



**SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR
ENDED 31 MARCH 2018**

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CONSOLIDATED INCOME STATEMENT*For the fourth quarter and financial year ended 31 March 2018*

		Quarter 31 Mar		Year 31 Mar	
	Notes	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Operating revenue		4,326.4	4,307.7	17,531.8	16,711.4
Operating expenses	2	(3,149.9)	(3,060.5)	(12,701.5)	(11,929.0)
Other income	3	58.2	61.2	258.8	215.3
		1,234.7	1,308.4	5,089.1	4,997.7
Depreciation and amortisation	4	(584.0)	(584.6)	(2,340.1)	(2,238.9)
		650.7	723.8	2,749.0	2,758.8
Exceptional items	5	(3.1)	25.6	1,940.4	(1.2)
Profit on operating activities		647.6	749.4	4,689.4	2,757.6
Share of results of associates and joint ventures	6	400.7	469.4	1,786.7	2,017.3
Profit before interest, investment income (net) and tax		1,048.3	1,218.8	6,476.1	4,774.9
Interest and investment income (net)	7	10.2	15.4	45.6	114.8
Finance costs	8	(95.6)	(97.5)	(390.2)	(374.3)
Profit before tax		962.9	1,136.7	6,131.5	4,515.4
Tax expense	9	(184.0)	(181.1)	(701.2)	(684.4)
Profit after tax		778.9	955.6	5,430.3	3,831.0
Attributable to:					
Shareholders of the Company		780.6	963.3	5,451.4	3,852.7
Non-controlling interests		(1.7)	(7.7)	(21.1)	(21.7)
		778.9	955.6	5,430.3	3,831.0
Earnings per share attributable to shareholders of the Company					
- basic	11	4.78¢	5.90¢	33.40¢	23.96¢
- diluted	11	4.77¢	5.89¢	33.35¢	23.91¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the fourth quarter and financial year ended 31 March 2018*

	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Profit after tax	778.9	955.6	5,430.3	3,831.0
Other comprehensive (loss)/ income				
Items that may be reclassified subsequently to income statement:				
Exchange differences arising from translation of foreign operations and other currency translation differences for the period	(616.7)	88.3	(1,265.1)	432.7
Cash flow hedges				
- Fair value changes	50.7	(307.5)	0.5	16.3
- Tax effects	(24.3)	38.0	(55.2)	20.1
	26.4	(269.5)	(54.7)	36.4
- Fair value changes transferred to income statement	(35.2)	181.1	2.1	(1.5)
- Tax effects	21.1	(28.4)	46.8	(18.8)
	(14.1)	152.7	48.9	(20.3)
	12.3	(116.8)	(5.8)	16.1
Fair value changes on available-for-sale investments during the period	(29.9)	(3.0)	(31.5)	16.5
Share of other comprehensive income of associates and joint ventures	1.7	328.8	650.3	223.4
Other comprehensive (loss)/ income, net of tax	(632.6)	297.3	(652.1)	688.7
Total comprehensive income	146.3	1,252.9	4,778.2	4,519.7
Attributable to:				
Shareholders of the Company	147.9	1,260.8	4,798.6	4,541.5
Non-controlling interests	(1.6)	(7.9)	(20.4)	(21.8)
	146.3	1,252.9	4,778.2	4,519.7

STATEMENTS OF FINANCIAL POSITION*As at 31 March 2018*

	Notes	Group		Company	
		As at 31 Mar 18 S\$ Mil (Audited)	As at 31 Mar 17 S\$ Mil (Audited)	As at 31 Mar 18 S\$ Mil (Audited)	As at 31 Mar 17 S\$ Mil (Audited)
Current assets					
Cash and cash equivalents		524.9	533.8	92.0	89.2
Trade and other receivables		5,035.4	4,924.2	506.7	523.5
Due from subsidiaries		-	-	1,817.2	1,149.8
Inventories		397.4	352.2	21.8	23.8
Derivative financial instruments		23.2	107.3	70.1	107.1
		5,980.9	5,917.5	2,507.8	1,893.4
Non-current assets					
Trade and other receivables		747.2	769.5	143.7	155.1
Property, plant and equipment		11,800.8	11,892.9	2,303.9	2,326.5
Intangible assets		13,969.1	13,072.8	-	-
Subsidiaries		-	-	19,425.9	17,441.0
Associates		2,005.5	1,952.2	24.7	603.5
Joint ventures		12,782.6	12,282.9	22.8	23.0
Available-for-sale investments ("AFS")		197.9	192.9	5.5	37.4
Derivative financial instruments		409.6	455.2	134.1	284.9
Deferred tax assets ⁽¹⁾		360.1	657.8	-	-
Loan to an associate ⁽¹⁾		-	1,100.5	-	1,100.5
		42,272.8	42,376.7	22,060.6	21,971.9
Total assets		48,253.7	48,294.2	24,568.4	23,865.3
Current liabilities					
Trade and other payables		5,233.9	4,922.4	959.7	880.0
Due to subsidiaries		-	-	508.7	722.0
Advance billings		794.1	835.4	80.1	74.8
Current tax liabilities		351.3	296.3	101.5	100.6
Borrowings (unsecured)	13	1,800.5	3,046.9	-	-
Borrowings (secured)	13	23.1	86.7	7.4	1.5
Derivative financial instruments		70.0	15.8	84.9	110.0
Net deferred gain ⁽¹⁾		20.1	68.8	-	-
		8,293.0	9,272.3	1,742.3	1,888.9
Non-current liabilities					
Advance billings		225.1	245.7	136.7	138.3
Deferred tax liabilities		520.4	574.6	275.6	282.2
Borrowings (unsecured)	13	8,525.1	7,852.7	673.2	746.2
Borrowings (secured)	13	81.5	199.6	68.5	157.2
Derivative financial instruments		302.2	303.1	279.0	370.0
Net deferred gain ⁽¹⁾		357.7	1,282.7	-	-
Other non-current liabilities		295.1	349.9	31.4	23.7
		10,307.1	10,808.3	1,464.4	1,717.6
Total liabilities		18,600.1	20,080.6	3,206.7	3,606.5
Net assets		29,653.6	28,213.6	21,361.7	20,258.8
Share capital and reserves					
Share capital	14	4,127.3	4,127.3	4,127.3	4,127.3
Reserves		25,551.9	24,086.3	17,234.4	16,131.5
Equity attributable to shareholders of the Company		29,679.2	28,213.6	21,361.7	20,258.8
Non-controlling interests		(3.2)	22.4	-	-
Other reserve		(22.4)	(22.4)	-	-
Total equity		29,653.6	28,213.6	21,361.7	20,258.8

Note (1): The loan to NetLink Trust was fully repaid and deferred gains (after tax) of S\$1.10 billion were released to the income statement following the disposal of 75.2% effective interest in NetLink Trust in July 2017.

