

Financial Results Presentation

Q2 FY16: Quarter ended 30 September 2015

12 November 2015 • Chua Sock Koong, Group CEO

Singtel



Forward looking statement – important note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

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



Agenda

01 • Overview

02 • Business Units

03 • Group Outlook

04 • Supplementary Information

Q2FY16: Strong operating results offset currency headwinds

Q2FY16	% change (reported)	% change (constant currency) ¹	Highlights
Operating revenue S\$4,184m	-3%	+5%	› Growth in mobile data, ICT & digital services › Investing in network, content & service innovation › Strong revenue & customer growth momentum in Australia
EBITDA S\$1,290m	-3%	+5%	› Strong EBITDA growth impacted by AUD decline
Regional Mobile Associates' pre-tax earnings² S\$632m	Stable	+2%	› Steady customer growth & robust mobile data take-up
Underlying net profit S\$974m	Stable	+4%	› Strong core performance & associates' contributions
Net profit S\$1,030m	Stable	+3%	› Earnings impacted by AUD & IDR declines
Free cash flow S\$477m	-35%	N.M.	› Higher working capital in Australia for customer acquisition & retention › Timing differences in payments › Receipt of ~S\$70m from OpenNet last year

1. Assuming constant exchange rates from corresponding periods in FY2015.

2. Exclude exceptional items.

N.M. – not meaningful.

Foreign exchange movements

Currency	Quarter ended 30 September 2015			Half-year ended 30 September 2015	
	Exchange rate ¹	Increase/ (decrease) against S\$		Exchange rate ¹	Increase/ (decrease) against S\$
		YoY	QoQ		
1 AUD ² 	1.0089	(12.8%)	(3.4%)	1.0266	(11.7%)
IDR 	10,000	(6.0%)	(2.0%)	9,910	(6.0%)
INR 	46.7	3.3%	1.1%	47.0	2.3%
PHP 	33.1	5.4%	0.3%	33.2	5.4%
THB 	25.3	1.2%	(2.0%)	25.0	3.1%

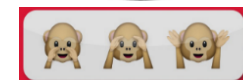
1. Average exchange rates for the quarter and half-year ended 30 September 2015.

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

Group Q2FY16 highlights

Group › Interim dividend **6.8 cents per share**

- Group Consumer**
- › Secured BPL rights for Singapore & Australia for 3 seasons from 2016
 - › SG: Launched contract free & fully customisable SIM-Only plans
 - › SG: Enhanced LTE service with 900MHz for in-building coverage
 - › AU: Optus ranked best overall for data performance on highways¹
 - › AU: Further enhanced content with mobile multimedia partnership with Cricket Australia



P3 COMMSDAY
MOBILE BENCHMARK



- Group Enterprise**
- › Completed acquisition of Trustwave
 - › Partnered CSA to develop & strengthen Singapore's cyber security capabilities
 - › New S\$400m data centre to meet demand for co-location & cloud services



- Group Digital Life**
- › Named Top 20 Most Promising Digital Marketing Providers



H1FY16: Net profit increased 5%

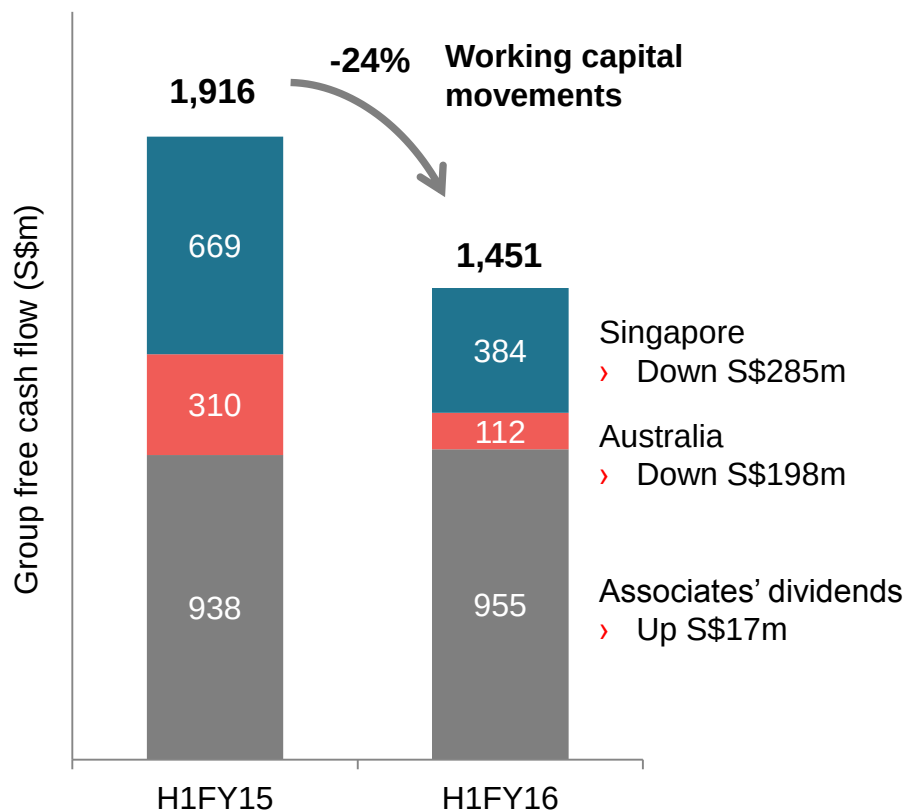
	3 months to			6 months to		
	Sep 15	Sep 14	YoY %	Sep 15	Sep 14	YoY %
Operating revenue	4,184	4,309	(2.9%)	8,393	8,457	(0.8%)
EBITDA	1,290	1,334	(3.3%)	2,531	2,588	(2.2%)
- margin	30.8%	30.9%		30.2%	30.6%	
Associates pre-tax earnings ¹	684	655	4.4%	1,350	1,277	5.7%
EBITDA & share of associates' pre-tax earnings	1,996	1,978	0.9%	3,903	3,854	1.3%
Depreciation & amortisation	(531)	(545)	(2.5%)	(1,067)	(1,078)	(1.0%)
Net finance expense	(53)	(44)	21.7%	(111)	(95)	16.3%
Profit before EI and tax	1,412	1,389	1.6%	2,725	2,681	1.6%
Tax	(440)	(409)	7.6%	(859)	(818)	4.9%
Underlying net profit	974	979	(0.5%)	1,870	1,860	0.5%
Exceptional Items (post tax)	55	59	(6.9%)	102	13	@
Net profit	1,030	1,038	(0.8%)	1,971	1,873	5.3%

