & administrative ⁽⁴⁾	139	149	-6.5	270	292	-7.5
Cost of sales ⁽⁴⁾	118	128	-8.3	221	262	-15.6
Staff costs	58	57	1.7	111	110	1.3
Traffic expenses	56	64	-12.2	108	132	-18.3
Repair & maintenance	12	12	-2.4	26	25	4.1
Others	(5)	(6)	-10.7	(9)	(10)	-10.7
Operating expenses	378	405	-6.6	727	810	-10.3

Notes:

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

(2) Other income include trade foreign currency exchange differences, rental income, gain or loss on disposal of scrap copper and property, plant and equipment, and other recoveries. The net trade foreign exchange loss amounted to S\$0.3 million (Q2 FY2016: S\$7 million gain) for the quarter and S\$1 million (H1 FY2016: S\$10 million gain) for the first half year.

(3) Other revenue includes digital services, inter-operator tariff discounts, and revenue from mobile network cabling works and projects.

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

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER OPERATING PERFORMANCE

For The Second Quarter Ended 30 September 2016

Singapore Consumer's operating revenue declined by 3.4% amid a more subdued economic environment.

Mobile Communications revenue was stable as the strong growth in data partially offset the decline in local and roaming voice revenues. Demand for data remained strong, driven by increased consumption of video. The postpaid customer base grew by 11,000² during the quarter, driven by higher take-up of SIM only plans. Data penetration continued to gain traction in prepaid.

Following the success of DataX2 plan, Singtel continued to excite the market with the introduction of DataX3 plan which allows customers to enjoy triple the data allowance on their Combo plans. During the quarter, Singtel unveiled Wi-Fi Calling (also known as Voice over WiFi) for postpaid. This service allows customers to make HD quality voice calls and send SMS via any local WiFi connection without using an app. It extends Singtel's extensive mobile network to cover a wider footprint and thus complements its ongoing efforts in delivering the fastest and widest 4G service in Singapore.

Consumer Home Services which comprise fixed broadband, residential pay TV and voice revenues was up 4.8%. Fixed broadband revenue increased 3.2% as customers on lower value ADSL service upgraded to fibre and more customers signed up higher speed fibre plans. As at end September 2016, slightly over 90% of residential broadband customers were on fibre services. Pay TV revenue grew 9%, boosted by revenue from sub-licensing of content rights for the new season of Premier League. While the number of traditional Pay TV subscribers declined by 4,000 from a quarter ago, the number of customers who has signed up for on-the-go services, namely the Cast OTT and Singtel TV Go companion apps, grew 10,000 in the quarter to 22,000 as at end September 2016.

Pending release of new popular handsets, Equipment sales fell by 20% on increased take-up of SIM only plans, lower sales mix of high tier handsets and lower recontracting volume.

With the rise of OTT apps, International Telephone revenue declined by 14% on lower call traffic. The impact of the decline was partially mitigated by lower outpayment costs.

Total operating expenses decreased by 6.6%. The decline in selling and administrative expenses was attributable to lower mobile customer acquisition and retention costs on lower connections. Traffic expenses fell with lower international call and roaming traffic as well as lower rates partly caused by a change in roaming rate from gross to net basis for major roaming partners. Cost of sales were lower, reflecting the decline in Equipment sales partially offset by higher content and programming costs due to the stronger US Dollar.

Other income declined by 68% due mainly to foreign exchange gain of S\$7 million on revaluation of trade balances in the corresponding quarter last year.

Overall, EBITDA decreased by 1.2%. Excluding the trade foreign exchange differences, EBITDA would have increased by 2.5%.

² Based on total product view (i.e. included Enterprise mobile).

SECTION 2 : GROUP CONSUMER

EBIT decreased by 5.6% after including higher depreciation charges on a larger asset base.

For The Half Year Ended 30 September 2016

Operating revenue for the first half year declined 6.0% primarily from lower Equipment sales and voice, including mobile roaming voice. EBITDA, however, was stable on cost management while EBIT declined by 4.1% after including higher depreciation charges from network investments.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2016 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2016 S\$ m	30 Jun 2016 S\$ m	
Operating revenue	576	558	3.2
Operating expenses	(378)	(348)	8.6
EBITDA	202	215	-6.1
- margin	35.1%	38.6%	
EBIT	131	145	-10.1

Operating revenue increased on higher Equipment sales and Mobile Communications revenue. EBITDA, however, declined attributable to seasonally higher selling expenses in the quarter and the reversal of some accrued traffic expenses in the preceding quarter.

SECTION 2 : GROUP CONSUMER

AUSTRALIA CONSUMER SUMMARY INCOME STATEMENTS

For The Second Quarter And Half Year Ended 30 September 2016

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 A\$ m	2015 A\$ m		2016 A\$ m	2015 A\$ m	
Operating revenue	1,719	1,921	-10.5	3,338	3,829	-12.8
Operating expenses	(1,180)	(1,316)	-10.3	(2,275)	(2,677)	-15.0
	539	605	-11.0	1,063	1,151	-7.7
Other income	29	20	45.3	83	41	102.1
EBITDA	568	625	-9.2	1,146	1,192	-3.9
- margin	33.0%	32.5%		34.3%	31.1%	
Depreciation & amortisation	(296)	(294)	0.7	(587)	(586)	0.2
EBIT	271	331	-18.0	559	607	-7.8

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 AS m	2015 AS m		2016 AS m	2015 AS m	
Incoming	49	245	-80.2	96	481	-80.1
Outgoing	870	915	-4.9	1,734	1,829	-5.2
Total Mobile Service	919	1,160	-20.8	1,830	2,309	-20.8
Equipment	332	307	8.4	591	614	-3.7
Total Mobile Revenue	1,251	1,467	-14.7	2,422	2,924	-17.2
Voice	98	105	-6.5	197	210	-5.7
Broadband	117	127	-8.4	233	259	-9.8
Pay TV	25	23	6.8	50	46	9.0
Mass Market Fixed On-net	240	256	-6.3	481	514	-6.4
Mass Market Fixed Off-net ⁽¹⁾	67	33	100.3	121	59	104.1
Total Mass Market Fixed	307	290	6.1	602	573	5.0
Data & IP	59	60	-1.6	116	120	-2.8
Voice	27	35	-22.0	54	70	-23.0
Satellite	74	70	6.2	144	142	1.4
Total Wholesale Fixed	161	165	-2.7	314	332	-5.3
Operating revenue	1,719	1,921	-10.5	3,338	3,829	-12.8

Note:

(1) Included NBN migration and site preparation revenues of A\$20 million (Q2 FY2016: A\$13 million) for the quarter and A\$35 million (H1 FY2016: A\$25 million) for the first half year.

SECTION 2 : GROUP CONSUMER

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 A\$ m	2015 A\$ m		2016 A\$ m	2015 A\$ m	
Cost of sales ⁽¹⁾	414	351	17.7	743	730	1.7
Selling & administrative ⁽¹⁾	365	388	-6.0	729	788	-7.4
Traffic expenses	185	362	-48.9	363	712	-49.1
Staff costs ⁽¹⁾	165	164	0.6	332	345	-3.9
Repair & maintenance	38	37	3.4	75	72	3.4
Others	14	14	1.4	34	30	12.2
Operating expenses	1,180	1,316	-10.3	2,275	2,677	-15.0

Note:

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

AUSTRALIA CONSUMER OPERATING PERFORMANCE**For The Second Quarter Ended 30 September 2016**

Australia Consumer reported a decline in operating revenue of A\$202 million or 11% in this quarter. The decline reflected the impact of reduction in the mobile termination rate change from 1 January 2016³ of A\$186 million and higher mobile service credits from device repayment plans of A\$76 million partly offset by higher Equipment sales of A\$25 million.

As the market in Australia is experiencing a moderation in mobile revenue growth, outgoing mobile service revenue reduced 4.9% and would be up 3.2% excluding the impact of device repayment plan credits. The postpaid handset customer base grew a record 88,000⁴ this quarter, with the branded handset customer base growing by 107,000 due in part to the launch of the Optus Sports channels, featuring Premier League, in the quarter. The prepaid handset customer base declined 21,000 from a quarter ago.

Mobile incoming revenue fell 80% and excluding the rates change, incoming service revenue would have declined 4.2% due to lower SMS usage and inbound roaming revenue.

Blended mobile ARPU increased A\$1 or 2.0% year-on-year excluding both the impacts of the rates change and device repayment plan credits.

The number of 4G mobile customers increased by 328,000 this quarter, resulting in the total 4G customer base increasing to 5.20 million⁵ as at 30 September 2016, up from 4.87 million a quarter ago.

³ Mobile termination rates were reduced from 3.6 cents to 1.7 cents per minute for calls and 7.5 cents to 0.03 cents for SMS.

⁴ Including Enterprise customers, Optus' total postpaid handset customer base grew 90,000.

⁵ Including Enterprise customers, Optus' total number of 4G customers increased from 4.93 million a quarter ago to 5.27 million.

SECTION 2 : GROUP CONSUMER

Optus continued to invest in its mobile networks, reaching 95.7% of 4G population coverage with 5,479 of 4G sites, of which over 4,400 have been upgraded to 700 MHz spectrum as at 31 October 2016. Optus' ongoing network investment program has resulted in Optus being ranked first in the monthly Netflix Internet Service Provider index as well as Stan for 13 consecutive months, demonstrating its commitment to relentless improvement across both the fixed and mobile networks.

In the quarter, Optus announced the expansion of its mobile entertainment offering, giving eligible postpaid mobile customers a better way to be entertained with data-free TV, movies and music streaming. Optus also secured the exclusive broadcast rights to the upcoming pre-season friendly match between Italian Football Champions, Juventus and Premier League fan favorites, West Ham United.

Continued focus on product innovation, network investment and customer advocacy has resulted in significant improvements in the Consumer market NPS⁶ score, increasing from +6 to +12 in the quarter.

In Mass Market Fixed, operating revenue grew 6.1% with NBN customer growth of 88,000 over the last 12 months and higher NBN revenues. Excluding NBN migration and preparation fees, Mass Market Fixed revenue grew 3.9%.

Wholesale fixed revenue declined 2.7% year-on-year mainly attributable to lower voice revenues from wholesalers who used call termination services, and the impact of deactivation of wholesale customers while Satellite revenue increased on higher contract revenues.

Total operating expenses fell 10% mainly from lower traffic expenses. Traffic expenses decreased a significant 49% due to lower domestic interconnect costs from the rates change. Cost of sales increased on higher Equipment sales and increased content and programming costs.

Other income was higher year-on-year driven by the recovery of regulatory costs.

Overall EBITDA declined 9.2% on lower revenues driven by credits from device repayment plans and higher investment in content and programming with the launch of Optus Sports channels. EBITDA margin increased to 33.0% in the quarter.

With a stable depreciation and amortisation expense, EBIT declined 18%.

For The Half Year Ended 30 September 2016

For the first half year, reported operating revenue declined 13% but remained stable excluding the impacts of the rate change and higher mobile service credits from device repayment plans. Operating expenses declined 15% in line with revenues, while EBITDA declined 3.9% with EBITDA margin increasing to 34.3%.

⁶ The Net Promoter Score ("NPS") is a widely used metric to measure customer experience by scoring the willingness of customers to recommend a brand following an interaction with the company.