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2018*

Group - 2018	Attributable to shareholders of the Company									Non-controlling Interests S\$ Mil	Other Reserve ⁽⁴⁾ S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 January 2018	4,127.3	(27.3)	(103.2)	(5,156.5)	(7.0)	55.4	30,819.5	(179.1)	29,529.1	(1.6)	(22.4)	29,505.1
Changes in equity for the quarter												
Performance shares purchased by the Company	-	(1.0)	-	-	-	-	-	-	(1.0)	-	-	(1.0)
Performance shares purchased by Trust ⁽⁵⁾	-	(4.6)	-	-	-	-	-	-	(4.6)	-	-	(4.6)
Performance shares vested	-	0.2	(0.2)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	7.3	-	-	-	-	-	7.3	-	-	7.3
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	(0.1)
Others	-	-	-	-	-	-	0.6	-	0.6	-	-	0.6
	-	(5.4)	7.0	-	-	-	0.6	-	2.2	-	-	2.2
Total comprehensive (loss)/ income for the quarter	-	-	-	(616.8)	12.3	(29.9)	780.6	1.7	147.9	(1.6)	-	146.3
Balance as at 31 March 2018	4,127.3	(32.7)	(96.2)	(5,773.3)	5.3	25.5	31,600.7	(177.4)	29,679.2	(3.2)	(22.4)	29,653.6

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2018*

	Attributable to shareholders of the Company									Non-controlling Interests	Other Reserve ⁽⁴⁾	Total Equity
	Share Capital	Treasury Shares ⁽¹⁾	Capital Reserve	Currency Translation Reserve ⁽²⁾	Hedging Reserve	Fair Value Reserve	Retained Earnings	Other Reserves ⁽³⁾	Total			
Group - 2017	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Balance as at 1 January 2017	4,128.0	(26.5)	(114.1)	(4,596.0)	127.9	60.0	28,528.9	(1,156.5)	26,951.7	30.6	(22.4)	26,959.9
Changes in equity for the quarter												
Performance shares purchased by the Company	-	(0.9)	-	-	-	-	-	-	(0.9)	-	-	(0.9)
Performance shares purchased by Trust ⁽⁵⁾	-	(5.1)	-	-	-	-	-	-	(5.1)	-	-	(5.1)
Equity-settled share based payment	-	-	6.1	-	-	-	-	-	6.1	-	-	6.1
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.2)	-	(0.2)
Others	(0.7)	-	-	-	-	-	1.7	-	1.0	(0.1)	-	0.9
	(0.7)	(6.0)	6.1	-	-	-	1.7	-	1.1	(0.3)	-	0.8
Total comprehensive income/ (loss) for the quarter	-	-	-	88.5	(116.8)	(3.0)	963.3	328.8	1,260.8	(7.9)	-	1,252.9
Balance as at 31 March 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2018*

Company - 2018	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 January 2018	4,127.3	-	41.4	54.5	31.3	16,566.3	20,820.8
Changes in equity for the quarter							
Performance shares purchased by the Company	-	(1.0)	-	-	-	-	(1.0)
Equity-settled share based payment	-	-	2.4	-	-	-	2.4
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	(0.1)
Contribution to Trust ⁽⁵⁾	-	-	(4.3)	-	-	-	(4.3)
	-	(1.0)	(2.0)	-	-	-	(3.0)
Total comprehensive income/ (loss) for the quarter	-	-	-	5.6	(29.1)	567.4	543.9
Balance as at 31 March 2018	4,127.3	(1.0)	39.4	60.1	2.2	17,133.7	21,361.7

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)*For the fourth quarter ended 31 March 2018*

Company - 2017	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 January 2017	4,128.0	-	39.8	113.4	26.5	15,203.4	19,511.1
Changes in equity for the quarter							
Performance shares purchased by the Company	-	(0.9)	-	-	-	-	(0.9)
Equity-settled share based payment	-	-	3.1	-	-	-	3.1
Contribution to Trust ⁽⁵⁾	-	-	(4.6)	-	-	-	(4.6)
Others	(0.7)	-	-	-	-	-	(0.7)
	(0.7)	(0.9)	(1.5)	-	-	-	(3.1)
Total comprehensive (loss)/ income for the quarter	-	-	-	(53.1)	1.2	802.7	750.8
Balance as at 31 March 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8

Notes:

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

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2018*

Group - 2018	Attributable to shareholders of the Company									Non-controlling Interests S\$ Mil	Other Reserve ⁽⁴⁾ S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil			
Balance as at 1 April 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6
Changes in equity for the year												
Performance shares purchased by the Company	-	(2.4)	-	-	-	-	-	-	(2.4)	-	-	(2.4)
Performance shares purchased by Trust ⁽⁵⁾	-	(15.9)	-	-	-	-	-	-	(15.9)	-	-	(15.9)
Performance shares vested	-	18.1	(18.1)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	32.5	-	-	-	-	-	32.5	0.2	-	32.7
Transfer of liability to equity	-	-	4.2	-	-	-	-	-	4.2	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	-	-	(0.2)	-	-	(0.2)
Performance shares purchased by Singtel Optus Pty Limited ("Optus") and vested	-	-	(6.6)	-	-	-	-	-	(6.6)	-	-	(6.6)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.4)	-	(5.4)
Final dividend paid	-	-	-	-	-	-	(1,746.6)	-	(1,746.6)	-	-	(1,746.6)
Interim dividend paid	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	-	(1,110.0)
Special dividend paid	-	-	-	-	-	-	(489.7)	-	(489.7)	-	-	(489.7)
Others	-	-	-	-	-	-	1.7	-	1.7	-	-	1.7
	-	(0.2)	11.8	-	-	-	(3,344.6)	-	(3,333.0)	(5.2)	-	(3,338.2)
Total comprehensive (loss)/ income for the year	-	-	-	(1,265.8)	(5.8)	(31.5)	5,451.4	650.3	4,798.6	(20.4)	-	4,778.2
Balance as at 31 March 2018	4,127.3	(32.7)	(96.2)	(5,773.3)	5.3	25.5	31,600.7	(177.4)	29,679.2	(3.2)	(22.4)	29,653.6

