

REPL::Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	SINGAPORE TELECOMMUNICATIONS LIMITED
Securities	SINGTEL - SG1T75931496 - Z74
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
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Submitted By (Co./ Ind. Name)	Lim Li Ching (Ms)
Designation	Assistant Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attachments. Attached is the amended Financial Results Presentation for the Quarter ended 31 March 2016 which was sent on 12 May 2016, with amendments highlighted on page 16.

Additional Details

For Financial Period Ended	31/03/2016
Attachments	4thqtr-App7.2.pdf 4thqtr-NR-Singtel.pdf 4thqtr-MR-Optus.pdf 4thqtr-MDA.pdf 4thqtr-Slides-amended.pdf Total size =2513K
Related Announcements	12/05/2016 06:50:02

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Financial Results Presentation

Q4 FY16: Quarter ended 31 March 2016

12 May 2016 • Chua Sock Koong, Group CEO

Singtel



Forward looking statement – important note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

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



Agenda

01 • Overview

02 • Business Units

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Q4FY16: Strong earnings from resilient core & associates' higher contribution

Q4FY16	% change (reported)	% change (constant currency) ¹	Highlights
Operating revenue S\$4,094m	-6%	-3%	› Growth in mobile data, ICT, digital services & Trustwave contribution
Ex-MTR² S\$4,282m	-1%	+2%	› Impacted by MTR ² reductions in Australia & lower equipment sales in Singapore
EBITDA S\$1,262m	Stable	+2%	› Impacted by AUD decline
Regional Mobile Associates' pre-tax earnings³ S\$699m	+12%	+16%	› Strong growth from Telkomsel
Underlying net profit S\$981m	+3%	+6%	› Resilient core & strong associates' performance offset weaker AUD & regional currencies
Net profit S\$946m	Stable	+4%	› Ex-Trustwave, NPAT up 2% & 5% in reported & constant currency terms
Free cash flow S\$681m	-29%	N.M.	› Higher vendor payments & timing difference in receipt of associates' dividend

1. Assuming constant exchange rates from corresponding quarter in FY2015.

2. Mobile Termination Rates in Australia. Regulated reductions with effect from 1 January 2016.

3. Exclude exceptional items.

N.M. – not meaningful.

Foreign exchange movements

Currency	Quarter ended 31 March 2016			Year ended 31 March 2016	
	Exchange rate ¹	Increase/ (decrease) against S\$		Exchange rate ¹	Increase/ (decrease) against S\$
		YoY	QoQ		
1 AUD ² 	1.0129	(5.0%)	(0.1%)	1.0201	(9.2%)
IDR 	9,615	(1.9%)	1.9%	9,803	(4.3%)
INR 	48.1	(4.8%)	(3.0%)	47.2	0.6%
PHP 	33.7	(2.7%)	(1.2%)	33.4	2.6%
THB 	25.4	(5.8%)	-	25.2	-

1. Average exchange rates for the quarter and year ended 31 March 2016.

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

Group Q4FY16 highlights

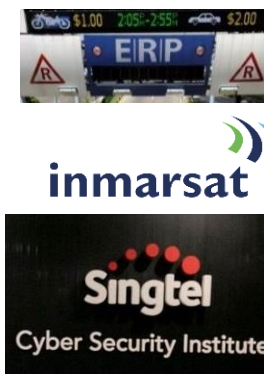
Group Consumer

- › SG: Recognised as widest & fastest LTE network¹
- › SG: Innovative music & data offerings
- › AU: Launched refreshed Optus brand
- › AU: Unveiled distinctive multimedia video & music products



Group Enterprise

- › Won Next Generation ERP system² contract in Singapore
- › Cyber Security initiatives:
 - Strategic partnership with Inmarsat
 - Launched Singtel Cyber Security Institute



Group Digital Life

- › Key customer wins



1. iDA's 4G Measurement Survey Results for Q4 2015 & crowdsource wireless coverage mapping company.

2. Next-generation Electronic Road Pricing system. Multi-year contract for a duration of 8.5 years, covering the progressive roll out from 2020.

FY16: Net profit increased 2%

	3 months to			12 months to		
	Mar 16	Mar 15	YoY %	Mar 16	Mar 15	YoY %
Operating revenue	4,094	4,339	(5.6%)	16,961	17,223	(1.5%)
EBITDA	1,262	1,274	(0.9%)	5,013	5,091	(1.5%)
- margin	30.8%	29.4%		29.6%	29.6%	
Associates pre-tax earnings ¹	740	656	12.9%	2,788	2,616	6.6%
EBITDA & share of associates' pre-tax earnings	1,983	1,920	3.3%	7,804	7,670	1.7%
Depreciation & amortisation	(545)	(543)	0.5%	(2,149)	(2,161)	(0.6%)
Net finance expense	(91)	(52)	76.4%	(265)	(216)	22.4%
Profit before EI and tax	1,346	1,325	1.6%	5,390	5,292	1.9%
Tax	(371)	(377)	(1.6%)	(1,597)	(1,510)	5.8%
Underlying net profit	981	950	3.3%	3,805	3,779	0.7%
Exceptional Items (post tax)	(35)	(11)	@	66	3	@
Net profit	946	939	0.8%	3,871	3,782	2.4%

1. Excluding exceptionals.

@ – Denotes more than 200%.

