



## **Singapore Telecommunications Limited And Subsidiary Companies**

### **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

*The financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards, which are the same, in material respects, to International Financial Reporting Standards. The financial statements for the period ended, and as at, 30 June 2015 are unaudited.*

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

*For all pages, "@" denotes more than +/- 500%, "\*" denotes less than +/- S\$500,000 or A\$500,000 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**

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**FINANCIAL HIGHLIGHTS****FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

- **Operating revenue grew 1.5% and EBITDA decreased 1.0%, impacted by the steep decline of 11% in the Australian Dollar.**
- **In constant currency terms<sup>1</sup>, operating revenue grew 8.3% and EBITDA rose 5.3%.**
- **Post-tax contributions from the associates increased 8.6% with strong earnings growth at Telkomsel, AIS and Globe partly offset by Airtel's higher fair value losses.**
- **Underlying net profit, excluding exceptionals, was up 1.6% and grew 4.6% in constant currency terms<sup>1</sup>.**
- **Net profit was up 13% and grew 16% in constant currency terms<sup>1</sup>, with net exceptional gains this quarter.**
- **Free cash flow decreased S\$210 million or 18% to S\$974 million mainly due to higher mobile customer acquisitions and retentions, and increased tax payments in Australia. In addition, the corresponding quarter last year included approximately S\$110 million of receipts from OpenNet for fibre rollout completion.**

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<sup>1</sup> Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2014.

## SECTION 1 : GROUP

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
Operating revenue	4,209	4,148	1.5
EBITDA	1,241	1,254	-1.0
<i>EBITDA margin</i>	29.5%	30.2%	
Share of associates' pre-tax profits	665	622	7.0
EBITDA and share of associates' pre-tax profits	1,907	1,876	1.6
EBIT <i>(exclude share of associates' pre-tax profits)</i>	1,371 706	1,344 722	2.1 -2.2
Underlying net profit	895	881	1.6
Exceptional items (post-tax)	47	(46)	nm
Net profit	942	835	12.8
Free cash flow	974	1,184	-17.7
Underlying earnings per share (S cents)	5.62	5.53	1.6
Basic earnings per share (S cents)	5.91	5.24	12.8

	As at		
	30 Jun 2015 S\$ m	31 Mar 2015 S\$ m	30 Jun 2014 S\$ m
	Total assets	42,110	42,067
Shareholders' funds	25,319	24,733	24,645
Net debt <sup>(1)</sup>	6,995	7,963	6,539
<i>Net debt gearing ratio</i> <sup>(2)</sup>	21.6%	24.3%	21.0%
<i>Net debt to EBITDA and share of associates' pre-tax profits</i> <sup>(3)</sup>	0.92X	1.04X	0.87X
<i>Interest cover:</i> <i>- EBITDA and share of associates' pre-tax profits/ net interest expense</i> <sup>(4)</sup>	28.3X	29.2X	29.9X

**Notes:**

- (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.
- (4) Net interest expense refers to interest expense less interest income.

**SECTION 1 : GROUP****GROUP SUMMARY INCOME STATEMENT**  
For The First Quarter Ended 30 June 2015

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Operating revenue</b>	<b>4,209</b>	<b>4,148</b>	<b>1.5</b>
Operating expenses	(3,008)	(2,922)	3.0
	1,201	1,226	-2.1
Other income	41	29	42.8
<b>EBITDA</b>	<b>1,241</b>	<b>1,254</b>	<b>-1.0</b>
- <i>EBITDA margin</i>	<b>29.5%</b>	<b>30.2%</b>	
Share of associates' pre-tax profits	665	622	7.0
<b>EBITDA and share of associates' pre-tax profits</b>	<b>1,907</b>	<b>1,876</b>	<b>1.6</b>
Depreciation	(477)	(490)	-2.5
Amortisation of intangibles	(58)	(43)	34.1
	(535)	(533)	0.5
<b>EBIT</b>	<b>1,371</b>	<b>1,344</b>	<b>2.1</b>
Net finance expense			
- net interest expense	(67)	(63)	7.5
- other finance income	10	11	-11.7
	(58)	(52)	11.6
<b>Profit before exceptional items and tax</b>	<b>1,314</b>	<b>1,292</b>	<b>1.7</b>
Taxation	(419)	(410)	2.3
<b>Profit after tax</b>	<b>895</b>	<b>882</b>	<b>1.4</b>
Minority interests	*	(1)	nm
<b>Underlying net profit</b>	<b>895</b>	<b>881</b>	<b>1.6</b>
Exceptional items (post-tax)	47	(46)	nm
<b>Net profit</b>	<b>942</b>	<b>835</b>	<b>12.8</b>
<b><i>Depreciation as % of operating revenue</i></b>	<b>11%</b>	<b>12%</b>	

**Note:**

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

## SECTION 1 : GROUP

### BUSINESS SEGMENTS

The Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life, to better serve the evolving needs of its customers and to capture growth opportunities globally.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly, AIS in Thailand, Airtel in India, Africa and South Asia, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore and Australia and focuses on growing the Group's position in the enterprise markets. Key services include mobile, fixed voice and data, managed services, cloud computing, cyber security, and IT services and professional consulting.

Group Digital Life ("GDL") focuses on using the latest internet technologies and assets of the Group operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. From 1 April 2015, GDL had sharpened its strategy to focus on three key businesses in digital life – digital marketing (Amobee), regional premium video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

Corporate comprises the costs of Group functions not allocated to the business segments.

The following table shows the operating performance of the three business segments:

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
<b>Operating revenue</b>			
Group Consumer	2,603	2,553	1.9
Group Enterprise	1,503	1,555	-3.3
<b>Core Business</b>	<b>4,106</b>	<b>4,108</b>	<b>-0.1</b>
Group Digital Life	102	35	195.1
Corporate	-	5	nm
<b>Group</b>	<b>4,209</b>	<b>4,148</b>	<b>1.5</b>
<b>EBITDA</b>			
Group Consumer	804	804	**
Group Enterprise	483	504	-4.2
<b>Core Business</b>	<b>1,287</b>	<b>1,308</b>	<b>-1.6</b>
Group Digital Life	(31)	(37)	-16.4
Corporate	(15)	(17)	-10.8
<b>Group</b>	<b>1,241</b>	<b>1,254</b>	<b>-1.0</b>
<b>EBIT (exclude share of associates' pre-tax profits)</b>			
Group Consumer	434	433	0.2
Group Enterprise	335	352	-5.0
<b>Core Business</b>	<b>769</b>	<b>785</b>	<b>-2.1</b>
Group Digital Life	(47)	(46)	1.5
Corporate	(16)	(18)	-10.3
<b>Group</b>	<b>706</b>	<b>722</b>	<b>-2.2</b>

**SECTION 1 : GROUP**

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
<b>Group Enterprise (excluding fibre rollout and maintenance)</b>			
Operating revenue	1,503	1,513	-0.6
EBITDA	483	491	-1.7
EBIT	335	340	-1.5

**Note:**

From 1 April 2015, certain businesses such as AMPed, Dash, Hungry-Go-Where, inSing.com and Newsloop which were previously within Group Digital Life were transferred to Singapore Consumer. To better reflect the underlying performance, the results for the respective comparative periods have been restated on the basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from refinement of revenue/ cost allocation methodologies between the various business units in Singapore. See [Appendix 5](#) for more details.

**REVIEW OF GROUP OPERATING PERFORMANCE****For The First Quarter Ended 30 June 2015**

The Group delivered strong operating performance for the first quarter but the reported results were impacted by the significant decline of 11% in the Australian Dollar.

Operating revenue grew 1.5% while EBITDA decreased 1.0%. In constant currency terms, operating revenue and EBITDA would have increased strongly by 8.3% and 5.3% respectively.

Group Consumer contributed 62% (Q1 FY2015: 62%) and 65% (Q1 FY2015: 64%) to the Group's operating revenue and EBITDA respectively. Operating revenue grew 1.9% while EBITDA was stable. In constant currency terms, operating revenue and EBITDA would have increased by 11% and 8.7% respectively. Singapore Consumer revenue grew 5.8% mainly on growth in equipment sales and mobile data revenues. EBITDA was up 11%, and would have increased 5.4% excluding the losses for the 2014 FIFA World Cup in June quarter last year and the recognition of one off International Telephone revenue this quarter. Australia Consumer gained further momentum with strong growth in revenue of 13% and increase in EBITDA of 8.0%. The improvements were driven mainly by stronger mobile performance from ARPU gains and a higher postpaid handset customer base.

Group Enterprise contributed 36% (Q1 FY2015: 37%) and 39% (Q1 FY2015: 40%) to the Group's operating revenue and EBITDA respectively. In constant currency terms and adjusted for fibre rollout business which was transferred to NetLink Trust from October 2014, operating revenue would have increased 2.6% and EBITDA would be stable. Group Enterprise strengthened its leadership in regional and local data services amid a cautious business environment in Asia Pacific. Singapore Enterprise revenue grew 1.3% driven mainly by higher Data and Internet revenue, and equipment sales. Australia Enterprise revenue grew 5.7% with stronger ICT and mobile revenue growth.

GDL contributed 2% (Q1 FY 2015: 1%) to the Group's operating revenue. Operating revenue tripled to S\$102 million with contributions from Adconion and Kontera which were acquired in the September 2014 quarter. Negative EBITDA decreased 16%, reflecting business rationalisation and improved gross margins.



**SECTION 1 : GROUP**

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Depreciation and amortisation charges were stable but would have increased 8.2% in constant currency terms due to increased investments in mobile networks including LTE deployment in Singapore and Australia. The higher amortisation charges were mainly due to the acquired intangibles from digital acquisitions and spectrum investments.

The Group and its regional mobile associates continued to record strong customer growth. The combined mobile customer base reached 565 million as at 30 June 2015, up 1.8% from a quarter ago.

The Group's share of associates' pre-tax profits increased 7.0% to S\$665 million with earnings growth at Telkomsel, AIS and Globe partially mitigated by Airtel's higher fair value losses.

Net finance expense increased S\$6 million to S\$58 million mainly due to higher interest expense on higher average borrowings and non-trade foreign exchange losses.

The net exceptional gain of S\$47 million in the quarter comprised mainly the Group's share of Airtel's net exceptional gain of S\$32 million and a gain on sale of venture investments of S\$23 million, partially offset by an impairment charge of S\$5 million on certain venture investments. In the corresponding quarter last year, the net exceptional loss comprised mainly S\$27 million of staff restructuring costs from Optus and the Group's share of Airtel's exceptional losses of S\$17 million.

With the net exceptional gain, net profit increased by 13% to S\$942 million and in constant currency terms, would have been up by a strong 16%.

Free cash flow in the quarter was S\$974 million, lower by S\$210 million or 18% from the same quarter last year. Free cash flow from Singapore and the associates remained healthy. In Singapore, S\$110 million was received from OpenNet on completion of fibre rollout in the corresponding quarter last year. In Australia, free cash flow declined due mainly to higher mobile customer acquisitions and retentions, and higher tax payments.

The Group continued to maintain a healthy capital structure. As at 30 June 2015, net debt gearing ratio was at 22%, down from 24% a quarter ago.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. Hence, the Group is exposed to currency movements. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for 76% (Q1 FY2015: 75%) of the Group's proportionate revenue and 72% (Q1 FY2015: 73%) of proportionate EBITDA.

**SECTION 1 : GROUP****SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 31 March 2015 were as follows:

	Quarter		QOQ Chge %
	30 Jun 2015 S\$ m	31 Mar 2015 S\$ m	
<b>Operating revenue</b>	<b>4,209</b>	<b>4,339</b>	<b>-3.0</b>
<b>EBITDA</b>	<b>1,241</b>	<b>1,274</b>	<b>-2.6</b>
<b><i>EBITDA margin</i></b>	<b>29.5%</b>	<b>29.4%</b>	
<b>Share of associates' pre-tax profits</b>	<b>665</b>	<b>646</b>	<b>3.1</b>
<b>EBIT</b>	<b>1,371</b>	<b>1,377</b>	<b>-0.4</b>
Profit before exceptional items and tax	1,314	1,325	-0.9
<b>Underlying net profit</b>	<b>895</b>	<b>950</b>	<b>-5.7</b>
Exceptional items (post-tax)	47	(11)	nm
<b>Net profit</b>	<b>942</b>	<b>939</b>	<b>0.3</b>
<b>Free cash flow</b>	<b>974</b>	<b>964</b>	<b>1.1</b>

Operating revenue and EBITDA declined against the preceding quarter, reflecting the 2% decline in the Australian Dollar and seasonally lower ICT revenue.

Underlying net profit declined 5.7% with higher withholding taxes from associates' dividends this quarter.

The increase in free cash flow was mainly due to higher dividends from associates partly offset by timing of payments including annual staff incentives this quarter.

**OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2016**

The Group affirms the guidance previously issued in May 2015.

Please refer to **Appendix 7** for further details on the outlook for the current financial year.

## SECTION 1 : GROUP

## OPERATING REVENUE

By Products and Services	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
Mobile communications	1,752	1,803	-2.8
Data and Internet <sup>(1)</sup>	777	792	-1.9
<i>Managed services</i>	425	425	**
<i>Business solutions</i>	137	130	5.2
Infocomm Technology (ICT)	561	555	1.2
Sale of equipment	448	280	59.7
National telephone <sup>(1)</sup>	290	336	-13.8
International telephone	150	166	-10.0
Digital businesses <sup>(2)</sup>	108	44	146.9
Pay television	74	81	-8.7
Others	50	48	2.7
	<b>4,209</b>	<b>4,105</b>	<b>2.5</b>
Fibre rollout and maintenance <sup>(3)</sup>	-	42	nm
<b>Total</b>	<b>4,209</b>	<b>4,148</b>	<b>1.5</b>
<b>Operating revenue</b>	<b>4,209</b>	<b>4,148</b>	<b>1.5</b>
Associates' proportionate revenue <sup>(4)</sup>	3,183	2,978	6.9
<b>Group's proportionate revenue</b>	<b>7,391</b>	<b>7,126</b>	<b>3.7</b>

**Notes:**

- (1) Comparatives have been restated to be consistent with the current quarter.
- (2) Comprise revenues from digital marketing, AMPed, Dash, inSing.com, Hungry-Go-Where, etc.
- (3) Fibre rollout and maintenance revenue ceased to be recognised with effect from 1 October 2014 as Singtel relinquished its role as OpenNet's key-subcontractor.
- (4) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by Singtel's effective ownership interest.

Operating Revenue Mix	Quarter	
	30 Jun	
	2015 %	2014 %
Mobile communications	41.6	43.5
Data and Internet	18.5	19.1
<i>Managed services</i>	10.1	10.2
<i>Business solutions</i>	3.2	3.1
Infocomm Technology (ICT)	13.3	13.4
Sale of equipment	10.6	6.8
National telephone	6.9	8.1
International telephone	3.6	4.0
Digital businesses	2.6	1.1
Pay television	1.8	1.9
Others	1.2	1.2
	<b>100.0</b>	<b>99.0</b>
Fibre rollout and maintenance	-	1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**SECTION 1 : GROUP**

Operating revenue of the Group grew 1.5% and would have increased 8.3% in constant currency terms on higher equipment sales, Mobile Communications and digital revenues.

The increase in equipment sales was due to higher handset sales driven by continued demand for smartphones. It contributed 11% of total Group's revenue this quarter, up from 7% in the last corresponding quarter.

Mobile Communications revenue declined 2.8% but would have increased 5.2% in constant currency terms with growth across Singapore and Australia driven mainly by data.

Including the proportionate share of operating revenue from the associates, the Group's enlarged revenue grew 3.7% to S\$7.39 billion, underpinned by strong revenue growth at Telkomsel, Airtel and Globe.

