

NETLINK NBN TRUST'S FOURTH QUARTER AND FULL YEAR FY19 RESULTS EXCEEDS IPO PROJECTION

- ***FY19 EBITDA and Profit After Tax exceeded projections by 3.2% and 17.8% respectively***
- ***Residential connections increased by 11.3% year-on-year to 1,327,732 connections; Stable growth in non-residential and NBAP connections***
- ***Total Distribution Per Unit of 4.88 Singapore cents for FY19 exceeded projection by 5.2%***

Summary of the NetLink Group's Results

S\$'million	1 Jan 2019 to 31 Mar 2019 ("Q4 FY19")			1 Apr 2018 to 31 Mar 2019 ("FY19")		
	Actual	Projection ¹	Variance (%)	Actual	Projection ¹	Variance (%)
Revenue	87.9	87.4	0.5	353.6	342.2	3.3
EBITDA	62.8	61.8	1.6	247.9	240.2	3.2
EBITDA Margin (%)	71.5	70.7	0.8pp	70.1	70.2	(0.1pp)
Profit After Tax	20.0	17.9	11.7	77.4	65.7	17.8

The joint issue managers of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., and UBS AG, Singapore Branch. The joint underwriters of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., UBS AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Singapore Branch, Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited. The joint issue managers and joint underwriters of the initial public offering assume no responsibility for the contents of this announcement.

¹ Projection for the quarter ended 31 March 2019 was part of the Projection Year 2019's projection disclosed in the prospectus dated 10 July 2017. Projection for the financial year ended 31 March 2019 refers to the full Projection Year 2019's projection.

SINGAPORE, 13 May 2019 – NetLink NBN Management Pte. Ltd., the Trustee-Manager of NetLink NBN Trust (网联宽频信托) (NetLink NBN Trust, together with its subsidiaries, the “**NetLink Group**”) announced today that its EBITDA and Profit After Tax for the three months from 1 January 2019 to 31 March 2019 (“**Q4 FY19**”) exceeded projections by 1.6% and 11.7% respectively. For the financial year ended 31 March 2019 (“**FY19**”), EBITDA and Profit After Tax outperformed projections by 3.2% and 17.8% respectively.

Mr. Tong Yew Heng (唐耀兴), Chief Executive Officer of the Trustee-Manager, said, “Our financial performance and distributions to Unitholders have exceeded IPO projections for the year, supported mainly by a strong increase in residential connections and diversion project income. For the upcoming financial year, we expect revenues from key connection services to be higher than that of FY19, driven by higher residential connections and installation-related revenues.”

RESILIENT BUSINESS

In FY19, the NetLink Group posted revenue of S\$353.6 million, 3.3% higher than projection, mainly driven by higher residential connections revenue, diversion revenue, and ducts and manholes service revenue. This was partially offset by the lower than projected installation-related revenue.

The NetLink Group achieved 1,327,732 residential connections as at 31 March 2019 exceeding the projection of 1,278,260 by 3.9%. The increase in diversion revenue was attributed to the recognition of revenue from completed projects mainly for government agencies, while the higher ducts and manholes service revenue was mainly due to recovery of costs for ducts and manholes from joint-build projects.

Total expenses for FY19 amounted to S\$287.3 million, which was a 0.2% increase from projection. This was mainly attributed to higher operation and maintenance costs and diversion costs, which were in line with the higher revenue, partially offset by lower-than-projected installation costs, depreciation and amortisation expenses, staff costs, finance costs and other operating expenses.

The NetLink Group's EBITDA of S\$247.9 million exceeded projection by 3.2%, while Profit After Tax of S\$77.4 million was above projection by 17.8%.

As at 31 March 2019, there were 1,327,732 residential connections and 46,207 non-residential end-user connections, compared to 1,192,493 residential end-user connections and 43,855 non-residential end-user connections as at 31 March 2018. This represents an increase of 11.3% and 5.4%, respectively, compared to the end of the previous financial year. NBAP connections increased by 90% to 1,587 connections compared to the end of the previous financial year.

The NetLink Group reported steady net cash generated from operating activities of S\$229.6 million for FY19, which supported the total FY19 distribution of S\$190.2 million.

DISTRIBUTION TO UNITHOLDERS

As disclosed in the Prospectus, the NetLink Group has a stated policy to make distributions on a semi-annual basis. Accordingly, Unitholders can expect to receive a distribution of 2.44 Singapore cents per unit for the period 1 October 2018 to 31 March 2019 on 3 June 2019. This brings the total Distribution Per Unit ("**DPU**") for FY19 to 4.88 Singapore cents, which translates to a yield of approximately 6.0%².

² Based on the IPO unit price of \$0.81.

The Unit Transfer Books and Register of Unitholders of NetLink NBN Trust will be closed at 5.00 p.m. on 24 May 2019 for the purposes of determining each Unitholder's entitlement to the Distribution.

OUTLOOK

The NetLink Group is the only telco regulated by IMDA under the Regulated Asset Base (“**RAB**”) regime, which allows NetLink to recover the cost of investment, operating expenditure and earn a regulated rate of return for its fibre network assets. About 80% of revenue is derived from RAB-regulated assets, while the remaining 20% is contributed by the provision of other services and rental of space either at regulated rates or under long-term contracts. The NetLink Group's resilient business model is expected to provide recurring and predictable cashflows to support distributions to Unitholders.

For FY20, the NetLink Group expects revenues from key connection services to be higher than that of FY19 mainly due to higher residential connections and installation-related revenues. The NetLink Group will continue to invest to expand its network and will also utilise Capex Reserve on projects that will improve the network's capability and resiliency. Therefore, the NetLink Group expects capital expenditure in FY20 to be higher than that of FY19.

The NetLink Group is continuing to expand its network in new housing estates. The NetLink Group has also been working proactively with the Requesting Licensees (“RLs”) (who provide fibre services to Retail Service Providers, that in turn provide retail fibre services to end-users) to anticipate future demand for non-residential and NBAP connections, and to support the RLs’ efforts to acquire new non-residential and NBAP customers.

With its extensive nationwide fibre network, the NetLink Group is well-positioned to support, among others, the Smart Nation initiatives, the developments in Punggol Digital District and Jurong Innovation District, and the fourth mobile telecommunication operator in its mobile network deployment. In addition, the NetLink Group is monitoring the development of the 5G network in Singapore and will explore opportunities associated with the new market development.

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ABOUT NETLINK GROUP

The NetLink Group's nationwide network is the foundation of Singapore's Next Generation Nationwide Broadband Network ("**Next Gen NBN**"), over which ultra-high-speed internet access is delivered throughout mainland Singapore and its connected islands.

The NetLink Group designs, builds, owns and operates the passive fibre network infrastructure (comprising ducts, manholes, fibre cables and Central Offices) of Singapore's Next Gen NBN. The NetLink Group's extensive network provides nationwide coverage to residential homes and non-residential premises in mainland Singapore and its connected islands.

NetLink NBN Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 July 2017, and is a constituent of the FTSE ST Large & Mid Cap Index, FTSE ST Singapore Shariah Index and the MSCI Global Small Cap – Singapore Index.

For more information about NetLink NBN Trust, please visit: www.netlinknbn.com

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