



Full Year 2015 Financial Statement Announcement

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Notes:

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



1(a) Consolidated Statement of Comprehensive Income for:

	Note	4Q2015			4Q2014			Year Ended 31 Dec		
		S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	2015	2014	Change
Operating revenue	(i)	307.9	346.4	-11.1%	1,157.2	1,076.3	7.5%			
Operating expenses	(ii)	(255.2)	(290.9)	-12.3%	(940.0)	(857.1)	9.7%			
Other revenue		3.1	0.6	@	6.2	1.9	227.1%			
Finance costs		(1.3)	(1.0)	32.0%	(4.9)	(4.0)	21.7%			
Profit before tax		54.6	55.0	-0.8%	218.4	217.1	0.6%			
Taxation	(iii)	(11.0)	(10.5)	4.6%	(39.9)	(41.3)	-3.3%			
Net profit		43.6	44.5	-2.1%	178.5	175.8	1.5%			
Other comprehensive income		-	-	-	-	-	-			
Total comprehensive income for the period		43.6	44.5	-2.1%	178.5	175.8	1.5%			
Earnings per share (cents)										
Basic		4.7	4.8	-2.7%	19.1	18.9	0.8%			
Diluted		4.6	4.8	-2.3%	19.0	18.8	1.2%			
EBITDA (S\$'m)		88.2	86.4	2.1%	341.8	335.5	1.9%			

@ Denotes more than +/-300%

The net profit included the following:

	4Q2015		4Q2014		Year Ended 31 Dec	
	S\$'m	S\$'m	S\$'m	S\$'m	2015	2014
Other revenue including interest income	(3.1)	(0.6)	(6.2)	(1.9)		
Interest on borrowings	1.3	1.0	4.9	4.0		
Depreciation and amortisation	32.3	30.3	118.4	114.4		
Allowance for doubtful debts and bad debts written off	2.6	2.5	8.9	11.4		
Foreign exchange (gain)/loss, net	0.3	0.1	(0.2)	0.3		
Adjustments for under/(over) provision of tax in respect of prior years	nil	nil	nil	0.8		
(Gain)/loss on disposal of fixed assets	(*)	(0.1)	(0.1)	(0.6)		

* Denotes less than S\$0.05 million



1(b) Statements of Financial Position as at:

	Note	Group		Company	
		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		S\$'m	S\$'m	S\$'m	S\$'m
Non-current assets:					
Fixed assets		713.9	685.9	697.3	675.0
Licences and spectrum rights		89.1	102.1	89.1	102.1
Other intangibles		13.8	13.9	0.1	0.1
Staff loans		0.2	0.1	0.2	0.1
Long-term investment		8.5	-	-	-
Interest in subsidiaries		-	-	7.1	7.1
Due from a subsidiary		-	-	25.4	16.9
		<u>825.5</u>	<u>801.9</u>	<u>819.2</u>	<u>801.4</u>
Current assets:					
Inventories		51.5	30.3	*	0.1
Trade debtors	(iv)	165.9	149.7	161.7	146.6
Other debtors		20.5	13.9	15.0	9.8
Prepayments		12.4	8.7	12.0	8.4
Due from related companies		0.2	0.5	0.7	4.4
Cash and cash equivalents	(v)	10.0	22.8	9.2	22.4
		<u>260.5</u>	<u>225.9</u>	<u>198.6</u>	<u>191.7</u>
Current liabilities:					
Creditors and accruals		(145.5)	(157.3)	(110.7)	(112.9)
Unearned revenue		(25.5)	(26.4)	(23.1)	(24.6)
Due to related companies		(0.2)	(0.1)	(0.1)	(24.2)
Borrowings	(vi)	(353.8)	(52.0)	(353.8)	(52.0)
Taxation		(36.8)	(38.7)	(33.4)	(38.2)
		<u>(561.8)</u>	<u>(274.5)</u>	<u>(521.2)</u>	<u>(252.0)</u>
Net current liabilities		(301.3)	(48.6)	(322.6)	(60.3)
Non-current liabilities:					
Borrowings	(vi)	-	(250.0)	-	(250.0)
Deferred tax liabilities		(110.9)	(108.7)	(111.4)	(108.7)
Net assets		<u>413.2</u>	<u>394.6</u>	<u>385.2</u>	<u>382.3</u>
Represented by:					
Share capital		217.1	200.6	217.1	200.6
Share option reserve		5.6	4.9	5.6	4.9
Retained profits		190.5	189.1	162.6	176.8
Total shareholders' equity		<u>413.2</u>	<u>394.6</u>	<u>385.2</u>	<u>382.3</u>

* Denotes less than S\$0.05 million



1(c) Consolidated Cash Flow Statement for:

