



Q4FY17 Financial Results Presentation

For the quarter ended 31 Mar 2017

Chua Sock Koong, Group CEO

18 May 2017

Forward looking statement – Important note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

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

Agenda

Overview

Business Units

Group Outlook

Supplementary Information

Strong core performance despite Airtel impact

	Q4FY17	% change (reported)	% change (constant currency) ¹
Operating Revenue	S\$4,308m	+5%	+2%
EBITDA	S\$1,308m	+4%	Stable
Regional Associates' Pre-tax Earnings²	S\$658m	-6%	-7%
<i>Ex-Airtel</i>	<i>S\$568m</i>	<i>+10%</i>	<i>+9%</i>
Underlying Net Profit	S\$988m	Stable	-1%
<i>Ex-Airtel</i>	<i>S\$952m</i>	<i>+7%</i>	<i>+5%</i>
Net Profit	S\$963m	+2%	Stable
Free Cash Flow	S\$764m	+12%	N.M

Key Highlights:

- › Strong core revenue & earnings
- › Growth in mobile data, data & internet, ICT & digital services
- › Telkomsel growth mitigates lower Airtel contributions
- › Robust free cash flow:
 - ❖ Strong core cash flow offset higher capex in Australia
 - ❖ Higher dividends from Telkomsel

1. Assuming constant exchange rates from corresponding quarter in FY2016.

2. Excludes exceptional items.

N.M. – not meaningful

Foreign Exchange Movements

Currency	Quarter ended 31 March 2017			Year ended 31 March 2017	
	Exchange rate ¹	Increase/ (decrease) against S\$		Exchange rate ¹	Increase/ (decrease) against S\$
		YoY	QoQ		
1 AUD ² 	1.0735	6.0%	1.6%	1.0426	2.2%
1 USD ³ 	1.4177	1.1%	0.6%	1.3841	(0.1%)
IDR 	9,435	1.9%	(0.3%)	9,591	2.2%
INR 	47.4	1.9%	1.3%	48.6	(3.0%)
PHP 	35.3	(4.7%)	(1.4%)	34.8	(4.2%)
THB 	24.8	2.4%	1.2%	25.4	(0.8%)

1. Average exchange rates for the quarter and year ended 31 March 2017.

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

3. Average US\$ rate for translation of Trustwave, Amobee and HOOQ's operating revenue.

Group Q4FY17 Highlights

Group Consumer

- › SG: Secure additional spectrum to maintain network leadership
- › SG: Dash extended mobile money services in Indonesia with Telkomsel
- › AU: Introduced up to 1Gbps mobile speeds across North Ryde precinct
- › AU: Improved competitiveness & simplified broadband plans



Group Enterprise



- › Launched Trustwave managed security services in the Philippines with Globe
- › Recognised as a leading next-generation telco² in Asia Pacific

Group Digital Life

- › Expanded programmatic & data management capabilities with the acquisition of Turn



FY17: Underlying net profit up 3%

	3 months to			12 months to		
	Mar 17	Mar 16	YoY %	Mar 17	Mar 16	YoY %
Operating revenue	4,308	4,094	5.2%	16,711	16,961	(1.5%)
EBITDA	1,308	1,262	3.7%	4,998	5,013	(0.3%)
- margin	30.4%	30.8%		29.9%	29.6%	
Associates pre-tax earnings ¹	720	740	(2.7%)	2,942	2,788	5.5%
EBITDA & share of associates' pre-tax earnings	2,028	1,983	2.3%	7,939	7,804	1.7%
Depreciation & amortisation	(585)	(545)	7.2%	(2,239)	(2,149)	4.2%
Net finance expense	(82)	(91)	(10.0%)	(260)	(265)	(2.0%)
Profit before EI and tax	1,362	1,346	1.2%	5,441	5,390	0.9%
Tax	(381)	(371)	2.8%	(1,548)	(1,597)	(3.1%)
Underlying net profit	988	981	0.8%	3,915	3,805	2.9%
Exceptional Items (post tax)	(25)	(35)	(28.4%)	(63)	66	N.M.
Net profit	963	946	1.8%	3,853	3,871	(0.5%)

1. Excluding exceptional items. N.M. – not meaningful.

FY17: Performance in line with guidance

Guidance¹

Actual²

Revenue	Decline by low single digit	-2.6%	
EBITDA	Stable	-1.5%	
Free Cash Flow³ (excluding dividends from associates)	~ S\$1.5b	S\$1.7b	
Cash Capital Expenditure	~ S\$2.4b	S\$2.3b	
Ordinary Dividends from Regional Mobile Associates	~ S\$1.2b	S\$1.5b	

1. Guidance as at November 2016.

2. Assuming constant exchange rates from corresponding periods in FY2016.

3. Before payment of A\$134m (S\$142m) to the Australian Tax Office for amended assessments related to the acquisition financing of Optus.