**OPERATING EXPENSES (Before Depreciation and Amortisation)**

	Quarter		YOY %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
Cost of sales	857	658	30.2
Selling & administrative	853	943	-9.5
Staff costs	607	607	0.1
Traffic expenses	604	638	-5.3
Repair & maintenance	84	79	6.6
Others	3	(2)	nm
<b>Total</b>	<b>3,008</b>	<b>2,922</b>	<b>3.0</b>

As a percentage of operating revenue	Quarter	
	30 Jun	
	2015 %	2014 %
Cost of sales	20.4%	15.9%
Selling & administrative	20.3%	22.7%
Staff costs	14.4%	14.6%
Traffic expenses	14.3%	15.4%
Repair & maintenance	2.0%	1.9%
Others	0.1%	**
<b>Total</b>	<b>71.5%</b>	<b>70.4%</b>

Total operating expenses increased 3.0% from the same quarter last year, and in constant currency terms would have increased 10%.

Cost of sales grew 30%, in line with higher handset sales and digital revenues. It accounted for 20% of operating revenue, up from 16% in the same quarter last year.

Selling and administrative expenses declined 9.5% mainly due to lower customer acquisition and retention costs as a result of higher take up of device repayment plans in Australia.

**SECTION 1 : GROUP****STAFF COSTS**

	Quarter		YOY %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Staff costs</b>			
Optus	291	317	-8.3
Singtel and other subsidiaries	281	279	1.0
Amobee (including Adconion & Kontera)	572	595	-3.9
	35	11	214.3
<b>Group</b>	<b>607</b>	<b>607</b>	<b>0.1</b>

	Quarter			YOY Chge %
	30 Jun 2015	31 Mar 2015	30 Jun 2014	
<b>Average number of staff</b>				
Optus	9,251	9,156	9,043	2.3
Singtel and other subsidiaries	13,967	13,694	12,936	8.0
Amobee	23,218	22,850	21,979	5.6
	520	540	225	131.1
<b>Group</b>	<b>23,738</b>	<b>23,390</b>	<b>22,204</b>	<b>6.9</b>
<b>As at end of period</b>				
Optus	9,239	9,220	9,015	2.5
Singtel and other subsidiaries	14,087	13,787	13,153	7.1
Amobee	23,326	23,007	22,168	5.2
	523	539	225	132.4
<b>Group</b>	<b>23,849</b>	<b>23,546</b>	<b>22,393</b>	<b>6.5</b>

As of 30 June 2015, Group headcount increased 1,456 or 6.5% from a year ago to 23,849. The net increase was due to staff additions from acquisitions of Adconion and Kontera, increased IT hirings to support ICT projects and conversions of some contract staff to permanent staff.

Staff costs were stable but would have increased 5.8% in constant currency terms. The increase was mainly due to higher average headcount and annual salary increments partly offset by lower performance share expense on lower fair value of grants for cash-settled awards.

**SECTION 1 : GROUP****NET FINANCE EXPENSE**

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Net interest expense:</b>			
- Interest income	3	5	-43.5
- Interest expense	(77)	(72)	6.8
	<b>(75)</b>	<b>(68)</b>	<b>10.2</b>
- Net interest income from NetLink Trust <sup>(1)</sup>	7	5	44.0
	<b>(67)</b>	<b>(63)</b>	<b>7.5</b>
<b>Other finance income</b>			
- Dividend income from Southern Cross/ PCHL	11	10	11.0
- Investment income <sup>(2)</sup>	*	2	nm
- Net foreign exchange losses (non-trade)	(5)	(1)	370.0
- Fair value adjustments <sup>(3)</sup>	3	*	nm
	<b>10</b>	<b>11</b>	<b>-11.7</b>
<b>Net finance expense</b>	<b>(58)</b>	<b>(52)</b>	<b>11.6</b>

**Notes:**

- (1) Comprise interest earned on the unitholder's loan to NetLink Trust, net of the finance lease expenses on the exchange buildings leased from NetLink Trust.
- (2) Comprise mainly dividend income from other non-equity accounted investments.
- (3) Comprise mainly adjustments for hedging instruments measured at fair values at reporting date under *FRS 39 Financial Instruments: Recognition and Measurement*.

Interest income declined on lower average cash balance while interest expense increased from higher average borrowings.

Net foreign exchange loss arose mainly from revaluation of net monetary assets due to US Dollar movements.

Net fair value gain of S\$3 million in the quarter arose from mark-to-market valuation of interest rate swaps.

**SECTION 1 : GROUP****EXCEPTIONAL ITEMS <sup>(1)</sup>**

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Exceptional gains/ (losses)</b>			
Share of Airtel's one off gains/(losses)	32	(17)	nm
Net gain on sale/ liquidation of venture investments	23	4	463.4
Impairment of venture investments	(5)	-	nm
Optus' staff restructuring costs	(2)	(27)	-94.2
Singtel's staff restructuring costs	(1)	(1)	50.0
Share of Globe's accelerated depreciation	-	(6)	nm
Others	*	1	nm
<b>Group net exceptional gains/ (losses) (post-tax)</b>	<b>47</b>	<b>(46)</b>	<b>nm</b>

**Note:**

(1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.

In this quarter, the Group recorded its share of Airtel's net exceptional gain of S\$32 million from the divestment of telecom tower assets in Uganda, Ghana, Congo Brazzaville and Nigeria, partly offset by various provisions and charges. The exceptional items also comprised a gain on sale of venture investments of S\$23 million (Q1 FY 2015: S\$4 million) and an impairment charge of S\$5 million on certain venture investments.

**SECTION 1 : GROUP****TAX EXPENSE**

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Income tax expense</b>			
Optus	90	94	-4.5
Singtel and other subsidiaries	54	50	8.9
Tax expense of Singtel and subsidiaries (a)	143	143	0.1
Share of associates' tax expense (b)	213	206	3.6
Withholding taxes on associates' dividend income <sup>(1)</sup>	63	61	3.0
<b>Total</b>	<b>419</b>	<b>410</b>	<b>2.3</b>
Profit before exceptional items and tax	1,314	1,292	1.7
Exclude:			
Share of associates' pre-tax profits	(665)	(622)	7.0
<b>Adjusted pre-tax profit (c)</b>	<b>648</b>	<b>670</b>	<b>-3.2</b>
<b>Effective tax rate of Singtel and subsidiaries (a)/(c)</b>	<b>22.1%</b>	<b>21.4%</b>	
Share of associates' pre-tax profits (d)	665	622	7.0
<b>Effective tax rate of associates (b)/(d)</b>	<b>32.0%</b>	<b>33.0%</b>	

**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 Group. The cash inflows upon the receipt of dividend are shown in **Section 5**.

The increase in the Group's tax expense was mainly due to higher withholding taxes on associates' dividend receipts as well as higher taxes at Airtel India on account of expiry/reduction of tax holiday benefits for some circles.



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

	As at		
	30 Jun 2015 S\$ m	31 Mar 2015 S\$ m	30 Jun 2014 S\$ m
Current assets (excluding cash)	4,254	4,205	3,842
Cash and bank balances	1,390	563	649
Non-current assets	36,467	37,299	34,522
<b>Total assets</b>	<b>42,110</b>	<b>42,067</b>	<b>39,013</b>
Current liabilities	5,402	5,757	4,681
Non-current liabilities	11,354	11,542	9,662
<b>Total liabilities</b>	<b>16,756</b>	<b>17,299</b>	<b>14,343</b>
<b>Net assets</b>	<b>25,354</b>	<b>24,768</b>	<b>24,670</b>
Share capital	2,634	2,634	2,634
Retained earnings	28,413	27,471	27,201
Currency translation reserves	(4,664)	(4,213)	(3,802)
Other reserves	(1,064)	(1,159)	(1,388)
<b>Equity attributable to shareholders</b>	<b>25,319</b>	<b>24,733</b>	<b>24,645</b>
Minority interest	35	35	25
	<b>25,354</b>	<b>24,768</b>	<b>24,670</b>

The Group is in a strong financial position as at 30 June 2015. Singtel is rated Aa3 by Moody's and A+ by Standard & Poor's.

The currency translation losses increased by S\$450 million from a quarter ago, arising mainly from the impact of the weaker regional currencies against the Singapore Dollar on translation of net investments in the regional mobile associates, coupled with higher losses on translation of net assets of Optus due to a weaker Australian Dollar against the Singapore Dollar.

**SECTION 1 : GROUP****LIQUIDITY AND GEARING**

	As at		
	30 Jun 2015 S\$ m	31 Mar 2015 S\$ m	30 Jun 2014 S\$ m
Gross debt			
Current debt	26	174	37
Non-current debt	8,653	8,804	7,018
Gross debt as reported in statement of financial position	<b>8,679</b>	<b>8,979</b>	<b>7,055</b>
Related net hedging (asset)/ liability <sup>(1)</sup>	(295)	(453)	134
<b>Hedged gross debt</b>	<b>8,384</b>	<b>8,526</b>	<b>7,188</b>
Less: Cash and bank balances	(1,390)	(563)	(649)
<b>Net debt</b>	<b>6,995</b>	<b>7,963</b>	<b>6,539</b>
<b>Gross debt gearing ratio <sup>(2)</sup></b>	<b>24.9%</b>	<b>25.6%</b>	<b>22.6%</b>
<b>Net debt gearing ratio</b>	<b>21.6%</b>	<b>24.3%</b>	<b>21.0%</b>

**Notes:**

- (1) The net hedging asset/ liability 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.

Hedged gross debt decreased by S\$142 million to S\$8.38 billion from a quarter ago due mainly to mark-to-market movements and adjustment for hedge relationship. With higher cash balance, net debt gearing decreased to 22% from 24% a quarter ago.

## SECTION 1 : GROUP

## CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			YOY Chge %
	30 Jun	30 Jun	31 Mar	
	2015	2014	2015	
	S\$ m	S\$ m	S\$ m	
<b>Net cash inflow from operating activities</b>				
Profit before exceptional items and tax	1,314	1,292	1,325	1.7
Non-cash items	(65)	(62)	(51)	4.8
<b>Operating cash flow before working capital changes</b>	1,249	1,230	1,275	1.5
<b>Changes in operating assets and liabilities</b>	(377)	(136)	225	177.4
	871	1,094	1,500	-20.3
Cash paid to employees under performance share plans	*	(1)	-	nm
Tax paid on operating activities	(70)	(46)	(84)	52.6
<b>Operating cash flow before dividends from associates</b>	801	1,048	1,416	-23.5
Dividends received from associates	761	757	122	0.5
Withholding tax paid on dividends received	(80)	(75)	(13)	5.7
	1,483	1,730	1,525	-14.3
<b>Net cash outflow for investing activities</b>				
Accrued capital expenditure	(390)	(359)	(866)	8.7
Changes in creditors' balances	(119)	(187)	305	-36.6
Cash capital expenditure	(509)	(546)	(561)	-6.8
Investment in associates	-	(1)	-	nm
Payment for purchase of spectrum	(28)	(80)	-	-65.4
Payment for purchase of subsidiaries, net of cash acquired	-	(10)	(7)	nm
Investment in venture investments	(16)	(11)	*	38.9
Proceeds from disposal of venture investments	19	41	14	-53.0
Proceeds from disposal of property, plant and equipment	*	1	5	nm
Withholding tax paid on interest received on inter-company loans	-	-	(15)	-
Others	(14)	1	(24)	nm
	(546)	(605)	(587)	-9.7
<b>Net cash outflow for financing activities</b>				
Net (decrease)/ increase in borrowings	(6)	(981)	136	-99.4
Net interest paid on borrowings and swaps	(84)	(97)	(68)	-13.2
Interim dividend paid to shareholders	-	-	(1,084)	-
Purchase of performance shares	(15)	(21)	(13)	-29.9
Others	-	-	*	-
	(105)	(1,099)	(1,029)	-90.5
<b>Net increase/ (decrease) in cash and cash equivalents</b>	832	26	(91)	@
Exchange effects on cash and cash equivalents	(5)	1	24	nm
<b>Group cash and cash equivalents at beginning</b>	563	623	629	-9.6
<b>Group cash and cash equivalents at end</b>	1,390	649	563	114.1
<b>Group free cash flow</b>				
Singapore	250	354	428	-29.4
Optus	43	148	428	-71.0
<b>Group free cash flow (before associates' dividends)</b>	293	502	855	-41.7
Dividends received from associates (net of withholding tax)	682	682	109	**
<b>Group free cash flow</b>	974	1,184	964	-17.7
Optus free cash flow (in A\$)	41	126	405	-67.2
<b>Cash capex to operating revenue</b>	12%	13%	13%	

**SECTION 1 : GROUP**

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Net cash inflow from operating activities (before associates' dividend receipts) for the quarter amounted to S\$801 million, down 24% from the last corresponding quarter. In Singapore, operating cash inflow was down S\$100 million as OpenNet paid approximately S\$110 million of outstanding receivables for fibre rollout completion in June quarter last year. In Australia, net cash inflow declined A\$86 million due mainly to higher mobile customer acquisitions and retentions on device repayment plans as well as higher taxes paid.

Net cash outflow for investing activities was S\$546 million. Cash capital expenditure decreased 6.8% to S\$509 million. The expenditure comprised S\$179 million for Singapore and S\$330 million (A\$316 million) for Australia. In Singapore, major capital investments in the quarter included S\$70 million for fixed and data infrastructure, S\$42 million for mobile networks and S\$24 million for ICT assets. In Australia, capital investments in mobile networks and other core infrastructure amounted to A\$194 million and A\$122 million respectively. Other investing cash outflows included spectrum payments of S\$28 million (A\$27 million) for Optus' renewal of 900 MHz licence.

With lower operating cash, the Group's free cash flow declined 18% to S\$974 million.

Net cash financing outflow of S\$105 million arose from interest payments of S\$84 million and net decrease in borrowings of S\$6 million. Proceeds from the notes issue of US\$500 million and A\$250 million in the quarter were partly offset by net repayment of bank loans of S\$951 million.

Overall cash balance increased S\$827 million from a quarter ago mainly from associates' dividend receipts, and the cash balance was S\$1.39 billion as at 30 June 2015.

## SECTION 2 : GROUP CONSUMER

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### GROUP CONSUMER

#### MANAGEMENT DISCUSSION AND ANALYSIS

**Group Consumer** comprises the consumer businesses across Singapore and Australia, as well as the regional mobile associates in the emerging markets. The results shown in this section are for the consumer businesses across Singapore and Australia only. The results of the regional mobile associates are discussed in **Section 5**.

From 1 April 2015, certain businesses such as AMPed, Dash, Hungry-Go-Where, inSing.com and Newsloop which were previously within Group Digital Life were transferred to Singapore Consumer. To better reflect the underlying performance, the results for the respective comparative periods have been restated on the basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from refinement of revenue/ cost allocation methodologies between the various business units in Singapore. See **Appendix 5** for more details.

#### FINANCIAL HIGHLIGHTS

##### FOR THE FIRST QUARTER ENDED 30 JUNE 2015

- **Operating revenue at S\$2.60 billion – up 1.9%.**
- **EBITDA stable at S\$804 million.**
- **EBIT stable at S\$434 million.**
- **Results adversely impacted by 11% depreciation of the Australian Dollar.**
- **In constant currency terms, operating revenue, EBITDA and EBIT increased 11%, 8.7% and 8.1% respectively.**

**SECTION 2 : GROUP CONSUMER****GROUP CONSUMER SUMMARY INCOME STATEMENT**

For The First Quarter Ended 30 June 2015

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
<b>Operating revenue</b>	<b>2,603</b>	<b>2,553</b>	<b>1.9</b>
Operating expenses	(1,830)	(1,771)	3.3
	773	782	-1.2
Other income	32	22	43.0
<b>EBITDA</b>	<b>804</b>	<b>804</b>	<b>**</b>
<b>- margin</b>	<b>30.9%</b>	<b>31.5%</b>	
Depreciation & amortisation	(370)	(371)	-0.2
<b>EBIT</b>	<b>434</b>	<b>433</b>	<b>0.2</b>

	Quarter		YOY Change %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
Selling & administrative	637	729	-12.7
Traffic expenses	434	456	-4.7
Cost of sales	453	270	67.9
Staff costs	245	260	-5.8
Repair & maintenance	50	47	4.7
Others	12	9	36.0
<b>Operating expenses</b>	<b>1,830</b>	<b>1,771</b>	<b>3.3</b>

**Note:**

The above figures include the costs of International Group division which have responsibility over the regional mobile associates.