1. Excluding exceptionals.

@ – Denotes more than 500%

Solid financial position

Free cash flow **\$1,451m**



Balance sheet

Net debt¹ **S\$9.3b**

Net debt gearing² **27.5%**

Net debt: EBITDA & share of associates' pre-tax profits³ **1.2x**

EBITDA & share of associates' pre-tax profits: Net interest expense **27.1x**

S&P's rating **A+** **Moody's rating** **Aa3**

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.



Agenda

01 • Overview

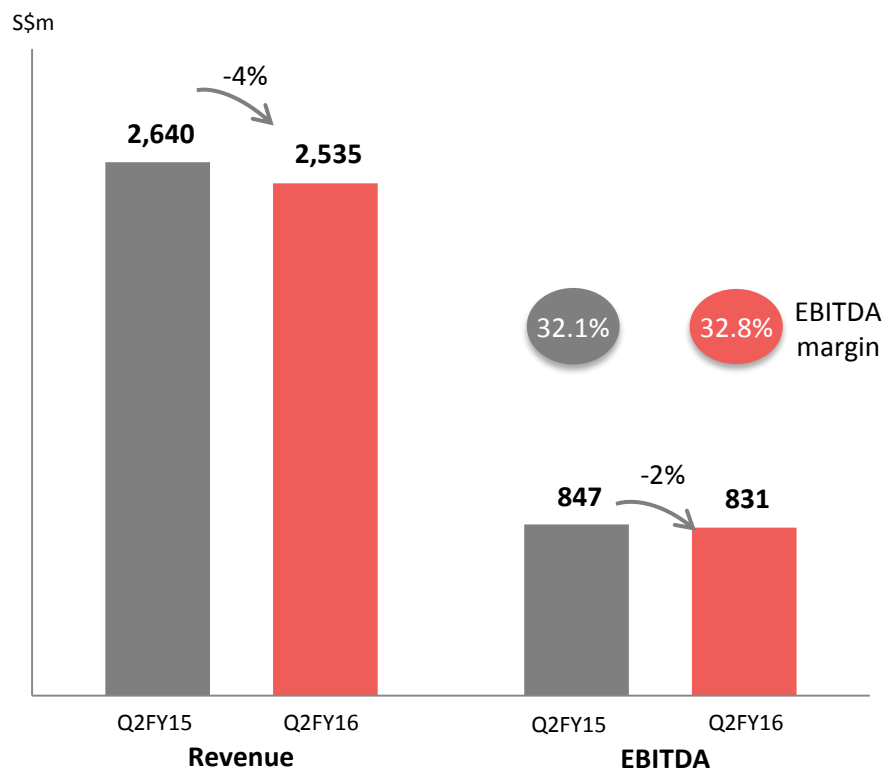
02 • Business Units

03 • Group Outlook

04 • Supplementary Information

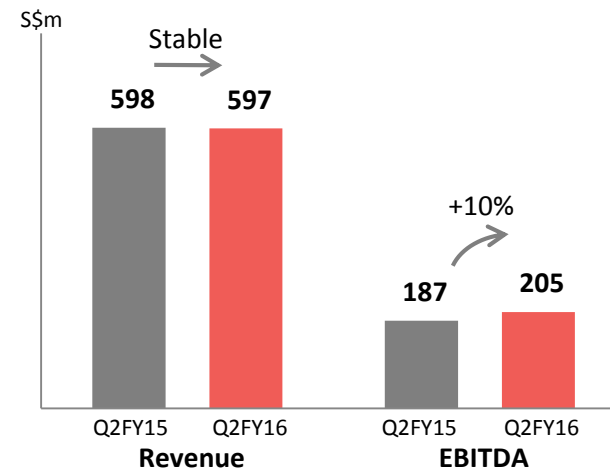
Group Consumer: Robust EBITDA performance across Singapore & Australia