FY2016: Met guidance

	Guidance ¹	Actual ²	
Revenue	Increase by mid single digit	4%	
EBITDA	Increase by low single digit	4%	
Free Cash Flow (excluding dividends from associates)	Approximately S\$1.5b	S\$1.5b	
Capital Expenditure³	Approximately S\$2.3b	S\$1.9b	
Ordinary Dividends from Regional Mobile Associates	Approximately S\$1.1b	S\$1.1b	

1. Guidance as at May 2015.

2. Assuming constant exchange rates from corresponding periods in FY2015.

3. On a cash basis.

Total dividends 17.5¢ per share

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

5 year ordinary dividends

Proposed final dividend

› payable in Aug 2016

10.7¢

Interim dividend

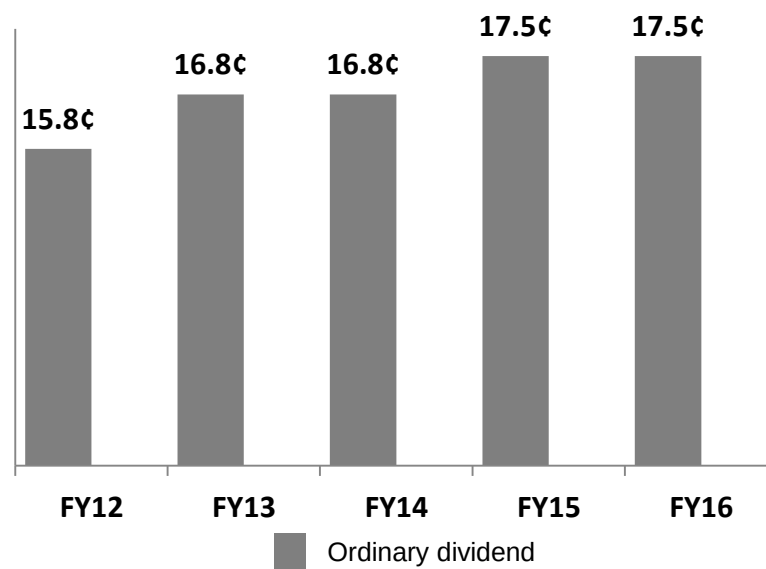
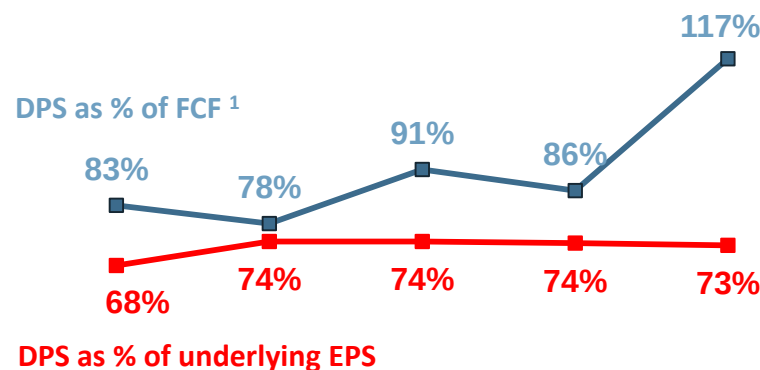
› paid in Jan 2016

6.8¢

Total ordinary dividends

17.5¢

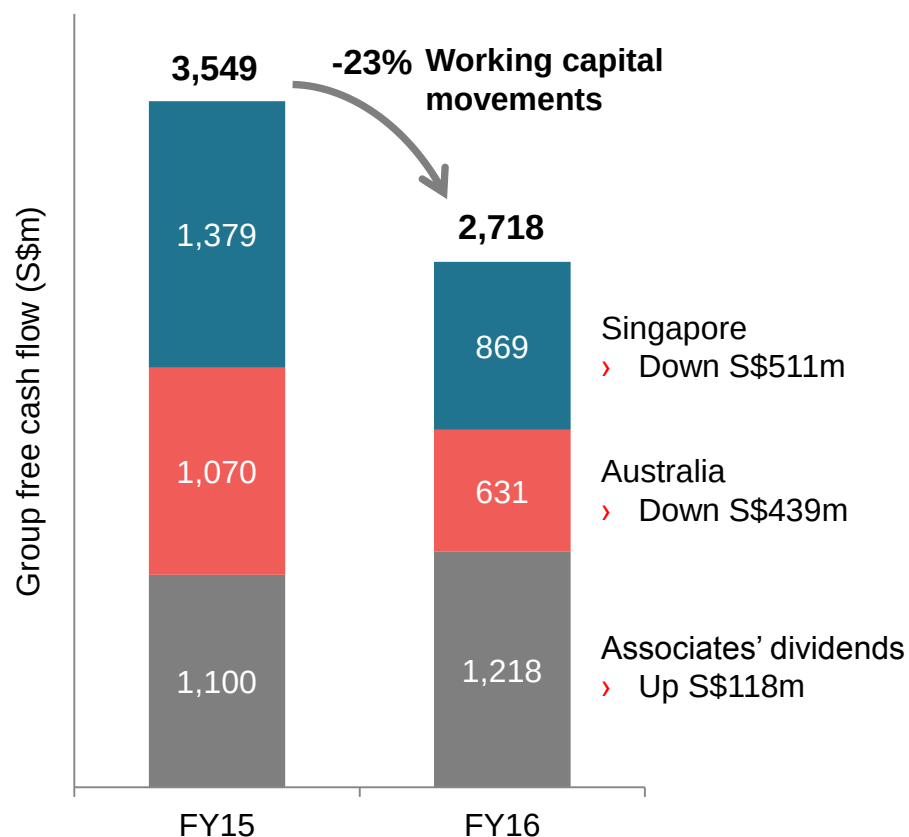
Dividend payout ratio **60% to 75%**
of underlying net profit



1. Free cash flow after interest and tax.

Solid financial position

Free cash flow **\$2,718m**



Balance sheet

Net debt¹ **S\$9.1b**

Net debt gearing² **26.8%**

Net debt: EBITDA & share of associates' pre-tax profits³ **1.2x**

Net debt: EBITDA & dividends from associates **1.4x**

EBITDA & share of associates' pre-tax profits: Net interest expense **25.3x**

S&P's rating **A+** **Moody's rating** **Aa3**

1. Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
2. Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.
3. Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.