**GROUP CONSUMER OPERATING HIGHLIGHTS**

For The First Quarter Ended 30 June 2015

Australia Consumer contributed 77% (Q1 FY2015: 77%) and 74% (Q1 FY2015: 76%) to the Group Consumer's operating revenue and EBITDA respectively. The Australian Dollar depreciated 11% against the Singapore Dollar from the same quarter last year, negatively impacting the Group Consumer's results.

Operating revenue increased 1.9%, while EBITDA was stable. In constant currency terms, operating revenue grew 11%, and EBITDA and EBIT increased by 8.7% and 8.1% respectively.

## SECTION 2 : GROUP CONSUMER

The growth momentum in Australia continued and this quarter, Australia delivered strong growth in operating revenue of 13% and increases in EBITDA and EBIT of 8.0% and 6.3% respectively. The increase was driven by growth in mobile service ARPU and higher postpaid handset customer base.

Operating revenue for Singapore Consumer increased by 5.8% driven mainly by growth from equipment sales, Mobile Communications and Consumer Home Services. EBITDA grew 11% and EBIT increased 12%. Excluding the losses for the 2014 FIFA World Cup in June quarter last year, and the recognition of one off International Telephone revenue this quarter, EBITDA and EBIT would have increased 5.4% and 3.9% respectively.

### SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2015 were as follows:

	Quarter		QOQ Chge %
	30 Jun 2015 S\$ m	Restated 31 Mar 2015 S\$ m	
<b>Operating revenue</b>	<b>2,603</b>	<b>2,629</b>	<b>-1.0</b>
Operating expenses	(1,830)	(1,806)	1.3
<b>EBITDA</b>	<b>804</b>	<b>858</b>	<b>-6.3</b>
<b>- margin</b>	<b>30.9%</b>	<b>32.6%</b>	
<b>EBIT</b>	<b>434</b>	<b>481</b>	<b>-9.8</b>

EBITDA decreased 6.3% against the preceding quarter due mainly to lower EBITDA in Australia, compounded by the 2% decline in the Australian Dollar.

**SECTION 2 : GROUP CONSUMER****SINGAPORE CONSUMER SUMMARY INCOME STATEMENT**

For The First Quarter Ended 30 June 2015

	Quarter		YOY
	30 Jun		
	2015	Restated 2014	Chge
	S\$ m	S\$ m	%
<b>Operating revenue</b>	<b>611</b>	<b>577</b>	<b>5.8</b>
Operating expenses	(405)	(388)	4.5
	206	189	8.7
Other income <sup>(2)</sup>	9	4	112.5
<b>EBITDA</b>	<b>214</b>	<b>193</b>	<b>10.8</b>
<b>- margin</b>	<b>35.1%</b>	<b>33.5%</b>	
<b>EBIT</b>	<b>149</b>	<b>134</b>	<b>11.7</b>

	Quarter		YOY
	30 Jun		
	2015	Restated 2014	Chge
	S\$ m	S\$ m	%
Mobile communications	327	316	3.6
Sale of equipment	78	51	53.1
International telephone	54	55	-1.5
Residential Pay TV	51	53	-3.6
Fixed broadband	53	50	6.0
National telephone	31	32	-5.0
Others <sup>(3)</sup>	17	20	-16.9
<b>Operating revenue</b>	<b>611</b>	<b>577</b>	<b>5.8</b>
Selling & administrative	199	196	1.7
Cost of sales	78	49	58.8
Traffic expenses	68	81	-16.0
Staff costs	53	56	-5.9
Repair & maintenance	12	11	7.0
Others	(5)	(5)	-11.3
<b>Operating expenses</b>	<b>405</b>	<b>388</b>	<b>4.5</b>

**Notes:**

- (1) The above figures exclude costs of International Group which have responsibility over the regional mobile associates.
- (2) Other income include foreign currency exchange differences, rental income, gain or loss on disposal of scrap copper and property, plant and equipment and other recoveries.
- (3) Other revenue include digital services, inter-operator tariff discounts, and revenue from mobile network cabling works and projects.



## SECTION 2 : GROUP CONSUMER

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### SINGAPORE CONSUMER OPERATING PERFORMANCE

#### For The First Quarter Ended 30 June 2015

Operating revenue increased by 5.8% driven mainly by growth from equipment sales, Mobile Communications and Consumer Home Services. Operating revenue was also boosted by the recognition of one off International Telephone revenue this quarter.

Equipment sales revenue increased significantly by 53% on continued robust demand for smartphones.

Mobile Communications revenue grew 3.6%<sup>2</sup> driven by strong data revenue growth from prepaid and postpaid partially offset by continued declines in roaming, voice and SMS. Postpaid revenue increased steadily as more customers signed up for the 4G Combo service plans. In the quarter, 22% of customers on tiered plans exceeded their data bundles, up from 18% in the last corresponding quarter.

As at end June 2015, Singtel Premium WiFi was available at more than 500 access points across shopping malls and MRT stations, up from 400 access points a quarter ago. More than half of the Combo plan customers also made active use of premium WiFi service to complement their 4G data usage.

During the quarter, Singtel introduced the Prepaid Tourist SIMs with bundled data which saw a strong take up of 26,000 cards to date. Singtel also launched Wavee, an all-in-one communications app that allows customers to make voice on video calls, sketch and send messages seamlessly.

Consumer Home Services which comprise residential pay TV, fixed broadband and voice revenues was stable as the June 2014 quarter included pay TV revenue from 2014 FIFA World Cup. Fixed broadband revenue was up 6.0% as more customers upgraded to higher speed plans, with all fibre customers on the 200 Mbps or higher speed plans as at end June 2015.

Excluding the one off adjustment of S\$5 million for inpayment revenue, International Telephone revenue would have declined 10% on lower traffic.

Overall operating expenses increased by 4.5%. Cost of sales were up 59% in line with increased handset sales. Traffic expenses declined 16% on lower international telephone and roaming traffic and outpayment rates. Staff costs were lower as a result of better synergies gained after the transfer of the digital businesses to Consumer, as well as lower performance share expense.

Other income increased by S\$5 million due to foreign exchange gains recognised on revaluation of monetary trade balances.

Overall, EBITDA grew 11% and after including the increase in depreciation charges mainly from the expansion and upgrading of mobile networks, EBIT increased 12%. Excluding the losses for the 2014 FIFA World Cup in June quarter last year, and the one off International Telephone revenue in this quarter, EBITDA and EBIT would have increased 5.4% and 3.9% respectively.

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<sup>2</sup> Overall Mobile Communications revenue for Singapore (including Enterprise's revenue), grew 2.2% (see **Section 6**).

**SECTION 2 : GROUP CONSUMER****SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 31 March 2015 were as follows:

	Quarter		QOQ Chge %
	30 Jun 2015 S\$ m	Restated 31 Mar 2015 S\$ m	
<b>Operating revenue</b>	<b>611</b>	<b>635</b>	<b>-3.8</b>
Operating expenses	(405)	(458)	-11.5
<b>EBITDA</b>	<b>214</b>	<b>186</b>	<b>15.4</b>
<b>- margin</b>	<b>35.1%</b>	<b>29.3%</b>	
<b>EBIT</b>	<b>149</b>	<b>118</b>	<b>27.0</b>

Excluding the one off International Telephone revenue, EBITDA and EBIT grew 13% and 23% respectively compared to the preceding quarter. The growth was mainly due to lower handset subsidies and staff costs.

**SECTION 2 : GROUP CONSUMER****AUSTRALIA CONSUMER SUMMARY INCOME STATEMENT**

For The First Quarter Ended 30 June 2015

	Quarter		YOY Chge %
	30 Jun		
	2015 A\$ m	2014 A\$ m	
<b>Operating revenue</b>	<b>1,907</b>	<b>1,691</b>	<b>12.8</b>
Operating expenses	(1,361)	(1,180)	15.3
	546	510	6.9
Other income	21	15	44.0
<b>EBITDA</b>	<b>567</b>	<b>525</b>	<b>8.0</b>
<b>- margin</b>	<b>29.7%</b>	<b>31.1%</b>	
<b>EBIT</b>	<b>276</b>	<b>259</b>	<b>6.3</b>

	Quarter		YOY Chge %
	30 Jun		
	2015 A\$ m	2014 A\$ m	
Incoming	236	216	9.4
Outgoing	913	873	4.6
Total Mobile Service	1,149	1,089	5.6
Equipment	308	161	91.3
<b>Total Mobile Revenue</b>	<b>1,457</b>	<b>1,249</b>	<b>16.6</b>
Voice <sup>(1)</sup>	104	117	-11.5
Broadband <sup>(1)</sup>	131	128	2.8
Pay TV	23	19	18.9
Mass Market Fixed On-net	258	264	-2.4
Mass Market Fixed Off-net	26	11	136.4
<b>Total Mass Market Fixed</b>	<b>284</b>	<b>275</b>	<b>3.1</b>
Data & IP	60	62	-4.0
Voice	35	35	-0.9
Satellite	72	70	3.3
<b>Total Wholesale Fixed</b>	<b>166</b>	<b>167</b>	<b>-0.3</b>
<b>Operating revenue</b>	<b>1,907</b>	<b>1,691</b>	<b>12.8</b>

**Note:**

(1) Comparatives have been restated to be consistent with the current quarter.

**SECTION 2 : GROUP CONSUMER**

	Quarter		YOY Chge %
	30 Jun		
	2015 A\$ m	2014 A\$ m	
Selling & administrative	417	456	-8.5
Cost of sales	359	189	90.3
Traffic expenses	351	321	9.3
Staff costs	183	172	6.2
Repair & maintenance	36	31	15.8
Others	16	12	30.7
<b>Operating expenses</b>	<b>1,361</b>	<b>1,180</b>	<b>15.3</b>

**AUSTRALIA CONSUMER OPERATING PERFORMANCE****For The First Quarter Ended 30 June 2015**

This quarter, Australia Consumer continued to deliver strong growth. Operating revenue grew 13% with an increase in EBITDA of 8.0%. The improvements were driven mainly by stronger mobile performance from increased mobile service ARPU and a higher postpaid handset customer base.

Outgoing mobile service revenue grew 4.6% (7.7% excluding the impact of device repayment plan credits) driven by the strong trading momentum of the 'My Plan' offers, with net postpaid handset customer additions of 37,000<sup>3</sup> in the June 2015 quarter. Optus continues to evolve its product offerings to meet customers' data requirements with the launch of Family Sharing plans this quarter, allowing families to share data allowances to make the most of their combined mobile plans.

Prepaid handset service revenue grew 11% as higher prepaid ARPU was partly offset by the decline in the prepaid handset customer base of 48,000 this quarter, reflecting Optus' focus on improving the quality of new prepaid customers. Optus launched prepaid data rollover plans which allow customers to rollover their unused data up to 10 GB.

The number of 4G mobile customers increased by 283,000 this quarter, resulting in the total 4G customer base increasing to 3.77 million at 30 June 2015, up from 3.49 million<sup>4</sup> a quarter ago.

Optus continued its mobile network investments reaching close to 90% population coverage with 4G available on 3,787 sites, of which 2,400 have been upgraded to 700 MHz spectrum, as of 31 July 2015. The expansion means Optus 4G is now available in all capital cities and over 300 regional towns with the number of 4G regional sites increasing by 65% to over 750.

In Mass Market Fixed, operating revenue grew 3.1% from higher off-net revenue driven mainly by an increase of 18,000 in the NBN broadband customer base and an increased take up of Optus TV.

<sup>3</sup> Including Enterprise customers, total Optus postpaid handset customers grew 38,000 to 4.66 million.

<sup>4</sup> Including Enterprise customers, total Optus 4G customers increased from 3.53 million to 3.82 million.

## SECTION 2 : GROUP CONSUMER

Wholesale fixed revenue was stable as higher VSAT product sales in satellite revenue offset the impact of lower Data and IP revenues. Optus has recently extended its contract with the Australian Department of Defence for Optus C1 satellite services until 2020.

Total operating expenses increased 15%. The increase in cost of sales was in line with higher equipment sales revenue. Traffic expenses increased 9.3% in line with higher incoming mobile service revenue. Staff costs grew 6.2% due to annual salary increases and higher retail staff costs on higher number of Optus owned stores. The increases were partially offset by lower selling and administrative expenses which declined 8.5% mainly due to lower customer acquisition and retention costs as a result of higher take up of device repayment plans.

Overall EBITDA increased A\$42 million or 8.0%. EBIT was up A\$17 million or 6.3% with higher depreciation and amortisation charges from increased investments in the mobile network and spectrum (700 MHz spectrum was released on 1 January 2015).

### SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2015 were as follows:

	Quarter		QOQ Chge %
	30 Jun 2015 A\$ m	31 Mar 2015 A\$ m	
<b>Operating revenue</b>	<b>1,907</b>	<b>1,870</b>	<b>2.0</b>
Operating expenses	(1,361)	(1,257)	8.3
<b>EBITDA</b>	<b>567</b>	<b>639</b>	<b>-11.2</b>
<b>- margin</b>	<b>29.7%</b>	<b>34.2%</b>	
<b>EBIT</b>	<b>276</b>	<b>350</b>	<b>-21.2</b>

Operating revenue increased 2.0% in the quarter driven by mobile customer growth. EBITDA, however, declined 11% from higher selling and administrative expenses driven by advertising campaigns this quarter, as well as increased staff costs mainly due to annual increments.

## **SECTION 2 : GROUP CONSUMER**

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### **AUSTRALIAN GOVERNMENT'S NBN PROJECT**

In June 2011, Optus and NBNCo reached an agreement on the migration of Optus' HFC customers, with the total value of the agreement being approximately A\$800 million on a post-tax NPV basis. In December 2014, Optus and NBNCo reached a revised agreement where the overall value remains comparable to the 2011 Optus HFC Subscriber Agreement, with the majority of the payments to be received progressively on migration.

Under the terms of the agreement, once Optus HFC subscribers have been migrated to the NBN, Optus will progressively transfer ownership of its coaxial cable and ancillary assets to NBNCo, while retaining ownership of strategic aerial fibre assets used to connect mobile base stations and business customers.

The revised agreement is conditional upon ACCC's approval and a ruling by the Australian Taxation Office. On 23 July 2015, the ACCC proposed to approve the agreement and is now seeking submissions from NBNCo and interested parties in relation to its draft determination before making a final decision in August/September 2015.

**SECTION 3 : GROUP ENTERPRISE**

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**GROUP ENTERPRISE****MANAGEMENT DISCUSSION AND ANALYSIS**

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

From 1 April 2015, Singtel refined the revenue/ cost allocation methodologies between the various business units in Singapore. The comparatives for Group Enterprise have been restated to be consistent with Q1 FY2016. See **Appendix 5** for more details.

With the integration of NetLink Trust and OpenNet on 1 October 2014, Singtel relinquished its role as the key sub-contractor in respect of fibre rollout and maintenance. Accordingly, the financial highlights shown below excluded the results of fibre rollout and maintenance business and the related revenue share.