	4Q2015 S\$'m	4Q2014 S\$'m	2015 S\$'m	2014 S\$'m
Cash flows from operating activities:				
Profit before tax	54.6	55.0	218.4	217.1
Adjustments for:				
Share option expenses	0.5	0.4	2.1	1.8
Depreciation of fixed assets	28.7	27.4	105.4	102.6
Gain on disposal of fixed assets	(*)	(0.1)	(0.1)	(0.6)
Amortisation	3.6	2.9	13.0	11.8
Interest income	(*)	(*)	(*)	(0.1)
Interest on borrowings	1.3	1.0	4.9	4.0
Operating cash flows before working capital changes	88.7	86.7	343.7	336.6
Changes in:				
Inventories	(12.0)	2.4	(21.2)	(1.3)
Trade debtors	(11.0)	(26.5)	(16.2)	(4.9)
Other debtors	(2.3)	0.9	(6.6)	(2.1)
Prepayments	(2.1)	(0.9)	(3.6)	0.1
Non-current staff loans	(0.1)	0.1	(0.1)	0.1
Creditors and accruals	(29.7)	(24.3)	(11.8)	(23.7)
Unearned revenue	1.7	(0.6)	(1.0)	1.7
Related companies	0.1	(0.6)	0.4	(0.8)
Changes in working capital	(55.2)	(49.4)	(60.1)	(30.8)
Interest received	*	*	*	0.1
Interest paid	(2.3)	(2.0)	(4.9)	(4.0)
Payment of tax	0.2	1.8	(39.6)	(29.0)
Net cash flows from operating activities	31.4	37.1	239.1	272.9
Cash flows from investing activities:				
Purchase of fixed assets	(42.0)	(39.4)	(133.5)	(139.6)
Purchase of spectrum rights	-	(40.1)	-	(40.1)
Purchase of long-term investment	(8.5)	-	(8.5)	-
Proceeds from disposal of fixed assets	*	*	0.1	1.3
Net cash flows used in investing activities	(50.5)	(79.4)	(141.8)	(178.4)
Cash flows from financing activities:				
Proceeds from loans	19.6	52.0	171.1	110.0
Repayment of term loans	(16.9)	(6.3)	(119.3)	(58.0)
Proceeds from issuance of ordinary shares on exercise of employee share options	0.3	1.1	15.1	18.8
Dividends paid to shareholders	-	-	(177.0)	(196.9)
Net cash flows used in financing activities	3.0	46.8	(110.1)	(126.1)
Net changes in cash and cash equivalents	(16.1)	4.5	(12.8)	(31.7)
Cash and cash equivalents at beginning of financial period	26.1	18.3	22.8	54.5
Cash and cash equivalents at end of financial period	10.0	22.8	10.0	22.8

* Denotes less than S\$0.05 million



1(d) (i) Statements of Changes in Equity:

Group	Attributable to Equity Holders of the Company			
	Share Capital S\$'m	Share Option Reserve S\$'m	Retained Profits S\$'m	Total S\$'m
As at 1 January 2015	200.6	4.9	189.1	394.6
Total comprehensive income for the period	-	-	45.7	45.7
Issuance of ordinary shares on exercise				
of employee share options	10.3	(0.8)	-	9.5
Expenses on share options	-	0.5	-	0.5
As at 31 March 2015	210.9	4.6	234.7	450.3
Total comprehensive income for the period	-	-	44.3	44.3
Issuance of ordinary shares on exercise				
of employee share options	5.5	(0.5)	-	5.1
Expenses on share options	-	0.5	-	0.5
Dividends	-	-	(111.4)	(111.4)
As at 30 June 2015	216.4	4.7	167.6	388.8
Total comprehensive income for the period	-	-	44.9	44.9
Issuance of ordinary shares on exercise				
of employee share options	0.3	(*)	-	0.3
Expenses on share options	-	0.5	-	0.5
Dividends	-	-	(65.6)	(65.6)
As at 30 Sep 2015	216.8	5.1	146.9	368.8
Total comprehensive income for the period	-	-	43.6	43.6
Issuance of ordinary shares on exercise				
of employee share options	0.3	(*)	-	0.3
Expenses on share options	-	0.5	-	0.5
As at 31 Dec 2015	217.1	5.6	190.5	413.2

* Denotes less than S\$0.05 million



Group

	Attributable to Equity Holders of the Company			
	Share Capital S\$'m	Share Option Reserve S\$'m	Retained Profits S\$'m	Total S\$'m
As at 1 January 2014	179.8	5.0	210.2	395.1
Total comprehensive income for the period	-	-	42.8	42.8
Issuance of ordinary shares on exercise				
of employee share options	8.6	(0.8)	-	7.7
Expenses on share options	-	0.6	-	0.6
As at 31 March 2014	188.4	4.8	253.1	446.3
Total comprehensive income for the period	-	-	43.9	43.9
Issuance of ordinary shares on exercise				
of employee share options	7.1	(0.7)	-	6.5
Expenses on share options	-	0.4	-	0.4
Dividends	-	-	(131.8)	(131.8)
As at 30 June 2014	195.5	4.5	165.2	365.2
Total comprehensive income for the period	-	-	44.5	44.5
Issuance of ordinary shares on exercise				
of employee share options	3.8	(0.3)	-	3.5
Expenses on share options	-	0.4	-	0.4
Dividends	-	-	(65.1)	(65.1)
As at 30 Sep 2014	199.4	4.6	144.5	348.5
Total comprehensive income for the period	-	-	44.5	44.5
Issuance of ordinary shares on exercise				
of employee share options	1.2	(0.1)	-	1.1
Expenses on share options	-	0.4	-	0.4
As at 31 Dec 2014	200.6	4.9	189.1	394.6