Agenda

01 • Overview

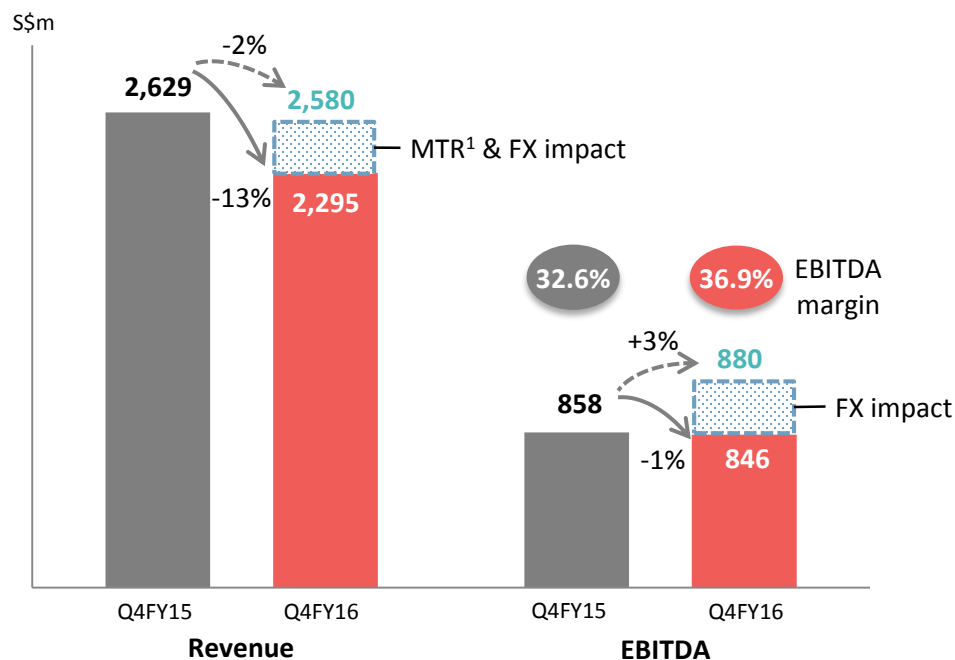
02 • Business Units

03 • Group Outlook

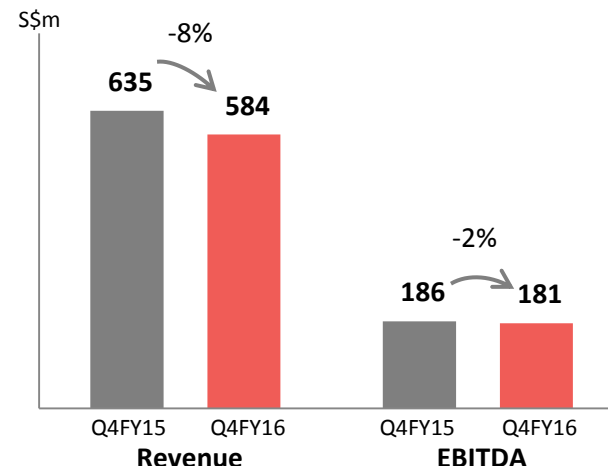
04 • Supplementary Information

Group Consumer: Revenue impacted by MTR reductions & currency translation

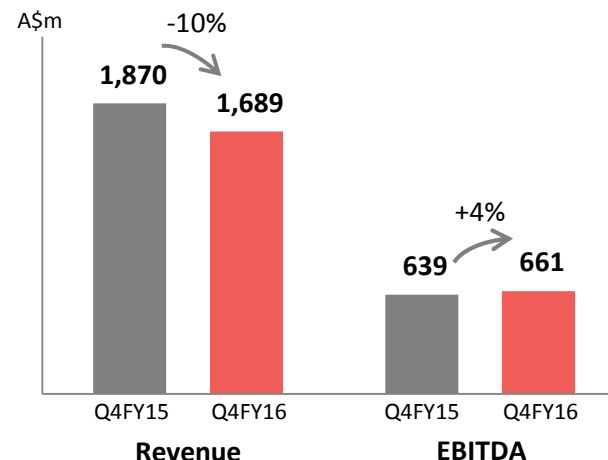
Consumer



Singapore



Australia

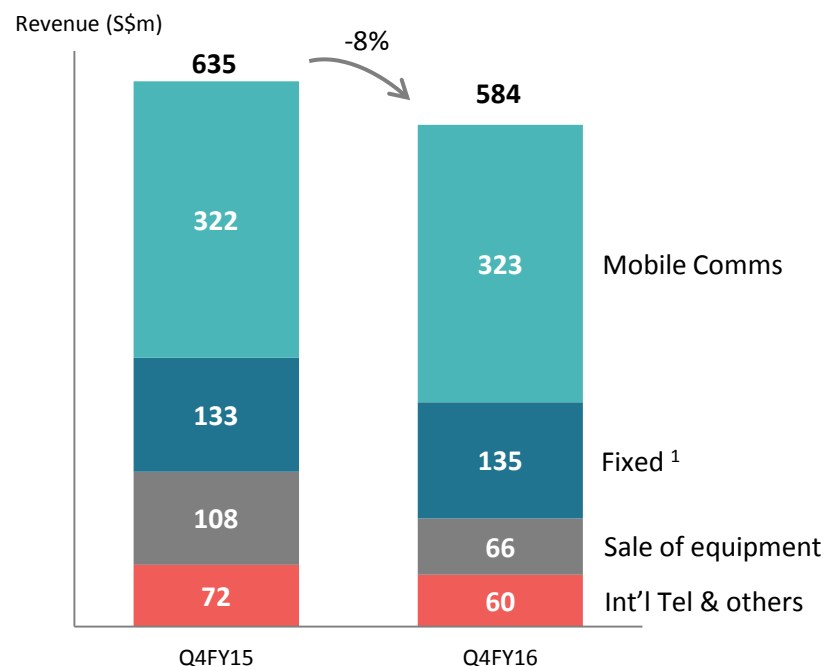


- › In constant currency terms & ex-MTR, Group Consumer revenue down 2% while EBITDA up 3%
- › Singapore: Lower handset sales & IDD services
- › Australia: Continued growth in mobile & fixed

1. Mobile Termination Rates in Australia. Regulated reductions with effect from 1 January 2016. Minimal impact on EBITDA.