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2018*

	Attributable to shareholders of the Company									Non-controlling Interests	Other Reserve ⁽⁴⁾	Total Equity
	Share Capital	Treasury Shares ⁽¹⁾	Capital Reserve	Currency Translation Reserve ⁽²⁾	Hedging Reserve	Fair Value Reserve	Retained Earnings	Other Reserves ⁽³⁾	Total			
Group - 2017	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Balance as at 1 April 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5
Changes in equity for the year												
Issue of new shares (net of costs)	1,493.3	-	-	-	-	-	-	-	1,493.3	-	-	1,493.3
Performance shares purchased by the Company	-	(1.9)	-	-	-	-	-	-	(1.9)	-	-	(1.9)
Performance shares purchased by Trust ⁽⁵⁾	-	(18.2)	-	-	-	-	-	-	(18.2)	-	-	(18.2)
Performance shares vested	-	18.2	(18.2)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	26.5	-	-	-	-	-	26.5	0.7	-	27.2
Transfer of liability to equity	-	-	4.7	-	-	-	-	-	4.7	-	-	4.7
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	-	(0.3)
Performance shares purchased by Optus and vested	-	-	(7.0)	-	-	-	-	-	(7.0)	-	-	(7.0)
Share of other reserves of associates and joint ventures	-	-	2.7	-	-	-	-	(2.7)	-	-	-	-
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	12.9	-	12.9
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.0)	-	(5.0)
Final dividend paid	-	-	-	-	-	-	(1,705.5)	-	(1,705.5)	-	-	(1,705.5)
Interim dividend paid	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	-	(1,110.0)
Others	-	-	-	-	-	-	(0.2)	1.5	1.3	(0.1)	-	1.2
	1,493.3	(1.9)	8.4	-	-	-	(2,815.7)	(1.2)	(1,317.1)	8.5	-	(1,308.6)
Total comprehensive income/ (loss) for the year	-	-	-	432.8	16.1	16.5	3,852.7	223.4	4,541.5	(21.8)	-	4,519.7
Balance as at 31 March 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2018*

Company - 2018	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8
Changes in equity for the year							
Performance shares purchased by the Company	-	(2.4)	-	-	-	-	(2.4)
Performance shares vested	-	2.3	(2.3)	-	-	-	-
Equity-settled share based payment	-	-	11.8	-	-	-	11.8
Transfer of liability to equity	-	-	4.2	-	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	(0.2)
Contribution to Trust ⁽⁵⁾	-	-	(12.4)	-	-	-	(12.4)
Final dividend paid	-	-	-	-	-	(1,747.2)	(1,747.2)
Interim dividend paid	-	-	-	-	-	(1,110.4)	(1,110.4)
Special dividend paid	-	-	-	-	-	(489.9)	(489.9)
	-	(0.1)	1.1	-	-	(3,347.5)	(3,346.5)
Total comprehensive (loss)/ income for the year	-	-	-	(0.2)	(25.5)	4,475.1	4,449.4
Balance as at 31 March 2018	4,127.3	(1.0)	39.4	60.1	2.2	17,133.7	21,361.7

STATEMENTS OF CHANGES IN EQUITY (AUDITED)*For the financial year ended 31 March 2018*

Company - 2017	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	18,233.8
Changes in equity for the year							
Issue of new shares (net of costs) ⁽⁶⁾	1,493.3	-	109.1	-	-	-	1,602.4
Performance shares purchased by the Company	-	(1.9)	-	-	-	-	(1.9)
Performance shares vested	-	2.2	(2.2)	-	-	-	-
Equity-settled share based payment	-	-	12.7	-	-	-	12.7
Transfer of liability to equity	-	-	4.9	-	-	-	4.9
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust ⁽⁵⁾	-	-	(14.6)	-	-	-	(14.6)
Final dividend paid	-	-	-	-	-	(1,706.0)	(1,706.0)
Interim dividend paid	-	-	-	-	-	(1,110.4)	(1,110.4)
	1,493.3	0.3	109.6	-	-	(2,816.4)	(1,213.2)
Total comprehensive income for the year	-	-	-	13.6	2.2	3,222.4	3,238.2
Balance as at 31 March 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8

Notes:

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

CONSOLIDATED STATEMENT OF CASH FLOWS*For the fourth quarter and financial year ended 31 March 2018*

	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Cash Flows from Operating Activities				
Profit before tax	962.9	1,136.7	6,131.5	4,515.4
Adjustments for				
Depreciation and amortisation	584.0	584.6	2,340.1	2,238.9
Exceptional items	(25.1)	(25.9)	(1,965.6)	(37.1)
Interest and investment income (net)	(10.2)	(15.4)	(45.6)	(114.8)
Finance costs	95.6	97.5	390.2	374.3
Share of results of associates and joint ventures (post-tax)	(400.7)	(469.4)	(1,786.7)	(2,017.3)
Other non-cash items	4.8	12.4	30.3	25.8
	248.4	183.8	(1,037.3)	469.8
Operating cash flow before working capital changes	1,211.3	1,320.5	5,094.2	4,985.2
Changes in operating assets and liabilities				
Trade and other receivables	392.3	(98.9)	(195.4)	(561.7)
Trade and other payables	(374.7)	(32.0)	76.5	93.4
Inventories	173.0	37.3	(59.1)	(23.6)
Cash generated from operations	1,401.9	1,226.9	4,916.2	4,493.3
Payment to employees in cash under performance share plans	(0.1)	-	(0.9)	(0.3)
Dividends received from associates and joint ventures	96.2	330.5	1,647.7	1,655.5
Income tax and withholding tax paid (Note 1)	(94.7)	(141.1)	(607.8)	(833.8)
Net cash from operating activities	1,403.3	1,416.3	5,955.2	5,314.7
Cash Flows from Investing Activities				
Proceeds from sale of AFS investments	38.4	16.1	77.7	75.0
Investment in AFS investments	(8.6)	(7.2)	(59.6)	(34.6)
Dividends received from AFS investments	-	0.2	1.8	1.7
Payments for acquisition of subsidiaries, net of cash acquired (Note 2)	-	-	(336.5)	(4.9)
Investment in associate and joint ventures (Note 3)	(539.4)	(0.4)	(540.6)	(2,471.8)
Deferred proceeds/ proceeds from disposal of associates and joint venture (Note 4)	6.6	18.4	1,146.4	61.5
Interest received	2.7	17.8	16.4	39.4
Contribution from non-controlling interests	-	-	-	12.9
Balance carried forward	(500.3)	44.9	305.6	(2,320.8)

CONSOLIDATED STATEMENT OF CASH FLOWS*For the fourth quarter and financial year ended 31 March 2018*