Total dividends 17.5¢ per share

Dividend Payout **73%**
of underlying net profit

Proposed final dividend

10.7¢

› payable in Aug 2017

Interim dividend

6.8¢

› paid in Jan 2017

Total ordinary dividends

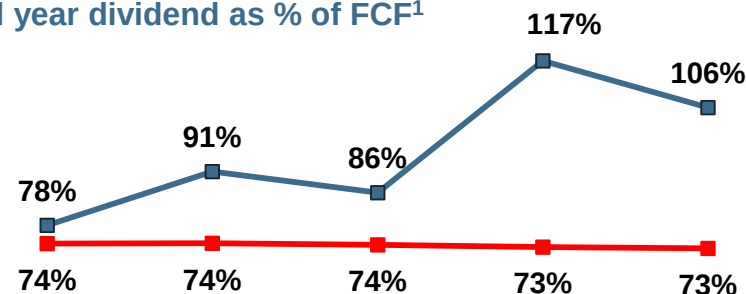
17.5¢

Dividend payout ratio

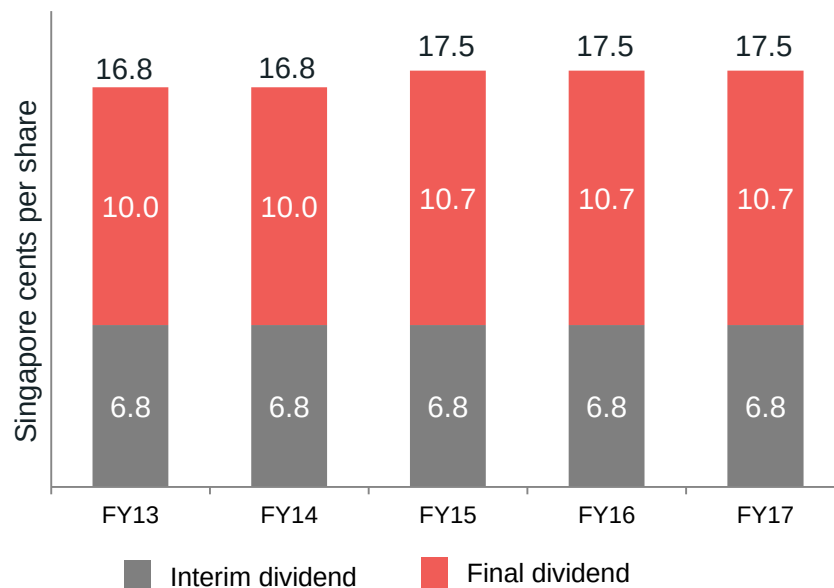
60% to 75%
of underlying net profit

5-Year Ordinary Dividends

Full year dividend as % of FCF¹



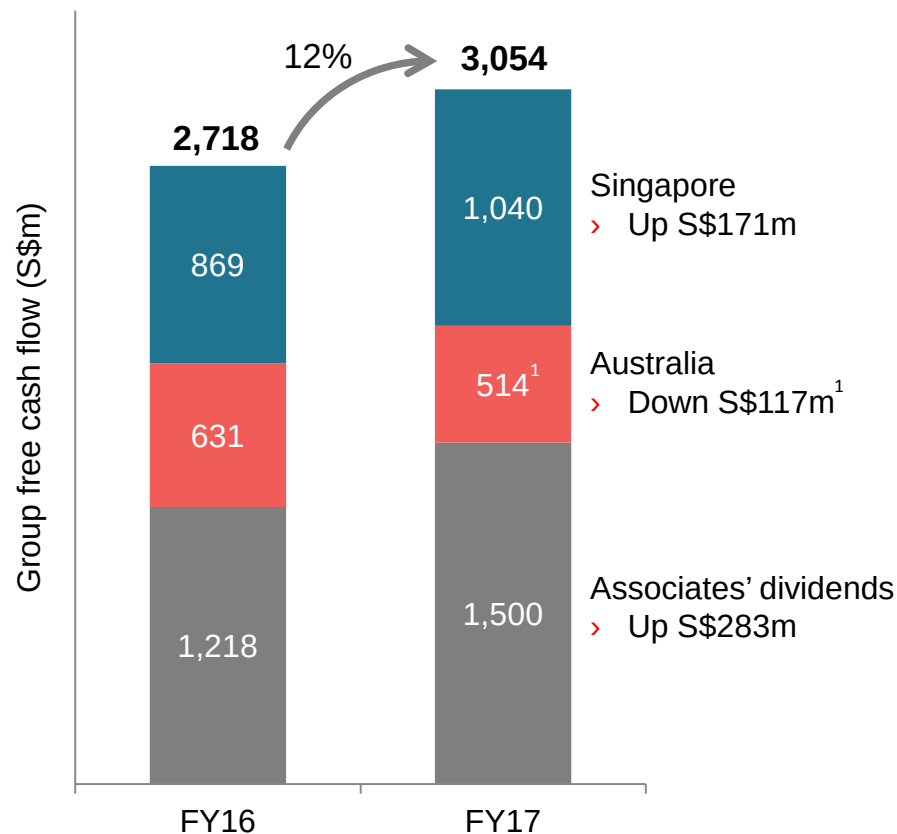
Full year dividend as % of underlying net profit



1. Free cash flow after interest and tax.

Solid Financial Position

Free Cash Flow S\$3,054m



Balance Sheet

Net debt² S\$10.4b

Net debt gearing³ 26.9%

Net debt: EBITDA & share of associates' pre-tax profits 1.3x

EBITDA & share of associates' pre-tax profits: Net interest expense 23.6x

S&P's rating	A+	Moody's rating	Aa3
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1. After payment of A\$134m (S\$142m) to the Australian Tax Office for amended assessments related to the acquisition financing of Optus.
2. Gross debt less cash and bank balances adjusted for related hedging balances.
3. The ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.