Consumer

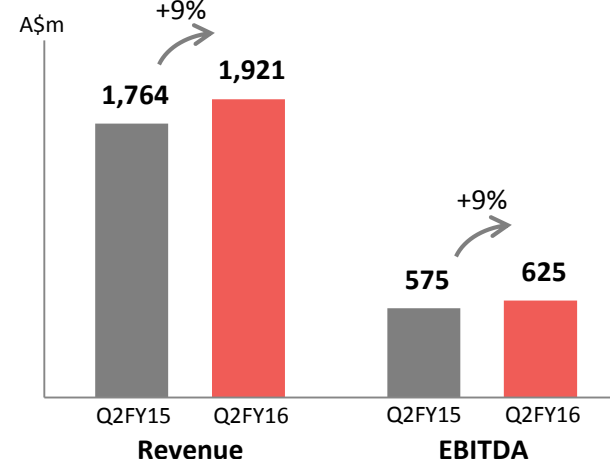


› In constant currency terms, revenue & EBITDA up 7% & 9% respectively

Singapore

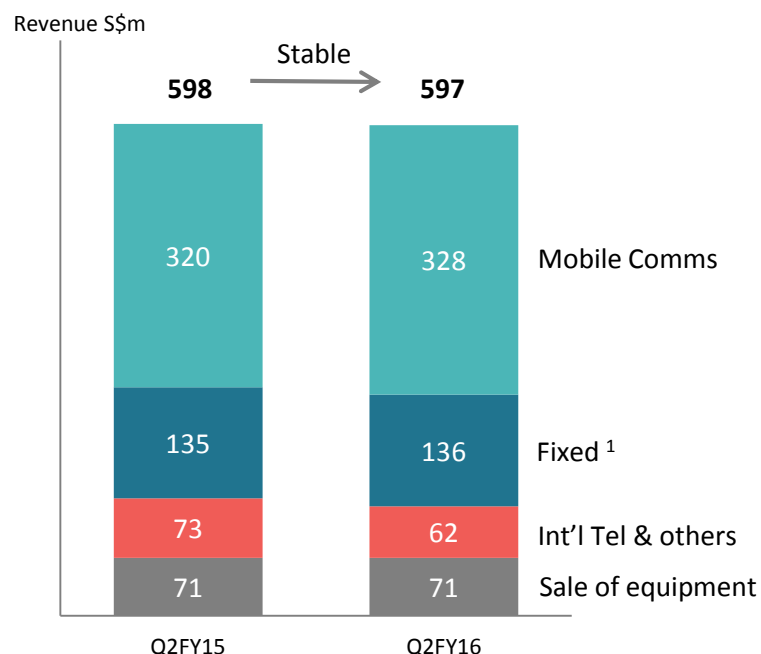


Australia



Singapore Consumer: Growth in mobile and home services

Singapore Consumer

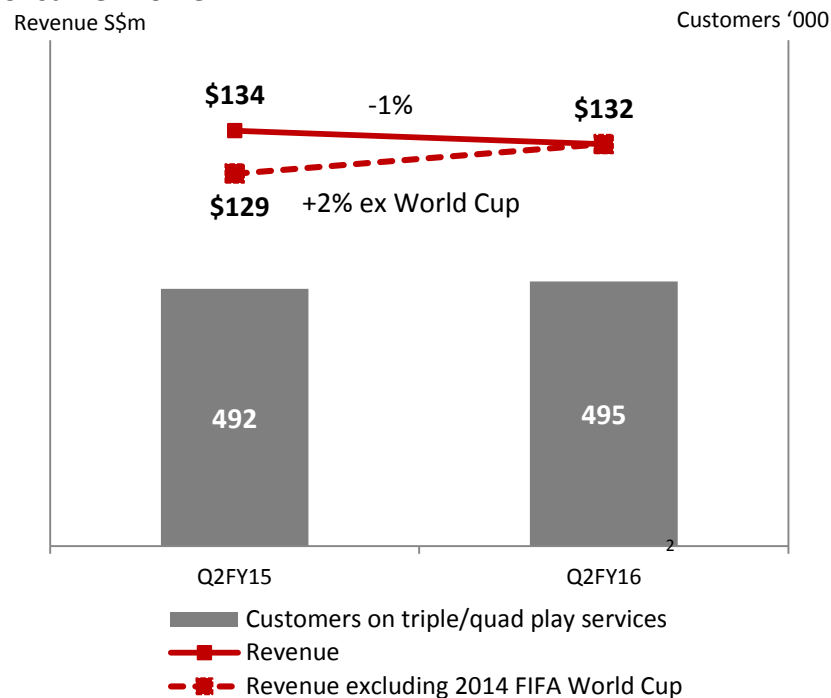


Mobile Communications revenue up 2%

Expanded managed WiFi footprint

- › Over 600 hotspots, including 44 MRT stations

Consumer Home



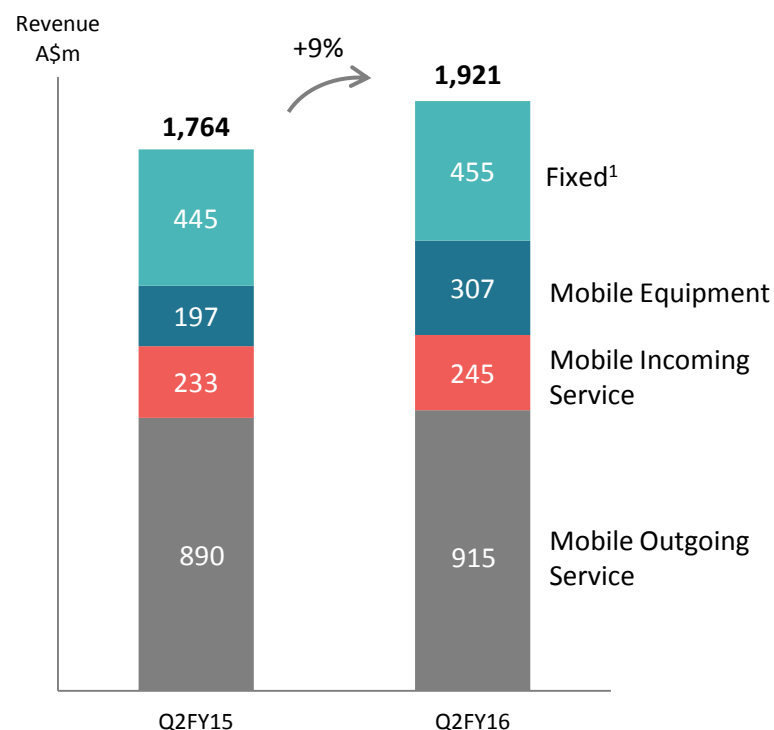
Growth in home services

- › Household ARPU up 4%
- › 81% of BB customers on fibre as at Sep 2015

1. Fixed services revenue comprises internet, national telephone, payphone and Singtel TV.
 2. Households who subscribe to 3 or 4 services comprising Broadband, TV, Fixed Voice and Mobile

Australia Consumer: Strong revenue and EBITDA growth

Australia Consumer



- › Mobile service revenue up 3%
- › Mass market fixed revenue grew 4%

Outgoing mobile service revenue up 3%

- › 60k net adds in postpaid mobile handsets
- › Blended handset ARPU up 2%
- › Data revenues up 21%

Continuing NBN customer growth

- › 18k broadband net adds

EBITDA up 9%

- › Strong postpaid customer growth