	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Cash Flows from Investing Activities (continued)				
Balance brought forward	(500.3)	44.9	305.6	(2,320.8)
Payment for purchase of property, plant and equipment	(603.4)	(652.8)	(2,349.0)	(2,260.6)
Proceeds from sale of property, plant and equipment	0.4	0.1	142.6	34.2
Purchase of intangible assets	(33.4)	(23.5)	(1,124.4)	(257.7)
Withholding tax paid on intra-group interest income	(12.3)	(13.0)	(26.0)	(27.3)
Repayment of loan by an associate (Note 4)	-	-	1,100.5	-
Net cash used in investing activities	(1,149.0)	(644.3)	(1,950.7)	(4,832.2)
Cash Flows from Financing Activities				
Proceeds from term loans	2,463.8	1,720.8	6,948.6	6,174.9
Repayment of term loans	(1,343.7)	(1,465.8)	(6,726.0)	(5,263.7)
Proceeds from bond issue	-	-	430.2	675.4
Repayment of bonds	-	(154.2)	(936.4)	(404.2)
Proceeds from finance lease liabilities	4.3	4.7	18.0	10.1
Finance lease payments	(11.4)	(8.6)	(46.3)	(34.9)
Net proceeds from/ (repayment of) borrowings	1,113.0	96.9	(311.9)	1,157.6
Final dividend paid to shareholders of the Company	-	-	(1,746.6)	(1,705.5)
Interim dividend paid to shareholders of the Company	(1,110.0)	(1,110.0)	(1,110.0)	(1,110.0)
Special dividend paid to shareholders of the Company	(489.7)	-	(489.7)	-
Net interest paid on borrowings and swaps	(86.3)	(71.8)	(379.9)	(351.3)
Settlement of swap for bonds repaid	-	16.3	61.4	16.3
Purchase of performance shares	(5.6)	(6.0)	(25.0)	(27.2)
Dividend paid to non-controlling interests	-	(0.2)	(5.4)	(5.0)
Proceeds from issue of shares (Note 3)	-	-	-	1,602.4
Others	-	0.3	(2.1)	0.3
Net cash used in financing activities	(578.6)	(1,074.5)	(4,009.2)	(422.4)
Net change in cash and cash equivalents	(324.3)	(302.5)	(4.7)	60.1
Exchange effects on cash and cash equivalents	8.3	(11.5)	(4.2)	11.9
Cash and cash equivalents at beginning of period	840.9	847.8	533.8	461.8
Cash and cash equivalents at end of period	524.9	533.8	524.9	533.8

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS*For the fourth quarter and financial year ended 31 March 2018***Note (1): Income tax and withholding tax paid**

The payment in the previous financial year included an amount of S\$142 million (A\$134 million) paid to the Australian Taxation Office in November 2016 for amended assessments under dispute related to the acquisition financing of Optus.

Note (2): Payments for acquisition of subsidiaries

- (a) On 10 April 2017, Singtel's wholly-owned subsidiary, Amobee, Inc., acquired 100% of the share capital of Turn, Inc. ("**Turn**") for S\$392 million (US\$281 million). The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows –

	31 Mar 2018 S\$ Mil (Audited)
Identifiable intangible assets	53.3
Non-current assets	11.8
Cash and cash equivalents	55.6
Current assets (excluding cash and cash equivalents)	103.6
Total liabilities	(179.7)
Net assets acquired	44.6
Goodwill	347.5
Total cash consideration	392.1
Less: Cash and cash equivalents acquired	(55.6)
Net outflow of cash	336.5

- (b) The payments in the previous financial year included deferred payments of S\$3.4 million and S\$1.5 million made in respect of the acquisitions of Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**") and Ensyst Pty Limited respectively.

Note (3): Investments in associate and joint ventures, and proceeds from issue of shares

On 12 March 2018, Singtel completed the acquisition of an additional 1.7% equity interest in Bharti Telecom Limited ("**BTL**") for S\$539 million.

On 17 November 2016, Singtel completed the acquisitions of 21.0% equity interest in Intouch Holdings Public Company Limited for S\$1.59 billion and an additional 7.4% equity interest in BTL for S\$884 million. The acquisitions were partially financed by proceeds of S\$1.60 billion from the issuance of 385,581,351 new ordinary shares of Singtel listed on the Singapore Exchange.

Note (4): Proceeds from disposal of associate, and repayment of loan by an associate

On 19 July 2017, Singtel sold its 100% interest in NetLink Trust to NetLink NBN Trust for an aggregate consideration of S\$1.89 billion comprising a cash consideration of S\$1.11 billion and 24.79% interest in NetLink NBN Trust. In addition, a unitholder loan of S\$1.10 billion was repaid by NetLink Trust to Singtel.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS*For the fourth quarter and financial year ended 31 March 2018*

Note (5): For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprised:

	As at 31 Mar	
	2018	2017
	S\$ Mil	S\$ Mil
	(Audited)	(Audited)
Fixed deposits	122.7	164.1
Cash and bank balances	402.2	369.7
	<u>524.9</u>	<u>533.8</u>

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***1. BASIS OF PREPARATION**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current quarter/ year as the most recent audited financial statements as at 31 March 2017. The adoption of the new or revised Singapore Financial Reporting Standards (“**FRS**”), amendments to FRS and Interpretations to FRS which are mandatory from 1 April 2017 did not have a significant impact on the financial statements of the Group and the Company.

2. OPERATING EXPENSES

The income statement included the following items -

Group	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Impairment of trade receivables	14.9	35.2	128.0	139.1
Allowance for inventory obsolescence (net)	5.2	0.9	7.1	1.6

3. OTHER INCOME

Other income included the following items -

Group	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Rental income	0.8	0.8	3.3	3.3
Net exchange (losses)/ gains - trade related	(0.1)	2.6	(9.1)	(6.2)
Net gains/ (losses) on disposal of property, plant and equipment	0.7	(0.5)	4.3	3.4

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***4. DEPRECIATION AND AMORTISATION**

Group	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Depreciation of property, plant and equipment ⁽¹⁾	510.9	513.0	2,041.1	1,959.9
Amortisation of intangibles	73.1	72.4	300.5	282.1
Amortisation of deferred gain on sale of a joint venture	-	(0.8)	(1.5)	(3.1)
	584.0	584.6	2,340.1	2,238.9

Note:

- (1) Optus has revised the useful lives of certain network assets from 1 April 2017 as part of its periodic review. The revision has resulted in lower depreciation of S\$12 million (A\$12 million) and S\$49 million (A\$48 million) in the current quarter and financial year ended 31 March 2018 respectively.

5. EXCEPTIONAL ITEMS

Group	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Exceptional gains				
(Adjustment to gain)/Gain on disposal of an associate	(22.3)	-	2,030.9	-
Disputes settlement	-	-	54.8	-
Gain on sale of AFS investments	25.1	5.1	45.7	11.5
Gain on disposal of a joint venture	-	-	6.5	-
Gain on dilution of interests in associates and joint ventures	-	32.3	-	33.3
Reversal of impairment on AFS investments	-	0.2	0.2	4.8
	2.8	37.6	2,138.1	49.6
Exceptional losses				
Impairment of other non-current assets	-	(11.7)	(77.3)	(11.7)
Staff restructuring costs	(5.9)	(0.3)	(57.7)	(38.3)
Provision for contingent claims and other charges	-	-	(57.1)	-
Impairment of an associate	-	-	(5.0)	-
Loss on sale of AFS investments	-	-	(0.6)	(0.2)
Impairment of AFS investments	-	-	-	(0.6)
	(5.9)	(12.0)	(197.7)	(50.8)
	(3.1)	25.6	1,940.4	(1.2)

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***6. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES**

Group	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Share of ordinary results ⁽¹⁾	519.4	713.1	2,453.6	2,885.8
Share of tax of ordinary results ⁽¹⁾	(118.7)	(195.6)	(640.1)	(837.8)
Share of exceptional items (post-tax) ⁽¹⁾⁽²⁾	*	(48.1)	(26.8)	(30.7)
	400.7	469.4	1,786.7	2,017.3

Notes:

(1) AIS' 3G/4G handset subsidy costs have been reclassified from share of exceptional items to share of ordinary results to be consistent with the current quarter and financial year ended 31 March 2018.