Company

	Attributable to Equity Holders of the Company			
	Share Capital S\$'m	Share Option Reserve S\$'m	Retained Profits S\$'m	Total S\$'m
As at 1 January 2015	200.6	4.9	176.8	382.3
Total comprehensive income for the period	-	-	48.7	48.7
Issuance of ordinary shares on exercise of employee share options	10.3	(0.8)	-	9.5
Expenses on share options	-	0.5	-	0.5
As at 31 March 2015	210.9	4.6	225.5	441.0
Total comprehensive income for the period	-	-	47.8	47.8
Issuance of ordinary shares on exercise of employee share options	5.5	(0.5)	-	5.1
Expenses on share options	-	0.5	-	0.5
Dividends	-	-	(111.4)	(111.4)
As at 30 June 2015	216.4	4.7	161.9	383.0
Total comprehensive income for the period	-	-	28.3	28.3
Issuance of ordinary shares on exercise of employee share options	0.3	(*)	-	0.3
Expenses on share options	-	0.5	-	0.5
Dividends	-	-	(65.6)	(65.6)
As at 30 Sep 2015	216.8	5.1	124.7	346.6
Total comprehensive income for the period	-	-	37.9	37.9
Issuance of ordinary shares on exercise of employee share options	0.3	(*)	-	0.3
Expenses on share options	-	0.5	-	0.5
As at 31 Dec 2015	217.1	5.6	162.6	385.2

* Denotes less than S\$0.05 million



Company	Attributable to Equity Holders of the Company			
	Share Capital S\$'m	Share Option Reserve S\$'m	Retained Profits S\$'m	Total S\$'m
As at 1 January 2014	179.8	5.0	196.4	381.2
Total comprehensive income for the period	-	-	44.5	44.5
Issuance of ordinary shares on exercise of employee share options	8.6	(0.8)	-	7.7
Expenses on share options	-	0.6	-	0.6
As at 31 March 2014	188.4	4.8	240.8	434.1
Total comprehensive income for the period	-	-	45.0	45.0
Issuance of ordinary shares on exercise of employee share options	7.1	(0.7)	-	6.5
Expenses on share options	-	0.4	-	0.4
Dividends	-	-	(131.8)	(131.8)
As at 30 June 2014	195.5	4.5	154.0	354.1
Total comprehensive income for the period	-	-	47.8	47.8
Issuance of ordinary shares on exercise of employee share options	3.8	(0.3)	-	3.5
Expenses on share options	-	0.4	-	0.4
Dividends	-	-	(65.1)	(65.1)
As at 30 Sep 2014	199.4	4.6	136.7	340.7
Total comprehensive income for the period	-	-	40.1	40.1
Issuance of ordinary shares on exercise of employee share options	1.2	(0.1)	-	1.1
Expenses on share options	-	0.4	-	0.4
As at 31 Dec 2014	200.6	4.9	176.8	382.3



1(d) (ii) Changes in Company's share capital

	Share options		Ordinary shares	
	Year Ended 31 Dec		Year Ended 31 Dec	
	2015	2014	2015	2014
As at 1 Jan	26,958,200	26,825,200	931,327,282	923,410,282
Options granted during the financial period (\$3.64/\$3.31)	9,230,000	9,420,000	-	-
Exercised during the financial period	(5,860,500)	(7,917,000)	5,860,500	7,917,000
Cancelled during the financial period	(505,000)	(1,370,000)	-	-
As at 31 Dec	29,822,700	26,958,200	937,187,782	931,327,282

1(e) Notes to Financial Statements

(i) Operating Revenue

	Group		Group	
	4Q2015	4Q2014	2015	2014
	S\$'m	S\$'m	S\$'m	S\$'m
Operating revenue				
Mobile telecommunications services	168.4	172.0	667.7	671.1
International call services	16.0	20.1	68.7	89.4
Fixed services	24.7	19.2	85.9	70.6
Total service revenue	209.1	211.3	822.3	831.1
Handset sales	98.8	135.1	334.9	245.3
Total	307.9	346.4	1,157.2	1,076.3

