



News Release

Strong business performance drives results for Q3 and 9 months ended Dec 2015

- Mobile data growth, ICT services and digital marketing drive growth
- Q3 net profit slides 2% to S\$954 million; up 1% in constant currency terms
- Operating revenue at S\$4.47 billion; up 6% in constant currency terms
- Net profit for first 9 months up 3% to S\$2.93 billion despite currency headwinds

Singapore, 12 February 2016 – Singtel delivered robust core earnings for the third quarter due to growth in mobile data and ICT services. The Group's digital marketing business also gained traction, showing improvement for the quarter. However, network and spectrum investments plus costs of building core enterprise and digital capabilities, combined with currency exposure, diluted the Group's results. Net profit for the quarter slid 2% to S\$954 million but would have risen 3% if not for a one-off tax credit last year and impact from Trustwave acquired in September 2015. In constant currency terms, net profit grew 1%, and would have increased 6% if adjusted for the tax credit and Trustwave. Net profit for the 9 months to date was up 3% to S\$2.93 billion and up 6% in constant currency terms.

Ms Chua Sock Koong, Singtel Group CEO said, "Innovations and investments in our core Consumer and Enterprise businesses continued to deliver. We focused on giving customers the best mobile data and entertainment experience by offering a mix of flexible data plans and differentiated content. This has seen more mobile customers in Singapore and Australia trade up to higher-tier plans."

Increased data consumption from high usage in mobile internet and video was supported by sustained network and spectrum investments across Singapore and Australia. These investments position the Group to capture exponential data growth in a mobile-first digital world but will impact free cashflow in the near term. Singtel's 4G network has the widest coverage at 99.8%¹ in Singapore while Optus is poised to further expand its 4G coverage in regional Australia after securing the 1800MHz spectrum. Optus' 4G coverage now reaches 92% of the Australian population.

In the emerging markets, mobile data remained the key growth driver. Singtel's regional mobile associates continued to reap the benefits of aggressive investments in 3G and 4G networks and services. Despite higher depreciation and amortisation charges, the regional associates' post-tax earnings grew by 3% this quarter. Telkomsel delivered strong revenue growth with higher smartphone adoption and data consumption. AIS also launched 4G services on its recently-acquired 1800MHz spectrum and will further invest in both 3G and 4G networks.

¹ Source: IDA 4G Measurement Survey Results for Q3 2015.
Singapore Telecommunications Limited
Company registration number: 199201624D



In the Enterprise space, Singtel registered steady performance for the quarter thanks to strong ICT growth across Singapore and Australia and new contract wins in cloud computing. Trustwave established strategic partnerships with global telecom carriers including associates in the region, creating further growth paths for cyber security.

Ms Chua Sock Koong, Singtel Group CEO adds, "We are investing significantly in our engineering talent and strengthening our core capabilities in cyber security, data analytics and cloud computing. This is helping the Enterprise business stay relevant and resilient in the face of both technology disruption and softer business sentiment."

GROUP CONSUMER

The Consumer business in both Singapore and Australia delivered strong EBITDA growth.

In Singapore, mobile data growth remained strong as postpaid customers traded up to higher-tier plans with 26% exceeding their data bundles while more than half of prepaid customers tapped mobile data services.

The launch of data-centric SIM-Only plans in Singapore saw strong take-up, with new customers making up more than two-thirds of the new sign-ups. Non-SMS data revenues also grew, accounting for 41% of ARPU, up from 36% last year.

However, declines in roaming and IDD services and softer handset sales saw Singapore revenue drop 4% overall. Singapore Consumer EBITDA rose 9% with cost discipline and as selling costs dropped with lower re-contracting activities.

The Group deepened efforts to offer differentiated content to drive growth and loyalty in home and mobile services. Marketing and content partnerships were signed with video streaming providers like Netflix and Viu.

In Australia, Optus Consumer revenue grew 6% on continued growth in mobile and fixed as well as strong handset sales. EBITDA grew 5%. Data revenues grew 10% on increasing penetration of 4G services. Branded postpaid customers grew 89,000. Mobile handset customers grew 41,000.

Optus Consumer continued to offer customers exciting and differentiated content through partnerships with Netflix and Cricket Australia.

GROUP ENTERPRISE

Group Enterprise extended its capabilities to business and government customers in cyber security, cloud computing, big data and smart nation solutions.

Excluding fibre rollout, Group Enterprise revenues grew 8% and EBITDA rose 2%. In constant currency terms, revenues jumped 10% and EBITDA rose 4%. This after factoring in the first full-quarter revenue and EBITDA contributions of S\$75 million and S\$3 million from Trustwave.