Agenda

Overview

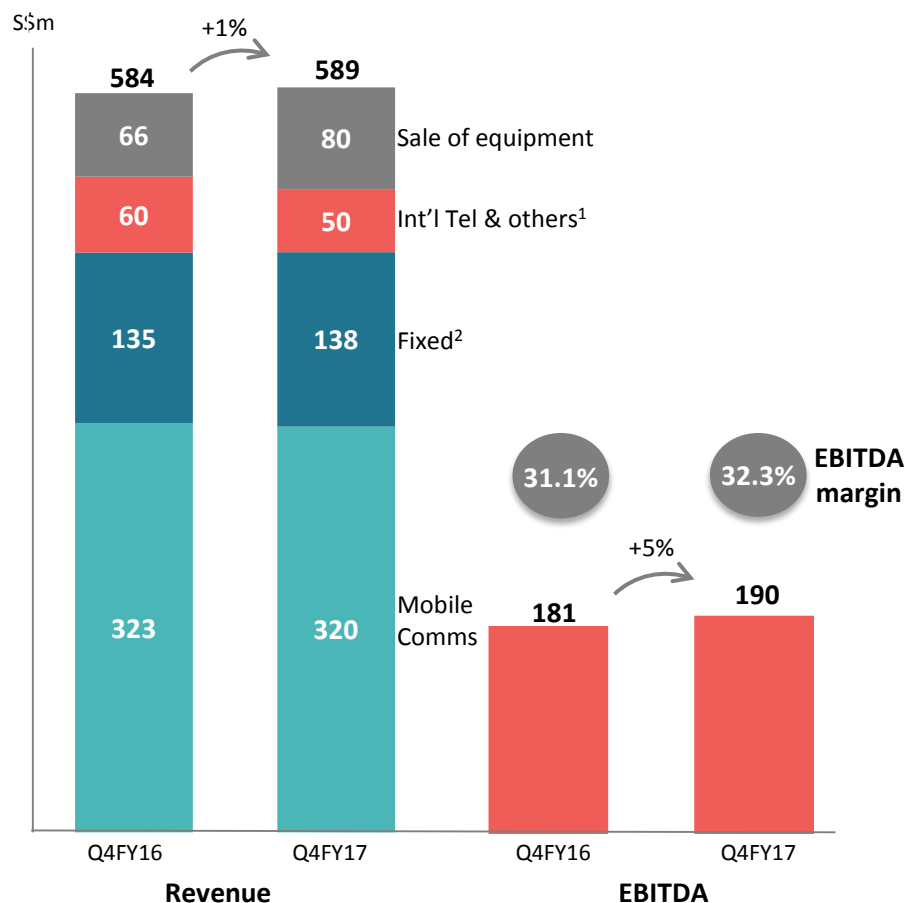
Business Units

Group Outlook

Supplementary Information

Singapore Consumer

Singapore Consumer



Mobile communications revenue stable

- > Migration to higher tier plans & strong data growth offset declining roaming & voice
- > Strong growth in prepaid revenue driven by data

Equipment sales up 23%

- > Growth in sales volumes & increased mix of higher price handsets

IDD services down 15%

- > Lower call traffic from data substitution

Home services³ up 3%

- > Up 5% excluding impact of one-off customer rebates⁴
- > Subscription of higher tier plans
- > 2016-17 Premier League sub-license revenues