- › Increased take-up of DRP²

4G network investment for growth

- › Over 90% national population coverage
- › 2,893³ metro and regional sites turned on 700MHz since 1 Jan

1. Includes NBN migration revenue of A\$13m for Q2FY16 (Q2 FY2015: A\$7M)

2. Device Repayment Plans

3. As at 31 October 2015; includes In-Building Coverage sites

Regional Mobile Associates: Strong data growth

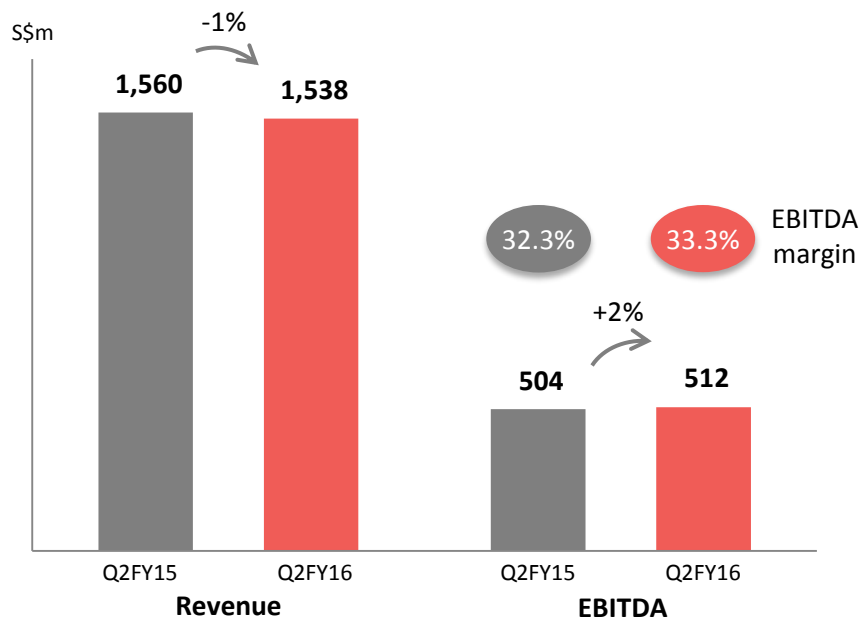
Q2FY16	PBT ¹ (S\$m)	% Change (S\$)	% Change (local ccy)	Highlights
Regional Mobile	632	Stable	+2%	› Strong growth in mobile data services › Customer base up 2% to 577m
Telkomsel	299	+21%	+28%	› Robust growth across voice, data & digital businesses
Airtel	153	-25%	-27%	
- India & South Asia	263	+13%	+10%	› Continued growth in data usage & customers
- Africa	17	-55%	-56%	› Adverse currency movements in Africa
- Others ²	(128)	85%	82%	› Higher net finance costs & fair value losses
AIS	102	Stable	-1%	› Service revenue growth & regulatory costs savings › Higher 3G depreciation charges & subsidies to accelerate 3G migration
Globe	78	+1%	-4%	› Revenue growth from increased customers & strong data adoption › Offset by higher depreciation charges relating to Bayantel

