



News Release

Singtel delivers strong first quarter earnings amid currency headwinds and keen competition

- Net profit up 13% to S\$942 million; up 16% in constant currency
- Operating revenue up 2% to S\$4.21 billion; up 8% in constant currency
- Strong growth from core business and associates
- Group mobile customers at 565 million; up 8% from a year ago

Singapore, 13 August 2015 – Singapore Telecommunications Limited (Singtel) reported a strong first quarter with net profit up 13% to S\$942 million. In constant currency terms, net profit would have risen 16%.

The Group recorded a net exceptional gain of S\$47 million, with divestment gains from venture investments and Airtel Africa's tower assets. Excluding exceptional items, underlying net profit grew 2%. This would have grown 5% on a constant currency basis.

Ms Chua Sock Koong, Singtel Group CEO said: "This quarter's results reflect the strong execution in our business. Across our different markets, we are taking bold strategic measures to shape our business and the market. We are accelerating investments in spectrum, networks and systems, and transforming our cost structure. We strive to deliver a great customer experience with innovative products and plans.

"I am pleased that we are gaining good momentum on our growth initiatives in the Enterprise segment for cyber security, cloud and Smart City services in Singapore and the region."

With the weaker Australian dollar, the Group's operating revenue rose 2% to S\$4.21 billion, while EBITDA fell slightly by 1%. In constant currency terms, operating revenue would have grown by 8% and EBITDA by 5%.

In Australia, Optus continues to invest to enhance the depth and reach of its 4G plus mobile network. With the 700 MHz spectrum which was available from January 2015, 4G coverage is now extended to close to 90% population coverage. Optus is investing in network and innovation to offer compelling value and an enhanced customer experience to customers.

In Singapore, Singtel strengthened its network leadership and gained recognition as the Frost and Sullivan 2015 Asia Pacific LTE Service Provider of the Year. Singtel also became the first in Southeast Asia to launch a tri-band 4G network with LTE-900, to provide improved indoor coverage.



The regional mobile associates executed well this quarter with AIS, Globe, Telkomsel and Airtel India delivering strong earnings as network investments continue to accelerate data adoption, and 3G handset and smartphone penetration increased. They successfully captured mobile data growth and maintained their leadership stronghold in the respective markets. Globe also made significant market share gains in the Philippines.

As at 30 June 2015, the Group's combined mobile customer base¹ was up 8% to 565 million from a year ago.

Free cash flow for the quarter ended 30 June 2015 declined 18% to S\$974 million. Free cash flow from Singapore and the associates remained strong. In Singapore, Singtel received S\$110 million from OpenNet in the corresponding quarter last year for the completion of fibre rollout. In Australia, free cash flow declined mainly due to higher mobile customer acquisitions and retentions, and higher cash taxes.

During the quarter, Singtel issued US\$500 million and A\$250 million in bonds to refinance existing bank debt and for general funding requirements.

Group Consumer revenue rose 2%, driven by higher mobile data uptake and equipment sales. Group Consumer EBITDA was stable, impacted by the weak Australian Dollar. In constant currency terms, revenue and EBITDA would have increased 11% and 9% respectively.

Singapore Consumer revenue grew 6% with mobile communications revenue up 4%², driven by data growth. Innovative products targeted at the various customers segments, including tourists' data plans, mobile plans bundled with premium WiFi service, and extensive data roaming plans, encouraged data usage. This growth in data mitigated the revenue decline from lower usage in domestic voice, voice roaming and SMS.

Singapore Consumer Home revenue was stable. Excluding the 2014 FIFA World Cup, Home revenue would have risen 4% and Household ARPU (Average Revenue Per User) up 5%, driven by fixed broadband revenue growth as more customers upgraded to higher speed fibre plans and higher value content packages. As at end June 2015, 78% of broadband customers have migrated to fibre.

Singtel TV now offers over 190 channels and leads in premium sports content. It has the largest number of HD channels including the newly added entertainment and sports channels, Animal Planet, Discovery Channel and Eurosport from Discovery Networks.

¹ Combined mobile customer base refers to the total number of mobile customers in Singtel, Optus and the regional mobile associates.

² Overall mobile communications revenue for Singapore, including the Enterprise business, grew 2%.



In Australia, Consumer revenue rose 13% with growth in postpaid mobile handset customers and higher ARPU. EBITDA grew 8% underpinned by strong mobile service revenue growth, increased take up of higher- tier plans and device repayment plans. The higher mobile ARPU was fuelled by 4G customer growth and higher data consumption. Family data sharing and prepaid data rollover plans for mobile helped drive data take up while compelling entertainment offers bundled into great value home broadband plans attracted new NBN broadband customers.

Despite the weaker Indonesian Rupiah and significant fair value losses from Airtel, the Group's share of pre-tax earnings from the regional mobile associates rose 5% to S\$625 million. In constant currency terms, pre-tax earnings would have been up 6%.

Group Enterprise strengthened its leadership position in regional and local data services amid a cautious regional business environment.

In the quarter, Group Enterprise launched the Wide Area Network Solution that enables clients to centrally manage disparate networks across different locations in the region.

In Singapore, core carriage revenue rose on higher demand for international and domestic bandwidth. In Australia, ICT, managed services and mobile revenue grew. However, with the weaker Australian Dollar, revenue was flat, while EBITDA fell 2%³.

Group Digital Life is focused on three key businesses – digital marketing, regional premium video, and advanced analytics and intelligence. Revenue grew mainly from Amobee's acquisition of Adconion and Kontera last year. Amobee's digital marketing business continues to build differentiation and scale with proprietary technologies like real-time Brand Intelligence. HOOQ, Singtel's regional premium video service, continued to grow its presence and now serves customers in the Philippines, Thailand and India.

The Group affirms its outlook issued in May 2015.

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³ Excludes revenue from fibre rollout and maintenance



About Singtel

Singtel is Asia's leading communications group providing a portfolio of services including voice and data solutions over fixed, wireless and Internet platforms as well as infocomm technology and pay TV. The Group has presence in Asia, Australia and Africa with over 550 million mobile customers in 25 countries, including India, Indonesia, the Philippines and Thailand. It also has a network of offices throughout Asia Pacific, Europe and the United States. For details, visit www.singtel.com

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Financial Highlights for the Quarter Ended 30 June 2015

	2015 (S\$m)	2014 (S\$m)	YOY Change	YOY Change Constant Currency ⁴
Group revenue	4,209	4,148	1.5%	8.3%
EBITDA	1,241	1,254	(1.0%)	5.3%
Regional Mobile Associates pre-tax earnings ⁵	625	594	5.2%	5.6%
EBITDA and share of associates' pre-tax earnings	1,907	1,876	1.6%	5.9%
Underlying net profit ⁵	895	881	1.6%	4.6%
Exceptional items (post tax)	47	(46)	nm	nm
Net profit	942	835	12.8%	15.9%
Free cash flow	974	1,184	(17.7%)	nm

Foreign Exchange Movements
Quarter Ended 30 June 2015

Currency	Exchange Rate	Increase / (Decrease) Against S\$	
		YOY	QOQ
1 AUD ⁶	S\$1.045	(10.6%)	(2.0%)
IDR	9,804	(5.9%)	(3.9%)
INR	47.2	1.3%	(2.8%)
PHP	33.2	5.7%	(1.2%)
THB	24.8	4.2%	(3.3%)

⁴ Assuming constant exchange rates from the corresponding period in FY2015.

⁵ Exclude exceptional items.

⁶ Average A\$ rate for translation of Optus' operating revenue.