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

Results for the current quarter compared to the preceding quarter ended 30 June 2016 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2016 A\$ m	30 Jun 2016 A\$ m	
Operating revenue	1,719	1,618	6.2
Operating expenses	(1,180)	(1,094)	7.9
Other income	29	54	-46.9
EBITDA	568	578	-1.9
- margin	33.0%	35.7%	
EBIT	271	288	-5.7

Against the preceding quarter, the increase in operating revenue on higher Equipment sales was partly offset by higher cost of sales, content and advertising costs in the quarter. A one-off GST refund recorded in 'Other income' in the preceding quarter led to the decline in EBITDA.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE**MANAGEMENT DISCUSSION AND ANALYSIS**

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

Trustwave, a cyber security company acquired on 1 September 2015, was consolidated with effect from 30 September 2015 under "Singapore"⁷ segment in this report. Its operating revenue was classified as "Managed Services" under ICT. Trustwave is a managed cyber security services provider that provides on-demand data security and payment card industry compliance management solutions to businesses and organisations worldwide.

FINANCIAL HIGHLIGHTS**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

- Operating revenue at S\$1.61 billion – up 4.8%.
- EBITDA at S\$502 million – down 1.8%.
- EBIT at S\$346 million – down 4.3%.

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2016

- Operating revenue at S\$3.19 billion – up 5.0%.
- EBITDA stable at S\$993 million.
- EBIT at S\$676 million – down 3.0%.

⁷ "Singapore" refers to all geographies other than Australia.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE SUMMARY INCOME STATEMENTS

For The Second Quarter And Half Year Ended 30 September 2016

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Operating revenue	1,612	1,538	4.8	3,192	3,041	5.0
Operating expenses	(1,124)	(1,036)	8.5	(2,220)	(2,064)	7.6
Other income ⁽¹⁾	488	502	-2.8	972	977	-0.6
	15	10	48.0	21	18	18.8
EBITDA	502	512	-1.8	993	995	-0.2
- margin	31.2%	33.3%		31.1%	32.7%	
Depreciation & amortisation	(156)	(150)	4.3	(317)	(298)	6.2
EBIT	346	362	-4.3	676	696	-3.0

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Cyber security	129	28	363.4	238	48	397.7
Other services	426	426	-0.1	829	831	-0.3
Managed services ⁽²⁾	555	454	22.2	1,067	879	21.4
Business solutions ⁽³⁾	156	158	-1.5	306	295	3.8
ICT	711	612	16.1	1,373	1,174	17.0
Data and Internet ⁽⁴⁾	430	421	2.0	855	840	1.8
Mobile communications	246	261	-5.7	501	525	-4.6
National telephone	122	127	-3.4	243	252	-3.9
International telephone	53	59	-10.0	111	122	-8.9
Sale of equipment	38	39	-1.5	82	86	-4.1
Others ⁽⁵⁾	12	19	-39.1	27	43	-36.7
Operating revenue	1,612	1,538	4.8	3,192	3,041	5.0

Notes:

- (1) Other income include trade foreign exchange differences, rental income, gain or loss on disposal of property, plant and equipment, and other recoveries.
- (2) Include facility management, managed and network services, and value-added reselling and services.
- (3) Include applications management services and outsourcing, system integration and business process outsourcing and communication engineering services.
- (4) Include local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.
- (5) Other revenue include inter-operator tariff discounts, TV and digital business revenues.

SECTION 3 : GROUP ENTERPRISE

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Cost of sales ⁽¹⁾	413	354	16.7	793	692	14.6
Staff costs ⁽¹⁾	354	301	17.7	701	604	16.1
Selling & administrative ⁽¹⁾	189	194	-2.6	387	387	**
Traffic expenses	140	163	-13.8	289	333	-13.0
Repairs, maintenance and other expenses	28	25	11.1	49	49	1.6
Operating expenses	1,124	1,036	8.5	2,220	2,064	7.6

Note:

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

“***” denotes less than 0.05%

GROUP ENTERPRISE OPERATING HIGHLIGHTS**For the Second Quarter Ended 30 September 2016**

Singapore contributed 75% (Q2 FY2016: 75%) and 87% (Q2 FY 2016: 85%) to Group Enterprise's operating revenue and EBITDA respectively.

With contribution from Trustwave, Group Enterprise's operating revenue grew 4.8% driven by higher ICT and Data and Internet revenues, with growth of 5.5% and 1.1% in Singapore and Australia respectively. EBITDA, however, fell 1.8% mainly from declines in voice and roaming services, ramp up of cyber security business, as well as intense competition in Australia. Depreciation and amortisation charges rose 4.3% mainly from amortisation charges of the acquired intangibles of Trustwave. Consequently, EBIT decreased 4.3%.

Operating expenses grew 8.5%. The increase in Cost of Sales was in line with related ICT revenue growth. Staff costs rose from higher cyber security and other ICT headcount in sales, product development and service delivery as well as higher performance share accrual on increase in fair value of grants. The lower Selling and administrative expenses was attributable to SEA Games sponsorship costs in the last corresponding quarter and lower utilities, partially offset by costs from Trustwave. Traffic expenses decreased due to lower international call and roaming traffic, as well as lower rates partly caused by a change in roaming rate from gross to net basis for major roaming partners.

For the current quarter, Trustwave contributed S\$3 million in EBITDA and S\$8 million in negative EBIT after including the amortisation of acquired intangibles. Excluding Trustwave, EBITDA and EBIT declined 2.4% and 2.2% respectively.

During the quarter, Singtel launched the Data Center and Cloud Connect Service (DC Connect). This service creates a low latency, secure and seamless hybrid cloud environment for enterprise customers by allowing them to access and move their data between public and private clouds in more than 20 data centres through a single connection.

SECTION 3 : GROUP ENTERPRISE

Singtel also collaborated with Palo Alto Networks and introduced the Singtel Managed Advanced Threat Prevention (ATP) service, a one-of-a-kind managed security service that leverages on Singtel's expertise as a Managed Security Service Provider and Palo Alto's next-generation cyber security capabilities. This solution protects the networks of organisations and endpoint devices through monitoring, isolating and preventing suspicious applications and cyber threats.

For the Half Year Ended 30 September 2016

For the first half year, Group Enterprise's operating revenue grew 5.0% largely due to higher ICT revenue, partially offset by the decline in traditional carriage services.

Overall EBITDA was stable and EBIT declined by 3.0% after including the amortisation of acquired intangibles of Trustwave. Excluding Trustwave, EBITDA and EBIT would have been stable.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2016 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2016 S\$ m	30 Jun 2016 S\$ m	
Operating revenue	1,612	1,580	2.0
Operating expenses	(1,124)	(1,096)	2.6
Other income	15	6	142.6
EBITDA	502	490	2.5
- margin	31.2%	31.0%	
EBIT	346	330	5.0

EBITDA increased by 2.5% with increase in 'Other income' from one-off gains recognised in the quarter. With lower depreciation charges, EBIT grew 5.0% from the preceding quarter.

SECTION 3 : GROUP ENTERPRISE**SINGAPORE ENTERPRISE**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Cyber security	103	15	@	198	26	@
Other services	287	293	-2.1	561	560	0.3
Managed services ⁽¹⁾	390	308	26.5	759	586	29.5
Business solutions ⁽²⁾	156	158	-1.5	306	295	3.8
ICT	546	466	17.0	1,065	881	20.9
Data and Internet ⁽³⁾	348	339	2.7	690	670	2.9
Mobile communications	193	203	-4.7	396	405	-2.4
International telephone	46	50	-8.9	97	105	-7.7
National telephone	42	45	-6.0	84	89	-5.1
Sale of equipment	21	23	-6.6	44	51	-12.9
Others ⁽⁴⁾	12	19	-39.1	27	43	-36.7
Operating revenue	1,209	1,146	5.5	2,403	2,244	7.1
EBITDA	435	434	0.3	858	840	2.1

Notes:

(1) Include facility management, managed and network services, and value-added reselling and services.

(2) Include applications management services and outsourcing, system integration and business process outsourcing and communication engineering services.

(3) Include local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.

(4) Other revenue include inter-operator tariff discounts, TV and digital business revenues.

"@" denotes more than 500%

Operating revenue increased by 5.5% driven mainly by strong growth in ICT with inclusion of Trustwave, and Data and Internet.

Overall ICT revenue was up 17%. Managed Services revenue grew 27% from cyber security, provision of government infrastructure services and the continued on-boarding of Singapore government agencies to the G-Cloud platform, partly offset by lower one-off project revenues including cloud infrastructure services deployed for SEA Games in the last corresponding quarter.

NCS maintained a healthy order book of S\$2.2 billion as at 30 September 2016.

Data and Internet revenue grew 2.7% from increased demand for international circuits and bandwidth.

Mobile Communications revenue declined 4.7% due to lower voice (including mobile roaming voice) and SMS traffic partially offset by growth in data. Revenue was also impacted by a change in roaming rates from gross to net basis for major roaming partners.

International Telephone revenue fell 8.9% on lower call usage on continued mobile data substitution. The impact of the decline was partially mitigated by lower outpayment costs.

SECTION 3 : GROUP ENTERPRISE

AUSTRALIA ENTERPRISE

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 A\$ m	2015 A\$ m		2016 A\$ m	2015 A\$ m	
ICT and Managed Services	161	144	11.3	302	285	5.9
Voice	85	89	-4.7	170	176	-3.6
Data and IP	79	82	-2.8	162	166	-2.3
Mobile ⁽¹⁾	68	73	-7.3	140	149	-6.3
Operating revenue ⁽²⁾	393	389	1.1	774	777	-0.4
EBITDA	65	77	-15.2	132	151	-12.4

Notes:

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

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

Operating revenue was up 1.1% driven by higher ICT revenue partially offset by lower mobile and fixed voice and data revenues amid weak business sentiments and intense competition.

ICT and Managed Services revenue grew 11%, driven by higher cyber security maintenance sales across several key government and corporate customers.

Voice revenue fell 4.7% compared to the industry decline of 8%⁸. The decrease was due to price erosion and declines in switched voice as businesses migrated to lower cost IP-based voice solutions.

Data and IP revenue declined 2.8% from continued price competition, migration of legacy data services to IP network solutions and customer-led rationalisation of services.

Mobile revenue was down 7.3%, mainly due to lower roaming and mandated mobile termination rates reduction in January 2016. Excluding the decline in mobile termination rates, mobile revenue would have been lower by 3.7%. Optus Business connected more mobile enterprise customers compared to last corresponding quarter as it expands its network coverage and improves its distribution in regional Australia.

In the quarter, Optus Business signed a five-year deal of A\$20 million with Vicinity shopping centres, allowing their shoppers and visitors access to fast, free and easy-to-use WiFi services. Optus also renewed the strategic agreement with ANZ to provide domestic and international data network services, mobility, collaboration, contact centre services and managed services. This agreement extended the original contract signed in 2013 to 2020 and will provide a great platform for exciting future growth in ICT services for ANZ Bank.

⁸ Source: IDC's Fixed Line semi-annual tracker.

SECTION 4 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE

MANAGEMENT DISCUSSION AND ANALYSIS

Group Digital Life (“GDL”) focuses on using the latest Internet technologies and assets of the Group’s operating companies to develop new revenue and growth engines by entering into adjacent businesses where it has a competitive advantage.

GDL has three key businesses – digital marketing (Amobee), regional premium OTT video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), and it also serves as Singtel’s digital innovation engine through Innov8.

FINANCIAL HIGHLIGHTS

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

- Operating revenue at S\$135 million – up 21%.
- Negative EBITDA of S\$27 million.
- Including amortisation of acquired intangibles, negative EBIT of S\$44 million.

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2016

- Operating revenue at S\$266 million – up 24%.
- Negative EBITDA at S\$63 million.
- Negative EBIT at S\$96 million.

