



**Singapore Telecommunications Limited
And Subsidiary Companies**

**MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION, RESULTS OF OPERATIONS
AND CASH FLOWS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2020**

The financial statements for the half year ended, and as at, 30 September 2020 are unaudited.

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

For all pages, "@" denotes more than +/- 500%, "" denotes less than +/- S\$0.5 million or A\$0.5 million and "***" denotes less than +/- 0.05%, unless otherwise indicated.*

For all tables, a negative sign for year-on-year change denotes a decrease in operating revenue, expense, gain or loss.

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SECTION 1 : GROUP

PERFORMANCE AT A GLANCE

	Financial Year			Half Year			
	Mar 20 S\$ m	Mar 19 S\$ m	Mar 18 S\$ m	Sep 20 S\$ m	Mar 20 S\$ m	Sep 19 S\$ m	Mar 19 S\$ m
Operating Highlights							
Group mobile customer base (million) ⁽¹⁾	705	692	706	716	705	711	692
Mobile customer market share (%)							
- Singapore	50.4	49.9	48.9	51.6	50.4	49.8	49.9
- Australia	NA	NA	NA	NA	NA	NA	NA
- Airtel India	28.4	28.0	25.7	27.8	28.3	27.7	28.0
- Telkomsel	59.3	60.9	56.1	59.2	59.3	59.9	60.9
- AIS	45.2	45.2	44.8	45.7	45.2	45.1	45.2
- Globe	55.0	56.6	52.1	51.9	55.0	57.7	56.6
Group Financials (S\$ million)							
Operating revenue	16,542	17,372	17,268	7,425	8,278	8,265	8,968
EBITDA	4,541	4,692	5,051	1,903	2,196	2,345	2,356
Share of associates' pre-tax profits	1,743	1,536	2,461	885	941	801	790
EBIT	3,704	4,006	5,261	1,481	1,843	1,861	2,032
Underlying net profit	2,457	2,825	3,593	837	1,145	1,312	1,377
Net profit/ (loss) ⁽²⁾	1,075	3,095	5,473	466	1,202	(127)	1,596
Free cash flow	3,781	3,650	3,606	1,705	1,788	1,993	1,507
Cash capex	2,037	1,718	2,349	1,096	1,134	903	899
Digitalisation and Cost Savings							
Digital revenue ⁽³⁾ as % of total revenue	15	14	NA	15	16	15	15
As a % of total revenue							
- Direct costs ⁽⁴⁾	48	47	43	48	49	47	49
- Indirect costs ⁽⁴⁾	26	28	29	28	25	26	26
Cost savings (S\$ million)	444	541	434	200	181	263	348
Key Financial Indicators							
Proportionate EBITDA from outside Singapore (%)	79	76	76	77	79	78	76
Return on invested capital (%) ⁽⁵⁾	6.4	7.7	9.6	-	-	-	-
Return on equity (%) ⁽²⁾⁽⁵⁾	3.8	10.4	18.9	-	-	-	-
EV / EBITDA and share of associates' pre-tax profits ⁽⁵⁾	8.6	9.5	8.6	-	-	-	-

"NA" denotes not available/not applicable.

Notes:

- (1) Comprise the Group's mobile customers in the markets of Singapore, Australia and that of Airtel, Telkomsel, Globe and AIS.
- (2) FY2018 included the gain on disposal of economic interest in NetLink Trust.
- (3) Comprise revenues from Group Digital Life and digital services across consumer and enterprise businesses.
- (4) Direct costs comprise mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.
- (5) Only applicable for full financial year.

SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

- **Market conditions were challenging as travel and movement restrictions and the steep economic slowdown arising from the COVID-19 pandemic dampened both consumer and business spend.**
- **Operating revenue fell 10% as the strong growth in ICT could not offset declines in the other businesses. Consequently, EBITDA was down 19%.**
- **Associates' post-tax profit contributions grew 6.1% on improved operational performance from Airtel, partly offset by lower profits from Telkomsel, AIS and Globe.**
- **Underlying net profit was down 36%.**
- **Free cash flow declined 14% on lower operating cash flow and higher capital expenditure.**

BUSINESS HIGHLIGHTS

- **The Group's combined mobile customer base reached 716 million as at 30 September 2020, up 11 million or 1.6% from 31 March 2020. The scale provided a strong platform for the Group to drive usage of mobile data services and expand into digital services, including content, mobile financial and gaming services.**
- **The Group achieved cost savings of S\$200 million during the half year, with good progress in its digitalisation and cost transformation programmes.**

SECTION 1 : GROUP**GROUP SUMMARY INCOME STATEMENT**
For The Half Year Ended 30 September 2020

	Half Year		YOY	
	30 Sep		Chge %	Chge in cc ⁽¹⁾ %
	2020 S\$ m	2019 S\$ m		
Operating revenue	7,425	8,265	-10.2	-10.6
Operating expenses	(5,594)	(6,018)	-7.0	-7.5
	1,831	2,247	-18.5	-18.9
Other income	73	99	-26.1	-26.2
EBITDA	1,903	2,345	-18.8	-19.2
- EBITDA margin	25.6%	28.4%		
Share of associates' pre-tax profits	885	801	10.5	10.0
EBITDA and share of associates' pre-tax profits	2,789	3,147	-11.4	-11.8
Depreciation	(1,133)	(1,111)	2.0	1.5
Amortisation of intangibles	(175)	(175)	-0.1	-1.0
	(1,308)	(1,286)	1.7	1.2
EBIT	1,481	1,861	-20.4	-20.7
Net finance expense	(204)	(33)	@	@
Profit before exceptional items and tax	1,277	1,828	-30.2	-30.4
Taxation	(438)	(529)	-17.2	-17.0
Profit after tax	839	1,300	-35.4	-35.8
Minority interests	(3)	12	nm	nm
Underlying net profit	837	1,312	-36.2	-36.6
Exceptional items (post-tax)	(371)	(1,439)	-74.2	-70.1
Net profit/ (loss)	466	(127)	nm	nm
<u>Excluding Airtel</u> ⁽²⁾				
Share of associates' pre-tax profits	916	1,076	-14.9	-15.0
EBIT	1,512	2,135	-29.2	-29.4
Underlying net profit	917	1,351	-32.1	-32.1
Net profit	909	1,329	-31.6	-31.6

"@" denotes more than +/- 500% and "nm" denotes not meaningful.

Unless otherwise stated, the presentation of income statements in this document is consistent with prior periods. For income statements presented in accordance with SFRS(I) 1-1, *Presentation of Financial Statements*, please refer to "SGX Appendix 7.2 Announcement".

Notes:

- (1) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/ or regional currencies from the corresponding half year ended 30 September 2019.
- (2) Excluding the post-tax contributions of Airtel and BTL, related income from the Group's investment in Airtel Africa as well as the Group's gains on dilution of equity interests in Airtel.

SECTION 1 : GROUP

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2021

In view of the continued uncertainty in the economic environment, the Group will not provide guidance on the outlook except that dividends from the regional associates will be approximately S\$1.3 billion and that the Group's capital expenditure including for 5G networks, will be around S\$2.2 billion, comprising A\$1.5 billion for Optus and S\$700 million for the rest of the Group.

Singtel is committed to its investment grade credit ratings and will review its dividend policy at the end of the financial year when there is more clarity on the impact of the COVID-19 pandemic on the Group's businesses. It is expected that total dividends for the full year will not exceed the Group's underlying net profit.

DIVIDEND

On 11 November 2020, the Board has approved an interim ordinary dividend of 5.1 cents (H1 FY2020: 6.8 cents) per share for the half year ended 30 September 2020, totalling S\$833 million which represents approximately 100% of the Group's underlying net profit for the first half year. The Board also approved the adoption of the Singtel Scrip Dividend Scheme ("**Scheme**") and the application of the Scheme to the interim dividend.

REVIEW OF GROUP OPERATING PERFORMANCE

For The Half Year Ended 30 September 2020

For the half year ended 30 September 2020, the Group faced challenging market conditions as travel and movement restrictions and the steep economic slowdown arising from the COVID-19 pandemic dampened both consumer and business spend.

Operating revenue fell 10% as the strong growth in ICT could not offset the declines in the other businesses, especially in Australia Consumer amid structural changes in the industry. Consequently, EBITDA was down 19% despite the support from the Jobs Support Scheme in Singapore.

Singapore Consumer business was adversely impacted by COVID-19, especially during the Singapore government's mandated COVID-19 circuit breaker period in April and May when there were stringent measures to counter the pandemic spread including restrictions on travel, movements and store closures. Operating revenue fell 19% mainly on lower Mobile revenue. Mobile service revenue declined due mainly to lower roaming and prepaid revenues which together contributed a significant proportion of total mobile service revenue in the last corresponding period. Prepaid usage was lower as customers spent more time indoors and relied on wifi, and the number of foreign workers and tourists fell as a result of travel restrictions. Equipment sales fell on lower volume due to weak consumer spend, and also the timing of certain premium handset launches compared to the last corresponding period. Consequently, EBITDA fell 14% after including S\$23 million of Jobs Support Scheme credits.

SECTION 1 : GROUP

Australia Consumer's operating revenue declined 11% as the business was severely impacted by headwinds in the fixed segment, the COVID-19 outbreak and the first economic recession in Australia in almost three decades. NBN migration revenue tapered off from the previous year's high with the near completion of network rollout. Mobile service revenue declined on lower roaming and prepaid revenues due to global travel restrictions. Operating revenue was also lower from customer support measures including late payment fee waivers for customers and free credits for healthcare workers. Equipment sales declined on lower volume. EBITDA fell 31% reflecting the steep decline in NBN migration revenue, as well as margins compression from equipment sales and NBN resale which accounted for a higher proportion of fixed customer base this period compared to the corresponding period last year.

The Group Enterprise's operating revenue fell 2.5% on continued decline in carriage services which was partially offset by higher ICT revenue, due to weak business and investment spending amid the economic slowdown. Despite project delays and deferments in the first quarter, ICT revenue grew strongly driven by system infrastructure services, cloud and maintenance projects led by NCS and Australia Enterprise, as well as higher data centre revenue. Mobile service revenue fell from declines in roaming and voice. Equipment sales declined due to lower mobile connections. With lower operating revenue and a higher ICT mix, EBITDA fell 6.9% after including S\$58 million of Jobs Support Scheme credits.

Group Digital Life's operating revenue declined 30% due to a reduction in Amobee's revenue and the deconsolidation of HOOQ from 1 March 2020. Amobee's revenue was lower as a result of lower advertising spend amid COVID-19 mass lockdowns as well as a reduction in TV revenue following the licensing of its technology platform to ITV plc in July 2019. Negative EBITDA, however, reduced by 58% with the cessation of HOOQ's operations and Amobee's cost optimisation initiatives.

Pre-tax and post-tax contributions from the associates grew 11% and 6.1% respectively. If the regional currencies had remained stable from the corresponding period, their profit contributions would have increased 10% and 5.2% respectively on improved operational performance from Airtel, which mitigated the profit declines from Telkomsel, AIS and Globe.

Airtel Group reported double-digit increases in operating revenue and EBITDA, boosted by strong performances in both India and Africa. Telkomsel, Globe and AIS registered lower operating revenue and EBITDA as a result of lower mobile top-ups and weaker demand due to the pandemic. Telkomsel continued to record an accelerated decline in legacy revenues due to data substitution with continued intense competition in the regions outside Java.

Depreciation and amortisation charges increased 1.7% but was stable in constant currency terms.

Net finance expense grew as the last corresponding period included income from the Group's investment as a pre-IPO shareholder in Airtel Africa, which was partly offset by lower interest expense mainly on lower average interest rates.

The Group's tax expense decreased due to lower earnings.

Consequently, underlying net profit fell 36% to S\$837 million.

The net exceptional losses (post-tax) of S\$371 million during the half year comprised mainly the Group's share of Airtel's exceptional losses and a gain on dilution in Singtel's effective equity shareholding in Airtel following Bharti Telecom Limited's sale of its 2.75% stake in Airtel in May 2020. In the same period last year, the net exceptional losses of S\$1.44 billion was mainly from Airtel's provision for the Adjusted Gross Revenue matter.

SECTION 1 : GROUP

With lower exceptional losses, a net profit of S\$466 million was recorded, compared to the net loss in the last corresponding half year.

Free cash flow for the half year was S\$1.71 billion, down 14% from the last corresponding period on lower EBITDA and higher capital expenditure in Australia, partly mitigated by favourable working capital and lower tax payments.

Following the gradual reopening of economies and resumption of business activities, operating revenue grew 10% from the first quarter with recovery in most lines of businesses in the second quarter. Consequently, EBITDA grew 12% despite lower Jobs Support Scheme credits in the second quarter.

