



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

### **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2017**

*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 September 2017 are unaudited.*

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

*For all pages, "@" denotes more than +/- 500%, "\*" denotes less than +/- S\$0.5 million or A\$0.5 million 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.*

## Table Of Contents

---

<b>Section 1 : Group</b>	<b>Pg</b>
Financial Highlights.....	1
Group Summary Income Statements.....	3
Business Segments.....	4
Interim and Special Dividends.....	5
Review Of Group Operating Performance.....	5
Sequential Quarterly Results.....	7
Outlook For The Current Financial Year Ending 31 March 2018.....	7
Operating Revenue.....	8
Operating Expenses.....	10
Staff Costs.....	11
Net Finance Expense.....	12
Exceptional Items.....	13
Tax Expense.....	14
Summary Statements Of Financial Position.....	15
Liquidity And Gearing.....	16
Cash Flow And Capital Expenditure.....	17
 <b>Section 2 : Group Consumer</b>	
Financial Highlights.....	19
Group Consumer Summary Income Statements .....	20
Operating Highlights.....	21
Singapore Consumer Summary Income Statements.....	22
Australia Consumer Summary Income Statements.....	25
 <b>Section 3 : Group Enterprise</b>	
Financial Highlights.....	29
Group Enterprise Summary Income Statements.....	30
Operating Highlights.....	31
Singapore Enterprise Summary Income Statements.....	33
Australia Enterprise Summary Income Statements.....	34
 <b>Section 4 : Group Digital Life</b>	
Financial Highlights.....	35
Group Digital Life Summary Income Statements.....	36
Operating Highlights.....	37

**Table Of Contents (continued)**

---

<b>Section 5 : Associates/ Joint Ventures</b>	<b>Pg</b>
Financial Highlights.....	39
Share Of Results Of Associates/ Joint Ventures.....	40
Proforma Information.....	48
Cash Dividends/ Distributions From Associates/ Joint Ventures.....	51
Key Operational Data.....	52
<b>Section 6 : Product Information</b>	
Singapore Mobile (Product View).....	53
Australia Mobile (Product View).....	54
Singtel TV (Product View).....	55
Singapore Consumer Home.....	55
Other Products.....	56
<b>Section 7 : Glossary</b> .....	<b>58</b>
<b>Appendix 1 : Group Summary Income Statements</b>	
<b>Appendix 2 : Group Statements Of Financial Position</b>	
<b>Appendix 3 : Cash Flow Statements of Singapore And Optus</b>	
<b>Appendix 4 : Optus Financials In Australian Dollars</b>	
<b>Appendix 5 : Currency Risk Management &amp; Other Matters</b>	
<b>Appendix 6 : Outlook For The Current Financial Year Ending 31 March 2018</b>	

**SECTION 1 : GROUP**

---

**FINANCIAL HIGHLIGHTS****FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2017**

- **Operating revenue grew 6.9% (4.3% in constant currency terms<sup>1</sup>) boosted by contribution from Turn acquired in April 2017.**
- **EBITDA rose 4.8% and would have increased 2.1% in constant currency terms<sup>1</sup>.**
- **Profit contributions from associates fell on lower profit at Airtel with continued disruptive price competition in India as well as lower contribution from NetLink NBN Trust.**
- **Underlying net profit was down 4.1% to S\$929 million and would have increased 2.5% excluding Airtel.**
- **Record net profit at S\$2.89 billion with NetLink Trust's divestment gain.**
- **Free cash flow grew 12% to S\$718 million on working capital movements partially offset by higher capital expenditure.**

**FINANCIAL HIGHLIGHTS****FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017**

- **Operating revenue and EBITDA grew 7.6% and 3.7% respectively.**
- **In constant currency terms<sup>1</sup>, operating revenue and EBITDA would have increased 5.3% and 1.5% respectively.**
- **Profit contributions from associates declined on lower profit at Airtel, partly offset by profit growth at Telkomsel and contribution from Intouch (acquired in November 2016).**
- **Underlying net profit was down 3.8% to S\$1.84 billion and would have increased 2.7% excluding Airtel.**
- **Net profit almost doubled with higher exceptional gains.**
- **Free cash flow increased by 7.3% to S\$2.01 billion on higher EBITDA and working capital movements partly offset by higher capital expenditure.**

---

<sup>1</sup> Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2016.

## SECTION 1 : GROUP

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	4,370	4,086	6.9	8,602	7,994	7.6
EBITDA	1,292	1,233	4.8	2,561	2,469	3.7
- EBITDA margin	29.6%	30.2%		29.8%	30.9%	
Share of associates' pre-tax profits <sup>(1)</sup>	659	725	-9.1	1,389	1,478	-6.0
EBITDA and share of associates' pre-tax profits <sup>(1)</sup>	1,951	1,958	-0.4	3,950	3,947	0.1
EBIT <sup>(1)</sup>	1,352	1,410	-4.1	2,779	2,855	-2.7
(exclude share of associates' pre-tax profits) <sup>(1)</sup>	693	684	1.2	1,390	1,377	1.0
Underlying net profit <sup>(1)</sup>	929	969	-4.1	1,839	1,912	-3.8
(exclude Airtel) <sup>(1)(2)</sup>	899	877	2.5	1,773	1,727	2.7
Exceptional items (post-tax) <sup>(1)</sup>	1,960	3	@	1,942	5	@
Net profit	2,889	972	197.1	3,781	1,917	97.3
(exclude Airtel) <sup>(2)</sup>	2,859	881	224.6	3,715	1,709	117.4
Free cash flow	718	641	11.9	2,011	1,874	7.3
Underlying earnings per share (S cents) <sup>(1)</sup>	5.69	6.08	-6.4	11.27	12.00	-6.1
Basic earnings per share (S cents)	17.70	6.10	190.2	23.16	12.03	92.5

	As at		
	30 Sep 2017 S\$ m	30 Jun 2017 S\$ m	30 Sep 2016 S\$ m
	Total assets	47,979	49,138
Shareholders' funds	29,990	28,872	25,037
Net debt <sup>(3)</sup>	9,354	10,553	9,263
Net debt gearing ratio <sup>(4)</sup>	23.8%	26.8%	27.0%
Net debt to EBITDA and share of associates' pre-tax profits <sup>(1)(5)</sup>	1.19X	1.32X	1.17X
Interest cover:			
- EBITDA and share of associates' pre-tax profits/ net interest expense <sup>(1)(6)</sup>	21.1X	22.0X	24.4X

**Notes:**

- (1) Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results to be consistent with the current periods.
- (2) The profits were adjusted to exclude results of Airtel.
- (3) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
- (4) 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.
- (5) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.
- (6) Net interest expense refers to interest expense less interest income.

**SECTION 1 : GROUP****GROUP SUMMARY INCOME STATEMENTS**

For The Second Quarter And Half Year Ended 30 September 2017

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Operating revenue</b>	<b>4,370</b>	<b>4,086</b>	<b>6.9</b>	<b>8,602</b>	<b>7,994</b>	<b>7.6</b>
Operating expenses	(3,125)	(2,901)	7.7	(6,161)	(5,633)	9.4
	1,245	1,186	5.0	2,441	2,361	3.4
Other income	47	47	**	120	107	11.5
<b>EBITDA</b>	<b>1,292</b>	<b>1,233</b>	<b>4.8</b>	<b>2,561</b>	<b>2,469</b>	<b>3.7</b>
- EBITDA margin	<b>29.6%</b>	<b>30.2%</b>		<b>29.8%</b>	<b>30.9%</b>	
Share of associates' pre-tax profits <sup>(1)</sup>	659	725	-9.1	1,389	1,478	-6.0
<b>EBITDA and share of associates' pre-tax profits <sup>(1)</sup></b>	<b>1,951</b>	<b>1,958</b>	<b>-0.4</b>	<b>3,950</b>	<b>3,947</b>	<b>0.1</b>
Depreciation	(520)	(480)	8.4	(1,019)	(956)	6.6
Amortisation of intangibles	(79)	(69)	14.6	(152)	(136)	11.7
	(599)	(549)	9.2	(1,171)	(1,092)	7.2
<b>EBIT <sup>(1)</sup></b>	<b>1,352</b>	<b>1,410</b>	<b>-4.1</b>	<b>2,779</b>	<b>2,855</b>	<b>-2.7</b>
Net finance expense						
- net interest expense	(96)	(82)	17.3	(187)	(162)	15.7
- other finance income	5	11	-52.3	8	25	-68.0
	(91)	(71)	27.9	(179)	(136)	31.3
<b>Profit before exceptional items and tax <sup>(1)</sup></b>	<b>1,261</b>	<b>1,338</b>	<b>-5.8</b>	<b>2,600</b>	<b>2,719</b>	<b>-4.4</b>
Taxation <sup>(1)</sup>	(337)	(374)	-9.7	(773)	(815)	-5.2
<b>Profit after tax <sup>(1)</sup></b>	<b>924</b>	<b>965</b>	<b>-4.3</b>	<b>1,828</b>	<b>1,904</b>	<b>-4.0</b>
Minority interests	6	4	40.5	11	8	42.5
<b>Underlying net profit <sup>(1)</sup></b>	<b>929</b>	<b>969</b>	<b>-4.1</b>	<b>1,839</b>	<b>1,912</b>	<b>-3.8</b>
Exceptional items (post-tax) <sup>(1)</sup>	1,960	3	@	1,942	5	@
<b>Net profit</b>	<b>2,889</b>	<b>972</b>	<b>197.1</b>	<b>3,781</b>	<b>1,917</b>	<b>97.3</b>
<b>Depreciation as % of operating revenue</b>	<b>12%</b>	<b>12%</b>		<b>12%</b>	<b>12%</b>	

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".

**Note:**

(1) Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results to be consistent with the current periods.

**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 and Intouch in Thailand, Airtel in India, Africa and Sri Lanka, 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, Australia, United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT 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. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium OTT 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 %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Operating revenue</b>						
Group Consumer	2,393	2,340	2.3	4,753	4,537	4.8
Group Enterprise	1,700	1,612	5.5	3,298	3,192	3.3
<b>Core Business</b>	<b>4,093</b>	<b>3,951</b>	<b>3.6</b>	<b>8,052</b>	<b>7,728</b>	<b>4.2</b>
Group Digital Life	277	135	105.5	551	266	107.1
<b>Group</b>	<b>4,370</b>	<b>4,086</b>	<b>6.9</b>	<b>8,602</b>	<b>7,994</b>	<b>7.6</b>
<b>EBITDA</b>						
Group Consumer	846	779	8.7	1,677	1,578	6.3
Group Enterprise	476	502	-5.4	960	993	-3.3
<b>Core Business</b>	<b>1,322</b>	<b>1,281</b>	<b>3.2</b>	<b>2,636</b>	<b>2,570</b>	<b>2.6</b>
Group Digital Life	(14)	(27)	-49.5	(37)	(63)	-40.8
Corporate	(16)	(21)	-22.5	(38)	(39)	-2.3
<b>Group</b>	<b>1,292</b>	<b>1,233</b>	<b>4.8</b>	<b>2,561</b>	<b>2,469</b>	<b>3.7</b>
<b>EBIT (exclude share of associates' pre-tax profits)</b>						
Group Consumer	427	403	6.0	864	837	3.3
Group Enterprise	314	346	-9.2	643	676	-4.8
<b>Core Business</b>	<b>742</b>	<b>749</b>	<b>-1.0</b>	<b>1,507</b>	<b>1,512</b>	<b>-0.3</b>
Group Digital Life	(33)	(44)	-24.6	(79)	(96)	-18.2
Corporate	(16)	(21)	-24.5	(38)	(39)	-3.6
<b>Group</b>	<b>693</b>	<b>684</b>	<b>1.2</b>	<b>1,390</b>	<b>1,377</b>	<b>1.0</b>

## SECTION 1 : GROUP

---

### INTERIM AND SPECIAL DIVIDENDS

On 8 November 2017, the Directors approved an interim ordinary dividend of 6.8 cents (H1 FY2017: 6.8 cents) per share, totalling approximately S\$1.10 billion and representing a payout ratio of 60% of underlying net profit for the current half year. A special dividend of 3.0 cents (H1 FY2017: Nil) per share was also approved, totalling approximately S\$500 million out of the S\$2.3 billion of proceeds from the divestment of NetLink Trust. The balance of the proceeds will be used for payment of spectrum acquisitions and growth investments.

The financial statements for the half year ended, and as at, 30 September 2017 have not reflected these dividends. The dividends will be accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the quarter ending 31 December 2017.

In August 2017, Singtel paid a final dividend of 10.7 cents per share totalling S\$1.75 billion in respect of the previous financial year ended 31 March 2017.

### REVIEW OF GROUP OPERATING PERFORMANCE

#### For The Second Quarter Ended 30 September 2017

The Group achieved a record net profit for the quarter with an exceptional gain on the divestment of NetLink Trust. Underlying net profit, however, declined 4.1% due to lower associates' contributions as Airtel continued to be adversely impacted by the disruptive competition in India. Excluding Airtel, the Group's underlying earnings would have been up 2.5% as the Group continued its growth trajectory in its core operations and digital businesses.

Operating revenue grew 6.9% boosted by contribution from Turn, Inc. ("**Turn**") which was acquired in April 2017, as well as growth in ICT services and Data and Internet. Consequently, EBITDA rose 4.8%. In constant currency terms, operating revenue and EBITDA grew 4.3% and 2.1% respectively.

Group Consumer contributed 55% (Q2 FY2017: 57%) and 66% (Q2 FY2017: 63%) to the Group's operating revenue and EBITDA respectively. Operating revenue and EBITDA grew 2.3% and 8.7% respectively. In constant currency terms, operating revenue declined 1.3% while EBITDA grew 5.0%.

Singapore Consumer revenue fell 2.1% attributable to lower Equipment sales and voice revenues, partially offset by higher Consumer Home services. EBITDA, however, grew 6.4% on cost management and lower mobile customer acquisition and retention costs due to timing of smartphone launches. In Australia, operating revenue declined 1.0% from lower Equipment sales while EBITDA rose 4.5% on lower selling and administrative expenses.

Group Enterprise contributed 39% (Q2 FY2017: 39%) and 37% (Q2 FY2017: 41%) to the Group's operating revenue and EBITDA respectively. Operating revenue grew 5.5% driven by higher ICT revenue across Singapore and Australia partially offset by decline in traditional carriage services. EBITDA fell 5.4% with increased mix of ICT revenue as well as higher operating expenses.

GDL contributed 6% to the Group's operating revenue, up from 3% in the same quarter last year. Operating revenue more than doubled with contribution from Turn and strong growth in Amobee's media business. Negative EBITDA decreased by 50% as Amobee (including Turn) turned EBITDA positive as it continued to leverage on enlarged scale and synergies with Turn, partly offset by higher operating costs at HOOQ as it ramped up its businesses.



## SECTION 1 : GROUP

---

Depreciation and amortisation charges rose 9.2% due to higher investments in mobile network and spectrum.

EBIT (before share of results of associates) grew 1.2% to S\$693 million.

The Group and its regional associates continued to record strong customer growth. The combined mobile customer base reached 670 million as at 30 September 2017, up 15 million or 2.3% from a quarter ago.

The associates' underlying profit contributions declined 4.9% to S\$487 million due to lower profit at Airtel as well as lower contribution from NetLink NBN Trust following the reduction in economic interest, partially offset by higher profit at Globe and contribution from Intouch (acquired in November 2016).

Net finance expense increased 28% due mainly to higher interest expense on higher average borrowings from the last corresponding quarter, and lower interest income with the repayment of unitholder loan by NetLink Trust in July 2017.

The net exceptional gain of S\$1.96 billion (Q2 FY2017: S\$3 million) in the quarter comprised mainly of divestment gains on NetLink Trust and venture investments partially offset by impairment charges of acquired intangibles and other charges (see Page 13).

Including the exceptional gains, net profit more than doubled to S\$2.89 billion.

Free cash flow in the quarter was S\$718 million, up 12% from the last corresponding quarter mainly on working capital movements partially offset by higher capital expenditure.

The Group continued to maintain a healthy capital structure. As at 30 September 2017, net debt gearing ratio decreased to 23.8% from 26.8% a quarter ago due to lower debt with repayments from the disposal proceeds of NetLink Trust in the quarter.

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 three-quarters of both the Group's proportionate revenue and EBITDA.

### **For The Half Year Ended 30 September 2017**

For the first half year, operating revenue grew 7.6% and EBITDA rose 3.7%. In constant currency terms, operating revenue and EBITDA would have increased by 5.3% and 1.5% respectively.

With lower associates' underlying profit contributions of 3.7% mainly due to lower profit at Airtel partly offset by profit growth at Telkomsel and contribution from Intouch (acquired in November 2016), underlying net profit fell 3.8% to S\$1.84 billion but was up 2.7% if Airtel was excluded. In constant currency terms, underlying net profit was down 5.2% but grew 1.4% excluding Airtel.

With higher exceptional gains, net profit almost doubled to S\$3.78 billion.

Free cash flow increased 7.3% to S\$2.01 billion on higher EBITDA and working capital movements partly offset by higher capital expenditure.

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

Results for the current quarter compared to the preceding quarter ended 30 June 2017 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2017 S\$ m	30 Jun 2017 S\$ m	
Operating revenue	4,370	4,232	3.3
EBITDA - margin	1,292 29.6%	1,269 30.0%	1.7
Share of associates' pre-tax profits	659	730	-9.7
EBIT	1,352	1,427	-5.3
Underlying net profit	929	910	2.2
Exceptional items (post-tax)	1,960	(18)	nm
Net profit	2,889	892	224.0
Free cash flow	718	1,294	-44.5

EBITDA grew 1.7% on higher operating revenue. The decline in associates' earnings was partly offset by lower withholding taxes from associates' dividends. Consequently, underlying net profit grew 2.2%.

Free cash flow declined on lower associates' dividends and higher cash taxes, partly offset by working capital movements.

**OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2018**

The Group affirms the guidance previously issued in May 2017.

Please refer to **Appendix 6** for further details on the outlook for the current financial year.

## SECTION 1 : GROUP

## OPERATING REVENUE

By Products and Services	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Mobile communications <sup>(1)(2)</sup>	1,511	1,466	3.1	2,989	2,921	2.3
Data and Internet <sup>(2)</sup>	875	812	7.7	1,710	1,596	7.1
<i>Cyber security</i> <sup>(2)</sup>	141	135	4.4	258	250	3.3
<i>Other services</i> <sup>(2)</sup>	516	422	22.3	980	822	19.1
Managed services	657	557	18.0	1,238	1,072	15.4
Business solutions	154	156	-0.9	280	306	-8.4
Infocomm Technology ("ICT")	811	713	13.8	1,518	1,378	10.2
Sale of equipment	378	437	-13.5	814	788	3.3
Digital businesses <sup>(3)</sup>	285	141	101.6	567	277	104.5
National telephone	251	271	-7.5	502	538	-6.8
International telephone	119	124	-3.9	231	252	-8.3
Pay television	98	89	10.4	191	174	10.0
Others <sup>(1)</sup>	42	34	26.6	82	72	14.5
<b>Total</b>	<b>4,370</b>	<b>4,086</b>	<b>6.9</b>	<b>8,602</b>	<b>7,994</b>	<b>7.6</b>
<b>Operating revenue</b>	<b>4,370</b>	<b>4,086</b>	<b>6.9</b>	<b>8,602</b>	<b>7,994</b>	<b>7.6</b>
Associates' proportionate revenue <sup>(4)</sup>	3,466	3,391	2.2	7,098	6,738	5.3
<b>Group's proportionate revenue</b>	<b>7,835</b>	<b>7,477</b>	<b>4.8</b>	<b>15,700</b>	<b>14,732</b>	<b>6.6</b>

**Notes:**

- (1) Mobile Communications include inter-operator mobile tariff discounts of S\$11 million in the current quarter (H1 FY2018: S\$23 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have increased by 3.8% and 3.1% for the quarter and the half year respectively.
- (2) Comparatives have been restated to be consistent with the current periods.
- (3) Comprise revenues mainly from Amobee, HOOQ, DataSpark, AMPed, Dash, inSing.com, and Hungry-Go-Where.
- (4) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by Singtel's effective ownership interest.