1. Exclude exceptional items.

2. Net finance costs & fair value losses.

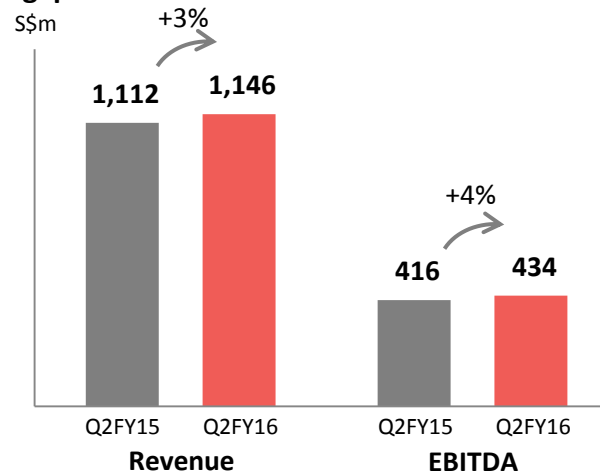
Group Enterprise: Strong ICT performance

Group Enterprise (ex fibre rollout & maintenance)

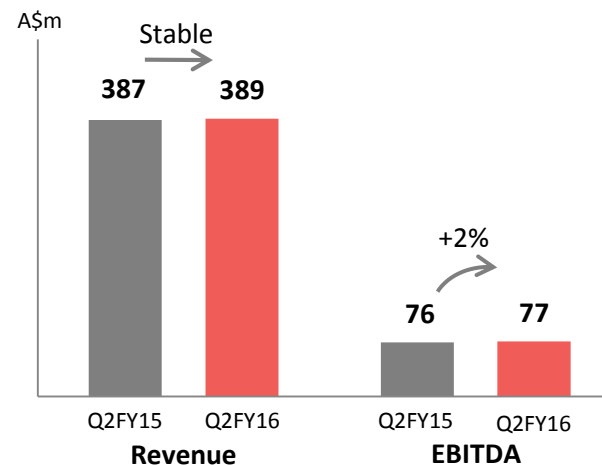


- › Strong ICT revenue growth in Singapore
- › Steady performance in Australia
- › In constant currency terms, revenue and EBITDA up 2% and 4% respectively

Singapore

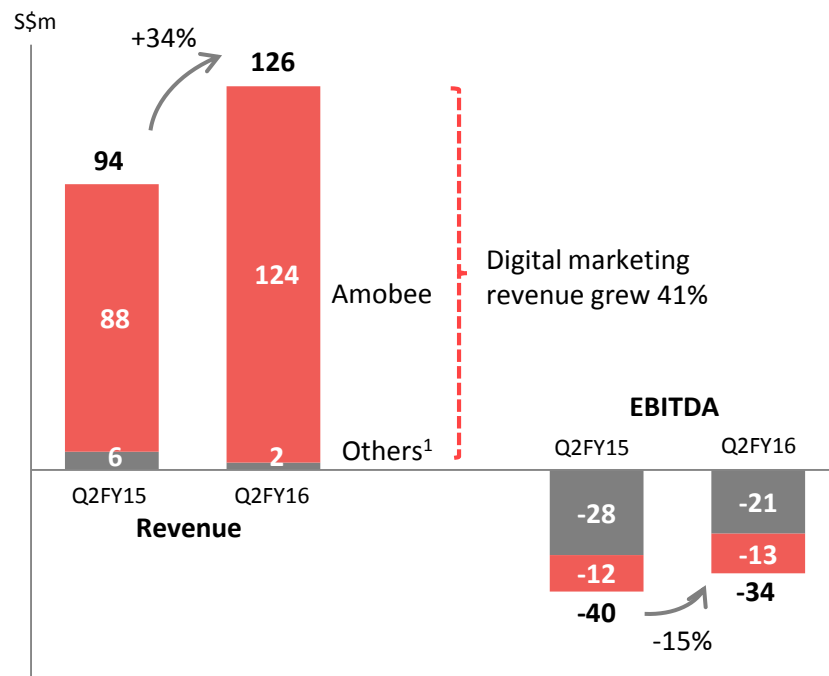


Australia



Group Digital Life: Sharpened focus & building momentum

Group Digital Life



- › Improved EBITDA due to revenue growth and business rationalization
- › Q2FY15 results included contribution from Adconion with effect from 1 Aug 2014

Amobee

- › New partnerships with Instagram and Pinterest



DataSpark

- › Strong order books from Singapore public sector
- › Leverage analytics to help associates optimise networks

Innov8

- › Partnerships with leading telcos to catalyse innovation



A photograph of a man and a woman sitting at a desk in an office. The woman, on the right, is smiling and gesturing with her hands. The man, on the left, is looking towards the camera. A large red semi-circle is overlaid on the bottom left of the image, containing the agenda text.