NET FINANCE EXPENSE

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Net interest expense			
- Interest expense	(211)	(237)	-11.1
- Interest income	2	4	-55.0
	(209)	(233)	-10.3
Other finance income			
- Dividend income from Southern Cross	-	11	nm
- Investment income ⁽¹⁾	9	187	-95.2
- Other foreign exchange (loss)/ gain	(3)	3	nm
- Net fair value loss ⁽²⁾	(1)	(1)	-16.7
	5	200	-97.7
Net finance expense	(204)	(33)	@

Notes:

(1) Comprise mainly dividend and other income from 'Fair Value through Other Comprehensive Income' investments. Included S\$187 million of income from investment as a pre-IPO shareholder of Airtel Africa for the corresponding half year ended 30 September 2019.

(2) Comprise mainly adjustments for hedging instruments and other financial instruments including options measured at fair values under SFRS(I) 9, *Financial Instruments*.

"nm" denotes not meaningful and "@" denotes more than +/- 500%.

Interest expense fell 11% on lower average interest rates, partly offset by higher average borrowings.

Other foreign exchange loss arose mainly from the revaluation loss of fixed deposits following the depreciation of the US Dollar during the half year.

SECTION 1 : GROUP**EXCEPTIONAL ITEMS (POST-TAX) ⁽¹⁾**

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Dilution gain on Airtel	550	87	@
Staff restructuring costs	(9)	(30)	-68.9
Others ⁽²⁾	(1)	2	nm
	539	60	@
Tax credit on exceptional items	2	6	-65.5
Group exceptional items (post-tax)	541	65	@
Share of Airtel's one-off items (pre-tax) ⁽³⁾	(699)	(2,078)	-66.4
Share of Airtel's exceptional tax ⁽³⁾	(213)	574	nm
Share of Airtel's exceptional items (post-tax)	(912)	(1,504)	-39.4
Net exceptional losses (post-tax)	(371)	(1,439)	-74.2

Notes:

- (1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.
- (2) Others comprised dilution gain on Globe and other provisions.
- (3) Share of Airtel's net exceptional losses in the last corresponding period comprised mainly a provision made for regulatory demands on the Adjusted Gross Revenue matter.

"@" denotes more than +/-500% and "nm" denotes not meaningful.

The exceptional items in this half year included a gain of S\$550 million from the dilution of Singtel's effective shareholding in Airtel by 1.4 percentage points following Bharti Telecom Limited's sale of 2.75% stake in Airtel in May 2020.

The Group also recorded its share of Airtel's net exceptional losses of S\$912 million (post-tax) which comprised mainly additional provisions for licence fees and spectrum usage charges and related interests on account of the Supreme Court of India's decision on the Adjusted Gross Revenue matter on 20 July 2020, an exceptional tax charge from a re-assessment of the carrying amounts of deferred tax balances (including minimum alternate tax credits) on likely adoption of a new India tax regime at a lower corporate tax rate, as well as adjustments from the resolution of certain tax disputes.

SECTION 1 : GROUP

TAX EXPENSE

	Half Year		YOY Chge %
	30 Sep		
	2020	2019	
	S\$ m	S\$ m	
Income tax expense/ (credit)			
Optus	(10)	100	nm
Singtel and other subsidiaries	81	100	-19.8
Total (a)	71	201	-64.7
Share of associates' tax expense (b)	264	216	22.3
Withholding taxes on associates' dividend income ⁽¹⁾	102	112	-8.4
Total	438	529	-17.2
Profit before exceptional items and tax	1,277	1,828	-30.2
Exclude:			
Share of associates' pre-tax profits	(885)	(801)	10.5
Adjusted pre-tax profit (c)	392	1,027	-61.9
Effective tax rate of Singtel and subsidiaries (a)/(c)	18.1%	19.6%	
Share of associates' pre-tax profits (d)	885	801	10.5
Effective tax rate of associates (b)/(d)	29.9%	27.0%	

Note:

(1) Withholding taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, the dividend income and related withholding taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at the Group. The cash inflows upon the receipt of dividend are shown on **page 11**.

"nm" denotes not meaningful.

Excluding the associates, the reduction in tax expense was due to lower earnings. The share of taxes of the associates increased on higher profits, as well as a higher effective tax rate at Airtel as it had recorded some non-taxable capital gains from its investments in Africa in the last corresponding period.

SECTION 1 : GROUP**SUMMARY STATEMENTS OF FINANCIAL POSITION**

	As at		
	30 Sep	31 Mar	30 Sep
	2020	2020	2019
	S\$ m	S\$ m	S\$ m
Current assets (excluding cash)	5,808	6,176	6,371
Cash and bank balances	688	1,000	551
Non-current assets	41,378	41,779	42,146
Total assets	47,873	48,955	49,067
Current liabilities	8,218	10,579	10,602
Non-current liabilities	12,789	11,562	10,917
Total liabilities	21,007	22,141	21,518
Net assets	26,867	26,814	27,549
Share capital	4,127	4,127	4,127
Retained earnings	25,004	25,448	25,373
Currency translation reserve (loss)	(1,839)	(2,444)	(1,657)
Other reserves	(454)	(343)	(254)
Equity attributable to shareholders	26,839	26,789	27,590
Minority interests	28	25	(41)
	26,867	26,814	27,549

The Group continued to be in a strong financial position as at 30 September 2020. Singtel's ratings of A1 by Moody's and A by S&P Global Ratings continued to be strong among its peers in the global telecommunications industry.

The currency translation reserve (loss) in equity decreased by S\$605 million during the half year. This was due mainly to translation gains for Optus and Telkomsel, partly offset by translation losses for the Group's US Dollar denominated subsidiaries.

SECTION 1 : GROUP**CAPITAL MANAGEMENT**

	As at		
	30 Sep 2020 S\$ m	31 Mar 2020 S\$ m	30 Sep 2019 S\$ m
Gross debt			
Current debt	2,062	3,971	4,537
Non-current debt	11,332	10,202	9,573
Gross debt as reported in statement of financial position	13,394	14,173	14,110
Related net hedging liability/ (asset) ⁽¹⁾	13	(674)	(448)
Hedged gross debt	13,406	13,499	13,662
Less : Cash and bank balances	(688)	(1,000)	(551)
Net debt	12,718	12,499	13,111
Gross debt gearing ratio ⁽²⁾	33.3%	33.5%	33.2%
Net debt gearing ratio	32.1%	31.8%	32.2%
Net debt to EBITDA and share of associates' pre-tax profits ⁽³⁾	2.28X	1.99X	2.08X
Interest cover:			
EBITDA and share of associates' pre-tax profits/ net interest expense ⁽⁴⁾	13.3X	13.8X	13.5X

Notes:

- (1) The net hedging liability/ (asset) relates to the fair values of cross currency and interest rate swaps.
- (2) Gross debt gearing ratio refers to the ratio of gross debt to gross capitalisation. Gross capitalisation is the aggregate of gross debt, shareholders' funds and minority interests.
- (3) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.
- (4) Net interest expense refers to interest expense less interest income.

Net debt increased by S\$219 million from half a year ago to S\$12.72 billion as at 30 September 2020 due to a stronger Australian Dollar. As a result, net debt gearing ratio increased to 32.1%. In constant currency terms, net debt would have decreased due to net repayment of borrowings.

SECTION 1 : GROUP

CASH FLOW

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Operating cash flow (before dividends from associates)	1,751	1,799	-2.7
Dividends/ Distributions received from associates (net of withholding tax)	1,051	1,097	-4.2
Net cash inflow from operating activities	2,802	2,896	-3.2
Net cash outflow for investing activities	(1,183)	(1,752)	-32.5
Net cash outflow for financing activities	(1,947)	(1,105)	76.1
Net change in cash and cash equivalents	(328)	38	nm
Exchange effects on cash and cash equivalents	11	(7)	nm
Cash and cash equivalents at beginning of period ⁽¹⁾	990	513	93.1
Cash and cash equivalents at end of period ⁽¹⁾	673	544	23.8
Group cash capex			
Optus	783	575	36.3
Singtel and other subsidiaries	313	329	-4.7
	1,096	903	21.4
Group free cash flow (before associates' dividends/ distributions)	655	896	-27.0
Dividends/ Distributions received from associates (net of withholding tax)	1,051	1,097	-4.2
Group free cash flow	1,705	1,993	-14.4

Note:

(1) Cash and cash equivalents excluded restricted cash relating to the provision of mobile money remittance and payment services in Singapore.

Cash Dividends/ Distributions from Associates/ Joint Ventures	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Telkomsel ⁽¹⁾	728	802	-9.2
AIS ⁽²⁾	209	212	-1.8
Globe ⁽³⁾	86	74	17.1
Intouch ⁽⁴⁾	73	73	-0.4
Airtel ⁽⁵⁾	28	-	nm
Regional associates	1,124	1,161	-3.2
Other associates			
NetLink NBN Trust/ NetLink Trust ⁽⁶⁾	24	24	3.4
Southern Cross ⁽⁷⁾	-	11	nm
Others	17	23	-26.3
	42	58	-28.0
Total (before tax)	1,166	1,219	-4.3
Withholding taxes	(115)	(122)	-5.9
Dividends/ Distributions received from associates/ joint ventures (net of withholding tax)	1,051	1,097	-4.2

"nm" denotes not meaningful.

SECTION 1 : GROUP

Notes: Dividend policy, and receipts after 30 September 2020

- (1) Telkomsel declared a full year ordinary dividend of 97.5% on its FY2019 net profit (FY2018: 95%).
- (2) AIS declared a full year dividend of 70% on its FY2019 net profit (FY2018: 71%).
- (3) Globe's dividend policy is to pay 60%-75% of prior year's core net profit. Globe will pay its next quarterly dividend of PHP 31.33 per common share in December 2020. The Group's share of this dividend is approximately S\$55 million.
- (4) Intouch's policy is to pass through dividends received from its associates and subsidiaries after the deduction of operating expenses, subject to its financial needs or unless the payment of dividends would materially affect its operations.
- (5) Airtel does not have a fixed dividend policy.
- (6) NetLink NBN Trust's policy is to distribute 100% of its cash available for distribution (CAFD), which includes distributions from its wholly-owned subsidiary NetLink Trust ("NLT"). NLT's distribution policy is to distribute at least 90% of its distributable income to NetLink NBN Trust after setting aside reserves and provisions for, amongst others, future capital expenditure, debt repayment and working capital as may be required. On 6 November 2020, NetLink NBN Trust declared a distribution of S\$0.0253 per unit for its distribution period from 1 April 2020 to 30 September 2020 which will be payable on 4 December 2020. The Group's share of this distribution is approximately S\$24 million.
- (7) Southern Cross Cables Holdings Limited, part of the Southern Cross consortium, does not have a fixed dividend policy.

Net cash inflow from operating activities (before associates' dividend receipts) for the half year declined 2.7% to S\$1.75 billion due mainly to lower EBITDA partly mitigated by favourable working capital and lower cash taxes. Dividends from the associates declined mainly from lower dividends from Telkomsel which was partly mitigated by dividends received from Airtel. Consequently, total cash flow from operations declined 3.2% to S\$2.80 billion.

Net cash outflow for investing activities was S\$1.18 billion. Capital expenditure comprised S\$783 million (A\$824 million) for Optus and S\$313 million for the rest of the Group. In Optus, capital investments in the half year included A\$520 million for mobile network and A\$304 million for fixed and other core infrastructure. The other major capital investments for the rest of the Group included S\$56 million for mobile network and S\$257 million for fixed and other core infrastructure.

The Group's free cash flow declined 14% to S\$1.71 billion mainly from higher capital expenditure in Australia.

Net cash financing outflow of S\$1.95 billion for the half year mainly comprised net repayment of borrowings of S\$1.03 billion and final dividend payment of S\$890 million in August 2020.

SECTION 2 : SINGAPORE CONSUMER

SINGAPORE CONSUMER

Singapore Consumer offers mobile, fixed broadband, voice, pay television, content and digital services, as well as equipment sales in Singapore.

SUMMARY INCOME STATEMENT For The Half Year Ended 30 September 2020

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Operating revenue	871	1,081	-19.4
Operating expenses	(554)	(719)	-22.9
	317	362	-12.4
Other income ⁽¹⁾	9	17	-49.1
EBITDA	326	379	-14.0
- margin	37.4%	35.1%	
Depreciation & amortisation	(131)	(130)	0.8
EBIT	195	249	-21.8

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Mobile service	380	492	-22.9
Sale of equipment	195	277	-29.7
Leasing revenue ⁽²⁾	5	4	19.0
Mobile	579	773	-25.1
Fixed broadband ⁽³⁾	128	127	0.7
Residential Pay TV	96	98	-1.9
Fixed voice	54	57	-4.6
Others ⁽⁴⁾	14	26	-45.0
Operating revenue	871	1,081	-19.4
Cost of sales	272	369	-26.4
Selling & administrative	120	141	-15.2
Staff costs	74	104	-29.5
Traffic expenses	76	88	-13.6
Repair & maintenance	24	27	-12.3
Others	(10)	(10)	1.0
Operating expenses	554	719	-22.9
Direct costs ⁽⁵⁾	266	351	-24.0
Indirect costs ⁽⁵⁾	288	368	-21.9
Operating expenses	554	719	-22.9

SECTION 2 : SINGAPORE CONSUMER

Notes:

- (1) Include trade foreign currency exchange differences, rental income, gain/loss on disposal of scrap copper and property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange gain amounted to S\$1 million (H1 FY2020: S\$2 million of loss) for the half year ended 30 September 2020.
- (2) Comprise revenue from lease of handsets to mobile customers under 2-year contracts.
- (3) Include sale of broadband equipment.
- (4) Include digital business, energy reselling and revenues from mobile network cabling works and projects.
- (5) Direct costs comprise mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

FINANCIAL PERFORMANCE

For The Half Year Ended 30 September 2020

Singapore Consumer business was adversely impacted by COVID-19, especially during the Singapore government's mandated COVID-19 circuit breaker period in April and May when there were stringent measures to counter the pandemic spread including restrictions on travel, movements and store closures.

