

Singtel acquires Trustwave to strengthen its global cyber security capabilities



8 April 2015

Forward looking statements – 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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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.

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

Summary of key transaction terms



Transaction Value

- Singtel to acquire approximately 98% equity interest, with approximately 2% retained by the CEO
- Enterprise value of US\$850m; Aggregate consideration of approximately US\$810m for Singtel's 98% equity interest

Target

- Trustwave Holdings ("Trustwave") is the largest independent managed security service provider in North America, with presence in Europe & APAC

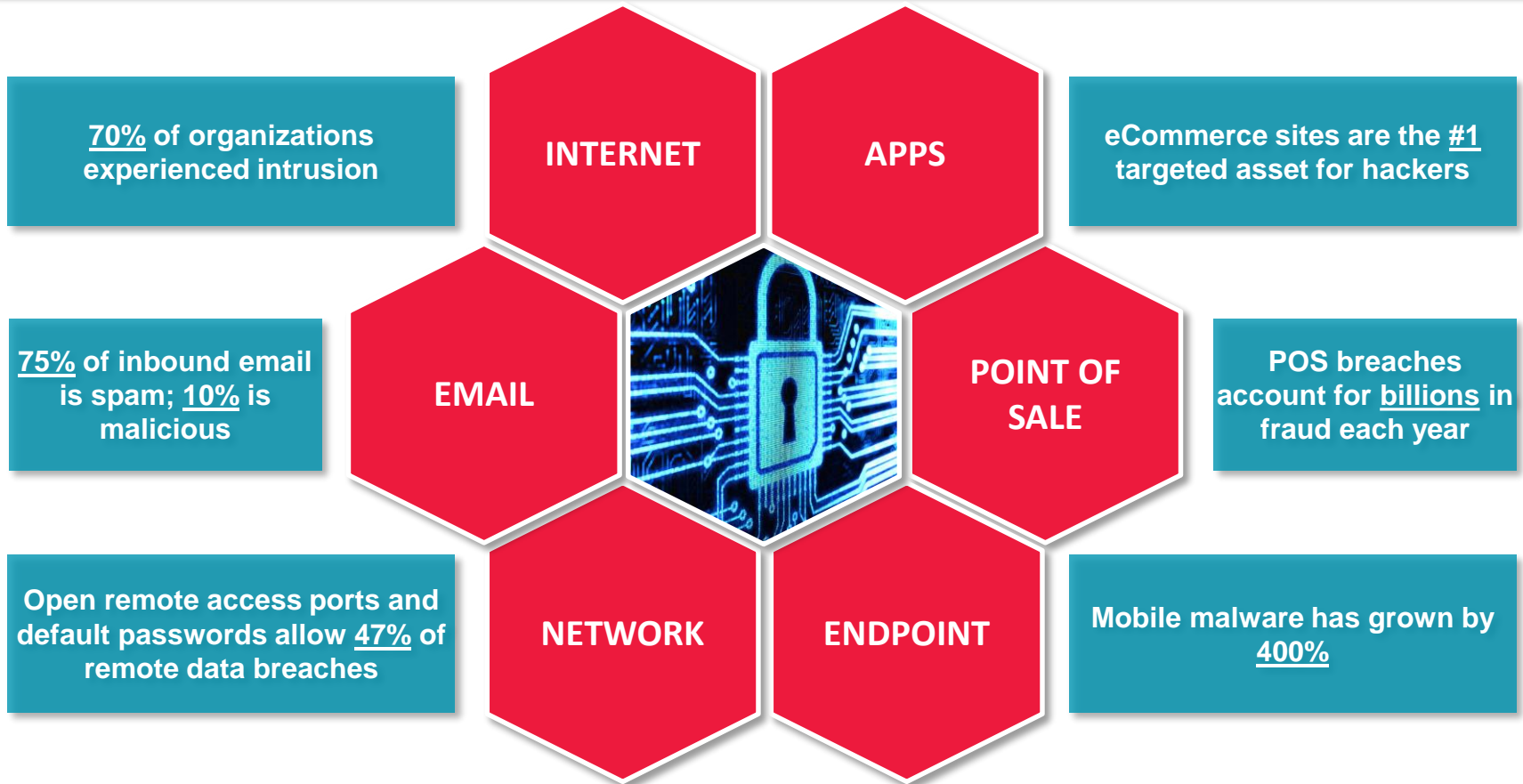
Transaction Rationale

- Trustwave will significantly enhance Singtel's cyber security capabilities, and establish Singtel as a global managed security services provider