**FINANCIAL HIGHLIGHTS****FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

- **Operating revenue stable at S\$1.50 billion.**
- **EBITDA at S\$483 million – down 1.7%.**
- **EBIT at S\$335 million – down 1.5%.**
- **In constant currency terms, operating revenue up 2.6%, with both EBITDA and EBIT stable.**

**SECTION 3 : GROUP ENTERPRISE****GROUP ENTERPRISE SUMMARY INCOME STATEMENT**

For The First Quarter Ended 30 June 2015

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
<b>Operating revenue</b>	<b>1,503</b>	<b>1,555</b>	<b>-3.3</b>
Operating expenses	(1,028)	(1,057)	-2.7
	476	498	-4.6
Other income	8	6	33.3
<b>EBITDA</b>	<b>483</b>	<b>504</b>	<b>-4.2</b>
<b>- margin</b>	<b>32.1%</b>	<b>32.4%</b>	
Depreciation & amortisation	(149)	(152)	-2.2
<b>EBIT</b>	<b>335</b>	<b>352</b>	<b>-5.0</b>
<b><u>Excluding fibre rollout and maintenance</u></b>			
<b>Operating revenue</b>	<b>1,503</b>	<b>1,513</b>	<b>-0.6</b>
<b>EBITDA</b>	<b>483</b>	<b>491</b>	<b>-1.7</b>
<b>EBIT</b>	<b>335</b>	<b>340</b>	<b>-1.5</b>

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
Cost of sales	333	358	-6.8
Staff costs	304	306	-0.7
Selling & administrative	197	189	4.4
Traffic expenses	170	182	-6.8
Repair, maintenance and other expenses	23	22	6.8
<b>Operating expenses</b>	<b>1,028</b>	<b>1,057</b>	<b>-2.7</b>



## SECTION 3 : GROUP ENTERPRISE

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### GROUP ENTERPRISE OPERATING HIGHLIGHTS

#### For The First Quarter Ended 30 June 2015

Singapore contributed 73% (Q1 FY2015: 72%) and 84% (Q1 FY2015: 84%) to the Group Enterprise's operating revenue and EBITDA respectively.

Excluding fibre rollout and maintenance, operating revenue was stable against a cautious business environment in Asia Pacific. Pricing remained competitive and the results were impacted by a weaker Australian Dollar. If the Australian Dollar was held constant against the Singapore Dollar, operating revenue would have increased 2.6%.

Singapore Enterprise revenue grew 1.3% mainly driven by higher Data and Internet revenue and equipment sales. In Australia, Enterprise revenue increased 5.7% on stronger ICT and mobile but declined 5.5% in Singapore Dollar terms.

Adjusted for the fibre rollout business, operating expenses were stable. Staff costs were stable with increased IT hirings to support ICT projects and conversions of some contract staff to permanent staff, offset by the weaker Australian Dollar. Selling and administrative expenses increased mainly due to sponsorship costs for the SEA Games 2015 and higher mobile customer connection costs. Traffic expenses declined due mainly to lower outpayment rates.

Consequently, EBITDA and EBIT declined 1.7% and 1.5% respectively. In constant currency terms, both EBITDA and EBIT were stable.

Despite competitive pressures, Group Enterprise gained market share in International IP-VPN services in APeJ (Asia Pacific excluding Japan) region<sup>5</sup> and continued to defend its leadership position in the Singapore domestic data<sup>5</sup> market.

To serve enterprises' evolving needs, Group Enterprise launched innovative solutions such as ConnectPlus Software-Defined WAN (Wide Area Network) and Singtel Managed Hybrid Network. Singtel ConnectPlus Software-Defined WAN solution enables enterprises to simplify and centralise their network provisioning and policy management, and configure network requirements in real time. While Singtel Managed Hybrid Network extends an enterprise's network coverage by combining a private network with the global Internet securely, the solution also comes with smart routing capabilities to route applications and data automatically across networks based on application performance objectives. These solutions enabled enterprises to enhance and improve their networks and business productivity.

During the quarter, Group Enterprise continued to make inroads in its cloud offerings with the launch of Private On-Premises Cloud and Cloud Expert Services. It successfully deployed cloud infrastructure and services for the SEA Games 2015 held in Singapore. It also continued to build thought leadership in cyber security and Smart and Safe Cities through customer events and exhibitions.

In Australia, Optus launched the managed cloud solution to provide enterprises with a one-stop unified, secure, and flexible managed cloud service, as well as access to expert advice for delivery of a cloud transformation framework.

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<sup>5</sup> Based on IDC Telecom Services Database Asia-Pacific 2H 2014.

**SECTION 3 : GROUP ENTERPRISE****SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 31 March 2015 were as follows:

	Quarter		QOQ Chge %
	30 Jun 2015 S\$ m	Restated 31 Mar 2015 S\$ m	
<b>Operating revenue</b>	<b>1,503</b>	<b>1,606</b>	<b>-6.4</b>
Operating expenses	(1,028)	(1,125)	-8.6
	476	481	-1.2
Other income	8	16	-51.6
<b>EBITDA</b>	<b>483</b>	<b>497</b>	<b>-2.8</b>
<b>- margin</b>	<b>32.1%</b>	<b>30.9%</b>	
<b>EBIT</b>	<b>335</b>	<b>341</b>	<b>-1.8</b>

Operating revenue declined 6.4% due mainly to seasonally higher ICT revenue recorded by NCS in the preceding quarter. Other income was lower due mainly to foreign exchange losses recognised on revaluation of monetary trade balances in the current quarter. Correspondingly, EBITDA and EBIT declined 2.8% and 1.8% respectively.

**SECTION 3 : GROUP ENTERPRISE****SINGAPORE ENTERPRISE**

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
Managed services <sup>(1)</sup>	278	288	-3.6
Business solutions <sup>(2)</sup>	137	130	5.2
ICT	414	418	-0.9
Data and Internet <sup>(3)</sup>	331	318	4.0
Mobile communications	202	202	**
International telephone	54	56	-2.7
National telephone	44	46	-3.5
Sale of equipment	28	22	25.9
Miscellaneous	24	21	12.7
<b>Operating revenue</b>	<b>1,098</b>	<b>1,084</b>	<b>1.3</b>
Fibre rollout and maintenance	-	42	nm
<b>Total revenue</b>	<b>1,098</b>	<b>1,126</b>	<b>-2.5</b>
<b>EBITDA</b>	<b>406</b>	<b>421</b>	<b>-3.5</b>
<b>(ex-fibre rollout and maintenance)</b>	<b>406</b>	<b>408</b>	<b>-0.5</b>

**Notes:**

- (1) Include facility management, managed and network services, and value-added reselling and services.  
(2) Include applications management services and outsourcing, system integration and business process outsourcing and communication engineering services.  
(3) Include local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.

Excluding the fibre rollout and maintenance business, operating revenue increased 1.3% to S\$1.10 billion mainly driven by growth in Data and Internet and equipment sales partially offset by lower fixed voice.

Data and Internet revenue grew 4.0% from increased demand for both international and domestic circuits and bandwidth.

Overall ICT revenue was stable. Business Solutions revenue grew 5.2% from increased application development and maintenance projects. This increase was offset by a decline of 3.6% in Managed Services. In June 2014 quarter, Managed Services revenue was boosted by a one off revenue from sales of equipment in respect of a public sector infrastructure project. Excluding the one off revenue, Managed Services continued to grow due to on-boarding of Singapore government's agencies to the G-Cloud platform as well as higher project implementation and service revenue.

NCS continued to maintain a healthy ICT services order book of S\$2.1 billion as at 30 June 2015. This quarter, NCS won several major contracts including hosting, operating and maintaining a vehicle registration and licensing system.

## SECTION 3 : GROUP ENTERPRISE

At the Mob-Ex Awards 2015<sup>6</sup>, MyTransport.SG mobile application which was developed by NCS won the gold and bronze awards for the 'Most Innovative Use of Mobile' and the 'Most Informative Use of Mobile' respectively.

Mobile Communications revenue was stable. The growth in revenue resulting from a higher mobile customer base and the increased mix of customers on tiered data and roaming plans was offset by lower domestic and roaming voice, SMS and VAS revenues.

International Telephone revenue declined 2.7% with lower inpayment rates and call volume. The impact of the decline was partially mitigated by lower traffic outpayment rates.

### AUSTRALIA ENTERPRISE

	Quarter		YOY Chge %
	30 Jun		
	2015 A\$ m	2014 A\$ m	
ICT and Managed Services	141	117	20.4
Voice	87	88	-1.7
Data and IP	84	91	-7.9
Mobile <sup>(1)</sup>	76	71	8.1
<b>Operating revenue <sup>(2)</sup></b>	<b>388</b>	<b>367</b>	<b>5.7</b>
<b>EBITDA</b>	<b>74</b>	<b>71</b>	<b>3.5</b>

**Notes:**

(1) Include mobile service revenue and sale of equipment revenue.

(2) Exclude small and medium business segment which is reported under Australia Consumer.

ICT and Managed Services revenue grew strongly by 20% from sale of hardware and continued services growth from key enterprise and government customers.

Data and IP revenue declined 7.9% from continued price competition, migration of legacy data services to IP network solutions and customer-led rationalisation of services.

Voice revenue was down 1.7%, slower than the industry's decline of 7%<sup>7</sup>. The decrease was due to price erosions and declines in switched voice traffic as businesses migrated to lower cost IP-based voice solutions.

Mobile revenue grew 8.1% due mainly to growth in customer base, penetration of higher value data plans and value added services (corporate messaging and applications), partially offset by lower roaming revenue.

During the quarter, Optus Business' contract with the NRMA Motoring and Services Ltd – Australia's largest Member Organisation – has been renewed for two years. Under this contract extension, Optus provides fixed voice, fixed data, Managed WAN services, mobile services and premium Managed Services to help the association deliver services to their 2.4 million members.

<sup>6</sup> Mob-Ex Awards rewards leading organisations that have pushed their limits towards measurable success via the mobile platform, through sound and innovative mobile marketing strategies.

<sup>7</sup> Source: IDC's Fixed Line semi-annual tracker.

## SECTION 4 : GROUP DIGITAL LIFE

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### GROUP DIGITAL LIFE

#### MANAGEMENT DISCUSSION AND ANALYSIS

**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.

From 1 April 2015, GDL had sharpened its strategy to focus on three key businesses – digital marketing (Amobee), regional premium video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel’s digital innovation engine through Innov8. Certain businesses such as AMPed, Dash, Hungry-Go-Where, inSing.com and Newsloop which were previously within GDL were transferred to Singapore Consumer. To better reflect the underlying performance, the results for the respective comparative periods have been restated on the basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from the refinement of revenue/ cost allocation methodologies between the various business units in Singapore. See **Appendix 5** for more details.

#### FINANCIAL HIGHLIGHTS

##### FOR THE FIRST QUARTER ENDED 30 JUNE 2015

- **Operating revenue tripled to S\$102 million with contributions from Adconion and Kontera.**
- **Negative EBITDA at S\$31 million.**
- **Including amortisation of acquired intangibles, negative EBIT at S\$47 million.**

**SECTION 4 : GROUP DIGITAL LIFE****GROUP DIGITAL LIFE SUMMARY INCOME STATEMENT**  
For The First Quarter Ended 30 June 2015

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
Digital <sup>(1)</sup>	114	37	207.5
Others <sup>(2)</sup>	*	7	nm
<b>Operating revenue</b>	<b>115</b>	<b>44</b>	<b>161.7</b>
Intercompany eliminations	(13)	(9)	35.9
<b>Operating revenue</b>	<b>102</b>	<b>35</b>	<b>195.1</b>
Operating expenses	(135)	(72)	86.4
	(32)	(38)	-14.1
Other income	1	*	nm
<b>EBITDA</b>	<b>(31)</b>	<b>(37)</b>	<b>-16.4</b>
Depreciation	(4)	(3)	50.0
Amortisation of intangibles	(12)	(7)	83.1
	(16)	(9)	73.1
<b>EBIT</b>	<b>(47)</b>	<b>(46)</b>	<b>1.5</b>
<b>Amobee group</b>			
Operating revenue	114	37	207.5
Intercompany eliminations	(13)	(9)	35.9
Operating revenue	102	28	263.9
EBITDA	(16)	(14)	13.0
EBIT	(24)	(16)	53.5

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	Restated 2014 S\$ m	
Cost of sales	71	30	134.2
Staff costs	45	26	73.8
Selling & administrative	15	16	-8.0
Others	3	*	nm
<b>Operating expenses</b>	<b>135</b>	<b>72</b>	<b>86.4</b>

\*\*\* denotes less than +/- S\$500,000.

**Notes:**

- (1) Mainly digital marketing (which includes digital advertising) revenue from Amobee group.  
(2) In FY 2015, other revenues were mainly from marginal businesses no longer in operation.

## SECTION 4 : GROUP DIGITAL LIFE

### GROUP DIGITAL LIFE OPERATING HIGHLIGHTS

#### For The First Quarter Ended 30 June 2015

Following the acquisitions of Kontera in July 2014 and Adconion in August 2014, operating revenue for the first quarter ended 30 June 2015 tripled to S\$102 million.

Negative EBITDA decreased by 16% to S\$31 million, reflecting business rationalisation and improved gross margins. The increase in cost of sales was in line with higher revenue while the higher staff costs was due to higher average headcount and staff incentive accruals following the acquisitions. Negative EBIT was S\$47 million, after accounting for higher depreciation and amortisation of acquired intangibles for Amobee group.

Amobee continued to leverage on its Real Time Brand Intelligence capabilities to gain revenue momentum with key customer wins such as Kellogg's, Ford and Westpac.

HOOQ, which offers regional premium video, continued to expand. As at end June 2015, it has launched its service in the Philippines, Thailand and India.

DataSpark, with its advanced analytics and intelligence capabilities, was named '20 Most Promising GIS Solution Provider' by CIO Review<sup>8</sup>.

### SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2015 were as follows:

	Quarter		QOQ Chge %
	30 Jun 2015 S\$ m	Restated 31 Mar 2015 S\$ m	
<b>Operating revenue</b>	<b>115</b>	<b>120</b>	<b>-4.4</b>
Intercompany eliminations	(13)	(16)	-21.9
<b>Operating revenue</b>	<b>102</b>	<b>104</b>	<b>-1.7</b>
Operating expenses	(135)	(163)	-17.3
<b>EBITDA</b>	<b>(31)</b>	<b>(62)</b>	<b>-50.2</b>
<b>EBIT</b>	<b>(47)</b>	<b>(71)</b>	<b>-33.4</b>

Compared to a quarter ago, EBITDA improved as the March quarter included year-end accruals for staff incentive and the current quarter benefited from closure of marginal businesses.

<sup>8</sup> A technology magazine published in California which provides review on innovative enterprise solutions.

**SECTION 5: ASSOCIATES / JOINT VENTURES**

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**FINANCIAL HIGHLIGHTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2015**

- **The associates' pre-tax and post-tax contributions grew 7.0% and 8.6% respectively on strong earnings growth from Telkomsel, AIS and Globe, partly offset by Airtel's higher fair value losses.**
  
- **The Group's combined mobile customer base<sup>9</sup> was up 10 million or 1.8% in the quarter to 565 million.**

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<sup>9</sup> Combined mobile customer base here refers to the total number of mobile customers in Singtel, Optus and the regional mobile associates.