SECTION 4 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE SUMMARY INCOME STATEMENTS For The Second Quarter And Half Year Ended 30 September 2016

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Digital ⁽¹⁾	153	124	23.4	302	238	26.8
Others ⁽²⁾	5	2	152.5	10	3	247.7
Operating revenue	158	126	25.6	312	241	29.3
Intercompany eliminations	(23)	(15)	59.9	(46)	(27)	68.3
Operating revenue	135	111	21.1	266	214	24.3
Operating expenses	(162)	(144)	12.4	(320)	(279)	15.0
	(27)	(33)	-17.2	(54)	(65)	-15.9
Other losses	*	(2)	nm	(9)	*	nm
EBITDA	(27)	(34)	-19.7	(63)	(65)	-3.1
Depreciation	(5)	(5)	2.1	(9)	(9)	5.6
Amortisation of intangibles	(11)	(12)	-6.6	(24)	(24)	-0.4
	(16)	(17)	-4.1	(33)	(33)	1.2
EBIT	(44)	(51)	-14.5	(96)	(98)	-1.6
Amobee group						
Operating revenue	153	124	23.4	302	238	26.8
Intercompany eliminations	(22)	(14)	57.7	(44)	(27)	64.8
Operating revenue	131	110	19.0	258	212	22.0
EBITDA	(9)	(13)	-32.6	(24)	(29)	-14.4
EBIT	(18)	(22)	-16.8	(44)	(46)	-5.4

Notes:

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

(2) Other revenues mainly comprise revenues from HOOQ and DataSpark.

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

“*” denotes less than S\$0.5 million

SECTION 4 : GROUP DIGITAL LIFE

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Cost of sales ⁽¹⁾	109	79	38.4	216	151	42.6
Staff costs	37	42	-11.5	71	87	-18.7
Selling & administrative ⁽¹⁾	12	19	-34.6	26	32	-18.9
Others	4	5	-22.2	7	8	-5.1
Operating expenses	162	144	12.4	320	279	15.0

Note:

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

GROUP DIGITAL LIFE OPERATING HIGHLIGHTS**For The Second Quarter Ended 30 September 2016**

Operating revenue for the quarter grew 21% to S\$135 million, driven by higher advertising revenue mainly from Amobee's social, video and display businesses.

Negative EBITDA decreased by 20% to S\$27 million due mainly to lower losses at Amobee and savings from a discontinued business in December 2015. Negative EBIT was S\$44 million, after accounting for depreciation and amortisation of acquired intangibles for Amobee group.

Amobee's businesses continued to gain industry recognition for excellence in digital marketing. Amobee won the IMA⁹ awards for 'Best Predictive Analytics & Measurement Technology' for Amobee Brand Intelligence and 'Best Mobile Marketing Campaigns' for the Lexus Performance 3D campaign delivered in partnership with agency client, Team One.

During this quarter, Amobee launched the 'Amobee Triggers', an innovative new solution providing brands and agencies with the ability to target and deliver cross channel digital campaigns at key consumer moments based on online and offline data signals. It allows marketers to automatically launch and pause digital advertising campaigns based on real time data, including changes in weather, financial market activity, and foot traffic patterns.

Amobee also launched its next generation digital video solutions. 'Video Everywhere' allows advertisers to deliver video campaigns across all channel and devices, including social, with access to Twitter Pre-Roll, desktop, and mobile from one unified platform. 'Amobee Interactive Video' allows advertisers to dynamically create and customise the digital video experience for each consumer, on every device, based upon demographic, behavioural, weather, time and location data.

HOOQ, which offers premium OTT video, has competed a full re-launch of all platforms in mid-October 2016. The new platform offers a brand new user interface with faster loading times which is more mobile friendly and equipped with a smart analytics system that will recommend TV series or movies based on a customer's viewing history.

⁹ IMA refers to the Internet Marketing Association's IMPACT Awards 2016.

SECTION 4 : GROUP DIGITAL LIFE

During this quarter, HOOQ announced the World's first Ad-free, Freemium model allowing customers to access the pilot episode of over 250 TV shows for free.

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

For The Half Year Ended 30 September 2016

Operating revenue for the first half year increased by 24% to S\$266 million mainly contributed by strong performance from Amobee's social business.

Negative EBITDA and EBIT were at S\$63 million (H1 FY2016: S\$65 million) and S\$96 million (1H FY2016: S\$98 million) respectively.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2016 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2016 S\$ m	30 Jun 2016 S\$ m	
Operating revenue (before intercompany eliminations)	158	154	3.2
<i>Intercompany eliminations</i>	(23)	(23)	3.7
Operating revenue	135	131	3.1
Operating expenses	(162)	(158)	2.1
	(27)	(28)	-2.2
Other losses	*	(8)	nm
EBITDA	(27)	(36)	-23.5
EBIT	(44)	(53)	-17.8

"*" denotes less than S\$0.5 million

Revenue grew primarily driven by Amobee's social business through the August Olympics event, and new wins in its video business. Negative EBITDA decreased as the preceding quarter included S\$7 million of cost relating to prior periods.

SECTION 5: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

- Associates' pre-tax and post-tax underlying profit¹⁰ contributions grew by 4.3% and 11% respectively, mainly from Telkomsel and lower fair value losses at Airtel, partly offset by decline at Globe.
- The translation impact from the regional currencies was minimal this quarter.
- The Group's combined mobile customer base¹¹ was up 16 million or 2.6% in the quarter to 629 million.

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2016

- Associates' pre-tax and post-tax underlying profit¹⁰ contributions grew by 9.7% and 15% respectively, mainly from Telkomsel and lower fair value losses at Airtel, partly offset by decline at Globe.
- If the regional currencies had remained stable from last corresponding period, the pre-tax and post-tax underlying profit¹⁰ contributions from the associates would have increased by 11% and 16% respectively.

¹⁰ Exclude exceptional items of Airtel and AIS classified under exceptional items of Singtel Group.

¹¹ 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⁾	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016	2015		2016	2015	
	S\$ m	S\$ m		S\$ m	S\$ m	
Regional mobile associates						
Telkomsel						
- operating results	365	301	21.0	689	550	25.3
- fair value gains/ (losses)	*	(2)	nm	2	(2)	nm
	365	299	22.0	691	548	26.1
Bharti Telecom/ Bharti Airtel ("Airtel") ⁽²⁾						
- operating results (India and South Asia)	292	263	10.8	579	547	5.8
- operating results (Africa)	15	17	-15.5	30	33	-7.9
- net finance costs	(114)	(72)	59.4	(223)	(150)	49.1
- fair value losses	(20)	(56)	-64.2	(38)	(110)	-65.7
	172	153	12.6	349	321	8.7
AIS ⁽²⁾						
- operating results	83	104	-20.3	203	220	-7.4
- fair value gains/ (losses)	1	(1)	nm	2	(1)	nm
	83	102	-18.8	206	219	-6.0
Globe						
- operating results	61	82	-25.8	151	174	-13.2
- fair value losses	(3)	(4)	-43.2	(3)	(4)	-31.0
	59	78	-24.8	148	170	-12.8
	679	632	7.4	1,393	1,257	10.8
Other Singtel associates						
NetLink Trust ⁽³⁾						
- operating results	21	10	111.9	42	14	199.3
- amortisation of deferred gain	17	17	1.2	34	34	0.9
	39	27	42.4	76	48	58.8
Others	19	25	-21.8	35	44	-21.4
Singtel share of ordinary results (pre-tax)	737	684	7.7	1,504	1,349	11.5
Optus share of ordinary results (pre-tax)	*	*	nm	*	*	nm
Group share of ordinary results (pre-tax)	737	684	7.7	1,504	1,350	11.5
Exceptional item ("EI")						
Globe - gains on disposal/ deemed disposal ⁽⁴⁾	-	22	nm	-	22	nm
Group share of EI	-	22	nm	-	22	nm
Singtel share of pre-tax profit ⁽²⁾	737	706	4.3	1,504	1,372	9.7
Optus share of pre-tax profit	*	*	nm	*	*	nm
Group share of pre-tax profit ⁽²⁾	737	706	4.3	1,504	1,372	9.7
(excluding fair value losses)	759	770	-1.5	1,540	1,488	3.5
Group share of taxes	216	236	-8.6	443	449	-1.4
Effective tax rate	29.2%	33.4%		29.4%	32.7%	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter				YOY Chge	Half Year				YOY Chge
	30 Sep					30 Sep				
	2016		2015			2016		2015		
	S\$ m	% ⁽⁵⁾	S\$ m	% ⁽⁵⁾		S\$ m	% ⁽⁵⁾	S\$ m	% ⁽⁵⁾	
Regional mobile associates										
Telkomsel	274	28	224	23	22.2	519	27	411	22	26.2
Airtel ⁽²⁾										
- ordinary results (India and South Asia)	119		118		1.2	251		256		-2.1
- ordinary results (Africa)	(27)		(65)		-58.0	(65)		(128)		-48.8
AIS ⁽²⁾	92	9	53	5	73.3	185	10	128	7	44.3
	69	7	79	8	-13.7	166	9	172	9	-3.6
Globe										
- ordinary results	37		54		-30.1	101		118		-14.0
- exceptional items	-		20		nm	-		20		nm
	37	4	74	8	-49.3	101	5	138	7	-26.6
	472	48	431	44	9.7	971	50	849	45	14.4
Other Singtel associates										
NetLink Trust ⁽³⁾										
- operating results	18		9		112.9	32		11		183.2
- amortisation of deferred gain	14		14		1.4	28		28		1.1
	32	3	23	2	43.6	60	3	39	2	53.4
Others	15	2	21	2	-29.3	28	1	38	2	-25.6
Singtel share of post-tax profit ⁽²⁾	519	53	474	49	9.6	1,059	55	926	50	14.4
Optus share of post-tax profit	2	**	(3)	**	nm	3	**	(3)	**	nm
Group share of post-tax profit ⁽²⁾	522	53	471	48	10.8	1,062	55	923	49	15.0

Post-tax profit contribution (in constant currency) ⁽⁶⁾	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016	2015		2016	2015	
	S\$ m	S\$ m		S\$ m	S\$ m	
Regional mobile associates						
- operating results	707	696	1.6	1,455	1,374	5.9
- fair value losses	(23)	(64)	-63.8	(39)	(117)	-66.7
Other associates	684	632	8.2	1,416	1,257	12.7
	58	52	11.8	111	93	20.2
Group share of ordinary results	742	684	8.5	1,527	1,350	13.2
Group share of exceptional items	-	22	nm	-	22	nm
Group share of pre-tax profit	742	706	5.1	1,527	1,372	11.3
Group share of tax expense	(220)	(236)	-6.7	(453)	(449)	0.9
Group share of post-tax profit	522	471	11.0	1,075	923	16.4

SECTION 5 : ASSOCIATES/ JOINT VENTURES

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) Share of results excluded the Group's share of Airtel's exceptional items and AIS' 3G handset subsidy costs which have been classified as exceptional items of the Group.
- (3) NetLink Trust is 100% owned by Singtel and is equity accounted as an associate in the Group as Singtel does not control it. The amortisation of deferred gain arose from Singtel's gain on disposal of assets and business to NetLink Trust in prior years, which was deferred in the Group's balance sheet and amortised over the useful lives of the transferred assets.
- (4) Gains on disposal/ deemed disposal in the last corresponding quarter relate to Globe's disposal of equity interest in Yondu, Inc. and fair valuation of its previously held equity interest in Bayan Telecommunications, Inc.
- (5) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.
- (6) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2015.

"*" denotes less than S\$0.5 million, and "***" denotes less than 0.05%.

The associates' pre-tax underlying profit contributions grew 4.3%. Excluding the share of fair value losses, mainly at Airtel, the pre-tax underlying profit contributions from the associates declined 1.5% on lower earnings at Globe, AIS and Airtel partially offset by higher profits at Telkomsel and NetLink Trust.

The share of taxes of associates, however, declined 8.6% mainly due to lower taxes at Airtel (see page 46). Consequently, on a post-tax basis, the associates' underlying profit contributions were up 11% to S\$522 million and contributed 53% to the Group's underlying net profit, up 5 percentage points from the same quarter last year.

