



Singapore Telecommunications Limited And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 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, 31 December 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.

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SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

- **Operating revenue grew 4.4% (5.6% in constant currency terms¹) lifted by contribution from Turn acquired in April 2017 and strong growth in Australia Consumer.**
- **EBITDA rose 6.0% and would have increased 6.9% in constant currency terms¹.**
- **Profit contributions from associates fell mainly on lower profits at Airtel, Telkomsel and Globe, as well as lower contribution from NetLink NBN Trust following Singtel's reduction in its economic interest.**
- **Underlying net profit fell 8.0% and excluding Airtel, would be down 5.8%.**
- **Including exceptional items, net profit declined 8.5% and excluding Airtel, would be down 3.8%.**
- **Free cash flow grew strongly by 42% to S\$795 million² on higher dividends received from associates and lower capital expenditure partially offset by working capital movements.**

FINANCIAL HIGHLIGHTS**FOR THE NINE MONTHS ENDED 31 DECEMBER 2017**

- **Operating revenue and EBITDA grew 6.5% and 4.5% respectively.**
- **In constant currency terms¹, operating revenue and EBITDA would have increased 5.4% and 3.3% respectively.**
- **Profit contributions from associates declined on lower profit at Airtel and lower contribution from NetLink NBN Trust, partly offset by higher contribution from Intouch (acquired in November 2016).**
- **Underlying net profit was down 5.2% at S\$2.74 billion and would have been stable excluding Airtel.**
- **Net profit grew 62% with higher exceptional gains.**
- **Free cash flow increased 15% to S\$2.81² billion on higher operating cash flow partly offset by higher capital expenditure.**

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 corresponding periods ended 31 December 2016.

² Excluding tax payment of S\$142 million (A\$134 million) to the Australian Taxation Office ("ATO") in the December 2016 quarter for amended assessments under dispute (see page 18).

SECTION 1 : GROUP

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	4,603	4,410	4.4	13,205	12,404	6.5
EBITDA	1,293	1,221	6.0	3,854	3,689	4.5
- EBITDA margin	28.1%	27.7%		29.2%	29.7%	
Share of associates' pre-tax profits ⁽¹⁾	553	694	-20.4	1,941	2,173	-10.6
EBITDA and share of associates' pre-tax profits ⁽¹⁾	1,846	1,915	-3.6	5,796	5,862	-1.1
EBIT ⁽¹⁾	1,261	1,353	-6.8	4,040	4,208	-4.0
(exclude share of associates' pre-tax profits) ⁽¹⁾	708	658	7.5	2,098	2,035	3.1
Underlying net profit ⁽¹⁾	898	976	-8.0	2,737	2,888	-5.2
(exclude Airtel) ⁽¹⁾⁽²⁾	874	928	-5.8	2,647	2,654	-0.3
Exceptional items (post-tax) ⁽¹⁾	(8)	(3)	161.3	1,934	2	@
Net profit	890	973	-8.5	4,671	2,889	61.7
(exclude Airtel) ⁽²⁾	894	930	-3.8	4,609	2,639	74.7
Free cash flow ⁽³⁾	795	559	42.1	2,806	2,433	15.3
Underlying earnings per share (S cents) ⁽¹⁾	5.50	6.05	-9.1	16.77	18.05	-7.1
Basic earnings per share (S cents)	5.45	6.03	-9.6	28.61	18.06	58.4

	As at		
	31 Dec 2017 S\$ m	30 Sep 2017 S\$ m	31 Dec 2016 S\$ m
	Total assets	48,846	47,979
Shareholders' funds	29,529	29,990	26,952
Net debt ⁽⁴⁾	8,551	9,354	9,813
Net debt gearing ratio ⁽⁵⁾	22.5%	23.8%	26.7%
Net debt to EBITDA and share of associates' pre-tax profits ⁽¹⁾⁽⁶⁾	1.11X	1.19X	1.26X
Interest cover:			
- EBITDA and share of associates' pre-tax profits/ net interest expense ⁽¹⁾⁽⁷⁾	20.6X	21.1X	23.6X

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) Excluding tax payment of S\$142 million (A\$134 million) to the ATO in the December 2016 quarter for amended assessments under dispute (see page 18).
- (4) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
- (5) 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.
- (6) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.
- (7) Net interest expense refers to interest expense less interest income.

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

For The Third Quarter And Nine Months Ended 31 December 2017

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	4,603	4,410	4.4	13,205	12,404	6.5
Operating expenses	(3,391)	(3,236)	4.8	(9,552)	(8,869)	7.7
	1,213	1,174	3.3	3,654	3,535	3.4
Other income	81	47	73.0	201	154	30.2
EBITDA	1,293	1,221	6.0	3,854	3,689	4.5
- EBITDA margin	28.1%	27.7%		29.2%	29.7%	
Share of associates' pre-tax profits ⁽¹⁾	553	694	-20.4	1,941	2,173	-10.6
EBITDA and share of associates' pre-tax profits ⁽¹⁾	1,846	1,915	-3.6	5,796	5,862	-1.1
Depreciation	(512)	(491)	4.2	(1,530)	(1,447)	5.8
Amortisation of intangibles	(74)	(71)	3.5	(226)	(207)	8.9
	(585)	(562)	4.1	(1,756)	(1,654)	6.2
EBIT ⁽¹⁾	1,261	1,353	-6.8	4,040	4,208	-4.0
Net finance expense						
- net interest expense	(94)	(87)	8.1	(281)	(248)	13.0
- other finance income	13	46	-70.6	22	71	-69.7
	(80)	(41)	95.4	(259)	(177)	46.1
Profit before exceptional items and tax ⁽¹⁾	1,180	1,312	-10.0	3,781	4,030	-6.2
Taxation ⁽¹⁾	(290)	(342)	-15.2	(1,063)	(1,157)	-8.1
Profit after tax ⁽¹⁾	890	970	-8.2	2,718	2,874	-5.4
Minority interests	8	6	33.3	19	14	38.6
Underlying net profit ⁽¹⁾	898	976	-8.0	2,737	2,888	-5.2
Exceptional items (post-tax) ⁽¹⁾	(8)	(3)	161.3	1,934	2	@
Net profit	890	973	-8.5	4,671	2,889	61.7
Depreciation as % of operating revenue	11%	11%		12%	12%	

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, USA, 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 %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue						
Group Consumer	2,659	2,578	3.1	7,412	7,115	4.2
Group Enterprise	1,620	1,685	-3.9	4,918	4,877	0.8
Core Business	4,279	4,263	0.4	12,330	11,992	2.8
Group Digital Life	325	146	121.9	875	412	112.4
Group	4,603	4,410	4.4	13,205	12,404	6.5
EBITDA						
Group Consumer	868	809	7.4	2,545	2,387	6.6
Group Enterprise	456	455	0.1	1,415	1,448	-2.2
Core Business	1,324	1,264	4.8	3,960	3,834	3.3
Group Digital Life	(14)	(23)	-39.7	(51)	(86)	-40.5
Corporate	(17)	(20)	-16.7	(54)	(59)	-7.2
Group	1,293	1,221	6.0	3,854	3,689	4.5
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	458	421	8.9	1,323	1,258	5.2
Group Enterprise	295	299	-1.3	938	974	-3.7
Core Business	753	720	4.7	2,260	2,232	1.3
Group Digital Life	(28)	(41)	-31.5	(107)	(137)	-22.1
Corporate	(17)	(20)	-15.3	(55)	(60)	-7.6
Group	708	658	7.5	2,098	2,035	3.1

SECTION 1 : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2017

The Group continued to strengthen its core operations and digital businesses with growth in operating revenue and EBITDA of 4.4% and 6.0% respectively. Underlying net profit, however, declined 8.0% attributable mainly to higher net finance expense and lower associates' contributions. The performance at the associates were impacted by continued intense price competition in India and higher depreciation and amortisation charges from investments in mobile network infrastructure and spectrum. Profit contribution from NetLink NBN Trust was lower following Singtel's reduced economic interest from July 2017.

Operating revenue grew 4.4% lifted by contribution from Turn, Inc. ("**Turn**") which was acquired in April 2017 and strong growth in Australia Consumer. Consequently, EBITDA rose 6.0%. In constant currency terms, operating revenue and EBITDA grew 5.6% and 6.9% respectively.

Group Consumer contributed 58% (Q3 FY2017: 58%) and 67% (Q3 FY2017: 66%) to the Group's operating revenue and EBITDA respectively. Operating revenue and EBITDA grew 3.1% and 7.4% respectively.

In Singapore, operating conditions continued to be highly competitive. Singapore Consumer revenue fell 5.5% on declines in voice revenues and Equipment sales, as well as cessation of revenue from sub-licensing of TV content rights from this quarter. EBITDA declined 8.9% on lower revenue and trade foreign exchange losses compared to a gain in the last corresponding quarter. In Australia, operating revenue and EBITDA grew strongly by 7.8% and 15% respectively due to record mobile customer growth in postpaid handset and increases in NBN migration payments and other income.

Group Enterprise contributed 35% (Q3 FY2017: 38%) and 35% (Q3 FY2017: 37%) to the Group's operating revenue and EBITDA respectively. Operating revenue was down 3.9% attributable to phasing of projects, one-off product sales in the last corresponding quarter and continued declines in traditional carriage services. EBITDA was stable with tight cost management.

GDL contributed 7% 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 and social businesses. Negative EBITDA declined 40% as Amobee (including Turn) delivered positive EBITDA for the second consecutive quarter as it continued to leverage on increased scale and synergies with Turn, partly offset by higher investments in content and increased operating costs in HOOQ as it ramped up its businesses.

Depreciation and amortisation charges rose 4.1% due mainly to higher investments in mobile network infrastructure and spectrum.