## SECTION 5 : ASSOCIATES/ JOINT VENTURES

Pre-tax profit contribution <sup>(1)</sup>	Equity Int %	Quarter		YOY Chge %
		30 Jun		
		2015 S\$ m	2014 S\$ m	
<b>Regional mobile associates</b>				
Telkomsel	35.0			
- operating results		248	228	9.2
- fair value gains/ (losses)		*	(5)	nm
		249	222	11.9
Bharti Telecom/ Bharti Airtel ("Airtel") <sup>(2)(3)</sup>	32.4			
- operating results (India and South Asia)		284	229	24.1
- operating results (Africa)		15	27	-42.5
- net finance costs		(78)	(45)	76.0
- fair value losses		(54)	(20)	164.0
		168	191	-12.1
AIS	23.3			
- operating results		116	96	20.8
- fair value gains		*	*	nm
		116	96	20.9
Globe	47.2			
- operating results		92	82	12.0
- fair value gains		*	2	nm
		92	84	9.0
		<b>625</b>	<b>594</b>	<b>5.2</b>
<b>Other Singtel associates</b>				
NetLink Trust <sup>(4)</sup>	100.0	21	8	151.8
Others		20	20	-1.5
<b>Singtel share of pre-tax profit <sup>(3)</sup></b>		<b>665</b>	<b>622</b>	<b>6.9</b>
<b>Optus share of pre-tax profit</b>		<b>*</b>	<b>*</b>	<b>nm</b>
<b>Group share of pre-tax profit <sup>(3)</sup></b>		<b>665</b>	<b>622</b>	<b>7.0</b>
<b>(excluding fair value losses)</b>		<b>718</b>	<b>645</b>	<b>11.3</b>
<b>Group share of taxes</b>		<b>213</b>	<b>206</b>	<b>3.6</b>
<b>Effective tax rate</b>		<b>32.0%</b>	<b>33.0%</b>	

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter				YOY Chge %
	30 Jun				
	2015		2014		
	S\$ m	% <sup>(5)</sup>	S\$ m	% <sup>(5)</sup>	
<b>Regional mobile associates</b>					
Telkomsel	186	21	167	19	11.6
Airtel <sup>(2)(3)</sup>					
- ordinary results (India and South Asia)	142		148		-3.6
- ordinary results (Africa)	(67)		(56)		20.7
	75	8	92	10	-18.3
AIS	93	10	76	9	21.6
Globe	64	7	58	7	9.6
	<b>418</b>	<b>47</b>	<b>394</b>	<b>45</b>	<b>6.3</b>
<b>Other Singtel associates</b>					
NetLink Trust <sup>(4)</sup>	17	2	7	1	140
Others	17	2	16	2	2.5
<b>Singtel share of post-tax profit<sup>(3)</sup></b>	<b>452</b>	<b>50</b>	<b>417</b>	<b>47</b>	<b>8.4</b>
<b>Optus share of post-tax profit</b>	<b>1</b>	<b>**</b>	<b>(1)</b>	<b>**</b>	<b>nm</b>
<b>Group share of post-tax profit<sup>(3)</sup></b>	<b>452</b>	<b>51</b>	<b>417</b>	<b>47</b>	<b>8.6</b>

Post-tax profit contribution (in constant currency) <sup>(6)</sup>	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Regional mobile associates</b>			
- operating results	679	617	10.1
- fair value losses	(52)	(23)	127.0
	627	594	5.6
Other associates	41	28	44.0
<b>Group share of pre-tax profit</b>	<b>667</b>	<b>622</b>	<b>7.3</b>
Group share of tax expense	(213)	(206)	3.5
<b>Group share of post-tax profit</b>	<b>455</b>	<b>417</b>	<b>9.2</b>

**Notes:**

- (1) The accounts of the associates are prepared based on local GAAP. Where applicable, the accounting policies of the associates have been restated for compliance with the Group's accounting policies.
- (2) The Group's equity interest in Airtel increased to 32.43% (31 March 2015: 32.40%) following Bharti Telecom Ltd's additional investment in Airtel in June 2015 quarter.
- (3) Share of results excluded the Group's share of certain Airtel's and Globe's exceptional items which have been classified as exceptional items of the Group.
- (4) NetLink Trust is 100% owned by Singtel and is equity accounted as an associate in the Group as Singtel does not control it.
- (5) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.
- (6) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2014.

"\*\*" denotes less than +/- S\$0.5 million and "\*\*\*" denotes less than +/- 0.05%.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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The associates' pre-tax contributions were up 7.0% on strong earnings growth at Telkomsel, AIS and Globe. Excluding the share of fair value losses mainly at Airtel, pre-tax contributions would have grown by 11%.

Telkomsel registered double-digit growth in revenue and EBITDA boosted by higher voice and data revenues. Airtel recorded increases in both consolidated revenue and EBITDA on continued strong operational results in India. However, overall profits declined due to higher fair value losses and net finance costs, as well as weaker operational performance at Africa. AIS reported robust revenue growth and increased EBITDA with continued growth in mobile data services. Globe reported higher revenue and EBITDA with market share gains.

On a post-tax basis, the associates' post tax contributions were up 8.6% to S\$452 million and contributed 51% to the Group's underlying net profit, up 4 percentage points from the same quarter last year.

### ***PT Telekomunikasi Selular ("Telkomsel")***

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 96,900 radio base stations (of which 51% are 3G/4G base transceiver stations) providing nationwide coverage. Telkomsel continued to expand its network with a focus on growing data and digital services. In the quarter, Telkomsel added approximately 6,400 radio base stations, of which 90% were 3G/4G.

Operating revenue was up 14% year-on-year driven by robust growth across voice, data and digital businesses. Data and digital services grew a strong 38% on higher data usage and continued strong take up of smartphones. Voice and SMS revenue recorded healthy growth of 10% and 5% respectively.

EBITDA rose 12% despite higher operation and maintenance costs from the accelerated network deployment.

The Group's share of Telkomsel's pre-tax profit rose 18% in Indonesian Rupiah terms after including fair value differences.

With the 6% depreciation of the Indonesian Rupiah against the Singapore Dollar this quarter, the Group's overall share of Telkomsel's pre-tax profit grew 12%.

On a post-tax basis, Telkomsel's profit contribution for the quarter increased 12% to S\$186 million which constituted 21% (Q1 FY2015: 19%) of the Group's underlying net profit.

Compared to the preceding quarter, EBITDA grew 9% on 7% increase in operating revenue due to higher voice, data and digital services.

Telkomsel gained 2.6 million mobile customers in the quarter, compared to 0.9 million in the preceding quarter. The total mobile customer base grew 6.7 million or 4.9% from a year ago to 144 million, including 66 million of data customers at end of June 2015.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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### ***Bharti Telecom Group (“Airtel”)***

Airtel is listed on the Indian Stock Exchanges - National Stock Exchange and the Bombay Stock Exchange. It is a leading integrated telecommunications company with operations in 20 countries across Asia and Africa, offering telecom services under wireless and fixed line technology, national and international long distance connectivity, digital TV and IPTV service and complete integrated telecom solutions to its enterprise customers. Airtel also owns tower infrastructure pertaining to telecom operations through its subsidiary and joint venture companies.

### **India, Bangladesh and Sri Lanka (“India and South Asia”)**

Airtel continued its strong operating momentum in India this quarter. Operating revenue grew 10% with strong mobile data increase driven by higher usage and robust customer growth. Total data traffic rose 83% while data ARPU increased 30%. Year-on-year, total voice minutes on its networks increased by 7% while voice realisation per minute was down 8% partly due to a regulatory change in interconnect usage charges (“IUC”) effective 1 March 2015.

EBITDA was up by a robust 16% and margin expanded on sustained revenue growth and improved operational efficiency.

‘South Asia’ comprised operations in Sri Lanka and Bangladesh. Airtel recorded lower operating revenue and a negative EBITDA in South Asia, impacted by lower minutes of usage.

The Group’s share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia grew steeply by 23% in Indian Rupee terms. With a 1% appreciation of the Indian Rupee against the Singapore Dollar, pre-tax operating profit contribution increased 24% to S\$284 million.

Compared to the preceding quarter, both Airtel’s revenue and EBITDA from its India and South Asia operations grew 4% and 3% respectively.

Airtel added 4.6 million mobile customers in India this quarter, compared to 8.8 million added in the preceding quarter. As at 30 June 2015, Airtel had 231 million mobile customers in India, an increase of 21 million or 10% from a year ago. The number of data customers correspondingly grew 10 million or 26% to 49 million.

### **Africa**

As at 30 June 2015, ‘Airtel Money’ and 3G mobile were available in all the 17 African countries that Airtel has presence in.

Africa’s operating revenue grew 1% in constant currency terms driven by growth in mobile data and ‘Airtel Money’ services, partly offset by the impact of an IUC rate change in Nigeria. Mobile data revenue grew 49% in constant currency terms on higher usage and increased data penetration. However, the significant depreciation of certain African currencies had negatively impacted Africa’s reported results in US Dollar terms. Consequently, operating revenue declined 17% and EBITDA fell 29%.

The Group’s share of Airtel Africa’s pre-tax operating profit (before finance costs and fair value adjustments) declined 43% to S\$15 million in the quarter.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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Compared to the preceding quarter, Airtel Africa's revenue and EBITDA declined 3% and 4% respectively, impacted by the weaker African currencies.

Airtel Africa added 2.1 million mobile customers in the quarter, compared to 1.7 million added in the preceding quarter. As at 30 June 2015, the total customer base stood at 78 million, an increase of 9.2 million or 13% from a year ago. The number of data customers correspondingly grew 3.2 million or 32% to 13 million.

During the quarter, Airtel had successfully completed the telecom tower sale transactions in Uganda, Ghana, Congo Brazzaville and Nigeria for total proceeds of over US\$1.3 billion.

In July 2015, Airtel entered into a non-binding but exclusive agreement with Orange S.A. to sell four of its subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone.

### Overall

In Singapore Dollar terms, the Group's share of overall pre-tax profit from Airtel declined 12% to S\$168 million after including higher net finance costs and fair value losses. The share of net finance costs amounted to S\$78 million, up from S\$45 million due mainly to lower investment gains. Fair value losses (mainly derivatives and forex losses) totalled S\$54 million (Q1 FY2015: S\$20 million) mainly from a stronger US Dollar.

Year-on-year, post-tax profit contribution from Airtel declined 18% to S\$75 million on higher effective tax rate in India due to expiry and reduction of tax holiday benefits in certain circles.

Overall, Airtel contributed 8% (Q1 FY2015: 10%) to the Group's underlying net profit. This contribution excluded Airtel's exceptional items in this quarter which comprised mainly a net gain from the divestment of telecom tower assets partly offset by additional depreciation charges, provisions for regulatory fee and certain disputed receivables/ expired claims, and impact from de-recognition of certain embedded derivatives. The Group's share of this net exceptional gain of S\$32 million has been classified as an exceptional item of the Group (see Page 12).

Including mobile customers across operations in 20 countries covering India, Bangladesh, Sri Lanka and across Africa, Airtel's total mobile customer base across all geographies grew 31 million or 11% from a year ago to 318 million as at 30 June 2015.

During the quarter, Airtel issued US\$ 1 billion of Senior Notes due 2025 with a fixed coupon of 4.375% per annum. The notes are listed on the Singapore Exchange.

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

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand. AIS provides mobile services on both 2G and 3G networks. The 2G service is operated under Built-Transfer-Operate ("**BTO**") agreements. The 3G service on 2100 MHz frequency is under a 15-year license issued by the National Broadcasting and Telecommunications Commission, expiring in 2027.

The 900 MHz BTO agreement will expire on 30 September 2015. As at 30 June 2015, AIS has 40 million customers, including 2.7 million on the 2G 900 MHz network.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

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Service revenue (excluding interconnect) grew 3% driven by growing demand in mobile data services amid increased smartphone penetration, offsetting the decline in voice. EBITDA grew 14% largely attributed to higher service revenue and regulatory costs savings from 3G migration. Including higher depreciation charges from its expanded 3G network, AIS pre-tax profit increased 15% in Thai Baht terms.

With the Thai Baht strengthening by 4% against the Singapore Dollar this quarter, the Group's share of AIS' pre-tax profit rose 21% to S\$116 million.

Post-tax contribution rose 22% to S\$93 million and constituted 10% (Q1 FY2015: 9%) of the Group's underlying net profit.

Against the preceding quarter, AIS' EBITDA was flat on stable service revenue.

As at 30 June 2015, AIS' total mobile customer base was 40 million, 1.9 million lower than a quarter ago. The decline was mainly attributable to regulatory requirement to register all prepaid SIM cards from 1 February 2015. At the end of the quarter, 3G customers represented 93% of its total mobile customer base.

In April 2015, AIS launched 'AIS Fibre', a fixed broadband internet service, as part of its transformational strategy to become a digital life service provider. As of end June 2015, AIS Fibre had approximately 11,900 customers.

### ***Globe Telecom, Inc ("Globe")***

Globe, the second largest mobile communications service provider in the Philippines, is listed on the Philippine Stock Exchange.

Globe's service revenue grew 13% driven by a higher mobile customer base and strong data growth momentum fuelled by successful marketing initiatives. EBITDA rose 13% despite higher service expenses and subsidy costs to drive acquisition. With higher depreciation charges from the commissioning of transformation assets, its pre-tax profit grew 3% in Philippine Peso terms.

As the Philippine Peso strengthened 6% against the Singapore Dollar this quarter, Globe's pre-tax profit contribution increased 9% year-on-year to S\$92 million.

On a post-tax basis, Globe contributed S\$64 million or 7% (Q1 FY2015: 7%) to the Group's underlying net profit.

Against the preceding quarter, Globe's service revenue grew 5% from higher prepaid top-ups while EBITDA rose 6%.

Globe added 2.2 million mobile customers in the quarter, compared to 2.1 million in the preceding quarter. As at 30 June 2015, its mobile customer base expanded to 48 million, up 5.6 million or 13% from a year ago.

In July 2015, Globe increased its equity interest in Bayan Telecommunications, Inc ("**Bayantel**") from 38% to 98.57%, after regulatory approval was obtained to convert Globe's debt holdings in Bayantel to equity shares.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

### NetLink Trust

The Group's share of post-tax profits from NetLink Trust was S\$17 million for the quarter, up from S\$7 million in the same quarter a year ago.

The increased contribution mainly reflected higher earnings with the integration of NetLink Trust and OpenNet, a higher customer base, and the cessation of payment of fibre rollout and maintenance charges to Singtel from 1 October 2014. Singtel relinquished its role as the key sub-contractor for the fibre rollout and maintenance from 1 October 2014.

### 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 Singapore GAAP and is not intended to replace the financial statements prepared in accordance with Singapore GAAP. 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.

Proportionate operating revenue	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Group operating revenue</b>			
Optus	2,397	2,409	-0.5
Singtel and its' Singapore subsidiaries	1,637	1,632	0.3
Other overseas subsidiaries (including Amobee)	174	106	64.8
	1,811	1,738	4.2
	<b>4,209</b>	<b>4,148</b>	<b>1.5</b>
<b>Proportionate share of operating revenue of associates</b>			
Regional mobile associates	3,029	2,834	6.9
Singapore associates	134	126	6.5
Other overseas associates	19	18	3.8
	<b>3,183</b>	<b>2,978</b>	<b>6.9</b>
<b>Enlarged revenue</b>	<b>7,391</b>	<b>7,126</b>	<b>3.7</b>
<b>% of overseas revenue to enlarged revenue</b>	<b>76%</b>	<b>75%</b>	

In the quarter, overseas revenue contributed 76% to the Group's enlarged revenue against 75% a year ago.

**SECTION 5 : ASSOCIATES/ JOINT VENTURES**

Proportionate EBITDA	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Group EBITDA</b>			
Optus	670	698	-4.1
Singtel and its Singapore subsidiaries	658	633	4.0
Other overseas subsidiaries (including Amobee)	(86)	(76)	13.1
	572	556	2.8
	<b>1,241</b>	<b>1,254</b>	<b>-1.0</b>
<b>Proportionate share of associates' EBITDA <sup>(1)</sup></b>			
Regional mobile associates	1,279	1,146	11.5
Singapore associates	59	41	44.1
Other overseas associates	14	8	61.9
	<b>1,351</b>	<b>1,195</b>	<b>13.0</b>
<b>Total proportionate EBITDA</b>	<b>2,592</b>	<b>2,450</b>	<b>5.8</b>
<b>Overseas proportionate EBITDA as a % to total proportionate EBITDA</b>	<b>72%</b>	<b>73%</b>	
<b>Contributions to total proportionate EBITDA</b>			
Regional mobile associates	49%	47%	
Australia	26%	28%	
Singapore	28%	27%	
Others	-3%	-3%	
	<b>100%</b>	<b>100%</b>	

**Note:**

(1) Proportionate share of associates' EBITDA represents the Group's effective interests in the respective entities' EBITDA. As such, proportionate EBITDA does not represent EBITDA available to the Group.

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 72% to proportionate EBITDA against 73% a year ago.