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Outlook^{1,2}

Group	Revenue ³ to increase by mid single digit level
	EBITDA ³ to increase by low single digit level
	Capital expenditure on an accrual basis to be approx. S\$3.0b • Approx. S\$1.1b for Singapore • Approx. S\$1.9b for Australia
	Capital expenditure on a cash basis to be approx. S\$2.3b
	Free cash flow ⁴ to be approx. S\$1.5b
	Ordinary dividends from Regional Mobile Associates to be approx. S\$1.1b
Core Business	Revenue to increase by mid single digit level
	EBITDA to increase by low single digit level
	Singapore Mobile Communications revenue to grow by low single digit level (updated)
	Australia Mobile Service revenue to increase by low single digit level
	Group ICT revenue to increase by mid single digit level
Group Digital Life	Amobee revenue to be approx. S\$350 – S\$400m
	Group Digital Life negative EBITDA to be approx. S\$150 – S\$180m

1. Based on average exchange rates during FY15

2. Excludes wholesale price changes for Australia mobile terminating access & Trustwave acquisition.

3. Excludes acquisitions.

4. Exclude associates' dividends.

A man in a white shirt is standing in front of a modern building with large glass windows. He is holding a black tablet in his left hand and a smartphone to his ear with his right hand. He is smiling and looking at the tablet. A large red curved shape is on the left side of the image, partially obscuring the man and the background.

Agenda

01 • Overview

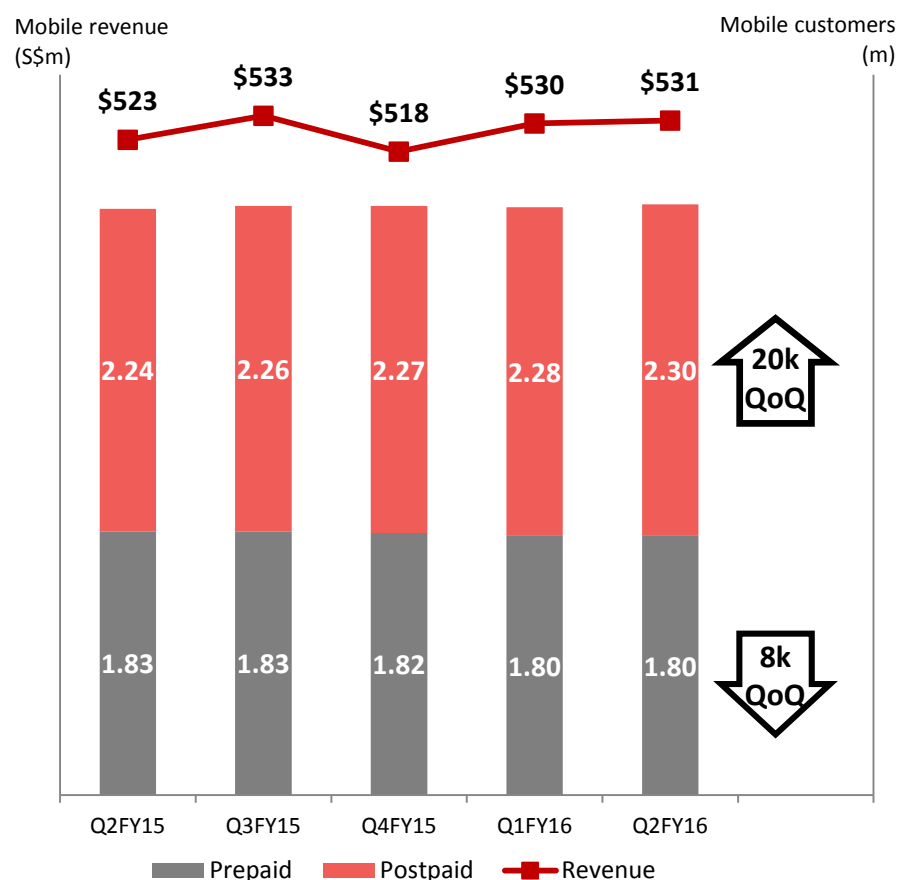
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Singapore Mobile

Mobile Communications revenue up 2% **S\$531m**



4G customers up 77k QoQ **2,083k**

Tiered data plans

- › Postpaid customers on tiered plans ¹ **63%**
- › Tiered plans customers who exceed data bundles **25%**