Telkomsel registered strong double-digit growth in revenue and EBITDA boosted by higher voice, data and digital revenues. Airtel recorded growth in consolidated revenue and EBITDA as well as lower fair value losses, but the gains were partially offset by higher depreciation, spectrum amortisation charges and related finance costs. AIS recorded higher revenue but lower EBITDA and earnings due to new 900 MHz spectrum amortisation charges and higher network cost. Globe reported both stable revenue and EBITDA but its earnings were lower due to higher depreciation charges and absence of exceptional gains. NetLink Trust registered strong growth in both revenue and EBITDA boosted by increased fibre penetration in Singapore.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 124,100 radio base stations (of which 59% are 3G/4G base transceiver stations) providing nationwide coverage. Telkomsel continued to expand its network with a focus on growing data and digital services. In the quarter, Telkomsel added approximately 5,400 radio base stations, of which 89% were 3G/4G.

Telkomsel continued to perform strongly this quarter. Operating revenue was up 11% year-on-year fuelled by good growth across voice, data and digital businesses. Voice revenue grew 12% driven by higher traffic on a higher customer base. Data and digital services grew a robust 31% with higher data usage and continued strong take-up of smartphones.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

With the increase in operating revenue, EBITDA was up strongly by 11% despite higher operation and maintenance costs from the accelerated network deployment.

The Group's share of Telkomsel's pre-tax profit rose 19% in Indonesian Rupiah terms, and grew a robust 22% after including 3% appreciation in the Indonesian Rupiah against the Singapore Dollar this quarter.

On a post-tax basis, Telkomsel's profit contribution for the quarter increased 22% to S\$274 million which constituted 28% of the Group's underlying net profit, up 5 percentage points from the last corresponding quarter.

Compared to the preceding quarter, Telkomsel's EBITDA grew 9% on revenue growth despite higher operation and maintenance costs and staff costs.

Telkomsel gained 6.3 million mobile customers in the quarter, a steep increase from 3.8 million added in the preceding quarter. The total mobile customer base grew 15 million or 10% from a year ago to 164 million, including 77 million of data customers at end of September 2016.

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 18 countries across Asia and Africa, offering telecom services under wireless and fixed line technology, national and international long distance connectivity, digital TV and integrated telecom solutions to its enterprise customers. Airtel also owns tower infrastructure pertaining to telecom operations through its subsidiary and joint venture companies.

Airtel voluntarily reported consolidated financial statements based on IFRS in the Indian Stock Exchanges since April 2010. With effect from 1 April 2016, Airtel adopted Indian Accounting Standards as required by the local authorities. Consequently, Airtel ceased to report consolidated financial statements based on IFRS in the Indian Stock Exchanges. The consolidated financial statements of Airtel used for equity accounting by Singtel continued to be based on IFRS.

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

Airtel continued to generate healthy revenue growth in India this quarter. Operating revenue grew 10% driven by sustained growth in mobile business and strong performance in its enterprise business. Mobile revenue grew 8% supported by mobile data growth on higher usage and robust mobile customer growth. Total data traffic rose 55% while data ARPU increased 4%. Year-on-year, voice traffic grew 11%, the highest growth in the last 20 quarters while voice realisation per minute was down 6%.

EBITDA was up strongly by 17% and margin expanded with tight control on operating expenses.

'South Asia' comprised operations in Sri Lanka and Bangladesh. Operating revenue grew 3%, driven by strong data revenue growth. Consequently, EBITDA turned positive in the quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Further to the definitive agreement signed between Airtel and Axiata Group Berhad (“**Axiata**”) on 28 January 2016 to merge their operations in Bangladesh, the Hon’ble High Court Division of the Supreme Court of Bangladesh had given its approval for the proposed merger on 31 August 2016, subject to certain conditions being fulfilled. The proposed merger is also subject to fulfilment of other conditions in the definitive agreement and is expected to be completed in the quarter ending 31 December 2016.

With higher depreciation and incremental spectrum amortisation charges on new spectrum acquired, the Group’s share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia grew 17% in Indian Rupee terms. Pre-tax operating profit contribution grew 11% to S\$292 million after taking into account the 6% depreciation of the Indian Rupee against the Singapore Dollar.

Compared to the preceding quarter, Airtel’s revenue and EBITDA from its India and South Asia operations were both stable.

Airtel added 4.2 million mobile customers in India this quarter, compared to 4.5 million added in the preceding quarter. As at 30 September 2016, Airtel had 260 million mobile customers in India, an increase of 25 million or 11% from a year ago. The number of data customers grew 12 million or 23% from a year ago to 63 million, representing 24% of its total mobile customer base.

In the quarter, Airtel acquired the rights to use 20 MHz spectrum in the 2300 MHz band for seven circles from Aircel Limited. The closing of the transaction for Andhra Pradesh circle is still subject to customary regulatory approvals and other closing conditions.

In October 2016, Airtel fortified its spectrum portfolio with the acquisition of 173.8 MHz of spectrum (1800 MHz, 2100 MHz, 2300 MHz bands) totalling Rs 142 billion (~US\$2.1 billion). With this, Airtel has secured its spectrum requirements for the next 20 years and has 3G and 4G spectrum in all circles, giving it an unmatched mobile broadband footprint in India.

Africa

Airtel completed the sale of its operations in Sierra Leone in July 2016, following the disposal of its subsidiary in Burkina Faso in June 2016. Consequently, Airtel’s presence in Africa decreased to 15 countries as at 30 September 2016.

In the quarter, Airtel divested its telecoms towers in Democratic Republic of Congo and Niger.

As at end September 2016, Airtel offered 3G services and ‘Airtel Money’ across all its operations in Africa, and 4G services in 3 African countries.

In constant currency terms, Africa’s operating revenue declined 3% but grew 5% if adjusted for the disposed subsidiaries and tower assets. With higher operating revenue and continued focus on cost efficiencies, EBITDA grew 13%. The revenue improvement was driven by strong growth in mobile data. Mobile data revenue grew 25% in constant currency terms on increased usage and higher data penetration.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

In reported US Dollar terms, operating revenue decreased 18%, impacted by full quarter's impact of the devaluation of the Nigerian Naira and the disposal of assets, while EBITDA declined 7%. The Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value losses) declined 16% to S\$15 million after including higher depreciation charges from network investments.

Compared to the preceding quarter, Airtel Africa's revenue declined 3% while EBITDA was stable in constant currency terms. In reported US Dollar terms, operating revenue and EBITDA declined 16% and 13% respectively with a weaker Nigerian Naira.

Airtel Africa added 1.2 million¹² in the quarter compared to a net decline of 3.6 million mobile customers in the preceding quarter. As at 30 September 2016, the mobile customer base stood at 78 million, a decline of 2.7 million¹² or 3.3% from a year ago. The number of data customers increased to 18 million, representing 23% of total mobile customer base.

Overall

Airtel's consolidated revenue and EBITDA grew by 3% and 15% respectively. The share of net finance costs increased sharply from S\$72 million to S\$114 million mainly on increased spectrum related finance cost. The share of fair value losses (mainly derivatives and forex losses) amounted to S\$20 million, down significantly from S\$56 million in the last corresponding quarter. After including net finance costs and fair value losses, the Group's share of overall pre-tax profit from Airtel grew 13% to S\$172 million.

Post-tax underlying profit contribution, however, grew a strong 73% to S\$92 million on lower taxes. Airtel's effective tax rate decreased despite expiry/ reduction of tax holidays in certain India circles due mainly to certain one-off tax credits and a change in profit mix in African countries. Consequently, on a post-tax basis, Airtel's contribution to the Group's underlying net profit rose to 9% (Q2 FY2016: 5%).

Airtel also recorded some one-off exceptional gains this quarter which have been classified as exceptional items of the Group (see page 13). The exceptional items comprised mainly net gains on disposal of subsidiaries and telecom towers, operating costs on network re-farming and upgrading programme, and reversal of certain expired claims and accruals.

Including mobile customers across operations in 18 countries covering India, Bangladesh, Sri Lanka and Africa, Airtel's total mobile customer base across all geographies grew 21 million or 6.4% from a year ago to 347 million as at 30 September 2016.

¹² Adjusting for the divestment of operations in Burkina Faso and Sierra Leone, the number of mobile subscribers grew 2.4 million in the quarter and 2.7 million from a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Advanced Info Service (“AIS”)

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand. AIS provides mobile services on 2G, 3G and 4G networks.

Service revenue (excluding interconnect) increased 2% with higher data revenue on 4G network expansion, growing smartphone penetration and data usage. EBITDA declined 5%¹³ due mainly to higher network costs from the lease of towers and equipment from TOT Public Company Limited partially compensated by regulatory cost savings. With higher depreciation charges and 900 MHz spectrum amortisation charges from this quarter, AIS' pre-tax profit declined by 17%¹³ in Thai Baht terms.

The Group's share of AIS' pre-tax profit declined 19% to S\$83 million after including the 2% depreciation of the Thai Baht against the Singapore Dollar this quarter.

On a post-tax basis, AIS' underlying profit contribution for the quarter declined 14% to S\$69 million. AIS contributed 7% (Q2 FY2016: 8%) of the Group's underlying net profit. This contribution excluded AIS' handset subsidy costs relating to the migration of 2G handset customers to 3G. The Group's share of this cost of S\$9 million has been classified as an exceptional item of the Group (see Page 13).

Against the preceding quarter, service revenue (excluding interconnect) increased 2% while EBITDA declined 11%¹³ mainly due to higher selling costs and network payments.

As at end September 2016, AIS' 4G on 1800 MHz achieved 65% of population coverage.

AIS gained 0.5 million of mobile customers in the quarter compared to 0.4 million in the preceding quarter. As at 30 September 2016, its mobile customer base increased 2.1 million or 5.5% from a year ago to 40 million.

AIS continues to maintain its mobile market leadership position, as well as being the largest network coverage operator, in Thailand.

Globe Telecom, Inc (“Globe”)

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

Globe's service revenue, including contribution from Bayan Telecommunications Inc., was stable amid data price competition. The growth in data related services was offset by declines in mobile voice and SMS on popularity of OTT applications, in line with industry trends. EBITDA remained stable.

Globe's pre-tax ordinary profit declined 21% in Philippine Peso terms after including higher depreciation charges from its expanded asset base and the equity accounted losses from the acquisition of Vega Telecom, Inc.

¹³ Excluding 3G handset subsidy costs classified as an exceptional item of Singtel Group. If such costs are not excluded, AIS' EBITDA and pre-tax profit would have declined by 12% and 29% respectively from the last corresponding quarter, and its EBITDA would have declined by 10% from the preceding quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

With 5% depreciation of the Philippine Peso against the Singapore Dollar this quarter, the Group's share of Globe's pre-tax ordinary profit contribution declined 25% to S\$59 million.

In the corresponding quarter last year, Globe recorded exceptional gains on disposal /deemed disposal of its 51% equity interest in Yondu, Inc. (a former 100% owned subsidiary) and fair valuation of its previously held equity interest of 38.3% in Bayan Telecommunications, Inc. With no exceptional gains this quarter, pre-tax profit contribution declined 42%.

On a post-tax basis, Globe contributed S\$37 million or 4% (Q2 FY2016: 8%) to the Group's underlying net profit.

Against the preceding quarter, Globe's service revenue was stable. With higher service related costs, EBITDA declined 5%.

Globe added 4.1 million mobile customers in the quarter, compared to 4.0 million in the preceding quarter. As at 30 September 2016, its mobile customer base expanded to 65 million, up 12 million or 23% from a year ago.¹⁴

NetLink Trust

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

Year-on-year, operating revenue grew 19% driven by a higher residential fibre customer base. EBITDA increased a strong 22% on higher revenue and margin. Consequently, net profit contribution from NetLink Trust grew by 44% to S\$32 million.