Operating revenue fell 19% mainly on lower Mobile revenue. Mobile service revenue was down 23% due mainly to lower roaming and prepaid revenues which together contributed a significant proportion of total mobile service revenue in the last corresponding period. Prepaid usage was lower as customers spent more time indoors and relied on wifi, and the number of foreign workers and tourists fell as a result of travel restrictions. Equipment sales declined 30% on lower volume due to weak consumer spend, and also the timing of certain premium handset launches compared to the last corresponding period.

Fixed broadband revenue was stable in a highly competitive market. Pay TV revenue declined 1.9% from lower advertising sales revenue and a decline in the customer base.

Total operating expenses fell 23% from cost management and the deferral of some spending to the second half of the year. Cost of sales fell with lower equipment sales. TV content costs dropped due to contract negotiations and content rationalisation. Staff costs declined on lower average headcount and after including S\$23 million of Jobs Support Scheme credits. Cost structure also improved with approximately 50% of sales transacted online and through self-service.

EBITDA fell 14% reflecting the lower operating revenue, particularly roaming services. EBIT declined 22% after including stable depreciation and amortisation.

Following the phased reopening of the Singapore economy, operating revenue in the second quarter increased 15% compared to the first quarter mainly on higher sales of equipment. Mobile roaming, however, has not rebounded due to the ongoing travel restrictions. EBITDA increased by 1.6% on improved operational performance, partially offset by lower support from the Jobs Support Scheme in the second quarter.

SECTION 2 : SINGAPORE CONSUMER

BUSINESS HIGHLIGHTS

The postpaid customer base grew by 41,000¹ from half a year ago as both GOMO and SIM-only plans continued to gain traction. This was net of migration of approximately 12,000 enterprise customers to IOT. Excluding this migration, postpaid net additions for the half year would have been 53,000. The number of prepaid customers declined by 98,000 over the same period due mainly to the reduction in the number of foreign workers and tourists.

Following its 5G licence win, Singtel launched its 5G non-standalone (NSA) network on 1 September 2020 and introduced a six-month trial for its customers. As a forerunner of 5G, Singtel's NSA network can deliver 5G speeds of more than 1.2 Gbps, by harnessing prime 3.5 GHz frequency as well as existing 2100MHz spectrum while employing advanced technologies such as dual connectivity. Singtel also showcased its first 5G use cases such as augmented reality books, virtual reality events and cloud gaming at 5G Now@UNBOXED, its 24/7 unmanned pop-up retail store which has been enhanced with 5G connectivity. UNBOXED won the Outstanding Store Design at the World Retail Awards 2020.

As part of its digitalisation efforts to improve customer experience, Singtel partnered with NETS to launch NETS Click on Singtel's hi!App. Prepaid customers can now use NETS ATM bank cards to make top-ups and purchase data plans and services directly on their mobile device.

Singtel established a partnership with Great Eastern to launch a range of general insurance products spanning home, motor and travel. Singtel Home Protect was introduced as a home insurance that provides coverage for both telco bills and home contents. This collaboration expands Singtel's foray into insurance, tapping on its wide customer base and valuable customer insights to tailor insurance products to customers' lifestyle needs.

¹ Based on total product view (i.e. include enterprise mobile).

SECTION 3 : AUSTRALIA CONSUMER**AUSTRALIA CONSUMER**

Australia Consumer offers mobile, fixed broadband, voice and equipment sales in Australia.

SUMMARY INCOME STATEMENT
For The Half Year Ended 30 September 2020

	Half Year		YOY Chge %
	30 Sep		
	2020 A\$ m	2019 A\$ m	
Operating revenue	3,427	3,857	-11.1
Operating expenses	2,553	2,577	-0.9
	875	1,279	-31.6
Other income	49	54	-8.0
EBITDA	924	1,333	-30.7
- margin	27.0%	34.6%	
Depreciation & amortisation	798	800	-0.3
EBIT	126	533	-76.3
NBN Migration revenues	209	284	-26.6
Ex-NBN Migration revenues			
Operating revenue	3,219	3,572	-9.9
EBITDA	715	1,049	-31.8
EBIT	(82)	249	nm

	Half Year		YOY Chge %
	30 Sep		
	2020 A\$m	2019 A\$m	
Incoming	126	109	16.0
Outgoing	1,543	1,612	-4.2
Total Mobile Service	1,670	1,721	-3.0
Equipment	661	885	-25.3
Leasing Revenue ⁽¹⁾	75	105	-28.2
Total Mobile Revenue	2,407	2,711	-11.2
Retail Fixed On-net	123	260	-52.9
Retail Fixed Off-net ⁽²⁾	609	587	3.7
Total Retail Fixed ⁽³⁾	732	848	-13.7
Total Wholesale & Fleet Fixed ⁽⁴⁾	289	298	-3.0
Operating revenue	3,427	3,857	-11.1

"nm" denotes not meaningful

SECTION 3 : AUSTRALIA CONSUMER

Notes:

- (1) Comprise revenue from lease of handsets to mobile customers under 2-year contracts. Handset leasing plans are no longer offered from July 2019.
- (2) Includes NBN migration and site preparation revenues of A\$209 million (H1 FY2020: A\$284 million) for the half year ended 30 September 2020.
- (3) Include small-sized businesses.
- (4) Include medium-sized businesses.

	Half Year		YOY Chge %
	30 Sep		
	2020 A\$m	2019 A\$m	
Cost of sales	937	1,113	-15.8
Selling & administrative	616	570	7.9
Traffic expenses	571	500	14.0
Staff costs	304	291	4.7
Repair & maintenance	94	74	27.6
Others	31	29	7.4
Operating expenses	2,553	2,577	-0.9
Direct costs ⁽¹⁾	1,628	1,710	-4.8
Indirect costs ⁽¹⁾	925	867	6.6
Operating expenses	2,553	2,577	-0.9

Note:

- (1) Direct costs comprise mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

FINANCIAL PERFORMANCE

For The Half Year Ended 30 September 2020

The telco industry is facing headwinds in the fixed market as well as being severely affected by the fallout from the COVID-19 pandemic including the first economic recession in Australia in almost three decades.

Operating revenue declined 11%, mainly driven by lower equipment sales and NBN migration revenue tapering off from the previous year's high with the near completion of the network rollout. Mobile service revenue was down 3.0%. Customer growth, roaming and prepaid revenues were impacted by the COVID-19 shutdowns and travel restrictions which curtailed the number of inbound and outbound travellers and foreign students. Operating revenue was also lower from customer support measures including late payment fee waivers for customers and free credits given to healthcare workers. Equipment sales revenue declined on lower volume.

Excluding the COVID-19 impact on roaming, late payment fees and the credits for the healthcare workers, mobile service revenue would have increased by low single digit with higher penetration of Optus Choice plans, partially offset by a decline in the number of prepaid customers. The growth of Optus Choice plans, launched in November 2019, has driven higher ARPU through increased customer value and reduced handset subsidy.

SECTION 3 : AUSTRALIA CONSUMER

Total operating expenses were stable. Direct costs fell in tandem with related revenue. Cost of sales declined in line with lower equipment sales, partially offset by lower handset vendor rebates while NBN customer growth has led to an increase in traffic expenses. Indirect costs were up due to higher doubtful debts provision, spending on COVID-19 related activities such as onshore support, safety and cleaning measures, as well as higher network expenses from an expanded mobile network.

With lower operating revenue, EBITDA and EBIT declined 31% and 76% respectively, reflecting the steep decline in NBN migration revenue as well as margins compression from equipment sales and NBN resale which accounted for a higher proportion of fixed broadband customer base this period compared to the corresponding period last year.

Compared to the first quarter, operating revenue was stable and EBITDA improved by 10% in the second quarter mainly due to lower COVID-19 related costs.

BUSINESS HIGHLIGHTS

Optus is committed to keeping customers connected and supporting all Australians during this COVID-19 crisis, offering temporary support to customers through the initial lockdowns in a variety of forms including bonus data, account hibernation options and enhanced hardship support. It has also successfully mitigated the significant business disruptions through 'working from home' arrangements and strict office safety protocols.

This half year saw a mobile customer base decline of 404,000², with prepaid base decline of 343,000 as a result of lower new customer additions from the economic slowdown and a loss of travellers and students from the pandemic.

Fixed NBN customer base grew by 235,000 from a year ago and accounted for 90% (30 September 2019: 65%) of the total fixed broadband customer base as at 30 September 2020.

A number of innovative new mobile propositions were launched, including multi-service Family and Business Connect plans, the Unlimited Data Days add on, and Optus Flex for prepaid customers managed via My Optus App. New Optus 5G Home plans were also launched giving market-leading speeds and the product won the Best Mobile Solution at the 2020 ACOMM Awards.

Optus' strong focus on customer experience has driven positive performance in customer Net Promoter Score, which grew to +33 in September 2020. Over the 12 months to August 2020, the Optus AI Assistant Chatbot surpassed 2 million conversations, with one in six Optus customers having their queries resolved immediately without transfer to a customer service expert.

Optus also refreshed its brand in July 2020 to more clearly position its purpose and commitment to power optimism in Australia during the COVID-19 crisis, building on recognition of Optus as Australia's strongest brand by Brand Finance in January 2020.

In November 2020, Optus entered into a conditional agreement to acquire the mobile service business of amaysim Australia Limited for an aggregate consideration of A\$250 million, subject to certain adjustments at closing. It also announced the launch of GOMO, a new digital-only brand. Both are strategic plays to disrupt the MVNO market and will offer greater choice for value-seeking customers.

² Including enterprise customers, Optus' total mobile customer base was down 384,000 and total postpaid customer base declined 53,000 in the half year.

SECTION 4 : GROUP ENTERPRISE

GROUP ENTERPRISE

Group Enterprise provides comprehensive and integrated ICT solutions to enterprise customers in Singapore, Australia, U.S., Europe and the region, covering mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT services and professional consulting.

SUMMARY INCOME STATEMENT For The Half Year Ended 30 September 2020

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Operating revenue	2,857	2,931	-2.5
Operating expenses	2,116	2,154	-1.8
	741	777	-4.6
Other income ⁽¹⁾	9	29	-68.3
EBITDA	750	806	-6.9
- margin	26.3%	27.5%	
Depreciation & amortisation	(362)	(351)	3.3
EBIT	388	456	-14.8

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Managed Services ⁽²⁾	904	829	9.0
Business Application Services ⁽³⁾	283	271	4.6
Cyber Security	271	256	5.9
Communications Engineering ⁽⁴⁾	64	56	13.5
ICT	1,522	1,413	7.8
<i>Digital revenue ⁽⁵⁾ as % of ICT revenue</i>	<i>41%</i>	<i>41%</i>	
Mobile service	271	347	-21.8
Sale of equipment	140	181	-22.6
Mobile	411	527	-22.1
Data and Internet ⁽⁶⁾	714	762	-6.3
Fixed voice	186	201	-7.2
Others ⁽⁷⁾	24	29	-16.4
Carriage	1,335	1,519	-12.1
Operating revenue	2,857	2,931	-2.5
<i>ICT as % of total revenue</i>	<i>53%</i>	<i>48%</i>	

SECTION 4 : GROUP ENTERPRISE

Notes:

- (1) Include trade foreign exchange differences, rental income, gain/loss on disposal of scrap copper, property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange gains amounted to S\$1 million (H1 FY2020: S\$1 million) for the half year ended 30 September 2020.
- (2) Include facility management, managed and network services, and value-added reselling and services.
- (3) Include applications management services and outsourcing, system integration and business process outsourcing.
- (4) Include telecommunications infrastructure, aviation communications, secured communications, video technology, sensors, as well as command and control systems.
- (5) Refers to services provided using digitalisation methods and technologies which include cyber, cloud, analytics, mobility, interactive (UI/UX), as well as Artificial Intelligence (AI), Internet of Things (IoT) and blockchain.
- (6) Include local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.
- (7) Include TV, facility rentals and other miscellaneous revenue.

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Cost of sales	877	846	3.7
Staff costs	694	732	-5.2
Selling & administrative	245	276	-11.1
Traffic expenses	215	226	-5.0
Repair, maintenance and others	85	75	14.0
Operating expenses	2,116	2,154	-1.8
Direct costs ⁽¹⁾	1,403	1,420	-1.2
Indirect costs ⁽¹⁾	713	734	-2.9
Operating expenses	2,116	2,154	-1.8

Note:

- (1) Direct costs comprise mainly cost of sales, traffic expenses, and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

Please refer to **Appendix 3** for the contribution of Group Enterprise by region.