Singapore Consumer: Revenue impacted by lower IDD & equipment sales

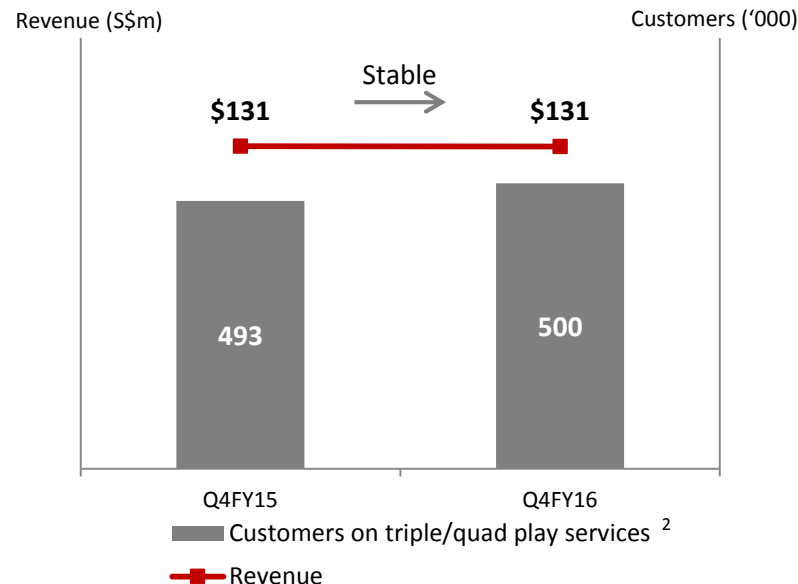
Singapore Consumer



Mobile Communications revenue stable

- › Robust prepaid mobile data growth & higher postpaid plan mix
- › Offset by continued voice to data substitution

Consumer Home



Home services stable

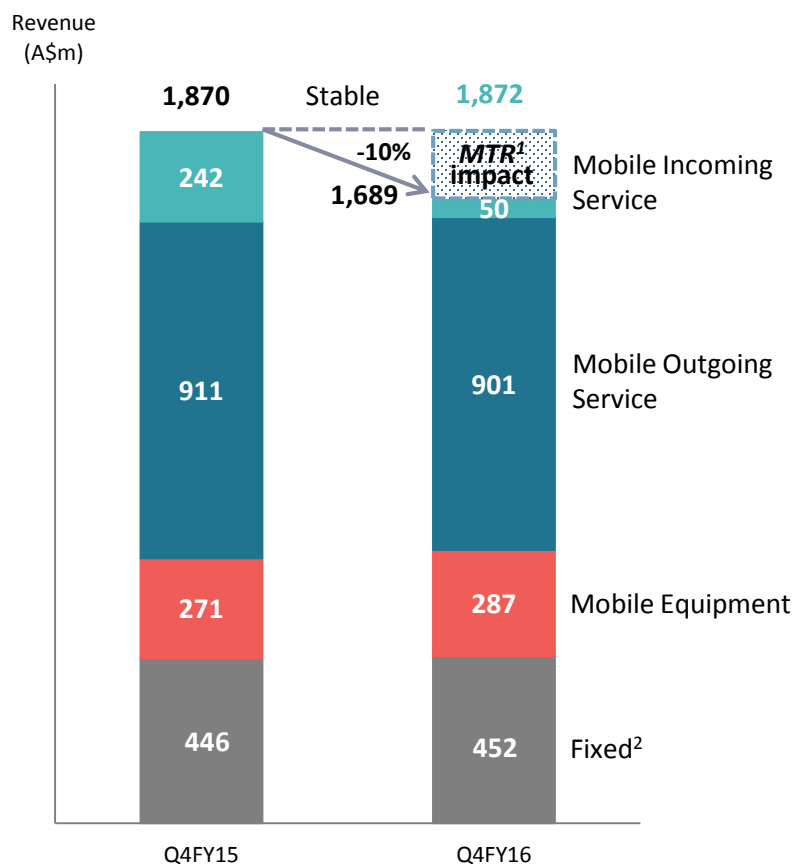
- › Household ARPU of S\$61 with higher TV revenue
- › 87% of BB customers on fibre
- › Strong take-up of enhanced Singtel TV GO



1. Fixed services revenue comprises internet, national telephone, payphone and Singtel TV.
 2. Households who subscribe to 3 or 4 services comprising Broadband, TV, Fixed Voice and Mobile.

