

A circular group photograph of seven Singtel employees is positioned in the upper half of the slide. The employees are arranged in a circle, looking towards the camera and smiling. They are dressed in a variety of casual and semi-formal attire, including patterned blouses, a red t-shirt, and a white lace top. The background of the photo is bright and slightly blurred.

# Financial Results Presentation

Q4 FY15: Quarter ended 31 March 2015

14 May 2015 • Chua Sock Koong, Group CEO

## Forward looking statement – important note

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

03 • Group Outlook

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# Q4FY15: Earnings growth from strong core business and associates performance






Q4FY15	% change (reported)	% change (constant currency) <sup>1</sup>	Explanation (constant currency)
<b>Operating revenue</b> S\$4,339m	+5%	+9%	<ul style="list-style-type: none"> <li>› Growth momentum in mobile data services</li> <li>› Accelerated revenue growth in Australia</li> <li>› Growth in carriage &amp; managed services in enterprise segment</li> </ul>
<b>EBITDA</b> S\$1,274m	-2%	+2%	<ul style="list-style-type: none"> <li>› Growth in core business</li> </ul>
<b>Regional Mobile Associates' pre-tax earnings<sup>2</sup></b> S\$623m	+12%	+8%	<ul style="list-style-type: none"> <li>› Robust mobile data take-up</li> </ul>
<b>Underlying net profit</b> S\$950m	+3%	+4%	<ul style="list-style-type: none"> <li>› Strong core performance offset operating losses from digital investments</li> </ul>
<b>Net profit</b> S\$939m	+5%	+5%	
<b>Free cash flow</b> S\$964m	+11%	N.M.	<ul style="list-style-type: none"> <li>› Increased operating cashflows from Singapore</li> <li>› Increased dividends from Associates</li> </ul>

1. Assuming constant exchange rates from corresponding periods in FY2014.

2. Exclude exceptional items.

N.M. – not meaningful

# Foreign exchange movements

Currency	Quarter ended 31 March 2015			Year ended 31 March 2015	
	Exchange rate <sup>1</sup>	Increase/ (decrease) against S\$		Exchange rate <sup>1</sup>	Increase/ (decrease) against S\$
		YoY	QoQ		
1 AUD <sup>2</sup> 	1.0664	(6.3%)	(3.7%)	1.1234	(4.3%)
IDR 	9,434	(0.9%)	-	9,395	(8.5%)
INR 	45.9	5.4%	4.0%	47.5	1.5%
PHP 	32.8	7.1%	5.2%	34.3	0.6%
THB 	24.0	6.6%	5.1%	25.2	(1.2%)

1. Average exchange rates for the quarter and year ended 31 March 2015.

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

# Group Q4FY15 highlights

## Consumer

- › SG: Leveraging broadcast, digital and analytics platforms to cheer on Team Singapore for 28th SEA Games
- › SG: Majority of Combo plan customers are active Singtel premium WiFi users
- › AU : 4G coverage reached 86% of population as at end April 2015
- › AU : Strengthened home & mobile broadband offerings with exclusive video bundle offers from well-known global brand
- › Airtel won additional wireless spectrum in India



## Group Enterprise

- › Announced acquisition of Trustwave
- › Launched cyber security cadet talent program
- › Won contract to build and operate WiFi network for Australia's largest shopping centre chain



## Group Digital Life

- › Sharpen digital strategy to focus on 3 key businesses
- › Launch of HOOQ Thailand, in addition to the Philippines








# FY15: Net profit grew 4%

	3 months to			12 months to		
	Mar 15	Mar 14	YoY %	Mar 15	Mar 14	YoY %
Operating revenue	4,339	4,128	5.1%	17,223	16,848	2.2%
EBITDA	1,274	1,297	(1.8%)	5,091	5,155	(1.3%)
- margin	29.4%	31.4%		29.6%	30.6%	
Associates pre-tax earnings <sup>1</sup>	656	580	13.1%	2,616	2,201	18.9%
EBITDA & share of associates' pre-tax earnings	1,920	1,863	3.0%	7,670	7,357	4.3%
Depreciation & amortisation	(543)	(534)	1.7%	(2,161)	(2,133)	1.3%
Net finance expense	(52)	(44)	18.3%	(216)	(181)	19.3%
Profit before EI and tax	1,325	1,286	3.0%	5,292	5,043	4.9%
Tax	(377)	(366)	2.9%	(1,510)	(1,428)	5.7%
Underlying net profit	950	920	3.3%	3,779	3,610	4.7%
Exceptional Items (post tax)	(11)	(21)	(49.5%)	3	42	(94.1%)
Net profit	939	898	4.5%	3,782	3,652	3.5%

1. Excluding exceptionals.

# FY2015: Met guidance

	Guidance <sup>1</sup>	Actual	
<b>Revenue</b>	Stable	2%	
<b>EBITDA</b>	Stable	-1%	
<b>Free Cash Flow</b> (excluding dividends from associates)	Stable	+11%	
<b>Capital Expenditure</b>	Approximately S\$2.3b	S\$2.2b	
<b>Ordinary Dividends</b> from Regional Mobile Associates	Approximately S\$1.0b	S\$1.1b	