FINANCIAL PERFORMANCE

For The Half Year Ended 30 September 2020

Group Enterprise's operating revenue fell 2.5% due mainly to a continued decline in carriage services which was partially offset by higher ICT revenue, due to weak business and investment spending amid the economic slowdown.

ICT revenue rose by a robust 7.8% for the half year despite project delays and deferments in the first quarter. The increase was driven by system infrastructure services, cloud and maintenance projects led by NCS and Australia Enterprise, as well as higher data centre revenue. COVID-19 has presented NCS with new opportunities such as the implementation of stay-home notice smart tagging platform and development of new temperature self-check kiosks. For the first half of the year, ICT contributed 53% to the Group Enterprise's overall revenue, up from 48% in the same period last year.

SECTION 4 : GROUP ENTERPRISE

Overall carriage services revenue was lower by 12%. Mobile service revenue fell 22% from steep declines in roaming and voice. Equipment sales declined 23% from lower mobile connections. Data and Internet revenue was down 6.3% on price competition and lower volumes partly on cessation of a large domestic wholesale network leasing agreement. Fixed voice revenue decreased on lower usage and tariffs. The impact of the decline was partially mitigated by lower outpayment costs.

Overall operating expenses fell 1.8% after including S\$58 million of Jobs Support Scheme credits. Selling and administrative expenses fell due mainly to decline in property-related expenses on lower utilities and rebates.

Other income in the same period last year was boosted by a gain on sale of property, plant and equipment.

With the lower operating revenue and higher ICT mix, EBITDA declined by 6.9%. Depreciation and amortisation was up 3.3% mainly from data centre investments. Consequently, EBIT was lower by 15%.

Compared to the first quarter, operating revenue and EBITDA in the second quarter grew 7.4% and 6.5% respectively on the gradual recovery of business activities across Singapore and Australia.

BUSINESS HIGHLIGHTS

In this quarter, Singtel launched the nation's first 5G standalone (SA) trial network for enterprises at its 5G Garage testing facility. The network provides enterprises with early access to ultra-fast and low latency 5G connections to accelerate the development of their use cases, automation and digitalisation.

Singtel was also recognised as the Best WAN Solution Provider at the Carrier Community Global Awards Berlin 2020, outperforming 2,300 operators from more than 130 countries.

To foster digital inclusion, Singtel has also launched a S\$2 million "Let's Get Digital" initiative to help more than 6,000 SMEs accelerate their digital transformation and adapt to the fast-changing digital economy.

Based on IDC's Asia-Pacific Telecom Services Database for 2H 2019³, Singtel has defended its leadership as Asia Pacific's Leading Enterprise Data Services provider, with a market share leader position of 19.9% in the International IPVPN market, 14.7% in the IPLC market, 21.9% in the International E-Line market and 14.6% in the International E-VPN market.

³ Source: IDC Telecom Services Database Asia-Pacific 2H 2019, September 2020.

SECTION 4 : GROUP ENTERPRISE

SUPPLEMENTARY INFORMATION

NCS ⁽¹⁾

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Managed Services ⁽²⁾	584	526	11.0
Business Application Services ⁽³⁾	290	278	4.1
Communications Engineering ⁽⁴⁾	95	90	5.8
Cyber Security	87	76	15.4
Operating revenue	1,055	969	8.9
Digital revenue ⁽⁵⁾ as % of total revenue	36%	36%	
Gross margin (%) ⁽⁶⁾	16%	16%	
EBITDA	179	132	35.2
EBIT	138	94	46.1

Notes:

- (1) Based on the standalone results of NCS group, which include revenue earned as a vendor to the other Singtel entities in the Group. Certain products and services purchased by the other Singtel entities from NCS are subsequently sold to third parties.
- (2) Include enterprise infrastructure management services in areas ranging from infrastructure architecture and service management, systems and database administration, network integration and management, data centre and business continuity planning, end user computing and service desk operation.
- (3) Include bespoke and packaged business application implementation and management services.
- (4) Include implementation and management of telecommunications infrastructure, aviation communications, secured communications, video technology & analytics, sensors, as well as command and control systems.
- (5) Also known as NEXT-led Revenue. Refer to capabilities in Digital (data analytics, mobility, artificial intelligence), Cloud (development of cloud strategies and implementations), Platforms (intelligent data fusion platform, smart video analytics platform, secure messaging and video conferencing platform) and Cyber Security.
- (6) Refer to revenue less direct operating expenses and related depreciation & amortisation charges.

Although the COVID-19 pandemic has caused major disruptions to businesses, it has accelerated digitalisation efforts by companies and increased their adoption of technologies. This has resulted in higher demand for notebooks, servers and VPN to facilitate access to online services, remote working and home-based learning.

Against this backdrop, NCS' operating revenue grew strongly by 8.9%, with broad-based growth across all lines of businesses. Managed Services and Cyber Security led with strong double-digit growths. Business Application Services and Communications Engineering also reported steady growth, supported by stronger application development & maintenance revenue and new opportunities arising from COVID-19 such as implementation of stay-home notice smart tagging platform and development of new temperature self-check kiosks.

SECTION 4 : GROUP ENTERPRISE

Both EBITDA and EBIT increased on the back of a strong revenue growth and Jobs Support Scheme credits.

Bookings of S\$755 million were recorded for the first half year, comprising new wins and contract renewals across many industries.

To focus on building specialised capabilities in digital (data analytics, mobility and artificial intelligence), cloud, platforms and cyber security, a separate NEXT organisation was set up in NCS. This organisation acts as a catalyst to drive the adoption of end-to-end capabilities comprising both traditional and new technologies, as clients modernise their applications and infrastructure. For the first half of the year, the NEXT-led revenue increased in tandem with NCS' overall growth, contributing 36% of total operating revenue.

In October 2020, NCS entered into an agreement to acquire 2359 Media, a regional digital services consultancy focused on ideating and building innovative digital products and platforms. This acquisition will enhance NCS' capabilities in agile development, design thinking, and cloud native application development, complementing its NEXT service offerings.

Amid the pandemic, NCS has stepped up its Corporate Social Responsibility programmes. A courage squad was formed by NCS volunteers together with IHiS (Integrated Health Information Systems) to co-develop 'Telehealth on Wheels' and deploy technologies for monitoring vital signs faster and safer at the Singapore Expo Community Care Facilities IT operations centre.

Trustwave ⁽¹⁾

	Half Year		YOY Chge %
	30 Sep		
	2020 US\$ m	2019 US\$ m	
Technology and Consulting Services	113	107	5.3
Managed Security Services	51	45	12.6
Security Business	164	152	7.5
Compliance Business	21	25	-13.9
Operating revenue	185	177	4.5
Gross margin (%) ⁽²⁾	28%	36%	
EBITDA	(32)	(24)	31.8
EBIT	(55)	(48)	15.0

Notes:

- (1) Based on the standalone results of Trustwave group, which include revenue earned as a vendor to the other Singtel entities in the Group. Certain products and services purchased by the other Singtel entities from Trustwave are subsequently sold to third parties.
- (2) Gross margin refers to revenue less direct operating expenses and related depreciation & amortisation charges.

SECTION 4 : GROUP ENTERPRISE

Security revenue rose 7.5% with growth in Asia and Australia. This was partially offset by weaker performance in the U.S. where revenue was boosted by a large contract in the last corresponding period. Government deals were also lesser this period due to deferred spending amid elections. In constant currency terms, security revenue was up 8.6%.

Compliance revenue fell 14% due to continued commoditisation in the traditional payment card industry (PCI) compliance business and price competition.

Gross margin dropped largely due to change in customer mix.

Negative EBITDA increased mainly due to lower gross margin and an increase in stock option expenses.

This year, Trustwave was named a leader in The Forrester Wave 2020⁴ for Global Managed Security Services Providers and also in the IDC MarketScape for Worldwide Managed Security Services.

⁴ The Forrester Wave™: Global Managed Security Services Providers, Q3 2020.

SECTION 5 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE

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 into adjacent businesses where it has a competitive advantage.

GDL has two key businesses – digital marketing (Amobee) and advanced analytics and intelligence capabilities (DataSpark), and it also serves as Singtel’s digital innovation engine through Innov8.

SUMMARY INCOME STATEMENT For The Half Year Ended 30 September 2020

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Operating revenue	447	620	-28.0
Intercompany eliminations	(32)	(30)	7.4
Operating revenue	414	590	-29.8
Operating expenses	(432)	(626)	-31.0
	(17)	(36)	-51.7
Other income	2	*	nm
EBITDA	(15)	(36)	-58.0
Depreciation & amortisation	(47)	(41)	13.6
EBIT	(62)	(78)	-19.9

Amobee group	Half Year		YOY Chge %
	30 Sep		
	2020 US\$ m	2019 US\$ m	
Operating revenue	318	437	-27.3
Intercompany eliminations	(23)	(20)	16.2
Operating revenue	295	417	-29.3
Gross margin %	22%	25%	
EBITDA	(4)	11	nm
EBIT	(32)	(11)	182.5

Note:

*A negative sign for year-on-year change in EBITDA and EBIT denotes decrease in losses.

“*” denotes less than +/-S\$0.5 million.

“nm” denotes not meaningful.

SECTION 5 : GROUP DIGITAL LIFE

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Cost of sales	313	460	-32.0
Staff costs	86	117	-27.2
Selling & administrative	19	37	-48.8
Others	14	12	23.1
Operating expenses	432	626	-31.0

FINANCIAL PERFORMANCE**For The Half Year Ended 30 September 2020**

Operating revenue fell 30% mainly due to a reduction in Amobee's operating revenue and the deconsolidation of HOOQ from 1 March 2020.

Amobee's revenue fell 29% as a result of lower advertising spend amid COVID-19 mass lockdowns as well as a reduction in TV revenue following the licensing of its technology platform to ITV plc in July 2019.

Despite lower operating revenue, negative EBITDA reduced significantly by 58% with the cessation of HOOQ's operation and Amobee's cost optimisation initiatives. Depreciation and amortisation charges rose 14% mainly from higher depreciation of servers and amortisation charges for internally developed software. Consequently, negative EBIT reduced by 20% to S\$62 million.

Compared to the first quarter, negative EBITDA was S\$20 million lower in the second quarter on strong increase of 71% in operating revenue led by Amobee following the easing of COVID-19 lockdowns.

SECTION 6 : INTERNATIONAL GROUP**INTERNATIONAL GROUP**

International Group (“IG”) leads the Group’s efforts in capturing value from its investments in the regional markets. IG also strives to strengthen Singtel’s relationship with its overseas partners and drives regional initiatives. With more than 700 million mobile customers, the Group leverages on its scale to build an ecosystem of digital services for customers.

Besides the focus on the associates’ markets, IG has two key digital initiatives – mobile financial business and gaming business. Mobile financial business includes Dash’s payment and remittance business, and the regional VIA cross-border mobile payment alliance. On the gaming space, IG is growing the gaming business ecosystem in the region with partners. This includes tapping on the partners’ platforms and channels to scale up regional e-sports events and leagues.

SUMMARY INCOME STATEMENT
For The Half Year Ended 30 September 2020

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Operating revenue	7	5	55.6
Operating expenses	(25)	(28)	-8.7
	(18)	(23)	-21.1
Other income	5	2	108.7
EBITDA	(14)	(21)	-35.4
Depreciation & amortisation	(3)	(3)	3.7
EBIT	(16)	(24)	-30.9

Note:

Operating revenues are mainly from Dash’s payment, remittance and financial services, direct carrier billing (DCB), regional VIA cross-border mobile payment alliance, and sponsorship revenue for PVP Esports. Operating expenses include the corporate costs of IG.

**A negative sign for year-on-year change in EBITDA and EBIT denotes decrease in losses.*

SECTION 6 : INTERNATIONAL GROUP

FINANCIAL PERFORMANCE

For The Half Year Ended 30 September 2020

Operating revenue rose due to growth in Dash's remittance and payment services.

Dash's remittance transaction value grew strongly by three times from the last corresponding period, capitalising on a growing remittance market in the region and the expansion of mobile remittance platform capabilities to more countries. Its monthly active user base was up 55% from a year ago, and its overall transaction value grew by three times from the last corresponding period following new financial products launched during the period.

EBITDA and EBIT losses decreased on revenue growth coupled with lower operating expenses.

BUSINESS HIGHLIGHTS

Singtel Dash expands into financial services with new insurance savings solution

Dash launched Dash EasyEarn, an insurance savings solution offered exclusively through the app and underwritten by Etiqa insurance. This new offering marks Dash's step towards innovation in financial services and becoming a more inclusive everyday app that enables customers' digital lifestyles. Customers can start growing their savings at greater convenience with this fully digital insurance product. There was overwhelming demand for the offering which achieved more than S\$100 million within the first three months of launch.