(ii) Operating Expenses

	Group		Group	
	4Q2015	4Q2014	2015	2014
	S\$'m	S\$'m	S\$'m	S\$'m
Cost of sales	149.9	184.6	530.8	453.0
Staff costs	28.5	29.3	118.2	113.5
Advertising and promotion expenses	6.9	7.7	24.3	24.4
Depreciation and amortisation	32.3	30.3	118.4	114.4
Allowance for doubtful debts	2.6	2.5	8.9	11.4
Facilities expenses	19.5	21.9	82.1	80.7
Leased circuit costs	7.8	7.2	31.7	30.0
Licence fees	0.6	0.7	2.2	2.4
Other general and administrative expenses	6.7	6.7	23.7	27.1
Foreign exchange (gain)/loss	0.3	0.1	(0.2)	0.3
Total	255.2	290.9	940.0	857.1



(iii) Taxation

Major components of income tax expense for the periods ended 31 December were:

	Group		Group	
	4Q2015	4Q2014	2015	2014
	S\$'m	S\$'m	S\$'m	S\$'m
Current tax				
- Current provision	11.1	12.4	37.8	37.6
- (Over)/under provision in prior year	-	-	-	0.4
Deferred tax				
- Under provision in prior year	-	-	-	0.4
- Movement in temporary differences	(0.1)	(1.9)	2.2	2.9
Income tax expense	11.0	10.5	39.9	41.3

(iv) Trade debtors

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	S\$'m	S\$'m	S\$'m	S\$'m
Mobile and fixed services				
- Billed	56.0	55.3	56.0	55.3
- Accrued service revenue	16.9	14.5	16.9	14.5
- Accrued handsets revenue	91.1	80.8	91.1	80.8
Others				
- Billed	14.5	12.0	10.1	8.9
- Accrued	1.8	2.1	1.8	2.1
	180.3	164.6	175.9	161.5
Allowance for doubtful debts	(14.4)	(14.9)	(14.3)	(14.9)
	165.9	149.7	161.7	146.6

(v) Cash and cash equivalents comprise:

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	S\$'m	S\$'m	S\$'m	S\$'m
Cash and bank balances	10.0	22.8	9.2	22.4
	10.0	22.8	9.2	22.4



(vi) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
Nil	S\$353.8m	Nil	S\$52.0m

Amount repayable after one year

As at 31 December 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	S\$250.0m

Details of any collateral

None.

The S\$250 million term loan was refinanced in May 2013 at an effective interest rate of 1.59% per annum and is repayable in full in May 2016.

2. AUDIT/ REVIEW

The figures have not been audited or reviewed.

3. BASIS OF PREPARATION

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standard ("FRS").

The financial statements have been prepared on a historical cost basis.

4. ACCOUNTING POLICIES

The Group and Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current year as compared with the audited financial statements for the year ended 31 December 2014, except for the adoption of new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") which became effective from this financial year. The adoption of these new or revised FRS and INT FRS does not have any significant impact on the financial statements of the Group and the Company.



5. EARNINGS PER SHARE

	4Q2015	4Q2014	Change	2015	2014	Change
Earnings per ordinary share of the Group based on the net profit attributable to shareholders:-						
(i) Based on weighted average number of shares	4.7 cts	4.8 cts	-2.7%	19.1 cts	18.9 cts	0.8%
- Weighted average number of shares ('000)	937,144	931,047	0.7%	935,984	928,737	0.8%
(ii) On fully diluted basis	4.6 cts	4.8 cts	-2.3%	19.0 cts	18.8 cts	1.2%
- Adjusted weighted average number of shares ('000)	938,169	936,251	0.2%	938,023	934,493	0.4%

6. NET ASSET VALUE

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net asset value per share (cents)	44.1	42.4	41.1	41.1

7. DIVIDEND

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim	Final (proposed)
Dividend Type	Cash	Cash
Dividend Rate	7.0 cents per ordinary share (one-tier tax)	8.3 cents per ordinary share (one-tier tax)
Tax Rate	N.A	N.A

Directors are pleased to propose a final dividend of 8.3 cents per ordinary share (one-tier tax) in respect of the financial year ended 31 December 2015 for approval by shareholders at the next Annual General Meeting to be held on 6 April 2016. The interim and proposed final dividends amounted to 15.3 cents per ordinary share.



(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	7.0 cents per ordinary share (one-tier tax)	11.9 cents per ordinary share (one-tier tax)
Tax Rate	N.A	N.A

(c) Date Payable

The proposed final dividends, if approved at the next Annual General Meeting to be held on 6 April 2016, will be paid on 21 April 2016.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that subject to Shareholders approving the declaration of the proposed final dividends, the Transfer Books and Register of Members of the Company will be closed from 15 April 2016 to 18 April 2016, both dates inclusive for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 14 April 2016, will be registered to determine shareholders' entitlement to the proposed final dividends.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the proposed final dividends will be paid by the Company to CDP which will in turn distribute the final dividends entitlements to the CDP account holders in accordance with its normal practice.

8. If no dividend have been declared/recommended, a statement to that effect.

N.A.