1. Guidance as at May 2014



# Total dividends up 4% to 17.5¢ per share

**Dividend payout**

**74%**  
of underlying net profit

**5 year ordinary dividends**

> steady growth

Proposed final dividend

> payable in Aug 2015

10.7¢

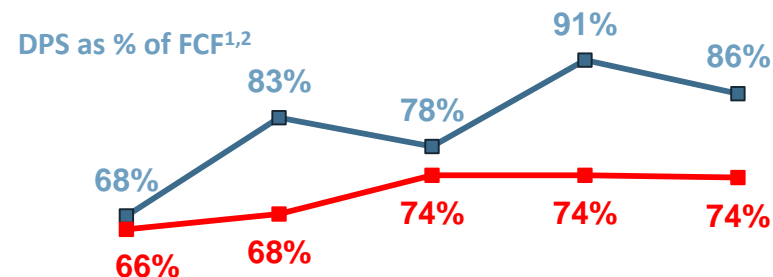
Interim dividend

> paid in Jan 2015

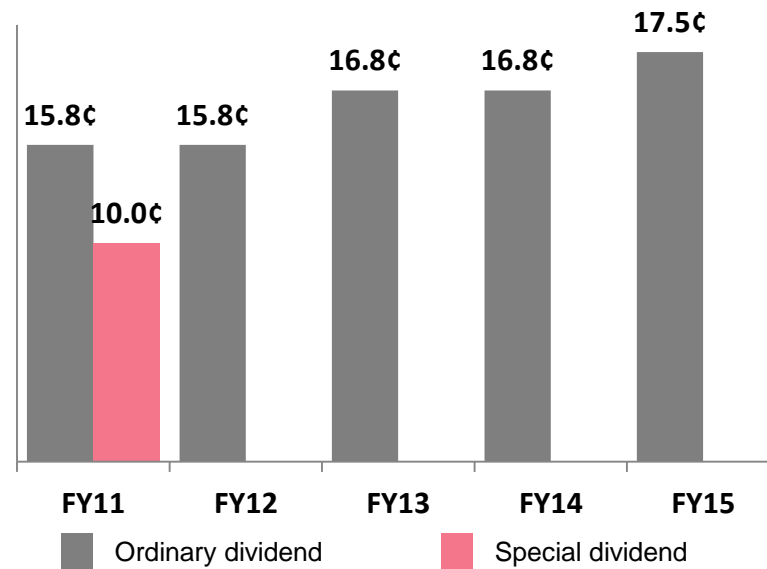
6.8¢

Total ordinary dividends

17.5¢



DPS as % of underlying EPS<sup>1</sup>



Dividend  
payout ratio

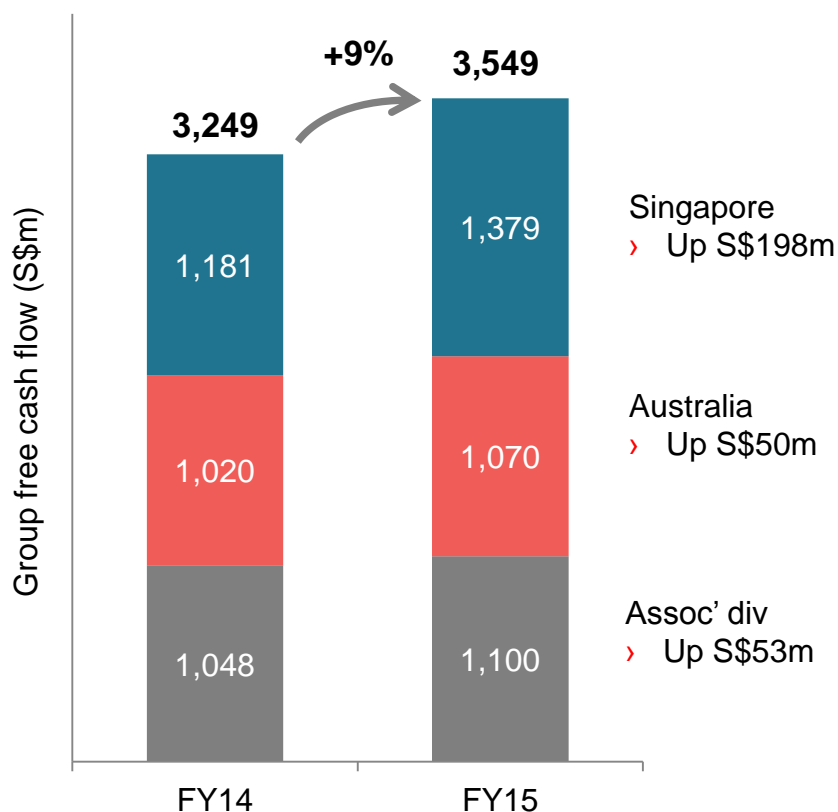
**60% to 75%**  
of underlying net profit

1. Does not include special dividends in FY11 – 10.0c

2. Free cash flow after interest and tax

# Solid financial position

**Free cash flow** **\$3,549m**



**Balance sheet**

<b>Net debt<sup>1</sup></b>	<b>S\$8.0b</b>
<b>Net debt gearing<sup>2</sup></b>	<b>24.3%</b>
<b>Net debt: EBITDA &amp; share of associates' pre-tax profits<sup>3</sup></b>	<b>1.0x</b>
<b>Net debt: EBITDA &amp; dividends from associates</b>	<b>1.3x</b>
<b>EBITDA &amp; share of associates' pre-tax profits: Net interest expense</b>	<b>29.2x</b>
<b>S&amp;P's Rating</b>	<b>A+</b>
<b>Moody's rating</b>	<b>Aa3</b>