EBIT (before share of results of associates) was up 7.5% to S\$708 million.

The Group and its regional associates continued to record strong customer growth. The combined mobile customer base reached 688 million as at 31 December 2017, up 18 million or 2.6% from a quarter ago.

The associates' underlying profit contributions declined 14% to S\$420 million due to lower profits at Airtel, Telkomsel and Globe as well as lower contribution from NetLink NBN Trust following the reduction of Singtel's economic interest from July 2017. AIS reported robust double-digit growth in profit.

SECTION 1 : GROUP

Net finance expense rose significantly by S\$39 million to S\$80 million. The increase was due to other foreign exchange loss mainly from revaluation of fixed deposits on depreciation of the US Dollar as compared to a gain in the last corresponding quarter, as well as lower dividend and interest income. In addition, lower fair value gains from interest rate movements on hedging instruments were recorded this quarter.

The exceptional loss (post-tax) of S\$8 million (Q3 FY2017: S\$3 million) in the quarter comprised mainly of the Group's share of associates' exceptional losses and staff restructuring costs partially offset by disputes settlement in Australia (see Page 13).

Including the exceptional losses, net profit declined 8.5% to S\$890 million and excluding Airtel, would have declined by 3.8%.

Free cash flow in the quarter was S\$795 million, up 42% from the last corresponding quarter if the tax payment to ATO in December 2016 quarter for amended assessments under dispute was excluded. The increase was mainly due to receipt of Telkomsel's special dividend and lower cash taxes and capital expenditure, partly offset by working capital movements.

The Group continued to maintain a healthy capital structure. As at 31 December 2017, net debt gearing ratio was 22.5%, down from 23.8% a quarter ago on repayment of some debt 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 Nine Months Ended 31 December 2017

For the nine months, operating revenue grew 6.5% and EBITDA rose 4.5%. In constant currency terms, operating revenue and EBITDA would have increased by 5.4% and 3.3% respectively.

With lower associates' underlying profit contributions of 7.1% on lower profit at Airtel and lower contribution from NetLink NBN Trust, partly offset by profit growth at Telkomsel and contribution from Intouch, underlying net profit fell 5.2% to S\$2.74 billion and was stable if Airtel was excluded.

With higher exceptional gains mainly on gain on disposal of units in NetLink Trust, net profit grew 62% to S\$4.67 billion.

Free cash flow increased by 15% to S\$2.81 billion, if the one-off tax payment of S\$142 million to ATO in the last corresponding period was excluded. The increase was mainly attributable to increases in both associates' dividends and EBITDA partly offset by higher capital expenditure.

SECTION 1 : GROUP**SEQUENTIAL QUARTERLY RESULTS**

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

	Quarter		QOQ Chge %
	31 Dec 2017 S\$ m	30 Sep 2017 S\$ m	
Operating revenue	4,603	4,370	5.3
EBITDA - margin	1,293 28.1%	1,292 29.6%	0.1
Share of associates' pre-tax profits	553	659	-16.2
EBIT	1,261	1,352	-6.8
Underlying net profit	898	929	-3.3
Exceptional items (post-tax)	(8)	1,960	nm
Net profit	890	2,889	-69.2
Free cash flow	795	718	10.8

EBITDA was stable after including seasonally higher mobile customer acquisition and retention costs and increase in other income from Australia this quarter. Underlying net profit declined 3.3% on lower associates' earnings.

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

Net profit in the preceding quarter was lifted by an exceptional gain on divestment of NetLink Trust.

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 %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Mobile communications ⁽¹⁾	1,486	1,499	-0.8	4,476	4,420	1.3
Data and Internet ⁽²⁾	887	831	6.7	2,596	2,427	7.0
<i>Cyber security</i> ⁽²⁾	126	118	6.4	384	368	4.3
<i>Other services</i> ⁽²⁾	454	465	-2.4	1,433	1,287	11.3
Managed services	579	583	-0.7	1,817	1,655	9.8
Business solutions	147	177	-16.8	427	482	-11.5
Infocomm Technology ("ICT")	726	760	-4.4	2,244	2,137	5.0
Sale of equipment	683	653	4.6	1,496	1,440	3.9
Digital businesses ⁽³⁾	332	154	116.3	899	431	108.7
National telephone	234	263	-11.2	736	802	-8.3
International telephone	117	116	0.9	348	368	-5.4
Pay television ⁽²⁾	90	93	-2.7	281	266	5.6
Others ⁽¹⁾⁽²⁾	48	42	15.5	130	114	14.9
Total	4,603	4,410	4.4	13,205	12,404	6.5
Operating revenue	4,603	4,410	4.4	13,205	12,404	6.5
Associates' proportionate revenue ⁽⁴⁾	3,413	3,535	-3.5	10,511	10,273	2.3
Group's proportionate revenue	8,016	7,945	0.9	23,716	22,677	4.6

Notes:

- (1) Mobile Communications include inter-operator mobile tariff discounts of S\$14 million in the current quarter (YTD Dec 2017: S\$36 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have been stable for the quarter and increased 2.1% for the nine months ended 31 December 2017.
- (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		Nine Months	
	31 Dec		31 Dec	
	2017	2016	2017	2016
	%	%	%	%
Mobile communications	32.3	34.0	33.9	35.6
Data and Internet	19.3	18.8	19.7	19.6
<i>Cyber security</i>	2.7	2.7	2.9	3.0
<i>Other services</i>	9.9	10.5	10.9	10.4
Managed services	12.6	13.2	13.8	13.3
Business solutions	3.2	4.0	3.2	3.9
ICT	15.8	17.2	17.0	17.2
Sale of equipment	14.8	14.8	11.3	11.6
Digital businesses	7.2	3.5	6.8	3.5
National telephone	5.1	6.0	5.6	6.5
International telephone	2.5	2.6	2.6	3.0
Pay television	2.0	2.1	2.1	2.1
Others	1.1	1.0	1.0	0.9
Total	100.0	100.0	100.0	100.0

With contribution from Turn acquired in April 2017 and robust growth in Australia Consumer, operating revenue of the Group grew 4.4% and would have increased 5.6% in constant currency terms.

Mobile Communications revenue was stable in both reported and constant currency terms. Data revenue continued to register strong growth across Singapore and Australia. However, the growth was offset by lower voice and increased mix of SIM-only plans which have lower ARPU.

Data and Internet increased 6.7% driven by higher NBN revenue in Australia from higher migration payments and customer growth.

Revenue from ICT declined 4.4% mainly due to phasing and one-off product sales in the last corresponding quarter.

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

Including the proportionate share of operating revenue from the associates, the Group's enlarged revenue was stable with contribution from Turn (Q3 FY2017: Nil) partly offset by lower contributions from Airtel and NetLink NBN Trust.

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

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales ⁽¹⁾	1,455	1,334	9.0	3,819	3,323	15.0
Selling & administrative	768	768	0.1	2,216	2,206	0.4
Staff costs	654	628	4.1	2,002	1,884	6.3
Traffic expenses	411	405	1.5	1,210	1,172	3.2
Repair & maintenance	97	93	4.3	284	273	3.9
Others	7	8	-13.2	20	11	94.3
Total	3,391	3,236	4.8	9,552	8,869	7.7

As a percentage of operating revenue	Quarter		Nine Months	
	31 Dec		31 Dec	
	2017 %	2016 %	2017 %	2016 %
Cost of sales ⁽¹⁾	31.6%	30.3%	28.9%	26.8%
Selling & administrative	16.7%	17.4%	16.8%	17.8%
Staff costs	14.2%	14.2%	15.2%	15.2%
Traffic expenses	8.9%	9.2%	9.2%	9.5%
Repair & maintenance	2.1%	2.1%	2.1%	2.2%
Others	0.1%	0.2%	0.2%	0.1%
Total	73.6%	73.4%	72.4%	71.6%

Note:

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

Total operating expenses grew 4.8%, and would have increased 6.1% in constant currency terms.

The increase in Cost of Sales was mainly due to higher Digital & Equipment sales.

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

SECTION 1 : GROUP**STAFF COSTS**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m	2017 S\$ m	2016 S\$ m		
Staff costs						
Optus	277	278	-0.5	832	812	2.5
Singtel and other subsidiaries	329	327	0.7	1,029	993	3.6
Amobee (including Turn)	606	605	0.1	1,861	1,805	3.1
	48	23	105.6	141	79	79.2
Group	654	628	4.1	2,002	1,884	6.3

	Quarter			Nine Months		YOY Chge %
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec		
				2017	2016	
Average number of staff						
Optus	8,414	8,261	8,801	8,418	8,924	-5.7
Singtel and other subsidiaries	16,419	16,526	16,248	16,401	16,143	1.6
	24,833	24,787	25,049	24,819	25,067	-1.0
Amobee (including Turn)	811	800	542	807	560	44.1
Group ⁽¹⁾	25,644	25,587	25,591	25,626	25,627	**
Headcount as at end of period						
Optus	8,591	8,278	8,791	8,591	8,791	-2.3
Singtel and other subsidiaries	16,287	16,439	16,197	16,287	16,197	0.6
	24,878	24,717	24,988	24,878	24,988	-0.4
Amobee (including Turn)	811	819	527	811	527	53.9
Group ⁽¹⁾	25,689	25,536	25,515	25,689	25,515	0.7

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.

“***” denotes less than 0.05%.

With the inclusion of Turn, staff costs grew 4.1% and would have increased 5.3% in constant currency terms.

As at 31 December 2017, Group headcount was stable from a year ago, with staff added by Turn and Singtel largely being offset by net reduction in Australia.