Australia Consumer: Continued EBITDA growth

Australia Consumer



Revenue ex-MTR¹ stable

Outgoing mobile service revenue down 1%

- › up 6% excluding DRP³ credits

Mobile handset customers

- › Postpaid handset up 68k; After wholesale deactivations, down 25k
- › Prepaid handset up 16k

Mass market fixed revenue grew 4%

EBITDA up 4%

- › Branded customer growth in mobile & NBN payments

Investment in mobile networks

- › 94% national population 4G coverage⁴

1. Mobile Termination Rates. Impact of A\$183m in Q4FY16.

2. Included NBN migration and preparation revenue of A\$20M (Q4 FY2015: A\$14M).

3. Device Repayment Plans.

4. As at 30 April 2016.

Regional Mobile Associates

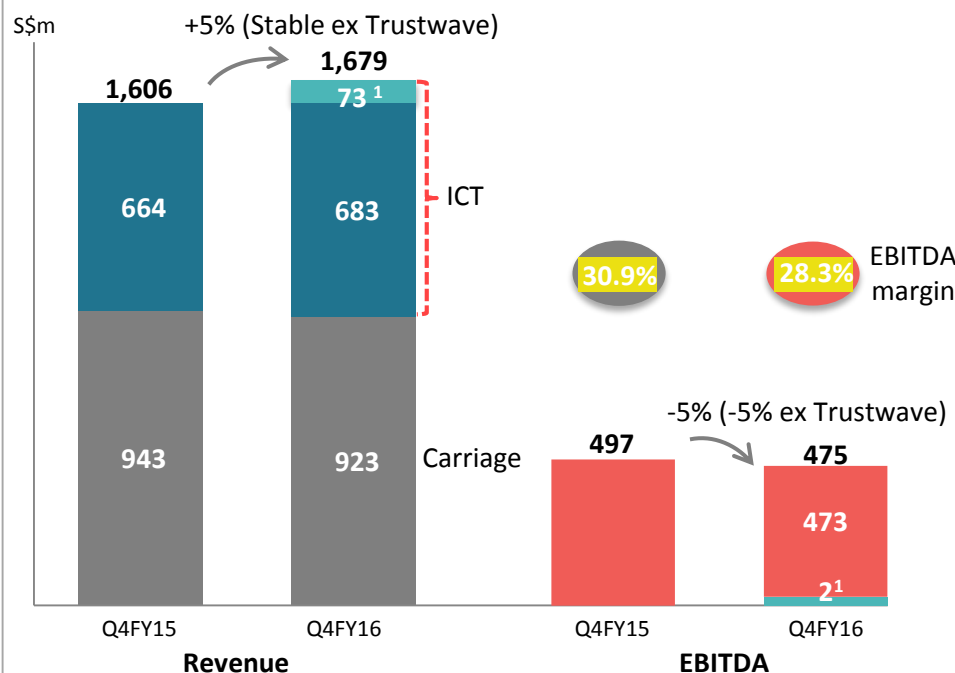
Q4FY16	PBT ¹ (S\$m)	% Change (S\$)	% Change (local ccy)	Business Highlights
Regional Mobile	699	+12%	N.A.	› Strong performance from Telkomsel & lower fair value losses from Airtel › Customer base up 9% to 605m
Telkomsel	316	+32%	+35%	› Increased voice & data usage › Growth in revenue market share › Significant increase in 3G & 4G smartphone customers
Airtel	183	+4%	+9%	› Growth in voice & data usage in India
- India & South Asia	289	Stable	+6%	› Spectrum acquisitions strengthened network leadership
- Africa	10	-62%	-60%	› Accelerating rollout of 4G network
- Others ²	(116)	-15%	-11%	› QoQ improvement in Africa
AIS	112	-6%	Stable	› Accelerating 4G rollout › Continued migration of 2G customers to 3G/4G
Globe	88	Stable	+4%	› Growth in subscriber market share › Broad-based, data-driven revenue growth › Impacted by higher depreciation & interest costs

1. Exclude exceptional items.

2. Net finance costs & fair value losses.

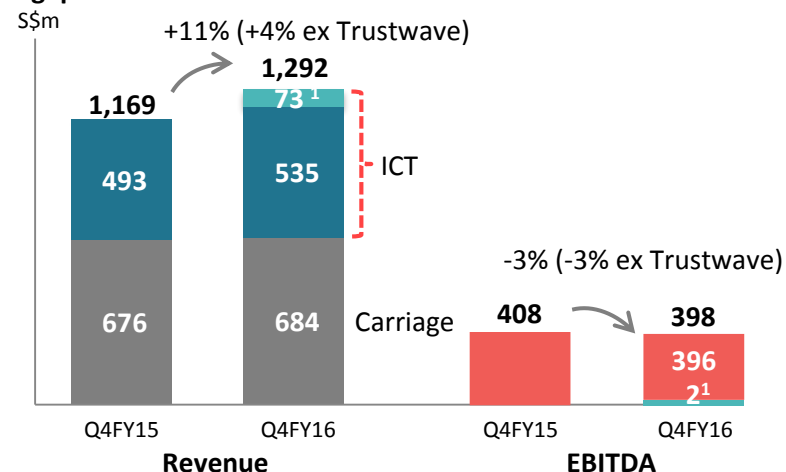
Group Enterprise: Sustained ICT momentum in cautious business environment