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

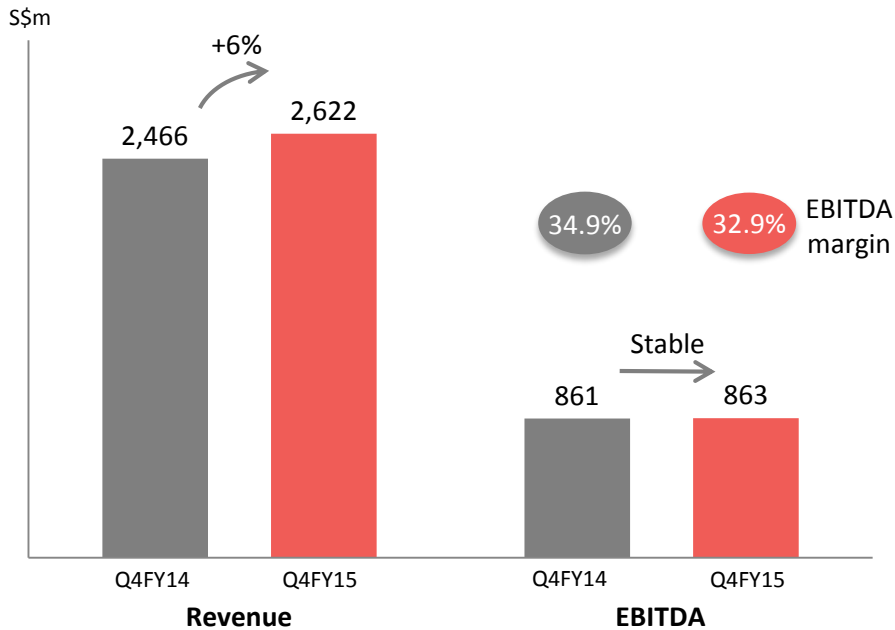
**02 • Business Units**

03 • Group Outlook

04 • Supplementary Information

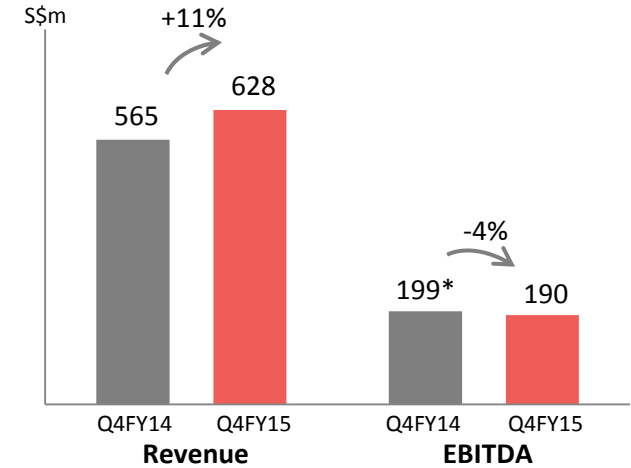
# Consumer: Continued revenue growth in Singapore & Australia

## Consumer

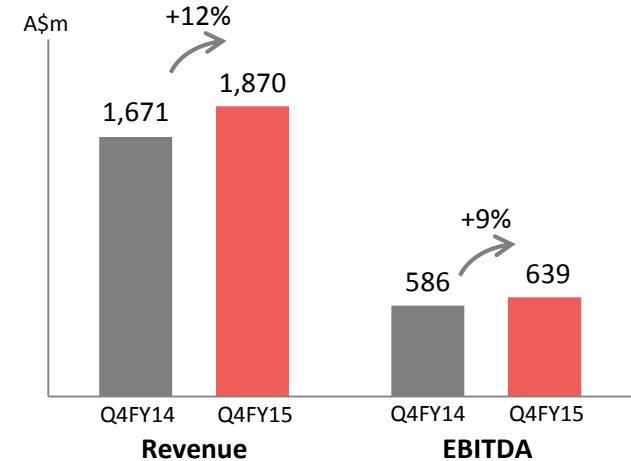


- › Strong revenue growth in Singapore and Australia driven by equipment sales and mobile data
- › Australia revenue further boosted by robust customer gains and higher ARPU
- › EBITDA growth impacted by higher handset subsidies in Singapore & the weaker AUD