Timeline

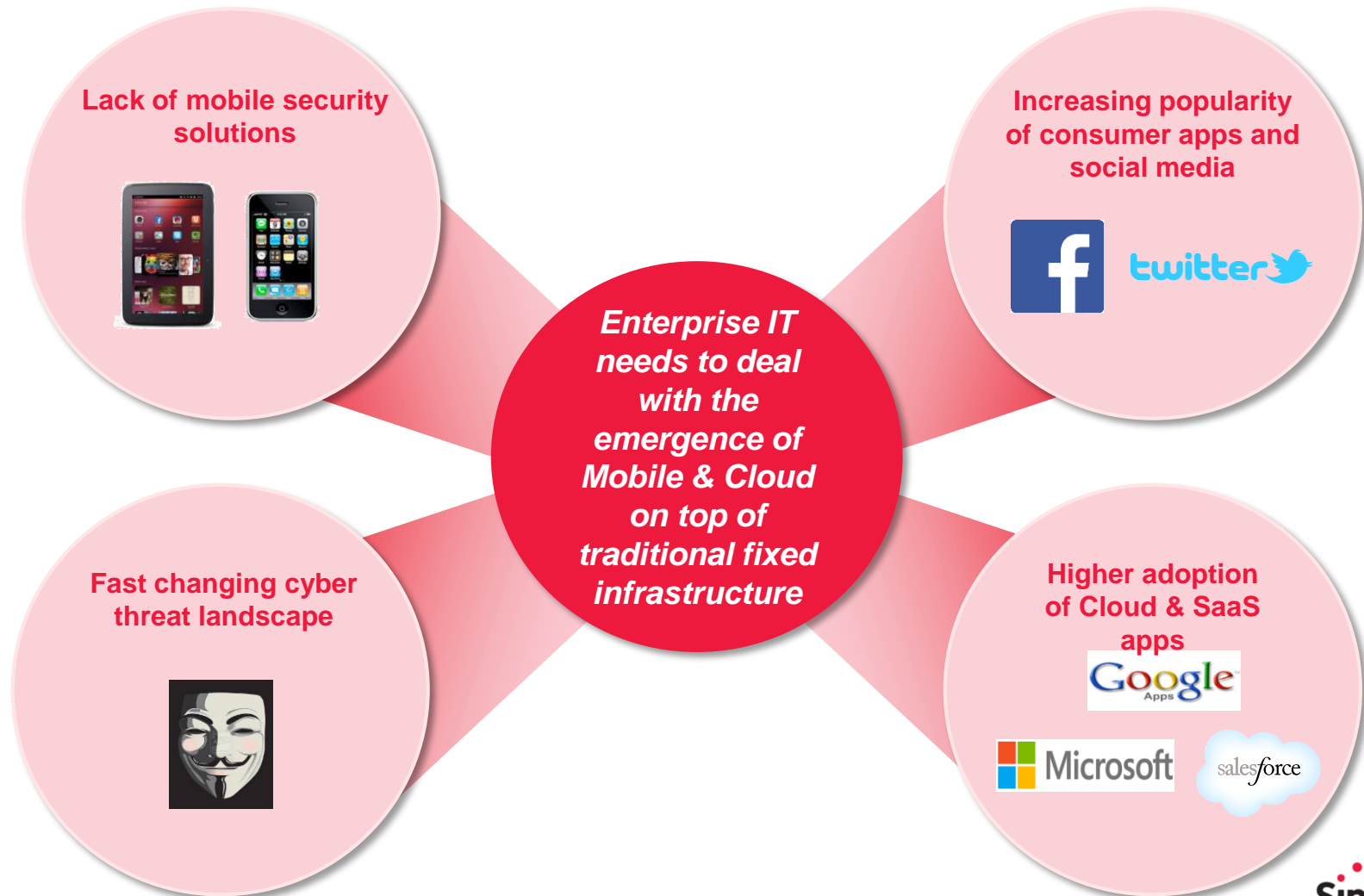
- Completion subject to customary closing conditions and regulatory approvals, expected closing in 3-6 months