9. SIGNIFICANT RELATED PARTY TRANSACTIONS

The following were significant transactions entered into by the Group and related parties who are not members of the Group at market rates during the quarter:

	4Q2015 S\$'m	4Q2014 S\$'m	2015 S\$'m	2014 S\$'m
Sales	(4.4)	(5.6)	(14.6)	(13.7)
Purchases	6.6	4.9	20.6	19.9

10. INTERESTED PERSON TRANSACTIONS

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000).

	4Q2015 S\$'000	4Q2014 S\$'000	2015 S\$'000	2014 S\$'000
Transactions for the purchase of goods and services				
Singapore Telecommunications Limited & its associates	1,373	1,700	4,910	4,660
Telekom Malaysia Berhad	3,794	2,935	10,315	9,867
Axiata Group Berhad	129	134	541	503
Keppel Logistics Pte Ltd	268	268	1,072	996
Keppel FMO Pte Ltd	-	87	-	867
CapitaMall Trust	361	411	1,379	1,377
Starhub Ltd	90	1,034	274	1,357
Temasek Holdings (Private) Limited & its associates	3,269	1,753	12,577	7,398
Transactions for the sale of goods and services				
Singapore Telecommunications Limited & its associates	215	-	644	-
Telekom Malaysia Berhad	3,059	4,582	10,269	9,774
Axiata Group Berhad	187	101	462	292
Starhub Ltd	215	-	644	-
Temasek Holdings (Private) Limited & its associates	169	87	615	457
Total Interested Person Transactions	13,129	13,092	43,702	37,548



11. REVIEW OF PERFORMANCE

	Group			Group			Group	Change
	4Q2015	4Q2014	YoY	2015	2014	YoY	3Q2015	(4Q2015
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	vs
								3Q2015)
Revenues								
Operating revenue								
Mobile telecommunications	168.4	172.0	-2.1%	667.7	671.1	-0.5%	166.2	1.4%
International call services	16.0	20.1	-20.6%	68.7	89.4	-23.1%	16.7	-4.5%
Fixed services	24.7	19.2	29.0%	85.9	70.6	21.7%	21.6	14.2%
Total service revenue	209.1	211.3	-1.0%	822.3	831.1	-1.1%	204.6	2.2%
Handset sales	98.8	135.1	-26.9%	334.9	245.3	36.6%	73.0	35.3%
Total	307.9	346.4	-11.1%	1,157.2	1,076.3	7.5%	277.6	10.9%
Key Drivers								
Number of customers ('000)								
Postpaid	1,195	1,149	3.9%	1,195	1,149	3.9%	1,180	1.2%
Prepaid	733	703	4.3%	733	703	4.3%	711	3.2%
Total Mobile	1,928	1,852	4.1%	1,928	1,852	4.1%	1,891	1.9%
Fibre	128	103	23.6%	128	103	23.6%	120	6.2%
Total	2,056	1,956	5.1%	2,056	1,956	5.1%	2,011	2.2%
Mobile market share ^								
Postpaid	24.6%	24.5%	-	24.6%	24.5%	-	24.6%	-
Prepaid	21.4%	20.7%	-	21.4%	20.7%	-	21.2%	-
Overall	23.3%	22.9%	-	23.3%	22.9%	-	23.2%	-
Mobile penetration rate ^	147.4%	148.0%	-	147.4%	148.0%	-	147.5%	-
Monthly minutes of use per active customer (per month)								
Postpaid	223	257	-13.0%	237	267	-11.3%	234	-4.5%
Prepaid	255	358	-28.9%	292	324	-9.6%	293	-13.2%
Average monthly churn rate	1.1%	1.2%	-	1.0%	1.1%	-	1.0%	-
Acquisition cost per postpaid customer	S\$398	S\$438	-9.1%	S\$363	S\$355	2.3%	S\$313	27.2%

^ Based on latest published statistics.



11.1 Operating Revenue

YoY, operating revenue increased 7.5% at \$1,157.2m for the year ended 31 Dec 2015 ("FY2015"). For 4Q2015, it was 11.1% lower YoY. Compared to 3Q2015, it increased 10.9% QoQ mainly due to higher handset sales.

11.1.1 Key Drivers

As at 31 December 2015, our customer base stood at 2,056,000, 5.1% higher than last year's. Compared to 3Q2015, it was 2.2% higher. Mobile market share was 23.3% at end Oct 2015.

Churn rate was 1.1% for 4Q2015 and 1.0% for FY2015.

Postpaid customer acquisition cost for FY2015 and 4Q2015 increased 2.3% to \$363 YoY and 27.2% to \$398 QoQ mainly due to increase in sales of high-end smartphones. For 4Q2015, it was 9.1% lower YoY.