Optus Business saw significant contract wins and re-signs from the Australian government.



GROUP DIGITAL LIFE

Group Digital Life recorded strong revenue growth driven mainly by Amobee's social, video and mobile advertising business which acquired marquee clients like Microsoft, Lexus and Fiat.

The Group's EBITDA improved 18% with Amobee's better performance and savings from discontinued businesses. In constant currency terms, revenues grew by 13% while losses before interest and tax reduced by 19%.

The Group continued to invest in innovation and initiated Innov8 Connect to crowdsource smart solutions from start-ups to address business challenges faced by the Singtel Group in areas such as enterprise, cloud and safe and smart cities.

Outlook for the current financial year ending 31 March 2016

The Group affirms the guidance previously issued in November 2015.

Please refer to Appendix 2 for further details on the outlook for the current financial year.

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About Singtel

Singtel is Asia's leading communications and ICT solutions group, providing a portfolio of services from next-generation communication, technology services to infotainment to both consumers and businesses. For consumers, Singtel delivers a complete and integrated suite of services, including mobile, broadband and TV. For businesses, Singtel offers a complementary array of workforce mobility solutions, data hosting, cloud, network infrastructure, analytics and cyber-security capabilities. The Group has presence in Asia, Australia and Africa and reaches over 595 million mobile customers in 25 countries. Its infrastructure and technology services for businesses spans 21 countries, with more than 200 direct points of presence in 160 cities.

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Financial Highlights for the Quarter Ended 31 Dec 2015

	2015 (S\$m)	2014 (S\$m)	YOY Change	YOY Change Constant Currency ²
Group revenue	4,474	4,427	1.1%	6.2%
EBITDA	1,220	1,229	(0.7%)	4.5%
Regional Mobile Associates pre-tax earnings ³	647	646	0.2%	1.0%
EBITDA and share of associates' pre-tax earnings	1,918	1,896	1.2%	4.8%
Underlying net profit ⁴	955	970	(1.5%)	1.2%
Exceptional items (post-tax)	(1)	*	nm	nm
Net profit	954	970	(1.7%)	1.1%
Free cash flow	585	669	(12.5%)	nm

Financial Highlights for the Nine Months Ended 31 Dec 2015

	2015 (S\$m)	2014 (S\$m)	YOY Change	YOY Change Constant Currency ²
Group revenue	12,867	12,884	(0.1%)	6.5%
EBITDA	3,751	3,817	(1.7%)	4.7%
Regional Mobile Associates pre-tax earnings ³	1,904	1,869	1.9%	2.7%
EBITDA and share of associates' pre-tax earnings	5,821	5,750	1.2%	5.8%
Underlying net profit ⁴	2,824	2,830	(0.2%)	3.1%
Exceptional items (post-tax)	101	13	@	@
Net profit	2,925	2,843	2.9%	6.1%
Free cash flow	2,036	2,585	(21.2%)	nm

@ denotes over +500%
nm denotes not meaningful

² Assuming constant exchange rates from the corresponding period in FY 2015.

³ Exclude exceptional items. Post-tax earnings (including exceptional items) grew by 2.8% for the quarter ended 31 December 2015.

⁴ Defined as net profit before exceptional items.



Appendix 1 (continued)

Foreign Exchange Movements

Currency	Quarter Ended 31 Dec 2015			Nine Months Ended 31 Dec 2015	
	Exchange Rate ⁵	Increase/(Decrease) Against S\$		Exchange Rate ⁵	Increase/(Decrease) Against S\$
		YOY	QOQ		
1 AUD ⁶	S\$1.0138	(8.4%)	0.5%	S\$1.0222	(10.6%)
IDR	9,804	(3.9%)	2.0%	9,875	(5.2%)
INR	46.7	2.3%	-	46.9	2.3%
PHP	33.3	3.8%	(0.6%)	33.2	5.1%
THB	25.4	(0.4%)	(0.4%)	25.2	1.6%

⁵ Average exchange rates for the quarter and nine months ended 31 December 2015.

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

- The outlook for the current financial year does not include the impact of the following:
 - Wholesale price changes for MTAS with effect from 1 January 2016, which are expected to reduce Optus' incoming mobile service revenue by approximately A\$200 million for the quarter and financial year ending 31 March 2016. This is not expected to have a material impact on Optus' EBITDA for the current financial year.
 - The effects of the acquisition of Trustwave, whose results, financial position and cash flows are not yet material to the Group.
- 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 low 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 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.