## Singapore



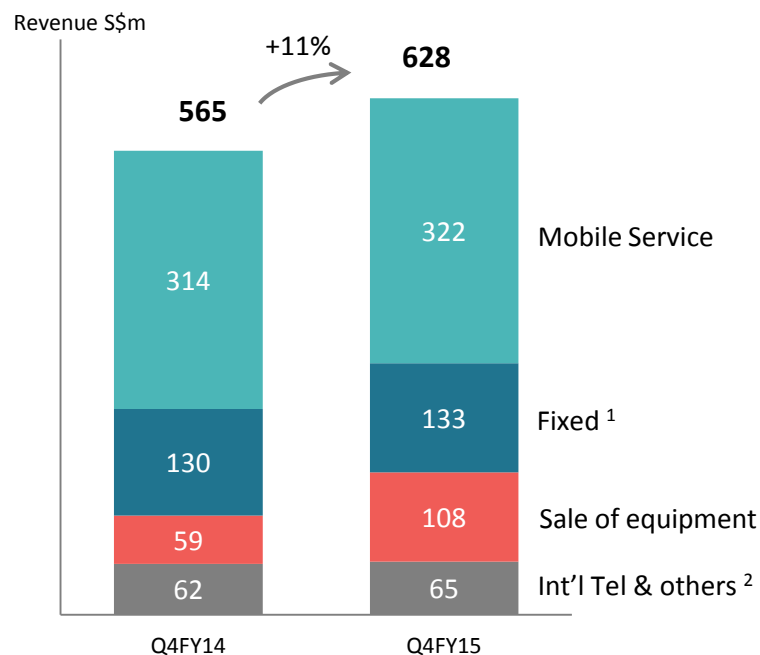
## Australia



\* Include write-back of accruals.

# Singapore Consumer: Mobile data growth offset declines in roaming, voice & SMS

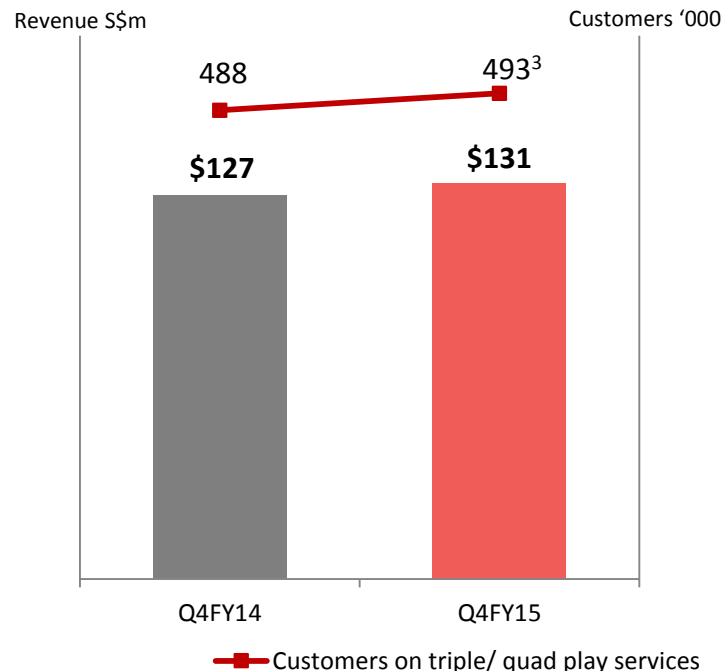
## Singapore Consumer



### Mobile revenue up 3%

- > Robust growth in data revenues
- > 26% of customers exceed their data allowances
  - > Up 5ppt QoQ
- > Lower roaming, voice & SMS

## Consumer Home



### Home revenue up 4%

- > Higher value content packages and speed upgrades

### Accelerated fibre migration

- > 74% of BB customers on fibre as at March 2015

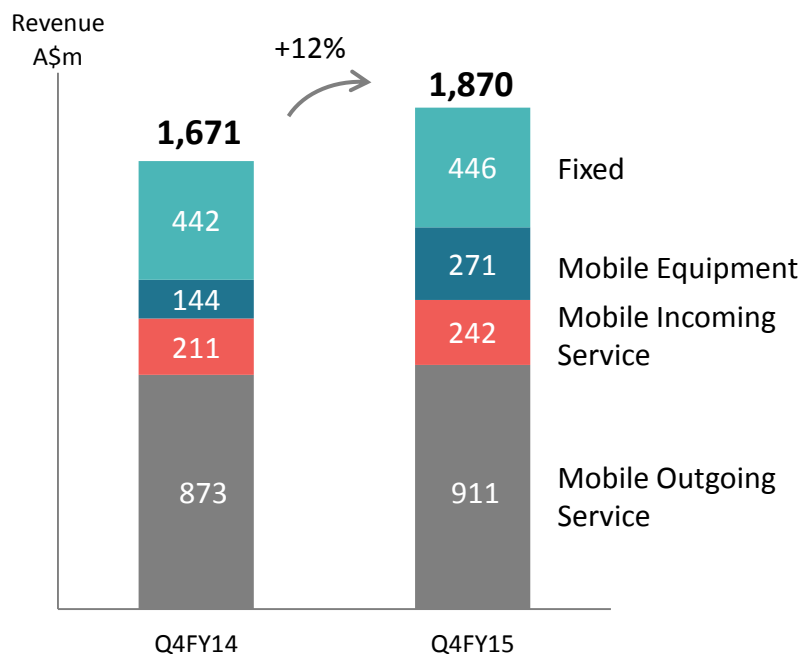
### Lower churn for Singtel TV

- > 0.9%

1. Fixed services revenue comprises internet, national telephone and Singtel TV.  
 2. Others include inter-operator tariff discounts, and revenue from mobile network cabling works and projects.  
 3. Households who subscribe to 3 or 4 services comprising Broadband, TV, Fixed Voice and Mobile