11.1.2 Mobile Telecommunications Services

	Group			Group			Group	Change
	4Q2015	4Q2014	YoY	2015	2014	YoY	3Q2015	(4Q2015
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	vs
								3Q2015)
Telecommunications revenue								
Postpaid	149.3	151.2	-1.2%	590.8	591.0	0.0%	146.7	1.8%
Prepaid	19.1	20.8	-8.2%	76.9	80.1	-4.0%	19.4	-1.7%
Total	168.4	172.0	-2.1%	667.7	671.1	-0.5%	166.2	1.4%
ARPU (per month)								
Postpaid (gross)	S\$61.6	S\$63.1	-2.4%	S\$61.7	S\$62.4	-1.1%	S\$61.2	0.7%
Postpaid (net)	S\$53.8	S\$56.8	-5.3%	S\$54.2	S\$55.6	-2.5%	S\$53.5	0.6%
Data plan	S\$16.6	S\$18.3	-9.3%	S\$17.1	S\$18.9	-9.5%	S\$16.9	-1.8%
Prepaid	S\$14.0	S\$16.9	-17.2%	S\$14.7	S\$14.5	1.4%	S\$14.6	-4.1%
Fibre Broadband	S\$47.5	S\$46.4	2.4%	S\$46.7	S\$43.9	6.4%	S\$47.3	0.4%
Mobile data contribution as a % of service revenue	51.2%	38.8%		46.3%	35.6%		48.0%	

YoY, mobile telecommunications revenue decreased 2.1% to \$168.4m for 4Q2015 and 0.5% to \$667.7m for FY2015. Against 3Q2015, it was 1.4% higher.

YoY, postpaid revenue decreased 1.2% to \$149.3m for 4Q2015 and remain stable for FY2015. Compared to 3Q2015, it was 1.8% higher.

Prepaid revenue at \$19.1m for 4Q2015 and \$76.9m for FY2015 was 8.2% and 4.0% lower YoY respectively due to lower voice traffic. Against 3Q2015, it was 1.7% lower.



Overall, data revenue continued to grow. Data usage has shifted from data only plans to smartphone plans. Average postpaid smartphone data usage increased to 3.3GB per month this quarter from 3.0GB per month a year ago. Accordingly, mobile data contribution increased YoY by 12.4% points to 51.2% for 4Q2015 and 10.7% points to 46.3% for FY2015 respectively. Against 3Q2015, it was 3.2% points higher.

Data plan ARPU for 4Q2015 and FY2015 were diluted by the bundling with fixed services.

11.1.3 International call services

	Group			Group			Group	Change
	4Q2015	4Q2014	YoY	2015	2014	YoY	3Q2015	(4Q2015
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	vs
								3Q2015)
International call services								
Retail revenue	11.9	16.7	-28.8%	53.0	75.2	-29.6%	12.5	-4.7%
Wholesale and bilateral revenue	4.1	3.4	19.1%	15.8	14.2	11.3%	4.3	-4.0%
Total	16.0	20.1	-20.6%	68.7	89.4	-23.1%	16.7	-4.5%
Total international retail minutes (in millions)	186	250	-25.6%	813	1,131	-28.1%	201	-7.5%

International call services revenue at \$16.0m for 4Q2015 was 20.6% and 4.5% lower compared to 4Q2014 and 3Q2015 respectively. For FY2015, it was 23.1% lower YoY. The decline were mainly due to lower usage to value destinations.

11.1.4 Fixed services

Fixed services grew 29.0% and 21.7% YoY to \$24.7m for 4Q2015 and \$85.9m for FY2015 respectively due to higher fibre customer base. Against 3Q2015, it grew 14.2%.

11.1.5 Handset sales

YoY, handset sales increased 36.6% to \$334.9m for FY2015. For 4Q2015, it was 26.9% lower YoY. Compared to 3Q2015, it increased by 35.3% QoQ mainly due to higher sales volume and selling price.



11.2 Operating Expenses

	Group			Group			Group	Change
	4Q2015	4Q2014	YoY	2015	2014	YoY	3Q2015	(4Q2015
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	vs
								3Q2015)
Cost of sales	149.9	184.6	-18.8%	530.8	453.0	17.2%	119.3	25.7%
Staff costs	28.5	29.3	-2.7%	118.2	113.5	4.1%	30.9	-7.7%
Advertising and promotion	6.9	7.7	-10.4%	24.3	24.4	-0.4%	5.1	35.1%
Depreciation & amortisation	32.3	30.3	6.5%	118.4	114.4	3.5%	30.6	5.8%
Allowance for doubtful debts	2.6	2.5	0.5%	8.9	11.4	-21.7%	2.6	-0.2%
Facilities expenses	19.5	21.9	-10.7%	82.1	80.7	1.7%	21.0	-7.1%
Leased circuit costs	7.8	7.2	8.7%	31.7	30.0	5.7%	7.9	-0.8%
Licence fees	0.6	0.7	-10.6%	2.2	2.4	-7.4%	0.4	60.1%
Other general & administrative	6.7	6.7	0.9%	23.7	27.1	-12.5%	6.5	3.2%
Foreign exchange (gain)/loss	0.3	0.1	213.1%	(0.2)	0.3	-179.7%	(1.2)	-121.6%
Total	255.2	290.9	-12.3%	940.0	857.1	9.7%	223.0	14.4%

Operating expenses for FY2015 and 4Q2015 increased 9.7% YoY and 14.4% QoQ respectively due to higher cost of sales. For 4Q2015, it was 12.3% lower YoY.