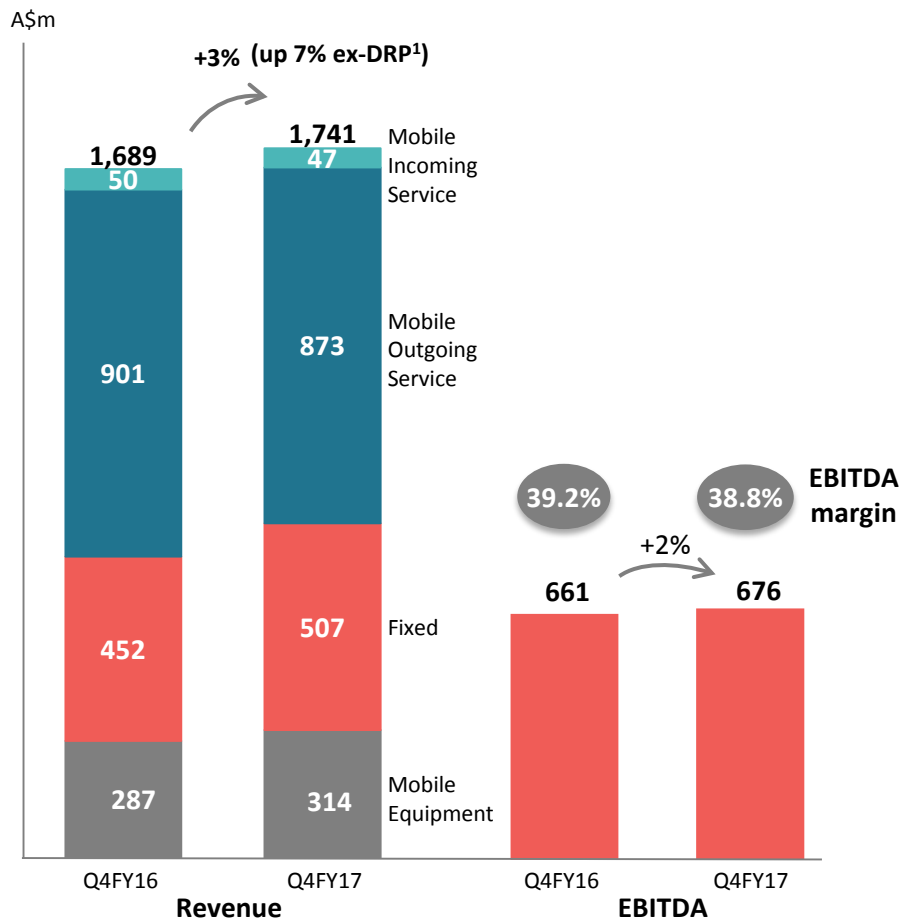
EBITDA up 5%

- > Broadband & TV revenue growth offset decline in voice
- > Continued focus on cost management

1. Other revenue includes digital services, inter-operator tariff discounts, and revenue from mobile network cabling works and projects.
 2. Comprises fixed broadband, residential Pay TV, national telephone and payphone.
 3. Comprises fixed broadband, fixed voice and Singtel TV in the residential segment only.
 4. Bill rebates for December 2016 fibre outage of S\$2.5m.

Australia Consumer

Australia Consumer



Mobile service revenue up 4% ex-DRP¹

- > Strong customer growth
- > Down 3% on reported basis

Mobile handset customers

- > Postpaid up 78k
- > Prepaid up 64k

Investment in networks

- > 96.1% national population 4G coverage²

Mass market fixed revenue grew 19%

- > Strong NBN customer growth & higher migration payments due to timing

EBITDA up 2%

- > Higher fixed & mobile EBITDA mitigates higher content costs

1. Device Repayment Plans. DRP credits increased A\$70m YoY.

2. As at 31 March 2017.

Regional Associates

Q4FY17	PBT ¹ (S\$m)	% Change (S\$)	% Change (local ccy)	Business Highlights
Regional Associates <i>Ex-Airtel</i>	658 <i>568</i>	-6% <i>+10%</i>	N.A.	- Continued investments in network & spectrum to capture data growth - Profits affected by competition in India
Telkomsel	371	+17%	+15%	Robust growth in voice, data and digital services
Airtel	90	-51%	-52%	India: Price war led by new operator
- India & South Asia	200	-31%	-32%	Africa: Improvement in operating performance
- Africa	37	+267%	+257%	Realised US\$1 billion from sale of 10.3% stake in Bharti Infratel
- Others ²	(147)	+27%	+25%	
AIS	95	-15%	-17%	Higher network costs, spectrum amortisation charges & payments to TOT
Intouch	27	N.M.	N.M.	Acquisition completed in November 2016
Globe	74	-15%	-11%	Higher depreciation, amortisation & interest charges from spectrum and network investments

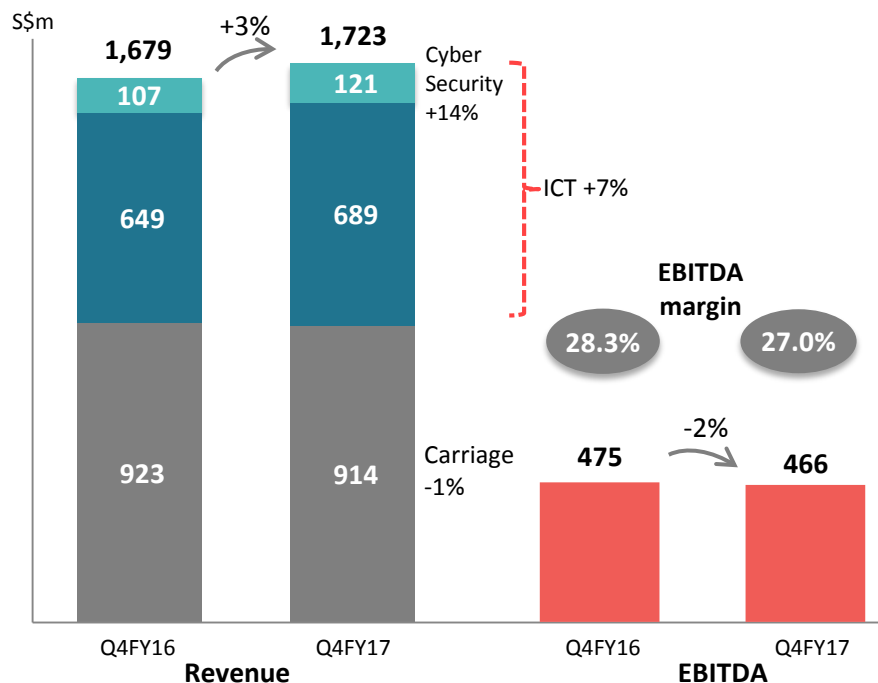
1. Excludes exceptional items.