Security threats are increasingly prevalent and pose significant reputation and economic risks



It typically takes more than 200 days to detect a cyber security breach

Factors driving the need for enhanced cyber security protection



Cyber security breaches have increased in frequency and severity in recent years

Major cyber security breaches

2013

2014

2015



■ 152 m user accounts hacked



■ 50 m user accounts hacked



■ 250k user accounts hacked



■ 148 m user accounts hacked



■ 76 m household accounts hacked



■ 56 m credit cards data stolen



SONY

Neiman Marcus



■ 80 m user accounts hacked



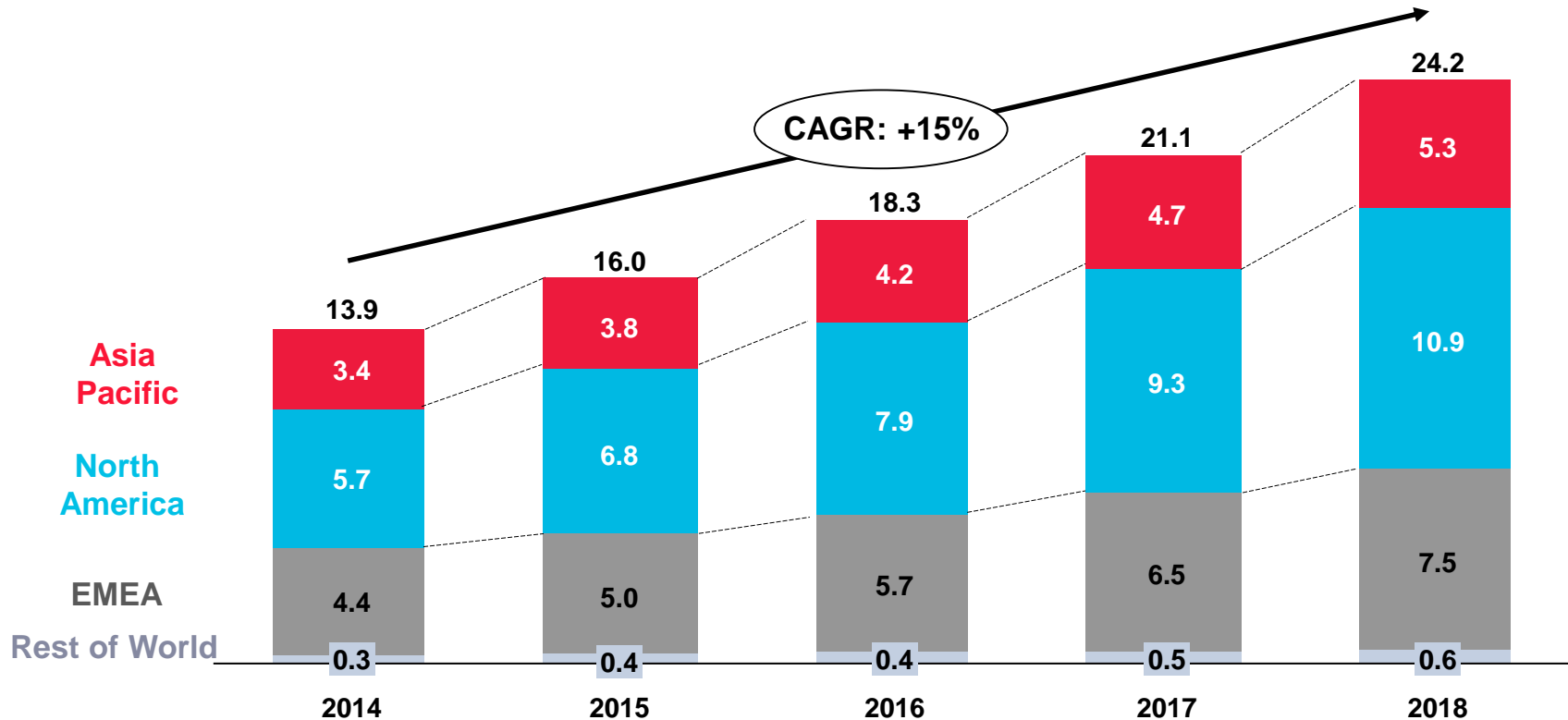
■ 11 m user accounts hacked

THE WALL STREET JOURNAL. The New York Times

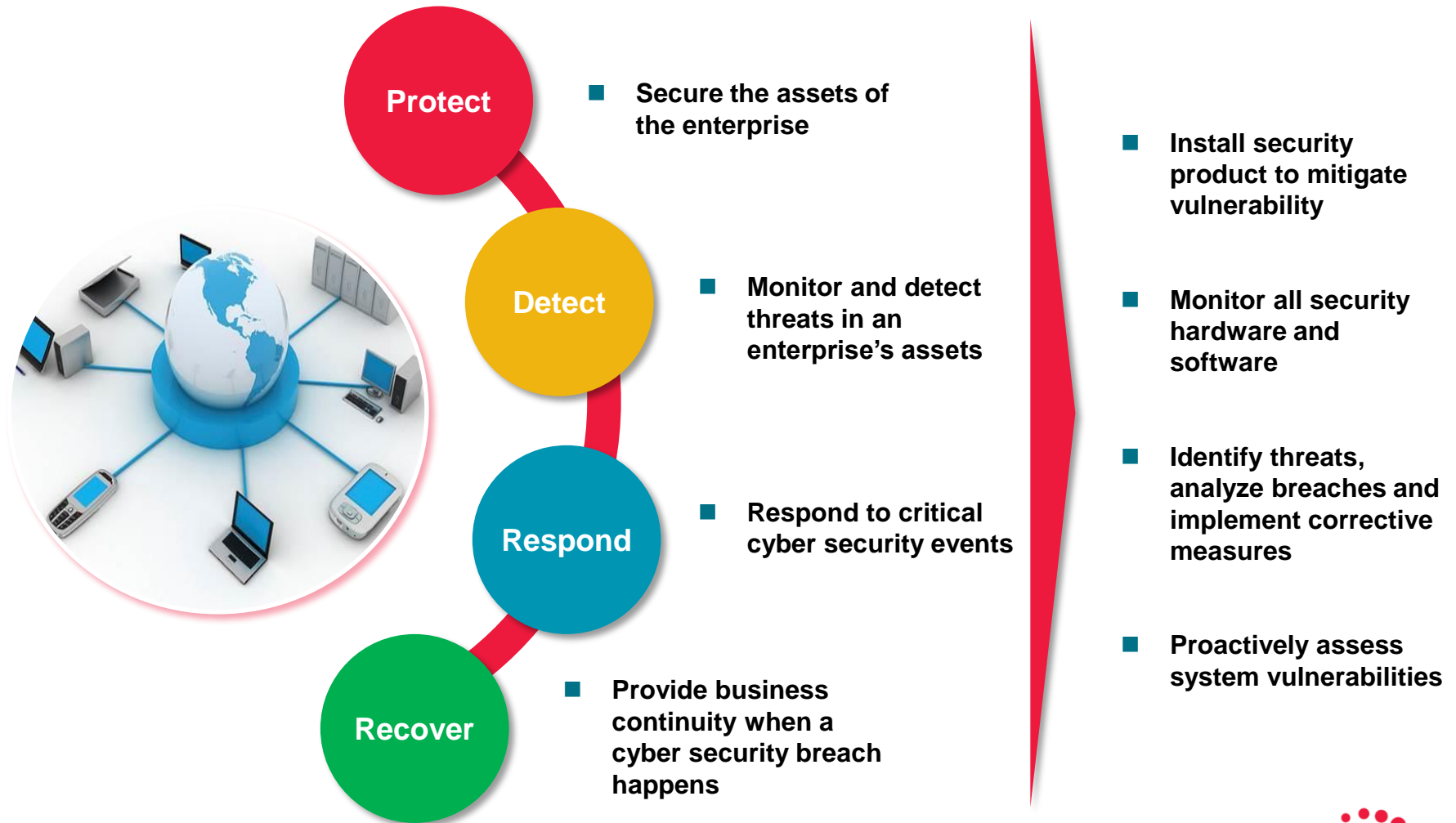
No organisation is immune

Demand for always-on cyber security managed services is expected to increase significantly