11.2.1 Cost of sales

	Group			Group			Group	Change
	4Q2015	4Q2014	YoY	2015	2014	YoY	3Q2015	(4Q2015
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	vs
								3Q2015)
Handset costs	122.4	157.1	-22.1%	419.1	330.3	26.9%	90.8	34.7%
Traffic expenses	10.1	9.8	2.6%	39.4	52.3	-24.8%	9.9	2.0%
Wholesale costs of fixed services	10.6	8.5	25.1%	38.4	32.6	17.6%	10.0	5.9%
Other costs	6.9	9.2	-25.2%	34.0	37.8	-10.0%	8.5	-19.7%
Total	149.9	184.6	-18.8%	530.8	453.0	17.2%	119.3	25.7%

Cost of sales at \$530.8m for FY2015 increased 17.2% YoY and against 3Q2015, it increased 25.7% QoQ respectively due to higher handset costs. Handset costs were higher mainly due to higher volume and average unit cost. Against 4Q2014, it was 18.8% lower. Traffic expenses at \$10.1m for 4Q2015 was 2.6% higher YoY and 2.0% higher QoQ. Wholesale costs of fixed services increased 25.1% YoY to \$10.6m for 4Q2015 and 17.6% to \$38.4m for FY2015 due to higher fibre customer base.



11.2.2 Staff costs

Staff costs at \$28.5m for 4Q2015 decreased 2.7% YoY and 7.7% QoQ due to bonus provision adjustment. For FY2015, it was 4.1% higher YoY.

11.2.3 Advertising and promotion expenses

Advertising & promotion expenses at \$6.9m for 4Q2015 and \$24.3m for FY2015 were 10.4% and 0.4% lower YoY respectively due to lower marketing activities. Compared 3Q2015, it was 35.1% higher.

11.2.4 Depreciation and amortisation

Depreciation and amortisation expenses at \$32.3m for 4Q2015 and \$118.4m for FY2015 were 6.5% and 3.5% higher YoY respectively due to higher fixed asset base. Against 3Q2015, it was 5.8% higher.

11.2.5 Allowance for bad and doubtful debt

YoY, doubtful debt allowance decreased 21.7% to \$8.9m for FY2015 due to improved collection. For 4Q2015, it was 0.5% higher YoY. Compared to 3Q2015, it was stable.

11.2.6 Facilities expenses

Facilities expenses at \$19.5m for 4Q2015 decreased 10.7% YoY and 7.1% QoQ mainly due to lower repair and maintenance expenses. For FY2015, it was 1.7% higher YoY.

11.2.7 Leased circuit costs

Leased circuit costs increased 8.7% to \$7.8m for 4Q2015 and 5.7% to \$31.7m for FY2015 to support new sites. Against 3Q2015, it was 0.8% lower.

11.2.8 Other general and administrative expenses

Other general and administrative expenses at \$6.7m for 4Q2015 increased 0.9% YoY and 3.2% QoQ. For FY2015, it was 12.5% lower YoY.

11.3 Finance Costs

Compared to last year, finance costs increased 32.0% to \$1.3m for 4Q2015 and 21.7% to \$4.9m for FY2015 due to higher borrowings.

11.4 Taxation

YoY, provision for taxation increased 4.6% to \$11.0m for 4Q2015 and decreased 3.3% to \$39.9m for FY2015.



11.5 Net Profit

	Group			Group			Group	Change
	4Q2015	4Q2014	YoY	2015	2014	YoY	3Q2015	(4Q2015
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	vs
								3Q2015)
Net profit	43.6	44.5	-2.1%	178.5	175.8	1.5%	44.9	-2.9%
Net profit margin (on service revenue)	20.8%	21.1%		21.7%	21.2%		21.9%	

YoY, net profit at \$178.5m for FY2015 was 1.5% higher. For 4Q2015, net profit at \$43.6m were 2.1% YoY and 2.9% QoQ lower respectively.

Net profit margin improved to 21.7% for FY2015. Compared to the corresponding periods last year, net profit margin was 0.3% point lower at 20.8% for 4Q2015. Against 3Q2015, it was 1.1% points lower.

11.6 EBITDA

	Group			Group			Group	Change
	4Q2015	4Q2014	YoY	2015	2014	YoY	3Q2015	(4Q2015
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	vs
								3Q2015)
EBITDA	88.2	86.4	2.1%	341.8	335.5	1.9%	86.6	1.9%
EBITDA margin (on service revenue)	42.2%	40.9%		41.6%	40.4%		42.3%	

YoY, EBITDA at \$88.2m for 4Q2015 and \$341.8m for FY2015 were 2.1% and 1.9% higher respectively. Compared to 3Q2015, it was 1.9% higher.