2. Net finance costs & fair value losses

3. N.M. – Not Meaningful

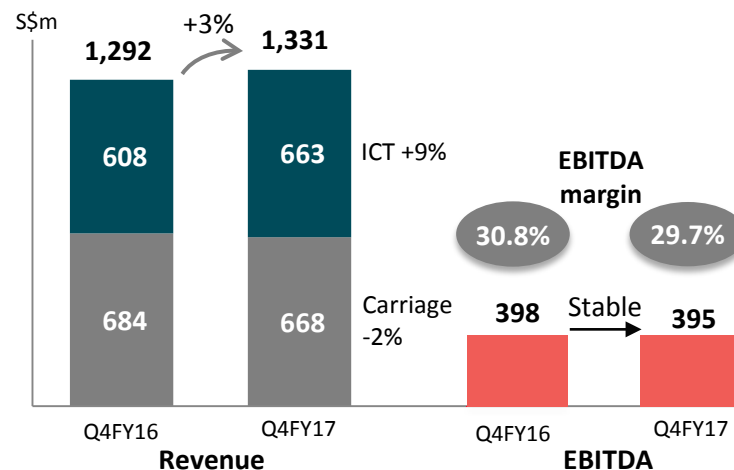
Group Enterprise

Group Enterprise

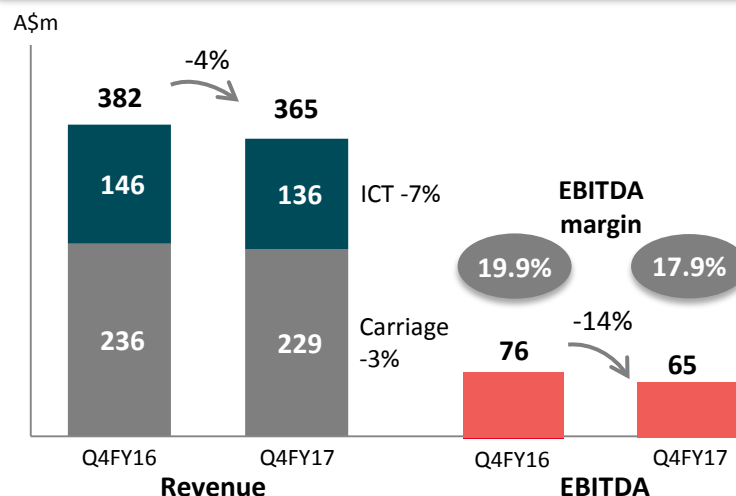


- > Robust ICT growth in Singapore offset declines in mobile & IDD services
- > Strong momentum in cyber security
- > Intense competition & higher doubtful debts in Australia
- > EBITDA down on investments in ICT capabilities & competition in Australia

Singapore & International (ex Australia)

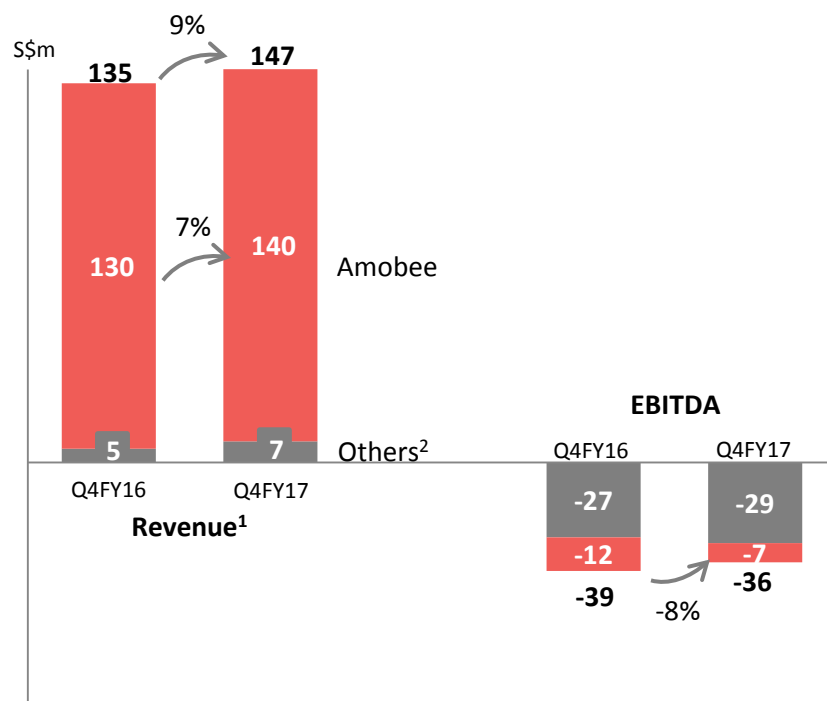


Australia



Group Digital Life

Group Digital Life



- > Strong Amobee growth driven by social, video & display advertising
- > Reduced Amobee losses offset higher losses from HOOQ