Group Enterprise

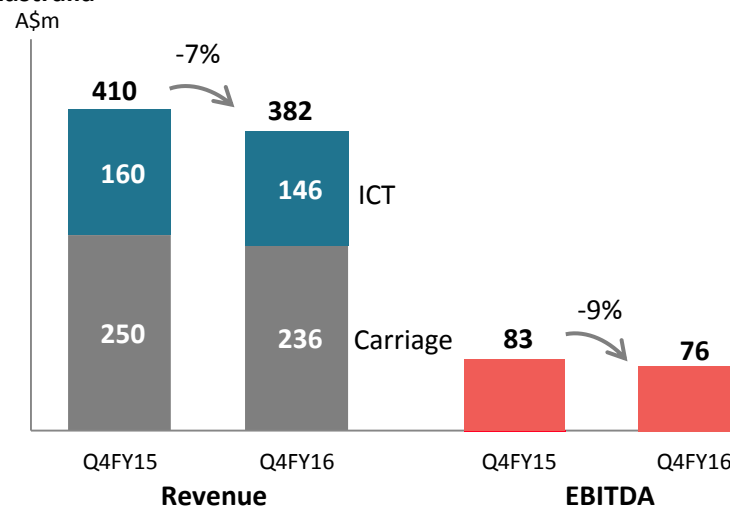


- › Singapore: Robust ICT and Data & Internet revenues; EBITDA impacted by forex movements & one-off gains last year
- › Australia: Revenue & EBITDA affected by price erosion & one-off project related equipment sales last year

Singapore



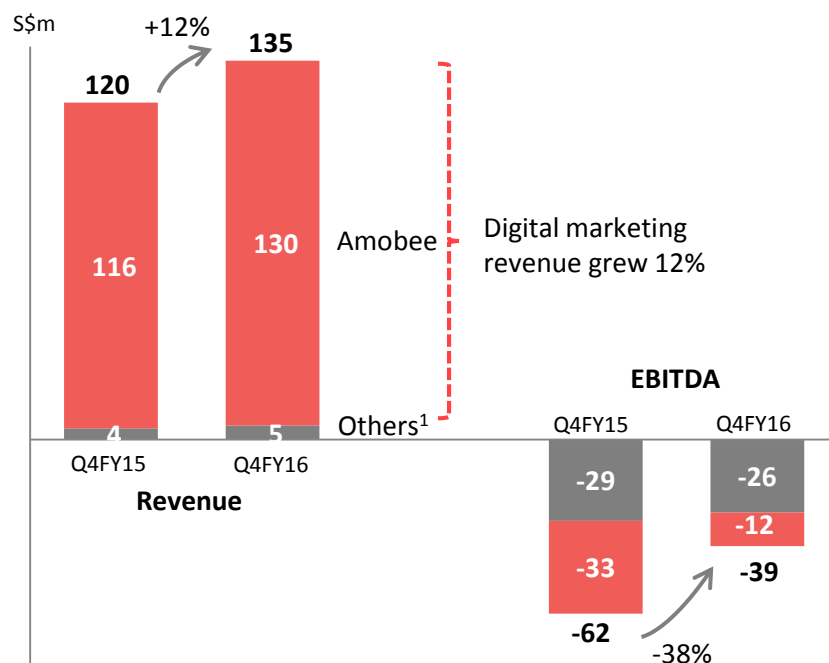
Australia



1. Trustwave was acquired in September 2015.

Group Digital Life: Maintaining growth momentum

Group Digital Life



- › Strong revenue growth from Amobee & DataSpark
- › EBITDA improved with reduced losses from Amobee & positive contribution from DataSpark

HOOQ

- › Launched in Indonesia



DataSpark

- › Supporting associates' network initiatives



1. Include revenues from HOOQ and DataSpark.



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Outlook^{1,2}

Group	Revenue & EBITDA to increase by low single digit ³
	Capital expenditure to be approx. S\$2.8b • Approx. S\$1.0b for Singapore • Approx. A\$1.8b for Australia
	Cash capital expenditure to be approx. S\$2.4b
	Free cash flow ⁴ to be approx. S\$1.5b
	Ordinary dividends from Regional Mobile Associates to be approx. S\$1.2b
Core Business	Revenue & EBITDA to increase by low single digit ³
	Singapore Mobile Communications revenue to be stable
	Australia Mobile Service revenue to decline by low teens ³
	Group ICT revenue to increase by low teens
	› Cyber security revenue is expected to be S\$450-550m ⁵
Group Digital Life	Amobee revenue is expected to grow by mid single digit
	Group Digital Life negative EBITDA to be approx. S\$150–S\$180m