SECTION 1 : GROUP**NET FINANCE EXPENSE**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Net interest expense						
- Interest expense	(94)	(93)	1.5	(288)	(268)	7.4
- Interest income	2	2	-15.8	6	8	-27.3
	(92)	(91)	1.9	(282)	(261)	8.4
- Net interest (expense)/ income from NetLink Trust ⁽¹⁾	(1)	4	nm	2	12	-86.1
	(94)	(87)	8.1	(281)	(248)	13.0
Other finance income						
- Dividend income from Southern Cross/ PCHL	16	22	-25.0	27	46	-40.8
- Investment income ⁽²⁾	*	*	nm	2	1	109.1
- Other foreign exchange (loss)/ gain	(4)	13	nm	(8)	15	nm
- Net fair value gain ⁽³⁾	1	11	-93.6	*	10	nm
	13	46	-70.6	22	71	-69.7
Net finance expense	(80)	(41)	95.4	(259)	(177)	46.1

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 1.5% from the last corresponding quarter on higher average interest rates.

Interest income from NetLink Trust ceased on repayment of unitholder loan by NetLink Trust in July 2017. 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.

Other foreign exchange loss of S\$4 million arose mainly from revaluation loss of fixed deposits on depreciation of the US Dollar. In the last corresponding quarter, a foreign exchange gain of S\$13 million was recorded.

SECTION 1 : GROUP**EXCEPTIONAL ITEMS (POST-TAX) ⁽¹⁾⁽²⁾**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Disputes settlement	55	-	nm	55	-	nm
Gain on disposal of a joint venture (ACPL Marine)	7	-	nm	7	-	nm
Impairment of acquired intangibles	-	-	-	(77)	-	nm
Staff restructuring costs (mainly Optus)	(25)	(6)	303.2	(52)	(38)	36.3
Net (loss)/ gain on disposal of venture investments	*	6	nm	20	6	217.5
Gain on disposal of units in NetLink Trust	-	-	-	2,053	-	nm
Provision for contingent claims and other charges	-	-	-	(57)	-	nm
Impairment of investments	-	*	nm	(5)	(1)	354.5
Reversal of impairment provision of venture investments	-	-	-	*	5	nm
Others	-	1	nm	-	1	nm
Group exceptional items	36	*	nm	1,944	(27)	nm
Share of Airtel's one-off losses (net)	(35)	(13)	170.2	(35)	(12)	200.0
Share of impairment charges of Globe and Intouch	(9)	-	nm	(9)	-	nm
Share of associates' exceptional items	(45)	(13)	239.7	(45)	(12)	277.1
Group net exceptional (losses)/ gains (pre-tax)	(9)	(13)	-30.5	1,899	(39)	nm
Tax on exceptional items						
Tax (expense)/ credit on Group exceptional items	(8)	2	nm	26	11	134.2
Share of tax credit on associates' exceptional items	9	8	6.3	9	29	-70.9
	1	10	-91.8	35	40	-14.4
Group net exceptional (losses)/ gains (post-tax)	(8)	(3)	161.3	1,934	2	@

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 and “@” denotes more than +/- 500%.

Exceptional gains in the quarter included S\$55 million of disputes settlement in Australia and S\$7 million of gain on disposal of a joint venture.

The Group's share of Airtel's exceptional loss of S\$35 million comprised mainly of net loss on disposal of its operations in Ghana and one-off currency translation adjustment in Nigeria.

SECTION 1 : GROUP

TAX EXPENSE

	Quarter		YOY	Nine Months		YOY
	31 Dec			31 Dec		
	2017	2016	Chge	2017	2016	Chge
	S\$ m	S\$ m	%	S\$ m	S\$ m	%
Income tax expense						
Optus	94	83	13.9	261	245	6.5
Singtel and other subsidiaries	28	49	-42.9	143	156	-8.7
Total (a)	122	131	-7.2	404	401	0.6
Share of associates' tax expense (b) ⁽¹⁾	133	205	-35.1	519	642	-19.1
Withholding and dividend distribution taxes on associates' dividend income ⁽²⁾	35	6	496.6	140	113	23.4
Total	290	342	-15.2	1,063	1,157	-8.1
Profit before exceptional items and tax ⁽¹⁾	1,180	1,312	-10.0	3,781	4,030	-6.2
Exclude:						
Share of associates' pre-tax profits ⁽¹⁾	(553)	(694)	-20.4	(1,941)	(2,173)	-10.6
Adjusted pre-tax profit (c)	628	617	1.7	1,839	1,858	-1.0
Effective tax rate of Singtel and subsidiaries (a)/(c)	19.4%	21.3%		21.9%	21.6%	
Share of associates' pre-tax profits (d) ⁽¹⁾	553	694	-20.4	1,941	2,173	-10.6
Effective tax rate of associates (b)/(d) ⁽¹⁾	24.1%	29.5%		26.8%	29.6%	

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 periods.
- (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 due to reduction in deferred tax liabilities relating to acquired intangibles arising from the reduction in the US federal corporate tax rate from 35% to 21% in December 2017 as well as lower associates' taxes. Effective tax rate of the associates fell primarily from Airtel.

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

	As at		
	31 Dec 2017	30 Sep 2017	31 Dec 2016
	S\$ m	S\$ m	S\$ m
Current assets (excluding cash)	5,964	5,512	5,196
Cash and bank balances	841	651	848
Non-current assets	42,042	41,817	41,694
Total assets	48,846	47,979	47,738
Current liabilities	9,752	6,964	9,980
Non-current liabilities	9,590	11,037	10,798
Total liabilities	19,341	18,001	20,778
Net assets	29,505	29,979	26,960
Share capital	4,127	4,127	4,128
Retained earnings	30,820	31,528	28,529
Currency translation reserve (loss)	(5,157)	(4,928)	(4,596)
Other reserves	(261)	(737)	(1,109)
Equity attributable to shareholders	29,529	29,990	26,952
Minority interests and other reserve	(24)	(12)	8
	29,505	29,979	26,960

The Group continued to be in a strong financial position as at 31 December 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\$229 million from a quarter ago mainly due to recognition of translation losses on net investment in Optus and net assets of Telkomsel on depreciation in the Australian Dollar and the Indonesian Rupiah respectively.

SECTION 1 : GROUP**LIQUIDITY AND GEARING**

	As at		
	31 Dec 2017 S\$ m	30 Sep 2017 S\$ m	31 Dec 2016 S\$ m
Gross debt			
Current debt	1,685	933	3,178
Non-current debt	7,784	9,236	8,091
Gross debt as reported in statement of financial position	9,469	10,169	11,269
Related net hedging asset ⁽¹⁾	(77)	(163)	(608)
Hedged gross debt	9,392	10,006	10,661
Less: Cash and bank balances	(841)	(651)	(848)
Net debt	8,551	9,354	9,813
Gross debt gearing ratio ⁽²⁾	24.1%	25.0%	28.3%
Net debt gearing ratio	22.5%	23.8%	26.7%

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\$803 million from a quarter ago to S\$8.55 billion as at 31 December 2017 mainly on lower hedged borrowings. Consequently, net debt gearing ratio decreased to 22.5% from 23.8% a quarter ago.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Nine Months		YOY Chge %
	31 Dec	31 Dec	30 Sep	31 Dec		
	2017 S\$ m	2016 S\$ m	2017 S\$ m	2017 S\$ m	2016 S\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax ⁽¹⁾	1,180	1,312	1,261	3,781	4,030	-6.2
Non-cash items ⁽¹⁾	153	(95)	39	102	(366)	nm
Operating cash flow before working capital changes	1,333	1,217	1,300	3,883	3,665	6.0
Changes in operating assets and liabilities	(206)	47	(5)	(369)	(398)	-7.5
	1,127	1,263	1,295	3,514	3,266	7.6
Cash paid to employees under performance share plans	-	-	-	(1)	*	nm
Tax paid on operating activities ⁽²⁾	(105)	(276)	(187)	(363)	(570)	-36.3
Operating cash flow before dividends from associates	1,022	987	1,108	3,151	2,697	16.8
Dividends/ Distributions received from associates	343	59	247	1,552	1,325	17.1
Withholding tax paid on dividends received	(35)	(6)	(19)	(150)	(123)	21.9
	1,330	1,041	1,336	4,552	3,898	16.8
Net cash (outflow)/ inflow for investing activities						
Accrued capital expenditure	(560)	(582)	(584)	(1,485)	(1,491)	-0.4
Changes in creditors' balances	25	(42)	(34)	(261)	(117)	123.2
Cash capital expenditure	(535)	(624)	(618)	(1,746)	(1,608)	8.6
Investment in associates	(1)	(2,470)	(1)	(1)	(2,471)	-100.0
Proceeds/ Deferred proceeds on disposal of associates	45	1	1,095	1,140	43	@
Loan repaid by an associate	-	-	1,101	1,101	-	nm
Payment for purchase of spectrum	-	-	(3)	(937)	(126)	@
Payment for purchase of other intangibles	(60)	(37)	(52)	(154)	(109)	42.0
Adjustment/ (Payment) for purchase of subsidiaries, net of cash acquired	-	-	4	(337)	(5)	@
Investment in venture investments	(11)	(6)	(15)	(51)	(27)	86.1
Proceeds from disposal of venture investments	38	5	*	39	59	-33.3
Proceeds from disposal of property, plant and equipment	40	1	99	142	34	317.0
Withholding tax paid on interest received on inter-company loans	-	-	(14)	(14)	(14)	-4.2
Others	2	15	12	16	36	-56.9
	(483)	(3,115)	1,609	(802)	(4,188)	-80.9
Net cash (outflow)/ inflow for financing activities						
Net (decrease)/ increase in borrowings	(550)	832	(1,155)	(1,425)	1,061	nm
Settlement of swap for bonds repaid	-	-	61	61	-	nm
Net interest paid on borrowings and swaps	(97)	(102)	(79)	(297)	(280)	6.1
Final dividend paid to shareholders	-	-	(1,747)	(1,747)	(1,706)	2.4
Proceeds from issue of shares	-	1,603	-	-	1,603	nm
Purchase of performance shares	(4)	(6)	(5)	(19)	(21)	-8.5
Others	(3)	(5)	*	(4)	(5)	-22.9
	(655)	2,323	(2,925)	(3,431)	652	nm
Net increase in cash and cash equivalents	192	248	20	320	363	-11.9
Exchange effects on cash and cash equivalents	(3)	14	(1)	(13)	23	nm
Group cash and cash equivalents at beginning	651	585	632	534	462	15.6
Group cash and cash equivalents at end	841	848	651	841	848	-0.8
Group free cash flow						
Singapore	275	387	202	783	792	-1.1
Optus ⁽²⁾	211	(23)	287	622	297	109.2
Group free cash flow (before associates' dividends/ distributions) ⁽²⁾	487	364	490	1,405	1,089	29.0
Dividends/ Distributions received from associates (net of withholding tax)	308	53	228	1,401	1,202	16.6
Group free cash flow ⁽²⁾ (exclude ATO tax payment)	795	417	718	2,806	2,291	22.5
Optus free cash flow (in A\$) ⁽²⁾ (exclude ATO tax payment)	203	(22)	268	591	298	98.1
	203	112	268	591	432	36.7
Cash capex to operating revenue	12%	14%	14%	13%	13%	