1. Includes intra-group revenue.

2. Include revenues from HOOQ and DataSpark.

Digital Marketing

AMOBEE TURN

- > Turn acquisition enhances Amobee's scale with comprehensive media, technology & analytics capabilities
- > Offer advertisers a unified ad-buying platform across all channels

Premium OTT Video

HOOQ™



- > Gaining traction in regional markets and Singapore
- > Launched pay-per view service for latest Hollywood blockbusters

The background of the slide is a photograph of a man and a woman outdoors. The woman, on the left, has long dark hair and is smiling while holding a smartphone to her ear. The man, on the right, is wearing large headphones and looking up with a smile while holding a smartphone. They are standing in front of a modern building with a curved roof and a wooden slat wall. A large red semi-circle is overlaid on the bottom left of the image, containing the agenda text.

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Group	Revenue to grow by mid single digit
	EBITDA to grow by low single digit
	Capital expenditure to be ~S\$2.6b
	Cash capital expenditure to be ~S\$2.4b
	Free cash flow ³ to be ~S\$1.8b
	Spectrum payments in Singapore and Australia of ~S\$1.0b
	Dividends from Regional Associates to be ~S\$1.4b
	Divestment of NetLink Trust to less than 25% by 22 April 2018
Core Business	Revenue to grow by low single digit
	EBITDA to grow by low single digit
	Australia Mobile Service revenue to grow by low single digit
	Singapore Mobile Communications to decline by low single digit
	Group ICT revenue to increase by mid single digit
	> Cyber security revenue is expected to be S\$550-650m
Group Digital Life	Amobee revenue to be between S\$1.2-1.3b ⁴
	Amobee targets breakeven in EBITDA
	Group Digital Life negative EBITDA to reduce to ~S\$100m

1. Based on average exchange rates during FY17.

2. Includes contribution from Turn, Inc. from 1 April 2017 and excludes any other new acquisition.

3. Excludes spectrum payments and associates' dividends.

4. Includes intragroup revenue.



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Singapore Mobile

Mobile Communications revenue

S\$511m

4G customers up 82k QoQ

2,644k

> 64% penetration

Tiered data plans

> Postpaid customers on tiered plans **63%**

> Tiered plans customers who exceed data bundles **40%**

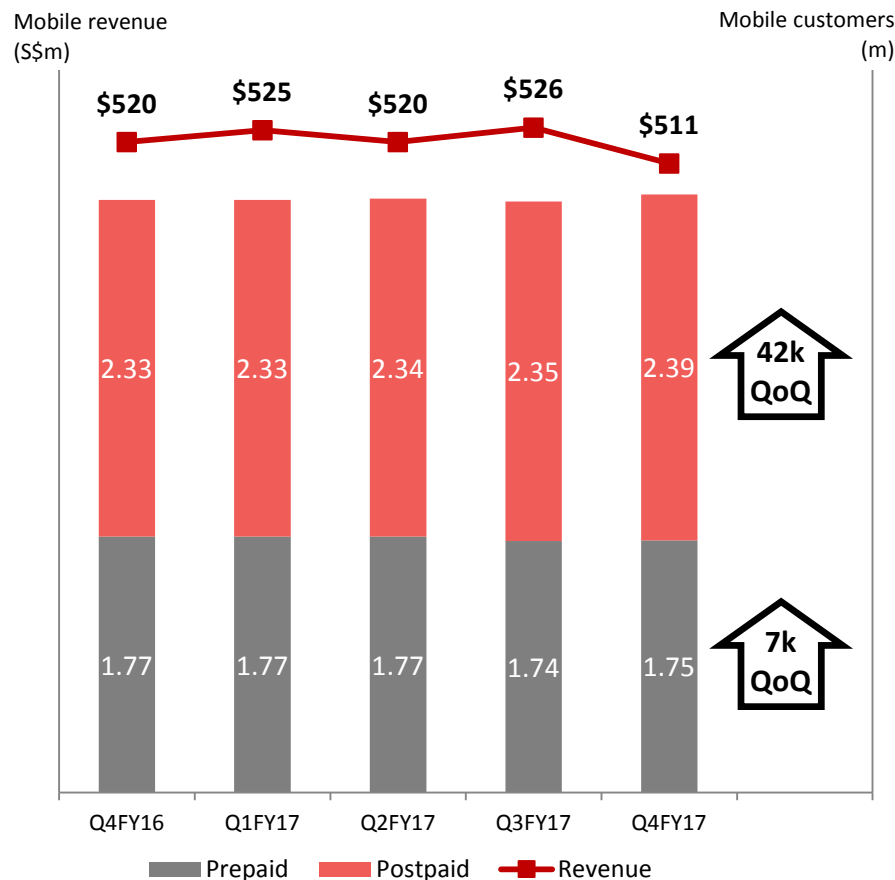
> Average smartphone data usage **3.5Gb**