**SECTION 1 : GROUP**

Operating Revenue Mix	Quarter		Half Year	
	30 Sep		30 Sep	
	2017 %	2016 %	2017 %	2016 %
Mobile communications	34.6	35.9	34.8	36.5
Data and Internet	20.0	19.9	19.9	20.0
<i>Cyber security</i>	3.2	3.3	3.0	3.1
<i>Other services</i>	11.8	10.3	11.4	10.3
Managed services	15.0	13.6	14.4	13.4
Business solutions	3.5	3.8	3.3	3.8
ICT	18.6	17.4	17.6	17.2
Sale of equipment	8.7	10.7	9.5	9.9
Digital businesses	6.5	3.5	6.6	3.5
National telephone	5.7	6.6	5.8	6.7
International telephone	2.7	3.0	2.7	3.2
Pay television	2.2	2.2	2.2	2.2
Others	1.0	0.8	1.0	0.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

With contribution from Turn acquired in April 2017, operating revenue of the Group grew 6.9% and would have increased 4.3% in constant currency terms.

Mobile Communications revenue grew 3.1% but would be stable in constant currency terms. Data revenue continued to register strong growth across Singapore and Australia. However, the growth was offset by the impact of higher mobile service credits from device repayment plans in Australia as more customers subscribed to the higher rate plans, and lower roaming, voice and SMS revenues.

Data and Internet increased 7.7% driven by higher NBN revenue in Australia from higher migration payments and customer growth.

Revenue from ICT grew 14% mainly from cyber security and provision of infrastructure services in Singapore as well as key contract wins in Australia.

Equipment sales declined 14% in both Singapore and Australia mainly due to timing of smartphone launches, and increase in uptake of handset leasing plans in Australia.

Revenue from Digital Businesses more than doubled with contribution from Turn and strong growth in Amobee's media business.

Including the proportionate share of operating revenue from the associates, the Group's enlarged revenue grew 4.8% to S\$7.84 billion with contribution from Turn (Q2 FY2017: Nil) and higher revenues from AIS and Telkomsel partly offset by lower contribution from NetLink NBN Trust.

**SECTION 1 : GROUP****OPERATING EXPENSES (Before Depreciation and Amortisation)**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales <sup>(1)</sup>	1,210	1,064	13.7	2,365	1,988	18.9
Selling & administrative	726	722	0.6	1,448	1,439	0.6
Staff costs	680	638	6.5	1,349	1,256	7.4
Traffic expenses	405	386	5.0	799	767	4.1
Repair & maintenance	94	90	3.8	187	180	3.7
Others	11	*	nm	14	3	375.9
<b>Total</b>	<b>3,125</b>	<b>2,901</b>	<b>7.7</b>	<b>6,161</b>	<b>5,633</b>	<b>9.4</b>

As a percentage of operating revenue	Quarter		Half Year	
	30 Sep		30 Sep	
	2017 %	2016 %	2017 %	2016 %
Cost of sales <sup>(1)</sup>	27.7%	26.0%	27.5%	24.9%
Selling & administrative	16.6%	17.7%	16.8%	18.0%
Staff costs	15.6%	15.6%	15.7%	15.7%
Traffic expenses	9.3%	9.4%	9.3%	9.6%
Repair & maintenance	2.1%	2.2%	2.2%	2.3%
Others	0.2%	**	0.2%	**
<b>Total</b>	<b>71.6%</b>	<b>70.9%</b>	<b>71.7%</b>	<b>70.5%</b>

**Note:**

(1) Cost of sales include cost of goods sold and service cost such as costs of content and programming.

\*\*\* denotes less than S\$0.5 million. \*\*\*\* denotes less than 0.05%.

Total operating expenses grew 7.7%, and would have increased 5.1% in constant currency terms partly due to various one-off expense accruals written back in the last corresponding quarter.

The increase in Cost of Sales was due to higher Digital and ICT revenues partly offset by lower cost of goods sold from lower shipments.

Traffic expenses increased due mainly to higher NBN access fees in Australia on customer growth.

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

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m	2017 S\$ m	2016 S\$ m		
<b>Staff costs</b>						
Optus	282	270	4.7	556	534	4.0
Singtel and other subsidiaries	353	339	4.1	700	666	5.1
	635	609	4.4	1,255	1,200	4.6
Amobee (including Turn)	45	30	50.8	93	56	67.8
<b>Group</b>	<b>680</b>	<b>638</b>	<b>6.5</b>	<b>1,349</b>	<b>1,256</b>	<b>7.4</b>

	Quarter			Half Year		YOY Chge %
	30 Sep	30 Jun	30 Sep	30 Sep		
	2017	2017	2016	2017	2016	
<b>Average number of staff</b>						
Optus	8,261	8,579	8,917	8,420	8,985	-6.3
Singtel and other subsidiaries	16,526	16,261	16,301	16,392	16,092	1.9
	24,787	24,840	25,218	24,812	25,077	-1.1
Amobee (including Turn)	800	809	582	805	568	41.7
<b>Group <sup>(1)</sup></b>	<b>25,587</b>	<b>25,649</b>	<b>25,800</b>	<b>25,617</b>	<b>25,645</b>	<b>-0.1</b>
<b>Headcount as at end of period</b>						
Optus	8,278	8,475	8,896	8,278	8,896	-6.9
Singtel and other subsidiaries	16,439	16,532	16,324	16,439	16,324	0.7
	24,717	25,007	25,220	24,717	25,220	-2.0
Amobee (including Turn)	819	793	588	819	588	39.3
<b>Group <sup>(1)</sup></b>	<b>25,536</b>	<b>25,800</b>	<b>25,808</b>	<b>25,536</b>	<b>25,808</b>	<b>-1.1</b>

**Note:**

(1) Headcount for staff deployed in capital projects are included in the table above, though the related staff costs were capitalised as part of the cost of property, plant and equipment.

Staff costs grew 6.5% and would have increased 4.5% in constant currency terms with the inclusion of Turn and lower write-back of staff cost accruals.

As at 30 September 2017, Group headcount was 1.1% lower at 25,536 from a year ago, despite including Turn's headcount. The additional headcount from Turn and insourcing of network engineering staff were offset by lower headcount in Optus.

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

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Net interest expense</b>						
- Interest income	2	2	9.5	4	6	-31.0
- Interest expense	(97)	(88)	10.3	(194)	(176)	10.5
	<b>(95)</b>	<b>(86)</b>	<b>10.3</b>	<b>(190)</b>	<b>(170)</b>	<b>11.9</b>
- Net interest (expense)/ income from NetLink Trust <sup>(1)</sup>	(1)	4	nm	3	8	-63.4
	<b>(96)</b>	<b>(82)</b>	<b>17.3</b>	<b>(187)</b>	<b>(162)</b>	<b>15.7</b>
<b>Other finance income</b>						
- Dividend income from Southern Cross/ PCHL	5	6	-15.6	11	24	-55.0
- Investment income <sup>(2)</sup>	1	1	57.1	2	1	133.3
- Net foreign exchange (loss)/ gain (non-trade)	(2)	2	nm	(5)	2	nm
- Net fair value gain/ (loss) <sup>(3)</sup>	1	2	-55.0	*	(1)	nm
	<b>5</b>	<b>11</b>	<b>-52.3</b>	<b>8</b>	<b>25</b>	<b>-68.0</b>
<b>Net finance expense</b>	<b>(91)</b>	<b>(71)</b>	<b>27.9</b>	<b>(179)</b>	<b>(136)</b>	<b>31.3</b>

**Notes:**

- (1) Comprise interest earned on the unitholder's loan to NetLink Trust (which has been fully repaid in July 2017), net of the finance lease expenses on the exchange buildings leased from NetLink Trust.
- (2) Comprise mainly dividend income from Available-For-Sale investments.
- (3) Comprise mainly adjustments for hedging instruments measured at fair values under *FRS 39, Financial Instruments: Recognition and Measurement*.

\*\*\* denotes less than S\$0.5 million.

Interest expense increased 10% on higher average borrowings from the last corresponding quarter, partly offset by decline in average interest rates.

With the repayment of unitholder loan by NetLink Trust in July 2017, interest income from NetLink Trust fell. Consequently, interest expense net of interest income from NetLink Trust was S\$1 million compared to net interest income of S\$4 million in the last corresponding quarter.

Net foreign exchange losses arose mainly from revaluation losses of fixed deposits on depreciation of the US Dollar.

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

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Exceptional gains/ (losses)</b>						
Gain on disposal of units in NetLink Trust	2,053	-	nm	2,053	-	nm
Gain on disposal of venture investments	20	*	nm	20	*	nm
Impairment of acquired intangibles	(51)	-	nm	(51)	-	nm
Impairment of venture investments	(5)	(1)	@	(5)	(1)	@
Staff restructuring costs (mainly Optus)	*	(1)	nm	(19)	(22)	-15.2
Share of Airtel's one-off gains (net)	-	*	nm	-	23	nm
Reversal of impairment provision of venture investments	-	5	nm	*	5	nm
Provision for contingent claims and other charges	(57)	*	nm	(57)	*	nm
<b>Group net exceptional gains (post-tax) <sup>(2)</sup></b>	<b>1,960</b>	<b>3</b>	<b>@</b>	<b>1,942</b>	<b>5</b>	<b>@</b>

**Notes:**

- (1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.
- (2) Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results to be consistent with the current periods.

\*\*\* denotes less than S\$0.5 million.      @ denotes more than +/- 500%.

In the quarter, Singtel recorded an exceptional gain of S\$2.05 billion on the disposal of 75.2% effective interest in NetLink Trust, which included release of net deferred gains of S\$1.10 billion on past sales of infrastructure assets to NetLink Trust. In addition, an impairment charge of S\$51 million was made by Amobee for acquired intangibles arising from migration of technology platform to Turn.

Other exceptional items in this quarter included a gain on sale of venture investments, impairment of venture investments, and other charges.



## SECTION 1 : GROUP

## TAX EXPENSE

	Quarter		YOY	Half Year		YOY
	30 Sep			30 Sep		
	2017	2016	Chge	2017	2016	Chge
	S\$ m	S\$ m	%	S\$ m	S\$ m	%
<b>Income tax expense</b>						
Optus	82	80	3.1	167	163	2.7
Singtel and other subsidiaries	58	52	10.7	115	108	6.8
Tax expense of Singtel and subsidiaries (a)	140	132	6.2	282	270	4.3
Share of associates' tax expense (b) <sup>(1)</sup>	172	213	-19.2	387	438	-11.7
Withholding and dividend distribution taxes on associates' dividend income <sup>(2)</sup>	25	29	-11.8	104	107	-2.6
<b>Total</b>	<b>337</b>	<b>374</b>	<b>-9.7</b>	<b>773</b>	<b>815</b>	<b>-5.2</b>
Profit before exceptional items and tax <sup>(1)</sup>	1,261	1,338	-5.8	2,600	2,719	-4.4
Exclude:						
Share of associates' pre-tax profits <sup>(1)</sup>	(659)	(725)	-9.1	(1,389)	(1,478)	-6.0
<b>Adjusted pre-tax profit (c)</b>	<b>602</b>	<b>613</b>	<b>-1.9</b>	<b>1,211</b>	<b>1,240</b>	<b>-2.3</b>
<b>Effective tax rate of Singtel and subsidiaries (a)/(c)</b>	<b>23.2%</b>	<b>21.5%</b>		<b>23.3%</b>	<b>21.8%</b>	
Share of associates' pre-tax profits (d) <sup>(1)</sup>	659	725	-9.1	1,389	1,478	-6.0
<b>Effective tax rate of associates (b)/(d) <sup>(1)</sup></b>	<b>26.1%</b>	<b>29.4%</b>		<b>27.8%</b>	<b>29.6%</b>	

**Notes:**

- (1) Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results and taxes to be consistent with the current quarter.
- (2) Withholding and Indian dividend distribution taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, the dividend income and related withholding or 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**.

The Group's tax expense decreased mainly on lower associates' taxes as earnings fell. The effective tax rate of the associates were also lower mainly from Globe on significant fair value gains and AIS on depreciation tax benefits.

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

	As at		
	30 Sep 2017 S\$ m	30 Jun 2017 S\$ m	30 Sep 2016 S\$ m
Current assets (excluding cash)	5,512	6,585	4,832
Cash and bank balances	651	632	585
Non-current assets	41,817	41,922	38,141
<b>Total assets</b>	<b>47,979</b>	<b>49,138</b>	<b>43,558</b>
Current liabilities	6,964	7,747	8,468
Non-current liabilities	11,037	12,524	10,047
<b>Total liabilities</b>	<b>18,001</b>	<b>20,272</b>	<b>18,515</b>
<b>Net assets</b>	<b>29,979</b>	<b>28,867</b>	<b>25,043</b>
Share capital	4,127	4,127	2,634
Retained earnings	31,528	30,386	28,667
Currency translation reserve (loss)	(4,928)	(4,735)	(5,128)
Other reserves	(737)	(906)	(1,136)
<b>Equity attributable to shareholders</b>	<b>29,990</b>	<b>28,872</b>	<b>25,037</b>
Minority interests and other reserve	(12)	(5)	6
	<b>29,979</b>	<b>28,867</b>	<b>25,043</b>

The Group continued to be in a strong financial position as at 30 September 2017. It is rated A1 by Moody's and A+ by S&P Global Ratings. Singtel's ratings continued to be strong among its peers in the global telecommunications industry.

The currency translation reserve (loss) in equity increased by S\$193 million from a quarter ago mainly due to recognition of translation losses on the net assets of Airtel and Telkomsel from depreciation in the Indian Rupee and Indonesian Rupiah respectively, partly offset by translation gain on the net investment in Optus on a stronger Australian Dollar.

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

	As at		
	30 Sep 2017	30 Jun 2017	30 Sep 2016
	S\$ m	S\$ m	S\$ m
Gross debt			
Current debt	933	1,739	2,997
Non-current debt	9,236	9,719	7,267
Gross debt as reported in statement of financial position	<b>10,169</b>	<b>11,458</b>	<b>10,264</b>
Related net hedging asset <sup>(1)</sup>	(163)	(273)	(416)
<b>Hedged gross debt</b>	<b>10,006</b>	<b>11,185</b>	<b>9,848</b>
Less: Cash and bank balances	(651)	(632)	(585)
<b>Net debt</b>	<b>9,354</b>	<b>10,553</b>	<b>9,263</b>
<b>Gross debt gearing ratio <sup>(2)</sup></b>	<b>25.0%</b>	<b>27.9%</b>	<b>28.2%</b>
<b>Net debt gearing ratio</b>	<b>23.8%</b>	<b>26.8%</b>	<b>27.0%</b>

**Notes:**

- (1) The net hedging asset 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.

Net debt decreased by S\$1.20 billion from a quarter ago to S\$9.35 billion as at 30 September 2017, mainly due to decrease in hedged borrowings of S\$1.18 billion with repayments from the disposal proceeds of NetLink Trust. Consequently, net debt gearing ratio decreased to 23.8% from 26.8% a quarter ago.

## SECTION 1 : GROUP

## CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Half Year		YOY Chge %
	30 Sep	30 Sep	30 Jun	30 Sep		
	2017	2016	2017	2017	2016	
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m	
<b>Net cash inflow from operating activities</b>						
Profit before exceptional items and tax <sup>(1)</sup>	1,261	1,338	1,340	2,600	2,719	-4.4
Non-cash items <sup>(1)</sup>	39	(102)	(90)	(50)	(271)	-81.4
<b>Operating cash flow before working capital changes</b>	1,300	1,236	1,250	2,550	2,448	4.2
<b>Changes in operating assets and liabilities</b>	(5)	(186)	(158)	(163)	(445)	-63.5
	1,295	1,050	1,092	2,387	2,003	19.2
Cash paid to employees under performance share plans	-	-	(1)	(1)	*	nm
Tax paid on operating activities	(187)	(228)	(71)	(258)	(294)	-12.1
<b>Operating cash flow before dividends from associates</b>	1,108	822	1,021	2,129	1,709	24.5
Dividends/ Distributions received from associates	247	321	961	1,208	1,266	-4.6
Withholding tax paid on dividends received	(19)	(22)	(96)	(115)	(117)	-1.9
	1,336	1,121	1,886	3,222	2,858	12.7
<b>Net cash inflow/ (outflow) for investing activities</b>						
Accrued capital expenditure	(584)	(518)	(341)	(925)	(910)	1.7
Changes in creditors' balances	(34)	39	(251)	(285)	(75)	281.9
Cash capital expenditure	(618)	(480)	(592)	(1,210)	(984)	23.0
Investment in associates	(1)	-	-	(1)	(2)	-70.6
Proceeds/ Deferred proceeds on disposal of associates	1,095	*	-	1,095	43	@
Loan repaid by an associate	1,101	-	-	1,101	-	nm
Payment for purchase of spectrum	(3)	(99)	(934)	(937)	(126)	@
Payment for purchase of other intangibles	(52)	(51)	(43)	(95)	(75)	26.6
Adjustment/ (Payment) for purchase of subsidiaries, net of cash acquired	4	(5)	(340)	(337)	(5)	@
Investment in venture investments	(15)	(10)	(25)	(40)	(22)	83.1
Proceeds from disposal of venture investments	*	3	1	2	54	-97.2
Proceeds from disposal of property, plant and equipment	99	4	4	103	36	182.1
Withholding tax paid on interest received on inter-company loans	(14)	(14)	-	(14)	(14)	-4.2
Others	12	17	2	14	22	-35.8
	1,609	(634)	(1,928)	(319)	(1,073)	-70.3
<b>Net cash (outflow)/ inflow for financing activities</b>						
Net (decrease)/ increase in borrowings	(1,155)	910	280	(875)	228	nm
Settlement of swap for bonds repaid	61	-	-	61	-	nm
Net interest paid on borrowings and swaps	(79)	(76)	(121)	(200)	(178)	12.5
Final dividend paid to shareholders	(1,747)	(1,706)	-	(1,747)	(1,706)	2.4
Purchase of performance shares	(5)	(5)	(10)	(15)	(15)	-1.3
Others	*	-	-	*	-	nm
	(2,925)	(876)	149	(2,775)	(1,671)	66.1
<b>Net increase/ (decrease) in cash and cash equivalents</b>	20	(390)	107	128	114	11.6
Exchange effects on cash and cash equivalents	(1)	9	(9)	(10)	9	nm
<b>Group cash and cash equivalents at beginning</b>	632	966	534	534	462	15.6
<b>Group cash and cash equivalents at end</b>	651	585	632	651	585	11.3
<b>Group free cash flow</b>						
Singapore	202	114	305	508	405	25.5
Optus	287	229	123	411	321	28.1
<b>Group free cash flow (before associates' dividends/ distributions)</b>	490	343	428	918	725	26.6
Dividends/ Distributions received from associates (net of withholding tax)	228	299	865	1,093	1,149	-4.8
<b>Group free cash flow</b>	718	641	1,294	2,011	1,874	7.3
Optus free cash flow (in A\$)	268	221	120	387	320	21.0
<b>Cash capex to operating revenue</b>	14%	12%	14%	14%	12%	

\*\*\* denotes less than S\$0.5 million and "@" denotes more than 500%.

**SECTION 1 : GROUP**

---

**Note:**

(1) Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results to be consistent with the current periods.