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

SECTION 1 : GROUP

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) Tax payment in the December 2016 quarter included tax payment of S\$142 million (A\$134 million) to the ATO.

Net cash inflow from operating activities (before associates' dividend receipts) for the quarter grew 3.5% to S\$1.02 billion. The increase was due mainly to higher EBITDA and lower cash taxes partly offset by working capital movements. Tax payments in the same quarter last year included a payment of S\$142 million (A\$134 million) made to ATO for amended tax assessments under dispute. Dividends/distributions from the associates increased mainly due to receipt of Telkomsel's special dividend in the quarter. Consequently, total cash flow from operations increased 28% to S\$1.33 billion.

Net cash outflow for investing activities was S\$483 million. Capital expenditure declined 14% to S\$535 million. Capital expenditure comprised S\$175 million for Singapore and S\$360 million (A\$344 million) for Australia. In Singapore, major capital investments in the quarter included S\$47 million for mobile network, S\$45 million for fixed and data infrastructure, S\$34 million for ICT investments and S\$12 million for information systems. In Australia, capital investments in mobile network, and fixed and other core infrastructure were A\$189 million and A\$155 million respectively.

With higher operating cash and lower capital expenditure, the Group's free cash flow (excluding the ATO tax payment) grew 42% to S\$795 million.

Net cash financing outflow of S\$655 million mainly comprised repayment of borrowings of S\$550 million and interest payments of S\$97 million.

Overall cash balance increased S\$190 million from a quarter ago and the cash balance was S\$841 million as at 31 December 2017.

OTHER INFORMATION

Public Consultation on Proposed Cybersecurity Bill

In 2017, the Ministry of Communications and Information (MCI) and the Cyber Security Agency of Singapore (CSA) held a public consultation on the draft Cybersecurity Bill (the "**Bill**").

The Bill aims to establish a framework for the oversight and maintenance of cybersecurity in Singapore. Owners of Critical Information Infrastructure ("**CII**") will be required to, *inter alia*, provide technical information, carry out audits and risk assessments of such CII, comply with the codes of practices and standards of performance and also participate in cybersecurity exercises. In addition, cybersecurity service providers offering penetration testing and managed security operations centre monitoring will have to be licensed.

On 8 January 2018, the Bill was tabled in Parliament for the first reading.

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 THIRD QUARTER ENDED 31 DECEMBER 2017**

- **Operating revenue at S\$2.66 billion – up 3.1%.**
- **EBITDA at S\$868 million – up 7.4%.**
- **EBIT at S\$458 million – up 8.9%.**
- **In constant currency terms³, operating revenue and EBITDA grew 4.4% and 8.7% respectively while EBIT increased 10%.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

- **Operating revenue at S\$7.41 billion – up 4.2%.**
- **EBITDA at S\$2.55 billion – up 6.6%.**
- **EBIT at S\$1.32 billion – up 5.2%.**
- **In constant currency terms³, operating revenue and EBITDA grew 2.7% and 5.0% respectively while EBIT increased 3.8%.**

³ Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 31 December 2016.

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

For The Third Quarter And Nine Months Ended 31 December 2017

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	2,659	2,578	3.1	7,412	7,115	4.2
Operating expenses	(1,859)	(1,805)	3.0	(5,036)	(4,859)	3.6
	800	773	3.4	2,376	2,255	5.4
Other income	69	36	93.2	169	131	28.5
EBITDA	868	809	7.4	2,545	2,387	6.6
- margin	32.7%	31.4%		34.3%	33.5%	
Depreciation & amortisation	(410)	(388)	5.7	(1,222)	(1,129)	8.3
EBIT	458	421	8.9	1,323	1,258	5.2

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales ⁽²⁾	764	745	2.6	1,815	1,724	5.3
Selling & administrative	512	520	-1.6	1,503	1,536	-2.1
Traffic expenses	278	252	10.4	807	730	10.6
Staff costs	236	228	3.4	710	683	4.0
Repair & maintenance	56	52	8.3	164	154	6.3
Others	13	8	62.5	36	33	10.3
Operating expenses	1,859	1,805	3.0	5,036	4,859	3.6

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 Third Quarter Ended 31 December 2017

Group Consumer recorded strong revenue and EBITDA growth in Australia partly offset by decline in Singapore.

Australia Consumer contributed about three-quarters of both Group Consumer's operating revenue and EBITDA. The Australian Dollar depreciated 2% against the Singapore Dollar from the same quarter last year.

Operating revenue grew 3.1% and EBITDA rose 7.4% mainly from robust growth in Australia. EBIT grew 8.9% after including higher depreciation and amortisation charges from investments in mobile infrastructure network, spectrum and a new billing system in Singapore. In constant currency terms, operating revenue and EBITDA rose 4.4% and 8.7% respectively while EBIT grew 10%.

For The Nine Months Ended 31 December 2017

Operating revenue and EBITDA increased 4.2% and 6.6% respectively while EBIT rose 5.2% with strong growth in Australia. In constant currency terms, operating revenue and EBITDA grew 2.7% and 5.0% respectively while EBIT rose 3.8%.

SEQUENTIAL QUARTERLY RESULTS

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

	Quarter		QOQ Chge %
	31 Dec 2017 S\$ m	30 Sep 2017 S\$ m	
Operating revenue	2,659	2,393	11.1
Operating expenses	(1,859)	(1,581)	17.6
EBITDA	868	846	2.6
- margin	32.7%	35.4%	
EBIT	458	427	7.3

The growth in EBITDA and EBIT was mainly driven by operations in Australia partly offset by decline in Singapore.

SECTION 2 : GROUP CONSUMER**SINGAPORE CONSUMER SUMMARY INCOME STATEMENTS**
For The Third Quarter and Nine Months Ended 31 December 2017

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	621	657	-5.5	1,752	1,792	-2.2
Operating expenses	(455)	(480)	-5.2	(1,173)	(1,207)	-2.8
Other income ⁽¹⁾	166	177	-6.1	579	585	-0.9
	2	8	-71.3	13	18	-25.7
EBITDA	168	185	-8.9	592	602	-1.6
- margin	27.1%	28.1%		33.8%	33.6%	
EBIT	91	115	-20.7	369	390	-5.6

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Mobile communications ⁽²⁾	317	328	-3.3	953	978	-2.5
Sale of equipment	119	134	-11.2	230	233	-1.5
Fixed broadband	58	57	1.4	172	167	3.2
Residential Pay TV	52	57	-9.1	168	168	0.5
International telephone	33	38	-12.6	104	123	-15.9
National telephone	27	28	-4.3	82	86	-4.1
Others ⁽²⁾⁽³⁾	15	14	3.5	43	37	15.2
Operating revenue	621	657	-5.5	1,752	1,792	-2.2
Cost of sales	174	190	-8.7	398	412	-3.4
Selling & administrative	167	175	-4.3	421	444	-5.4
Staff costs	54	51	5.5	174	162	7.5
Traffic expenses	52	54	-3.7	157	162	-2.6
Repair & maintenance	14	15	-8.7	39	41	-4.0
Others	(5)	(4)	16.7	(16)	(13)	20.1
Operating expenses	455	480	-5.2	1,173	1,207	-2.8

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\$4 million (Q3 FY2017: S\$2 million of gain) for the quarter and S\$6 million for the nine months ended 31 December 2017 (YTD December 2016: S\$1 million of gain).
- (2) Mobile Communications include inter-operator mobile tariff discounts of S\$6 million in the current quarter (YTD December 2017: S\$14 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have declined by 1.6% for the quarter and 1.1% for the nine months ended 31 December 2017.
- (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 Third Quarter Ended 31 December 2017

Operating revenue declined 5.5% in a highly competitive market. Equipment sales revenue fell on timing of popular smartphone launches and increased mix of SIM-only plans. International Telephone declined steeply by 13% and National Telephone fell 4.3% with continued data substitution.

Mobile Communications declined 1.6%⁴ due to lower voice revenue and the increased mix of SIM-only plans which have lower ARPU, partially offset by higher data. The postpaid customer base grew by 6,600⁵ from a quarter ago. The prepaid customer base added 4,100 despite the continued competitive market and lower foreign labour workforce.