# Australia Consumer: strong revenue and EBITDA growth

## Australia Consumer



### Mobile service revenue up 6%

- › Outgoing service revenue up 4%
- › Strong data growth

### Outgoing mobile service revenue up 4%

- › 59k net adds in mobile handsets<sup>1</sup>
- › Blended handset ARPU up 4%
- › Data revenues up 28%<sup>2</sup>

### Investing for growth

- › 3,383 4G sites<sup>3</sup>
  - › 2,107 metro and regional sites turned on 700MHz since 1 Jan
- › 3.5m 4G handsets on the network (37% penetration)

### EBITDA up 9%

- › Higher take-up of DRP<sup>4</sup> resulted in lower selling costs
- › Strong mobile service revenue growth

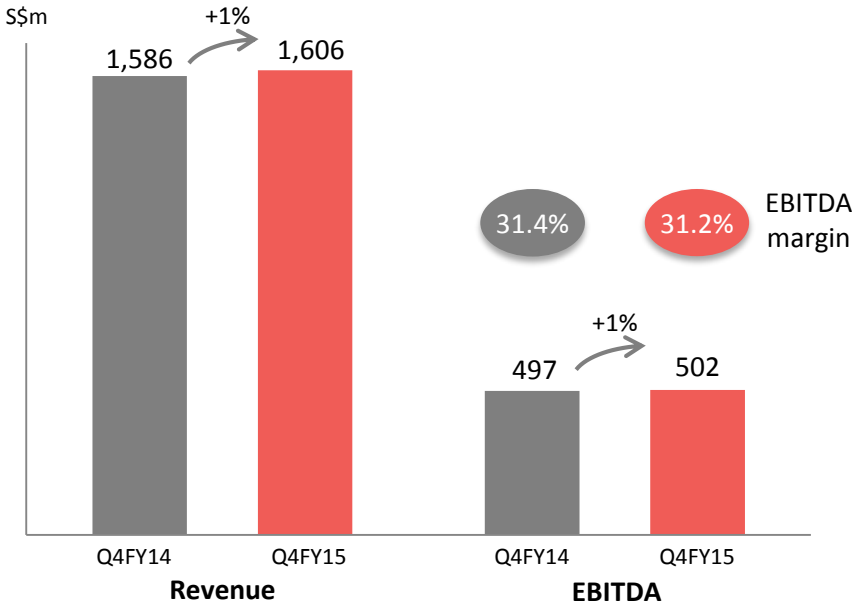
1. Excludes mobile broadband.  
 2. Excludes SMS and MMS  
 3. As at 30 April 2015.  
 4. Device Repayment Plans.

# Regional Mobile Associates: Mobile data and customer growth

Q4FY15	PBT <sup>1</sup> (S\$m)	% Change (S\$)	% Change (local currency)	Highlights
Regional Mobile	623	+12%	-	<ul style="list-style-type: none"> <li>› Up 8% in constant currency</li> <li>› Strong contributions from Airtel India, Telkomsel &amp; Globe</li> <li>› Continued data and customer growth</li> </ul>
Telkomsel	240	+11%	+12%	<ul style="list-style-type: none"> <li>› Robust growth in data and digital services, higher voice and SMS revenue</li> </ul>
Airtel	177	+4%	(2%)	<ul style="list-style-type: none"> <li>› India: Higher data usage, customer growth and ARPU</li> <li>› Africa: Revenue growth in mobile data and Airtel Money services</li> <li>› Increased fair value losses from sharp depreciation of African currencies</li> <li>› Post-tax profits up 41% on lower taxes in Africa</li> </ul>
AIS	119	+10%	+3%	<ul style="list-style-type: none"> <li>› Higher mobile data and smartphone penetration</li> <li>› Regulatory cost savings partially offset by higher depreciation and amortisation on 3G investments</li> </ul>
Globe	87	+36%	+26%	<ul style="list-style-type: none"> <li>› Growth in mobile customers, strong adoption of data services</li> </ul>

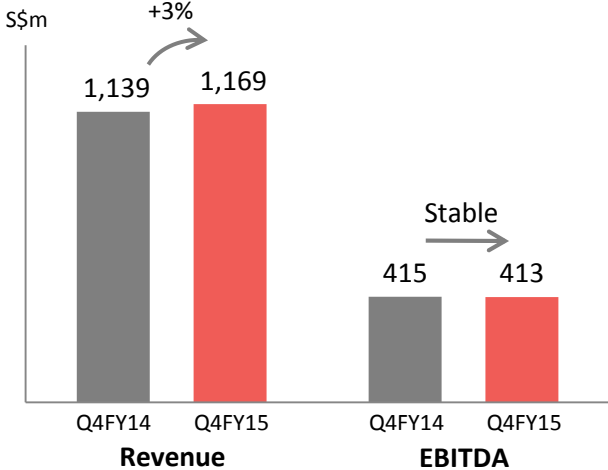
# Group Enterprise: Strong underlying performance