Net cash inflow from operating activities (before associates' dividend receipts) for the quarter grew 35% to S\$1.11 billion. The increase was due to working capital movements and lower cash taxes. Dividends/distributions from the associates decreased mainly from AIS and NetLink Trust partly offset by dividends received from Intouch. Consequently, total cash flow from operations increased 19% to S\$1.34 billion.

Compared to the preceding quarter, cash flow from operating activities decreased 29% on lower associates' dividends and higher cash taxes, partly offset by working capital movements.

Net cash inflow from investing activities was S\$1.61 billion. In the quarter, Singtel received net proceeds of S\$1.10 billion from the disposal of units in NetLink Trust and S\$1.10 billion for the repayment of unitholder loan. Capital expenditure comprised S\$213 million for Singapore and S\$406 million (A\$377 million) for Australia. In Singapore, major capital investments in the quarter included S\$64 million for ICT investments, S\$42 million for mobile network, S\$40 million for fixed and data infrastructure and S\$35 million for information systems. In Australia, capital investments in mobile network, and fixed and other core infrastructure were A\$225 million and A\$153 million respectively.

With higher operating cash partly offset by higher capital expenditure, the Group's free cash flow grew 12% to S\$718 million.

Net cash financing outflow of S\$2.93 billion mainly comprised payment for final dividends totalling S\$1.75 billion in August 2017 and net repayment of borrowings at S\$1.16 billion.

Overall cash balance increased S\$19 million from a quarter ago and the cash balance was S\$651 million as at 30 September 2017.

**SECTION 2 : GROUP CONSUMER**

---

**GROUP CONSUMER****MANAGEMENT DISCUSSION AND ANALYSIS**

**Group Consumer** comprises the consumer businesses across Singapore and Australia, as well as the regional 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 associates are discussed in **Section 5**.

**FINANCIAL HIGHLIGHTS****FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2017**

- **Operating revenue at S\$2.39 billion – up 2.3%.**
- **EBITDA at S\$846 million – up 8.7%.**
- **EBIT at S\$427 million – up 6.0%.**
- **In constant currency terms<sup>2</sup>, operating revenue declined 1.3% while EBITDA and EBIT grew 5.0% and 2.8% respectively.**

**FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017**

- **Operating revenue at S\$4.75 billion – up 4.8%.**
- **EBITDA at S\$1.68 billion – up 6.3%.**
- **EBIT at S\$864 million – up 3.3%.**
- **In constant currency terms<sup>2</sup>, operating revenue and EBITDA grew 1.7% and 3.1% respectively while EBIT was stable.**

---

<sup>2</sup> Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 30 September 2016.

**SECTION 2 : GROUP CONSUMER****GROUP CONSUMER SUMMARY INCOME STATEMENTS**  
For The Second Quarter And Half Year Ended 30 September 2017

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Operating revenue</b>	<b>2,393</b>	<b>2,340</b>	<b>2.3</b>	<b>4,753</b>	<b>4,537</b>	<b>4.8</b>
Operating expenses	(1,581)	(1,595)	-0.9	(3,177)	(3,055)	4.0
	812	744	9.0	1,577	1,482	6.4
Other income	35	34	0.9	100	96	4.5
<b>EBITDA</b>	<b>846</b>	<b>779</b>	<b>8.7</b>	<b>1,677</b>	<b>1,578</b>	<b>6.3</b>
<b>- margin</b>	<b>35.4%</b>	<b>33.3%</b>		<b>35.3%</b>	<b>34.8%</b>	
Depreciation & amortisation	(419)	(376)	11.5	(813)	(741)	9.6
<b>EBIT</b>	<b>427</b>	<b>403</b>	<b>6.0</b>	<b>864</b>	<b>837</b>	<b>3.3</b>

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales <sup>(2)</sup>	507	542	-6.5	1,051	979	7.4
Selling & administrative	496	516	-3.8	992	1,016	-2.4
Traffic expenses	269	246	9.5	529	477	10.7
Staff costs	241	231	4.2	475	455	4.4
Repair & maintenance	56	51	10.2	108	102	5.3
Others	12	10	19.6	23	25	-6.4
<b>Operating expenses</b>	<b>1,581</b>	<b>1,595</b>	<b>-0.9</b>	<b>3,177</b>	<b>3,055</b>	<b>4.0</b>

**Notes:**

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

(2) Cost of sales include costs of content and programming.

## SECTION 2 : GROUP CONSUMER

### GROUP CONSUMER OPERATING HIGHLIGHTS

#### For The Second Quarter Ended 30 September 2017

Group Consumer recorded strong EBITDA growth across Singapore and Australia in this quarter.

Australia Consumer contributed three-quarters of both Group Consumer's operating revenue and EBITDA. The Australian Dollar strengthened 5% against the Singapore Dollar from the same quarter last year.

Operating revenue grew by 2.3% and EBITDA was up a strong 8.7%. EBIT increased 6.0% after including higher depreciation and amortisation charges on mobile network and spectrum investments. In constant currency terms, operating revenue declined 1.3% while EBITDA and EBIT grew 5.0% and 2.8% respectively.

#### For The Half Year Ended 30 September 2017

For the first half year, operating revenue and EBITDA increased 4.8% and 6.3% respectively while EBIT rose 3.3% with growth in both Singapore and Australia. In constant currency terms, operating revenue and EBITDA grew 1.7% and 3.1% respectively while EBIT was stable.

### SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2017 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2017 S\$ m	30 Jun 2017 S\$ m	
Operating revenue	2,393	2,361	1.3
Operating expenses	(1,581)	(1,596)	-0.9
<b>EBITDA</b>	<b>846</b>	<b>831</b>	<b>1.9</b>
<b>- margin</b>	<b>35.4%</b>	<b>35.2%</b>	
EBIT	427	437	-2.3

EBITDA was boosted by the strengthening of the Australian Dollar of 3% from the preceding quarter. EBIT declined after including higher depreciation and amortisation charges.



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

For The Second Quarter And Half Year Ended 30 September 2017

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Operating revenue</b>	<b>564</b>	<b>576</b>	<b>-2.1</b>	<b>1,131</b>	<b>1,135</b>	<b>-0.3</b>
Operating expenses	(353)	(378)	-6.8	(718)	(727)	-1.3
Other income <sup>(1)</sup>	211	198	6.7	414	408	1.3
	4	4	-9.5	11	10	12.6
<b>EBITDA</b>	<b>215</b>	<b>202</b>	<b>6.4</b>	<b>424</b>	<b>418</b>	<b>1.6</b>
<b>- margin</b>	<b>38.1%</b>	<b>35.1%</b>		<b>37.5%</b>	<b>36.8%</b>	
Depreciation & amortisation	(75)	(72)	4.0	(147)	(142)	3.3
<b>EBIT</b>	<b>141</b>	<b>131</b>	<b>7.7</b>	<b>278</b>	<b>276</b>	<b>0.7</b>

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Mobile communications <sup>(2)</sup>	317	327	-2.8	636	649	-2.1
Residential Pay TV	59	57	3.5	116	110	5.4
Fixed broadband	58	55	4.9	115	110	4.2
Sale of equipment	54	57	-4.4	111	99	11.5
International telephone	34	41	-16.1	70	85	-17.4
National telephone	28	29	-2.8	55	58	-4.0
Others <sup>(2)(3)</sup>	14	12	17.1	28	23	22.5
<b>Operating revenue</b>	<b>564</b>	<b>576</b>	<b>-2.1</b>	<b>1,131</b>	<b>1,135</b>	<b>-0.3</b>
Selling & administrative	124	139	-10.8	254	270	-6.0
Cost of sales	110	118	-6.7	224	221	1.1
Staff costs	61	58	4.3	121	111	8.4
Traffic expenses	51	56	-8.9	106	108	-2.0
Repair & maintenance	14	12	11.6	25	26	-1.2
Others	(7)	(5)	32.0	(11)	(9)	21.7
<b>Operating expenses</b>	<b>353</b>	<b>378</b>	<b>-6.8</b>	<b>718</b>	<b>727</b>	<b>-1.3</b>

**Notes:**

- (1) 'Other income' include trade foreign currency exchange differences, rental income, gain/loss on disposal of scrap copper and property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange losses amounted to S\$3 million (Q2 FY2017: S\$0.3 million loss) for the quarter and S\$3 million (H1 FY2017: S\$0.6 million loss) for the half year ended 30 September 2017.
- (2) Mobile Communications include inter-operator mobile tariff discounts of S\$4 million in the current quarter (H1 FY2018: S\$9 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have declined by 1.5% for the quarter and would be stable for the half year.
- (3) 'Other revenue' include digital services and revenues from mobile network cabling works and projects.

## SECTION 2 : GROUP CONSUMER

---

### SINGAPORE CONSUMER OPERATING PERFORMANCE

#### For The Second Quarter Ended 30 September 2017

Operating revenue declined 2.1% with ongoing voice to data substitution. Equipment sales fell 4.4% due to timing of smartphone launches. International Telephone declined steeply by 16%, particularly from prepaid mobile. The impact of the decline was partially mitigated by lower outpayment costs.

Mobile Communications declined 1.5%<sup>3</sup> impacted by the increased mix of SIM-only plans. The declines in local and roaming voice revenues were partly offset by the strong growth in data. The postpaid customer base grew by 9,000<sup>4</sup> from a quarter ago. The prepaid customer base, however, declined by 39,000 this quarter impacted by the lower foreign labour workforce.

In the quarter, Singtel launched Singapore's first mobile add-on plan with unlimited local data, talktime and SMS/MMS that provides peak mobile data speeds of 500 Mbps nationwide. Singtel also launched Singapore's first virtual Visa account on its all-in-one mobile payments application, Dash. The customers of Dash can now transact with their Dash Visa Virtual accounts at over 50,000 merchant points across the island.

Consumer Home Services which comprise fixed broadband, residential pay TV and voice revenues was up 3.4%. Fixed broadband revenue rose 4.9% despite keen competition, with more customers upgrading to higher speed fibre plans and taking on value added services such as Security Suite. Singtel TV's revenue grew 3.5% attributable mainly to recognition of one-off revenue from the termination of sub-licensing rights for Premier League. The number of customers who signed up for 'on-the-go' services, namely the Cast OTT and Singtel TV Go companion apps, continued to gain strong traction and grew by 19,000 in the quarter to 86,000 as at 30 September 2017.

During the quarter, Singtel launched HOOQ on Singtel Cast to further drive the growth of OTT video subscribers and also added 5 new channels to Singtel TV, including the popular History channel. In the quarter, the exclusive broadcast of Sing! China Season 2 on Singtel TV's Jia Le channel was viewed by around 500,000 Pay TV customers in Singapore, and even achieved the top programme rating at its finale.

Operating expenses fell 6.8%. Cost of sales declined in line with lower Equipment sales and decrease in content costs. Staff costs rose mainly due to staff incentive accrual write-back in the last corresponding quarter. The decline in selling and administrative expenses was attributable to lower mobile customer acquisition and retention costs on lower connection volume due to timing of smartphone launches.

Consequently, EBITDA grew 6.4%. After including higher depreciation and amortisation charges on mobile network and spectrum investments, EBIT grew 7.7%.

---

<sup>3</sup> Excluding inter-operator mobile tariff discounts which was reclassified from 'Other revenue' to Mobile Communications from 1 April 2017.

<sup>4</sup> Based on total product view (i.e. included Enterprise mobile).

**SECTION 2 : GROUP CONSUMER****For The Half Year Ended 30 September 2017**

EBITDA increased 1.6% despite stable operating revenue due to strong cost management. EBIT was stable after including higher depreciation and amortisation charges from network and spectrum investments.

**SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 30 June 2017 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2017 S\$ m	30 Jun 2017 S\$ m	
<b>Operating revenue</b>	<b>564</b>	<b>567</b>	<b>-0.5</b>
Operating expenses	(353)	(365)	-3.3
<b>EBITDA</b>	<b>215</b>	<b>209</b>	<b>2.8</b>
<i>- margin</i>	<b>38.1%</b>	<b>36.9%</b>	
<b>EBIT</b>	<b>141</b>	<b>137</b>	<b>2.5</b>

With lower mobile customer acquisition and retention costs, EBITDA grew 2.8% from the preceding quarter.

## SECTION 2 : GROUP CONSUMER

## AUSTRALIA CONSUMER SUMMARY INCOME STATEMENTS

For The Second Quarter And Half Year Ended 30 September 2017

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
<b>Operating revenue</b>	<b>1,702</b>	<b>1,719</b>	<b>-1.0</b>	<b>3,417</b>	<b>3,338</b>	<b>2.4</b>
Operating expense	(1,137)	(1,180)	-3.7	(2,311)	(2,275)	1.6
	<b>565</b>	<b>539</b>	<b>4.8</b>	<b>1,106</b>	<b>1,063</b>	<b>4.1</b>
Other income	28	29	-1.9	82	83	-1.1
<b>EBITDA</b>	<b>593</b>	<b>568</b>	<b>4.5</b>	<b>1,188</b>	<b>1,146</b>	<b>3.7</b>
<b>- margin</b>	<b>34.9%</b>	<b>33.0%</b>		<b>34.8%</b>	<b>34.3%</b>	
Depreciation & amortisation <sup>(1)</sup>	320	296	8.1	627	587	6.8
<b>EBIT</b>	<b>273</b>	<b>271</b>	<b>0.6</b>	<b>561</b>	<b>559</b>	<b>0.4</b>

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Incoming	51	49	6.0	102	96	6.3
Outgoing	887	870	1.9	1,761	1,734	1.5
<b>Total Mobile Service</b>	<b>938</b>	<b>919</b>	<b>2.1</b>	<b>1,863</b>	<b>1,830</b>	<b>1.8</b>
Equipment	265	332	-20.4	582	591	-1.6
<b>Total Mobile Revenue</b>	<b>1,203</b>	<b>1,251</b>	<b>-3.9</b>	<b>2,444</b>	<b>2,422</b>	<b>0.9</b>
Voice	83	98	-15.9	170	197	-13.7
Broadband	103	117	-12.0	211	233	-9.7
PayTV	29	25	17.7	57	50	13.8
Mass Market Fixed On-net	215	240	-10.5	438	481	-8.9
Mass Market Fixed Off-net <sup>(2)</sup>	139	67	106.8	249	121	105.8
<b>Total Mass Market Fixed</b>	<b>353</b>	<b>307</b>	<b>15.1</b>	<b>687</b>	<b>602</b>	<b>14.1</b>
Data & IP	55	59	-7.5	110	116	-5.2
Voice	26	27	-6.3	50	54	-7.9
Satellite	65	74	-12.3	125	144	-12.7
<b>Total Wholesale Fixed</b>	<b>145</b>	<b>161</b>	<b>-9.5</b>	<b>286</b>	<b>314</b>	<b>-9.1</b>
<b>Operating revenue</b>	<b>1,702</b>	<b>1,719</b>	<b>-1.0</b>	<b>3,417</b>	<b>3,338</b>	<b>2.4</b>

**Notes:**

- (1) Optus has revised the useful lives of certain network assets from 1 April 2017 as part of its periodic review. The revision has resulted in lower depreciation of A\$12 million in this quarter and A\$24 million for the first half year ended 30 September 2017.
- (2) Included NBN migration and site preparation revenues of A\$55 million (Q2 FY2017: A\$20 million) for the quarter and A\$96 million (H1 FY2017: A\$35 million) for the first half year ended 30 September 2017.

**SECTION 2 : GROUP CONSUMER**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Cost of sales	370	414	-10.6	781	743	5.2
Selling & administrative	344	365	-5.7	693	729	-5.0
Traffic expenses	203	185	9.8	399	363	10.0
Staff costs	164	165	-0.8	329	332	-0.9
Repair & maintenance	39	38	3.9	77	75	2.6
Other	17	14	17.2	33	34	-3.0
<b>Operating expenses</b>	<b>1,137</b>	<b>1,180</b>	<b>-3.7</b>	<b>2,311</b>	<b>2,275</b>	<b>1.6</b>

**AUSTRALIA CONSUMER OPERATING PERFORMANCE****For The Second Quarter Ended 30 September 2017**

Australia Consumer reported a decline in operating revenue of A\$17 million or 1.0% in this quarter. The decline was due mainly to lower Equipment sales reflecting the timing of smartphone launches and growth in handset leasing plans since its introduction in the preceding quarter.

Outgoing mobile service revenue grew 1.9% and would be up 6.4% excluding the impact of device repayment plan credits. The postpaid handset customer base continued to grow strongly by 69,000<sup>5</sup> this quarter, with the branded handset customer base increasing by 66,000. The prepaid handset customer base declined 24,000 from a quarter ago as Optus continues to focus on acquiring profitable prepaid customers.

Blended mobile ARPU and postpaid ARPU grew year-on-year by 2% and 1% respectively excluding the impact of device repayment plan credits.

Demonstrating its commitment as a Mobile led multimedia company, Optus launched its first flagship experiential store in Sydney where customers can experience Optus' range of services across its 4.5G mobile network.

Optus secured naming rights for the new Perth Stadium, to be known as Optus Stadium. Visitors to major events will enjoy a more immersive and personalised experience on their smartphones using our next generation digital technology.

The number of 4G mobile customers increased by 171,000 this quarter, resulting in the total 4G customer base increasing to 5.98 million<sup>6</sup> as at 30 September 2017.

Optus continued to invest in its mobile networks, reaching 96.5% of 4G population coverage with 6,382 sites upgraded to 4G, of which 5,387 have been upgraded to 700 MHz spectrum.

Regional Australia remains a priority for Optus' ongoing network investment program. During the quarter, significant mobile infrastructure investments were made in towns like the Gold Coast, Bendigo, Bathurst and other key regional centres.

<sup>5</sup> Including Enterprise customers, Optus' total postpaid handset customer base grew 75,000.

<sup>6</sup> Including Enterprise customers, Optus' total number of 4G customers increased from 5.88 million a quarter ago to 6.06 million.

**SECTION 2 : GROUP CONSUMER**

---

Optus went “live” with the world’s first three-carrier channel aggregation massive MIMO in Sydney, with other capital cities to follow in the next six months. This allows Optus to deliver speeds of over 800 Mbps to customers.

Optus finalised the shutdown of its 2G network across Australia on 1 August 2017. The closure will allow Optus to improve the network performance for its 4G customers.

In Mass Market Fixed, operating revenue grew 15% mainly on higher NBN revenue driven by NBN customer growth of 187,000 from a year ago. Excluding NBN migration and preparation fees, Mass Market Fixed revenue increased 4.1%.

Wholesale Fixed revenue declined 9.5% on lower satellite revenue.

Total operating expenses were lower by 3.7% mainly from decline in cost of sales and selling and administrative expenses. Cost of sales fell in line with lower Equipment sales partially offset by higher content costs. Selling and administrative expenses were down due to lower handset subsidy cost with the introduction of device repayment plans in Virgin, and lower marketing costs compared to the last corresponding quarter which had the launch of Premier League and the Olympic Games.

Consequently, EBITDA increased 4.5% and EBITDA margin increased slightly to 34.9% in the quarter.

EBIT was stable after including depreciation and amortisation expense which increased 8.1% from investments in mobile network and spectrum.

**For The Half Year Ended 30 September 2017**

For the first half year, operating revenue was up 2.4% and excluding the impact of mobile service credits from device repayment plans, operating revenue grew 5.1%. EBITDA grew 3.7% with EBITDA margin increasing to 34.8%.