Managed Security Services Market (US\$ B)



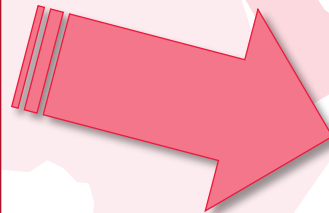
A managed security services provider helps enterprises protect assets and respond to threats



Singtel aspires to be a leading global managed security services provider

Leverage threat intelligence from North America ...

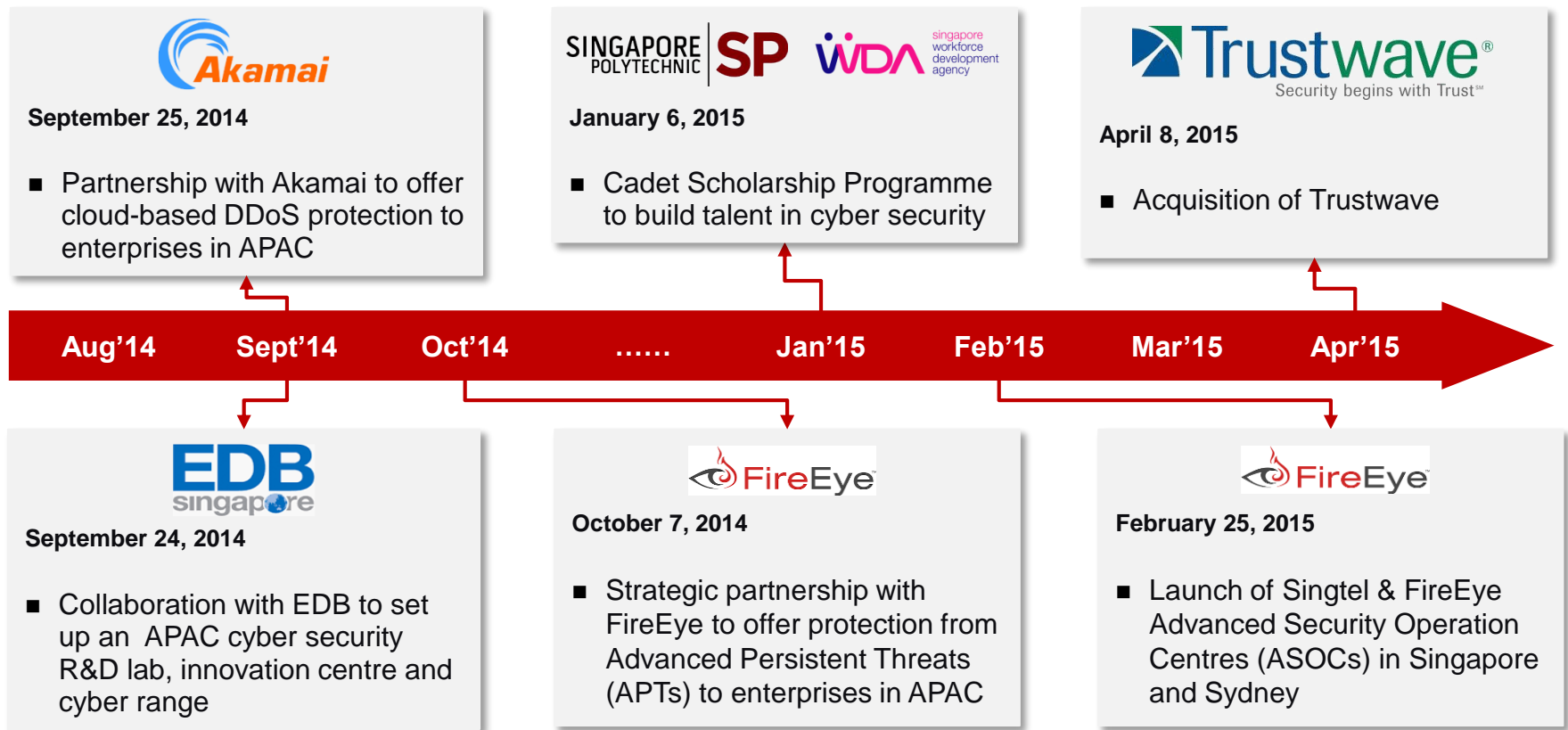
- Largest global security market
- Most sophisticated threats
- Largest pool of threat logs
- Biggest pool of talent