(2) Comprise share of exceptional items from Airtel, Globe, Intouch and SingPost.

"*" denotes less than +/- S\$50,000.

7. INTEREST AND INVESTMENT INCOME (NET)

Group	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Interest income from				
- bank deposits	2.4	1.5	7.6	5.8
- others	0.3	7.4	9.0	31.6
	2.7	8.9	16.6	37.4
Dividends from joint ventures	3.2	15.1	30.3	60.9
Gross dividends from AFS investments	-	0.3	2.3	1.4
Fair value gains/ (losses) on fair value hedges				
- hedged item	31.5	51.6	114.3	57.8
- hedging instrument	(31.6)	(51.0)	(114.2)	(51.3)
	(0.1)	0.6	0.1	6.5
Fair value (losses)/ gains on cash flow hedges				
- hedged item	(35.2)	181.1	2.1	(1.5)
- hedging instrument	35.2	(181.1)	(2.1)	1.5
	-	-	-	-
Other fair value gains/ (losses)	7.2	(3.1)	7.4	0.5
Other foreign exchange (losses)/ gains	(2.8)	(6.4)	(11.1)	8.1
	10.2	15.4	45.6	114.8

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***8. FINANCE COSTS**

Group	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Interest expense on				
- bonds	73.0	77.7	302.8	305.5
- bank loans	13.4	11.3	49.7	36.1
	86.4	89.0	352.5	341.6
Financing related costs	5.5	7.8	27.0	28.7
Effects of hedging using interest rate swaps	2.7	(0.3)	6.8	(0.2)
Unwinding of discounts (including adjustments)	1.0	1.0	3.9	4.2
	95.6	97.5	390.2	374.3

9. TAX EXPENSE

Group	Quarter 31 Mar		Year 31 Mar	
	2018 S\$ Mil (Unaudited)	2017 S\$ Mil (Unaudited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Current and deferred tax expense attributable to current period's profits	126.5	139.5	504.5	531.2
Current and deferred tax adjustments in respect of prior years	19.0	(6.6)	18.6	(8.1)
Withholding and dividend distribution taxes on dividend income from associates and joint ventures	38.5	48.2	178.1	161.3
	184.0	181.1	701.2	684.4

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***10. BREAKDOWN OF SALES**

Group	Year		% change
	31 Mar 18 S\$ Mil (Unaudited)	31 Mar 17 S\$ Mil (Unaudited)	
Sales reported for first half year	8,602.0	7,994.2	7.6%
Operating profit after tax before deducting non-controlling interest reported for first half year	3,769.2	1,908.6	97.5%
Sales reported for second half year	8,929.8	8,717.2	2.4%
Operating profit after tax before deducting non-controlling interest reported for second half year	1,661.1	1,922.4	-13.6%

11. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

Group	Quarter 31 Mar		Year 31 Mar	
	2018 '000 (Unaudited)	2017 '000 (Unaudited)	2018 '000 (Audited)	2017 '000 (Audited)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	16,321,607	16,321,979	16,322,581	16,082,136
Adjustment for dilutive effect of performance share plans	21,748	27,115	21,748	27,115
Weighted average number of ordinary shares for calculation of diluted earnings per share	16,343,355	16,349,094	16,344,329	16,109,251

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

12. FAIR VALUE MEASUREMENTS

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

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***12. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the assets and liabilities measured at fair value as at 31 March 2018:

Group 31 March 2018 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾				
- Quoted investments	10.0	-	-	10.0
- Unquoted investments	-	-	86.1	86.1
	10.0	-	86.1	96.1
Derivative financial instruments	-	432.8	-	432.8
	10.0	432.8	86.1	528.9
Financial liabilities				
Derivative financial instruments	-	372.2	-	372.2

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

Note:

(1) Excluded AFS investments stated at cost of S\$101.8 million (31 March 2017: S\$69.3 million).

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***12. FAIR VALUE MEASUREMENTS (Continued)**

Company 31 March 2018 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments				
- Quoted investments	5.5	-	-	5.5
- Unquoted investments	-	-	-	-
	5.5	-	-	5.5
Derivative financial instruments	-	204.2	-	204.2
	5.5	204.2	-	209.7
Financial liabilities				
Derivative financial instruments	-	363.9	-	363.9

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***12. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the liabilities not measured at fair value (but with fair value disclosed) as at 31 March 2018:

31 March 2018 (Audited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	7,823.9	5,459.8	2,680.4	-	8,140.2
Company					
Bonds	673.2	879.1	-	-	879.1

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

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

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***12. FAIR VALUE MEASUREMENTS (Continued)**

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

	Group		Company	
	31 Mar 18	31 Mar 17	31 Mar 18	31 Mar 17
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
	(Audited)	(Audited)	(Audited)	(Audited)
AFS investments - unquoted				
Balance as at 1 April	90.3	42.9	8.3	7.7
Total (losses)/ gains included in 'Fair Value Reserve'	(6.1)	15.5	0.3	0.6
Additions	6.2	20.7	-	-
Write-back of impairment	-	1.5	-	-
Disposals	(16.5)	(2.4)	(8.6)	-
Transfer from Level 3	-	(0.9)	-	-
Transfer to Level 3	12.2	13.0	-	-
Balance as at 31 March	86.1	90.3	-	8.3

13. GROUP'S BORROWINGS AND DEBT SECURITIES

	Group		Company	
	31 Mar 18	31 Mar 17	31 Mar 18	31 Mar 17
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
	(Audited)	(Audited)	(Audited)	(Audited)
Unsecured borrowings				
Repayable within one year	1,800.5	3,046.9	-	-
Repayable after one year	8,525.1	7,852.7	673.2	746.2
	10,325.6	10,899.6	673.2	746.2
Secured borrowings				
Repayable within one year	23.1	86.7	7.4	1.5
Repayable after one year	81.5	199.6	68.5	157.2
	104.6	286.3	75.9	158.7
	10,430.2	11,185.9	749.1	904.9

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

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***14. SHARE CAPITAL AND OTHER EQUITY INFORMATION****Share Capital**

Group and Company	Quarter 31 Mar 18		Year 31 Mar 18	
	Number of shares	Share capital	Number of shares	Share capital
	Mil (Unaudited)	S\$ Mil (Unaudited)	Mil (Audited)	S\$ Mil (Audited)
Balance as at beginning and end of period	16,329.1	4,127.3	16,329.1	4,127.3

As at 31 March 2018, the issued and paid up capital excluding treasury shares comprised 16,321.2 million (31 March 2017: 16,321.5 million) ordinary shares.