In July 2016, Singtel received S\$80 million of distribution from NetLink Trust in respect of its 2016 financial year.

¹⁴ With effect from March 2016 quarter, Globe has classified mobile broadband subscribers as part of mobile subscribers. Comparatives have been restated on the same basis.

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 Financial Reporting Standards (“FRS”) and is not intended to replace the financial statements prepared in accordance with Singapore FRS. However, since the associates are not consolidated on a line by line basis, proportionate information is provided as supplemental data to facilitate a better appreciation of the relative contribution from the Group’s operations in Australia, Singapore and other regional markets.

Proportionate operating revenue	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Group operating revenue						
Optus	2,167	2,334	-7.2	4,191	4,732	-11.4
Singapore subsidiaries	1,623	1,649	-1.5	3,218	3,285	-2.1
Other overseas subsidiaries (including Amobee & Trustwave)	297	202	47.0	586	376	55.7
	4,086	4,184	-2.3	7,994	8,393	-4.8
Proportionate share of operating revenue of associates						
Regional mobile associates	3,212	3,144	2.2	6,424	6,173	4.1
Singapore associates	167	141	18.4	290	275	5.1
Other overseas associates	12	20	-39.3	24	39	-38.4
	3,391	3,304	2.6	6,738	6,487	3.9
Enlarged revenue	7,477	7,489	-0.2	14,732	14,880	-1.0
% of overseas revenue to enlarged revenue	76%	76%		76%	76%	

Overseas revenue contributed 76% to the Group’s enlarged revenue, stable from the last corresponding quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Group EBITDA						
Optus	649	712	-8.9	1,302	1,382	-5.8
Singapore subsidiaries	625	654	-4.4	1,303	1,312	-0.6
Other overseas subsidiaries (including Amobee & Trustwave)	(41)	(76)	-46.1	(136)	(162)	-16.0
	1,233	1,290	-4.4	2,469	2,531	-2.5
Proportionate share of associates' EBITDA ⁽¹⁾						
Regional mobile associates	1,431	1,338	6.9	2,863	2,617	9.4
Singapore associates	75	67	10.5	141	126	12.0
Other overseas associates	9	15	-39.0	18	29	-39.3
	1,515	1,421	6.6	3,022	2,771	9.0
Total proportionate EBITDA	2,747	2,710	1.4	5,490	5,302	3.5
Overseas proportionate EBITDA as a % to total proportionate EBITDA	75%	73%		74%	73%	
Contributions to total proportionate EBITDA						
Regional mobile associates	52%	49%		52%	49%	
Australia	24%	26%		24%	26%	
Singapore	25%	27%		26%	27%	
Others	-1%	-2%		-2%	-3%	
	100%	100%		100%	100%	

Note:

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

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 75% to proportionate EBITDA against 73% a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share ⁽¹⁾		
	30 Sep 2016	30 Jun 2016	30 Sep 2015	30 Sep 2016	30 Jun 2016	30 Sep 2015
Singtel	4,115	4,103	4,094	4,115	4,103	4,094
Optus	9,420	9,336	9,359	9,420	9,336	9,359
	13,535	13,439	13,453	13,535	13,439	13,453
Regional Mobile Associates						
Airtel						
- India	259,941	255,735	235,212	86,040	84,239	76,279
- Africa	78,145	76,986	80,835	25,866	25,359	26,215
- South Asia	8,800	9,244	9,852	2,913	3,045	3,195
	346,886	341,965	325,899	114,819	112,643	105,689
Telkomsel	163,699	157,387	148,560	57,295	55,085	51,996
AIS	39,873	39,355	37,811	9,298	9,178	8,817
Globe ⁽²⁾	65,363	61,311	53,083	30,845	28,933	25,050
	615,821	600,018	565,353	212,257	205,839	191,552
PBTL	-	-	1,113	-	-	501
	615,821	600,018	566,466	212,257	205,839	192,053
Group	629,356	613,457	579,919	225,792	219,278	205,506
(excluding PBTL)	629,356	613,457	578,806	225,792	219,278	205,005

Notes:

- (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.
- (2) With effect from the March 2016 quarter, Globe has classified mobile broadband subscribers as part of mobile subscribers. The comparatives have been restated on same basis.

The Group's combined mobile customer base was 629 million as at 30 September 2016, up 16 million or 2.6% from a quarter ago, and 49 million or 8.5% from a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

CASH DIVIDENDS/ DISTRIBUTIONS RECEIVED FROM ASSOCIATES ⁽¹⁾

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 S\$ m	2015 S\$ m		2016 S\$ m	2015 S\$ m	
Telkomsel ⁽²⁾						
- final dividend FY 2015 / FY 2014	-	-	-	715	557	28.4
AIS ⁽³⁾						
- interim dividend FY 2016 / FY 2015	155	181	-14.4	155	181	-14.4
- final dividend FY 2015 / FY 2014	-	-	-	176	165	6.2
	155	181	-14.4	330	346	-4.6
Globe ⁽⁴⁾						
- quarterly dividend FY 2015 / FY 2014	40	39	2.1	80	78	2.7
Airtel ⁽⁵⁾						
- final dividend FY 2016 / FY 2015	17	28	-41.1	17	28	-41.1
Regional mobile associates	211	248	-14.9	1,141	1,008	13.2
Other associates						
NetLink Trust ⁽⁶⁾	80	-	nm	80	-	nm
SingPost	20	24	-15.7	20	24	-15.7
Southern Cross/ PCHL ⁽⁷⁾	8	21	-64.1	22	21	5.7
Others	2	5	-53.8	3	6	-50.0
	110	50	121.2	125	50	149.4
Total	321	297	7.8	1,266	1,058	19.6

Notes:

- (1) The cash dividends received from overseas associates as stated in the table above are before related tax payments.
- (2) Telkomsel declared a full year dividend of 90% on net profit for its 2015 financial year (FY 2014: 115%).
- (3) AIS declared a full year dividend of 99% on net profit for its 2015 financial year (FY 2014: 99%). Dividends are paid twice a year, with an interim dividend distributed from the first half results and final dividend distributed from the second half results. The Group received its share of the interim dividend for 2016 financial year in September 2016.
- (4) Globe pays dividends on a quarterly basis. Globe's dividend policy is to pay ordinary dividends of 75% to 90% of prior year's core net income. The Group received its share of the third quarterly dividend of S\$40 million for Globe's 2015 financial year in September 2016. Globe will pay its next quarterly dividend of PHP 22 per common share in December 2016, the Group's share of this dividend is approximately S\$40 million. On an annualised basis, Globe has declared dividends of about 77% of its 2015 financial year's core net income (FY 2014: 76%).
- (5) Airtel does not have a fixed dividend policy. The Group received its share of the final dividend for 2016 financial year from its direct stake of 15.01% in August 2016.
- (6) NetLink Trust does not have a fixed distribution policy.
- (7) Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited (PCHL), part of the Southern Cross consortium, do not have fixed dividend policies.

The total dividends/ distributions from the associates increased 7.8% to S\$321 million with a distribution received from NetLink Trust of S\$80 million (Q2 FY2016: nil), partly offset by lower payout by AIS in line with its lower profit and lower dividend from the Southern Cross consortium due to timing.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Airtel ⁽¹⁾	Telkomsel	AIS	Globe
Singtel's investment:				
Year of initial investment	2000	2001	1999	1993
Effective economic interest (%)	33.1% ⁽²⁾	35.0%	23.3%	47.2% ⁽³⁾
Investment to date	S\$2.91 bil	S\$1.93 bil	S\$1.20 bil	S\$1.02 bil
Closing market share price ⁽⁴⁾	INR 314	NA	THB 160 ⁽⁵⁾	PHP 2,040
Market capitalisation				
- Total	S\$25.56 bil	NA	S\$18.73 bil	S\$7.62 bil
- Singtel holding	S\$8.46 bil	NA	S\$4.37 bil	S\$3.59 bil
Operational Performance :				
Mobile penetration rate ⁽⁶⁾	81%	134%	131%	120%
Market share, 30 Sep 2016 ⁽⁶⁾	24.8%	46.9%	45.9%	47.4%
Market share, 30 Jun 2016 ⁽⁷⁾	24.7%	46.9%	45.9%	47.4%
Market position ⁽⁸⁾	#1	#1	#1	#2
Mobile customers ('000)				
- Aggregate	346,886	163,699	39,873	65,363
- Proportionate	114,819	57,295	9,298	30,845
Growth in mobile customers (%) ⁽⁹⁾	6.4%	10%	5.5%	23%
Credit ratings				
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Baa3/BB+	Baa1/BBB+	Baa2/BBB
- Company (Moody's/ S&P's)	Baa3/BBB-	Baa1/BBB-	NA/BBB+	NA

Notes:

- (1) Mobile penetration rate, market share and market position pertain to India market only.
- (2) The Group's equity interest in Airtel increased to 33.1% from 32.9% a quarter ago following Bharti Telecom Ltd's additional investment in Airtel in the current quarter.
- (3) Including preferred shares issued by Globe, Singtel has a 21.5% effective interest in Globe's voting shares.
- (4) Based on closing market price on 30 September 2016, in local currency.
- (5) Based on local market price quoted on the Stock Exchange of Thailand.
- (6) Based on actual data or latest data available as of 30 September 2016.
- (7) Based on actual data.
- (8) Based on number of mobile customers.
- (9) Compared against 30 September 2015 and based on aggregate mobile customers.

NA Denotes not applicable.

Please refer to **Appendix 5** for the currency rate movements of the major associates.

SECTION 6 : PRODUCT INFORMATION**SINGAPORE MOBILE (PRODUCT VIEW)**

	Quarter			Half Year		YOY Chge %
	30 Sep 2016	30 Jun 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015	
Mobile Communications revenue (S\$'M) ⁽¹⁾	520	525	531	1,045	1,060	-1.5
Number of mobile subscribers (000s)						
Prepaid	1,774	1,773	1,796	1,774	1,796	-1.2
Postpaid	2,341	2,330	2,298	2,341	2,298	1.9
Total	4,115	4,103	4,094	4,115	4,094	0.5
Number of 4G mobile subscribers (000s)	2,487	2,398	2,083	2,487	2,083	19.4
MOUs per subscriber per month ⁽²⁾						
Prepaid	244	255	290	250	292	-14.6
Postpaid ⁽³⁾	242	243	255	242	256	-5.2
Average revenue per subscriber per month ^{(2) (4)} (S\$ per month)						
Prepaid	19	18	18	18	18	1.7
Postpaid	69	70	73	69	73	-5.2
Blended	47	48	49	47	49	-2.9
Data services as % of ARPU						
- total data ⁽⁵⁾	54%	53%	50%	54%	49%	
- non-SMS data	45%	43%	39%	44%	39%	
Tiered data plans						
- postpaid base on tiered data plans ⁽⁶⁾	65%	66%	63%	65%	63%	
- tiered data plan customers exceeding data bundles	32%	29%	25%	32%	25%	
Acquisition cost per postpaid subscriber (S\$) ⁽⁷⁾	429	410	402	419	419	0.1
Postpaid external churn per month ⁽⁸⁾	0.9%	1.2%	0.8%	1.0%	0.8%	
Singapore mobile penetration rate ⁽⁹⁾	149%	150%	148%	149%	148%	
Market share ⁽⁹⁾						
Prepaid	51.6%	52.1%	53.4%	51.6%	53.4%	
Postpaid	47.3%	47.4%	47.9%	47.3%	47.9%	
Overall	49.1%	49.3%	50.2%	49.1%	50.2%	

Notes:

- (1) This comprises cellular service revenue in Singapore only and is determined net of bill rebates and prepaid sales discount, and includes revenue earned from broadband bundles. It excludes revenue earned from international calls classified under "International Telephone" revenue.
- (2) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (3) MOU of postpaid base excludes customers that have data-only SIM plans.
- (4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Includes revenue from SMS, *SEND, MMS and other data services.
- (6) Postpaid base on tiered data plans comprise of customers on smartphone plans.
- (7) This relates to blended acquisition and retention cost per postpaid customer.
- (8) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of average number of subscribers.
- (9) The market share data as at 30 September 2016 was based on Telco operators' published results. The other market statistics were based on IMDA's latest available published statistics as of 31 August 2016.