Postpaid ARPU down 3% **S\$73**

- › Mainly from lower roaming
- › Down 1%, excluding data-only SIMs and mobile share plans²

Postpaid SAC³ down 1% **S\$402**

Prepaid customers fell 8k QoQ **1,796k**

- › On strong sales of tourist SIM plans with shorter validity periods

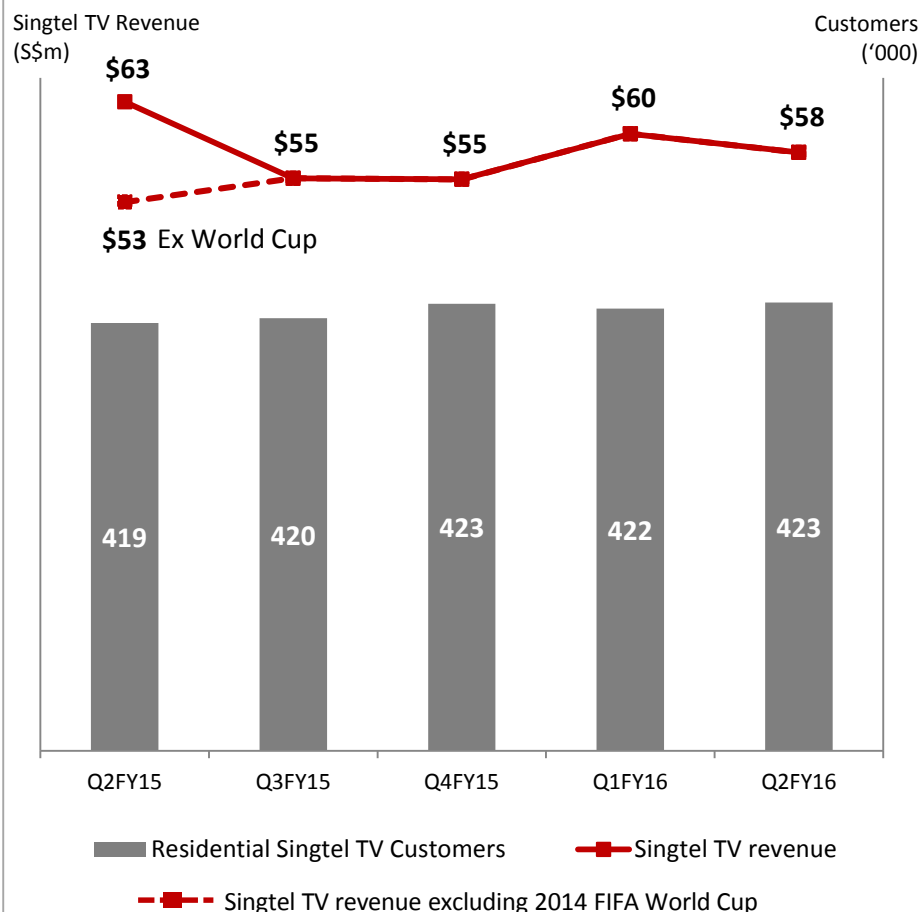
1. If excluding data-only SIMs, 76% of postpaid customers were on tiered plans.

2. Data-only SIMs refer to wireless broadband plans excluding voice. Mobile share plans refer to supplementary lines which share data, voice & text allowances of postpaid plans.