During the quarter, Singtel continued to excite the market with new phone launches. It was the first to launch the gaming-centric phone, Razer in Asia. In addition, Google Pixel 2 XL phone was exclusively launched by Singtel. Supporting the national initiative to drive Singapore as a cashless society, Singtel's mobile wallet, Dash was the first to enable SG QR code payments in Singapore.

Consumer Home Services which comprise fixed broadband, residential pay TV and voice revenues declined 3.9%. Excluding sub-licensing of TV content rights revenue which ceased from this quarter, Home Services revenue would have been stable. Fixed broadband revenue rose 1.4% as more customers upgraded to higher speed fibre plans and subscribed to value added services such as Security Suite. In this quarter, Singtel launched 2Gbps home fibre plan to provide customers with more option for higher speed fibre services. It also offered Samsung Connect to improve the home WiFi experience.

The number of customers who signed up for 'on-the-go' services, namely the Cast OTT and Singtel TV Go companion apps, grew by 7,000 in the quarter to 93,000 as at 31 December 2017.

Operating expenses fell 5.2% on tight cost control and lower cost of sales in line with lower Equipment sales. Staff costs rose as the performance share expense in the corresponding quarter last year benefited from some fair value adjustments not repeated this quarter.

Other income declined by 71% as net trade foreign exchange losses of S\$4 million was recorded this quarter compared to S\$2 million of gain in the same quarter last year. The foreign exchange losses arose mainly from revaluation of carrier balances and hedges of US Dollar denominated content payables.

Consequently, EBITDA declined 8.9%.

With higher depreciation and amortisation charges on investments in mobile infrastructure network, spectrum and a new billing system, EBIT declined 21%.

⁴ Excluding inter-operator mobile tariff discounts which was reclassified from 'Other revenue' to Mobile Communications from 1 April 2017.

⁵ Based on total product view (i.e. included Enterprise mobile).

SECTION 2 : GROUP CONSUMER**For The Nine Months Ended 31 December 2017**

EBITDA declined 1.6% on lower operating revenue. EBIT declined 5.6% after including higher depreciation and amortisation charges.

SEQUENTIAL QUARTERLY RESULTS

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

	Quarter		QOQ Chge %
	31 Dec 2017 S\$ m	30 Sep 2017 S\$ m	
Operating revenue	621	564	10.1
Operating expenses	(455)	(353)	29.0
EBITDA	168	215	-21.9
<i>- margin</i>	<i>27.1%</i>	<i>38.1%</i>	
EBIT	91	141	-35.2

EBITDA declined 22% from the preceding quarter on seasonally higher mobile customer acquisition and retention costs. Depreciation increased on commissioning of a new billing system in October 2017.

SECTION 2: GROUP CONSUMER**AUSTRALIA CONSUMER SUMMARY INCOME STATEMENTS**
For The Third Quarter And Nine Months Ended 31 December 2017

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Operating revenue	1,959	1,818	7.8	5,376	5,156	4.3
Operating expenses	(1,343)	(1,249)	7.5	(3,654)	(3,524)	3.7
	616	569	8.3	1,723	1,632	5.6
Other income	64	25	154.1	146	108	34.9
EBITDA	680	594	14.5	1,868	1,740	7.4
- margin	34.7%	32.7%		34.8%	33.7%	
Depreciation & Amortisation ⁽¹⁾	319	300	6.3	946	887	6.7
EBIT	361	294	22.9	922	853	8.1

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Incoming	54	51	7.5	156	146	6.7
Outgoing	896	866	3.4	2,657	2,601	2.2
Total Mobile Service	951	917	3.7	2,813	2,747	2.4
Equipment ⁽²⁾	474	433	9.5	1,052	1,024	2.7
Leasing Revenue ⁽²⁾	8	-	nm	12	-	nm
Total Mobile Revenue	1,432	1,350	6.1	3,877	3,771	2.8
Voice	79	92	-13.9	249	289	-13.8
Broadband	96	116	-17.1	306	349	-12.2
PayTV	30	28	6.7	86	78	11.2
Mass Market Fixed Onnet	204	235	-13.0	642	716	-10.3
Mass Market Fixed Offnet ⁽³⁾	177	80	121.7	426	201	112.2
Total Mass Market Fixed	381	315	21.2	1,068	916	16.6
Data & IP	59	57	5.1	170	173	-1.9
Voice	25	27	-8.5	75	82	-8.5
Satellite	61	70	-12.6	186	213	-12.7
Total Wholesale Fixed	145	153	-5.3	431	468	-8.0
Operating revenue	1,959	1,818	7.8	5,376	5,156	4.3

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\$35 million for the nine months ended 31 December 2017.
- (2) With effect from this quarter, revenue from lease of handsets to mobile customers under 2-year contracts are separately disclosed. In prior periods, leasing revenue had been included as part of Equipment sales revenue. The figures for the prior periods have been reclassified to be consistent with this quarter.
- (3) Included NBN migration and site preparation revenues of A\$78 million (Q3 FY2017: A\$24 million) for the quarter and A\$174 million (YTD December 2016: A\$59 million) for nine months ended 31 December 2017.

SECTION 2 : GROUP CONSUMER

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Cost of sales	568	525	8.3	1,349	1,267	6.4
Selling & administrative	328	325	1.0	1,021	1,054	-3.1
Traffic expenses	218	188	16.1	617	550	12.1
Staff costs	171	165	3.3	500	497	0.5
Repair & maintenance	41	35	16.3	118	110	7.0
Others	17	12	48.6	50	45	10.2
Operating expenses	1,343	1,249	7.5	3,654	3,524	3.7

AUSTRALIA CONSUMER OPERATING PERFORMANCE**For The Third Quarter Ended 31 December 2017**

Australia Consumer reported robust growth in operating revenue of A\$141 million or 7.8% this quarter amid a highly competitive market. The increase was due to highest ever postpaid handset customer growth achieved this quarter, higher NBN migration payments and increased equipment sales.

Outgoing mobile service revenue grew 3.4% and would be up 6.2% excluding the impact of device repayment plan credits. The postpaid handset customer base grew strongly by 125,000⁶ this quarter, with the branded handset customer base increasing by 115,000. The prepaid handset customer base declined 29,000 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.

Optus has been ranked best in test in the 2017 P3 Connect Mobile Benchmark Australian network test. In Australia, P3⁷ has conducted testing for the last four years and globally for 15 years. This year, the Optus network achieved the highest overall rating, including being placed first in mobile and voice, as well as first for voice and data in smaller towns.

The results attest to Optus' continuing commitment in investing in its network. Regional Australia remains a priority for Optus' network investment program. During the quarter, significant mobile infrastructure investments were made including the construction of 100 new sites with the deployment of Optus' 7,000th site.

Optus continued to invest in its mobile networks, reaching 96.6% of 4G population coverage with 6,583 sites upgraded to 4G, of which 5,550 have been upgraded to 700 MHz spectrum.

⁶ Including Enterprise customers, Optus' total postpaid handset customer base grew 127,000.

⁷ P3 is a global company which performs independent measurement of mobile network performance.

SECTION 2 : GROUP CONSUMER

In December 2017, Optus successfully acquired two 2300 MHz lots in Sydney and Melbourne as well as three 3500 MHz lots in Sydney, Brisbane and Adelaide for a total sum of A\$6.5 million. The acquisitions complement Optus' extensive metro holdings and enhance Optus' capability to provide 4.5G services. It also sets Optus up to offer high capacity 5G services in the major metropolitan markets in the future.

The number of 4G mobile customers increased by 133,000 this quarter, resulting in the total 4G customer base increasing to 6.11 million⁸ as at 31 December 2017.

The focus on product innovation and network investment has resulted in significant improvement in Consumer Australia's NPS Score from +10 in the previous quarter to a +12 this quarter.

In Mass Market Fixed, operating revenue grew strongly by 21% mainly on higher NBN revenue driven by NBN customer growth of 224,000 from a year ago. Excluding NBN migration and preparation fees, Mass Market Fixed revenue increased 4.4%.

In November 2017, NBN Co announced a temporary suspension of new orders on its HFC access network, which is expected to resume in six to nine months from the date of announcement. During this period, Optus will not be able to migrate customers onto the NBN HFC network but will continue to serve existing customers on Optus' HFC network.

As a result, Optus expects that its NBN customer growth will moderate and revenue from NBN migration payments will decline from prevailing levels⁹. The decline will be partially mitigated by higher margin from existing customers on Optus' HFC network and lower NBN onboarding costs.

Wholesale Fixed revenue declined 5.3% due to the conclusion of Optus satellite services to NBN, partially offset by higher Data & IP.

Total operating expenses were higher by 7.5% due mainly to increases in equipment cost of sales, NBN access and network expansion costs.

EBITDA increased 15%, due both to strong service revenue growth and higher other income mainly from the settlement of disputes.

EBIT was 23% higher after including depreciation and amortisation expense which increased 6.3% from investments in mobile infrastructure network and spectrum.

⁸ Including Enterprise customers, Optus' total number of 4G customers increased from 6.06 million a quarter ago to 6.19 million.

⁹ NBN migration and site preparation revenues amounted to A\$78 million for this quarter and A\$66 million for March 2017 quarter.

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

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

	Quarter		QOQ Chge %
	31 Dec 2017 A\$ m	30 Sep 2017 A\$ m	
Operating revenue	1,959	1,702	15.1
Operating expenses	(1,343)	(1,137)	18.1
Other income	64	28	125.4
EBITDA - margin	680 34.7%	593 34.9%	14.6
EBIT	361	273	32.2

Against the preceding quarter, both EBITDA and EBIT improved on higher operating revenue and other income.

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.

In this section, “Singapore” refers to all geographies that Singtel has operations other than Australia.