... and bring it to markets in Asia Pacific

- Huge demand from our customers across APAC
- Reputation as a trusted ICT provider
- Deep expertise in providing managed services
- Strong sales and delivery capabilities in region

Acquisition of Trustwave is a critical step in advancing Singtel's cyber security capabilities



Trustwave is the largest independent managed security services provider in the United States

Security Platforms

- TrustKeeper® - Unified Cloud Delivery Platform
- Robust Threat Management Platform
- 5 Global Security Operations Centres (SOCs) and Support Centres

Products and Solutions

- Broad portfolio of > 20 security products and services categories
- 56 technology patents granted and pending
- Leader in Payment Card Industry (PCI) compliance services

Domain Experts

- World-renowned threat research and intelligence through SpiderLabs™
- > 300 data security developers
- > 500 support and delivery professionals
- > 200 security focused sales professionals

Installed Base

- > 10,000 enterprise security customers, and > 3 million business subscribers, primarily for payment compliance

Trustwave's comprehensive security service offerings serve a diverse range of customers



Threat Management

- Prevention of external and internal threats through a combination of intelligence, detection, protection and remediation services

- 9 out of the Top 10 Largest Global Hospitality Brands use Trustwave for Threat Management

Vulnerability Management

- Proactive scanning, testing and remediation of database, network and application vulnerabilities to protect internal assets

- Over Half of the Fortune 25 use Trustwave for Vulnerability Management

Compliance Management

- Multi-compliance frameworks that help businesses to identify and deploy security best practices

- 10 out of the 10 largest US payment processors rely on Trustwave for Compliance Management

Positive assessment of Trustwave's capabilities

FORRESTER®

Managed Security Services

North America, Q4 2014

Leader

"... continues to prove that it's a Leader in MSSP marketplace... SpiderLabs threat intelligence research team provides excellent threat intelligence, and the company's SLA adherence is impressive"



SC Magazine Awards

North America and Europe, Q1 2015

Finalist, Best Managed Security Service



Private Vendor Watchlist Profile

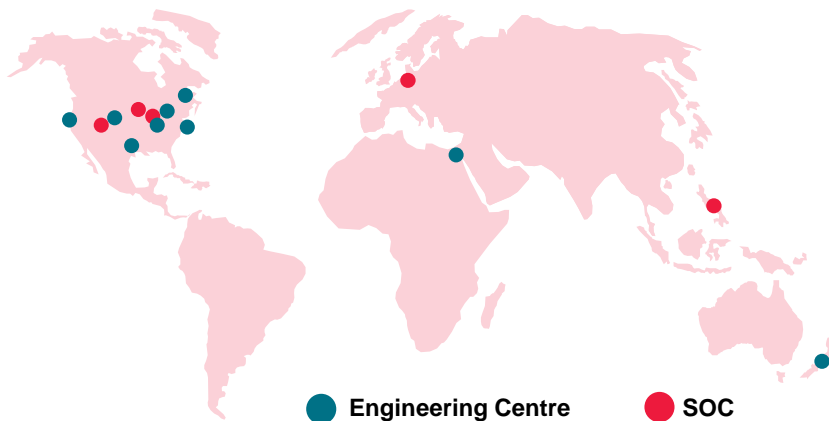
Pure-Play Security Services, Dec 2014

Overall Score: 18/20

"... well positioned for growth... In addition, the company offers MSS that are specific for vertical industries, and we view this as a competitive strength. Further, Trustwave is investing in most of the areas that we believe are core to MSS 2.0"