Singtel Dash partners with Fave to grow merchant network

Dash's latest collaboration with Fave enables its customers to pay at some 12,000 Fave merchants across the island. This collaboration extends its footprint to over 72,000 merchant points – in particular, more restaurants and retailers around Singapore – and brings added convenience to its customers. With the recently launched Dash rewards programme, customers can also enjoy double perks by earning rewards points on top of up to 20% cashback when they spend at Fave merchants.

Regional winners of PVP Esports Community Championships crowned

Singtel's 2020 PVP Esports Community Championships (Season 1) attracted over 1,300 teams across the region. The fully virtual event concluded in September with teams from Singapore and Indonesia sweeping the champion titles in the corporate and campus categories. During this COVID-19 period with social distancing measures, the virtual world of esports and gaming has continued to thrive, bridging physical distances and offering a welcome form of entertainment. This Season achieved over 900,000 views across the region and platforms.

SECTION 7: ASSOCIATES / JOINT VENTURES

ASSOCIATES/ JOINT VENTURES

The Group has presence in the regional markets of Africa, India, Indonesia, the Philippines, and Thailand through its associates, Bharti Airtel, Telkomsel, Globe, AIS and Intouch.

Pre-tax profit contribution ⁽¹⁾	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Regional associates			
Telkomsel			
- operating results	472	569	-17.1
- fair value (loss)/ gain	(5)	1	nm
	467	570	-18.0
AIS			
- operating results	162	195	-16.7
- fair value gain	4	2	71.4
	166	197	-15.8
Intouch ⁽²⁾			
- operating results	63	70	-9.0
- fair value loss	(1)	(1)	71.4
- amortisation of acquired intangibles	(14)	(14)	0.7
	48	55	-12.5
Globe			
- operating results	181	201	-10.1
- fair value gain	1	*	nm
	182	202	-9.8
Bharti Telecom ("BTL")/ Bharti Airtel ("Airtel")			
Airtel ⁽³⁾			
- operating results (India and South Asia) ⁽⁴⁾	207	44	366.1
- operating results (Africa) ⁽⁵⁾	178	174	2.0
- associates	(9)	(10)	-1.1
- net finance costs	(402)	(429)	-6.3
- fair value gain/ (loss)	14	(25)	nm
	(13)	(245)	-94.7
BTL ⁽⁴⁾	(18)	(29)	-39.9
	(30)	(274)	-88.9
	833	749	11.2
Other Singtel associates			
NetLink NBN Trust/ NetLink Trust ("NLT") ⁽⁶⁾	29	27	5.1
Other associates ⁽⁷⁾	24	25	-3.6
Singtel share of pre-tax profit ⁽³⁾	885	801	10.5
Optus share of pre-tax profit	*	*	nm
Group share of pre-tax profit ⁽³⁾	885	801	10.5
(excluding Airtel and BTL)	916	1,076	-14.9
Group share of tax expense ⁽³⁾	264	216	22.3
Effective tax rate	29.9%	27.0%	

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution ⁽¹⁾	Half Year				YOY Chge %
	30 Sep				
	2020		2019		
	S\$ m	% ⁽⁸⁾	S\$ m	% ⁽⁸⁾	
Regional associates					
Telkomsel	362	43	421	32	-14.0
AIS	139	17	164	12	-15.2
Intouch ⁽²⁾					
- ordinary results	52		56		-7.0
- amortisation of acquired intangibles	(11)		(11)		**
	41	5	45	3	-8.7
Globe	123	15	136	10	-9.9
Airtel ⁽³⁾					
- ordinary results (India and South Asia) ⁽⁴⁾	(81)		(229)		-64.8
- ordinary results (Africa) ⁽⁵⁾	28		42		-33.7
- associates	(9)		(10)		-1.1
	(62)		(196)		-68.4
BTL ⁽⁴⁾	(27)		(29)		-6.9
	(89)	(11)	(225)	(17)	-60.4
	575	69	540	41	6.5
Other Singtel associates					
NLT ⁽⁶⁾	26	3	25	2	4.4
Other associates ⁽⁷⁾	21	2	20	2	2.5
Singtel share of post-tax profit ⁽³⁾	622	74	585	45	6.3
Optus share of post-tax profit	(1)	**	*	**	nm
Group share of post-tax profit ⁽³⁾	621	74	585	45	6.1
(excluding Airtel and BTL)	710		811		-12.4

Post-tax profit contribution (in constant currency) ⁽⁹⁾	Half Year		YOY Chge %
	30 Sep		
	2020	2019	
	S\$ m	S\$ m	
Regional associates			
- operating results	831	786	5.8
- fair value gains/ (losses)	11	(23)	nm
- amortisation of acquired intangibles	(14)	(14)	**
	829	749	10.6
Other associates	53	52	0.8
Group share of pre-tax profit	881	801	10.0
Group share of tax expense	(266)	(216)	23.1
Group share of post-tax profit	615	585	5.2
<u>Excluding Airtel and BTL</u>			
Group share of pre-tax profit	914	1,076	-15.0
Group share of tax expense	(204)	(265)	-23.0
Group share of post-tax profit	710	811	-12.4

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Notes:

- (1) The accounts of the associates are prepared based on local accounting standards. Where applicable and material, the accounting policies of the associates have been restated for compliance with the Group's accounting policies.
- (2) Singtel holds an equity interest of 21.0% in Intouch which has an equity interest of 40.5% in AIS.
- (3) Share of results excluded the Group's share of the associates' one-off items which have been classified as exceptional items of the Group.
- (4) In May 2020, Bharti Telecom Limited ("BTL") completed the sale of 2.75% stake in Airtel. Following the sale, Singtel's effective equity interest in Airtel reduced to 31.9% (31 March 2020: 33.3%).
- (5) As at 30 September 2020, Airtel's equity interest in Airtel Africa was 56.0% (31 March 2020: 56.0%). The Group's share of Airtel Africa's post-tax profit declined 34% after including fair value losses as compared to gains in the last corresponding period on devaluation of various African currencies, as well as higher withholding tax expenses related to the operating companies' dividends.
- (6) Singtel holds an equity interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. The share of results included Singtel's amortisation of deferred gain of S\$10 million (H1 FY2020: S\$10 million) for the half year ended 30 September 2020 on assets previously transferred to NetLink Trust, but excluded the fair value adjustments recorded by NetLink NBN Trust in respect of its acquisition of units in NetLink Trust.
- (7) Include the share of results of Singapore Post Limited.
- (8) Shows the post-tax underlying profit contribution of the associates to the Group's underlying net profit.
- (9) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding half year ended 30 September 2019.

"*" denotes less than +/- S\$0.5 million, "***" denotes less than +/- 0.05% and "nm" denotes not meaningful.

FINANCIAL PERFORMANCE AND BUSINESS HIGHLIGHTS

Pre-tax and post-tax contributions from the associates grew 11% and 6.1% respectively. If the regional currencies had remained stable from the corresponding period, their pre-tax and post-tax profit contributions would have increased 10% and 5.2% on improved operational performance from Airtel, which mitigated the profit declines from Telkomsel, AIS and Globe due to COVID-19 headwinds in the region.

Airtel Group reported double-digit increases in operating revenue and EBITDA, boosted by strong performances in both India and Africa. Telkomsel, Globe and AIS registered lower operating revenue and EBITDA as a result of lower mobile top-ups and weaker demand due to the pandemic. Telkomsel continued to record an accelerated decline in legacy revenues due to data substitution with continued intense competition in the regions outside Java.

The Group's combined mobile customer base reached 716 million as at 30 September 2020, up 1.6% from 31 March 2020 with growth from Airtel and Telkomsel partly offset by declines in AIS and Globe following lower customer acquisitions during COVID-19.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 170 million mobile customers.

The unprecedented intensity of COVID-19 in Indonesia has resulted in prolonged lockdowns which have led to a severe drop in income and purchasing power for individuals and households.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Against the difficult operating environment, operating revenue declined 7% as competition in the regions outside Java remained intense. Mobile services revenue was lower from an accelerated decline in legacy voice and SMS services due to data substitution but this was partially offset by growth in data and digital services. Customers spent less on mobile connectivity as they relied more on wifi while staying indoors.

EBITDA declined 12%⁵ on lower operating revenue while operating expenses remained stable.

Taking into account the increased startup losses of its fintech associate, Telkomsel's pre-tax profit contribution declined 16% in Indonesian Rupiah terms.

With the decline in corporate tax rate from 25% to 22% with effect from January 2020, Telkomsel's tax expense fell and its net profit declined by 12%. In Singapore Dollar terms, Telkomsel's post-tax contribution declined 14% as the Indonesian Rupiah depreciated 2%.

Telkomsel's mobile customer base grew 4.6% from March 2020, and remained stable from September 2019, with its focus on acquiring high quality customers.

On 20 October 2020, Telkomsel announced the sale of 6,050 telecommunication towers to PT Dayamitra Telekomunikasi ("**Mitratel**") for IDR10.3 trillion (~S\$950 million). As part of the transaction, Telkomsel has also entered into a 10-year lease arrangement with Mitratel for the rental of tower space. The transaction will allow Telkomsel to optimise its capital structure and is expected to be carried out in stages with expected completion by March 2021.

Telkomsel as the leading digital telecommunication operator in Indonesia is fully committed to support the Ministry of Education and Culture's initiative in providing subsidised data plans for distance learning during the pandemic. As such, it offers Merdeka Belajar Jarak Jauh (Freedom in Distance Learning) plans which provide 20GB to 50GB for students and educators across Indonesia.

Advanced Info Service ("AIS**")**

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand.

AIS' service revenue (excluding interconnect and equipment rental) decreased 7% as the mobile market was affected by a contraction in the tourist segment from border closures and slower customer acquisitions following a mandated COVID-19 partial lockdown. Even after the lockdown was lifted in July, the economic recovery has been sluggish.

Its mobile customer base was down 1.5% compared to September 2019 amid the difficult business conditions. ARPU continued to decline with intense price competition from the re-introduction of fixed-speed unlimited plans by all operators.

EBITDA declined 5%⁵ on lower operating revenue partly mitigated by proactive cost control measures.

AIS' net profit declined 15% in Thai Baht terms after including higher depreciation and amortisation charges from investments in network assets and new spectrum. With a stable Thai Baht against the Singapore Dollar, AIS' post-tax contribution fell 15% in Singapore Dollar terms.

⁵ After adoption of SFRS(I) 16, Leases.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

AIS executed on its fixed-mobile convergence strategy and increased its fibre customer base by 0.3 million from September 2019 in a highly competitive market.

In February 2020, AIS won 15-year 5G spectrum licences⁶ to secure long-term leadership in 5G development. On 1 October 2020, AIS launched 5G mobile packages with value added content, such as augmented reality, virtual reality and cloud gaming. 5G coverage reached over 60% of Bangkok's population and 77 cities nationwide. AIS intends to cover 16% of the Thai population by end of 2020.

Intouch Holdings ("Intouch")

Intouch is listed on the Stock Exchange of Thailand, and has investments in telecommunications via its 40.5% equity interest in AIS, as well as in satellite, internet, and media and advertising businesses.

The Group's share of Intouch's net profit for the half year declined 7.0% to S\$52 million on lower contribution from AIS. Including amortisation of acquired intangibles, Intouch's post-tax contribution fell 8.7% to S\$41 million.

Globe Telecom, Inc ("Globe")

Globe is listed on the Philippine Stock Exchange.

Operating revenue fell 3%, and EBITDA declined 6% as COVID-19 related quarantine restrictions impacted prepaid mobile top-ups and the demand for enterprise services. This was partly mitigated by higher take-up of Globe's Home Broadband product as Filipinos stayed home and shifted to online activities (work and learn from home, video and teleconferencing, online shopping, online/mobile banking and video entertainment) due to restrictions implemented as a result of community quarantines.

Including higher depreciation charges which were partly mitigated by a lower share of equity losses from its associates, Globe's post-tax profit declined 15% in Philippine Peso terms. In Singapore Dollar terms, its post-tax profit contribution fell 9.9% as the Philippine Peso appreciated 6%.

Globe's mobile customer base declined 20% from September 2019, and 12% compared to March 2020, mainly from the decline in acquisitions following COVID-19 quarantine restrictions. Its home broadband customer base grew 82% from a year ago and 54% compared to half a year ago due to the surge in demand for home connectivity.

Airtel Group⁷

Airtel is listed on the Indian Stock Exchanges - National Stock Exchange and the Bombay Stock Exchange. It is a leading integrated telecommunications company with presence in 18 countries across Asia and Africa.

⁶ Comprised 700 MHz (2x5MHz), 2600 MHz (100 MHz) and 26 GHz (1200 MHz).

⁷ Airtel's results as equity accounted by Singtel are based on IFRS.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

India and Sri Lanka (“India and South Asia”)

Airtel delivered strong growth in operating revenue and margins despite the COVID-19 outbreak in the first half year.

Operating revenue was up 18% as all lines of businesses registered growth, with operating revenue for September quarter achieving a multi-quarter high.