Treasury Shares

Group	Quarter 31 Mar		Year 31 Mar	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Audited)	2017 (Audited)
Balance at beginning of period	6,389,355	6,060,159	7,636,301	7,237,285
Shares transferred to employees under the Singtel Performance Share Plan 2012	(66,173)	-	(4,691,283)	(4,735,348)
Purchase of treasury shares	1,574,354	1,576,142	4,952,518	5,134,364
Balance at end of period	7,897,536	7,636,301	7,897,536	7,636,301

As at 31 March 2018, the number of treasury shares represented 0.05% (31 March 2017: 0.05%) of the total number of issued shares.

During the current quarter, 66,173 (31 March 2017: nil) treasury shares were transferred to employees upon vesting of shares released under the Singtel Performance Share Plan 2012 and 1,574,354 (31 March 2017: 1,576,142) treasury shares were purchased.

During the financial year ended 31 March 2018, 4,691,283 (31 March 2017: 4,735,348) treasury shares were transferred to employees upon vesting of shares released under the Singtel Performance Share Plan 2012 and 4,952,518 (31 March 2017: 5,134,364) treasury shares were purchased.

Except for the transfers, there was no other sale, disposal, cancellation and/or other use of treasury shares for the quarter and year ended 31 March 2018.

The Company's subsidiaries do not hold shares in the Company as at 31 March 2018 and 31 March 2017.

Performance Shares

As at 31 March 2018, the number of outstanding performance shares granted under the Singtel Performance Share Plan 2012 was 37,057,494 (31 March 2017: 38,090,751).

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***15. DIVIDENDS**

	Group		Company	
	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)	2018 S\$ Mil (Audited)	2017 S\$ Mil (Audited)
Total annual exempt (one-tier) dividend				
Final dividend	1,746.6	1,705.5	1,747.2	1,706.0
Interim dividend	1,110.0	1,110.0	1,110.4	1,110.4
Special dividend	489.7	-	489.9	-
Total	3,346.3	2,815.5	3,347.5	2,816.4

During the financial year, a final one-tier exempt ordinary dividend of 10.7 cents per share, totalling S\$1.75 billion was paid in respect of the previous financial year ended 31 March 2017. In addition, an interim one-tier exempt ordinary dividend of 6.8 cents per share totalling S\$1.11 billion and a special one-tier exempt dividend of 3.0 cents per share totalling S\$490 million were paid in respect of the current financial year ended 31 March 2018.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier exempt ordinary dividend of 10.7 cents per share, totalling approximately S\$1.75 billion in respect of the current financial year ended 31 March 2018. The final dividend, if approved by shareholders of the Company at the forthcoming Annual General Meeting, will be paid on 13 August 2018.

This report does not reflect the above final dividend payable of approximately S\$1.75 billion, which will be accounted for in the Shareholders' Equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2019.

Subject to the approval of the final dividend by shareholders at the forthcoming Annual General Meeting, the Transfer Book and the Register of Members of the Company will be closed on 31 July 2018 for the preparation of dividend warrants. Duly completed registrable transfers of the ordinary shares of the Company received by the Company's share registrar up to 5.00 p.m. on 30 July 2018 will be registered to determine members' entitlements to the final dividend.

16. NET ASSET VALUE

	Group		Company	
	As at 31 Mar 18 S\$ (Audited)	31 Mar 17 S\$ (Audited)	As at 31 Mar 18 S\$ (Audited)	31 Mar 17 S\$ (Audited)
Net asset value per ordinary share	1.82	1.73	1.31	1.24

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***17. CONTINGENT LIABILITIES****(a) Guarantees**

As at 31 March 2018,

- (i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S\$570.4 million and S\$146.4 million (31 March 2017: S\$437.5 million and S\$268.1 million) respectively.
- (ii) The Company provided guarantees for loans of S\$1.18 billion (31 March 2017: S\$1.16 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**"), a wholly owned subsidiary, with maturities between December 2018 and May 2020.
- (iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$4.04 billion (31 March 2017: S\$4.92 billion) due between April 2018 and October 2026.

- (b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised of primary tax of A\$268 million, interest of A\$58 million and penalties of A\$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A\$89 million.

STAI has objected to the amended assessments.

In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continued to be recognised as a receivable as at 31 March 2018.

STAI has received advice from external experts in relation to this matter and will vigorously defend its position. Accordingly, no provision has been made as at 31 March 2018.

On 2 November 2017, STAI received a tax position paper from the ATO in relation to the subsequent re-financing of the above loan. This matter is now settled at an agreed amount.

- (c) The Group is contingently liable for claims arising in the ordinary course of business and from certain tax assessments which are being contested, the outcome of which are not presently determinable. The Group is vigorously defending all these claims.

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***18. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES**

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

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (S\$1.05 billion) towards levy of one time spectrum charge.

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

As at 31 March 2018, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 126 billion (S\$2.54 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

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

In 2008, CAT Telecom Public Company Limited ("**CAT**") demanded that AIS' subsidiary, Digital Phone Company Limited ("**DPC**") pay additional revenue share of THB 3.4 billion (S\$143 million) arising from the abolishment of excise tax. CAT's claim is still pending appeal before the Supreme Administrative Court.

In 2015, TOT Public Company Limited ("**TOT**") demanded that AIS pays additional revenue share of THB 62.8 billion (S\$2.64 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S\$1.52 billion) plus interest. The claims are pending arbitration.

Between 2014 to 2016, TOT demanded that AIS pays THB 41.1 billion (S\$1.73 billion) plus interest for the porting of subscribers from 900MHz to 2100MHz network. This case is pending arbitration.

In March 2018, CAT demanded DPC to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion (S\$564 million) or to pay the same amount plus interest. This case is pending arbitration.

As at 31 March 2018, there are a number of other claims against AIS and its subsidiaries amounting to THB 28.3 billion (S\$1.19 billion) which are pending adjudication.

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***18. CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES (Continued)**

- (c) In October 2017, Intouch Holdings Public Company Limited (“**Intouch**”) and its subsidiary, Thaicom Public Company Limited (“**Thaicom**”) received letters from the Ministry of Digital Economy and Society (the “**Ministry**”) stating that Thaicom 7 and Thaicom 8 satellites (the “**Satellites**”) are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the Agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.

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

In June 2016, the Philippine Competition Commission (“**PCC**”) claimed that the Joint Notice of Acquisition filed by Globe, PLDT and San Miguel Corporation (“**SMC**”) on the acquisition of SMC’s telecommunications business was deficient and cannot be claimed to be deemed approved. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines (“**CA**”) to stop the PCC from reviewing the acquisition. In October 2017, the CA ruled in favour of Globe and PLDT, and declared the acquisition as valid and deemed approved. PCC subsequently elevated the case to the Supreme Court to review the CA’s rulings.