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

Results for the current quarter compared to the preceding quarter ended 30 June 2017 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2017 A\$ m	30 Jun 2017 A\$ m	
<b>Operating revenue</b>	<b>1,702</b>	<b>1,716</b>	<b>-0.8</b>
Operating expenses	(1,137)	(1,174)	-3.2
<b>EBITDA</b>	<b>593</b>	<b>595</b>	<b>-0.4</b>
<b>- margin</b>	<b>34.9%</b>	<b>34.7%</b>	
<b>EBIT</b>	<b>273</b>	<b>288</b>	<b>-5.3</b>

Both operating revenue and EBITDA were stable. EBIT declined 5.3% after including higher depreciation and amortisation charges.

**ACCC Final Decision on Domestic Mobile Roaming**

On 23 October 2017, the ACCC issued its final decision not to declare domestic mobile roaming. This decision supports infrastructure based competition and is consistent with Optus' current investment plans. Regional communities can look forward to continued investment in mobile infrastructure as Optus follows through on the commitment it announced in July 2017 to invest A\$1 billion for improving regional mobile coverage and services over the next 12 months. This investment will improve the choice and experience for regional consumers and businesses.

**SECTION 3 : GROUP ENTERPRISE**

---

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

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

**FINANCIAL HIGHLIGHTS****FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2017**

- **Operating revenue at S\$1.70 billion – up 5.5%.**
- **EBITDA at S\$476 million – down 5.4%.**
- **EBIT at S\$314 million – down 9.2%.**
- **In constant currency terms<sup>7</sup>, operating revenue increased 4.2% while EBITDA and EBIT declined 6.1% and 9.5% respectively**

**FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017**

- **Operating revenue at S\$3.30 billion – up 3.3%.**
- **EBITDA at S\$960 million – down 3.3%.**
- **EBIT at S\$643 million – down 4.8%.**
- **In constant currency terms<sup>7</sup>, operating revenue increased 2.2% while EBITDA and EBIT declined 3.8% and 5.0% respectively.**

---

<sup>7</sup> Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 30 September 2016.



**SECTION 3 : GROUP ENTERPRISE****GROUP ENTERPRISE SUMMARY INCOME STATEMENTS**  
**For The Second Quarter And Half Year Ended 30 September 2017**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Operating revenue</b>	<b>1,700</b>	<b>1,612</b>	<b>5.5</b>	<b>3,298</b>	<b>3,192</b>	<b>3.3</b>
Operating expenses	(1,235)	(1,124)	9.9	(2,357)	(2,220)	6.1
	465	488	-4.6	942	972	-3.1
Other income <sup>(1)</sup>	11	15	-29.1	18	21	-14.4
<b>EBITDA</b>	<b>476</b>	<b>502</b>	<b>-5.4</b>	<b>960</b>	<b>993</b>	<b>-3.3</b>
<b>- margin</b>	<b>28.0%</b>	<b>31.2%</b>		<b>29.1%</b>	<b>31.1%</b>	
Depreciation & amortisation	(161)	(156)	3.1	(317)	(317)	-0.1
<b>EBIT</b>	<b>314</b>	<b>346</b>	<b>-9.2</b>	<b>643</b>	<b>676</b>	<b>-4.8</b>

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cyber security <sup>(2)</sup>	141	135	4.4	258	250	3.3
Other services <sup>(2)(3)</sup>	516	422	22.3	980	822	19.1
Managed services	657	557	18.0	1,238	1,072	15.4
Business solutions <sup>(4)</sup>	154	156	-0.9	280	306	-8.4
ICT	811	713	13.8	1,518	1,378	10.2
Data and Internet <sup>(2)(5)</sup>	423	429	-1.4	849	853	-0.5
Mobile communications <sup>(2)(6)</sup>	244	245	-0.4	486	498	-2.3
National telephone	116	122	-4.9	231	243	-4.7
International telephone	45	53	-16.1	90	111	-19.5
Sale of equipment	43	38	11.5	89	82	8.5
Others <sup>(6)(7)</sup>	18	12	57.3	36	27	30.8
<b>Operating revenue</b>	<b>1,700</b>	<b>1,612</b>	<b>5.5</b>	<b>3,298</b>	<b>3,192</b>	<b>3.3</b>

**Notes:**

- (1) 'Other income' include trade foreign exchange differences, rental income, gain/loss on disposal of property, plant and equipment, and other recoveries. The net trade foreign exchange losses amounted to S\$2 million (Q2 FY2017: S\$2 million gain) for the quarter and S\$5 million (H1 FY2017: S\$1 million loss) for the half year ended 30 September 2017.
- (2) Comparatives have been restated to be consistent with the current periods.
- (3) Include facility management, managed and network services, and value-added reselling and services.
- (4) Include applications management services and outsourcing, system integration and business process outsourcing and communication engineering services.
- (5) Include local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.
- (6) Mobile Communications include inter-operator mobile tariff discounts of S\$7 million in the current quarter (H1 FY2018: S\$14 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have increased by 2.4% for the quarter and would have been stable for the half year.
- (7) 'Other revenue' include TV and digital business revenues.

**SECTION 3 : GROUP ENTERPRISE**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales	493	413	19.2	892	793	12.4
Staff costs	369	354	4.3	732	701	4.3
Selling & administrative	200	189	6.2	397	387	2.7
Traffic expenses	136	140	-2.9	270	289	-6.7
Repairs, maintenance and others	37	28	31.1	66	49	33.0
<b>Operating expenses</b>	<b>1,235</b>	<b>1,124</b>	<b>9.9</b>	<b>2,357</b>	<b>2,220</b>	<b>6.1</b>

**GROUP ENTERPRISE OPERATING HIGHLIGHTS****For the Second Quarter Ended 30 September 2017**

Singapore contributed 74% (Q2 FY2017: 75%) and 85% (Q2 FY2017: 87%) to Group Enterprise's operating revenue and EBITDA respectively.

Group Enterprise's operating revenue grew 5.5% driven by higher ICT revenue across Singapore and Australia partially offset by decline in traditional carriage services. Operating revenue would have increased 4.2% if the Australian Dollar and US Dollar were held constant against the Singapore Dollar.

EBITDA, however, fell 5.4% due to the increased mix of lower-margin ICT business, one-off gains recognised in the last corresponding quarter as well as higher operating expenses.

Operating expenses were up 9.9% as the operating expenses in the last corresponding quarter included various write-back of expense accruals which were not repeated this quarter. Cost of Sales was up on higher ICT revenue and increased mix of project related equipment sales. Selling and administrative expenses increased mainly from higher outsourcing costs and professional fees in Australia. Traffic expenses fell due to lower international call and roaming traffic and rates.

EBIT declined 9.2% after including higher depreciation charges from the new data centre commissioned in December 2016 and investments in mobile network and spectrum.

For the current quarter, Trustwave contributed S\$3 million in negative EBITDA and S\$15 million in negative EBIT after including the amortisation of acquired intangibles.

Singtel announced the rollout of its nationwide cellular IoT network which supports both CAT-M1 and NB-IoT technologies. The rollout paves the way for the adoption of IoT and enables enterprises to achieve operational and cost efficiencies through the use of IoT devices and applications.

During the quarter, Singtel participated in GovWare, a leading cyber security conference in the region which showcased an extensive suite of cyber security solutions to protect enterprise customers against rising cyber security threats in today's digital landscape.

## SECTION 3 : GROUP ENTERPRISE

Singtel continued to gain industry's recognition for its comprehensive portfolio of solutions and outstanding performance in the managed security and cloud space. In the quarter, Singtel was conferred with the Singapore Managed Security Service Provider of the Year as well as Singapore Managed Cloud Service Provider of the Year at the Frost & Sullivan Asia Pacific Best Practices Awards 2017.

### For the Half Year Ended 30 September 2017

For the first half year, operating revenue grew 3.3% while EBITDA and EBIT declined 3.3% and 4.8% respectively. If the Australian Dollar and US Dollar were held constant against the Singapore Dollar, operating revenue would have increased by 2.2% while EBITDA and EBIT would have declined by 3.8% and 5.0% respectively.

Excluding Trustwave, EBITDA and EBIT would have declined by 2.3% and 2.7% respectively in constant currency terms.

### SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2017 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2017 S\$ m	30 Jun 2017 S\$ m	
<b>Operating revenue</b>	<b>1,700</b>	<b>1,598</b>	<b>6.4</b>
Operating expenses	(1,235)	(1,121)	10.1
<b>EBITDA</b>	<b>476</b>	<b>484</b>	<b>-1.8</b>
<i>- margin</i>	<b>28.0%</b>	<b>30.3%</b>	
<b>EBIT</b>	<b>314</b>	<b>329</b>	<b>-4.3</b>

Operating revenue increased on higher ICT revenue. However, EBITDA declined 1.8% due to increased mix of project related equipment sales this quarter and some write-back of expense accruals in the preceding quarter.

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

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Managed services <sup>(1)</sup>	456	390	16.9	883	759	16.3
Business solutions <sup>(2)</sup>	154	156	-0.9	280	306	-8.4
ICT	610	546	11.8	1,163	1,065	9.2
Data and Internet <sup>(3)</sup>	337	348	-3.2	676	690	-1.9
Mobile communications <sup>(4)</sup>	188	193	-2.6	377	396	-4.8
International telephone	38	46	-16.8	77	97	-20.7
National telephone	38	42	-9.0	77	84	-8.5
Sale of equipment	23	21	7.5	50	44	11.5
Others <sup>(4)(5)</sup>	18	12	57.3	36	27	30.8
<b>Operating revenue</b>	<b>1,254</b>	<b>1,209</b>	<b>3.7</b>	<b>2,455</b>	<b>2,403</b>	<b>2.2</b>
<b>EBITDA - margin</b>	<b>403 32.1%</b>	<b>435 36.0%</b>	<b>-7.5</b>	<b>817 33.3%</b>	<b>858 35.7%</b>	<b>-4.8</b>

**Notes:**

- (1) Include cyber security, 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.
- (4) Mobile Communications include inter-operator mobile tariff discounts of S\$7 million in the current quarter (H1 FY2018: S\$14 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have been stable for the quarter and would have declined by 1.3% for the half year.
- (5) 'Other revenue' include TV and digital business revenues.

Operating revenue increased by 3.7% driven mainly by higher ICT partly offset by decline in traditional carriage services.

Overall ICT revenue grew a robust 12% mainly from cyber security and provision of infrastructure services.

NCS' order book increased strongly by 31% to S\$2.9 billion as at 30 September 2017 from a year ago.

Data and Internet revenue declined 3.2% largely due to the slowdown in the maritime industry and one-off project revenues in the last corresponding quarter.

Mobile Communications revenue was stable<sup>8</sup> with the increase in data being offset by lower roaming.

<sup>8</sup> Excluding inter-operator mobile tariff discounts which was reclassified from 'Other revenue' to Mobile Communications from 1 April 2017.

**SECTION 3 : GROUP ENTERPRISE**

International Telephone revenue fell a steep 17% on lower call usage from continued mobile data substitution. The impact of the decline was partially mitigated by lower outpayment costs.

**AUSTRALIA ENTERPRISE**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
ICT and Managed Services <sup>(1)</sup>	187	163	14.9	334	306	9.3
Data and IP	80	79	1.9	162	161	0.7
Voice	79	85	-7.9	158	170	-7.1
Mobile <sup>(1)(2)</sup>	70	66	5.0	141	137	2.8
<b>Operating revenue <sup>(3)</sup></b>	<b>415</b>	<b>393</b>	<b>5.7</b>	<b>795</b>	<b>774</b>	<b>2.7</b>
<b>EBITDA - margin</b>	<b>68 16.3%</b>	<b>65 16.6%</b>	<b>3.8</b>	<b>135 16.9%</b>	<b>132 17.1%</b>	<b>1.9</b>

**Notes:**

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

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

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

Operating revenue increased 5.7% and EBITDA grew 3.8% for the quarter driven mainly by growth in ICT services, Mobile, and Data and IP partially offset by decline in traditional Voice services.

Overall ICT and Managed Services revenue was up a strong 15% due to key contract wins.

Data and IP revenue grew 1.9% with increases in Internet and IPVPN partially offset by decline in legacy services.

Voice revenue fell 7.9%, lower than the industry<sup>9</sup> decline. The decrease was due to price erosion and declines in switched voice as businesses migrated to lower cost IP-based voice solutions.

With increased mobile network investments, Optus Business continued to connect more mobile customers. Mobile revenue grew 5.0% from growth in enterprise mobility application and messaging services as well as Equipment sales, partially offset by declines in roaming rates.

Optus Business announced a new three-year A\$14 million agreement with the Department of Agriculture and Water Resources to deliver a range of managed services aimed at increasing collaboration among staff working remotely across Australia and overseas. It had won a competitive tender to provide ICT services to the Department in 2013, and the contract extension will see Optus Business deliver voice, mobile and data carriage services for the Department's 5,500 tablet and mobile fleet. It will also provide managed telephony, video conferencing, unified communications and a contact centre solution to support collaboration across the Department's 150 sites across Australia.

<sup>9</sup> Source: IDC's Fixed Line semi-annual tracker.

**SECTION 4 : GROUP DIGITAL LIFE**

---

**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.

GDL has three key businesses – digital marketing (Amobee), regional premium OTT video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), and it also serves as Singtel’s digital innovation engine through Innov8.

**FINANCIAL HIGHLIGHTS****FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2017**

- **Operating revenue at S\$277 million – more than doubled with contribution from Turn acquired in April 2017.**
- **Negative EBITDA at S\$14 million.**
- **Including amortisation of acquired intangibles, negative EBIT at S\$33 million.**

**FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017**

- **Operating revenue at S\$551 million – up 107%.**
- **Negative EBITDA at S\$37 million.**
- **Negative EBIT at S\$79 million.**

**SECTION 4 : GROUP DIGITAL LIFE****GROUP DIGITAL LIFE SUMMARY INCOME STATEMENTS**  
**For The Second Quarter And Half Year Ended 30 September 2017**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Digital <sup>(1)</sup>	294	153	92.5	585	302	93.5
Others <sup>(2)</sup>	4	5	-24.1	8	10	-22.7
<b>Operating revenue</b>	<b>299</b>	<b>158</b>	<b>88.6</b>	<b>592</b>	<b>312</b>	<b>89.9</b>
Intercompany eliminations	(21)	(23)	-9.0	(42)	(46)	-9.8
<b>Operating revenue</b>	<b>277</b>	<b>135</b>	<b>105.5</b>	<b>551</b>	<b>266</b>	<b>107.1</b>
Operating expenses	(292)	(162)	80.3	(588)	(320)	83.6
	(15)	(27)	-46.1	(37)	(54)	-31.3
Other gains/ (losses)	1	*	nm	*	(9)	nm
<b>EBITDA</b>	<b>(14)</b>	<b>(27)</b>	<b>-49.5</b>	<b>(37)</b>	<b>(63)</b>	<b>-40.8</b>
Depreciation	(7)	(5)	39.6	(15)	(9)	60.6
Amortisation of intangibles	(12)	(11)	7.9	(27)	(24)	10.4
	(19)	(16)	17.3	(42)	(33)	24.6
<b>EBIT</b>	<b>(33)</b>	<b>(44)</b>	<b>-24.6</b>	<b>(79)</b>	<b>(96)</b>	<b>-18.2</b>
<b>Amobee group</b>						
Operating revenue	294	153	92.5	585	302	93.5
Intercompany eliminations	(21)	(22)	-8.0	(40)	(44)	-8.9
Operating revenue	274	131	109.8	544	258	110.9
EBITDA	11	(9)	nm	11	(24)	nm
EBIT	(2)	(18)	-89.1	(18)	(44)	-58.0

**Notes:**

- (1) Mainly digital marketing (which includes digital advertising) revenue from Amobee group (including Turn).  
(2) Other revenues mainly comprise revenues from HOOQ and DataSpark.

\*A negative sign for year-on-year change in EBITDA and EBIT denotes decrease in losses.

\*\*\* denotes less than +/- S\$0.5 million.

**SECTION 4 : GROUP DIGITAL LIFE**

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales	210	109	92.9	422	216	95.5
Staff costs	53	37	43.1	110	71	55.6
Selling & administrative	25	12	104.1	49	26	87.0
Others	3	4	-2.9	7	7	-8.1
<b>Operating expenses</b>	<b>292</b>	<b>162</b>	<b>80.3</b>	<b>588</b>	<b>320</b>	<b>83.6</b>

**GROUP DIGITAL LIFE OPERATING HIGHLIGHTS****For The Second Quarter Ended 30 September 2017**

Operating revenue more than doubled to S\$277 million, driven mainly by contribution from Turn and strong growth in Amobee's media business.

Negative EBITDA fell 50% to S\$14 million. Amobee (including Turn) turned EBITDA positive as it continued to leverage on improved scale and synergies with Turn acquired in April 2017. The improvement in Amobee was partly offset by higher investments in content and increased operating costs in HOOQ as it ramped up its businesses.

Negative EBIT was S\$33 million, after accounting for depreciation and amortisation of acquired intangibles for Amobee group.

Amobee continued to gain industry recognition for innovation and effective engagement in digital marketing. Its campaign with Airbnb was acknowledged for 'Innovation in Social Media Marketing' at the Spark Interactive Awards 2017. Additionally, its campaign with Dell EMC won the 'Mobile Marketing Campaign of the Year' at the Marketing Interactive's Loyalty and Engagement Awards 2017.

During the quarter, Amobee achieved new customer wins including Burberry, World Vision and Suzuki in Australia, and Williams-Sonoma and Honda in North America. Amobee also gained new wins from KraftHeinz, Airbnb and NBA.

HOOQ, following its launch of HOOQ Filmmakers Guild in the preceding quarter, has commissioned pilot episodes for six films to be produced by budding Asian film makers.

**For The Half Year Ended 30 September 2017**

Operating revenue for the first half year more than doubled to S\$551 million driven mainly by contribution from Turn, coupled with strong performance from Amobee's media business.

With higher operating revenue, negative EBITDA and EBIT were lower with operational improvements at Amobee (including Turn) offsetting increased investments in HOOQ.



**SECTION 4 : GROUP DIGITAL LIFE****SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 30 June 2017 were as follows:

	Quarter		QOQ Chge %
	30 Sep 2017 S\$ m	30 Jun 2017 S\$ m	
<b>Operating revenue</b>	<b>299</b>	<b>293</b>	<b>1.7</b>
<i>Intercompany eliminations</i>	(21)	(20)	6.0
<b>Operating revenue</b>	<b>277</b>	<b>273</b>	<b>1.4</b>
Operating expenses	(292)	(296)	-1.5
<b>EBITDA</b>	<b>(14)</b>	<b>(24)</b>	<b>-41.3</b>
<b>EBIT</b>	<b>(33)</b>	<b>(46)</b>	<b>-28.9</b>

Compared to the preceding quarter, losses decreased mainly on improved synergies arising from integration with Turn.

**SECTION 5: ASSOCIATES / JOINT VENTURES**

---

**FINANCIAL HIGHLIGHTS****FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2017**

- **Pre-tax and post-tax underlying profit<sup>10</sup> contributions from the associates fell 9.1% and 4.9% respectively on decline in profit at Airtel and lower contribution from NetLink NBN Trust.**
- **Excluding Airtel, pre-tax and post-tax underlying profit<sup>10</sup> contributions increased 6.4% and 8.7% respectively.**
- **If the regional currencies had remained stable from last corresponding quarter, the pre-tax and post-tax underlying profit<sup>10</sup> contributions from associates would have declined by 9.1% and 4.7% respectively.**
- **The Group's combined mobile customer base<sup>11</sup> was up 15 million or 2.3% in the quarter to 670 million.**

**FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017**

- **Pre-tax and post-tax underlying profit<sup>10</sup> contributions from associates declined 6.0% and 3.7% respectively, mainly due to lower profit at Airtel, partly offset by strong profit growth at Telkomsel and contribution from Intouch (acquired in November 2016).**
- **If the regional currencies had remained stable from last corresponding period, the pre-tax and post-tax underlying profit<sup>10</sup> contributions from associates would have declined 7.3% and 4.8% respectively.**

---

<sup>10</sup> Exclude exceptional items of Airtel classified under exceptional items of Singtel Group in the corresponding periods ended 30 September 2016.