1. Based on average exchange rates during FY16.

2. Excludes acquisitions.

3. Including the impact of decline in mobile termination rates in Australia.

4. Exclude associates' dividends.

5. Includes a full year contribution from Trustwave.

Agenda

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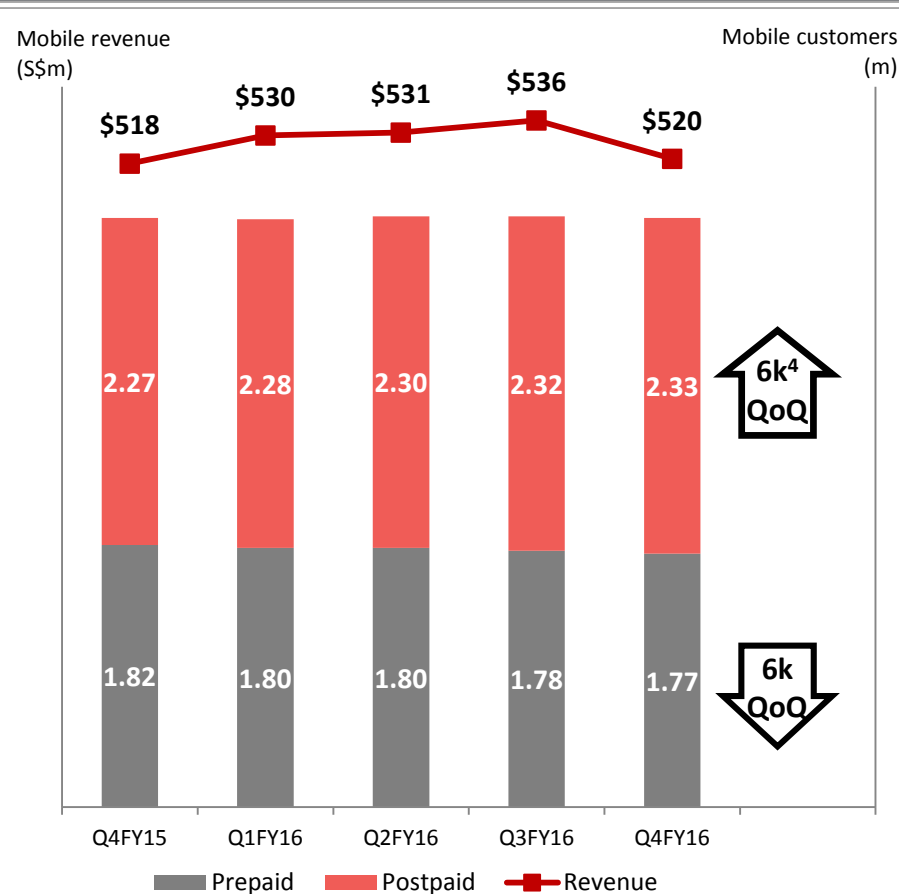
03 • Group Outlook

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Singapore Mobile

Mobile Communications revenue stable S\$520m



4G customers up 85k QoQ **2,290k**

Tiered data plans

- › Postpaid customers on tiered plans¹ **66%**
- › Tiered plans customers who exceed data bundles **29%**
- › Average smartphone data usage **2.4Gb**

Postpaid ARPU down 4% **S\$70**

- › Due to lower voice-related services & dilution of SIM-only plans²

Postpaid SAC³ down 9% **S\$411**

1. If excluding data-only SIMs, 80% of postpaid customers were on tiered plans.
2. SIM-only plans refer to wireless broadband plans excluding voice, mobile share plans i.e. supplementary lines which share data, voice & text allowances of postpaid plans, as well as SIM-only plans
3. Blended acquisition and retention cost per postpaid customer.
4. After rationalisation of legacy data only plans (19K)

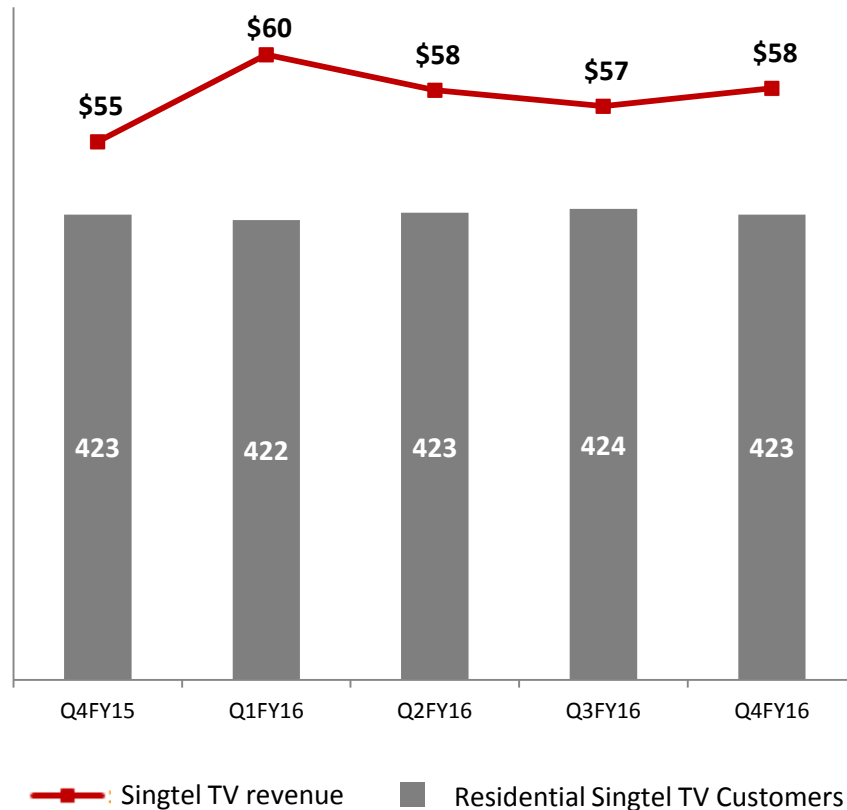
Singapore Fixed

Singtel TV revenue up 5%

S\$58m

Singtel TV Revenue
(S\$m)

Customers
('000)