- (e) As at 31 March 2018, PT Telekomunikasi Selular (“**Telkomsel**”), a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 180 billion (S\$17 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***19. GROUP SEGMENT INFORMATION**

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

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

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

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

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

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

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

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

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***19. GROUP SEGMENT INFORMATION (Continued)***For the financial year ended 31 March 2018*

Group - 2018 (Audited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	9,826.1	6,625.4	1,080.3	-	17,531.8
Operating expenses	(6,663.8)	(4,814.3)	(1,133.4)	(90.0)	(12,701.5)
Other income	206.9	44.8	1.8	5.3	258.8
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,369.2	1,855.9	(51.3)	(84.7)	5,089.1
Share of pre-tax results of associates and joint ventures					
- Airtel	199.3	-	-	-	199.3
- Telkomsel	1,372.4	-	-	-	1,372.4
- Globe	289.1	-	-	-	289.1
- AIS	347.4	-	-	-	347.4
- Intouch	103.0	-	-	-	103.0
- Others	0.9	-	-	148.7	149.6
	2,312.1	-	-	148.7	2,460.8
EBITDA and share of pre-tax results of associates and joint ventures	5,681.3	1,855.9	(51.3)	64.0	7,549.9
Depreciation and amortisation	(1,633.3)	(636.5)	(69.1)	(1.2)	(2,340.1)
Earnings before interest and tax ("EBIT")	4,048.0	1,219.4	(120.4)	62.8	5,209.8
Segment assets					
Investment in associates and joint ventures					
- Airtel	7,453.1	-	-	-	7,453.1
- Telkomsel	3,419.8	-	-	-	3,419.8
- Globe	1,060.0	-	-	-	1,060.0
- AIS	762.5	-	-	-	762.5
- Intouch	1,636.4	-	-	-	1,636.4
- Others	23.6	-	-	432.7	456.3
	14,355.4	-	-	432.7	14,788.1
Goodwill on acquisition of subsidiaries	9,192.9	1,167.5	1,011.8	-	11,372.2
Other assets	13,200.9	5,713.9	729.8	2,448.8	22,093.4
	36,749.2	6,881.4	1,741.6	2,881.5	48,253.7

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***19. GROUP SEGMENT INFORMATION (Continued)***For the financial year ended 31 March 2018*

Group - 2017 (Audited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	9,572.0	6,600.3	539.1	-	16,711.4
Operating expenses	(6,453.3)	(4,732.0)	(652.6)	(91.1)	(11,929.0)
Other income/ (expense)	176.2	45.0	(8.7)	2.8	215.3
EBITDA	3,294.9	1,913.3	(122.2)	(88.3)	4,997.7
Share of pre-tax results of associates and joint ventures					
- Airtel	579.9	-	-	-	579.9
- Telkomsel	1,422.0	-	-	-	1,422.0
- Globe	288.0	-	-	-	288.0
- AIS ⁽¹⁾	333.4	-	-	-	333.4
- Intouch	31.3	-	-	-	31.3
- Others	1.2	-	-	230.0	231.2
	2,655.8	-	-	230.0	2,885.8
EBITDA and share of pre-tax results of associates and joint ventures ⁽¹⁾	5,950.7	1,913.3	(122.2)	141.7	7,883.5
Depreciation and amortisation	(1,524.4)	(644.9)	(68.1)	(1.5)	(2,238.9)
EBIT ⁽¹⁾	4,426.3	1,268.4	(190.3)	140.2	5,644.6
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,847.0	-	-	-	6,847.0
- Telkomsel	3,606.2	-	-	-	3,606.2
- Globe	1,085.4	-	-	-	1,085.4
- AIS	646.4	-	-	-	646.4
- Intouch	1,577.2	-	-	-	1,577.2
- Others	25.2	-	-	447.7	472.9
	13,787.4	-	-	447.7	14,235.1
Goodwill on acquisition of subsidiaries	9,193.4	1,241.4	729.8	-	11,164.6
Other assets	12,590.8	5,637.4	602.5	4,063.8	22,894.5
	35,571.6	6,878.8	1,332.3	4,511.5	48,294.2

SELECTED NOTES TO THE FINANCIAL STATEMENTS*For the fourth quarter and financial year ended 31 March 2018***19. GROUP SEGMENT INFORMATION (Continued)***For the financial year ended 31 March 2018*

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

Group	Year 31 Mar 18 S\$ Mil (Audited)	Year 31 Mar 17 S\$ Mil (Audited)
EBIT ⁽¹⁾	5,209.8	5,644.6
Exceptional items	1,940.4	(1.2)
Share of exceptional items of associates and joint ventures (post-tax) ⁽¹⁾	(34.0)	(30.7)
Share of tax of associates and joint ventures ⁽¹⁾	(640.1)	(837.8)
Profit before interest, investment income (net) and tax	6,476.1	4,774.9
Interest and investment income (net)	45.6	114.8
Finance costs	(390.2)	(374.3)
Profit before tax	6,131.5	4,515.4

Note:

(1) AIS' 3G/4G handset subsidy costs in the previous financial year has been reclassified from share of exceptional items of joint ventures to share of pre-tax results of joint ventures to be consistent with the current year.

The Group's revenue from its major products and services are as follows -

Group	Year 31 Mar 18 S\$ Mil (Audited)	Year 31 Mar 17 S\$ Mil (Audited)
Mobile communications ⁽¹⁾	5,955.2	5,926.5
Data and Internet ⁽¹⁾	3,427.3	3,319.0
Infocomm Technology (ICT) ⁽¹⁾	3,067.6	2,948.0
Sale of equipment	2,031.9	1,903.8
Digital businesses	1,113.1	565.6
National telephone	963.2	1,062.4
International telephone	421.1	479.7
Pay television ⁽¹⁾	369.4	356.1
Others ⁽¹⁾	183.0	150.3
Operating revenue	17,531.8	16,711.4

Note:

(1) Comparatives have been reclassified to be consistent with the current year.

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 38% (31 March 2017: 40%) and 52% (31 March 2017: 53%) of the total revenue for the financial year ended 31 March 2018, with the remaining 10% (31 March 2017: 7%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2018 and 31 March 2017.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the fourth quarter and financial year ended 31 March 2018

OTHER INFORMATION

20. The statements of financial position as at 31 March 2018 and the income statement, statement of comprehensive income, changes in equity and cash flows for the financial year ended 31 March 2018 presented in this announcement have been audited in accordance with Singapore Standards on Auditing.

21. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2018.

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

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2018.

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

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and financial year ended 31 March 2018.

24. INTERESTED PERSON TRANSACTIONS

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

- 25. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION IN THE ISSUER OR ANY OF ITS PRINCIPAL SUBSIDIARIES WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER OF THE ISSUER.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

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

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

27. SUBSEQUENT EVENT

In April 2018, the Group completed the sale of a property for S\$118 million.