<sup>11</sup> Combined mobile customer base here refers to the total number of mobile customers in Singtel, Optus and the regional associates.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

Pre-tax profit contribution <sup>(1)</sup>	Quarter		YOY Chge %	Half Year		YOY %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Regional associates</b>						
Telkomsel						
- operating results	371	365	1.7	754	689	9.5
- fair value gain	*	*	nm	*	2	nm
	371	365	1.7	754	691	9.2
AIS <sup>(2)</sup>						
- operating results	82	71	15.9	164	178	-7.6
- fair value gain	*	1	nm	1	2	-77.3
	83	72	15.5	165	180	-8.5
Bharti Telecom/ Bharti Airtel ("Airtel") <sup>(3)</sup>						
- operating results (India and South Asia)	196	292	-32.9	397	579	-31.5
- operating results (Africa)	65	15	340.1	108	30	257.9
- net finance costs	(147)	(114)	28.6	(287)	(223)	28.7
- fair value loss	(31)	(20)	53.7	(32)	(38)	-16.0
	83	172	-51.8	186	349	-46.6
Globe						
- operating results	61	61	-0.2	141	151	-6.6
- fair value loss	(2)	(3)	-20.0	(1)	(3)	-58.6
	59	59	0.7	140	148	-5.5
Intouch <sup>(4)</sup>						
- operating results	30	-	nm	60	-	nm
- fair value gain	*	-	nm	*	-	nm
- amortisation of acquired intangibles	(6)	-	nm	(12)	-	nm
	24	-	nm	48	-	nm
	<b>620</b>	<b>667</b>	<b>-7.2</b>	<b>1,292</b>	<b>1,367</b>	<b>-5.5</b>
Other associates <sup>(5)</sup>	29	58	-50.7	89	111	-19.7
<b>Singtel share of ordinary results (pre-tax) <sup>(2)</sup></b>	<b>648</b>	<b>725</b>	<b>-10.6</b>	<b>1,382</b>	<b>1,478</b>	<b>-6.5</b>
<b>Optus share of ordinary results (pre-tax)</b>	<b>*</b>	<b>*</b>	<b>nm</b>	<b>*</b>	<b>*</b>	<b>nm</b>
<b>Group share of ordinary results (pre-tax) <sup>(2)</sup></b>	<b>648</b>	<b>725</b>	<b>-10.6</b>	<b>1,382</b>	<b>1,478</b>	<b>-6.5</b>
<b>Exceptional items ("EI")</b>						
Globe - one-off items	24	-	nm	24	-	nm
Airtel - one-off items	(13)	-	nm	(16)	-	nm
<b>Group share of EI</b>	<b>11</b>	<b>-</b>	<b>nm</b>	<b>7</b>	<b>-</b>	<b>nm</b>
<b>Singtel share of pre-tax profit <sup>(2)(3)</sup></b>	<b>659</b>	<b>725</b>	<b>-9.1</b>	<b>1,389</b>	<b>1,478</b>	<b>-6.0</b>
<b>Optus share of pre-tax profit</b>	<b>*</b>	<b>*</b>	<b>nm</b>	<b>*</b>	<b>*</b>	<b>nm</b>
<b>Group share of pre-tax profit <sup>(2)(3)</sup></b>	<b>659</b>	<b>725</b>	<b>-9.1</b>	<b>1,389</b>	<b>1,478</b>	<b>-6.0</b>
(excluding Airtel)	589	553	6.4	1,219	1,130	7.9
<b>Group share of taxes <sup>(2)(3)</sup></b>	<b>172</b>	<b>213</b>	<b>-19.2</b>	<b>387</b>	<b>438</b>	<b>-11.7</b>
<b>Effective tax rate</b>	<b>26.1%</b>	<b>29.4%</b>		<b>27.8%</b>	<b>29.6%</b>	

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter				YOY Chge %	Half Year				YOY Chge %
	30 Sep					30 Sep				
	2017		2016			2017		2016		
	S\$ m	% <sup>(6)</sup>	S\$ m	% <sup>(6)</sup>		S\$ m	% <sup>(6)</sup>	S\$ m	% <sup>(6)</sup>	
<b>Regional associates</b>										
Telkomsel	279	30	274	28	1.8	565	31	519	27	8.9
AIS <sup>(2)</sup>	71	8	59	6	20.1	139	8	145	8	-4.1
Airtel <sup>(3)</sup>										
- ordinary results (India and South Asia)	14		119		-88.7	28		251		-88.7
- ordinary results (Africa)	27		(27)		nm	51		(65)		nm
- exceptional items	40		92		-56.1	79		185		-57.5
	(10)		-		nm	(13)		-		nm
	30	3	92	9	-67.1	66	4	185	10	-64.6
<b>Globe</b>										
- ordinary results	39		37		5.1	96		101		-4.9
- exceptional items	22		-		nm	22		-		nm
	62	7	37	4	65.0	119	6	101	5	17.2
<b>Intouch<sup>(4)</sup></b>										
- ordinary results	25		-		nm	50		-		nm
- amortisation of acquired intangibles	(5)		-		nm	(10)		-		nm
	20	2	-	-	nm	40	2	-	-	nm
	462	50	463	48	-0.1	928	50	950	50	-2.4
Other associates <sup>(5)</sup>	25	3	47	5	-47.4	75	4	88	5	-15.3
<b>Singtel share of post-tax profit<sup>(2)(3)</sup></b>	487	52	510	53	-4.5	1,002	55	1,038	54	-3.5
<b>Optus share of post-tax profit</b>	*	**	2	**	nm	*	**	3	**	nm
<b>Group share of post-tax profit<sup>(2)(3)</sup></b>	487	52	512	53	-4.9	1,002	55	1,041	54	-3.7
<i>(excluding Airtel)</i>	457		420		8.7	937		856		9.5

Post-tax profit contribution (in constant currency) <sup>(7)</sup>	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017	2016		2017	2016	
	S\$ m	S\$ m		S\$ m	S\$ m	
<b>Regional associates</b>						
- operating results <sup>(2)</sup>	654	689	-5.1	1,316	1,403	-6.3
- fair value gain loss	(31)	(22)	41.2	(32)	(36)	-11.0
- amortisation of acquired intangibles	(6)	-	nm	(12)	-	nm
	618	667	-7.5	1,271	1,367	-7.0
Other associates	29	58	-50.7	89	111	-19.7
<b>Group share of ordinary results<sup>(2)</sup></b>	646	725	-10.9	1,361	1,478	-8.0
Group share of exceptional items	14	-	nm	10	-	nm
<b>Group share of pre-tax profit<sup>(2)</sup></b>	660	725	-9.1	1,371	1,478	-7.3
Group share of tax expense <sup>(2)</sup>	(172)	(213)	-19.5	(379)	(438)	-13.3
<b>Group share of post-tax profit<sup>(2)(3)</sup></b>	488	512	-4.7	991	1,041	-4.8
<b>Excluding Airtel:</b>						
Group share of pre-tax profit <sup>(2)</sup>	592	553	7.1	1,210	1,130	7.1
Group share of tax expense <sup>(2)</sup>	(133)	(133)	0.3	(281)	(274)	2.6
<b>Group share of post-tax profit<sup>(2)</sup></b>	459	420	9.2	929	856	8.5

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

---

### Notes:

- (1) The accounts of the associates are prepared based on local GAAP. Where applicable and material, the accounting policies of the associates have been restated for compliance with the Group's accounting policies.
- (2) The share of AIS' 3G/4G handset subsidy costs previously classified as exceptional items of the Group in the corresponding quarter and half year ended 30 September 2016 have been reclassified to share of AIS' ordinary results to be consistent with the current periods.
- (3) Share of results in the corresponding quarter and half year ended 30 September 2016 excluded the Group's share of Airtel's material exceptional items which have been classified as exceptional items of the Group.
- (4) Intouch, which Singtel acquired an equity interest of 21.0% in November 2016, has an equity interest of 40.5% in AIS.
- (5) Include the share of results of Singapore Post Limited and NetLink NBN Trust/ NetLink Trust. Singtel ceased to own units in NetLink Trust following the sale to NetLink NBN Trust in July 2017 but continues to have an interest of 24.79% in NetLink NBN Trust.
- (6) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.
- (7) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2016.

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

Pre-tax underlying profit contributions from the associates fell 9.1% due mainly to lower profit at Airtel as well as decline in contribution from NetLink NBN Trust following the reduction in economic interest partially offset by higher profits at Globe and AIS as well as contribution from Intouch (acquired in November 2016).

On a post-tax basis, the associates' underlying profit contributions declined 4.9% to S\$487 million and contributed 52% to the Group's underlying net profit, down 1 percentage point from the same quarter last year.

Telkomsel reported slower growth due to Ramadhan being celebrated in the preceding June quarter compared to September quarter last year as well as lower voice revenue. Airtel recorded weaker revenue and earnings as it continued to face disruptive price competition in India. The lower earnings at India were partially offset by improved operational performance in Africa. AIS recorded double-digit growth in earnings driven by service revenue growth and lower marketing spend partly offset by higher network costs, lease payments and depreciation charges. Globe reported higher revenue and EBITDA, with profits boosted by exceptional fair value gain this quarter.

### **PT Telekomunikasi Selular (“Telkomsel”)**

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 152,200 radio base stations (of which 67% 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 5,600 3G/4G radio base stations.

Operating revenue for the quarter grew a moderate 4% year-on-year on a high base as operating revenue was boosted by Ramadhan festivities in September quarter last year. In addition, voice revenue declined by 6%. Data and digital services, however, rose a robust 27% with higher data usage amid continued strong adoption of smartphones.

EBITDA rose 3% after including higher operation and maintenance costs from accelerated network deployment and increased marketing expenses.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

---

The Group's share of Telkomsel's pre-tax profit rose 2% in Indonesian Rupiah terms, and 1.7% in reported terms with a stable Indonesian Rupiah.

On a post-tax basis, Telkomsel's profit contribution for the quarter increased 1.8% and constituted 30% of the Group's underlying net profit, up 2 percentage points from the last corresponding quarter.

Compared to the preceding quarter, revenue was stable while EBITDA declined 2% on higher operation and maintenance costs, and cost of services.

Telkomsel gained 12.4 million mobile customers in the quarter, up significantly from 8.6 million added in the preceding quarter. The total mobile customer base grew 27 million or 16% from a year ago to 190 million, including 98 million of data customers at end of September 2017.

In October 2017, Telkomsel acquired the rights to use 30 MHz spectrum in the 2300 MHz band to support increasing demand for mobile broadband.

### **Advanced Info Service (“AIS”)**

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand. It provides mobile services on 2G, 3G and 4G networks. AIS continues to maintain its mobile market leadership position and is the largest network coverage operator in Thailand.

AIS registered double-digit growth in both EBITDA and net profit this quarter, on higher operating revenue and tight cost management.

In the current quarter, AIS' service revenue (excluding interconnect) rose 6% on higher fixed broadband revenue as well as data revenue from its mobile postpaid segment. The growth was underpinned by growing demand for video streaming and higher 4G device penetration.

EBITDA rose strongly by 15% as operating expenses fell due mainly to steep cuts in marketing spend partly offset by higher costs from network expansion and payments to TOT Public Company Limited for the lease of 2100 MHz spectrum, towers, equipment and facilities. In September quarter last year, extensive marketing activities were undertaken amid intense competition.

With higher depreciation charges from network investments, AIS' pre-tax profit grew 10% in Thai Baht terms. The Group's share of AIS' pre-tax profit<sup>12</sup>, however, grew robustly by 16% to S\$83 million after accounting for 5% appreciation of the Thai Baht against the Singapore Dollar.

On a post-tax basis, AIS' profit contribution<sup>12</sup> for the quarter increased 20% to S\$71 million, benefiting from a lower effective tax rate on depreciation tax benefits. AIS contributed 8% (Q2 FY2017: 6%) to the Group's underlying net profit.

Against the preceding quarter, service revenue (excluding interconnect) was stable while EBITDA grew 3% on lower handset subsidy costs.

---

<sup>12</sup> AIS' 3G/4G handset subsidy costs previously classified as exceptional items of the Singtel Group in the last corresponding periods have been reclassified to share of AIS' ordinary results to be consistent with the current periods.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

---

AIS continued to focus on the acquisition and retention of quality customers. As at 30 September 2017, its mobile customer base decreased by 0.3 million from a quarter ago, but was stable from a year ago at 40 million.

### ***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 17 countries across Asia and Africa, offering telecom services under wireless and fixed line technology, national and international long distance connectivity, digital TV and integrated telecom solutions to its enterprise customers. Airtel also owns telecom tower infrastructure through its subsidiary and joint venture companies.

Airtel has voluntarily reported consolidated financial statements based on IFRS in the Indian Stock Exchanges since April 2010. With effect from 1 April 2016, Airtel adopted Indian Accounting Standards as required by the local authorities. Consequently, Airtel ceased to report consolidated financial statements based on IFRS in the Indian Stock Exchanges. The consolidated financial statements of Airtel used for equity accounting by Singtel continued to be based on IFRS.

In August 2017, Airtel completed the sale of 67.53 million shares in its subsidiary, Bharti Infratel Limited (“Infratel”) for a total consideration of INR 25.7 billion. Following the sale, Airtel’s equity shareholding in Infratel was reduced to 58%.

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

In India, the disruptive price competition spurred by the new entrant continues to have an adverse impact on Airtel’s results. In this quarter, operating revenue fell 13% on the back of 17% decline in mobile revenue. With increased penetration of attractive bundled offers which offered unlimited voice calling and more generous data allowance, both voice and data volume growth remained robust at 40% and 340% respectively. However, the higher usage could not offset the impact of severe price erosion. ARPU declined 23% to Rs. 145, the lowest ever.

With the decline in operating revenue, EBITDA correspondingly declined 23%.

Results of ‘South Asia’ comprised operations in Sri Lanka, as well as in Bangladesh in the corresponding quarter last year. Both operating revenue and net losses in South Asia fell following the deconsolidation of Airtel Bangladesh in November 2016.

With stable depreciation and amortisation charges, the Group’s share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia declined 36% in Indian Rupee terms. Pre-tax operating profit contribution fell 33% to S\$196 million after accounting for 4% appreciation of the Indian Rupee against the Singapore Dollar.

Compared to the preceding quarter, Airtel’s revenue and EBITDA from its India and South Asia operations declined 3% and 2% respectively on seasonality as well as intense competition in the mobile market.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

---

Airtel continued to grow its mobile customer base and market share. It added 1.4 million mobile customers in India this quarter. As at 30 September 2017, Airtel had 282 million mobile customers in India, an increase of 22 million or 8.5% from a year ago. The number of data customers increased by 3.2 million this quarter, compared to 5.2 million added in the preceding quarter and grew 5.0% from a year ago at 66 million, representing 23% of its total mobile customer base.

In August 2017, Airtel completed the acquisition of 100% equity stake in Tikona Digital Networks Private Limited.

In September 2017, the local regulator came out with final regulations on termination rates for the telecommunications industry effective from 1 October 2017. The mobile termination charge has been reduced from Rs.0.14 per minute to Rs 0.06 per minute.

In October 2017, Airtel also entered into a non-binding agreement with Tata Teleservices Limited and Tata Teleservices Maharashtra Limited, to merge their consumer mobile businesses into Airtel. The merger will augment Airtel's market leadership and bolster its spectrum holding in the 850 MHz, 1800 MHz and 2100 MHz bands. The acquisition is subject to requisite regulatory approvals.

### Africa

As at 30 September 2017, 'Airtel Money' and 3G services were available across all the 15 African countries that Airtel has presence in, while 4G services were available in 3 African countries.

Airtel Africa continued to report positive growth momentum this quarter.

In constant currency terms, Africa's operating revenue grew 2% on growth in data customers and data traffic. However, EBITDA was up a significant 41% on continued strong cost control initiatives and efficiency gains. Its margin rose to a record 32.1%.

In reported US Dollar terms, operating revenue and EBITDA grew 2% and 43% respectively as the African currencies were stable against the US Dollar. Compared to the preceding quarter, Airtel Africa's EBITDA grew a robust 24% on revenue growth of 7%.

With lower depreciation charges, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) was up more than four times to S\$65 million.

Airtel Africa reported its third consecutive quarter of net profit<sup>13</sup> at US\$48 million, compared to a net loss<sup>13</sup> of US\$91 million in the same quarter last year.

Airtel Africa added 1.9 million mobile customers in the quarter as compared to a net decline of 22,000 mobile customers in the preceding quarter. As at 30 September 2017, the mobile customer base stood at 82 million, an increase of 3.8 million or 4.8% from a year ago. The number of data customers was 22 million, representing 27% of total mobile customer base.

In October 2017, Airtel completed the merger with Millicom International Cellular S.A. in Ghana.

---

<sup>13</sup> Before exceptional items.



## SECTION 5 : ASSOCIATES/ JOINT VENTURES

---

### Overall

At the consolidated level, Airtel's operating revenue, EBITDA and EBIT declined 12%, 15% and 27% respectively. After higher share of net finance costs (mainly on lower investment income) and fair value losses, the Group's share of overall ordinary pre-tax profit from Airtel fell 52% to S\$83 million.

Including the share of Airtel's exceptional pre-tax losses of S\$13 million in this quarter which comprised network re-farming and upgrading costs, the Group's share of overall pre-tax profit from Airtel declined 59% to S\$71 million.

Post-tax underlying profit contribution fell 67% to S\$30 million on higher effective tax rate. This was due to one-off tax credits recognised in India in the corresponding quarter last year, as well as change in profit mix in Africa. Consequently, on a post-tax basis, Airtel's contribution to the Group's underlying net profit declined to 3% (Q2 FY2017: 9%).

Including mobile customers across operations in 17 countries covering India, Sri Lanka and Africa, Airtel's total mobile customer base across all geographies was 366 million as at 30 September 2017. This represented a growth of 19 million or 5.5% from a year ago.

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

Globe is listed on the Philippine Stock Exchange.

Globe's service revenue grew 9% mainly driven by growth in mobile data related services as demand for internet and data connectivity continued to grow. EBITDA grew 12% despite higher staff costs and network costs to support a growing subscriber base and network expansion.

Including higher depreciation charges and finance costs from its network infrastructure investments partly offset by lower equity accounted losses from Vega Telecom, Inc., Globe's pre-tax ordinary profit grew 8% in Philippine Peso terms. After accounting for 7% depreciation of the Philippine Peso against the Singapore Dollar this quarter, the Group's share of Globe's pre-tax ordinary profit contribution was stable at S\$59 million.

During the quarter, the Philippine Competition Commission approved the investments of Ant Financial Services Group and Ayala Corporation in Globe's 100% owned subsidiary, Globe Fintech Innovations, Inc. ("**Mynt**") via the allotment of new shares. With the completion of this transaction, Globe's equity interest in Mynt was diluted to 45% and a fair value gain on its retained interest in Mynt was recognised in the quarter. The Group's share of this fair value gain was S\$24 million (pre-tax) and S\$22 million (post-tax).

Including the exceptional gain, total pre-tax profit contribution from Globe rose strongly by 41% to S\$83 million.

On a post-tax basis, Globe's profit contribution for the quarter grew 65% to S\$62 million which contributed 7% (Q2 FY2017: 4%) to the Group's underlying net profit.

Against the preceding quarter, Globe's service revenue grew 1% but EBITDA declined 4% on higher staff costs.