3. Blended acquisition and retention cost per postpaid customer.

Singapore Fixed

Singtel TV revenue down 8% **S\$58m**



Singtel TV ARPU **S\$39**

- › Down 3%
- › Up 4% excluding World Cup

Singtel TV churn **1.2%**

- › Stable

Fibre customers¹ **462k**

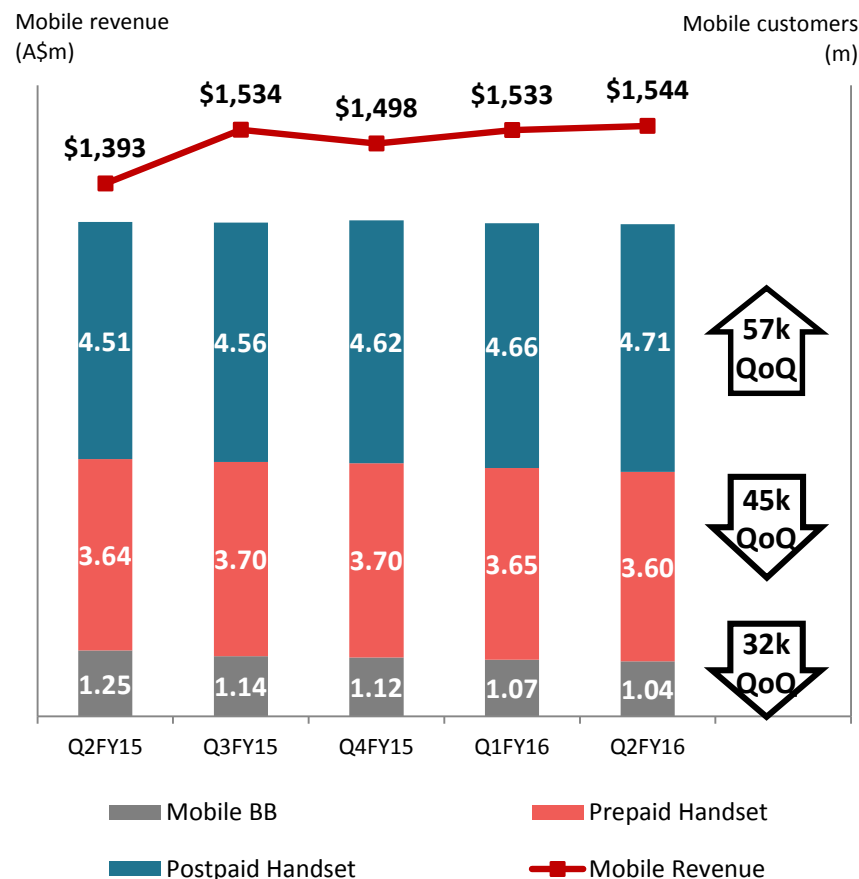
- › Up 21k QoQ

1. Refers to residential and corporate subscriptions to broadband internet services using optical fibre networks.

Australia Mobile

Mobile revenue up 11%

A\$1,544m



4G customers¹ up 314k QoQ

4,131K

> 44% penetration

Postpaid

> Handset ARPU

A\$59

- down 1%

> Churn

1.3%

- down from 1.4% in Q1FY16

Prepaid

> Handset ARPU

A\$29

- up 6%

1. Defined as 4G handsets on the Optus network

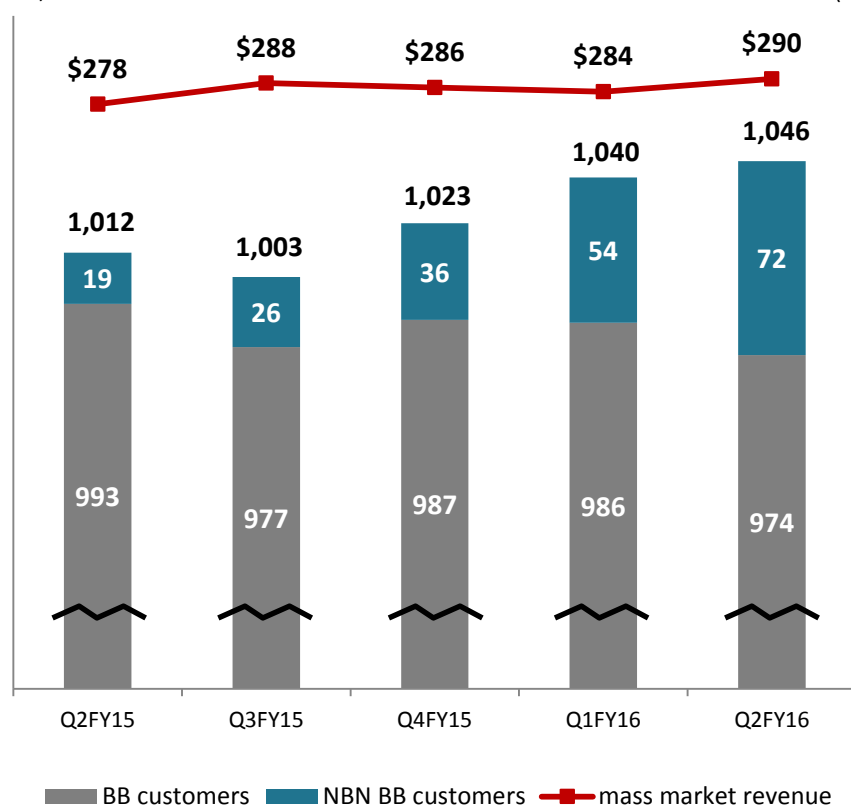
Australia Fixed

Mass market revenue up 4%

A\$290m

Mass market revenue
(A\$m)

Customers
(‘000)



On-net BB ARPU

A\$53

› Up 2%

NBN BB Customers

72k

› Up 18k QoQ

TV Customers

260k

› Up 22k QoQ

Trends in constant currency terms¹

3 months to Sep 15	Q2FY16 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	4,184	(2.9%)	5.1%
Group reported NPAT	1,030	(0.8%)	3.0%
Group underlying NPAT	974	(0.5%)	3.8%
Optus revenue	2,334	(6.4%)	7.4%
Regional Mobile Associates pre-tax earnings ²	632	0.5%	1.7%
6 months to Sep 15	H1FY16 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	8,393	(0.8%)	6.7%
Group reported NPAT	1,971	5.3%	8.7%
Group underlying NPAT	1,870	0.5%	4.2%
Optus revenue	4,732	(3.5%)	9.3%
Regional Mobile Associates pre-tax earnings ²	1,257	2.8%	3.6%

1. Assuming constant exchange rates from corresponding periods in FY2015.

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



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