**SECTION 5 : ASSOCIATES/ JOINT VENTURES**

Number of mobile customers (000s)	Total Number			Proportionate Share <sup>(1)</sup>		
	30 Jun 2015	31 Mar 2015	30 Jun 2014	30 Jun 2015	31 Mar 2015	30 Jun 2014
Singtel	4,082	4,088	4,013	4,082	4,088	4,013
Optus	9,379	9,433	9,407	9,379	9,433	9,407
	<b>13,461</b>	<b>13,521</b>	<b>13,420</b>	<b>13,461</b>	<b>13,521</b>	<b>13,420</b>
<b>Regional Mobile Associates</b>						
Airtel						
- India	230,662	226,017	209,411	74,804	73,230	67,849
- Africa	78,323	76,263	69,086	25,400	24,709	22,384
- South Asia	9,019	8,603	8,650	2,925	2,787	2,803
	318,004	310,883	287,147	103,129	100,726	93,036
Telkomsel	144,064	141,461	137,372	50,422	49,512	48,080
AIS	40,061	41,951	42,878	9,342	9,783	9,999
Globe	48,351	46,103	42,718	22,817	21,761	20,171
	550,480	540,398	510,115	185,710	181,782	171,286
PBTL	1,187	1,246	1,416	534	561	637
	<b>551,667</b>	<b>541,644</b>	<b>511,531</b>	<b>186,244</b>	<b>182,343</b>	<b>171,923</b>
<b>Group</b>	<b>565,128</b>	<b>555,165</b>	<b>524,951</b>	<b>199,705</b>	<b>195,864</b>	<b>185,343</b>

**Note:**

(1) Proportionate share of mobile customers represents the total number of mobile customers of an associate multiplied by the Group's effective percentage ownership in the associate at the respective dates.

The Group's combined mobile customer base was 565 million as at 30 June 2015, up 10 million or 1.8% from a quarter ago, and 40 million or 7.7% from a year ago. On a proportionate share basis, the Group's mobile customer base increased 2.0% to 200 million from a quarter ago.

**SECTION 5 : ASSOCIATES/ JOINT VENTURES****CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES <sup>(1)</sup>**

	Quarter		YOY Chge %
	30 Jun		
	2015 S\$ m	2014 S\$ m	
<b>Regional mobile associates</b>			
Telkomsel <sup>(2)</sup>			
- final dividend FY 2014 / FY 2013	557	595	-6.4
AIS <sup>(3)</sup>			
- final dividend FY 2014 / FY 2013	165	152	8.8
Globe <sup>(4)</sup>			
- quarterly dividend FY 2014	39	-	nm
	<b>761</b>	<b>747</b>	<b>1.9</b>
<b>Other associates</b>			
Southern Cross/ PCHL <sup>(5)</sup>	-	10	nm
Others	*	*	nm
<b>Total</b>	<b>761</b>	<b>757</b>	<b>0.5</b>

**Notes:**

- (1) The cash dividends received from overseas associates as stated here are before related tax payments.
- (2) Telkomsel declared a full year dividend of 90% on net profit for its 2014 financial year (FY 2013: 90%). The Group's share of the dividend is S\$628 million, of which S\$71 million was received in March 15 and S\$557 million had been received in the June 2015 quarter.
- (3) AIS declared a full year dividend of 99% on net profit for its 2014 financial year (FY 2013: 100%). Dividends will be paid twice a year, with an interim dividend distributed from the first half operating results and final dividend distributed from the second half operating results. The Group received its share of the final dividend for 2014 financial year of S\$165 million in April 2015. AIS will pay its interim dividend of Baht 6.50 per share in September 2015. The Group's share of this dividend is Baht 4.51 billion (approximately S\$181 million).
- (4) Effective from the second half of its 2014 financial year, Globe pays dividends on a quarterly basis as compared to semi-annually in March and September of each year. Globe's dividend policy is to pay ordinary dividends of 75% to 90% of prior year's core net income. The Group received its share of the second quarterly dividend for Globe's 2014 financial year in June 2015. Globe will pay its next quarterly dividend of Peso 20.75 per common share in September 2015. The Group's share of this dividend is Peso 1.30 billion (approximately S\$39 million).
- (5) Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited (PCHL), part of the Southern Cross consortium, do not have fixed dividend policies.
- (6) Other information:  
Airtel does not have a fixed dividend policy. Airtel declared a final dividend of Rs 2.22 per share for its 2015 financial year, subject to shareholders' approval. The Group's share of the final dividend from its direct stake of 15.01% is Rs 1.33 billion (approximately S\$29 million) which will be received in September 2015 quarter.

The total dividends received from the associates for the quarter were stable at S\$761 million. Lower dividend was received from Telkomsel due to timing and a weaker Indonesian Rupiah.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

## KEY OPERATIONAL DATA

	Airtel <sup>(1)</sup>	Telkomsel	AIS	Globe	PBTL
<b>Singtel's investment:</b>					
Year of initial investment	<b>2000</b>	<b>2001</b>	<b>1999</b>	<b>1993</b>	<b>2005</b>
Effective economic interest (%)	32.4%	35.0%	23.3%	47.2%	45.0%
Investment to date	S\$2.69 bil	S\$1.93 bil	S\$1.20 bil	S\$1.02 bil	S\$238 mil
Closing market share price <sup>(2)</sup>	INR 419.9	NA	THB 240 <sup>(3)</sup>	PHP 2,510	NA
Market capitalisation					
- Total	S\$35.43 bil	NA	S\$28.44 bil	S\$9.95 bil	NA
- Singtel holding	S\$11.48 bil	NA	S\$6.63 bil	S\$4.70 bil	NA
<b>Operational Performance :</b>					
Mobile penetration rate <sup>(4)</sup>	78%	122%	141%	117%	77%
Market share, 30 Jun 2015 <sup>(4)</sup>	23.5%	46.0%	46.3%	41.3%	1.0%
Market share, 31 Mar 2015 <sup>(5)</sup>	23.3%	46.0%	45.7%	39.8%	1.0%
Market position <sup>(6)</sup>	#1	#1	#1	#2	#6
Mobile customers ('000)					
- Aggregate	318,004	144,064	40,061	48,351	1,187
- Proportionate	103,129	50,422	9,342	22,817	534
Growth in mobile customers (%) <sup>(7)</sup>	11%	4.9%	-6.6%	13%	-16%
Credit ratings					
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Baa3/BB+	Baa1/BBB+	Baa2/BBB	Ba3/BB-
- Company (Moody's/ S&P's)	Baa3/BBB-	Baa1/BBB-	NA/A-	NA	NA

**Notes:**

- (1) Mobile penetration rate, market share and market position pertain to India market only.
- (2) Based on closing market price on 30 June 2015, in local currency.
- (3) Based on local market price quoted on the Stock Exchange of Thailand.
- (4) Based on actual data or latest data available as of 30 June 2015.
- (5) Based on actual data.
- (6) Based on number of mobile customers.
- (7) Compared against 30 June 2014 and based on aggregate mobile customers.

NA Denotes not applicable.

Please refer to **Appendix 6** for the currency rate movements of the major associates.

## SECTION 6 : PRODUCT INFORMATION

## SINGAPORE MOBILE (PRODUCT VIEW)

	Quarter			YOY Chge %
	30 Jun 2015	31 Mar 2015	30 Jun 2014	
<b>Mobile Communications revenue (S\$'M) <sup>(1)</sup></b>	<b>530</b>	<b>518</b>	<b>518</b>	<b>2.2</b>
<b>Number of mobile subscribers (000s)</b>				
Prepaid	1,803	1,822	1,794	0.5
Postpaid	2,279	2,266	2,219	2.7
<b>Total</b>	<b>4,082</b>	<b>4,088</b>	<b>4,013</b>	<b>1.7</b>
<b>Number of 4G postpaid mobile subscribers (000s)</b>	<b>2,007</b>	<b>1,873</b>	<b>1,278</b>	<b>57.0</b>
<b>MOUs per subscriber per month <sup>(2)</sup></b>				
Prepaid	295	302	318	-7.4
Postpaid <sup>(3)</sup>	256	262	273	-6.3
<b>Average revenue per subscriber per month <sup>(2)(4)</sup> (S\$ per month)</b>				
Prepaid	18	17	17	4.8
Postpaid	74	73	76	-2.3
<b>Blended</b>	<b>49</b>	<b>48</b>	<b>49</b>	<b>-0.8</b>
<b>Data services as % of ARPU</b>				
- total data <sup>(5)</sup>	48%	48%	45%	
- non-SMS data	38%	37%	33%	
<b>Tiered data plans</b>				
- postpaid base on tiered data plans <sup>(6)</sup>	62%	61%	54%	
- tiered data plan customers exceeding data bundles	22%	26%	18%	
<b>Acquisition cost per postpaid subscriber (S\$) <sup>(7)</sup></b>	<b>435</b>	<b>452</b>	<b>383</b>	<b>13.6</b>
Postpaid external churn per month <sup>(8)</sup>	0.9%	0.9%	0.8%	
<b>Singapore mobile penetration rate <sup>(9)</sup></b>	<b>148%</b>	<b>148%</b>	<b>154%</b>	
<b>Market share <sup>(9)</sup></b>				
Prepaid	53.6%	53.9%	48.5%	
Postpaid	47.9%	48.0%	48.1%	
<b>Overall</b>	<b>50.2%</b>	<b>50.4%</b>	<b>48.3%</b>	

**Notes:**

- (1) This comprises cellular service revenue in Singapore only and is determined net of bill rebates and net of prepaid sales discount, and includes revenue earned from ADSL bundles. It excludes revenue earned from international calls classified under "International Telephone" revenue.
- (2) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (3) MOU of postpaid base excludes customers that have 'data-only' SIM plans.
- (4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Includes revenue from SMS, \*SEND, MMS and other data services.
- (6) If excluding data-only SIMs, approximately 75% of postpaid customers as at 30 June 2015 were on tiered plans. Of these customers, 22% had exceeded their data bundles.
- (7) This relates to blended acquisition and retention cost per postpaid customer.
- (8) 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.
- (9) The market share data as at 30 June 2015 was based on Telco operators' published results. The other market statistics were based on IDA's latest available published statistics as of 31 May 2015.

**SECTION 6 : PRODUCT INFORMATION****AUSTRALIA MOBILE (PRODUCT VIEW)**

	Quarter			YOY Chge %
	30 Jun 2015	31 Mar 2015	30 Jun 2014	
<b>Optus' mobile revenue (A\$'M) <sup>(1)</sup></b>	<b>1,533</b>	<b>1,498</b>	<b>1,323</b>	<b>15.9</b>
<b>Optus' mobile service revenue (A\$'M)</b>	<b>1,208</b>	<b>1,211</b>	<b>1,147</b>	<b>5.3</b>
<b>Number of mobile subscribers (000s)</b>				
Prepaid Handset	3,648	3,695	3,629	0.5
Postpaid Handset	4,657	4,619	4,456	4.5
Mobile Broadband <sup>(2)</sup>	1,074	1,119	1,322	-18.8
<b>Total</b>	<b>9,379</b>	<b>9,433</b>	<b>9,407</b>	<b>-0.3</b>
<b>Number of 4G mobile subscribers (000s) <sup>(3)</sup></b>	<b>3,817</b>	<b>3,527</b>	<b>2,430</b>	<b>57.1</b>
<b>Mobile penetration rate <sup>(4)</sup></b>	<b>ND</b>	<b>ND</b>	<b>132%</b>	
<b>MOUs per subscriber per month <sup>(5)</sup></b>				
Prepaid	120	124	125	-3.3
Postpaid	231	219	206	12.0
<b>ARPU per month (A\$) <sup>(6)</sup></b>				
Prepaid Handset	28	27	26	8.8
Postpaid Handset	59	61	59	0.8
Mobile Broadband <sup>(2)</sup>	23	23	20	12.4
<b>Blended</b>	<b>43</b>	<b>43</b>	<b>41</b>	<b>5.4</b>
<b>Data revenue as a % of service revenue</b>				
- total data	69%	68%	66%	
- non-SMS data	47%	46%	42%	
<b>Tiered data plans</b>				
- postpaid base on tiered data plans <sup>(7)</sup>	78%	75%	41%	
- tiered data plan customers exceeding data bundles	29%	31%	33%	
<b>Market share - total <sup>(4)</sup></b>	<b>ND</b>	<b>ND</b>	<b>29.5%</b>	
<b>Retail postpaid churn rate per month <sup>(8)</sup></b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.4%</b>	

ND denotes not disclosed.

**Notes:**

- (1) This comprises mobile service revenue (both outgoing and incoming) and sales of equipment in Australia, covering Australia Consumer as well as Australia Enterprise.
- (2) Defined as data-only SIMs and include customers on both prepaid and postpaid plans. Postpaid plans incur a monthly subscription fee.
- (3) Defined as 4G handsets on the Optus network.
- (4) Penetration and subscriber market share are estimated by Optus based on published data.
- (5) Based on average number of customers, calculated as the simple average of opening and closing number of customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only mobile broadband.
- (6) Based on average number of customers, calculated as the simple average of opening and closing number of customers. Excludes equipment revenue.
- (7) Defined as a percentage of Consumer Branded customers which excludes Virgin Mobile (which does not offer tiered data plans) and wholesale customers.
- (8) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

**SECTION 6 : PRODUCT INFORMATION****Singtel TV <sup>(1)</sup> (PRODUCT VIEW)**

	Quarter			YOY Chge %
	30 Jun 2015	31 Mar 2015	30 Jun 2014	
Singtel TV revenue (S\$'M) <sup>(2)</sup>	60	55	63	-5.7
Average revenue per customer per month (S\$ per month)	40	39	41	-3.4
Number of residential TV customers (000s)	422	423	418	1.0

**Notes:**

- (1) With effect from 21 January 2015, mio TV has been renamed as Singtel TV.  
(2) Excluding 2014 FIFA World Cup revenue, Singtel TV revenue would be S\$53 million and ARPU would be S\$37 for the corresponding June 2014 quarter.

**SINGAPORE CONSUMER HOME**

	Quarter			YOY Chge %
	30 Jun 2015	31 Mar 2015	30 Jun 2014	
Singapore Consumer home revenue (S\$'M) <sup>(1)(3)</sup>	132	131	133	-0.8
Average revenue per household per month (S\$ per month) <sup>(2)(3)</sup>	61	60	61	0.8
Number of households on triple/quad play services (000s) <sup>(4)</sup>	493	493	488	1.0

**Notes:**

- (1) This comprises fixed broadband, fixed voice and Singtel TV in the residential segment only and does not include mobile.  
(2) Based on average number of households, calculated as the simple average of opening and closing number of households.  
(3) Excluding 2014 FIFA World Cup revenue, Consumer home revenue would be S\$127 million and ARPU would be S\$58 for the corresponding June 2014 quarter.  
(4) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, Singtel TV, fixed voice and mobile.

**SECTION 6 : PRODUCT INFORMATION****OTHER PRODUCTS**

Singapore	Quarter			YOY Chge %
	30 Jun 2015	31 Mar 2015	30 Jun 2014	
<b>Internet</b>				
Number of fixed broadband lines (000s) <sup>(1)</sup>	590	588	579	1.9
<i>Singapore fixed broadband penetration rate</i> <sup>(2)</sup>	107%	106%	108%	
<i>Fixed broadband market share</i> <sup>(3)(4)</sup>	42.1%	42.4%	43.3%	
Number of fibre broadband lines (000s)	440	418	347	26.8
<i>Fibre broadband market share</i> <sup>(4)</sup>	54%	55%	57%	
<b>International Telephone</b>				
International telephone outgoing minutes (m mins) (excl Malaysia)	821	836	876	-6.3
Average collection rate - net basis (S\$/ min) (excl Malaysia)	0.093	0.092	0.095	-2.1
<b>National Telephone</b>				
<b>Fixed working lines (000s)</b> <sup>(5)</sup>				
Residential	837	844	865	-3.2
Business	731	735	746	-2.0
<b>Total</b>	<b>1,568</b>	<b>1,579</b>	<b>1,611</b>	<b>-2.7</b>
<i>Singapore fixed line penetration rate</i> <sup>(6)</sup>	36.5%	36.5%	36.5%	
<i>Singapore fixed working lines ('000s)</i> <sup>(6)</sup>	1,997	1,997	1,972	
<i>Fixed line market share</i> <sup>(6)</sup>	78.5%	79.1%	81.7%	

**Notes:**

- (1) Include ADSL and fibre lines.
- (2) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IDA). The market penetration rate as at 30 June 2015 was based on IDA's latest available published statistics as of 31 May 2015.
- (3) Based on total Singtel ADSL and fibre lines divided by total ADSL, cable and fibre lines in the population.
- (4) The market share data as at 30 June 2015 was based on management's estimates.
- (5) Fixed working lines refer to Direct Exchange Lines (DEL) and Home Digital Lines. Some lines are for connections of second set top box under ADSL bundles.
- (6) The market share data as at 30 June 2015 was based on management's estimates. The other market statistics as at 30 June 2015 were based on IDA's latest available published statistics as of 31 March 2015.