As at 30 September 2017, Globe's total mobile customer base was 59.3 million, a decline of 0.4 million in the quarter as compared to net addition of 1.1 million in the preceding quarter.

**SECTION 5 : ASSOCIATES/ JOINT VENTURES**

---

Compared to a year ago, its mobile customer base fell 6.0 million or 9.2% as mobile prepaid customers are counted only if they are active in the past 90 days compared to the previous 120 days.

***Intouch Holdings (“Intouch”)***

Singtel acquired 21.0% equity interest in Intouch in November 2016. Intouch is listed on the Stock Exchange of Thailand, and has investments in telecommunications via its 40.5% equity interest in AIS, as well as in satellite, internet, and media and advertising businesses.

The Group’s share of Intouch’s post-tax profit was S\$25 million. After including amortisation of acquired intangibles of S\$5 million, Intouch’s post-tax contribution was S\$20 million which constituted 2% of the Group’s underlying net profit.

Against the preceding quarter, Intouch’s net profit grew 2% on higher contribution from AIS partly offset by lower earnings at Thaicom’s satellite business.

**SECTION 5 : ASSOCIATES/ JOINT VENTURES****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 Financial Reporting Standards (“FRS”) and is not intended to replace the financial statements prepared in accordance with Singapore FRS. 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 %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Group operating revenue</b>						
Optus	2,275	2,167	5.0	4,466	4,191	6.6
Singapore subsidiaries	1,647	1,623	1.4	3,269	3,218	1.6
Other overseas subsidiaries (incl. Amobee & Trustwave)	449	297	51.3	868	586	48.2
	<b>4,370</b>	<b>4,086</b>	<b>6.9</b>	<b>8,602</b>	<b>7,994</b>	<b>7.6</b>
<b>Proportionate share of operating revenue of associates</b>						
Regional associates	3,341	3,212	4.0	6,769	6,424	5.4
Singapore associates <sup>(1)</sup>	114	167	-31.8	306	290	5.7
Other overseas associates	11	12	-8.4	23	24	-3.4
	<b>3,466</b>	<b>3,391</b>	<b>2.2</b>	<b>7,098</b>	<b>6,738</b>	<b>5.3</b>
<b>Enlarged revenue</b>	<b>7,835</b>	<b>7,477</b>	<b>4.8</b>	<b>15,700</b>	<b>14,732</b>	<b>6.6</b>
<b>% of overseas revenue to enlarged revenue</b>	<b>78%</b>	<b>76%</b>		<b>77%</b>	<b>76%</b>	

**Note:**

(1) Contribution impacted by the divestment of NetLink Trust.

Overseas revenue contributed 78% to the Group’s enlarged revenue, up 2 percentage points from the last corresponding quarter, with contribution from Turn (Q2 FY17: Nil) and higher revenues from AIS and Telkomsel, partly offset by lower contribution from NetLink NBN Trust.

**SECTION 5 : ASSOCIATES/ JOINT VENTURES**

Proportionate EBITDA	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
<b>Group EBITDA</b>						
Optus	710	649	9.4	1,402	1,302	7.7
Singapore	630	649	-2.9	1,283	1,328	-3.4
Other overseas subsidiaries (including Amobee & Trustwave)	(49)	(65)	-25.4	(124)	(161)	-22.8
	<b>1,292</b>	<b>1,233</b>	<b>4.8</b>	<b>2,561</b>	<b>2,469</b>	<b>3.7</b>
<b>Proportionate share of associates' EBITDA <sup>(1)(2)</sup></b>						
Regional associates <sup>(2)</sup>	1,505	1,419	6.0	3,029	2,837	6.7
Singapore associates <sup>(3)</sup>	32	75	-57.4	112	141	-20.6
Other overseas associates	8	9	-10.6	19	18	5.1
	<b>1,545</b>	<b>1,503</b>	<b>2.8</b>	<b>3,159</b>	<b>2,996</b>	<b>5.4</b>
<b>Total proportionate EBITDA <sup>(2)</sup></b>	<b>2,836</b>	<b>2,736</b>	<b>3.7</b>	<b>5,720</b>	<b>5,465</b>	<b>4.7</b>
<b>Overseas proportionate EBITDA as a % to total proportionate EBITDA</b>	<b>77%</b>	<b>74%</b>		<b>76%</b>	<b>73%</b>	
<b>Contributions to total proportionate EBITDA</b>						
Regional associates	53%	52%		53%	52%	
Australia	25%	24%		25%	24%	
Singapore	23%	26%		24%	27%	
Others	-1%	-2%		-2%	-3%	
	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

**Notes:**

- (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.
- (2) Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Group to the share of associates' results to be consistent with the current periods.
- (3) Contribution impacted by the divestment of NetLink Trust.

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 77% to proportionate EBITDA, up from 74% in the last corresponding quarter.

**SECTION 5 : ASSOCIATES/ JOINT VENTURES**

Number of mobile customers (000s)	Total Number			Proportionate Share <sup>(1)</sup>		
	30 Sep 2017	30 Jun 2017	30 Sep 2016	30 Sep 2017	30 Jun 2017	30 Sep 2016
Singtel	4,098	4,128	4,115	4,098	4,128	4,115
Optus	9,827	9,765	9,420	9,827	9,765	9,420
	<b>13,925</b>	<b>13,893</b>	<b>13,535</b>	<b>13,925</b>	<b>13,893</b>	<b>13,535</b>
<b>Regional Associates</b>						
Airtel						
- India	282,047	280,647	259,941	102,834	102,324	86,040
- Africa	81,927	80,039	78,145	29,871	29,182	25,866
- South Asia	2,086	1,990	8,800	761	726	2,913
	366,060	362,676	346,886	133,466	132,232	114,819
Telkomsel	190,362	178,001	163,699	66,627	62,300	57,295
AIS	40,186	40,474	39,873	9,371	9,438	9,298
Intouch's share of AIS	NM	NM	-	3,414	3,438	-
Globe	59,331	59,722	65,363	27,964	28,147	30,845
	<b>655,939</b>	<b>640,873</b>	<b>615,821</b>	<b>240,842</b>	<b>235,555</b>	<b>212,257</b>
<b>Group</b>	<b>669,864</b>	<b>654,766</b>	<b>629,356</b>	<b>254,767</b>	<b>249,448</b>	<b>225,792</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.

"NM" denotes not meaningful.

The Group's combined mobile customer base was 670 million as at 30 September 2017, up 15 million or 2.3% from a quarter ago, and 41 million or 6.4% from a year ago.

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

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Telkomsel <sup>(2)</sup> - final dividend FY 2016 / FY 2015	-	-	-	724	715	1.3
AIS <sup>(3)</sup> - interim dividend FY 2017 / FY 2016	99	155	-36.3	99	155	-36.3
- final dividend FY 2016 / FY 2015	-	-	-	119	176	-32.5
	99	155	-36.3	217	330	-34.3
Globe <sup>(4)</sup> - quarterly dividend FY 2016 / FY 2015	39	40	-2.0	79	80	-1.1
Intouch <sup>(5)</sup> - interim dividend FY 2017	34	-	nm	78	-	nm
Airtel <sup>(6)</sup> - final dividend FY 2017 / FY 2016	13	17	-23.0	13	17	-23.0
<b>Regional associates</b>	<b>184</b>	<b>211</b>	<b>-12.6</b>	<b>1,111</b>	<b>1,141</b>	<b>-2.7</b>
<b>Other associates</b>						
Southern Cross/ PCHL <sup>(7)</sup>	5	8	-28.0	11	22	-50.7
NetLink Trust <sup>(8)</sup>	51	80	-36.5	76	80	-5.3
Others	6	22	-71.6	11	23	-52.2
	63	110	-43.0	98	125	-21.8
<b>Total</b>	<b>247</b>	<b>321</b>	<b>-23.0</b>	<b>1,208</b>	<b>1,266</b>	<b>-4.6</b>

**Notes:**

- (1) The cash dividends/ distributions received from overseas associates and joint ventures as stated here are before related tax payments.
- (2) Telkomsel declared a full year dividend of 95% on net profit for its 2016 financial year (FY 2015: 90%).
- (3) AIS declared a full year dividend of 98% on net profit for its 2016 financial year (FY 2015: 99%). Dividends are paid twice a year, with an interim dividend distributed from its first half year results and a final dividend distributed from its second half year results. The Group received its share of the final dividend for 2016 financial year of S\$119 million in April 2017. For its 2017 financial year, AIS revised its dividend policy to payment of dividend at a minimum of 70% on net profit. The Group received its share of the interim dividend for 2017 financial year in August 2017.
- (4) Globe paid its third quarterly dividend of PHP 22.75 per common share for its 2016 financial year in September 2017. The Group's share of this dividend was S\$39 million. Globe will pay its next quarterly dividend of PHP 22.75 per common share in December 2017, the Group's share of this dividend is approximately S\$38 million.
- (5) Intouch's dividend policy is to pass through dividends received from its associates and subsidiaries after the deduction of operating expenses, subject to its financial needs or unless the payment of dividends would materially affect its operations. Dividends are paid twice a year, with the Group receiving its share of interim dividends of S\$44 million and S\$34 million in April 2017 and September 2017 respectively.
- (6) Airtel does not have a fixed dividend policy. The Group received its share of the final dividend for 2017 financial year from its direct stake of 15.01% in August 2017.
- (7) Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited (PCHL), part of the Southern Cross consortium, do not have fixed dividend policies.
- (8) Singtel received S\$25 million and S\$51 million of distributions from NetLink Trust in June 2017 and July 2017 respectively.

## SECTION 5 : ASSOCIATES/ JOINT VENTURES

The dividends/distributions from the associates decreased due to AIS with lower payout and timing of NetLink Trust's dividend, partly offset by dividend received from Intouch (FY2017: Nil).

### KEY OPERATIONAL DATA

	Airtel <sup>(1)</sup>	Telkomsel	AIS	Intouch	Globe
<b>Singtel's investment:</b>					
Year of initial investment	<b>2000</b>	<b>2001</b>	<b>1999</b>	<b>2016</b>	<b>1993</b>
Effective economic interest (%)	36.5%	35.0%	23.3% <sup>(2)</sup>	21.0%	47.1% <sup>(3)</sup>
Investment to date	S\$3.79 bil	S\$1.93 bil	S\$1.20 bil	S\$1.59 bil	S\$1.02 bil
Closing market share price <sup>(4)</sup>	INR 389	NA	THB 191 <sup>(5)</sup>	THB 58 <sup>(5)</sup>	PHP 2,050
Market capitalisation					
- Total	S\$32.29 bil	NA	S\$23.12 bil	S\$7.50 bil	S\$7.28 bil
- Singtel holding	S\$11.77 bil	NA	S\$5.39 bil	S\$1.58 bil	S\$3.43 bil
<b>Operational Performance :</b>					
Mobile penetration rate <sup>(6)</sup>	92%	153%	137%	NM	115%
Market share, 30 September 2017 <sup>(6)</sup>	23.7%	47.2%	44.8%	NM	50.4%
Market share, 30 Jun 2017 <sup>(7)</sup>	23.6%	46.5%	44.8%	NM	50.4%
Market position <sup>(8)</sup>	#1	#1	#1	NM	#1
Mobile customers ('000)					
- Aggregate	366,060	190,362	40,186	NM	59,331
- Proportionate	133,466	66,627	9,371	3,414	27,964
Growth in mobile customers (%) <sup>(9)</sup>	5.5%	16%	0.8%	NM	-9.2%
Credit ratings					
- Sovereign (Moody's/ S&P Global)	Baa3/BBB-	Baa3/BBB-	Baa1/BBB+	Baa1/BBB+	Baa2/BBB
- Company (Moody's/ S&P Global)	Baa3/BBB-	Baa1/BBB	NA/BBB+	NA	NA

#### Notes:

- (1) The mobile penetration rate, market share and market position pertain to India market only.
- (2) Based on direct equity interest only.
- (3) Singtel has 21.5% interest in Globe's voting shares.
- (4) Based on closing market price in local currency as of 30 September 2017.
- (5) Based on local market price quoted on the Stock Exchange of Thailand.
- (6) Based on actual data or latest data available as of 30 September 2017.
- (7) Based on actual data.
- (8) Based on number of mobile customers and based on actual data or latest data available as of 30 September 2017.
- (9) Compared against 30 September 2016 and based on aggregate number of mobile customers.

NA denotes not applicable and NM denotes not meaningful.

Please refer to **Appendix 5** for the currency rate movements of the regional associates.

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

	Quarter			Half Year		YOY Chge %
	30 Sep 2017	30 Jun 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	
<b>Mobile Communications revenue (S\$'M) <sup>(1)</sup></b>	<b>506</b>	<b>506</b>	<b>520</b>	<b>1,012</b>	<b>1,045</b>	<b>-3.1</b>
<b>Number of mobile subscribers (000s)</b>						
Prepaid	1,675	1,714	1,774	1,675	1,774	-5.6
Postpaid	2,423	2,414	2,341	2,423	2,341	3.5
<b>Total</b>	<b>4,098</b>	<b>4,128</b>	<b>4,115</b>	<b>4,098</b>	<b>4,115</b>	<b>-0.4</b>
<b>Number of 4G mobile subscribers (000s)</b>	<b>2,656</b>	<b>2,667</b>	<b>2,487</b>	<b>2,656</b>	<b>2,487</b>	<b>6.8</b>
<b>MOUs per subscriber per month <sup>(2)</sup></b>						
Prepaid	196	201	244	199	250	-20.3
Postpaid <sup>(3)</sup>	204	209	242	207	242	-14.5
<b>Average revenue per subscriber per month <sup>(2) (4)</sup> (S\$ per month)</b>						
Prepaid	18	18	19	18	18	-0.5
Postpaid	64	65	69	65	69	-6.9
<b>Blended</b>	<b>45</b>	<b>45</b>	<b>47</b>	<b>45</b>	<b>47</b>	<b>-4.2</b>
<b>Data services as % of ARPU</b>						
- total data <sup>(5)</sup>	62%	60%	54%	61%	54%	
- non-SMS data	54%	52%	45%	53%	44%	
<b>Acquisition cost per postpaid subscriber (S\$) <sup>(6)</sup></b>	<b>400</b>	<b>404</b>	<b>429</b>	<b>402</b>	<b>419</b>	<b>-4.0</b>
Postpaid external churn per month <sup>(7)</sup>	0.8%	0.8%	0.9%	0.8%	1.0%	
<b>Singapore mobile penetration rate <sup>(8)</sup></b>	<b>150%</b>	<b>151%</b>	<b>149%</b>	<b>150%</b>	<b>149%</b>	
<b>Market share <sup>(8)</sup></b>						
Prepaid	50.7%	50.5%	51.6%	50.7%	51.6%	
Postpaid	47.9%	47.7%	47.3%	47.9%	47.3%	
<b>Overall</b>	<b>49.0%</b>	<b>48.8%</b>	<b>49.1%</b>	<b>49.0%</b>	<b>49.1%</b>	

**Notes:**

- (1) This comprises cellular service revenue in Singapore only and is determined net of bill rebates and prepaid sales discount, and includes revenue earned from broadband bundles. It excludes revenue earned from international calls classified under "International Telephone" revenue. From 1 April 2017, Mobile Communications include inter-operator mobile tariffs discounts of S\$11 million in the current quarter (H1 FY2018: S\$23 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have been stable for both the quarter and the half year.
- (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) This relates to blended acquisition and retention cost per postpaid customer.
- (7) 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.
- (8) The market share data as at 30 September 2017 was based on Telco operators' published results. The other market statistics were based on IMDA's latest available published statistics as of 31 August 2017.



## SECTION 6 : PRODUCT INFORMATION

## AUSTRALIA MOBILE (PRODUCT VIEW)

	Quarter			Half Year		YOY Chge %
	30 Sep 2017	30 Jun 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	
Optus' mobile revenue (A\$'M) <sup>(1)</sup>	1,274	1,314	1,319	2,588	2,562	1.0
Optus' mobile service revenue (A\$'M)	991	977	970	1,968	1,933	1.8
Optus' mobile outgoing service revenue (A\$M)	938	926	921	1,864	1,835	1.6
<b>Number of mobile subscribers (000s)</b>						
Prepaid Handset	3,701	3,725	3,636	3,701	3,636	1.8
Postpaid Handset	5,076	5,001	4,774	5,076	4,774	6.3
Mobile Broadband <sup>(2)</sup>	1,050	1,039	1,010	1,050	1,010	3.9
<b>Total</b>	<b>9,827</b>	<b>9,765</b>	<b>9,420</b>	<b>9,827</b>	<b>9,420</b>	<b>4.3</b>
<b>Number of 4G mobile subscribers (000s) <sup>(3)</sup></b>	<b>6,056</b>	<b>5,880</b>	<b>5,268</b>	<b>6,056</b>	<b>5,268</b>	<b>14.9</b>
<b>Mobile penetration rate <sup>(4)</sup></b>	<b>ND</b>	<b>139%</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	
<b>MOUs per subscriber per month <sup>(5)</sup></b>						
Prepaid	140	142	146	141	142	-0.7
Postpaid	308	294	295	300	290	3.6
<b>ARPU per month (A\$) <sup>(6)</sup></b>						
Prepaid Handset	21	20	22	21	21	-3.4
Postpaid Handset	46	46	47	46	47	-3.2
Mobile Broadband <sup>(2)</sup>	20	21	20	21	20	0.4
<b>Blended</b>	<b>34</b>	<b>33</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>-2.3</b>
Postpaid Handset excluding DRP impact	<b>60</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>58</b>	<b>2.0</b>
<b>Data revenue as a % of service revenue</b>						
- total data	79%	79%	75%	79%	75%	
- non-SMS data	70%	70%	66%	70%	65%	
<b>Market share <sup>(4)</sup></b>	<b>ND</b>	<b>27.3%</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	
<b>Market share - excluding the rate change <sup>(4)</sup></b>	<b>ND</b>	<b>28.7%</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>	
<b>Retail postpaid churn rate per month <sup>(7)</sup></b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.3%</b>	

**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 revenue 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) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

"ND" denotes not disclosed.

**SECTION 6 : PRODUCT INFORMATION****Singtel TV (PRODUCT VIEW)**

	Quarter			Half Year		YOY Chge %
	30 Sep 2017	30 Jun 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	
Singtel TV revenue (S\$'M)	64	63	63	127	122	4.4
Average revenue per residential TV customer per month (S\$ per month)	41	41	42	41	42	-1.8
Number of residential TV customers (000s)	404	404	412	404	412	-2.0

**SINGAPORE CONSUMER HOME**

	Quarter			Half Year		YOY Chge %
	30 Sep 2017	30 Jun 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	
Singapore Consumer home revenue (S\$'M) <sup>(1)</sup>	143	139	138	283	273	3.4
Number of households on triple/ quad play services (000s) <sup>(2)</sup>	505	504	498	505	498	1.2

**Notes:**

- (1) This comprises fixed broadband, fixed voice and Singtel TV in the residential segment only and does not include mobile.
- (2) 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			Year		YOY Chge %
	30 Sep 2017	30 Jun 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	
<b>Internet</b>						
Number of fixed broadband lines (000s) <sup>(1)</sup>	617	613	602	617	602	2.5
<i>Singapore fixed broadband penetration rate</i> <sup>(2)</sup>	93%	94%	97%	93%	97%	
<i>Fixed broadband market share</i> <sup>(3)(4)</sup>	42.2%	42.1%	41.8%	42.2%	41.8%	
Number of fibre broadband lines (000s)	580	570	533	580	533	8.9
<i>Fibre broadband market share</i> <sup>(4)</sup>	47.3%	47.5%	48.5%	47.3%	48.5%	
<b>International Telephone</b>						
International telephone outgoing minutes (m mins) (excl Malaysia)	563	590	696	1,153	1,398	-17.5
Average collection rate - net basis (S\$/ min) (excl Malaysia)	0.093	0.091	0.091	0.092	0.093	-1.1
<b>National Telephone</b>						
Fixed working lines (000s) <sup>(5)</sup>						
Residential	776	780	797	776	797	-2.6
Business	663	672	700	663	700	-5.3
<b>Total</b>	<b>1,439</b>	<b>1,452</b>	<b>1,497</b>	<b>1,439</b>	<b>1,497</b>	<b>-3.9</b>
<i>Singapore fixed line penetration rate</i> <sup>(6)</sup>	35.6%	35.6%	35.8%	35.6%	35.8%	
<i>Singapore fixed working lines ('000s)</i> <sup>(6)</sup>	2,000	2,000	2,008	2,000	2,008	
<i>Fixed line market share</i> <sup>(6)</sup>	71.9%	72.6%	74.6%	71.9%	74.6%	

**Notes:**

- (1) Include ADSL and fibre lines.
- (2) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IMDA). The market penetration rate as at 30 September 2017 was based on IMDA's latest available published statistics as of 31 August 2017.
- (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 September 2017 was based on management's estimates.
- (5) Fixed working lines refer to Direct Exchange Lines (DEL) and Home Digital Lines.
- (6) The market share data as at 30 September 2017 was based on management's estimates. The other market statistics as at 30 September 2017 were based on IMDA's latest available published statistics as of 30 June 2017.