EBITDA margin, as a percentage of service revenue, was 42.2% for 4Q2015 and 41.6% for FY2015.

11.7 Capital Expenditure and Commitments

Capital expenditure incurred for FY2015 was \$133.5m as compared to \$139.6m for FY2014.

Capital commitment as at 31 December 2015 was \$77.6m which included \$64.0m commitment for the 4G spectrum rights.



11.8 Liquidity and Capital Resources

	Group			Group			Group	Change
	4Q2015	4Q2014	YoY	2015	2014	YoY	3Q2015	(4Q2015 vs 3Q2015)
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	
Profit before tax	54.6	55.0	-0.8%	218.4	217.1	0.6%	54.7	-0.3%
Non-cash item and net interest expense adjustments	32.0	31.5	1.7%	80.8	86.6	-6.8%	12.3	161.3%
Net change in working capital	(55.2)	(49.4)	11.7%	(60.1)	(30.8)	94.9%	11.0	@
Net cash provided by operating activities	31.4	37.1	-15.4%	239.1	272.9	-12.4%	78.0	-59.7%
Net cash used in investing	(50.5)	(79.4)	36.5%	(141.8)	(178.4)	20.5%	(26.4)	-91.1%
Net cash used in financing	3.0	46.8	-93.6%	(110.1)	(126.1)	12.7%	(58.5)	105.1%
Net change in cash and cash equivalents	(16.1)	4.5	@	(12.8)	(31.7)	-59.5%	(6.9)	132.6%
Cash and cash equivalents at beginning of financial period	26.1	18.3	42.2%	22.8	54.5	-58.2%	33.0	-21.0%
Cash and cash equivalents at end of financial period	10.0	22.8	-56.2%	10.0	22.8	-56.2%	26.1	-61.7%
Free Cash flow ⁽¹⁾	(10.6)	(42.4)	75.0%	105.7	93.2	13.4%	51.5	-120.5%

@ Denotes more than +/-300%

⁽¹⁾ Free Cash flow refers to Net cash provided by operating activities less current year capital expenditure and payment for spectrum rights.

Operating cash flow decreased from \$37.1m for 4Q2014 to \$31.4m for 4Q2015. Against 3Q2015, it was 59.7% lower.

Free cash flow at \$105.7m for FY2015 was 13.4% higher YoY.

11.9 Gearing and Interest Cover

As at end December 2015, gearing ratio was 0.8 times compared to 0.7 times as at end December 2014. Interest coverage ratio (EBITDA/Interest) was 69.5 times for 4Q2015 compared to 73.9 times for 3Q2015.



11.10 Balance Sheet

Total non-current assets increased 2.9% from \$801.9m as at 31 December 2014 to \$825.5m as at 31 December 2015 mainly due to higher fixed assets.

Total current assets increased 15.3% from \$225.9m as at 31 December 2014 to \$260.5m as at 31 December 2015, mainly due to higher inventories and trade debtors balances offset by lower cash and cash equivalents.

Total current liabilities as at 31 December 2015 was \$561.8m, 104.7% higher than \$274.5m for 31 December 2014 as a result of the reclassification of the \$250m term loan maturing in May 2016 to short term borrowings.

Against 31 December 2014, total equity as at 31 December 2015 was 4.7% higher at \$413.2m.

12. VARIANCE FROM PROSPECT STATEMENT

For the full year ended 31 December 2015, net profit after tax increased 1.5% year on year to \$178.5m which is in line with our previous outlook.

13. OUTLOOK

Mobile data and fixed services will continue to drive growth in 2016. We will continue to invest in our mobile and fixed networks to enhance experience, and grow our portfolio of innovative products and services to meet customer needs.

Products and services are increasingly incorporating embedded sensors and connectivity. We will continue to develop and harness our capability in data analytics, as well as leverage on our M2M (machine-to-machine) Connect platform to capitalise on the new opportunities.

Based on current economic outlook and barring unforeseen circumstances, we anticipate stable performance for the year 2016.

14. Segmented revenue and results for business or geographical segments (or the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The company and its subsidiaries operate in Singapore in one business segment, that of provision of telecommunications services, international direct dial services, telecommunication retail sales, after sales support and customer services.

15. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

See comment above (14).



16. A breakdown of sales

Half yearly results	Group 2015 S\$'m	Group 2014 S\$'m	Group YoY Change
Operating revenue for first half year	571.7	479.8	19.1%
Net profit after tax for first half year	90.0	86.7	3.8%
Operating revenue for second half year	585.5	596.5	-1.8%
Net profit after tax for second half year	88.5	89.0	-0.6%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'m)	Previous Full Year (S\$'m)
Ordinary shares	177.0	196.9
Preference shares	-	-
Total	177.0	196.9

18. Disclosure under Rule 704(13) of the Listing Manual.

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 office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company who is related to the director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

FOO SIANG LARNG
Company Secretary
18 January 2016