Mobile service revenue in India grew a strong 22% led by tariff increases in December 2019 and robust 4G additions. The 4G customer base increased significantly by 48% from a year ago. Data usage per customer rose 25% year-on-year in September quarter, driving ARPU to Rs.162. This ARPU was up sharply from Rs.157 in the preceding June quarter and Rs.128 in September quarter last year.

Airtel’s mobile customer base in India grew 5.1% from a year ago while the churn rate remained low.

EBITDA rose 32% on higher operating revenue partially offset by increased network charges from higher investments in networks.

Including higher depreciation and amortisation charges, the Group’s share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia amounted to S\$207 million, more than four times the profit recorded in the last corresponding period.

On 1 July 2020, the Carlyle Group announced its intention to invest US\$235 million for approximately 25% stake in Nxtra Data Limited, a data centre fully owned by Airtel. The investment has been approved by the Competition Commission of India and the first closing of the investment was completed on 15 October 2020.

On 22 October 2020, the merger of Bharti Infratel Limited (“**BIL**”), a 53.5%-owned subsidiary of Airtel, with Indus Towers was approved by the National Company Law Tribunal (“**NCLT**”). The merger will become effective when the certified order of NCLT is filed with the Registrar of Companies. Post completion of the merger, Airtel will own approximately 37% of the combined company.

Africa

Airtel Africa Plc, the holding company of African operations, was listed on London Stock Exchange and Nigeria Stock Exchange. Airtel Africa was added to the FTSE 250 index and MSCI Small Cap index in 2019.

Mobile money services and 3G/4G services are available across all the 14 African countries⁸ that Airtel has presence in.

Notwithstanding the COVID-19 pandemic, Airtel Africa continued to report strong growth momentum, registering double-digit growth⁹ for the half year. In reported US Dollar terms, operating revenue and EBITDA grew 11% and 13% respectively. In constant US Dollar terms, Africa’s operating revenue grew 16% and EBITDA was up 19% with broad-based growth across voice, data and Airtel Money.

⁸ Namely Nigeria, Chad, Congo B, DRC, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda.

⁹ In constant US Dollar terms.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Nigeria contributed 40% (H1 FY2020: 38%) of Airtel Africa's operating revenue for this half year. Its revenue and EBITDA grew on the back of a higher customer base and increased data and voice usage on the back of the expansion of its distribution and network infrastructure.

Mobile money services continued to see good growth momentum and contributed 10% (H1 FY2020: 9%) of Airtel Africa's revenue.

After including higher depreciation and amortisation charges from increased investments in mobile network and spectrum in Nigeria, the Group's lower equity interest in Airtel and 6% depreciation of the Indian Rupee, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) grew 2.0% to S\$178 million.

Airtel Africa entered into several strategic partnerships with MoneyGram, Mukuru and WorldRemit. Through these partnerships, more than 20 million Airtel Money customers in 12 countries can use their mobile wallets to directly transfer and receive funds across the globe.

In August 2020, Airtel Africa announced a strategic partnership with Standard Chartered Bank to drive financial inclusion across key markets in Africa by providing customers with increased access to mobile financial services. The partnership expanded the range and depth of Airtel Money offerings to drive customer growth and penetration.

In August 2020, Airtel Africa announced that its wholly owned subsidiary Airtel Networks Kenya Limited and Telkom Kenya Limited had decided not to merge their operations as announced in February 2019.

Airtel Group including Bharti Telecom Ltd ("BTL")

Airtel Group comprising businesses in India, Africa and Sri Lanka reported growth in operating revenue, EBITDA and EBIT of 19%, 29% and 115% respectively.

Net finance cost increased mainly due to higher regulatory liabilities, as well as fair value gains as compared to losses in the last corresponding period due to the weakening of the US Dollar. After including tax expense as compared to tax credits in the last corresponding period, the Group's share of post-tax loss was S\$62 million, down 68% from S\$196 million in the last corresponding period.

Including the share of BTL's net loss of S\$27 million (mainly net finance expenses), the Group's share of post-tax loss of Airtel Group including BTL amounted to S\$89 million (H1 FY2020: S\$225 million).

Airtel recorded some exceptional items for the half year which have been classified as exceptional items of the Group. The exceptional items comprised mainly additional provisions for licence fees and spectrum usage charges and related interests on account of the Supreme Court of India's decision on the Adjusted Gross Revenue matter on 20 July 2020, an exceptional tax charge from a re-assessment of the carrying amounts of deferred tax balances (including minimum alternate tax credits) on likely adoption of a new India tax regime at a lower corporate tax rate as well as adjustments from the resolution of certain tax disputes. On a post-tax basis, the Group's share of Airtel's exceptional items was a net loss of S\$912 million.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Airtel ⁽¹⁾	Telkomsel	AIS	Intouch	Globe
Singtel's investment:					
Year of initial investment	2000	2001	1999	2016	1993
Effective economic interest (%)	31.9%	35.0%	23.3% ⁽²⁾	21.0%	47.0% ⁽³⁾
Investment to date	S\$5.07 bil ⁽⁴⁾	S\$1.93 bil	S\$1.20 bil	S\$1.59 bil	S\$1.02 bil
Closing market share price ⁽⁵⁾	INR 421	NA	THB 171 ⁽⁶⁾	THB 51 ⁽⁶⁾	PHP 2,080
Market capitalisation					
- Total	S\$42.65 bil	NA	S\$21.99 bil	S\$7.11 bil	S\$7.84 bil
- Singtel holding	S\$13.62 bil	NA	S\$5.13 bil	S\$1.49 bil	S\$3.68 bil
Operational Performance :					
Market share, 30 Sep 2020 ⁽⁷⁾	27.8%	59.2%	45.7%	NM	51.9%
Market position ⁽⁸⁾	#2	#1	#1	NM	#1
Mobile customers ('000)					
- Aggregate	412,978	170,117	40,942	NM	78,167
- Proportionate	121,964	59,541	9,548	3,478	36,699
Growth in mobile customers (%) ⁽⁹⁾	6.9%	-0.5%	-1.5%	NM	-19.7%
Credit ratings					
- Sovereign (Moody's/ S&P Global)	Baa3/BBB-	Baa2/BBB	Baa1/BBB+	Baa1/BBB+	Baa2/BBB+
- Company (Moody's/ S&P Global)	Ba1/BBB-	Baa1/NA	NA/BBB+	NA	NA

Notes:

(1) The market share and market position pertain to India market only.

(2) Based on direct equity interest only.

(3) Singtel has 21.5% interest in Globe's voting shares.

(4) Excludes Singtel's direct equity investment of 5.5% in Airtel Africa which is accounted as a 'Fair Value through Other Comprehensive Income' investment in the Group's statement of financial position.

(5) Based on closing market price in local currency as of 30 September 2020.

(6) Based on local market price quoted on the Stock Exchange of Thailand.

(7) Based on actual data or latest data available as of 30 September 2020.

(8) Based on number of mobile customers and based on actual data or latest data available as of 30 September 2020.

(9) Compared against 30 September 2019 and based on aggregate number of mobile customers.

"NA" denotes not applicable.

"NM" denotes not meaningful.

Please refer to **Appendix 7** for the currency rate movements of the regional associates.

SECTION 8 : PRODUCT INFORMATION**SINGAPORE PRODUCT DRIVERS**

	Quarter			Half Year		YOY Chge %
	30 Sep 2020	30 Jun 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	
Mobile						
Mobile revenue (S\$'M) ⁽¹⁾	475	404	617	879	1,193	-26.4
Mobile service revenue (S\$'M) ⁽²⁾	287	284	378	571	767	-25.6
Mobile customers (000s)						
Prepaid	1,480	1,536	1,615	1,480	1,615	-8.4
Postpaid	2,745	2,727	2,639	2,745	2,639	4.0
Total	4,225	4,263	4,254	4,225	4,254	-0.7
Average revenue per customer per month ⁽³⁾⁽⁴⁾ (S\$ per month)						
Prepaid	13	12	17	13	17	-26.3
Postpaid	29	29	39	29	39	-26.0
Blended	23	23	30	23	31	-25.1
Data usage (GB per month) ⁽⁵⁾	6.0	5.0	5.2	5.5	4.9	12.2
Postpaid external churn per month ⁽⁶⁾	1.0%	0.7%	0.9%	0.9%	0.9%	
Market share ⁽⁷⁾	51.6%	51.2%	49.8%	51.6%	49.8%	

Notes:

- (1) This comprises mobile service revenue, sales of mobile equipment and handset leasing.
- (2) This is determined net of bill rebates and prepaid sales discount, and includes mobile revenue earned from international telephone calls and broadband bundles.
- (3) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Data usage of postpaid smartphone customers from both Consumer and Enterprise segments.
- (6) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of average number of subscribers.
- (7) The market share data as at 30 September 2020 was based on Telco operators' published results.

SECTION 8 : PRODUCT INFORMATION

	Quarter			Half Year		YOY Chge %
	30 Sep 2020	30 Jun 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	
<u>Fixed Broadband</u>						
Fixed broadband revenue (\$S'M) ⁽¹⁾	119	116	119	236	238	-0.9
Fixed broadband lines (000s)	644	642	637	644	637	1.1
<i>Fixed broadband market share</i> ⁽²⁾	42.6%	42.7%	42.6%	42.6%	42.6%	
<u>Pay TV</u>						
Singtel TV revenue (\$S'M)	51	52	54	103	108	-4.5
Average revenue per residential TV customer per month (\$S per month)	41	41	42	41	41	-0.2
Residential TV customers (000s)	377	380	383	377	383	-1.6
OTT (CAST/ TV Go) customers (000s)	206	217	162	206	162	27.2
<u>Singapore Consumer Fixed</u>						
Singapore Consumer Fixed revenue (\$S'M) ⁽³⁾	138	139	141	278	281	-1.3
Households on triple/ quad play services (000s) ⁽⁴⁾	526	526	520	526	520	1.2

Notes:

(1) This comprises broadband service revenue and sales of equipment.

(2) The market share data as at 30 September 2020 was based on IMDA's latest available published statistics as of 31 August 2020.

(3) Comprises fixed broadband, fixed voice, Singtel TV and broadband, and SmartHome equipment in the residential segment only and does not include mobile.

(4) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, fixed voice, Singtel TV and mobile.

SECTION 8 : PRODUCT INFORMATION**AUSTRALIA PRODUCT DRIVERS**

	Quarter			Half Year		YOY Chge %
	30 Sep 2020	30 Jun 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	
Mobile						
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,268	1,259	1,360	2,527	2,827	-10.6
Optus' mobile service revenue (A\$'M)	897	860	903	1,758	1,799	-2.3
Optus' mobile outgoing service revenue (A\$M)	832	795	847	1,627	1,688	-3.6
Mobile customers (000s)						
Prepaid	3,038	3,234	3,346	3,038	3,346	-9.2
Postpaid	5,771	5,802	5,763	5,771	5,763	0.1
Mobile Broadband ⁽²⁾	1,254	1,271	1,184	1,254	1,184	6.0
Total	10,064	10,307	10,293	10,064	10,293	-2.2
ARPU per month (A\$) ⁽³⁾						
Prepaid	19	18	19	18	18	-1.7
Postpaid	37	35	38	36	38	-4.5
Mobile Broadband ⁽²⁾	21	21	19	21	19	9.3
Blended	29	28	29	28	29	-2.4
Data usage (GB per month)	13.9	10.1	11.8	11.1	11.1	0.5
Market share	NA	31.9%	NA	NA	NA	
Retail postpaid churn rate per month ⁽⁴⁾	1.5%	1.4%	1.4%	1.5%	1.3%	

Notes:

- (1) This comprises mobile service revenue (both outgoing and incoming), sales of equipment and handset leasing.
- (2) Defined as data-only SIMs and include customers on both prepaid and postpaid plans. Postpaid plans incur a monthly subscription fee.
- (3) Based on average number of customers, calculated as the simple average of opening and closing number of customers.
- (4) Churn calculation excludes customers transferring from postpaid to prepaid.

"NA" denotes not available.

SECTION 8 : PRODUCT INFORMATION

Australia	Quarter			Half Year		YOY Chge %
	30 Sep 2020	30 Jun 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	
Fixed Services						
Retail Fixed ARPU (A\$) ⁽¹⁾	78	76	77	77	77	0.4
Standalone Telephony Customers (000s)	48	52	63	48	63	-24.6
Broadband customers (000s)						
<i>On-net bundle and standalone broadband</i>	105	170	377	105	377	-72.0
Hybrid fibre coaxial (HFC)	56	100	232	56	232	-76.0
ULL	50	70	145	50	145	-65.7
<i>Off-net bundle and standalone broadband</i>	968	913	739	968	739	30.9
NBN	961	905	726	961	726	32.4
Resale digital subscriber line (RDSL)	7	9	13	7	13	-47.4
Total Broadband	1,074	1,083	1,116	1,074	1,116	-3.8
Total Fixed Customers (000s)	1,121	1,135	1,179	1,121	1,179	-4.9
Optus Sport customers (000s)	858	818	808	858	808	6.2

Note:

(1) Excludes NBN migration revenue.