**SECTION 6 : PRODUCT INFORMATION**

Australia	Quarter			Half Year		YOY Chge %
	30 Sep 2017	30 Jun 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016	
<b>Enterprise Fixed</b>						
Business voice minutes (m min)	1,309	1,250	1,352	2,559	2,684	-4.7
<b>Wholesale Fixed</b>						
Wholesale domestic voice minutes (m min)	1,047	1,011	985	2,058	1,846	11.5
<b>Mass Market Fixed</b>						
<b>On-net ARPU (A\$) <sup>(1)</sup></b>						
Voice	31	32	35	32	35	-10.8
Broadband <sup>(2)</sup>	54	54	53	54	52	3.3
<b>Telephony customers ('000)</b>						
HFC <sup>(3)</sup>	425	441	450	425	450	-5.5
ULL <sup>(4)</sup>	359	379	423	359	423	-15.1
<b>On-net</b>	<b>784</b>	<b>820</b>	<b>873</b>	<b>784</b>	<b>873</b>	<b>-10.2</b>
Resale	52	60	52	52	52	**
NBN	350	277	162	350	162	116.0
<b>Off-net</b>	<b>403</b>	<b>338</b>	<b>215</b>	<b>403</b>	<b>215</b>	<b>87.7</b>
<b>TV customers (000s)</b>	<b>469</b>	<b>457</b>	<b>421</b>	<b>469</b>	<b>421</b>	<b>11.2</b>
HFC bundling rate <sup>(5)</sup>	98%	98%	98%	98%	98%	
<b>HFC penetration</b>	<b>30%</b>	<b>32%</b>	<b>32%</b>	<b>30%</b>	<b>32%</b>	
<b>Broadband customers (000s)</b>						
<b>On-net</b>						
HFC broadband	418	433	437	418	437	-4.5
ULL broadband <sup>(4)</sup>	373	396	447	373	447	-16.5
Business grade broadband	25	25	26	25	26	-2.2
	816	855	910	816	910	-10.3
<b>Off-net</b>						
Broadband	39	41	36	39	36	6.8
NBN	351	279	164	351	164	113.8
<b>Total Broadband customers</b>	<b>1,206</b>	<b>1,174</b>	<b>1,111</b>	<b>1,206</b>	<b>1,111</b>	<b>8.6</b>

**Notes:**

- (1) Per month, based on average number of HFC and ULL customers.
- (2) Includes Optus TV with Fetch.
- (3) 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.
- (4) Include wholesale ULL subscribers.
- (5) 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).

\*\*\* denotes less than +/- 0.05%.

**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>“ATO”</b>	Australian Taxation Office.
<b>“DRP”</b>	Device repayment plans.
<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, and does not include 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>“IoT”</b>	Internet of Things.
<b>“IMDA”</b>	Info-communications Media Development Authority of Singapore.
<b>“IP VPN”</b>	Internet Protocol Virtual Private Network.
<b>“MMS”</b>	Multimedia messaging service.
<b>“MTAS”</b>	Mobile terminating access services.
<b>“MOU”</b>	Minutes of use per subscriber.
<b>“NM”</b>	Not meaningful.
<b>“NPS”</b>	Net Promoter Score. This is a widely used metric to measure customer experience by scoring the willingness of customers to recommend a brand following an interaction with the company.
<b>“Optus”</b>	Singtel Optus Pty Limited, Singtel’s wholly-owned subsidiary, and its subsidiaries.
<b>“OTT”</b>	Over-the-top.
<b>“Regional associates”</b>	Comprises Airtel, AIS, Intouch, Telkomsel and Globe. Formerly known as regional mobile associates.
<b>“SMS”</b>	Short message service.
<b>“SME”</b>	Small and medium-sized enterprises.
<b>“STAI”</b>	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
<b>“Singapore”</b>	The term refers to the Group’s operations excluding Optus and the associates. Therefore, this includes the overseas operations of Singtel including Amobee and Trustwave.
<b>“Underlying net profit”</b>	Defined as net profit before exceptional items.

## GROUP SUMMARY INCOME STATEMENTS

### For The Second Quarter Ended 30 September 2017

	Quarter						YOY Chge %	
	30 Sep							
	2017			2017		2017		2016
	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>	<b>2,095</b>	-	-	<b>2,095</b>	<b>2,275</b>	<b>4,370</b>	<b>4,086</b>	<b>6.9</b>
Operating expenses	(1,528)	-	-	(1,528)	(1,597)	(3,125)	(2,901)	7.7
Other income	567	-	-	567	678	1,245	1,186	5.0
	15	-	-	15	32	47	47	**
<b>EBITDA</b>	<b>582</b>	-	-	<b>582</b>	<b>710</b>	<b>1,292</b>	<b>1,233</b>	<b>4.8</b>
- EBITDA margin	27.8%	-	-	27.8%	31.2%	29.6%	30.2%	
<b>Share of associates' pre-tax profits <sup>(2)</sup></b>								
Regional associates <sup>(2)</sup>	-	620	-	620	-	620	667	-7.2
Other associates	-	29	-	29	*	29	58	-50.7
- ordinary operations	-	648	-	648	*	648	725	-10.6
- exceptional items	-	11	-	11	-	11	-	nm
	-	659	-	659	*	659	725	-9.1
<b>EBITDA and share of associates' pre-tax profits <sup>(2)</sup></b>	<b>582</b>	<b>659</b>	-	<b>1,241</b>	<b>710</b>	<b>1,951</b>	<b>1,958</b>	<b>-0.4</b>
Depreciation & amortisation	(209)	-	-	(209)	(390)	(599)	(549)	9.2
<b>EBIT <sup>(2)</sup></b>	<b>372</b>	<b>659</b>	-	<b>1,032</b>	<b>320</b>	<b>1,352</b>	<b>1,410</b>	<b>-4.1</b>
Net finance (expense)/ income								
- net interest expense	(45)	-	-	(45)	(51)	(96)	(82)	17.3
- other finance (expense)/ income	(1)	-	5	4	1	5	11	-52.3
	(46)	-	5	(41)	(50)	(91)	(71)	27.9
<b>Profit before EI and tax <sup>(2)</sup></b>	<b>326</b>	<b>659</b>	<b>5</b>	<b>991</b>	<b>270</b>	<b>1,261</b>	<b>1,338</b>	<b>-5.8</b>
Taxation								
- current and deferred taxes	(58)	-	-	(58)	(82)	(140)	(132)	6.2
- share of taxes of associates <sup>(2)</sup>	-	(172)	-	(172)	-	(172)	(213)	-19.2
- withholding taxes <sup>(1)</sup>	-	-	(25)	(25)	-	(25)	(29)	-11.8
	(58)	(172)	(25)	(255)	(82)	(337)	(374)	-9.7
<b>Profit/ (Loss) after tax <sup>(2)</sup></b>	<b>268</b>	<b>487</b>	<b>(20)</b>	<b>735</b>	<b>188</b>	<b>924</b>	<b>965</b>	<b>-4.3</b>
Minority interests	6	-	-	6	-	6	4	40.5
<b>Underlying net profit/ (loss) <sup>(2)</sup></b>	<b>274</b>	<b>487</b>	<b>(20)</b>	<b>741</b>	<b>188</b>	<b>929</b>	<b>969</b>	<b>-4.1</b>
(exclude Airtel) <sup>(3)</sup>	274	457	(20)	711	188	899	877	2.5
Exceptional items ("EI") (post-tax) <sup>(2)</sup>	(37)	-	1,996	1,960	-	1,960	3	@
<b>Net profit</b>	<b>238</b>	<b>487</b>	<b>1,976</b>	<b>2,701</b>	<b>188</b>	<b>2,889</b>	<b>972</b>	<b>197.1</b>
(exclude Airtel) <sup>(3)</sup>	238	457	1,976	2,671	188	2,859	881	224.6

**Notes:**

(1) These are withholding and dividend distribution 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**.

(2) Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results to be consistent with the current quarter.

(3) The profits were adjusted to exclude results of Airtel.

\*\*\* denotes less than +/- S\$0.5 million, \*\*\*\* denotes less than +/- 0.05% and "@" denotes more than +/- 500%

## GROUP SUMMARY INCOME STATEMENTS

### For The Half Year Ended 30 September 2017

	Half Year							YOY Chge %
	30 Sep							
	2017			2017		2017	2016	
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>	<b>4,136</b>	-	-	<b>4,136</b>	<b>4,466</b>	<b>8,602</b>	<b>7,994</b>	<b>7.6</b>
Operating expenses	(3,007)	-	-	(3,007)	(3,154)	(6,161)	(5,633)	9.4
Other income	1,129	-	-	1,129	1,312	2,441	2,361	3.4
	30	-	-	30	90	120	107	11.5
<b>EBITDA</b>	<b>1,159</b>	-	-	<b>1,159</b>	<b>1,402</b>	<b>2,561</b>	<b>2,469</b>	<b>3.7</b>
<b>- EBITDA margin</b>	<b>28.0%</b>	-	-	<b>28.0%</b>	<b>31.4%</b>	<b>29.8%</b>	<b>30.9%</b>	
<b>Share of associates' pre-tax profits<sup>(2)</sup></b>								
Regional associates <sup>(2)</sup>	-	1,292	-	1,292	-	1,292	1,367	-5.5
Other associates	-	89	-	89	*	89	111	-19.7
- ordinary operations	-	1,382	-	1,382	*	1,382	1,478	-6.5
- exceptional items	-	7	-	7	-	7	-	nm
	-	<b>1,389</b>	-	<b>1,389</b>	<b>*</b>	<b>1,389</b>	<b>1,478</b>	<b>-6.0</b>
<b>EBITDA and share of associates' pre-tax profits<sup>(2)</sup></b>	<b>1,159</b>	<b>1,389</b>	-	<b>2,547</b>	<b>1,403</b>	<b>3,950</b>	<b>3,947</b>	<b>0.1</b>
Depreciation & amortisation	(417)	-	-	(417)	(754)	(1,171)	(1,092)	7.2
<b>EBIT<sup>(2)</sup></b>	<b>742</b>	<b>1,389</b>	-	<b>2,131</b>	<b>648</b>	<b>2,779</b>	<b>2,855</b>	<b>-2.7</b>
Net finance (expense)/ income								
- net interest expense	(88)	-	-	(88)	(99)	(187)	(162)	15.7
- other finance (expense)/ income	(5)	-	11	6	2	8	25	-68.0
	(93)	-	11	(82)	(97)	(179)	(136)	31.3
<b>Profit before EI and tax<sup>(2)</sup></b>	<b>649</b>	<b>1,389</b>	<b>11</b>	<b>2,049</b>	<b>551</b>	<b>2,600</b>	<b>2,719</b>	<b>-4.4</b>
Taxation								
- current and deferred taxes	(115)	-	-	(115)	(167)	(282)	(270)	4.3
- share of taxes of associates <sup>(2)</sup>	-	(386)	-	(386)	*	(387)	(438)	-11.7
- withholding taxes <sup>(1)</sup>	-	-	(104)	(104)	-	(104)	(107)	-2.6
	(115)	(386)	(104)	(606)	(167)	(773)	(815)	-5.2
<b>Profit/ (Loss) after tax<sup>(2)</sup></b>	<b>534</b>	<b>1,002</b>	<b>(94)</b>	<b>1,443</b>	<b>384</b>	<b>1,828</b>	<b>1,904</b>	<b>-4.0</b>
Minority interests	11	-	-	11	-	11	8	42.5
<b>Underlying net profit/ (loss)<sup>(2)</sup></b>	<b>546</b>	<b>1,002</b>	<b>(94)</b>	<b>1,455</b>	<b>384</b>	<b>1,839</b>	<b>1,912</b>	<b>-3.8</b>
(exclude Airtel) <sup>(3)</sup>	546	937	(94)	1,389	384	1,773	1,727	2.7
EI (post-tax) <sup>(2)</sup>	(37)	-	1,996	1,959	(17)	1,942	5	@
<b>Net profit</b>	<b>508</b>	<b>1,002</b>	<b>1,903</b>	<b>3,413</b>	<b>367</b>	<b>3,781</b>	<b>1,917</b>	<b>97.3</b>
(exclude Airtel) <sup>(3)</sup>	508	937	1,903	3,348	367	3,715	1,709	117.4

**Notes:**

(1) These are withholding and dividend distribution 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**.

(2) Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results to be consistent with the current period.

(3) The profits were adjusted to exclude results of Airtel.

“\*” denotes less than +/- S\$0.5 million and “@” denotes more than +/- 500%

## GROUP SUMMARY INCOME STATEMENTS

### For The Second Quarter And Half Year Ended 30 September 2017

	Quarter	YOY		Half Year	YOY	
	30 Sep	Change	Change in constant currency <sup>(1)</sup>	30 Sep	Change	Change in constant currency <sup>(1)</sup>
	2017			2017		
	S\$ m	%	%	S\$ m	%	%
<b>Operating revenue</b>	<b>4,370</b>	<b>6.9</b>	<b>4.3</b>	<b>8,602</b>	<b>7.6</b>	<b>5.3</b>
Operating expenses	(3,125)	7.7	5.1	(6,161)	9.4	7.0
	1,245	5.0	2.4	2,441	3.4	1.2
Other income	47	**	-3.8	120	11.5	7.8
<b>EBITDA</b>	<b>1,292</b>	<b>4.8</b>	<b>2.1</b>	<b>2,561</b>	<b>3.7</b>	<b>1.5</b>
<b>-EBITDA margin</b>	<b>29.6%</b>			<b>29.8%</b>		
<b>Share of associates' pre-tax profits</b>						
- Telkomsel	371	1.7	2.3	754	9.2	8.0
- Airtel	83	-51.8	-53.8	186	-46.6	-49.3
- AIS	83	15.5	10.0	165	-8.5	-13.1
- Globe	59	0.7	8.1	140	-5.5	-0.1
- Intouch	24	nm	nm	48	nm	nm
Regional associates	620	-7.2	-7.5	1,292	-5.5	-7.0
Other associates	29	-50.7	-50.7	89	-19.7	-19.7
- ordinary operations	648	-10.6	-10.9	1,382	-6.5	-8.0
- exceptional items	11	nm	nm	7	nm	nm
	<b>659</b>	<b>-9.1</b>	<b>-9.1</b>	<b>1,389</b>	<b>-6.0</b>	<b>-7.3</b>
<b>EBITDA and share of associates' pre-tax profits</b>	<b>1,951</b>	<b>-0.4</b>	<b>-2.0</b>	<b>3,950</b>	<b>0.1</b>	<b>-1.8</b>
Depreciation & amortisation	(599)	9.2	5.9	(1,171)	7.2	4.4
<b>EBIT</b>	<b>1,352</b>	<b>-4.1</b>	<b>-5.1</b>	<b>2,779</b>	<b>-2.7</b>	<b>-4.1</b>
Net finance expense	(91)	27.9	25.0	(179)	31.3	28.5
<b>Profit before EI and tax</b>	<b>1,261</b>	<b>-5.8</b>	<b>-6.7</b>	<b>2,600</b>	<b>-4.4</b>	<b>-5.8</b>
Taxation	(337)	-9.7	-10.8	(773)	-5.2	-6.8
<b>Profit after tax</b>	<b>924</b>	<b>-4.3</b>	<b>-5.1</b>	<b>1,828</b>	<b>-4.0</b>	<b>-5.4</b>
Minority interests	6	40.5	38.1	11	42.5	37.5
<b>Underlying net profit</b>	<b>929</b>	<b>-4.1</b>	<b>-4.9</b>	<b>1,839</b>	<b>-3.8</b>	<b>-5.2</b>
(exclude Airtel) <sup>(2)</sup>	899	2.5	1.7	1,773	2.7	1.4
EI (post-tax)	1,960	@	@	1,942	@	@
<b>Net profit</b>	<b>2,889</b>	<b>197.1</b>	<b>196.4</b>	<b>3,781</b>	<b>97.3</b>	<b>96.0</b>
(exclude Airtel) <sup>(2)</sup>	2,859	224.6	223.9	3,715	117.4	116.2

**Notes:**

- (1) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the periods ended 30 September 2016.
- (2) The profits were adjusted to exclude results of Airtel.



**BUSINESS SEGMENTS**

For The Second Quarter And Half Year Ended 30 September 2017

	Quarter	YOY		Half Year	YOY	
	30 Sep	Change	Change in constant currency <sup>(1)</sup>	30 Sep	Change	Change in constant currency <sup>(1)</sup>
	2017			2017		
	S\$ m	%	%	S\$ m	%	%
<b>Operating revenue</b>						
Group Consumer	2,393	2.3	-1.3	4,753	4.8	1.7
Group Enterprise	1,700	5.5	4.2	3,298	3.3	2.2
<b>Core Business</b>	4,093	3.6	0.9	8,052	4.2	1.9
Group Digital Life	277	105.5	104.2	551	107.1	103.9
<b>Group</b>	<b>4,370</b>	<b>6.9</b>	<b>4.3</b>	<b>8,602</b>	<b>7.6</b>	<b>5.3</b>
<b>EBITDA</b>						
Group Consumer	846	8.7	5.0	1,677	6.3	3.1
Group Enterprise	476	-5.4	-6.1	960	-3.3	-3.8
<b>Core Business</b>	1,322	3.2	0.6	2,636	2.6	0.4
Group Digital Life	(14)	-49.5	-48.4	(37)	-40.8	-40.3
Corporate	(16)	-22.5	-22.5	(38)	-2.3	-2.3
<b>Group</b>	<b>1,292</b>	<b>4.8</b>	<b>2.1</b>	<b>2,561</b>	<b>3.7</b>	<b>1.5</b>
<b>EBIT (exclude share of associates' pre-tax profits)</b>						
Group Consumer	427	6.0	2.8	864	3.3	0.5
Group Enterprise	314	-9.2	-9.5	643	-4.8	-5.0
<b>Core Business</b>	742	-1.0	-2.9	1,507	-0.3	-2.0
Group Digital Life	(33)	-24.6	-23.9	(79)	-18.2	-18.4
Corporate	(16)	-24.5	-24.5	(38)	-3.6	-3.6
<b>Group</b>	<b>693</b>	<b>1.2</b>	<b>-0.9</b>	<b>1,390</b>	<b>1.0</b>	<b>-0.8</b>

**Note:**

(1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 30 September 2016.