## Group Enterprise (ex fibre rollout & maintenance)

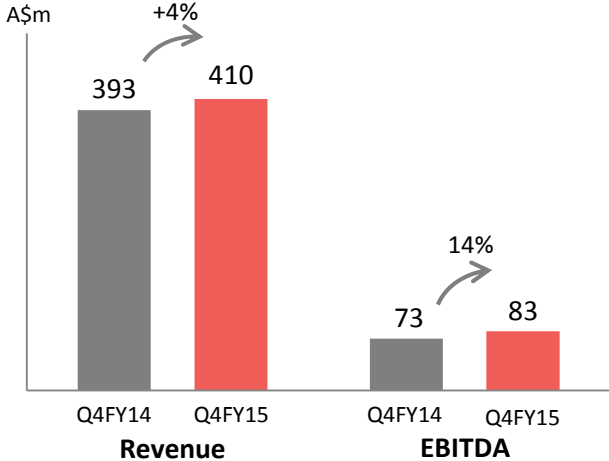


- › Solid core carriage and managed services revenue growth in Singapore
- › Growth in Australia ICT and mobile businesses
- › EBITDA increased 1% including ~S\$10m in professional fees for the acquisition of Trustwave

### Singapore



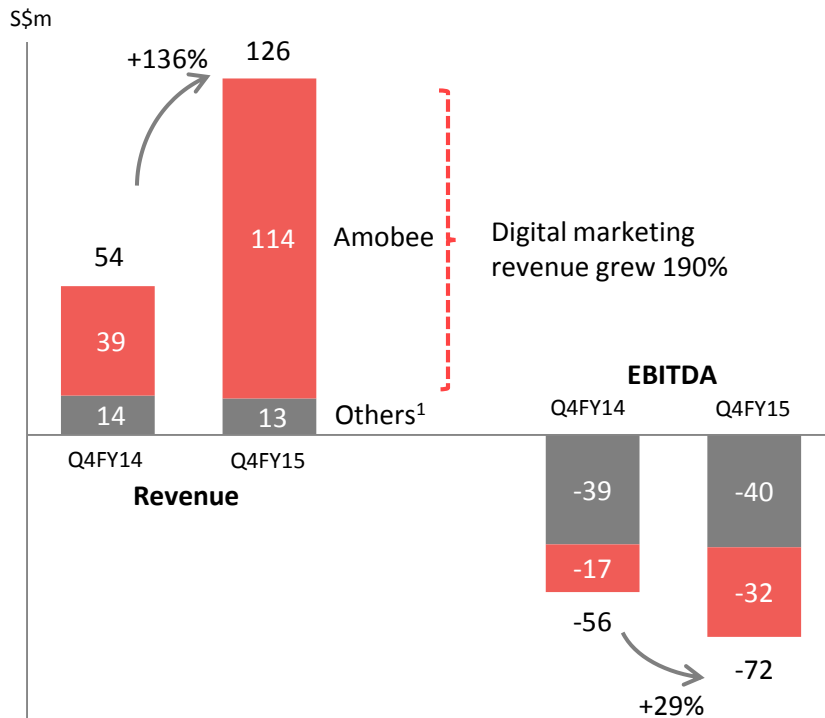
### Australia





# Group Digital Life: Building scale and operating leverage

## Group Digital Life



- › Revenue growth through acquisitions
- › Higher investments in digital marketing, video services and integration costs

- › Global launch of Brand Intelligence insights

[a•mo•bee]  
Brand Intelligence

- › Real time media activation for large brands at key events



- › Key customer wins include L'Oréal, IKEA & Lexus



- › Won 3 awards
  - › Best mobile launch
  - › Best brand awareness campaign
  - › Best use of multiple mobile channels



1. Include revenues from e-commerce, mobile banking payments, concierge and hyper-local services, TV & internet advertising revenue etc.

The background of the slide is a photograph of three business professionals—two women and one man—collaborating around a laptop. They are all smiling and looking at the screen. The setting appears to be outdoors with green foliage in the background. A large red semi-circle is overlaid on the bottom left of the image, containing the agenda text.

## Agenda

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# Outlook<sup>1</sup>

<b>Group</b>	Revenue <sup>2</sup> to increase by mid single digit level
	EBITDA <sup>2</sup> to increase by low single digit level
	Capital expenditure on an accrual basis to be approx. S\$3.0b <ul style="list-style-type: none"> <li>• Approx. S\$1.1b for Singapore</li> <li>• Approx. S\$1.9b for Australia</li> </ul>
	Capital expenditure on a cash basis to be approx. S\$2.3b
	Free cash flow <sup>3</sup> to be approx. S\$1.5b
	Ordinary dividends from Regional Mobile Associates to be approx. S\$1.1b
<b>Core Business<sup>4</sup></b>	Revenue to increase by mid single digit level
	EBITDA to increase by low single digit level
	Singapore Mobile Communications revenue to increase by mid single digit level
	Australia Mobile Service revenue to increase by low single digit level
	Group ICT <sup>5</sup> revenue to increase by mid single digit level
<b>Group Digital Life</b>	Amobee revenue to be approx. S\$350 – S\$400m
	Group Digital Life negative EBITDA to be approx. S\$150 – S\$180m

1. Based on average exchange rates during FY15.

2. Excluding acquisitions and the impact of Trustwave

3. Exclude associates' dividends.

4. Comprises Singapore Consumer, Australia Consumer and Group Enterprise.

5. Comprises Managed Services and Business Solutions.

The background of the slide is a photograph of a woman in a blue dress and black blazer looking at a tablet. She is in the center of the frame. To her left and right, there are blurred figures of men in business attire, suggesting a busy office environment. The background consists of light-colored panels with small circular fasteners.