FINANCIAL HIGHLIGHTS**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

- **Operating revenue at S\$1.62 billion – down 3.9%.**
- **EBITDA stable at S\$456 million.**
- **EBIT at S\$295 million – down 1.3%.**
- **In constant currency terms¹⁰, operating revenue fell 3.3%, EBITDA was stable while EBIT declined 1.5%.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

- **Operating revenue stable at S\$4.92 billion.**
- **EBITDA at S\$1.42 billion – down 2.2%.**
- **EBIT at S\$938 million – down 3.7%.**
- **In constant currency terms¹⁰, operating revenue was stable while EBITDA and EBIT declined 2.5% and 3.9% respectively.**

¹⁰ Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 31 December 2016.

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

For The Third Quarter Ended And Nine Months 31 December 2017

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	1,620	1,685	-3.9	4,918	4,877	0.8
Operating expenses	(1,175)	(1,243)	-5.5	(3,531)	(3,463)	2.0
Other income ⁽¹⁾	446	442	0.8	1,387	1,414	-1.9
	10	13	-23.5	28	34	-17.9
EBITDA	456	455	0.1	1,415	1,448	-2.2
- margin	28.1%	27.0%		28.8%	29.7%	
Depreciation & amortisation	(161)	(157)	2.8	(478)	(474)	0.8
EBIT	295	299	-1.3	938	974	-3.7

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cyber security ⁽²⁾	126	118	6.4	384	368	4.3
Other services ⁽²⁾⁽³⁾	454	465	-2.4	1,433	1,287	11.3
Managed services	579	583	-0.7	1,817	1,655	9.8
Business solutions ⁽⁴⁾	147	177	-16.8	427	482	-11.5
ICT	726	760	-4.4	2,244	2,137	5.0
Data and Internet ⁽²⁾⁽⁵⁾	414	433	-4.2	1,263	1,286	-1.8
Mobile communications ⁽⁶⁾	244	249	-2.0	730	746	-2.2
National telephone	109	116	-6.4	340	359	-5.2
Sale of equipment	70	60	16.0	159	142	11.7
International telephone	40	50	-20.9	129	162	-20.0
Others ⁽⁶⁾⁽⁷⁾	18	18	**	53	45	18.7
Operating revenue	1,620	1,685	-3.9	4,918	4,877	0.8

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 loss amounted to S\$0.4 million in the current quarter (Q3 FY2017: S\$1 million gain) and S\$6 million for the nine months ended 31 December 2017 (YTD December 2016: S\$0.2 million).
- (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\$8 million in the current quarter (YTD December 2017: S\$22 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have increased by 1.1% for the quarter and would have been stable for the nine months ended 31 December 2017.
- (7) 'Other revenue' include TV and digital business revenues.

*** denotes less than 0.05%.

SECTION 3 : GROUP ENTERPRISE

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales	441	471	-6.2	1,333	1,264	5.5
Staff costs	347	359	-3.5	1,078	1,060	1.7
Selling & administrative	224	226	-1.1	621	613	1.3
Traffic expenses	133	153	-13.2	403	442	-9.0
Repairs, maintenance and others	30	34	-12.6	96	84	14.4
Operating expenses	1,175	1,243	-5.5	3,531	3,463	2.0

GROUP ENTERPRISE OPERATING HIGHLIGHTS**For the Third Quarter Ended 31 December 2017**

Singapore contributed 76% (Q3 FY2017: 76%) and 87% (Q3 FY 2017: 87%) to Group Enterprise's operating revenue and EBITDA respectively.

Group Enterprise's operating revenue declined 3.9% due mainly to phasing of projects, one-off product sales in the last corresponding quarter as well as continued declines in traditional carriage services.

With tight cost management, EBITDA was stable. EBIT declined 1.3% after including higher depreciation charges from the new data centre commissioned in December 2016 and new billing system commissioned in October 2017, as well as investments in mobile network infrastructure and spectrum.

Operating expenses decreased 5.5%. The decrease in Cost of Sales was in line with the decline in related ICT business. Staff costs fell on lower incentive accruals and decline in staff headcount. Traffic expenses decreased due to lower international call and roaming traffic.

For the current quarter, Trustwave recorded S\$12 million in negative EBITDA and S\$23 million in negative EBIT after including the amortisation of acquired intangibles.

During the quarter, Singtel was conferred the Network World Asia Readers' Choice Product Excellence Awards 2017 for Managed Infrastructure Services.

Singtel also launched its new network solution "Singtel Managed Software-Defined Branch". This solution allows enterprises to manage multiple secure and virtualised network functions at their existing sites or new branch offices, and better monitor network usage and issues real-time.

Singtel continues to grow its cyber security capabilities by establishing Singtel Cognitive and Artificial Intelligence Lab for Enterprises (SCALE@NTUS). This is a S\$42 million corporate lab under a five-year partnership with NTU Singapore and National Research Foundation Singapore (NRF Singapore). The lab allows researchers to develop applications for use in the areas of public safety, smart urban solutions, transportation, healthcare and manufacturing, boosting Singapore's capabilities in artificial intelligence, data analytics, robotics and smart computing.

SECTION 3 : GROUP ENTERPRISE**For the Nine Months Ended 31 December 2017**

Group Enterprise's operating revenue was stable with growth in ICT and Equipment sales being offset by the decline in traditional carriage services.

EBITDA and EBIT fell 2.2% and 3.7% respectively.

SEQUENTIAL QUARTERLY RESULTS

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

	Quarter		QOQ Chge %
	31 Dec 2017 S\$ m	30 Sep 2017 S\$ m	
Operating revenue	1,620	1,700	-4.7
Operating expenses	(1,175)	(1,235)	-4.9
EBITDA	456	476	-4.1
<i>- margin</i>	28.1%	28.0%	
EBIT	295	314	-6.3

Operating revenue was down 4.7% due mainly to lower ICT revenue. Consequently, EBITDA and EBIT decreased by 4.1% and 6.3% respectively. Depreciation increased on commissioning of a new billing system in October 2017.

SECTION 3 : GROUP ENTERPRISE**SINGAPORE ENTERPRISE**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Managed services ⁽¹⁾	428	407	5.1	1,311	1,166	12.4
Business solutions ⁽²⁾	147	177	-16.8	427	482	-11.5
ICT	575	584	-1.6	1,738	1,649	5.4
Data and Internet ⁽³⁾	332	349	-4.9	1,009	1,039	-2.9
Mobile communications ⁽⁴⁾	192	198	-3.0	568	593	-4.2
Sale of equipment	47	41	13.3	96	86	12.4
National telephone	38	41	-8.5	115	125	-8.5
International telephone	36	44	-18.5	112	140	-20.0
Others ⁽⁴⁾⁽⁵⁾	18	18	**	53	45	18.7
Operating revenue	1,236	1,274	-3.0	3,691	3,677	0.4
EBITDA	395	396	-0.4	1,212	1,254	-3.4
- margin	31.9%	31.1%		32.8%	34.1%	

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\$8 million in the current quarter (YTD December 2017: S\$22 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have been stable for both the quarter and the nine months ended 31 December 2017.
- (5) Other revenue include TV and digital business revenues.

*** denotes less than 0.05%.

ICT revenue fell 1.6% due mainly to phasing of projects.

As at 31 December 2017, NCS' order book increased by 25% to S\$2.9 billion from a year ago.

Data and Internet revenue declined 4.9% largely due to the slowdown in the maritime industry, phasing of projects and price erosion.

Mobile Communications revenue was stable¹¹ with the increase in data usage being offset by lower roaming.

International Telephone revenue fell 19% on lower call usage on continued mobile data substitution. The impact of the decline was partially mitigated by lower outpayment costs.

¹¹ Excluding inter-operator mobile tariff discounts which was reclassified from 'Other revenue' to Mobile Communications from 1 April 2017.

SECTION 3 : GROUP ENTERPRISE**AUSTRALIA ENTERPRISE**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
ICT and Managed Services ⁽¹⁾	146	167	-12.7	480	474	1.3
Data and IP	79	79	0.2	241	239	0.7
Voice	73	77	-6.3	230	247	-6.7
Mobile ⁽¹⁾⁽²⁾	72	66	9.2	213	203	4.8
Operating revenue ⁽³⁾	369	389	-5.1	1,164	1,163	0.1
EBITDA - margin	59 15.9%	56 14.4%	4.8	193 16.6%	188 16.2%	2.8

Notes:

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

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

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

ICT and Managed Services revenue declined 13% attributable mainly to phasing of projects and some large one-off product sales in the last corresponding quarter.

Data and IP revenue was stable with increases in Internet and IPVPN being offset by decline in legacy services.

Voice revenue fell 6.3%, lower than industry decline¹². The decrease was due to price erosion and declines in switched voice as businesses migrated to lower cost IP-based voice solutions.

With expanding network coverage, Optus Business continued to connect more enterprise customers. Mobile revenue increased 9.2% due to record mobile net additions, increased equipment sales, and higher carriage and mobile applications revenue.

Optus Business announced a three year whole-of-business ICT contract with Hastings Deering, one of the world's largest Caterpillar dealer networks, to deliver a range of telecommunications and managed services. Leveraging Optus' extensive national and international telecommunications networks, Optus Business will provide a converged voice and data network solution across 50 key sites. The agreement will include managed security, data protection services, unified communications, a unified contact centre solution and a telephony call-processing system for 2,500 users, and over 1,000 mobile services to Hastings Deering.