**GROUP STATEMENTS OF FINANCIAL POSITION**

	<b>As at</b>		
	<b>30 Sep 2017</b>	<b>30 Jun 2017</b>	<b>30 Sep 2016</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>S\$ million</b>	<b>S\$ million</b>	<b>S\$ million</b>
<b>Current assets</b>			
Cash and cash equivalents	651	632	585
Trade and other receivable:	5,126	4,981	4,392
Inventories	359	401	343
Derivative financial instruments	26	102	97
Loan to an associate <sup>(1)</sup>	-	1,101	-
	<b>6,163</b>	<b>7,217</b>	<b>5,417</b>
<b>Non-current assets</b>			
Property, plant and equipment	11,740	11,658	11,147
Intangible assets	14,215	14,334	13,067
Associates	1,958	1,968	355
Loan to an associate	-	-	1,101
Joint ventures	12,042	11,841	10,472
Available-for-sale investment:	232	222	175
Deferred tax assets <sup>(1)</sup>	448	661	650
Derivative financial instruments	433	477	576
Other non-current receivable:	749	761	599
	<b>41,817</b>	<b>41,922</b>	<b>38,141</b>
<b>Total assets</b>	<b>47,979</b>	<b>49,138</b>	<b>43,558</b>
<b>Current liabilities</b>			
Trade and other payable:	4,827	4,674	4,303
Advance billings	844	873	789
Current tax liability:	318	374	292
Borrowings (unsecured)	865	1,682	2,904
Borrowings (secured)	68	57	93
Derivative financial instruments	24	18	18
Net deferred gain <sup>(1)</sup>	19	69	69
	<b>6,964</b>	<b>7,747</b>	<b>8,468</b>
<b>Non-current liabilities</b>			
Borrowings (unsecured)	9,101	9,481	7,088
Borrowings (secured)	135	238	179
Derivative financial instruments	303	318	271
Advance billings	237	241	257
Net deferred gain <sup>(1)</sup>	352	1,323	1,357
Deferred tax liabilities	559	595	567
Other non-current liability:	351	328	329
	<b>11,037</b>	<b>12,524</b>	<b>10,047</b>
<b>Total liabilities</b>	<b>18,001</b>	<b>20,272</b>	<b>18,515</b>
<b>Net assets</b>	<b>29,979</b>	<b>28,867</b>	<b>25,043</b>
<b>Share capital and reserves</b>			
Share capital	4,127	4,127	2,634
Reserves	25,863	24,745	22,403
<b>Equity attributable to shareholders of the Company</b>	<b>29,990</b>	<b>28,872</b>	<b>25,037</b>
Minority interests and other reserve	(12)	(5)	6
<b>Total equity</b>	<b>29,979</b>	<b>28,867</b>	<b>25,043</b>

**Note:**

(1) The loan to NetLink Trust was fully repaid and deferred gains (after tax) of S\$1.10 billion were released to the income statement following the disposal of 75.2% effective interest in NetLink Trust in July 2017.

**SINGAPORE CASH FLOW STATEMENT**  
**For The Second Quarter And Half Year Ended 30 September 2017**

	Quarter			Half Year		YOY Chge %
	30 Sep 2017 S\$ m	30 Sep 2016 S\$ m	30 Jun 2017 S\$ m	30 Sep		
				2017 S\$ m	2016 S\$ m	
<b>Net cash inflow from operating activities</b>						
Profit before exceptional items and tax	326	347	323	649	684	-5.1
Non-cash items	261	242	257	518	492	5.2
<b>Operating cash flow before working capital changes</b>	587	589	580	1,167	1,176	-0.8
<b>Changes in operating assets and liabilities</b>	(54)	(122)	(118)	(172)	(239)	-28.1
	<b>533</b>	<b>467</b>	<b>462</b>	<b>995</b>	<b>937</b>	<b>6.2</b>
Cash paid to employees under performance share plans	-	-	(1)	(1)	*	nm
Tax paid on operating activities	(118)	(114)	(3)	(120)	(119)	1.3
<b>Operating cash flow</b>	<b>415</b>	<b>353</b>	<b>459</b>	<b>874</b>	<b>818</b>	<b>6.8</b>
<b>Net cash inflow from/ (outflow for) investing activities</b>						
Accrued capital expenditure	(164)	(188)	(60)	(224)	(284)	-21.2
Changes in creditors' balances	(48)	(52)	(94)	(142)	(129)	10.2
Cash capital expenditure	(213)	(240)	(153)	(366)	(413)	-11.4
Net loan to STAI from Optus <sup>(1)</sup>	138	144	-	138	144	-4.0
Withholding tax paid on interest received on inter-company loans	(14)	(14)	-	(14)	(14)	-4.2
Adjustment/ (Payment) for purchase of subsidiaries, net of cash acquired	4	(3)	(340)	(337)	(3)	@
Investment in associates	-	-	-	-	(2)	nm
Investment in venture investments	(15)	(10)	(25)	(40)	(22)	83.1
Proceeds from disposal of venture investments	*	3	1	2	54	-97.2
Proceeds from disposal of property, plant and equipment	99	4	4	103	36	182.1
Loan repaid by an associate	1,101	-	-	1,101	-	nm
Proceeds/ Deferred proceeds from disposal of associates	1,095	-	-	1,095	42	@
Payment for purchase of spectrum	-	(96)	(188)	(188)	(96)	95.6
Payment for purchase of other intangibles	(13)	(4)	(14)	(27)	(6)	345.9
Others	10	16	2	12	20	-38.5
	<b>2,193</b>	<b>(201)</b>	<b>(714)</b>	<b>1,478</b>	<b>(261)</b>	<b>nm</b>
<b>Net cash outflow for financing activities</b>						
Net (decrease)/ increase in borrowings	(1,079)	931	(403)	(1,481)	193	nm
Net interest paid on borrowings and swaps	(36)	(39)	(65)	(101)	(94)	7.6
Settlement of swap for bonds repaid	61	-	-	61	-	nm
Final dividends paid to shareholders	(1,747)	(1,706)	-	(1,747)	(1,706)	2.4
Purchase of performance shares	(5)	(5)	(4)	(8)	(8)	**
Others	*	-	-	*	-	nm
	<b>(2,805)</b>	<b>(818)</b>	<b>(471)</b>	<b>(3,276)</b>	<b>(1,614)</b>	<b>103.0</b>
<b>Net decrease in cash balance from Singapore</b>	<b>(197)</b>	<b>(665)</b>	<b>(727)</b>	<b>(924)</b>	<b>(1,057)</b>	<b>-12.6</b>
<b>Net decrease in cash balance from Singapore</b>	<b>(197)</b>	<b>(665)</b>	<b>(727)</b>	<b>(924)</b>	<b>(1,057)</b>	<b>-12.6</b>
Dividends/ Distributions received from associates	247	316	961	1,208	1,255	-3.7
Withholding tax paid	(19)	(22)	(96)	(115)	(117)	-1.9
<b>Net dividends/ distributions received from associates</b>	<b>228</b>	<b>294</b>	<b>865</b>	<b>1,093</b>	<b>1,138</b>	<b>-3.9</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>31</b>	<b>(370)</b>	<b>138</b>	<b>169</b>	<b>81</b>	<b>110.3</b>
Singtel cash and cash equivalents at beginning	527	854	397	397	403	-1.6
Exchange effects on cash and cash equivalents	(3)	5	(8)	(11)	5	nm
<b>Singtel cash and cash equivalents at end</b>	<b>555</b>	<b>489</b>	<b>527</b>	<b>555</b>	<b>489</b>	<b>13.6</b>
<b>Singapore free cash flow</b>	<b>202</b>	<b>114</b>	<b>305</b>	<b>508</b>	<b>405</b>	<b>25.5</b>
<b>Free cash flow from associates' dividends/ distributions</b>	<b>228</b>	<b>294</b>	<b>865</b>	<b>1,093</b>	<b>1,138</b>	<b>-3.9</b>
<b>Cash capex to operating revenue</b>	<b>10%</b>	<b>12%</b>	<b>8%</b>	<b>9%</b>	<b>11%</b>	

**Note:**

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

\*\* denotes less than +/- S\$0.5 million, @ denotes more than +/- 500% and \*\*\* denotes less than +/- 0.05%.

## OPTUS CASH FLOW STATEMENT

### For The Second Quarter And Half Year Ended 30 September 2017

	Quarter			Half Year		YOY Chge %
	30 Sep 2017 A\$ m	30 Sep 2016 A\$ m	30 Jun 2017 A\$ m	30 Sep		
				2017 A\$ m	2016 A\$ m	
<b>Net cash inflow from operating activities</b>						
Profit before exceptional items and tax	252	259	269	521	535	-2.8
Non-cash items	412	371	372	784	713	10.0
<b>Operating cashflow before working capital changes</b>	664	631	641	1,304	1,248	4.5
Changes in operating assets and liabilities	46	(65)	(37)	10	(198)	nm
Tax paid	(65)	(111)	(65)	(130)	(171)	-24.0
<b>Operating cash flow</b>	<b>645</b>	<b>455</b>	<b>539</b>	<b>1,184</b>	<b>879</b>	<b>34.7</b>
<b>Net cash outflow for investing activities</b>						
Accrued capital expenditure	(390)	(323)	(271)	(661)	(615)	7.5
Changes in creditors' balances	13	89	(148)	(136)	56	nm
Cash capital expenditure	(377)	(234)	(419)	(797)	(559)	42.5
Loan to STAI <sup>(1)</sup>	(127)	(139)	-	(127)	(139)	-8.2
Payment for purchase of spectrum	(3)	(3)	(712)	(715)	(29)	@
Others	(35)	(45)	(27)	(62)	(65)	-3.8
	<b>(543)</b>	<b>(421)</b>	<b>(1,158)</b>	<b>(1,701)</b>	<b>(793)</b>	<b>114.4</b>
<b>Net cash (outflow for)/ inflow from financing activities</b>						
Net (decrease)/ increase in borrowings	(71)	(20)	650	579	30	@
Net interest paid on borrowings and swaps	(41)	(36)	(54)	(94)	(83)	13.4
Purchase of Singtel shares	*	-	(6)	(6)	(7)	-10.5
	<b>(111)</b>	<b>(56)</b>	<b>590</b>	<b>479</b>	<b>(60)</b>	<b>nm</b>
<b>Net (decrease)/ increase in cash balance from Optus</b>	<b>(9)</b>	<b>(22)</b>	<b>(29)</b>	<b>(38)</b>	<b>26</b>	<b>nm</b>
Dividends received from associates	-	4	-	-	11	nm
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(9)</b>	<b>(18)</b>	<b>(29)</b>	<b>(38)</b>	<b>36</b>	<b>nm</b>
Optus cash and cash equivalents at beginning	100	111	128	128	57	126.6
<b>Optus cash and cash equivalents at end</b>	<b>91</b>	<b>93</b>	<b>100</b>	<b>91</b>	<b>93</b>	<b>-2.5</b>
<b>Optus free cash flow</b>	<b>268</b>	<b>221</b>	<b>120</b>	<b>387</b>	<b>320</b>	<b>21.0</b>
<b>Free cash flow from associates' dividends</b>	-	4	-	-	11	nm
<b>Cash capex to operating revenue</b>	<b>18%</b>	<b>11%</b>	<b>20%</b>	<b>19%</b>	<b>14%</b>	

**Note:**

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

\*\* denotes less than +/- A\$0.5 million and "@" denotes more than +/- 500%.

## OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter		YOY Chge %	Half Year		YOY Chge %
	30 Sep			30 Sep		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
<b>Operating revenue</b>	2,117	2,112	0.2	4,213	4,112	2.5
Operating expenses	(1,486)	(1,510)	-1.6	(2,975)	(2,920)	1.9
Other income	30	30	-1.9	85	86	-1.3
<b>EBITDA - margin</b>	<b>661 31.2%</b>	<b>633 30.0%</b>	<b>4.4</b>	<b>1,323 31.4%</b>	<b>1,278 31.1%</b>	<b>3.5</b>
Share of results of joint ventures	*	*	nm	*	*	nm
<b>EBITDA and share of results of joint ventures</b>	<b>661</b>	<b>633</b>	<b>4.4</b>	<b>1,323</b>	<b>1,278</b>	<b>3.5</b>
Depreciation & amortisation	(363)	(338)	7.2	(711)	(670)	6.1
<b>EBIT</b>	<b>298</b>	<b>295</b>	<b>1.3</b>	<b>612</b>	<b>608</b>	<b>0.7</b>
Net finance expense	(47)	(35)	33.1	(92)	(73)	25.9
<b>Profit before exceptional items and tax</b>	<b>252</b>	<b>259</b>	<b>-3.0</b>	<b>521</b>	<b>535</b>	<b>-2.8</b>
Taxation	(76)	(75)	1.3	(158)	(157)	0.1
<b>Underlying net profit</b>	<b>175</b>	<b>184</b>	<b>-4.7</b>	<b>363</b>	<b>378</b>	<b>-4.0</b>
Exceptional items (post-tax)	-	(1)	nm	(16)	(22)	-25.2
<b>Net profit</b>	<b>175</b>	<b>184</b>	<b>-4.4</b>	<b>347</b>	<b>356</b>	<b>-2.7</b>

“\*” denotes less than +/- A\$0.5 million.

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

	As at		
	30 Sep 2017 A\$ m	30 Jun 2017 A\$ m	30 Sep 2016 A\$ m
	<b>Property, plant and equipment (net)</b>	<b>7,560</b>	<b>7,486</b>
Gross debt			
Current debt	550	550	540
Non-current debt	3,667	3,745	2,671
Gross debt as reported in the statement of financial position	4,217	4,295	3,211
Related net hedging assets	(178)	(176)	(180)
	4,039	4,118	3,031
<b>Less: Cash and bank balances</b>	<b>(91)</b>	<b>(100)</b>	<b>(93)</b>
<b>Net debt</b>	<b>3,948</b>	<b>4,019</b>	<b>2,938</b>

## CURRENCY RISK MANAGEMENT & OTHER MATTERS

The Group maintains a policy to substantially hedge 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 approved by the Finance and Investment Committee.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

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.

## CREDIT RATINGS

	Singtel	Optus
S&P Global Ratings	A+ (stable)	A (stable)
Moody's Investors Service	A1 (stable)	A2 (stable)

## MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	H1	Full Year
Derived weighted average exchange rate <sup>(1)</sup> for:						
Operating revenue						
SGD						
FY2018	1.0455	1.0744	<input type="checkbox"/>	<input type="checkbox"/>	1.0601	<input type="checkbox"/>
FY2017	1.0125	1.0256	1.0568	1.0735	1.0192	1.0426
Change (last corresponding period)	3.3%	4.8%	<input type="checkbox"/>	<input type="checkbox"/>	4.0%	<input type="checkbox"/>
Underlying net profit						
SGD						
FY2018	1.0453	1.0736	<input type="checkbox"/>	<input type="checkbox"/>	1.0590	<input type="checkbox"/>
FY2017	1.0098	1.0250	1.0566	1.0731	1.0172	1.0435
Change (last corresponding period)	3.5%	4.7%	<input type="checkbox"/>	<input type="checkbox"/>	4.1%	<input type="checkbox"/>

1 United States Dollar buys:	Q1	Q2	Q3	Q4	H1	Full Year
Derived weighted average exchange rate <sup>(2)</sup> for:						
Operating revenue						
SGD						
FY2018	1.3919	1.3615	<input type="checkbox"/>	<input type="checkbox"/>	1.3764	<input type="checkbox"/>
FY2017	1.3580	1.3532	1.4099	1.4177	1.3552	1.3841
Change (last corresponding period)	2.5%	0.6%	<input type="checkbox"/>	<input type="checkbox"/>	1.6%	<input type="checkbox"/>

**Notes:**

- (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.
- (2) The income statements of Trustwave, Amobee and HOOQ are translated from United States Dollar to Singapore Dollar based on these derived weighted average exchanges rates for the period to date.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	H1	Full Year
<b>Rupiah</b>						
FY2018	9,554	9,770	<input type="checkbox"/>	<input type="checkbox"/>	9,661	<input type="checkbox"/>
FY2017	9,837	9,713	9,405	9,435	9,771	9,591
Change (last corresponding period)	-2.9%	0.6%	<input type="checkbox"/>	<input type="checkbox"/>	-1.1%	<input type="checkbox"/>
<b>Indian Rupee</b>						
FY2018	46.4	47.3	<input type="checkbox"/>	<input type="checkbox"/>	46.8	<input type="checkbox"/>
FY2017	49.2	49.4	47.8	47.2	49.3	48.6
Change (last corresponding period)	-5.7%	-4.3%	<input type="checkbox"/>	<input type="checkbox"/>	-5.1%	<input type="checkbox"/>
<b>Baht</b>						
FY2018	24.6	24.5	<input type="checkbox"/>	<input type="checkbox"/>	24.6	<input type="checkbox"/>
FY2017	26.0	25.8	25.1	24.8	25.9	25.4
Change (last corresponding period)	-5.4%	-5.0%	<input type="checkbox"/>	<input type="checkbox"/>	-5.0%	<input type="checkbox"/>
<b>Peso</b>						
FY2018	35.8	37.3	<input type="checkbox"/>	<input type="checkbox"/>	36.4	<input type="checkbox"/>
FY2017	34.3	34.8	34.8	35.3	34.5	34.8
Change (last corresponding period)	4.4%	7.2%	<input type="checkbox"/>	<input type="checkbox"/>	5.5%	<input type="checkbox"/>

**OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2018**

- **Consolidated results and cash flow may be impacted by material exchange rate movements in the Australian Dollar, United States Dollar and regional currencies.** The Group's outlook for the current financial year is based on the following average exchange rates during FY2017:

Australian Dollar	AUD 1	SGD 1.0426
United States Dollar	USD 1	SGD 1.3841
Indonesian Rupiah	SGD 1	IDR 9,591
Indian Rupee	SGD 1	INR 48.6
Thailand Baht	SGD 1	THB 25.4
Philippine Peso	SGD 1	PHP 34.8

- **Both operating revenue and EBITDA from the Core Business (comprising Group Consumer and Group Enterprise) to grow by low single digit level.**
- **Mobile service revenue from Australia to grow by low single digit level.**
- **Mobile Communications revenue from Singapore to decline by low single digit level.**
- **Group ICT revenue (comprising Managed Services and Business Solutions) to increase by mid single digit. This includes cyber security revenue of S\$550 million to S\$650 million.**
- **Amobee Group to contribute S\$1.2 billion to S\$1.3 billion in operating revenue<sup>1</sup> and targets breakeven in EBITDA.<sup>2</sup>**
- **Negative EBITDA from Group Digital Life to reduce to approximately S\$100 million.<sup>2</sup>**
- **Consolidated revenue for the Group to grow by mid single digit level and EBITDA to grow by low single digit level.<sup>2</sup>**
- **Capital expenditure for the Group on an accrual basis is expected to approximate S\$2.6 billion in FY2018. This reflects the Group's multi-year investments in unified billing and customer care systems as well as continued strategic investments in mobile network and ICT.**
- **Capital expenditure for the Group on a cash basis is expected to approximate S\$2.4 billion, with A\$1.5 billion for Optus and S\$0.8 billion for the rest of Singtel Group.**
- **Group free cash flow (excluding spectrum payments and dividends from associates) to be approximately S\$1.8 billion.**

---

<sup>1</sup> Includes intragroup revenue.

<sup>2</sup> Including contribution from Turn from 1 April 2017 and excluding any other new acquisition.



**OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2018  
(continued)**

- **Spectrum payments in Singapore and Australia are expected to approximate S\$1.0 billion.**
- **Dividends from the regional associates are expected to be around S\$1.4 billion, with first time inclusion of dividends from Intouch and expected lower payout from AIS.**