Extensive capabilities combined with global round-the-clock operations

Extensive Global Footprint



- ~1,200 employees across 26 countries serving > 3 million business subscribers

- 5 Security Operations Centres
 - 3 in US, 1 in Poland, 1 in Manila
- 9 Engineering Centres
 - 7 in US, 1 in Israel, 1 in New Zealand

Industry-leading Threat Intelligence



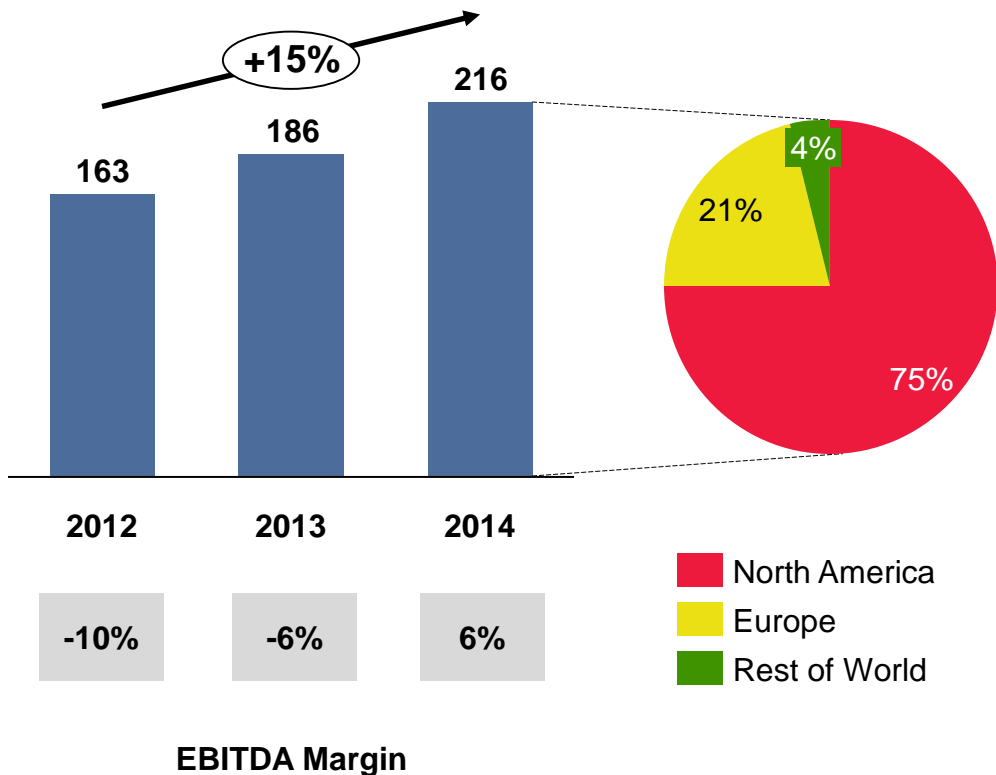
- Scalable and cost effective cloud based delivery platform



- Established threat research and intelligence services

Trustwave revenue profile

Trustwave's Revenue Trajectory (US\$ m)















Transaction Summary

ENTERPRISE VALUE
US\$850 m

Transaction expected to be
EBITDA positive from 2nd year

Transaction expected to be
EPS accretive from 3rd year¹

Valuation in line with precedent transactions

Year	Acquirer	Target	Value (US\$ m)	Multiple (EV/Rev)
2014			233	3.1x
2014			989	9.7x
2014			225	NA
2013			211	NA
2011			612	5.1x
			Mean	6.0x ¹
2015			850	3.9x

1: Average of the above transactions with revenue multiples

The acquisition will significantly enhance Singtel's cyber security business



Establish Singtel as a global managed security services provider



Broaden cyber security services portfolio



Boost in-house cyber security R&D capabilities



Tap into the growing security demand in the Asia Pacific region



Improve access for ICT services in North America and Europe



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