## Agenda

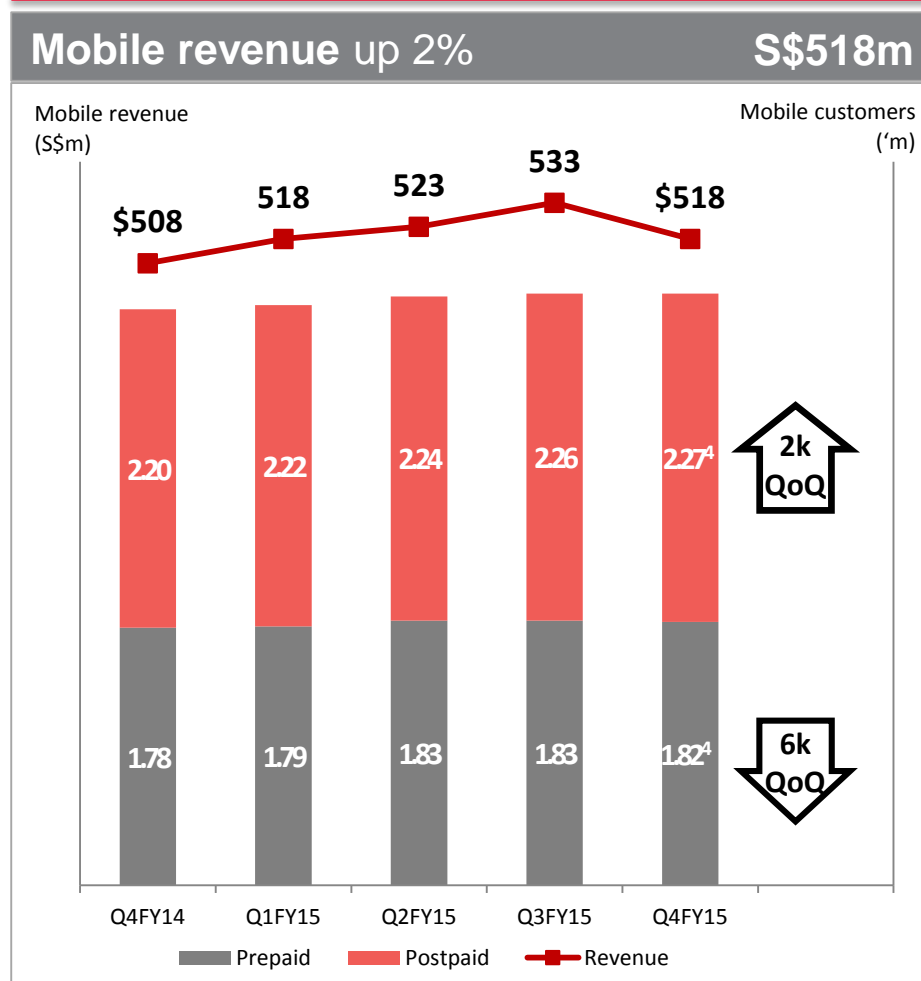
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# Singapore Mobile



**4G customers up 212k QoQ** **1,873k**

## Tiered data plans

- > Postpaid customers on tiered plans <sup>1</sup> **61%**
- > Tiered plans customers who exceed data bundles **26%**

**Postpaid ARPU down 3%** **S\$73**

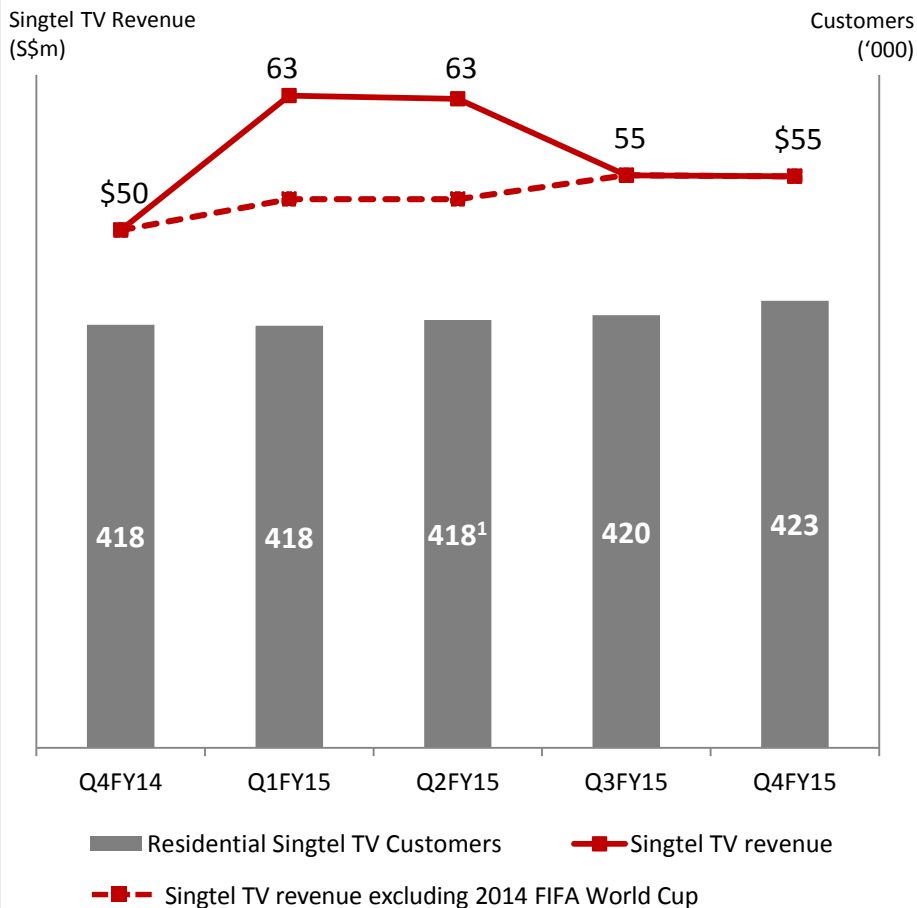
- > down 1% excluding data-only SIMs and mobile share plans<sup>2</sup>