SECTION 6 : PRODUCT INFORMATION**AUSTRALIA MOBILE (PRODUCT VIEW)**

	Quarter			Half Year		YOY Chge %
	30 Sep 2016	30 Jun 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015	
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,319	1,242	1,544	2,562	3,077	-16.7
Optus' mobile service revenue (A\$'M)	970	963	1,221	1,933	2,429	-20.4
Optus' mobile outgoing service revenue (A\$'M)	921	914	972	1,835	1,940	-5.4
Number of mobile subscribers (000s)						
Prepaid Handset	3,636	3,657	3,603	3,636	3,603	0.9
Postpaid Handset	4,774	4,683	4,714	4,774	4,714	1.3
Mobile Broadband ⁽²⁾	1,010	997	1,042	1,010	1,042	-3.0
Total	9,420	9,336	9,359	9,420	9,359	0.6
Number of 4G mobile subscribers (000s) ⁽³⁾	5,268	4,933	4,131	5,268	4,131	27.5
Mobile penetration rate ⁽⁴⁾	ND	137%	ND	ND	ND	
MOUs per subscriber per month ⁽⁵⁾						
Prepaid	146	138	132	142	126	12.5
Postpaid	295	287	243	290	237	22.4
ARPU per month (A\$) ⁽⁶⁾						
Prepaid Handset	22	21	29	21	28	-24.4
Postpaid Handset	47	48	59	47	59	-20.0
Mobile Broadband ⁽²⁾	20	21	24	20	23	-12.7
Blended	34	34	43	34	43	-20.3
Postpaid Handset excluding DRP impact	59	58	65	58	65	-10.3
Data revenue as a % of service revenue						
- total data	75%	74%	69%	75%	69%	
- non-SMS data	66%	65%	47%	65%	47%	
Tiered data plans						
- postpaid base on tiered data plans ⁽⁷⁾	94%	93%	85%	94%	85%	
- tiered data plan customers exceeding data bundles	23%	23%	25%	23%	26%	
Market share ⁽⁴⁾	ND	27.8%	ND	ND	ND	
Market share - excluding the rate change ⁽⁴⁾	ND	29.0%	ND	ND	ND	
Retail postpaid churn rate per month ⁽⁸⁾	1.3%	1.3%	1.3%	1.3%	1.4%	

ND denotes 'Not disclosed'.

Notes:

- (1) This comprises mobile service revenue (both outgoing and incoming) and sales of equipment in Australia, covering Australia Consumer as well as Australia Enterprise.
- (2) Defined as data-only SIMs and include customers on both prepaid and postpaid plans. Postpaid plans incur a monthly subscription fee.
- (3) Defined as 4G handsets on the Optus network.
- (4) Penetration and revenue market share are estimated by Optus based on published data. Optus' market share loss attributable to the industry mandated reduction in mobile termination rates was 1.2 percentage point, based on half year ended 30 June 2016.
- (5) Based on average number of customers, calculated as the simple average of opening and closing number of customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only mobile broadband.
- (6) Based on average number of customers, calculated as the simple average of opening and closing number of customers. Excludes equipment revenue. ARPU impacted by mobile termination rates decline from 1 January 2016.
- (7) Defined as a percentage of Consumer Branded customers which excludes Virgin Mobile (which does not offer tiered data plans) and wholesale customers.
- (8) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

SECTION 6 : PRODUCT INFORMATION**Singtel TV (PRODUCT VIEW)**

	Quarter			Half Year		YOY Chge %
	30 Sep 2016	30 Jun 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015	
Singtel TV revenue (S\$'M)	63	59	58	122	117	3.7
Average revenue per residential TV customer per month (S\$ per month)	42	42	39	42	39	6.1
Number of residential TV customers (000s)	412	416	423	412	423	-2.6

SINGAPORE CONSUMER HOME

	Quarter			Half Year		YOY Chge %
	30 Sep 2016	30 Jun 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015	
Singapore Consumer home revenue (S\$'M) ⁽¹⁾	138	135	132	273	264	3.5
Average revenue per customer per month ⁽²⁾ (S\$ per month)	64	63	61	64	61	3.9
Number of households on triple/ quad play services (000s) ⁽³⁾	498	498	495	498	495	0.7

Notes:

- (1) This comprises fixed broadband, fixed voice and Singtel TV in the residential segment only and does not include mobile.
- (2) Based on average number of households, calculated as the simple average of opening and closing number of households.
- (3) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, Singtel TV, fixed voice and mobile.

SECTION 6 : PRODUCT INFORMATION

OTHER PRODUCTS

Singapore	Quarter			Half Year		YOY
	30 Sep 2016	30 Jun 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015	Chge %
<u>Internet</u>						
Number of fixed broadband lines (000s) ⁽¹⁾	602	600	593	602	593	1.5
Singapore fixed broadband penetration rate ⁽²⁾	97%	102%	103%	97%	103%	
Fixed broadband market share ^{(3) (4)}	41.9%	42.2%	42.2%	41.9%	42.2%	
Number of fibre broadband lines (000s)	533	520	463	533	463	15.1
Fibre broadband market share ⁽⁴⁾	48.2%	49.4%	53.0%	48.2%	53.0%	
<u>International Telephone</u>						
International telephone outgoing minutes (m mins) (excl Malaysia)	696	702	793	1,398	1,614	-13.4
Average collection rate - net basis (S\$/ min) (excl Malaysia)	0.091	0.095	0.093	0.093	0.093	**
<u>National Telephone</u>						
Fixed working lines (000s) ⁽⁵⁾						
Residential	797	806	830	797	830	-4.0
Business	700	708	732	700	732	-4.4
Total	1,497	1,514	1,562	1,497	1,562	-4.2
Singapore fixed line penetration rate ⁽⁶⁾	35.9%	35.9%	36.4%	35.9%	36.4%	
Singapore fixed working lines ('000s) ⁽⁶⁾	2,013	2,013	2,012	2,013	2,012	
Fixed line market share ⁽⁶⁾	74.4%	75.2%	77.6%	74.4%	77.6%	

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

Notes:

- (1) Include ADSL and fibre lines.
- (2) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IMDA). The market penetration rate as at 30 September 2016 was based on IMDA's latest available published statistics as of 31 August 2016.
- (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 September 2016 was based on management's estimates.
- (5) Fixed working lines refer to Direct Exchange Lines (DEL) and Home Digital Lines. Some lines are for connections of second set top box under ADSL bundles.
- (6) The market share data as at 30 September 2016 was based on management's estimates. The other market statistics as at 30 September 2016 were based on IMDA's latest available published statistics as of 30 June 2016.

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter			Half Year		YOY Chge %
	30 Sep 2016	30 Jun 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015	
Enterprise Fixed						
Business voice minutes (m min)	1,352	1,332	1,349	2,684	2,653	1.2
Buildings connected at the end of the period ⁽¹⁾	18,396	18,367	18,273	18,396	18,273	0.7
Wholesale Fixed						
Wholesale domestic voice minutes (m min)	985	861	1,071	1,846	2,096	-11.9
Mass Market Fixed						
On-net ARPU (A\$) ⁽²⁾						
Voice	35	35	36	35	36	-2.4
Broadband ⁽³⁾	53	52	53	52	53	-1.9
Telephony customers (000s)						
HFC ⁽⁴⁾	450	453	467	450	467	-3.7
ULL ⁽⁵⁾	423	430	469	423	469	-9.8
On-net	873	883	936	873	936	-6.8
Resale	52	19	21	52	21	146.5
NBN	162	134	67	162	67	141.0
Off-net	215	153	89	215	89	142.3
TV customers (000s)	421	385	273	421	273	54.2
<i>HFC bundling rate ⁽⁶⁾</i>	98%	98%	95%	98%	95%	
<i>HFC penetration</i>	32%	32%	33%	32%	33%	
Internet customers (000s)						
On-net						
HFC broadband	437	434	434	437	434	0.7
ULL broadband ⁽⁵⁾	447	453	506	447	506	-11.5
Business grade broadband	26	27	29	26	29	-11.2
	910	914	968	910	968	-6.0
Off-net						
Resale	36	31	6	36	6	463.1
NBN	164	136	72	164	72	129.8
Broadband subtotal	1,111	1,081	1,046	1,111	1,046	6.2
Dial-up	3	3	5	3	5	-26.6
Total Internet customers	1,114	1,084	1,051	1,114	1,051	6.0

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 number of HFC and ULL customers. Comparatives have been restated to be consistent with the current periods.
- (3) Includes Optus TV with Fetch.
- (4) Includes all customers who take local telephony over the HFC network, and customers who take one or more of pay TV or cable internet services over the HFC network.
- (5) Include wholesale ULL subscribers.
- (6) Based on customers who are receiving a 'bundled benefit' from taking a package of products (local telephony plus at least one of broadband, dial-up internet or pay TV).

SECTION 7 : GLOSSARY

“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.
“DRP”	Device repayment plans.
“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, and does not include 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.
“IMDA”	Info-communications Media Development Authority of Singapore.
“IP VPN”	Internet Protocol Virtual Private Network.
“MMS”	Multimedia messaging service.
“MTAS”	Mobile terminating access services.
“MOU”	Minutes of use per subscriber.
“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 owns 100% of OpenNet Pte. Ltd.
“NM”	Not meaningful.
“NPS”	Net Promoter Score. This is a widely used metric to measure customer experience by scoring the willingness of customers to recommend a brand following an interaction with the company.
“Optus”	Singtel Optus Pty Limited, Singtel's wholly-owned subsidiary, and its subsidiaries.
“OTT”	Over-the-top.
“SMS”	Short message service.
“SME”	Small and medium-sized enterprises.
“STAI”	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
“Singapore”	The term refers to the Group's operations excluding Optus and the associates. Therefore, this includes the overseas operations of Singtel including Amobee and Trustwave.
“Underlying net profit”	Defined as net profit before exceptional items.