GROUP ENTERPRISE DRIVERS

	Quarter			Half year		YOY Chge %
	30 Sep 2020	30 Jun 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	
VPN and leased line connections (000s) ⁽¹⁾	101	101	104	101	104	-3.2
<i>Singapore</i>	73	73	74	73	74	-0.2
<i>Australia</i>	27	28	30	27	30	-10.7
NCS bookings (S\$'M)	462	294	868	755	1,154	-34.6

Note:

(1) VPN and leased line connections are business grade network connections including IP VPN, domestic and international leased circuits, and ISDN services.

SECTION 9: GLOSSARY

“ACCC”	Australian Competition And Consumer Commission.
“ACMA”	Australian Communications and Media Authority.
“ARPU”	Average revenue per user.
“Associate”	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standards (International).
“ATO”	Australian Taxation Office.
“EI”	Exceptional items, which refer to items of income or expense within profit or loss from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial period.
“EBIT”	Earnings before interest and tax.
“EBITDA”	Earnings before interest, tax, depreciation and amortisation, and does not include the share of pre-tax results of associates.
“EBITDA margin”	Ratio of EBITDA over operating revenue.
“EPS”	Earnings per share.
“Free Cash Flow”	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
“ICT”	Infocomm technology.
“IFRS”	International Financial Reporting Standards
“IoT”	Internet of things.
“IMDA”	Info-communications Media Development Authority of Singapore.
“MOU”	Minutes of use per subscriber.
“MVNO”	Mobile Virtual Network Operator.
“NA”	Not applicable.
“NBN”	National Broadband Network.
“ND”	Not disclosed.
“NM”	Not meaningful.
“NPS”	Net Promoter Score. This is a widely used metric to measure customer experience by scoring the willingness of customers to recommend a brand following an interaction with the company.
“Optus”	Singtel Optus Pty Limited, Singtel's wholly-owned subsidiary, and its subsidiaries.
“OTT”	Over-the-top.
“Regional associates”	Comprises Airtel, AIS, Intouch, Telkomsel and Globe.
“SFRS(I)”	Singapore Financial Reporting Standards (International).
“SMS”	Short message service.
“SME”	Small and medium-sized enterprises.
“STAI”	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
“ULL”	Unconditioned local loop.
“Underlying net profit”	Defined as net profit before exceptional items.
“VPN”	Virtual Private Network.

GROUP OPERATING REVENUE

By Products and Services	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Mobile service (includes international call revenue)	2,250	2,476	-9.1
Sale of equipment	966	1,296	-25.5
Leasing revenue ⁽¹⁾	77	104	-26.2
Mobile	3,293	3,876	-15.0
Infocomm Technology (ICT)	1,522	1,413	7.8
Data and Internet (includes NBN migration revenues)	1,716	1,803	-4.8
Digital businesses ⁽²⁾	422	604	-30.0
Fixed voice	298	377	-20.8
Pay television	144	159	-9.4
Others	29	35	-15.8
Total	7,425	8,265	-10.2

Operating Revenue Mix	Half Year	
	30 Sep	
	2020 %	2019 %
Mobile service	30.3	30.0
Sale of equipment	13.0	15.7
Leasing revenue ⁽¹⁾	1.0	1.3
Mobile	44.3	46.9
Infocomm Technology (ICT)	20.5	17.1
Data and Internet (includes NBN migration revenues)	23.1	21.8
Digital businesses ⁽²⁾	5.7	7.3
Fixed voice	4.0	4.6
Pay television	2.0	1.9
Others	0.4	0.4
Total	100.0	100.0

Notes:

- (1) Comprise revenue from lease of handsets to mobile customers under 2-year contracts. Handset leasing plans in Australia are no longer offered from July 2019.
- (2) Include revenue mainly from Amobee.

GROUP OPERATING EXPENSES

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Cost of sales ⁽¹⁾	2,361	2,732	-13.6
Staff costs	1,170	1,277	-8.4
Selling & administrative	992	1,021	-2.9
Traffic expenses	836	789	6.0
Repair & maintenance	215	192	12.0
Others	21	7	187.5
Total	5,594	6,018	-7.0
Direct costs ⁽²⁾	3,549	3,869	-8.3
Indirect costs ⁽²⁾	2,045	2,149	-4.8
Total	5,594	6,018	-7.0

As a percentage of operating revenue	Half Year	
	30 Sep	
	2020 %	2019 %
Cost of sales ⁽¹⁾	31.8	33.1
Staff costs	15.7	15.4
Selling & administrative	13.3	12.4
Traffic expenses	11.3	9.6
Repair & maintenance	2.9	2.3
Others	0.3	**
Total	75.3	72.8
Direct costs ⁽²⁾	47.8	46.8
Indirect costs ⁽²⁾	27.5	26.0
Total	75.3	72.8

Notes:

(1) Cost of sales include cost of goods sold and service costs such as costs of content and programming.

(2) Direct costs comprise mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

“**” denotes less than +/- 0.05%.

GROUP STAFF COSTS

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$m	
Staff costs			
Optus	444	434	2.4
Singtel and other subsidiaries ⁽¹⁾	726	843	-13.9
Group	1,170	1,277	-8.4

	Half Year		YOY Chge
	30 Sep		
	2020	2019	%
Average number of staff			
Optus	7,064	7,175	-1.5
Singtel and other subsidiaries	15,845	16,101	-1.6
Group ⁽²⁾	22,909	23,276	-1.6
Headcount as at end of period			
Optus	7,055	7,092	-0.5
Singtel and other subsidiaries	15,898	16,002	-0.6
Group ⁽²⁾	22,953	23,094	-0.6

Notes:

(1) Included wage credits from the Singapore government.

(2) Headcount for staff deployed in capital projects are included in the table above, though the related staff costs are capitalised as part of the cost of property, plant and equipment.

BUSINESS SEGMENT RESULTS (QUARTER)

	Quarter			YOY		QOQ
	30 Sep 2020 S\$ m	30 Jun 2020 S\$ m	30 Sep 2019 S\$ m	Chge %	Chge in cc ⁽¹⁾ %	Chge %
Operating revenue						
Singapore Consumer	466	406	563	-17.3	-17.3	14.8
Australia Consumer ⁽²⁾	1,680	1,595	1,808	-7.1	-10.9	5.4
Group Enterprise	1,480	1,378	1,489	-0.6	-1.5	7.4
Group Digital Life	261	153	289	-9.6	-10.2	70.5
International Group	4	3	3	50.0	50.0	25.8
Group ⁽²⁾	3,891	3,534	4,152	-6.3	-8.3	10.1
<i>(exclude NBN migration revenues) ⁽²⁾</i>	<i>3,791</i>	<i>3,433</i>	<i>3,976</i>	<i>-4.6</i>	<i>-6.6</i>	<i>10.4</i>
EBITDA						
Singapore Consumer	164	162	191	-14.2	-14.2	1.6
Australia Consumer	475	410	644	-26.3	-29.4	15.9
Group Enterprise	387	363	389	-0.6	-0.6	6.5
Group Digital Life	3	(18)	(25)	nm	nm	nm
International Group	(9)	(5)	(13)	-29.9	-29.9	93.5
Corporate	(13)	(15)	(26)	-48.5	-48.5	-12.4
Group	1,006	897	1,162	-13.4	-15.2	12.1
<i>(exclude NBN migration revenues)</i>	<i>907</i>	<i>797</i>	<i>986</i>	<i>-8.0</i>	<i>-9.7</i>	<i>13.8</i>
EBIT (exclude share of associates' pre-tax profits)						
Singapore Consumer	96	98	126	-23.5	-23.5	-1.8
Australia Consumer	82	41	278	-70.5	-71.8	102.2
Group Enterprise	202	186	203	-0.2	0.7	8.9
Group Digital Life	(22)	(41)	(46)	-53.0	-51.9	-47.0
International Group	(10)	(6)	(14)	-26.2	-26.2	76.3
Corporate	(15)	(17)	(27)	-45.4	-45.4	-10.3
Group	334	262	520	-35.8	-36.3	27.7
<i>(exclude NBN migration revenues)</i>	<i>235</i>	<i>161</i>	<i>344</i>	<i>-31.8</i>	<i>-31.4</i>	<i>45.8</i>

"nm" denotes not meaningful.

Notes:

- (1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding quarter ended 30 September 2019.
- (2) Revenue for the quarter ended June 2020 has been restated.

BUSINESS SEGMENT RESULTS (HALF YEAR)

	Half Year		YOY	
	30 Sep		Chge %	Chge in cc ⁽¹⁾ %
	2020 S\$ m	2019 S\$ m		
Operating revenue				
Singapore Consumer	871	1,081	-19.4	-19.4
Australia Consumer	3,275	3,658	-10.5	-11.1
Group Enterprise	2,857	2,931	-2.5	-2.7
Group Digital Life	414	590	-29.8	-31.0
International Group	7	5	55.6	55.6
Group	7,425	8,265	-10.2	-10.6
<i>(exclude NBN migration revenues)</i>	<i>7,225</i>	<i>7,996</i>	<i>-9.6</i>	<i>-10.1</i>
EBITDA				
Singapore Consumer	326	379	-14.0	-14.0
Australia Consumer	884	1,264	-30.0	-30.7
Group Enterprise	750	806	-6.9	-6.8
Group Digital Life	(15)	(36)	-58.0	-58.3
International Group	(14)	(21)	-35.4	-35.4
Corporate	(29)	(47)	-38.4	-38.4
Group	1,903	2,345	-18.8	-19.2
<i>(exclude NBN migration revenues)</i>	<i>1,704</i>	<i>2,077</i>	<i>-18.0</i>	<i>-18.3</i>
EBIT (exclude share of associates' pre-tax profits)				
Singapore Consumer	195	249	-21.8	-21.8
Australia Consumer	123	505	-75.7	-76.3
Group Enterprise	388	456	-14.8	-14.3
Group Digital Life	(62)	(78)	-19.9	-20.9
International Group	(16)	(24)	-30.9	-30.9
Corporate	(31)	(49)	-36.0	-36.0
Group	596	1,060	-43.8	-43.9
<i>(exclude NBN migration revenues)</i>	<i>396</i>	<i>791</i>	<i>-49.9</i>	<i>-49.9</i>

Note:

(1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the period ended 30 September 2019.

GROUP ENTERPRISE SUMMARY INCOME STATEMENTS BY REGION

SINGAPORE ENTERPRISE ⁽¹⁾

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Managed Services	681	630	8.2
Business Application Services	283	271	4.6
Cyber Security	212	210	0.7
Communications Engineering	64	56	13.5
ICT	1,240	1,167	6.3
Digital revenue as % of ICT revenue	42%	41%	
Mobile service	189	274	-30.7
Sale of equipment	108	145	-25.2
Mobile	298	418	-28.8
Data and Internet	603	641	-5.9
Fixed voice	84	103	-18.6
Others	24	29	-16.1
Carriage	1,009	1,191	-15.3
Operating revenue	2,249	2,358	-4.6
EBITDA	699	757	-7.6
- margin	31.1%	32.1%	
ICT as % of total revenue	55%	49%	

Note:

(1) Refers to all geographies that Group Enterprise has operations other than Australia.

AUSTRALIA ENTERPRISE

	Half Year		YOY Chge %
	30 Sep		
	2020 A\$ m	2019 A\$ m	
Managed Services	233	210	10.8
Cyber Security	62	48	29.0
ICT	296	259	14.2
Digital revenue as % of ICT revenue	38%	31%	
Mobile service	85	77	10.5
Sale of equipment	33	38	-12.7
Mobile	118	115	2.9
Data and Internet	116	128	-8.9
Fixed voice	107	103	4.0
Carriage	342	346	-1.1
Operating revenue	637	605	5.4
EBITDA	54	53	2.9
- margin	8.5%	8.7%	
ICT as % of total revenue	46%	43%	

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

OPTUS SUMMARY INCOME STATEMENT
For The Half Year Ended 30 September 2020

	Half Year		YOY Chge %
	30 Sep		
	2020 A\$ m	2019 A\$ m	
Operating revenue	4,064	4,458	-8.8
Operating expenses	(3,142)	(3,127)	0.5
Other income	54	60	-9.5
EBITDA - margin	977 24.0%	1,390 31.2%	-29.7
Share of results of joint ventures	*	*	nm
EBITDA and share of results of joint ventures	977	1,390	-29.7
Depreciation & amortisation	(908)	(911)	-0.3
EBIT	69	479	-85.6
Net finance expense	(102)	(122)	-15.9
Profit before exceptional items and tax	(33)	358	nm
Taxation	10	(106)	nm
Underlying net profit	(23)	252	nm
Exceptional items (post-tax)	(4)	(17)	-75.2
Net profit	(27)	235	nm

“*” denotes less than +/- A\$0.5 million.