**Postpaid SAC<sup>3</sup> up 4%** **S\$452**

1. If excluding data-only SIMs, 75% of postpaid customers were on tiered plans.  
 2. Data-only SIMs refer to wireless broadband plans excluding voice. Mobile share plans refer to supplementary lines which share data, voice & text allowances of postpaid plans.  
 3. Blended acquisition and retention cost per postpaid customer.  
 4. Figures do not add up due to rounding

# Singapore Fixed

## Singtel TV revenue up 10% S\$55m



**Singtel TV ARPU** **S\$39**

> Up 11%

**Singtel TV churn** **0.9%**

> Improved from 1.4%

**Fibre customers<sup>2</sup>** **418k**

> Up 28k QoQ

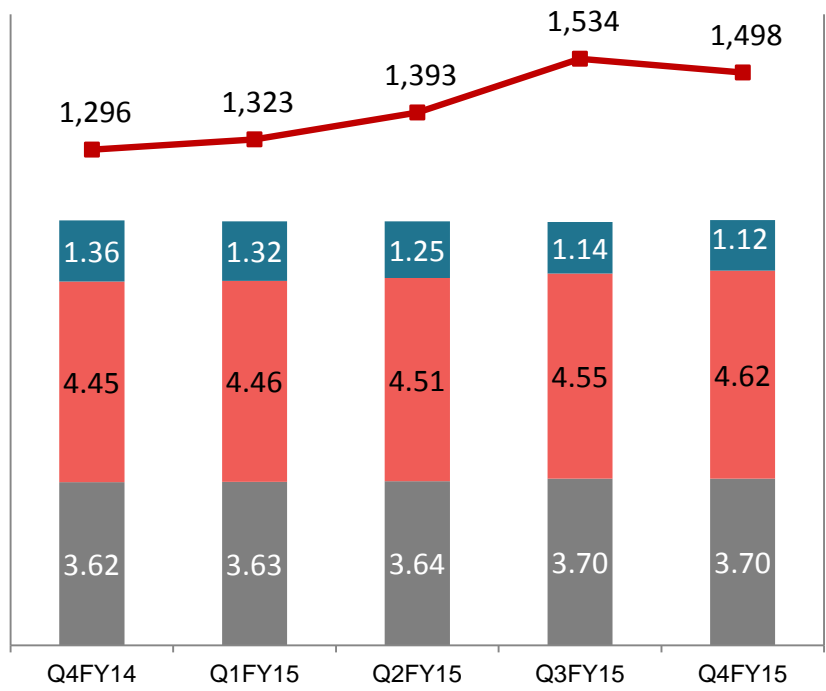
1. Exclude 19k cross-carriage customers who subscribed to 2014 FIFA World Cup only.

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

# Australia Mobile

**Mobile revenue up 15% A\$1,498m**

Mobile revenue (A\$m) Mobile customers (mn)



Prepaid Handset     
  Postpaid Handset  
 Mobile BB     
  Mobile Revenue

**Net adds**

- > Handset plans **+64k**
- > Mobile broadband **-22k**

**Postpaid**

- > Handset ARPU **A\$61**  
- up 3%
- > Churn **1.3%**  
- stable

**Prepaid**

- > Handset ARPU **A\$27**  
- up 8%

# Trends in constant currency terms<sup>1</sup>

<b>3 months to Mar 15</b>	<b>Q4FY15 (reported S\$m)</b>	<b>YoY % change (reported S\$)</b>	<b>YoY % change (at constant FX)<sup>1</sup></b>
Group revenue	4,339	5.1%	9.1%
Group reported NPAT	939	4.5%	5.0%
Group underlying NPAT	950	3.3%	3.8%
Optus revenue	2,436	3.6%	10.6%
Regional Mobile Associates pre-tax earnings <sup>2</sup>	623	11.6%	7.8%
<b>12 months to Mar 15</b>	<b>FY15 (reported S\$m)</b>	<b>YoY % change (reported S\$)</b>	<b>YoY % change (at constant FX)<sup>1</sup></b>
Group revenue	17,223	2.2%	4.8%
Group reported NPAT	3,782	3.5%	6.2%
Group underlying NPAT	3,779	4.7%	7.5%
Optus revenue	9,875	(0.6%)	3.9%
Regional Mobile Associates pre-tax earnings <sup>2</sup>	2,492	17.8%	21.5%

1. Assuming constant exchange rates from corresponding periods in FY2014.

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





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