GROUP SUMMARY INCOME STATEMENTS

For The Second Quarter Ended 30 September 2016

	Quarter Year							YOY Chge %
	30 Sep							
	2016			2016		2016	2015	
	Singapore S\$ m	Asso/JV S\$ m	Corp S\$ m	Singtel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m	
Operating revenue	1,920	-	-	1,920	2,167	4,086	4,184	-2.3
Operating expenses	(1,352)	-	-	(1,352)	(1,549)	(2,901)	(2,934)	-1.1
Other income	568	-	-	568	618	1,186	1,250	-5.2
	16	-	-	16	31	47	39	20.2
EBITDA	584	-	-	584	649	1,233	1,290	-4.4
- EBITDA margin	30.4%	-	-	30.4%	29.9%	30.2%	30.8%	
Share of associates' pre-tax profits								
Regional mobile associates	-	679	-	679	-	679	632	7.4
Other associates	-	58	-	58	*	58	52	11.8
- ordinary operations	-	737	-	737	*	737	684	7.7
- exceptional items	-	-	-	-	-	-	22	nm
	-	737	-	737	*	737	706	4.3
EBITDA and share of associates' pre-tax profits	584	737	-	1,321	649	1,970	1,996	-1.3
Depreciation & amortisation	(202)	-	-	(202)	(347)	(549)	(531)	3.3
EBIT	382	737	-	1,119	302	1,421	1,465	-3.0
Net finance expense								
- net interest expense	(39)	-	-	(39)	(44)	(82)	(77)	7.3
- other finance income	3	-	-	3	8	11	23	-53.2
	(35)	-	-	(35)	(36)	(71)	(53)	33.8
Profit before EI and tax	347	737	-	1,084	266	1,350	1,412	-4.4
Taxation								
- current and deferred taxes	(52)	-	-	(52)	(80)	(132)	(151)	-13.0
- share of taxes of associates	-	(218)	-	(218)	2	(216)	(236)	-8.6
- withholding taxes ⁽¹⁾	-	-	(29)	(29)	-	(29)	(53)	-45.2
	(52)	(218)	(29)	(299)	(77)	(376)	(440)	-14.5
Profit/ (Loss) after tax	295	519	(29)	785	189	974	972	0.2
Minority interests	4	-	-	4	-	4	3	61.5
Underlying net profit/ (loss)	299	519	(29)	789	189	978	974	0.4
Exceptional items ("EI") (post-tax)	4	(10)	*	(5)	(1)	(6)	55	nm
Net profit/ (loss)	303	509	(29)	784	188	972	1,030	-5.6

Note:

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

GROUP SUMMARY INCOME STATEMENTS
For The Half Year Ended 30 September 2016

	Half Year							YOY Chge %
	30 Sep							
	2016			2016		2016 2015		
	Singapore S\$ m	Asso/JV S\$ m	Corp S\$ m	Singtel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m	
Operating revenue	3,803	-	-	3,803	4,191	7,994	8,393	-4.8
Operating expenses	(2,656)	-	-	(2,656)	(2,977)	(5,633)	(5,942)	-5.2
Other income	1,147	-	-	1,147	1,214	2,361	2,451	-3.7
	20	-	-	20	87	107	80	34.4
EBITDA	1,167	-	-	1,167	1,302	2,469	2,531	-2.5
- EBITDA margin	30.7%	-	-	30.7%	31.1%	30.9%	30.2%	
Share of associates' pre-tax profits								
Regional mobile associates	-	1,393	-	1,393	-	1,393	1,257	10.8
Other associates	-	111	-	111	*	111	93	20.2
- ordinary operations	-	1,504	-	1,504	*	1,504	1,350	11.5
- exceptional items	-	-	-	-	-	-	22	nm
	-	1,504	-	1,504	*	1,504	1,372	9.7
EBITDA and share of associates' pre-tax profits	1,167	1,504	-	2,671	1,302	3,973	3,903	1.8
Depreciation & amortisation	(409)	-	-	(409)	(683)	(1,092)	(1,067)	2.4
EBIT	758	1,504	-	2,262	619	2,881	2,836	1.6
Net finance expense								
- net interest expense	(76)	-	-	(76)	(86)	(162)	(144)	12.3
- other finance income	2	-	11	13	12	25	33	-23.6
	(74)	-	11	(62)	(74)	(136)	(111)	23.0
Profit before EI and tax	684	1,504	11	2,200	545	2,744	2,725	0.7
Taxation								
- current and deferred taxes	(108)	-	-	(108)	(163)	(270)	(295)	-8.3
- share of taxes of associates	-	(445)	-	(445)	2	(443)	(449)	-1.4
- withholding taxes ⁽¹⁾	-	-	(107)	(107)	-	(107)	(115)	-6.9
	(108)	(445)	(107)	(660)	(160)	(820)	(859)	-4.5
Profit/ (Loss) after tax	577	1,059	(96)	1,540	385	1,925	1,867	3.1
Minority interests	8	-	-	8	-	8	3	166.7
Underlying net profit/ (loss)	585	1,059	(96)	1,548	385	1,933	1,870	3.4
EI (post-tax)	4	2	*	6	(22)	(16)	102	nm
Net profit/ (loss)	589	1,061	(96)	1,554	363	1,917	1,971	-2.8

Note:

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

GROUP SUMMARY INCOME STATEMENTS

For The Second Quarter And Half Year Ended 30 September 2016

	Quarter	YOY		Half Year	YOY	
	30 Sep	Change	Change in constant currency ⁽¹⁾	30 Sep	Change	Change in constant currency ⁽¹⁾
	2016			2016		
	S\$ m	%	%	S\$ m	%	%
Operating revenue	4,086	-2.3	-3.1	7,994	-4.8	-4.4
Operating expenses	(2,901)	-1.1	-1.8	(5,633)	-5.2	-4.8
	1,186	-5.2	-6.0	2,361	-3.7	-3.3
Other income	47	20.2	19.4	107	34.4	36.5
EBITDA	1,233	-4.4	-5.3	2,469	-2.5	-2.1
-EBITDA margin	30.2%			30.9%		
Share of associates' pre-tax profits						
- Telkomsel	365	22.0	18.5	691	26.1	24.3
- Airtel	172	12.6	18.9	349	8.7	14.0
- AIS	83	-18.8	-17.3	206	-6.0	-2.8
- Globe	59	-24.8	-21.1	148	-12.8	-9.4
Regional mobile associates	679	7.4	8.2	1,393	10.8	12.7
Other associates	58	11.8	11.8	111	20.2	20.2
- ordinary operations	737	7.7	8.5	1,504	11.5	13.2
- exceptional items	-	nm	nm	-	nm	nm
	737	4.3	5.1	1,504	9.7	11.3
EBITDA and share of associates' pre-tax profits	1,970	-1.3	-1.6	3,973	1.8	2.7
Depreciation & amortisation	(549)	3.3	2.4	(1,092)	2.4	2.9
EBIT	1,421	-3.0	-3.0	2,881	1.6	2.6
Net finance expense	(71)	33.8	33.1	(136)	23.0	23.6
Profit before EI and tax	1,350	-4.4	-4.4	2,744	0.7	1.7
Taxation	(376)	-14.5	-13.6	(820)	-4.5	-3.1
Profit after tax	974	0.2	-0.2	1,925	3.1	3.9
Minority interests	4	61.5	69.2	8	166.7	170.0
Underlying net profit	978	0.4	-0.1	1,933	3.4	4.2
EI (post-tax)	(6)	nm	nm	(16)	nm	nm
Net profit	972	-5.6	-5.9	1,917	-2.8	-2.0

Note:

(1) Assuming constant exchange rates for the Australian Dollar, US Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2015.

BUSINESS SEGMENTS

For The Second Quarter And Half Year Ended 30 September 2016

	Quarter	YOY		Half Year	YOY	
	30 Sep	Change	Change in constant currency ⁽¹⁾	30 Sep	Change	Change in constant currency ⁽¹⁾
	2016			2016		
	S\$ m	%	%	S\$ m	%	%
Operating revenue						
Group Consumer	2,340	-7.7	-8.8	4,537	-11.7	-11.2
Group Enterprise	1,612	4.8	4.5	3,192	5.0	5.2
Core Business	3,951	-3.0	-3.8	7,728	-5.5	-5.1
Group Digital Life	135	21.1	24.2	266	24.3	25.3
Group	4,086	-2.3	-3.1	7,994	-4.8	-4.4
EBITDA						
Group Consumer	779	-6.3	-7.4	1,578	-3.5	-2.9
Group Enterprise	502	-1.8	-2.1	993	-0.2	-0.1
Core Business	1,281	-4.6	-5.4	2,570	-2.3	-1.9
Group Digital Life	(27)	-19.7	-17.4	(63)	-3.1	-2.2
Corporate	(21)	8.3	8.3	(39)	13.5	13.5
Group	1,233	-4.4	-5.3	2,469	-2.5	-2.1
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	403	-13.9	-14.7	837	-7.2	-6.6
Group Enterprise	346	-4.3	-4.6	676	-3.0	-3.0
Core Business	749	-9.7	-10.3	1,512	-5.4	-5.0
Group Digital Life	(44)	-14.5	-11.8	(96)	-1.6	-0.8
Corporate	(21)	4.4	4.4	(39)	9.4	9.4
Group	684	-9.8	-10.6	1,377	-6.0	-5.7
Operating revenue (ex-mobile termination rates decline in Australia from 1 Jan 2016)						
Group Consumer	2,530	-0.2	-1.4	4,914	-4.4	-3.8
Group Enterprise	1,615	5.0	4.7	3,197	5.1	5.4
Core Business	4,145	1.8	0.9	8,111	-0.8	-0.4
Group Digital Life	135	21.1	24.2	266	24.3	25.3
Group	4,280	2.3	1.5	8,377	-0.2	0.2

Note:

(1) Assuming constant exchange rates for the Australian Dollar and US Dollar from the corresponding periods ended 30 September 2015.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2016 (Unaudited) S\$ million	30 Jun 2016 (Unaudited) S\$ million	30 Sep 2015 (Unaudited) S\$ million
Current assets			
Cash and cash equivalents	585	966	733
Trade and other receivables	4,392	4,220	4,284
Inventories	343	293	322
Derivative financial instruments	97	13	52
	5,417	5,491	5,391
Non-current assets			
Property, plant and equipment	11,147	10,853	10,298
Intangible assets	13,067	12,914	13,168
Associates	355	349	300
Loan to an associate	1,101	1,101	1,611
Joint ventures	10,472	10,111	10,135
Available-for-sale investments	175	164	221
Deferred tax assets	650	647	770
Derivative financial instruments	576	664	983
Other non-current receivables	599	546	491
	38,141	37,349	37,975
Total assets	43,558	42,840	43,366
Current liabilities			
Trade and other payables	4,303	4,220	4,048
Advance billings	789	780	769
Current tax liabilities	292	401	383
Borrowings (unsecured)	2,904	958	-
Borrowings (secured)	93	90	94
Derivative financial instruments	18	12	4
Net deferred gain ⁽¹⁾	69	69	68
	8,468	6,530	5,366
Non-current liabilities			
Borrowings (unsecured)	7,088	7,940	10,460
Borrowings (secured)	179	238	248
Derivative financial instruments	271	291	238
Advance billings	257	266	282
Net deferred gain ⁽¹⁾	1,357	1,312	1,324
Deferred tax liabilities	567	574	591
Other non-current liabilities	329	266	296
	10,047	10,886	13,439
Total liabilities	18,515	17,416	18,805
Net assets	25,043	25,424	24,561
Share capital and reserves			
Share capital	2,634	2,634	2,634
Reserves	22,403	22,779	21,908
Equity attributable to shareholders of the Company	25,037	25,413	24,542
Minority interests and other reserve	6	10	20
Total equity	25,043	25,424	24,561

Note:

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

SINGAPORE CASH FLOW STATEMENT

For The Second Quarter And Half Year Ended 30 September 2016

	Quarter			Half Year		YOY Chge %
	30 Sep 2016 S\$ m	30 Sep 2015 S\$ m	30 Jun 2016 S\$ m	30 Sep 2016 S\$ m 2015 S\$ m		
Net cash inflow from operating activities						
Profit before exceptional items and tax	347	368	337	684	721	-5.0
Non-cash items	242	205	250	492	430	14.3
Operating cash flow before working capital changes	589	573	587	1,176	1,151	2.2
Changes in operating assets and liabilities	(122)	(185)	(117)	(239)	(333)	-28.1
	467	388	470	937	818	14.5
Cash paid to employees under performance share plans	-	(3)	*	*	(3)	nm
Tax paid on operating activities	(114)	(89)	(5)	(119)	(90)	31.9
Operating cash flow	353	296	465	818	725	12.8
Net cash outflow for investing activities						
Accrued capital expenditure	(188)	(137)	(97)	(284)	(213)	33.5
Changes in creditors' balances	(52)	(25)	(77)	(129)	(128)	1.1
Cash capital expenditure	(240)	(162)	(174)	(413)	(341)	21.3
Net loan to STAI from Optus ⁽¹⁾	144	140	-	144	140	2.9
Withholding tax paid on interest received on inter-company loans	(14)	(13)	-	(14)	(13)	7.5
Payment for purchase of subsidiaries, net of cash acquired	(3)	(1,057)	-	(3)	(1,057)	-99.7
Contribution from minority interests	-	11	-	-	11	nm
Investment in associates and joint ventures	-	-	(2)	(2)	-	nm
Investment in venture investments	(10)	(9)	(12)	(22)	(24)	-9.5
Proceeds from disposal of venture investments	3	33	51	54	52	3.7
Proceeds from disposal of property, plant and equipment	4	5	33	36	5	@
Deferred proceeds/ proceeds from disposal of associates and joint ventures	-	12	42	42	12	255.5
Purchase of spectrum	(96)	-	-	(96)	-	nm
Purchase of other intangibles	(4)	(2)	(3)	(6)	(5)	24.5
Others	16	4	4	20	24	-18.4
	(201)	(1,038)	(61)	(261)	(1,196)	-78.2
Net cash outflow for financing activities						
Net increase/ (decrease) in borrowings	931	1,574	(738)	193	1,476	-86.9
Net interest paid on borrowings and swaps	(39)	(35)	(55)	(94)	(73)	28.6
Final dividends paid to shareholders	(1,706)	(1,705)	-	(1,706)	(1,705)	**
Purchase of performance shares	(5)	(4)	(4)	(8)	(19)	-56.1
Others	-	1	-	-	1	nm
	(818)	(169)	(796)	(1,614)	(319)	405.5
Net decrease in cash balance from Singapore	(665)	(911)	(393)	(1,057)	(791)	33.7
Net decrease in cash balance from Singapore	(665)	(911)	(393)	(1,057)	(791)	33.7
Dividends received from associates	316	276	939	1,255	1,038	21.0
Withholding tax paid	(22)	(24)	(95)	(117)	(103)	13.6
Net dividends received from associates	294	253	843	1,138	934	21.8
Net (decrease)/ increase in cash and cash equivalents	(370)	(658)	451	81	144	-43.9
Singtel cash and cash equivalents at beginning	854	1,252	403	403	453	-11.0
Exchange effects on cash and cash equivalents	5	42	*	5	39	-87.5
Singtel cash and cash equivalents at end	489	636	854	489	636	-23.1
Singapore free cash flow	114	134	291	405	384	5.3
Free cash flow from associates' dividends	294	253	843	1,138	934	21.8
Cash capex to operating revenue	12%	9%	9%	11%	9%	

Note:

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

OPTUS CASH FLOW STATEMENT

For The Second Quarter And Half Year Ended 30 September 2016

	Quarter			Half Year		YOY Chge %
	30 Sep 2016	30 Sep 2015	30 Jun 2016	30 Sep		
	A\$ m	A\$ m	A\$ m	2016 A\$ m	2015 A\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax	259	334	276	535	617	-13.3
Non-cash items	371	374	341	713	732	-2.7
Operating cashflow before working capital changes	631	708	617	1,248	1,349	-7.5
Changes in operating assets and liabilities	(65)	(175)	(133)	(198)	(394)	-49.7
Tax paid	(111)	(154)	(60)	(171)	(220)	-22.2
Operating cash flow	455	379	424	879	736	19.4
Net cash outflow for investing activities						
Accrued capital expenditure	(323)	(311)	(292)	(615)	(612)	0.5
Changes in creditors' balances	89	2	(33)	56	(12)	nm
Cash capital expenditure	(234)	(308)	(325)	(559)	(624)	-10.4
Payment for purchase of subsidiary, net of cash required	(2)	-	-	(2)	*	nm
Loan to STAI ⁽¹⁾	(139)	(133)	-	(139)	(133)	3.9
Payment for purchase of spectrum	(3)	(44)	(27)	(29)	(70)	-58.0
Other intangibles	(46)	(12)	(21)	(67)	(43)	55.8
Others	1	3	1	2	5	-50.4
	(421)	(495)	(372)	(793)	(866)	-8.4
Net cash (outflow for)/ inflow from financing activities						
Net (decrease)/ increase in borrowings	(20)	109	50	30	196	-84.7
Net interest paid on borrowings and swaps	(36)	(34)	(47)	(83)	(78)	6.1
Purchase of Singtel shares	-	(15)	(7)	(7)	(15)	-54.8
Finance lease payments (exclude interest)	-	*	-	-	(1)	nm
	(56)	59	(4)	(60)	101	nm
Net (decrease)/ increase in cash balance from Optus	(22)	(57)	48	26	(29)	nm
Dividend received from associates	4	21	6	11	21	-48.9
Net (decrease)/ increase in cash and cash equivalents	(18)	(36)	54	36	(8)	nm
Optus cash and cash equivalents at beginning	111	133	57	57	105	-46.0
Optus cash and cash equivalents at end	93	97	111	93	97	-4.1
Optus free cash flow	221	71	99	320	112	185.7
Free cash flow from associates' dividends	4	21	6	11	21	-48.9
Cash capex to operating revenue	11%	13%	16%	14%	14%	

Note:

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

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2016 A\$ m	2015 A\$ m		2016 A\$ m	2015 A\$ m	
Operating revenue	2,112	2,314	-8.7	4,112	4,609	-10.8
Operating expenses	(1,510)	(1,629)	-7.3	(2,920)	(3,307)	-11.7
Other income	30	21	41.6	86	45	91.6
EBITDA - margin	633 30.0%	706 30.5%	-10.3	1,278 31.1%	1,346 29.2%	-5.1
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	633	706	-10.3	1,278	1,346	-5.1
Depreciation & amortisation	(338)	(336)	0.7	(670)	(669)	0.2
EBIT	295	370	-20.3	608	677	-10.3
Net finance expense	(35)	(35)	-0.9	(73)	(60)	20.4
Profit before exceptional items and tax	260	334	-22.4	535	617	-13.3
Taxation	(75)	(103)	-26.7	(157)	(188)	-16.3
Underlying net profit	184	232	-20.5	378	429	-11.9
Exceptional items (post-tax)	(1)	(1)	-52.8	(22)	(3)	@
Net profit	184	230	-20.3	356	426	-16.4

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

	As at		
	30 Sep	30 Jun	30 Sep
	2016	2016	2015
	A\$ m	A\$ m	A\$ m
Property, plant and equipment (net)	7,199	7,174	6,767
Gross debt			
Current debt	540	560	1
Non-current debt	2,671	2,719	3,313
Gross debt as reported in the statement of financial position	3,211	3,279	3,313
Related net hedging assets	(180)	(232)	(350)
	3,031	3,047	2,963
Less: Cash and bank balances	(93)	(111)	(97)
Net debt	2,938	2,936	2,866

CURRENCY RISK MANAGEMENT & OTHER MATTERS

The Group maintains a policy of hedging all known foreign currency exposures related to commercial commitments or transactions. These commitments or transactions include payment of operating expenses, traffic settlement, capital expenditure, interest and debt. Translation risks of foreign currency EBITDA and net investments are not hedged unless specifically approved by the Board.

Financial instruments such as foreign currency forward contracts and cross currency swaps are used only to hedge underlying commercial exposures and are not held or sold for speculative purposes. All hedging transactions are reviewed regularly.

To minimise the adverse impact of foreign exchange movements on the Group's financial position, the Group determines the appropriate debt currency mix by matching it to the currency mix of the Group's underlying cash flows.

Debt Currency Mix	As at		
	30 Sep 2016	30 Jun 2016	30 Sep 2015
SGD	68%	65%	70%
AUD	32%	35%	30%
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 Sep 2016	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	H1	Full Year
Derived weighted average exchange rate ⁽¹⁾ for:						
Operating revenue						
SGD						
FY2017	1.0125	1.0256			1.0192	
FY2016	1.0446	1.0089	1.0138	1.0129	1.0267	1.0201
Change (last corresponding period)	-3.1%	1.7%			-0.7%	
Underlying net profit						
SGD						
FY2017	1.0098	1.0250			1.0172	
FY2016	1.0445	1.0086	1.0140	1.0154	1.0252	1.0196
Change (last corresponding period)	-3.3%	1.6%			-0.8%	

1 US Dollar buys:	Q1	Q2	Q3	Q4	H1	Full Year
Derived weighted average exchange rate ⁽²⁾ for:						
Operating revenue						
SGD						
FY2017	1.3580	1.3532			1.3552	
FY2016	1.3429	1.3911	1.4074	1.4018	1.3672	1.3859
Change (last corresponding period)	1.1%	-2.7%			-0.9%	

Notes:

- (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.
- (2) The income statements of Trustwave, Amobee and HOOQ are translated from US Dollar to Singapore Dollar based on these derived weighted average exchanges rates for the period to date.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	H1	Full Year
Rupiah						
FY2017	9,837	9,713			9,771	
FY2016	9,804	10,000	9,804	9,615	9,910	9,803
Change (last corresponding period)	0.3%	-2.9%			-1.4%	
Indian Rupee						
FY2017	49.2	49.4			49.3	
FY2016	47.2	46.7	46.7	48.1	47.0	47.2
Change (last corresponding period)	4.2%	5.8%			4.9%	
Baht						
FY2017	25.9	25.8			25.9	
FY2016	24.8	25.3	25.4	25.4	25.0	25.2
Change (last corresponding period)	4.4%	2.0%			3.6%	
Peso						
FY2017	34.3	34.8			34.5	
FY2016	33.2	33.1	33.3	33.7	33.2	33.4
Change (last corresponding period)	3.3%	5.1%			3.9%	

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2017

- **Consolidated results and cash flow may be impacted by material exchange rate movements in the Australian Dollar, United States Dollar and regional currencies.** The Group's outlook for the current financial year is based on the following average exchange rates during FY 2016:

Australian Dollar	AUD 1	SGD 1.0201
United States Dollar	USD 1	SGD 1.3859
Indonesian Rupiah	SGD 1	IDR 9,803
Indian Rupee	SGD 1	INR 47.2
Thailand Baht	SGD 1	THB 25.2
Philippine Peso	SGD 1	PHP 33.4

- **Operating revenue from the Core Business (comprising Group Consumer and Group Enterprise) to decline by low single digit level and EBITDA to be stable.**
- **Mobile service revenue from Australia to decline by mid teens.**
- **Mobile Communications revenue from Singapore to be stable.**
- **Group ICT revenue (comprising Managed Services and Business Solutions) to increase by low teens. Cyber security revenue (classified under Managed Services), including a full year's contribution from Trustwave, to be S\$450-550 million.**
- **Revenue from Amobee Group to grow by mid single digit level.**
- **Group Digital Life to record negative EBITDA of S\$150-S\$180 million.**
- **Excluding acquisitions, consolidated revenue of the Group to decline by low single digit level and EBITDA to be stable.**
- **Capital expenditure for the Group on an accrual basis is expected to approximate S\$2.8 billion, comprising approximately A\$1.8 billion for Optus and S\$1.0 billion for the rest of the Group in FY 2017. This reflects the Group's multi-year investments in a new data centre in Singapore, continued strategic investments in mobile network, particularly in Australia, and new unified billing and customer care systems.**
- **Capital expenditure for the Group on a cash basis is expected to approximate S\$2.4 billion.**
- **Group free cash flow¹ (excluding dividends from associates) to be approximately S\$1.5 billion.**
- **Ordinary dividends from regional mobile associates are expected to be approximately S\$1.2 billion.**

¹ Excluding payment to the Australian Tax Office (ATO) in respect of the amended assessments received on 2 November 2016 from the determinations on the acquisition financing of Optus.