Postpaid ARPU down 6% **S\$67**

> Revenue growth from data and better plan mix offset by lower roaming & voice traffic

Postpaid SAC¹ down 8% **S\$378**

> Higher take up of mobile broadband and lower end devices



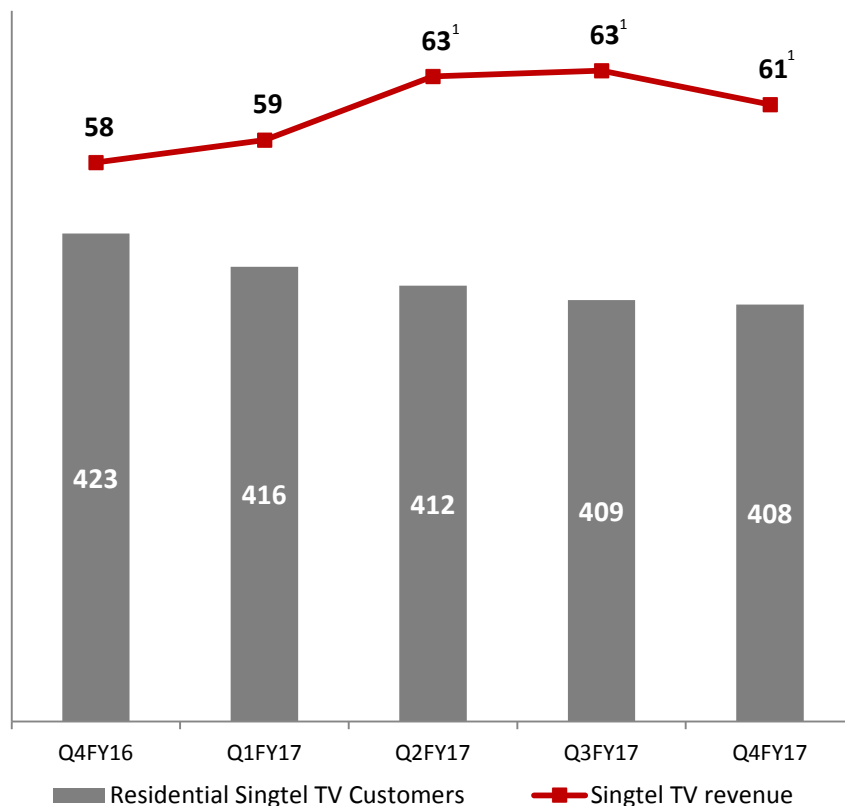
Singapore Fixed

Singtel TV revenue

S\$61m

Singtel TV Revenue
(\$m)

Customers
('000)



Singtel TV ARPU

S\$41

> Up 4%

Singtel TV churn

1.3%

> Up 0.1ppt

Singtel Households on Triple/quadruple services²

503k

> Up 1% QoQ

Singtel Fibre broadband customers³

559k

> Up 13k QoQ

> 93% of residential broadband customers on fibre

Singtel OTT services (Cast & Singtel TV GO)

47k

> Up 14k QoQ

1. Singtel TV revenue includes wholesale of 2016-17 Premier League content rights from Q2FY17.
2. Households which subscribed to 3 or 4 unique services comprising Fixed Broadband, Singtel TV, Fixed Voice and Mobile.
3. Residential and corporate subscriptions to broadband internet services using optical fibre networks.