OPTUS SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep	31 Mar	30 Sep
	2020	2020	2019
	A\$ m	A\$ m	A\$ m
Current assets (excluding cash)	3,014	3,613	3,731
Cash and bank balances	156	304	86
Non-current assets	15,492	15,663	15,558
Total assets	18,661	19,580	19,375
Current liabilities	3,676	5,571	5,590
Non-current liabilities	5,240	4,215	3,563
Total liabilities	8,917	9,786	9,153
Net assets	9,744	9,795	10,222
Share capital	5,317	5,317	5,317
Retained earnings and other reserves	4,428	4,478	4,905
Equity attributable to shareholders	9,744	9,795	10,222

CAPITAL MANAGEMENT

	As at		
	30 Sep	31 Mar	30 Sep
	2020	2020	2019
	A\$ m	A\$ m	A\$ m
Gross debt			
Current debt	438	2,045	2,444
Non-current debt	5,075	4,056	3,401
Gross debt as reported in statement of financial position	5,513	6,101	5,845
Related net hedging liability/ (asset)	9	(410)	(380)
Hedged gross debt	5,522	5,691	5,465
Less: Cash and bank balances	(156)	(304)	(86)
Net debt	5,366	5,387	5,380

OPTUS CASH FLOW STATEMENT
For The Half Year Ended 30 September 2020

	Half Year		YOY Chge %
	30 Sep		
	2020 A\$ m	2019 A\$ m	
Net cash inflow from operating activities			
Profit before exceptional items and tax	(33)	358	nm
Non-cash items	1,007	1,005	0.2
Operating cash flow before working capital changes	974	1,363	-28.5
Changes in operating assets and liabilities	183	(64)	nm
Net tax paid	-	(109)	nm
Operating cash flow	1,157	1,190	-2.8
Net cash outflow for investing activities			
Accrued capital expenditure	(554)	(535)	3.5
Changes in creditors' balances	(270)	(68)	298.0
Cash capital expenditure	(824)	(603)	36.6
Loan to STAI ⁽¹⁾	(80)	(109)	-26.4
Payment for purchase of spectrum	(32)	(31)	1.5
Payment for purchase of other intangibles	(25)	(44)	-43.1
Others	(1)	4	nm
	(962)	(784)	22.7
Net cash outflow for financing activities			
Net decrease in borrowings	(437)	(284)	53.9
Settlement of swap for bonds repaid	199	-	nm
Net interest paid on borrowings and swaps	(99)	(123)	-20.0
Purchase of Singtel shares	(3)	(6)	-44.7
Others	(2)	(2)	10.0
	(343)	(415)	-17.5
Net change in cash and cash equivalents	(148)	(10)	@
Optus cash and cash equivalents at beginning	304	96	217.9
Optus cash and cash equivalents at end	156	86	81.9
Optus free cash flow	332	586	-43.3
Cash capex to operating revenue	20%	14%	

"@" denotes more than +/- 500% and "nm" denotes not meaningful.

Note:

(1) The intercompany amounts are eliminated at the Group level.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2020	31 Mar 2020	30 Sep 2019
	S\$ m	S\$ m	S\$ m
Current assets			
Cash and cash equivalents	688	1,000	551
Trade and other receivables	5,401	5,559	5,615
Inventories	317	280	344
Derivative financial instruments	90	337	411
	6,496	7,176	6,921
Non-current assets			
Property, plant and equipment	10,917	10,364	10,588
Right-Of-Use ("ROU") assets	2,080	2,061	2,126
Intangible assets	13,789	13,736	13,935
Associates	2,070	2,074	2,129
Joint ventures	10,844	11,638	11,702
Fair value through other comprehensive income ("FVOCI") investments	592	515	527
Deferred tax assets	252	234	250
Derivative financial instruments	172	518	198
Other non-current receivables	662	640	691
	41,378	41,779	42,146
Total assets	47,873	48,955	49,067
Current liabilities			
Trade and other payables	5,129	5,641	5,047
Advance billings	753	733	796
Current tax liabilities	219	199	170
Borrowings (unsecured)	1,598	3,588	4,101
Borrowings (secured)	464	382	436
Derivative financial instruments	34	14	32
Net deferred gain ⁽¹⁾	21	21	21
	8,218	10,579	10,602
Non-current liabilities			
Borrowings (unsecured)	9,566	8,384	7,644
Borrowings (secured)	1,766	1,818	1,929
Derivative financial instruments	253	123	97
Advance billings	175	190	195
Net deferred gain ⁽¹⁾	370	374	373
Deferred tax liabilities	515	526	518
Other non-current liabilities	145	148	161
	12,789	11,562	10,917
Total liabilities	21,007	22,141	21,518
Net assets	26,867	26,814	27,549
Share capital and reserves			
Share capital	4,127	4,127	4,127
Reserves	22,712	22,662	23,462
Equity attributable to shareholders of the Company	26,839	26,789	27,590
Minority interests	28	25	(41)
Total equity	26,867	26,814	27,549

Note:

(1) Relates to deferred gain on transfer of certain asset to NetLink Trust.

GROUP CASH FLOW STATEMENT
For The Half Year Ended 30 September 2020

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Net cash inflow from operating activities			
Profit before exceptional items and tax	1,277	1,828	-30.2
Non-cash items	637	508	25.3
Operating cash flow before working capital changes	1,914	2,336	-18.1
Changes in operating assets and liabilities	(128)	(313)	-59.1
	1,785	2,023	-11.7
Cash paid to employees under performance share plans	-	*	nm
Tax paid on operating activities	(34)	(223)	-84.6
Operating cash flow before dividends from associates	1,751	1,799	-2.7
Dividends/ Distributions received from associates	1,166	1,219	-4.3
Withholding tax paid on dividends received	(115)	(122)	-5.9
	2,802	2,896	-3.2
Net cash outflow from investing activities			
<i>Accrued capital expenditure</i>	(703)	(703)	0.1
<i>Changes in creditors' balances</i>	(393)	(200)	96.4
Cash capital expenditure	(1,096)	(903)	21.4
Investment in associates	(1)	(747)	-99.8
Proceeds/ Deferred proceeds from disposal of associates	3	4	-29.3
Payment for purchase of spectrum	(30)	(29)	3.4
Payment for purchase of other intangibles	(68)	(74)	-8.9
Investment in venture investments	(18)	(73)	-76.0
Proceeds from disposal of venture investments	5	17	-73.7
Proceeds from disposal of property, plant and equipment	21	5	350.0
Withholding tax paid on interest received on inter-company loans	(8)	(10)	-22.5
Investment income from FVOCI investments	9	55	-84.3
Others	1	3	-63.6
	(1,183)	(1,752)	-32.5
Net cash outflow from financing activities			
<i>Net (decrease)/ increase in loans and bonds</i>	(818)	1,084	nm
<i>Lease payments</i>	(212)	(199)	6.6
Net (decrease)/ increase in borrowings	(1,030)	885	nm
Settlement of swap for bonds repaid	197	-	nm
Net interest paid on borrowings and swaps	(210)	(226)	-7.4
Final dividend paid to shareholders	(890)	(1,747)	-49.1
Purchase of performance shares	(8)	(12)	-27.0
Others	(5)	(6)	nm
	(1,947)	(1,105)	76.1
Net (decrease)/ increase in cash and cash equivalents	(328)	38	nm
Exchange effects on cash and cash equivalents	11	(7)	nm
Group cash and cash equivalents at beginning of period ⁽¹⁾	990	513	93.1
Group cash and cash equivalents at end of period ⁽¹⁾	673	544	23.8
Group free cash flow (before associates' dividends/ distributions)	655	896	-27.0
Dividends/ Distributions received from associates (net of withholding tax)	1,051	1,097	-4.2
Group free cash flow	1,705	1,993	-14.4
Cash capex to operating revenue	15%	11%	

"*" denotes less than +/- S\$0.5 million and "nm" denotes not meaningful.

Note:

(1) Cash and cash equivalents excluded restricted cash relating to the provision of mobile money remittance and payment services in Singapore.

CURRENCY RISK MANAGEMENT AND OTHER MATTERS

The Group maintains a policy to substantially hedge all known foreign currency exposures related to commercial commitments or transactions. These commitments or transactions include payment of operating expenses, traffic settlement, capital expenditure, interest and debt. Translation risks of foreign currency EBITDA and net investments are not hedged unless approved by the Finance and Investment Committee.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

Financial instruments such as foreign currency forward contracts and cross currency swaps are used only to hedge underlying commercial exposures and are not held or sold for speculative purposes. All hedging transactions are reviewed regularly.

CREDIT RATINGS

	Singtel	Optus
S&P Global Ratings	A (stable)	A- (stable)
Moody's Investors Service	A1 (negative)	A2 (negative)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate ⁽¹⁾ for:							
Operating revenue							
SGD							
FY2021	0.9282	0.9826			0.9553		
FY2020	0.9545	0.9425	0.9317	0.9106	0.9486	0.9218	0.9351
Change (last corresponding period)	-2.8%	4.3%			0.7%		
Underlying net profit							
SGD							
FY2021	0.9158	0.9444			0.9091		
FY2020	0.9524	0.9408	0.9311	0.9049	0.9462	0.9254	0.9375
Change (last corresponding period)	-3.8%	0.4%			-3.9%		

1 United States Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate ⁽²⁾ for:							
Operating revenue							
SGD							
FY2021	1.4116	1.3807			1.3927		
FY2020	1.3629	1.3755	1.3642	1.3878	1.3691	1.3743	1.3717
Change (last corresponding period)	3.6%	0.4%			1.7%		

Notes:

- (1) The monthly income statement of Optus is translated from Australian Dollar to Singapore Dollar based on the average exchange rate for the month. These rates represent the derived weighted average exchange rates for the Australian Dollar for the period to date.
- (2) The income statements of Trustwave and Amobee are translated from United States Dollar to Singapore Dollar based on these derived weighted average exchanges rates for the period to date.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Rupiah							
FY2021	10,526	10,638			10,638		
FY2020	10,417	10,309	10,309	10,309	10,417	10,309	10,309
Change (last corresponding period)	1.0%	3.2%			2.1%		
Indian Rupee							
FY2021	53.8	54.1			54.1		
FY2020	51.0	51.3	52.4	52.4	51.0	52.4	51.5
Change (last corresponding period)	5.5%	5.5%			6.1%		
Baht							
FY2021	22.6	22.8			22.7		
FY2020	23.2	22.3	22.2	22.6	22.7	22.4	22.6
Change (last corresponding period)	-2.6%	2.2%			**		
Peso							
FY2021	35.7	35.6			35.7		
FY2020	38.2	37.6	37.5	36.6	37.9	37.0	37.5
Change (last corresponding period)	-6.5%	-5.3%			-5.8%		

"**" denotes less than +/- 0.05%.

PROFORMA INFORMATION

The following tables show unaudited proforma proportionate financial information which has been derived from the Income Statements of the Group prepared on a statutory basis.

Proportionate presentation is not required by SFRS(I) and is not intended to replace the financial statements prepared in accordance with SFRS(I). However, since the associates are not consolidated on a line-by-line basis, proportionate information is provided as supplemental data to facilitate a better appreciation of the relative contribution from the Group's operations in Australia, Singapore and other regional markets.

	Half Year		YOY Chge %
	30 Sep		
	2020 S\$ m	2019 S\$ m	
Group operating revenue			
Optus	3,883	4,228	-8.2
Singapore	2,890	3,207	-9.9
Other overseas subsidiaries (incl. Amobee & Trustwave)	652	829	-21.4
	7,425	8,265	-10.2
Proportionate share of associates' revenue			
Regional associates	6,207	6,522	-4.8
Singapore associates	233	248	-6.0
Other overseas associates	21	21	-3.8
	6,460	6,791	-4.9
Total proportionate revenue	13,885	15,056	-7.8
% of overseas revenue to total proportionate revenue	78%	77%	
Group EBITDA			
Optus	935	1,318	-29.0
Singapore	1,105	1,167	-5.4
Other overseas subsidiaries (incl. Amobee & Trustwave)	(136)	(139)	-2.4
	1,903	2,345	-18.8
Proportionate share of associates' EBITDA			
Regional associates	3,139	3,199	-1.9
Singapore associates	62	59	5.3
Other overseas associates	17	21	-19.1
	3,218	3,279	-1.9
Total proportionate EBITDA	5,122	5,625	-8.9
% of overseas EBITDA to total proportionate EBITDA	77%	78%	
Contributions to total proportionate EBITDA			
Regional associates	61%	57%	
Australia	18%	23%	
Singapore	23%	22%	
Others	-2%	-2%	
	100%	100%	

MOBILE CUSTOMER BASE

Number of mobile customers (000s)	Total Number		
	30 Sep 2020	31 Mar 2020	30 Sep 2019
Singtel	4,225	4,282	4,254
Optus	10,064	10,448	10,293
	14,289	14,730	14,547
Regional Associates			
Airtel			
- India	293,742	283,667	279,430
- Africa	116,371	110,604	103,881
- South Asia	2,865	2,929	2,840
	412,978	397,200	386,151
Telkomsel	170,117	162,567	170,928
AIS	40,942	41,156	41,558
Globe	78,167	89,320	97,358
	702,204	690,243	695,995
Group	716,493	704,973	710,542