**SECTION 6 : PRODUCT INFORMATION**

Australia	Quarter			YOY Chge %
	30 Jun 2015	31 Mar 2015	30 Jun 2014	
<b>Enterprise Fixed</b>				
Business voice minutes (m min)	1,304	1,310	1,253	4.1
Buildings connected at the end of the period <sup>(1)</sup>	18,242	18,231	18,166	0.4
<b>Wholesale Fixed</b>				
Wholesale domestic voice minutes (m min)	1,025	1,008	989	3.6
<b>Mass Market Fixed</b>				
<b>On-net ARPU (A\$) <sup>(2)</sup></b>				
Voice	36	39	41	-13.3
Broadband <sup>(3)</sup>	54	53	51	5.0
<b>Telephony customers ('000)</b>				
HFC <sup>(4)</sup>	474	469	466	1.6
ULL <sup>(5)</sup>	478	479	493	-2.9
<b>On-net</b>	<b>952</b>	<b>948</b>	<b>959</b>	<b>-0.7</b>
Resale	21	22	26	-20.5
NBN	50	32	11	369.2
<b>Off-net</b>	<b>71</b>	<b>54</b>	<b>37</b>	<b>91.3</b>
<i>HFC bundling rate <sup>(6)</sup></i>	93%	93%	92%	
<i>HFC penetration</i>	<b>34%</b>	<b>33%</b>	<b>33%</b>	
<b>Internet customers (000s)</b>				
<b>On-net</b>				
HFC broadband	433	427	419	3.4
ULL broadband <sup>(5)</sup>	518	524	534	-3.1
Business grade broadband	28	28	29	-1.9
	979	979	982	-0.3
<b>Off-net</b>				
Resale	7	7	9	-26.0
NBN	54	36	13	330.4
<b>Broadband subtotal</b>	<b>1,040</b>	<b>1,023</b>	<b>1,004</b>	<b>3.6</b>
Dial-up	9	9	10	-18.6
<b>Total Internet customers</b>	<b>1,049</b>	<b>1,032</b>	<b>1,014</b>	<b>3.4</b>

**Notes:**

- (1) Directly connected buildings include all connections via all access media - fibre, DSL, fixed wireless, satellite and leases.
- (2) Per month, based on average number of HFC and ULL customers. Comparatives have been restated to be consistent with the current quarter.
- (3) Includes Optus TV with Fetch.
- (4) Includes all customers who take local telephony over the HFC network, and customers who take one or more of pay TV or cable internet services over the HFC network.
- (5) Include wholesale ULL subscribers.
- (6) Based on customers who are receiving a 'bundled benefit' from taking a package of products (local telephony plus at least one of broadband, dial-up internet or pay TV).



**SECTION 7 : GLOSSARY**

<b>“ACCC”</b>	Australian Competition And Consumer Commission.
<b>“ADSL”</b>	Asymmetric digital subscriber line.
<b>“ARPU”</b>	Average revenue per user.
<b>“Associate”</b>	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standard.
<b>“DEL”</b>	Direct exchange lines, which are telephone lines connected directly to a telephone switch.
<b>“DRP”</b>	Device repayment plans.
<b>“Digital business”</b>	Refers to all businesses under Group Digital Life segment.
<b>“EI”</b>	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.
<b>“EBIT”</b>	Earnings before interest and tax.
<b>“EBITDA”</b>	Earnings before interest, tax, depreciation and amortisation, namely the aggregate of operating revenue and other income less operating expenses of the Singapore and Australia operations, and excludes the share of pre-tax results of associates.
<b>“EBITDA margin”</b>	Ratio of EBITDA over operating revenue.
<b>“EPS”</b>	Earnings per share.
<b>“FRS”</b>	Financial Reporting Standard.
<b>“Free Cash Flow”</b>	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
<b>“ICT”</b>	Infocomm Technology.
<b>“IDA”</b>	Infocomm Development Authority of Singapore.
<b>“IP VPN”</b>	Internet Protocol Virtual Private Network.
<b>“MMS”</b>	Multimedia messaging service.
<b>“MOU”</b>	Minutes of use per subscriber.
<b>“NetLink Trust”</b>	NetLink Trust, a business trust established as part of IDA’s effective open access requirements under Singapore’s NextGen NBN, is currently 100% owned by Singtel. NetLink Trust is equity accounted as an associate in the Group as Singtel does not control it. NetLink Trust acquired 100% of OpenNet Pte. Ltd.
<b>“Next Gen NBN”</b>	Next Generation Nationwide Broadband Network in Singapore.
<b>“NM”</b>	Not meaningful.
<b>“Optus”</b>	Singtel Optus Pty Limited, Singtel’s wholly-owned subsidiary, and its subsidiaries.
<b>“SaaS”</b>	Software-as-a-Service.
<b>“SAI”</b>	Singtel Australia Investment Ltd, Singtel’s wholly-owned subsidiary, which has 100% equity interest in Singapore Telecom Australia Investments Pty Limited (“STAI”).
<b>“STAI”</b>	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
<b>“SMS”</b>	Short message service.
<b>“Singapore”</b>	The term refers to the Group’s operations but excludes Optus and the associates. Therefore, this includes the overseas operations of Singtel including Amobee Group.
<b>“Underlying net profit”</b>	Defined as net profit before exceptional items.

## GROUP SUMMARY INCOME STATEMENTS

### For The First Quarter Ended 30 June 2015

	Quarter							YOY Chge %
	30 Jun							
	2015			2015		2015	2014	
	Singapore S\$ m	Asso/JV S\$ m	Corp S\$ m	Singtel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m	
<b>Operating revenue</b>	1,811	-	-	1,811	2,397	4,209	4,148	1.5
Operating expenses	(1,255)	-	-	(1,255)	(1,753)	(3,008)	(2,922)	3.0
Other income	556	-	-	556	645	1,201	1,226	-2.1
	16	-	-	16	25	41	29	42.8
<b>EBITDA</b>	<b>572</b>	<b>-</b>	<b>-</b>	<b>572</b>	<b>670</b>	<b>1,241</b>	<b>1,254</b>	<b>-1.0</b>
- EBITDA margin	31.6%	-	-	31.6%	27.9%	29.5%	30.2%	
<b>Share of associates' pre-tax profits</b>								
Regional mobile associates	-	625	-	625	-	625	594	5.2
Other associates	-	41	-	41	*	41	28	44.0
	-	665	-	665	*	665	622	7.0
<b>EBITDA and share of associates' pre-tax profits</b>	<b>572</b>	<b>665</b>	<b>-</b>	<b>1,237</b>	<b>670</b>	<b>1,907</b>	<b>1,876</b>	<b>1.6</b>
Depreciation & amortisation	(187)	-	-	(187)	(348)	(535)	(533)	0.5
<b>EBIT</b>	<b>384</b>	<b>665</b>	<b>-</b>	<b>1,050</b>	<b>322</b>	<b>1,371</b>	<b>1,344</b>	<b>2.1</b>
Net finance expense								
- net interest expense	(25)	-	-	(25)	(42)	(67)	(63)	7.5
- other finance (expense)/ income	(6)	-	-	(6)	16	10	11	-11.7
	(32)	-	-	(32)	(26)	(58)	(52)	11.6
<b>Profit before EI and tax</b>	<b>353</b>	<b>665</b>	<b>-</b>	<b>1,018</b>	<b>296</b>	<b>1,314</b>	<b>1,292</b>	<b>1.7</b>
Taxation								
- current and deferred taxes	(54)	-	-	(54)	(90)	(143)	(143)	0.1
- share of taxes of associates	-	(213)	-	(213)	*	(213)	(206)	3.6
- withholding taxes <sup>(1)</sup>	-	-	(63)	(63)	-	(63)	(61)	3.0
	(54)	(213)	(63)	(330)	(89)	(419)	(410)	2.3
<b>Profit after tax</b>	<b>299</b>	<b>452</b>	<b>(63)</b>	<b>688</b>	<b>206</b>	<b>895</b>	<b>882</b>	<b>1.4</b>
Minority interests	*	-	-	*	-	*	(1)	nm
<b>Underlying net profit</b>	<b>299</b>	<b>452</b>	<b>(63)</b>	<b>689</b>	<b>206</b>	<b>895</b>	<b>881</b>	<b>1.6</b>
Exceptional items ("EI")(post-tax)	17	32	*	48	(2)	47	(46)	nm
<b>Net profit</b>	<b>316</b>	<b>483</b>	<b>(63)</b>	<b>737</b>	<b>205</b>	<b>942</b>	<b>835</b>	<b>12.8</b>

**Note:**

- (1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding and dividend distribution 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 Group. The cash inflows upon the receipt of dividend are shown in **Section 5**.

## GROUP SUMMARY INCOME STATEMENTS

For The First Quarter Ended 30 June 2015

	Quarter	YOY	
	30 Jun	Chge	Chge in constant currency <sup>(1)</sup>
	2015		
	S\$ m	%	%
<b>Operating revenue</b>	<b>4,209</b>	<b>1.5</b>	<b>8.3</b>
Operating expenses	(3,008)	3.0	10.1
	1,201	-2.1	4.2
Other income	41	42.8	53.0
<b>EBITDA</b>	<b>1,241</b>	<b>-1.0</b>	<b>5.3</b>
<b>-EBITDA margin</b>	<b>29.5%</b>		
<b>Share of associates' pre-tax profits</b>			
- <i>Telkomsel</i>	249	11.9	18.4
- <i>Airtel</i>	168	-12.1	-13.4
- <i>AIS</i>	116	20.9	15.5
- <i>Globe</i>	92	9.0	2.9
Regional mobile associates	625	5.2	5.6
Other associates	41	44.0	44.0
	<b>665</b>	<b>7.0</b>	<b>7.3</b>
<b>EBITDA and share of associates' pre-tax profits</b>	<b>1,907</b>	<b>1.6</b>	<b>5.9</b>
Depreciation & amortisation	(535)	0.5	8.2
<b>EBIT</b>	<b>1,371</b>	<b>2.1</b>	<b>5.0</b>
Net finance expense	(58)	11.6	17.8
<b>Profit before EI and tax</b>	<b>1,314</b>	<b>1.7</b>	<b>4.5</b>
Taxation	(419)	2.3	4.8
<b>Profit after tax</b>	<b>895</b>	<b>1.4</b>	<b>4.4</b>
Minority interests	*	nm	nm
<b>Underlying net profit</b>	<b>895</b>	<b>1.6</b>	<b>4.6</b>
EI (post-tax)	47	nm	nm
<b>Net profit</b>	<b>942</b>	<b>12.8</b>	<b>15.9</b>

**Note:**

(1) Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 30 June 2014.

## BUSINESS SEGMENTS

### For The First Quarter Ended 30 June 2015

	Quarter	YOY	
	30 Jun	Chge	Chge in constant currency <sup>(1)</sup>
	2015		
	S\$ m	%	%
<b>Operating revenue</b>			
Group Consumer	2,603	1.9	11.2
Group Enterprise	1,503	-3.3	-0.2
<b>Core Business</b>	4,106	-0.1	6.9
Group Digital Life	102	195.1	195.1
Corporate	-	nm	nm
<b>Group</b>	<b>4,209</b>	<b>1.5</b>	<b>8.3</b>
<b>EBITDA</b>			
Group Consumer	804	**	8.7
Group Enterprise	483	-4.2	-2.4
<b>Core Business</b>	1,287	-1.6	4.4
Group Digital Life	(31)	-16.4	-16.4
Corporate	(15)	-10.8	-10.8
<b>Group</b>	<b>1,241</b>	<b>-1.0</b>	<b>5.3</b>
<b>EBIT (exclude share of associates' pre-tax profits)</b>			
Group Consumer	434	0.2	8.1
Group Enterprise	335	-5.0	-3.9
<b>Core Business</b>	769	-2.1	2.7
Group Digital Life	(47)	1.5	1.5
Corporate	(16)	-10.3	-10.3
<b>Group</b>	<b>706</b>	<b>-2.2</b>	<b>3.1</b>
<b>Group Enterprise (excluding fibre rollout and maintenance)</b>			
Operating revenue	1,503	-0.6	2.6
EBITDA	483	-1.7	0.1
EBIT	335	-1.5	-0.4

**Note:**

(1) Assuming constant exchange rates for the Australian Dollar from the corresponding periods ended 30 June 2014.

## GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2015 (Unaudited) S\$ million	31 Mar 2015 (Audited) S\$ million	30 Jun 2014 (Unaudited) S\$ million
<b>Current assets</b>			
Cash and cash equivalents	1,390	563	649
Trade and other receivables	3,950	3,885	3,599
Inventories	276	290	242
Derivative financial instruments	28	30	1
	<b>5,643</b>	<b>4,768</b>	<b>4,491</b>
<b>Non-current assets</b>			
Property, plant and equipment	10,520	10,683	10,980
Intangible assets	11,875	11,949	10,741
Associates	282	275	178
Loan to an associate	1,611	1,611	1,331
Joint ventures	10,101	10,571	9,576
Available-for-sale investment:	232	268	302
Deferred tax assets	794	804	839
Derivative financial instruments	592	742	288
Other non-current receivables	461	397	287
	<b>36,467</b>	<b>37,299</b>	<b>34,522</b>
<b>Total assets</b>	<b>42,110</b>	<b>42,067</b>	<b>39,013</b>
<b>Current liabilities</b>			
Trade and other payables	4,160	4,464	3,517
Advance billings	655	614	630
Current tax liabilities	492	419	432
Borrowings (unsecured)	-	150	-
Borrowings (secured)	26	24	37
Derivative financial instruments	2	17	8
Net deferred gain <sup>(1)</sup>	68	68	58
	<b>5,402</b>	<b>5,757</b>	<b>4,681</b>
<b>Non-current liabilities</b>			
Borrowings (unsecured)	8,406	8,591	6,843
Borrowings (secured)	248	214	175
Derivative financial instruments	295	265	419
Advance billings	265	265	294
Net deferred gain <sup>(1)</sup>	1,350	1,370	1,146
Deferred tax liabilities	511	522	470
Other non-current liabilities	279	316	315
	<b>11,354</b>	<b>11,542</b>	<b>9,662</b>
<b>Total liabilities</b>	<b>16,756</b>	<b>17,299</b>	<b>14,343</b>
<b>Net assets</b>	<b>25,354</b>	<b>24,768</b>	<b>24,670</b>
<b>Share capital and reserves</b>			
Share capital	2,634	2,634	2,634
Reserves	22,685	22,099	22,011
<b>Equity attributable to shareholders of the Company</b>	<b>25,319</b>	<b>24,733</b>	<b>24,645</b>
Non-controlling interests	35	35	25
<b>Total equity</b>	<b>25,354</b>	<b>24,768</b>	<b>24,670</b>

**Note:**

(1) This relates to deferred gain on transfer of certain assets and business to NetLink Trus