¹² 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 THIRD QUARTER ENDED 31 DECEMBER 2017**

- **Operating revenue at S\$325 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\$28 million.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

- **Operating revenue at S\$875 million – up 112%.**
- **Negative EBITDA at S\$51 million.**
- **Negative EBIT at S\$107 million.**

SECTION 4 : GROUP DIGITAL LIFE**GROUP DIGITAL LIFE SUMMARY INCOME STATEMENTS**
For The Third Quarter And Nine Months Ended 31 December 2017

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Digital ⁽¹⁾	339	160	111.7	923	462	99.8
Others ⁽²⁾	5	7	-32.2	12	16	-25.6
Operating revenue	344	167	105.9	935	478	95.5
Intercompany eliminations	(19)	(20)	-8.5	(60)	(66)	-9.1
Operating revenue	325	146	121.9	875	412	112.4
Operating expenses	(338)	(171)	98.0	(926)	(491)	88.6
	(13)	(25)	-45.3	(51)	(79)	-35.6
Other (losses)/ gains	(1)	1	nm	(1)	(8)	-92
EBITDA	(14)	(23)	-39.7	(51)	(86)	-40.5
Depreciation	(7)	(5)	48.0	(23)	(14)	56.3
Amortisation of intangibles	(7)	(13)	-48.0	(33)	(37)	-9.6
	(14)	(18)	-20.6	(56)	(51)	9.0
EBIT	(28)	(41)	-31.5	(107)	(137)	-22.1
Amobee group						
Operating revenue	339	160	111.7	923	462	99.8
Intercompany eliminations	(18)	(19)	-6.8	(58)	(63)	-8.2
Operating revenue	321	141	127.7	866	399	116.9
EBITDA	20	(1)	nm	31	(25)	nm
EBIT	9	(11)	nm	(9)	(54)	-83.4

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.

SECTION 4 : GROUP DIGITAL LIFE

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales	249	119	110.0	671	335	100.7
Staff costs	57	31	84.7	167	102	64.4
Selling & administrative	29	18	56.6	78	44	74.5
Others	4	3	12.5	10	11	-1.9
Operating expenses	338	171	98.0	926	491	88.6

GROUP DIGITAL LIFE OPERATING HIGHLIGHTS**For The Third Quarter Ended 31 December 2017**

Operating revenue for the quarter more than doubled to S\$325 million, driven mainly by contribution from Turn and strong growth in Amobee's media and social revenues.

Negative EBITDA fell 40% to S\$14 million. Amobee (including Turn) delivered positive EBITDA for the second consecutive quarter as it continued to leverage on increased 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 decreased 32% to S\$28 million contributed mainly by Amobee as it turned EBIT positive for the first time.

Amobee continued to lead the industry in advanced technological solutions. In this quarter, it launched the Amobee Inventory Accountability Program, which is a comprehensive brand safety offering that ensures marketers have access to a safe, transparent buying ecosystem with the highest quality inventory to reach target consumers more effectively. Amobee also partnered in an industry wide study with Google and major publishers like the LA Times, The New York Times, USA Today and others, to measure potential counterfeit inventory levels across the digital ecosystem. Its fraud detection and prevention tool blocks the counterfeit inventory and prevents them from reaching the Amobee Platform, partners and clients.

Amobee continued to gain industry recognition for its digital marketing excellence and won several awards in this quarter, notably iMedia ASPY Best Mobile Partner, and IMA Impact Best Mobile Campaign for partnership with Garmin on 360 degree video.

During the quarter, Amobee continued to gain momentum, signing up customers including Qantas, Aspen Pharma and Mobil in Australia, and Express, Southwest Airlines, P&G, Honda, Jergens, Del Monte and Subaru in the USA.

HOOQ secured exclusive SVOD rights to three of Marvel's latest series - Marvel's Inhumans, Marvel's Runaways and Marvel's Cloak and Dagger, and added new content from ABC Studios On-demand, including full series box sets of Grey's Anatomy, Lost and Revenge.

SECTION 4 : GROUP DIGITAL LIFE

HOOQ's Indonesia Original film 'Marlina the Murderer in Four Acts' has received four nominations for the 12th Asian Film Awards, including a Best Actress nomination for Marsha Timothy. Following the launch of HOOQ Filmmakers Guild, it announced the commission of six pilots and five wildcards for script development.

For The Nine Months Ended 31 December 2017

Operating revenue for the nine months also more than doubled to S\$875 million driven by contribution from Turn, coupled with strong performance from Amobee's media and social businesses.

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

SEQUENTIAL QUARTERLY RESULTS

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

	Quarter		QOQ Chge %
	31 Dec 2017 S\$ m	30 Sep 2017 S\$ m	
Operating revenue (before intercompany eliminations)	344	299	15.0
<i>Intercompany eliminations</i>	(19)	(21)	-12.2
Operating revenue	325	277	17.1
Operating expenses	(338)	(292)	15.9
EBITDA	(14)	(14)	2.2
EBIT	(28)	(33)	-14.6

EBITDA loss was stable as seasonally higher revenue and improved synergies with Turn offset the increased investments in HOOQ. With lower amortisation charges of acquired intangibles, EBIT loss decreased from the preceding quarter.

SECTION 5: ASSOCIATES / JOINT VENTURES

**FINANCIAL HIGHLIGHTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

- **Pre-tax and post-tax underlying profit¹³ contributions from the associates fell 20% and 14% respectively on decline in profits at Airtel, Telkomsel and Globe, as well as lower contribution from NetLink NBN Trust on Singtel's reduction of economic interest.**
- **Excluding Airtel, pre-tax and post-tax underlying profit¹³ contributions decreased 6.9% and 11% respectively.**
- **If the regional currencies had remained stable from last corresponding quarter, the pre-tax and post-tax underlying profit¹³ contributions from associates would have declined by 17% and 11% respectively.**
- **The Group's combined mobile customer base¹⁴ was up 18 million or 2.6% in the quarter to 688 million.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

- **Pre-tax and post-tax underlying profit¹³ contributions from associates declined 11% and 7.1% respectively, mainly due to lower profit at Airtel and lower contribution from NetLink NBN Trust, partly offset by higher contribution from Intouch (acquired in November 2016).**

¹³ Exclude one-off items of the associates classified as exceptional items of the Group.

¹⁴ 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 ⁽¹⁾	Quarter		YOY Chge %	Nine Months		YOY %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Regional associates						
Telkomsel						
- operating results	329	359	-8.4	1,083	1,048	3.4
- fair value gain	*	1	nm	*	3	nm
	329	360	-8.6	1,083	1,051	3.1
AIS ⁽²⁾						
- operating results	88	66	34.4	252	243	3.7
- fair value gain	*	*	nm	1	2	-69.6
	88	66	34.5	253	245	3.0
Bharti Telecom/ Bharti Airtel ("Airtel") ⁽³⁾⁽⁴⁾						
- operating results (India and South Asia)	135	249	-45.9	532	828	-35.8
- operating results (Africa)	77	30	153.1	185	61	205.5
- net finance costs	(175)	(131)	33.7	(463)	(355)	30.6
- fair value gain/ (loss)	2	(6)	nm	(30)	(44)	-32.0
	38	142	-73.4	224	490	-54.3
Globe ⁽⁴⁾						
- operating results	43	66	-34.8	184	217	-15.1
- fair value gain/ (loss)	2	*	nm	*	(3)	nm
	44	66	-32.3	184	214	-13.8
Intouch ⁽⁴⁾⁽⁵⁾						
- operating results	30	8	285.9	90	8	@
- fair value gain	*	*	nm	1	*	nm
- amortisation of acquired intangibles	(6)	(4)	72.2	(19)	(4)	416.7
	24	4	485.4	72	4	@
	523	637	-17.8	1,816	2,004	-9.4
Other Singtel associates						
NetLink NBN Trust/ NetLink Trust ("NLT") ⁽⁶⁾	13	39	-66.3	70	115	-39.1
Other associates ⁽⁷⁾	16	19	-14.0	48	54	-9.9
Singtel share of ordinary results (pre-tax) ⁽²⁾	552	694	-20.4	1,934	2,173	-11.0
Optus share of ordinary results (pre-tax)	*	*	nm	*	*	nm
Group share of ordinary results (pre-tax) ⁽²⁾	553	694	-20.4	1,934	2,173	-11.0
Exceptional items ("EI")						
Singtel share of one-off items	-	-	-	7	-	nm
Group share of EI	-	-	-	7	-	nm
Singtel share of pre-tax profit ⁽²⁾⁽⁴⁾	553	694	-20.4	1,941	2,173	-10.7
Optus share of pre-tax profit	*	*	nm	*	*	nm
Group share of pre-tax profit ⁽²⁾⁽⁴⁾	553	694	-20.4	1,941	2,173	-10.6
<i>(excluding Airtel)</i>	<i>515</i>	<i>553</i>	<i>-6.9</i>	<i>1,734</i>	<i>1,683</i>	<i>3.1</i>
Group share of taxes ⁽²⁾⁽⁴⁾	133	205	-35.1	519	642	-19.1
Effective tax rate	24.0%	29.5%		26.8%	29.6%	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter				YOY Chge %	Nine Months				YOY Chge %
	31 Dec					31 Dec				
	2017		2016			2017		2016		
	S\$ m	% ⁽⁸⁾	S\$ m	% ⁽⁸⁾		S\$ m	% ⁽⁸⁾	S\$ m	% ⁽⁸⁾	
Regional associates										
Telkomsel	248	28	271	28	-8.8	812	30	790	27	2.8
AIS ⁽²⁾	74	8	60	6	22.6	213	8	206	7	3.7
Airtel ⁽³⁾⁽⁴⁾										
- ordinary results (India and South Asia)	(15)		88		nm	13		338		-96.2
- ordinary results (Africa)	40		(40)		nm	91		(105)		nm
- exceptional items	25		48		-48.7	104		234		-55.6
	-		-		-	(13)		-		nm
	25	3	48	5	-48.7	90	3	234	8	-61.3
Globe⁽⁴⁾										
- ordinary results	30		56		-47.2	126		157		-20.1
- exceptional items	-		-		-	22		-		nm
	30	3	56	6	-47.2	148	5	157	5	-5.8
Intouch⁽⁴⁾⁽⁵⁾										
- ordinary results	25		9		189.4	74		9		@
- amortisation of acquired intangibles	(5)		(3)		72.4	(15)		(3)		413.8
	20	2	6	1	250.0	59	2	6	**	@
	396	44	442	45	-10.5	1,323	48	1,392	48	-4.9
Other Singtel associates										
NLT ⁽⁶⁾	12	1	32	3	-62.3	61	2	93	3	-34.7
Other associates ⁽⁷⁾	13	1	16	2	-19.4	39	1	43	2	-10.4
Singtel share of post-tax profit⁽²⁾⁽⁴⁾	420	47	490	50	-14.2	1,423	52	1,528	53	-6.9
Optus share of post-tax profit	(1)	**	*	**	nm	(1)	**	3	**	nm
Group share of post-tax profit⁽²⁾⁽⁴⁾ <i>(excluding Airtel)</i>	420	47	490	50	-14.3	1,422	52	1,531	53	-7.1
	395		441		-10.6	1,332		1,297		2.7