Australia Mobile

Outgoing service revenue

A\$925m

4G customers² up 256k QoQ

5,795k

> 60% penetration

Postpaid

> Handset ARPU

A\$46

- down 9%

- down 1% ex-DRP

> Churn

1.3%

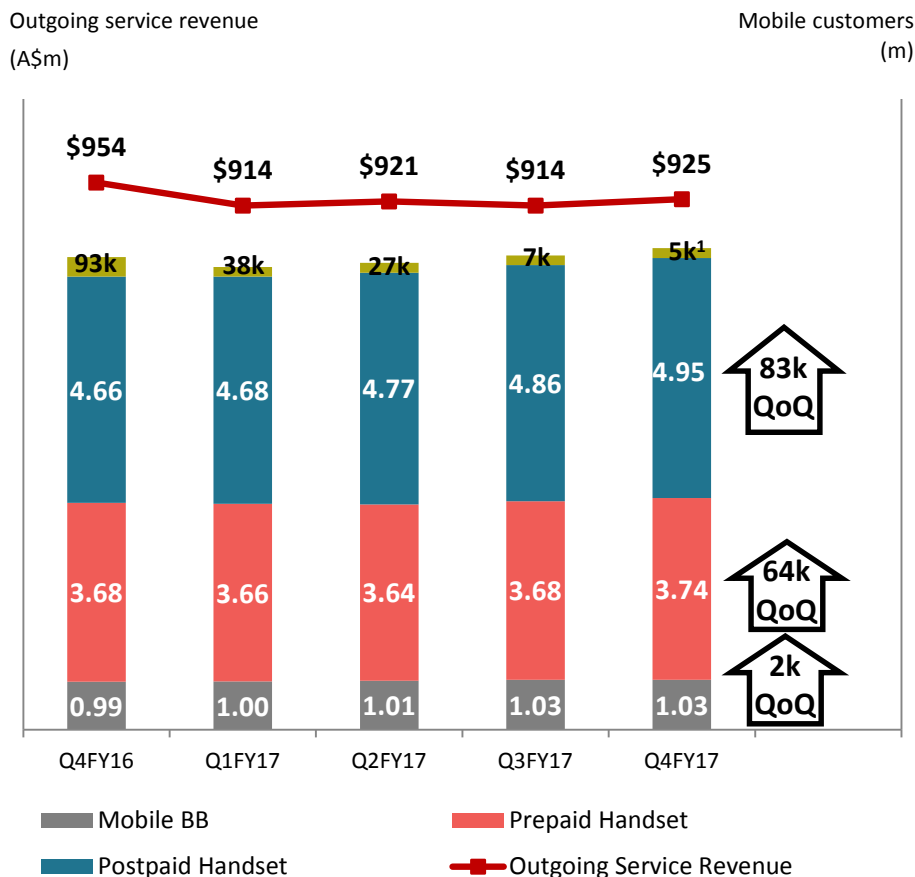
- stable YoY & QoQ

Prepaid

> Handset ARPU

A\$22

- up 4%



1. Wholesale deactivations

2. 4G handsets on the Optus network.

Australia Fixed

Mass market revenue

A\$354m

On-net BB ARPU

A\$53

> Up 1%

NBN BB Customers

228k

> Up 36k QoQ

Resale DSL BB Customers

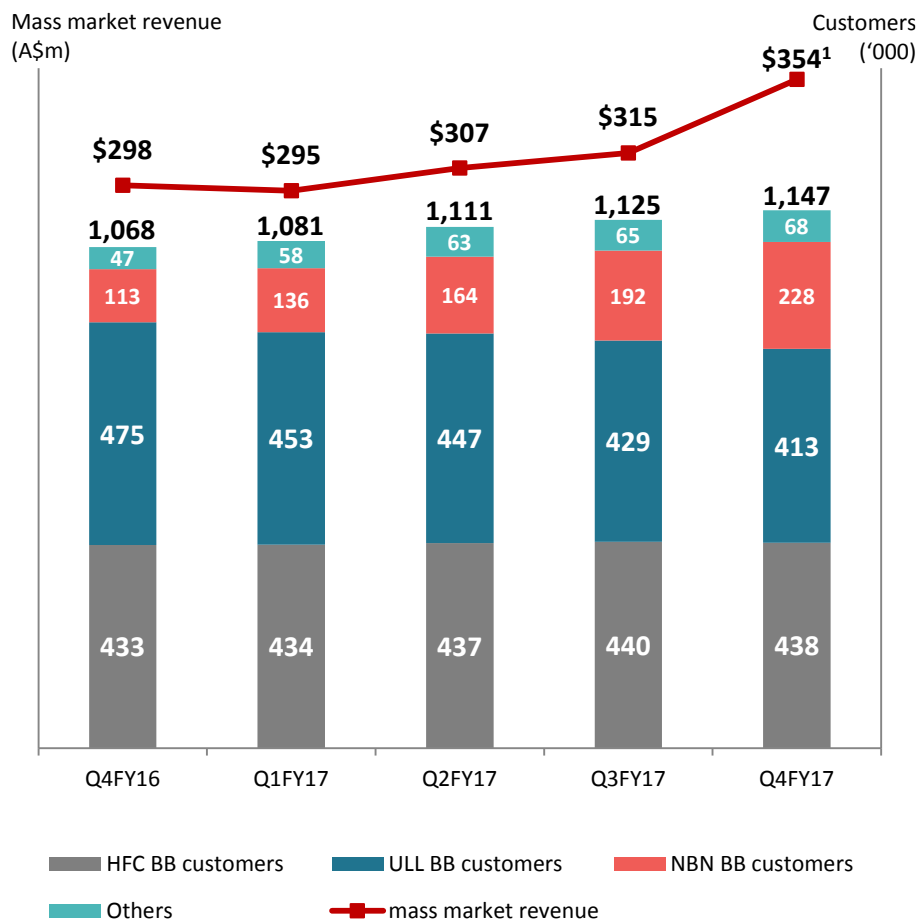
42k

> Up 2k QoQ

TV Customers

456k

> Up 23k QoQ



Trends In Constant Currency Terms¹

3 months ended March 2017	Q4FY17 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	4,308	5.2%	2.1%
Group reported NPAT	963	1.8%	(0.4%)
Group underlying NPAT	988	0.8%	(1.4%)
Optus revenue	2,261	7.7%	1.6%
Regional Associates pre-tax earnings ²	658	(6.0%)	(7.4%)
12 months ended March 2017	FY17 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	16,711	(1.5%)	(2.6%)
Group reported NPAT	3,853	(0.5%)	(1.0%)
Group underlying NPAT	3,915	2.9%	2.3%
Optus revenue	8,784	(5.5%)	(7.6%)
Regional Associates pre-tax earnings ²	2,711	4.1%	4.3%

1. Assuming constant exchange rates from corresponding periods in FY2016.

2. The Group's share of associates' earnings before exceptionals.



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