The auditor's report on the full financial statements of Singapore Telecommunications Limited for the financial year ended 31 March 2018 is as follows:

**“INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF SINGAPORE TELECOMMUNICATIONS LIMITED
For the financial year ended 31 March 2018**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Telecommunications Limited (the “**Company**”) and its subsidiaries (the “**Group**”) which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2018, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “**Act**”) and Financial Reporting Standards in Singapore (“**FRSs**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
Revenue recognition We have identified three critical areas in relation to revenue set out below that we consider significant either because of the complexity of the operation of billing systems or because of the required exercise of judgement: - accounting for long-term contracts, particularly with respect to Group Enterprise Infocomm Technology (“ICT”) projects; - accounting for new products and tariffs introduced in the year; and - the timing of revenue recognition. The accounting policies for revenue recognition are set out in Note 2.20 to the financial statements and the different revenue streams for the Group have been disclosed in Note 4 to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: - We performed procedures to identify contracts which may exhibit areas of audit interest such as low and/or significant change in margins, loss-making contracts, and accounts with high accrued revenue amongst others. We challenged the assumptions and judgements underpinning forecast performance of the identified contracts and the adequacy of contract loss provisions. - We evaluated the relevant IT systems and the design and operating effectiveness of controls over the capture and recording of revenue transactions by involving our IT specialists to assist in the audit of automated controls, including interface controls between different IT applications. - We evaluated the business process controls in place over the authorisation of rate changes, the introduction of new plans and the input of this information to billing

Key Audit Matters	Our audit performed and responses thereon
Taxation	systems. We tested the access controls and change management controls for the Group's billing systems. • We tested samples of customer bills for accuracy for new products and tariffs introduced in the year. • We tested key reconciliations used by management to assess the completeness and accuracy of revenue, including testing the period in which it is reported. • We tested supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items. We have validated and are satisfied with the assumptions and key management estimates adopted where revenue is recognised on a percentage of completion basis. We have not noted any significant deficiency in the relevant IT systems and business process controls of the relevant revenue streams. No exceptions were noted in the key reconciliations and manual journal entries relating to revenue recorded in the year.
The Group's subsidiaries, associates and joint ventures have operations across a large number of jurisdictions and are subject to periodic challenges by local tax authorities. As discussed in Note 38(b) to the financial statements, the Group has been responding to an ongoing specific issue audit by the Australian Taxation Office ("ATO") in connection with the acquisition financing of Singtel Optus Pty Limited ("Optus"). The Group has engaged external specialists to advise management on this specific issue audit, including raising objections to the amended assessments. Evaluation of the outcome of the specific issue audit, and whether the risk of loss is remote, possible or probable, requires significant judgement given the complexities involved.	We have involved our tax specialists in assessing the judgements taken by management in reaching their conclusion that the specific issue audit by the ATO represents a contingent liability of the Group and that the amount paid continues to represent a receivable as at 31 March 2018. We have examined the advice obtained by management from the Group's tax specialists to support the judgement taken, and have discussed the merits of the case. Based on our procedures, we believe that the position taken by the Group is appropriate. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements, in accordance with FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>.
Goodwill impairment review <u>Optus, Amobee, Inc. and Trustwave</u> Under FRSS, the Group is required to annually test goodwill for impairment. This assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates, as well as the cash generating unit ("CGU") on which the goodwill is tested for impairment. As at 31 March 2018, the goodwill recorded on Optus, Amobee, Inc. and Trustwave Holdings, Inc. ("Trustwave") amounted to S\$9.28 billion, S\$1.01 billion and S\$999 million respectively, cumulatively constituting approximately 23% of the Group's total assets. As disclosed in Note 23 to the financial statements, the goodwill recorded on Amobee, Inc. of S\$1.01 billion includes goodwill of S\$327 million resulting from the finalisation of the purchase price allocation work on the acquisition of Turn, Inc. during the year. Subsequent to the restructuring and reorganisation of the Group's cyber security business during the financial year, which became effective from 1 April 2018, management has assessed and considered that the combined cyber security businesses of the Group, which includes Trustwave, are considered as one CGU to support the carrying value of goodwill amounting to S\$999 million. The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 23 to the financial statements.	<u>Optus, Amobee, Inc. and Trustwave</u> Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included: • challenging the appropriateness of the CGU to which goodwill is allocated and tested for impairment, and that the change in CGU for Trustwave to be the combined cyber security business is in accordance with the requirements in FRS 36 <i>Impairment of Assets</i>; • using our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis and purchase price allocation work, in particular the discount rate and long-term growth rate, and comparing the independent expectations with those used by management; • challenging the cash flow forecasts used, comparing with recent performance, trend analysis and market expectations; and • by reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them. Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Key Audit Matters	Our audit performed and responses thereon
<u>Bharti Airtel</u> Bharti Airtel Limited (“Airtel”), a joint venture of the Group, has recorded significant goodwill arising from the acquisition of Airtel Africa in June 2010, of which the Group’s share is considered material. This goodwill recorded by Airtel is required to be tested for impairment at least annually. As the amount of goodwill recorded is material, an impairment thereof may materially affect the Group’s share of the joint venture’s results. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets in Africa. The Group’s carrying value in Airtel (which includes the goodwill) is disclosed in Note 22 to the financial statements.	<u>Bharti Airtel</u> Our audit procedures included the review of relevant working papers of the auditors of Airtel (the “Bharti Airtel Auditors”), with particular focus on those related to the goodwill impairment review. We also discussed with Airtel management, Bharti Airtel Auditors and specialists used by them, including those engaged to assist the Bharti Airtel Auditors in assessing the assumptions adopted in the goodwill impairment model prepared by Airtel management. The Group’s share of Airtel’s results is calculated based on Airtel’s audited financial statements on which the Bharti Airtel Auditors have expressed an unmodified opinion.
Contingent liabilities: Share of significant joint ventures’ and associate’s reported regulatory and tax disputes The Group’s significant joint ventures and associate have operations across a number of jurisdictions including Africa, India, Indonesia, the Philippines and Thailand, and are subject to periodic challenges by local regulators and tax authorities. Management of these significant joint ventures and associate have engaged specialists to advise them on such disputes, and to assess whether the risk of loss is remote, possible or probable. Such assessment requires significant judgement given the complexities involved. The joint ventures’ and associate’s contingent liabilities have been disclosed in Note 39 to the financial statements.	Our audit procedures included the review of relevant working papers of the auditors of the significant joint ventures and associate (the “Component Auditors”), with particular focus on those related to regulatory and tax disputes. We have also discussed with management of these significant joint ventures and associate, and their respective Component Auditors, including those engaged to assist the Component Auditors in evaluating the contingent liabilities. We have also reviewed legal advice received by the Component Auditors for certain of the key contingent liabilities that are significant to the Group and assessed the adequacy of disclosure of the contingent liabilities in the financial statements, in accordance with FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>.

Information other than the financial statements and auditor’s report thereon

Management is responsible for the other information. The other information comprises all the information included in the Annual Report, excluding the Financial Statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of our auditor’s report on the Financial Statements.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Philip Yuen Ewe Jin.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

16 May 2018"