Singtel TV ARPU

S\$39

› Stable

Singtel TV churn

1.2%

› Up 0.3ppt

Fibre customers¹

501k

› Up 16k QoQ

1. Refers to residential and corporate subscriptions to broadband internet services using optical fibre networks.

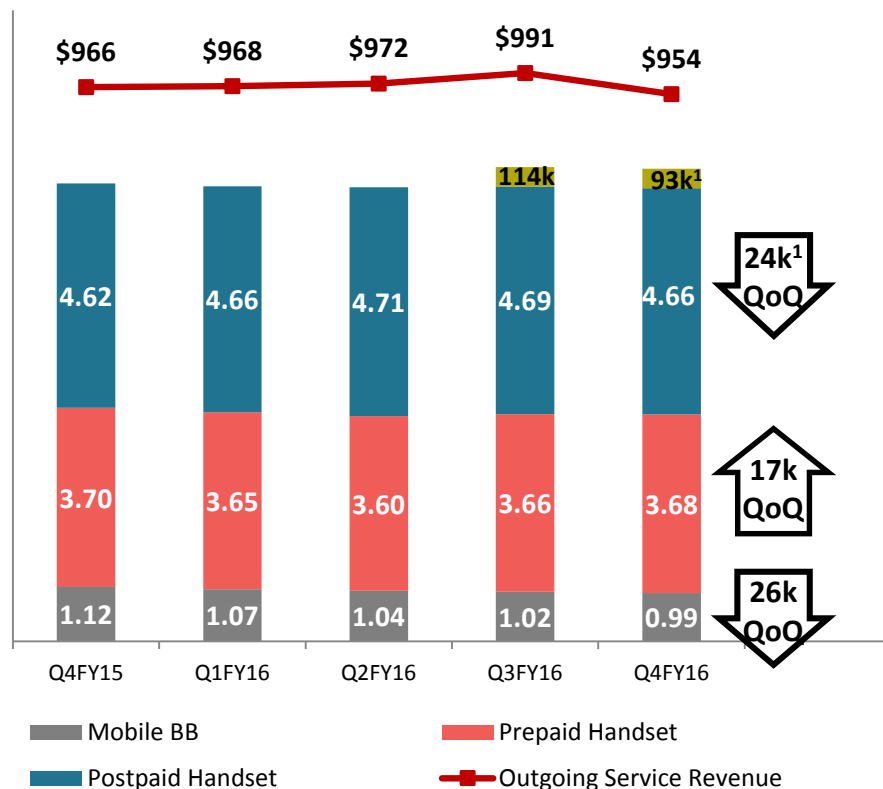
Australia Mobile

Outgoing service revenue

A\$954m

Outgoing service revenue
(A\$m)

Mobile customers
(m)



4G customers² up 231k QoQ

4,676k

> 50% penetration

Postpaid

> Handset ARPU

A\$50

- down 17%

- up 5% on adjusted basis³

> Churn

1.3%

- down from 1.4% in Q3FY16

Prepaid

> Handset ARPU

A\$21

- down 22%

- stable on adjusted basis³

1. Impacted by wholesale deactivations.
 2. Defined as 4G handsets on the Optus network.

3. Excluding the impact of service credits (for postpaid only) & lower mobile termination rates.

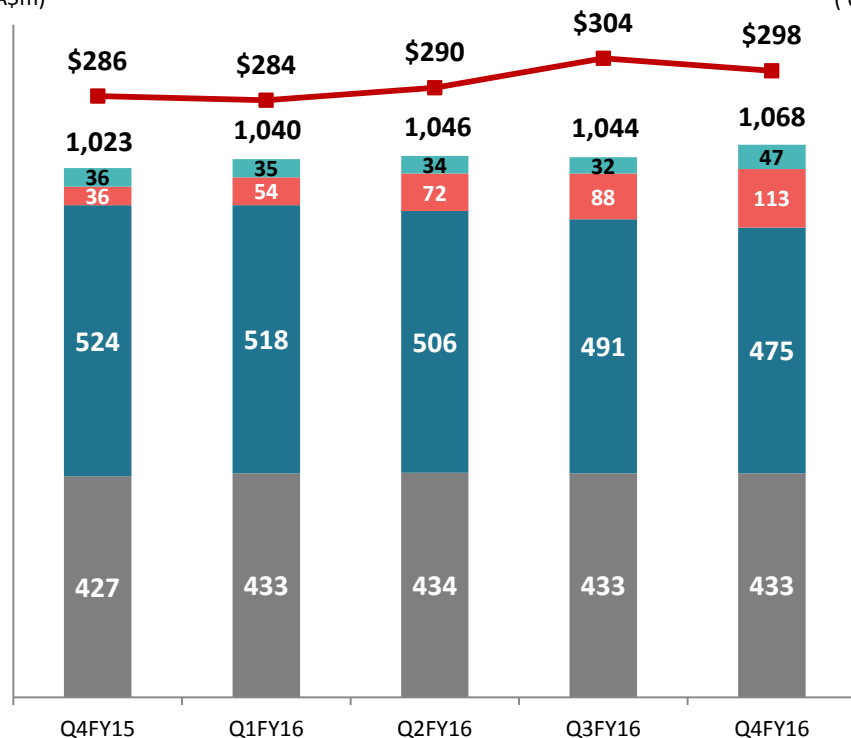
Australia Fixed

Mass market revenue

A\$298m

Mass market revenue
(A\$m)

Customers
(‘000)



HFC BB customers
 ULL BB customers
 NBN BB customers
 Others
 mass market revenue

On-net BB ARPU

A\$53

> Stable

NBN BB Customers

113k

> Up 25k QoQ

Resale DSL BB Customers

22k

> Up 16k QoQ

TV Customers

314k

> Up 43k QoQ

Trends in constant currency terms¹

3 months to Mar 16	Q4FY16 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	4,094	(5.6%)	(3.1%)
Group reported NPAT	946	0.8%	3.7%
Group underlying NPAT	981	3.3%	6.4%
Optus revenue	2,100	(13.8%)	(9.2%)
Regional Mobile Associates pre-tax earnings ²	699	12.3%	16.1%
12 months to Mar 16	FY16 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	16,961	(1.5%)	4.1%
Group reported NPAT	3,871	2.4%	5.5%
Group underlying NPAT	3,805	0.7%	4.0%
Optus revenue	9,298	(5.8%)	3.7%
Regional Mobile Associates pre-tax earnings ²	2,604	4.5%	6.1%

1. Assuming constant exchange rates from corresponding periods in FY2015.

2. Based on the Group's share of associates' earnings before exceptionals.



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