## SINGAPORE CASH FLOW STATEMENT

### For The First Quarter Ended 30 June 2015

	Quarter			YOY Chge %
	30 Jun 2015 S\$ m	30 Jun 2014 S\$ m	31 Mar 2015 S\$ m	
<b>Net cash inflow from operating activities</b>				
<b>Profit before exceptional items and tax</b>	353	357	302	-1.1
Non-cash items	226	210	214	7.3
<b>Operating cash flow before working capital changes</b>	578	567	515	2.0
<b>Changes in operating assets and liabilities</b>	(148)	(39)	192	278.5
	<b>430</b>	<b>528</b>	<b>707</b>	<b>-18.4</b>
Cash paid to employees under performance share plans	*	(1)	-	nm
Tax (paid)/ refund on operating activities	(1)	2	(17)	nm
<b>Operating cash flow</b>	<b>429</b>	<b>529</b>	<b>690</b>	<b>-19.0</b>
<b>Net cash (outflow)/ inflow for investing activities</b>				
Accrued capital expenditure	(77)	(57)	(407)	35.3
Changes in creditors' balances	(102)	(118)	145	-13.8
Cash capital expenditure	(179)	(175)	(262)	2.1
Net repayment to Optus from STAI <sup>(1)</sup>	-	-	(65)	-
Dividend received by STAI from Optus <sup>(1)</sup>	-	-	616	-
Withholding tax paid on interest received on inter-company loans	-	-	(15)	-
Payment for purchase of subsidiaries, net of cash acquired	-	(10)	4	nm
Investment in venture investments	(16)	(11)	*	38.9
Proceeds from disposal of venture investments	19	41	14	-53.0
Proceeds from disposal of property, plant and equipment	*	1	5	nm
Others	17	12	8	38.7
	<b>(158)</b>	<b>(143)</b>	<b>305</b>	<b>10.9</b>
<b>Net cash outflow for financing activities</b>				
Net (decrease)/ increase in borrowings	(98)	(955)	7	-89.8
Net interest paid on borrowings and swaps	(38)	(43)	(31)	-11.4
Interim dividend paid to shareholders	-	-	(1,084)	-
Purchase of performance shares	(15)	(7)	(13)	130.8
Others	-	-	*	-
	<b>(151)</b>	<b>(1,004)</b>	<b>(1,121)</b>	<b>-85.0</b>
<b>Net increase/ (decrease) in cash balance from Singapore</b>	<b>120</b>	<b>(618)</b>	<b>(126)</b>	<b>nm</b>
<b>Net increase/ (decrease) in cash balance from Singapore</b>	<b>120</b>	<b>(618)</b>	<b>(126)</b>	<b>nm</b>
Dividends received from associates	761	747	116	1.9
Withholding tax paid	(80)	(75)	(13)	5.7
<b>Net dividends received from associates</b>	<b>682</b>	<b>672</b>	<b>103</b>	<b>1.5</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>802</b>	<b>54</b>	<b>(23)</b>	<b>@</b>
Singtel cash and cash equivalents at beginning	453	418	476	8.3
Exchange effects on cash and cash equivalents	(3)	(1)	*	107.1
<b>Singtel cash and cash equivalents at end</b>	<b>1,252</b>	<b>471</b>	<b>453</b>	<b>165.9</b>
<b>Singapore free cash flow</b>	<b>250</b>	<b>354</b>	<b>428</b>	<b>-29.4</b>
<b>Free cash flow from associates' dividends</b>	<b>682</b>	<b>672</b>	<b>103</b>	<b>1.5</b>
<b>Cash capex to operating revenue</b>	<b>10%</b>	<b>10%</b>	<b>14%</b>	

**Note:**

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

## OPTUS CASH FLOW STATEMENT

### For The First Quarter Ended 30 June 2015

	Quarter			YOY Chge %
	30 Jun 2015 A\$ m	30 Jun 2014 A\$ m	31 Mar 2015 A\$ m	
<b>Net cash inflow from operating activities</b>				
Profit before exceptional items and tax	283	268	355	5.5
Non-cash items	359	299	357	19.8
<b>Operating cashflow before working capital changes</b>	641	567	712	13.1
<b>Changes in operating assets and liabilities</b>	(219)	(83)	35	164.0
Tax paid	(65)	(41)	(63)	60.3
<b>Operating cash flow</b>	<b>357</b>	<b>444</b>	<b>685</b>	<b>-19.5</b>
<b>Net cash outflow from investing activities</b>				
Accrued capital expenditure	(301)	(259)	(430)	16.5
Changes in creditors' balances	(15)	(59)	150	-75.0
Cash capital expenditure	(316)	(317)	(280)	-0.4
Payment for purchase of subsidiary, net of cash required	-	-	(10)	-
Loan to STAI <sup>(1)</sup>	-	-	(142)	-
Repayment of loan by STAI <sup>(1)</sup>	-	-	210	-
Payment for purchase of spectrum	(26)	(68)	*	-61.1
Others	(30)	(10)	(30)	184.9
	<b>(372)</b>	<b>(396)</b>	<b>(252)</b>	<b>-6.0</b>
<b>Net cash inflow/ (outflow) from financing activities</b>				
Net increase/ (decrease) in bank borrowings	88	(20)	120	nm
Dividend paid to STAI <sup>(1)</sup>	-	-	(560)	-
Net interest paid on borrowings and swaps	(44)	(46)	(34)	-3.9
Purchase of Singtel shares	-	(13)	-	nm
Finance lease payments (exclude interest)	(1)	(2)	(1)	-66.8
	<b>43</b>	<b>(80)</b>	<b>(475)</b>	<b>nm</b>
<b>Net increase/ (decrease) in cash balance from Optus</b>	<b>28</b>	<b>(32)</b>	<b>(42)</b>	<b>nm</b>
Dividend received from associates	-	9	5	nm
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>28</b>	<b>(24)</b>	<b>(36)</b>	<b>nm</b>
Optus cash and cash equivalents at beginning	105	175	141	-40.1
<b>Optus cash and cash equivalents at end</b>	<b>133</b>	<b>152</b>	<b>105</b>	<b>-12.1</b>
<b>Optus free cash flow</b>	<b>41</b>	<b>126</b>	<b>405</b>	<b>-67.2</b>
<b>Free cash flow from associates' dividends</b>	<b>-</b>	<b>9</b>	<b>5</b>	<b>nm</b>
<b>Cash capex to operating revenue</b>	<b>14%</b>	<b>15%</b>	<b>12%</b>	

**Note:**

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

**OPTUS FINANCIALS IN AUSTRALIAN DOLLARS**

	Quarter		YOY Chge %
	30 Jun		
	2015 A\$ m	2014 A\$ m	
<b>Operating revenue</b>	<b>2,295</b>	<b>2,061</b>	<b>11.3</b>
Operating expenses	(1,678)	(1,480)	13.4
Other income	24	16	50.3
<b>EBITDA</b>	<b>641</b>	<b>597</b>	<b>7.3</b>
<b>- margin</b>	<b>27.9%</b>	<b>29.0%</b>	
Share of results of joint ventures	*	*	nm
<b>EBITDA and share of results of joint ventures</b>	<b>641</b>	<b>597</b>	<b>7.3</b>
Depreciation & amortisation	(333)	(306)	8.9
<b>EBIT</b>	<b>308</b>	<b>291</b>	<b>5.7</b>
Net finance expense	(25)	(23)	6.9
<b>Profit before exceptional items and tax</b>	<b>283</b>	<b>268</b>	<b>5.6</b>
Taxation	(85)	(81)	5.8
<b>Underlying net profit</b>	<b>198</b>	<b>187</b>	<b>5.4</b>
Exceptional items (post-tax)	(2)	(24)	-93.2
<b>Net profit</b>	<b>196</b>	<b>164</b>	<b>19.6</b>



Optus' contribution to certain Group items in the statement of financial position were –

	As at		
	30 Jun 2015 A\$ m	31 Mar 2015 A\$ m	30 Jun 2014 A\$ m
<b>Property, plant and equipment (net)</b>	<b>6,759</b>	<b>6,748</b>	<b>6,429</b>
Gross debt			
Current debt	1	2	5
Non-current debt	3,016	2,918	2,238
Gross debt as reported in the statement of financial position	3,017	2,920	2,243
Related net hedging assets	(158)	(128)	(8)
	2,859	2,792	2,236
<b>Less:</b> Cash and bank balances	(133)	(105)	(152)
<b>Net debt</b>	<b>2,726</b>	<b>2,687</b>	<b>2,084</b>

**BUSINESS SEGMENT INFORMATION FOR FY 2015**

From 1 April 2015, certain businesses such as AMPed, Dash, Hungry-Go-Where, inSing.com and Newsloop which were previously within Group Digital Life were transferred to Singapore Consumer. To better reflect the underlying performance of the business segments, the results for the respective comparative periods have been restated on basis that the businesses were transferred from 1 April 2014 (instead of 1 April 2015). The comparatives have also included changes arising from refinement of revenue/ cost allocation methodologies between the various business units in Singapore. The Group's overall results for the respective periods remained unchanged.

	Quarter			Quarter			Quarter			Quarter			Year		
	30 Jun			30 Sep			31 Dec			31 Mar			31 Mar		
	Restated 2014 S\$ m	Change S\$ m	Change %	Restated 2014 S\$ m	Change S\$ m	Change %	Restated 2014 S\$ m	Change S\$ m	Change %	Restated 2015 S\$ m	Change S\$ m	Change %	Restated 2015 S\$ m	Change S\$ m	Change %
<b>Revenue</b>															
Group Consumer	2,553	9	0.3	2,640	10	0.4	2,770	8	0.3	2,629	7	0.3	10,593	33	0.3
Group Enterprise	1,555	(0.6)	**	1,598	(1)	-0.1	1,559	(1)	**	1,606	(0.5)	**	6,318	(3)	**
Group Digital Life	35	(8)	-23.6	76	(9)	-11.8	98	(7)	-7.3	104	(6)	-6.0	313	(31)	-9.8
Corporate	5	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-
<b>Group</b>	<b>4,148</b>	<b>-</b>	<b>-</b>	<b>4,309</b>	<b>-</b>	<b>-</b>	<b>4,427</b>	<b>-</b>	<b>-</b>	<b>4,339</b>	<b>-</b>	<b>-</b>	<b>17,223</b>	<b>-</b>	<b>-</b>
<b>EBITDA</b>															
Group Consumer	804	(2)	-0.3	847	(3)	-0.3	796	(3)	-0.4	858	(4)	-0.5	3,304	(12)	-0.4
Group Enterprise	504	(6)	-1.1	547	(7)	-1.2	491	(6)	-1.1	497	(5)	-0.9	2,039	(23)	-1.1
Group Digital Life	(37)	8	-21.6	(40)	10	-24.7	(40)	9	-22.1	(62)	9	-14.9	(180)	36	-20.1
Corporate	(17)	(0.1)	0.6	(19)	(1)	3.6	(18)	(0.3)	1.7	(19)	(0.2)	1.1	(73)	(1)	1.8
<b>Group</b>	<b>1,254</b>	<b>-</b>	<b>-</b>	<b>1,334</b>	<b>-</b>	<b>-</b>	<b>1,229</b>	<b>-</b>	<b>-</b>	<b>1,274</b>	<b>-</b>	<b>-</b>	<b>5,091</b>	<b>-</b>	<b>-</b>
<b>EBIT (exclude share of associates' pre-tax profits)</b>															
Group Consumer	433	(5)	-1.2	476	(5)	-1.1	425	(5)	-1.2	481	(7)	-1.5	1,816	(23)	-1.3
Group Enterprise	352	(6)	-1.8	395	(8)	-2.0	338	(7)	-2.0	341	(6)	-1.8	1,426	(27)	-1.9
Group Digital Life	(46)	12	-25.2	(63)	14	-21.8	(57)	12	-21.6	(71)	14	-19.4	(237)	52	-21.7
Corporate	(18)	(0.1)	0.6	(19)	(1)	3.7	(18)	(0.4)	2.2	(20)	(0.4)	2.0	(75)	(2)	2.1
<b>Group</b>	<b>722</b>	<b>-</b>	<b>-</b>	<b>789</b>	<b>-</b>	<b>-</b>	<b>688</b>	<b>-</b>	<b>-</b>	<b>731</b>	<b>-</b>	<b>-</b>	<b>2,929</b>	<b>-</b>	<b>-</b>

Please refer to **SGX Appendix 7.2** announcement for the first quarter ended 30 June 2015 for group segment information prepared on statutory basis.

**CURRENCY RISK MANAGEMENT & OTHER MATTERS**

The Group maintains a policy of hedging 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 specifically approved by the Board.

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.

To minimise the adverse impact of foreign exchange movements on the Group's financial position, the Group determines the appropriate debt currency mix by matching it to the currency mix of the Group's underlying cash flows.

Debt Currency Mix	As at		
	30 Jun 2015	31 Mar 2015	30 Jun 2014
SGD	65%	66%	63%
AUD	35%	34%	37%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The debt currency mix is constantly being reviewed and aligned with the Group's cash flows.

**CREDIT RATINGS**

As at 30 Jun 2015	Singtel	Optus
Standard & Poor's	A+ (stable)	A (stable)
Moody's Investors Service	Aa3 (stable)	A1 (stable)

## MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	Full Year
Derived weighted average exchange rate <sup>(1)</sup> for:					
Operating revenue					
<u>SGD</u>					
FY2016	1.0446	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FY2015	1.1688	1.1574	1.1073	1.0664	1.1234
Change (last corresponding period)	-10.6%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Underlying net profit					
<u>SGD</u>					
FY2016	1.0445	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FY2015	1.1686	1.1563	1.1053	1.0640	1.1206
Change (last corresponding period)	-10.6%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Note:**

(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.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	Full Year
<b>Rupiah</b>					
FY2016	9,804	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FY2015	9,259	9,434	9,434	9,434	9,395
Change (last corresponding period)	5.9%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Indian Rupee</b>					
FY2016	47.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FY2015	47.8	48.3	47.8	45.9	47.5
Change (last corresponding period)	-1.3%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Baht</b>					
FY2016	24.8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FY2015	25.9	25.6	25.3	24.0	25.2
Change (last corresponding period)	-4.2%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Peso</b>					
FY2016	33.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FY2015	35.2	35.0	34.6	32.8	34.3
Change (last corresponding period)	-5.7%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2016**

- **Consolidated results and cash flow may be impacted by material exchange rate movements in the Australian Dollar and regional currencies.** The Group's outlook for the current financial year is based on the following average exchange rates during FY 2015:

Australian Dollar	AUD 1	SGD 1.1234
Indonesian Rupiah	SGD 1	IDR 9,395
Indian Rupee	SGD 1	INR 47.5
Thailand Baht	SGD 1	THB 25.2
Philippine Peso	SGD 1	PHP 34.3

- **Revenue from Core Business (comprises Group Consumer and Group Enterprise) to grow at mid single digit level and EBITDA to grow at low single digit level.**
- **Mobile Communications revenue from Singapore to grow at mid single digit level.**
- **Mobile service revenue from Australia to grow at low single digit level.**
- **Group ICT revenue (comprises Managed Services and Business Solutions) to grow at mid single digit level.**
- **Revenue from Amobee Group to be S\$350-S\$400 million. Group Digital Life to record negative EBITDA of S\$150-S\$180 million.**
- **Excluding Trustwave<sup>1</sup> and acquisitions, consolidated revenue of the Group to grow at mid single digit level and EBITDA to grow at low single digit level.**
- **Capital expenditure for the Group on an accrual basis is expected to approximate S\$3.0 billion, comprising approximately S\$1.9 billion for Australia and S\$1.1 billion for Singapore in FY 2016. This reflects the Group's multi-year investments in a new data centre in Singapore, continued strategic investments in mobile network, particularly in Australia, and expected increased spend in customer care and management systems.**
- **Capital expenditure for the Group on a cash basis is expected to approximate S\$2.3 billion, with credit terms in place.**
- **Group free cash flow (excluding dividends from associates) to be approximately S\$1.5 billion.**
- **Ordinary dividends from regional mobile associates are expected to be approximately S\$1.1 billion.**

<sup>1</sup> The Group's acquisition of Trustwave is subject to the fulfilment of certain conditions precedent, including relevant approvals from regulatory authorities and other third parties.