Post-tax profit contribution (in constant currency) ⁽⁹⁾	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Regional associates						
- operating results ⁽²⁾	547	646	-15.3	1,863	2,050	-9.1
- fair value gain/ (loss)	4	(6)	nm	(29)	(42)	-31.9
- amortisation of acquired intangibles	(6)	(4)	69.4	(18)	(4)	394.4
	545	637	-14.4	1,816	2,004	-9.4
Other associates	29	58	-49.2	119	169	-29.8
Group share of ordinary results⁽²⁾	574	694	-17.3	1,935	2,173	-10.9
Group share of exceptional items	-	-	-	10	-	nm
Group share of pre-tax profit⁽²⁾	574	694	-17.3	1,945	2,173	-10.5
Group share of tax expense ⁽²⁾	(139)	(205)	-32.1	(518)	(642)	-19.3
Group share of post-tax profit⁽²⁾	435	490	-11.1	1,427	1,531	-6.8
Excluding Airtel:						
Group share of pre-tax profit⁽²⁾	536	553	-3.1	1,746	1,683	3.8
Group share of tax expense ⁽²⁾	(126)	(112)	13.1	(407)	(386)	5.6
Group share of post-tax profit⁽²⁾	410	441	-7.1	1,339	1,297	3.2

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 nine months ended 31 December 2016 have been reclassified to share of AIS' ordinary results to be consistent with the current periods.
- (3) The Group's equity interest in Airtel increased to 38.64% from 36.46% a quarter ago following Bharti Telecom Limited's additional investment in Airtel in the current quarter.
- (4) Share of results excluded the Group's share of the associates' one-off items which have been classified as exceptional items of the Group.
- (5) Intouch, which Singtel acquired an equity interest of 21.0% in November 2016, has an equity interest of 40.5% in AIS.
- (6) 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, the holding company of NetLink Trust. Share of results included Singtel's amortisation of deferred gain of S\$5 million (Q3 FY2017: S\$17 million) on assets transferred to NetLink Trust in prior years, but excluded fair value adjustments recorded by NetLink NBN Trust in respect of its acquisition of units in NetLink Trust.
- (7) Include the share of results of Singapore Post Limited.
- (8) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.
- (9) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 31 December 2016.

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

Pre-tax underlying profit contributions from the associates fell 20% due mainly to lower profits at Airtel, Telkomsel and Globe, as well as decline in contribution from NetLink NBN Trust following the reduction in economic interest. The decline was partly mitigated by higher profit at AIS and higher contribution from Intouch (acquired in November 2016).

On a post-tax basis, the associates' underlying profit contributions declined 14% to S\$420 million and contributed 47% to the Group's underlying net profit, down 3 percentage points from the same quarter last year.

Telkomsel reported lower profit on softer revenue growth amid increased competition coupled with higher operating costs and depreciation charges. Its profit contribution to the Group was also impacted by the 6% depreciation of the Rupiah. Airtel recorded weaker revenue and earnings adversely impacted by the steep mandatory reduction in domestic Interconnect Usage Charge (“IUC”) rate and continued disruptive price competition in India, partially mitigated by improved performance in Africa. AIS recorded another quarter of double-digit growth in earnings driven by higher revenue and tight cost management. Globe reported higher revenue and EBITDA, but profits declined on increased depreciation charges and finance costs.

PT Telekomunikasi Selular (“Telkomsel”)

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 160,700 radio base stations (of which 69% 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 8,500 3G/4G radio base stations.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Operating revenue for the quarter grew 3% year-on-year amid increased price competition. Data and digital services rose a robust 34% with higher data usage amid continued strong adoption of smartphones. Voice and SMS revenues, however, declined 12% on increased popularity of OTT applications.

EBITDA was stable after including higher operation and maintenance costs from accelerated network deployment and higher frequency fees for 2300 MHz spectrum acquired in October 2017, as well as increased marketing expenses.

With higher depreciation charges from network investments, Telkomsel's pre-tax profit declined 3% in Indonesian Rupiah terms. The Group's share of Telkomsel's pre-tax profit fell 8.6% after accounting for a 6% depreciation of the Indonesian Rupiah against the Singapore Dollar.

On a post-tax basis, Telkomsel's profit contribution for the quarter declined 8.8% and constituted 28% of the Group's underlying net profit, stable from the last corresponding quarter.

Compared to the preceding quarter, revenue was stable while EBITDA declined 7% on seasonally higher marketing spend.

Telkomsel gained 6.0 million mobile customers in the quarter, down from 12.4 million added in the preceding quarter. The lower net addition was mainly due to customer churns arising from the regulatory requirement for all prepaid SIM cards to be registered by end February 2018. The total mobile customer base grew 22 million or 13% from a year ago to 196 million, including 106 million of data customers at end of December 2017.

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

In the current quarter, AIS' service revenue (excluding interconnect) rose 3% on increases in both data revenue (mainly from mobile postpaid segment) and fixed broadband revenue.

EBITDA grew strongly by 23% on the back of service revenue growth, lower marketing spend with reduced subsidy costs and lower regulatory fees on reduction in licence fee rate.

Despite higher depreciation charges from network investments, AIS' pre-tax profit grew 30% in Thai Baht terms. With 3% appreciation of the Thai Baht against the Singapore Dollar, the Group's share of AIS' pre-tax profit¹⁵ grew strongly by 35% to S\$88 million.

¹⁵ 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

On a post-tax basis, AIS' profit contribution¹⁵ for the quarter increased 23% to S\$74 million as the last corresponding quarter benefited from first time claims of double depreciation tax benefits for certain capital assets. AIS contributed 8% (Q3 FY2017: 6%) to the Group's underlying net profit.

Against the preceding quarter, service revenue (excluding interconnect) was stable while EBITDA grew 5% on lower regulatory fees and reduced handset subsidy costs.

AIS continued to focus on the acquisition and retention of quality customers in its postpaid segment. As at 31 December 2017, its mobile customer base fell 0.1 million from a quarter ago. Compared to a year ago, its mobile customer base decreased 1.0 million or 2.4% to 40 million. The number of postpaid customers, however, increased by 1.0 million or 15% from a year ago as AIS pushed for migration from prepaid to postpaid.

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 16 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.

On 5 February 2018, Singtel announced that its wholly-owned subsidiary, Singtel International Investments Private Limited ("**SII**"), will subscribe to new shares in Bharti Telecom Limited ("**BTL**") under a proposed preferential allotment. The preferential allotment of equity shares to SII is subject to approval by BTL's shareholders, with completion expected by March 2018. Through this allotment, Singtel's economic interest in Airtel will increase by 0.9 percentage point to 39.5%.

India and Sri Lanka ("India and South Asia")

In India, Airtel was adversely impacted by the steep mandatory reduction in domestic IUC rate from Rs. 0.14 to Rs. 0.06 per minute effective from October 2017. Its performance was further aggravated by the continued disruptive price competition from the new entrant.

In this quarter, operating revenue fell 15% primarily led by a drop of 22% in mobile revenue partly mitigated by growth in non-mobile segments. With continued rise in penetration of bundled offers which offered unlimited voice calling and more generous data allowance, voice usage grew 50% while data volume rose more than 6 times. The higher usage, however, could not offset the impact of reduction in domestic IUC rate and severe price erosion. Hence, ARPU declined by 29% to Rs. 123 this quarter.

With the decline in operating revenue, EBITDA correspondingly declined 20%.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Results of 'South Asia' comprised Airtel's operations in Sri Lanka. Operating revenue fell but net losses narrowed in South Asia following the deconsolidation of Airtel Bangladesh in November 2016.

With higher depreciation and amortisation charges in India, the Group's share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia declined 46% in both Indian Rupee terms and reported terms as the Indian Rupee remained stable against the Singapore Dollar.

Compared to the preceding quarter, Airtel's revenue and EBITDA from its India and South Asia operations both declined 9% on reduction in the domestic IUC rate and intense competition.

Airtel continued to grow its mobile customer base and market share. It added a healthy 8.1 million of mobile customers in India this quarter, compared to the 1.4 million added in the preceding quarter. As at 31 December 2017, Airtel had 290 million of mobile customers in India, an increase of 24 million or 9.1% from a year ago. The number of data customers increased by 5.1 million this quarter, compared to 3.2 million added in the preceding quarter and grew a significant 29% from a year ago to 71 million, representing 24% of its total mobile customer base.

In November 2017, Airtel completed the sale of 83 million shares or 4.5% equity stake in its subsidiary, Bharti Infratel Limited, raising US\$510 million and reducing its equity interest to 53%¹⁶.

In December 2017, Airtel announced that its Board approved the sale of 15% equity stake in Bharti Telemedia Limited to an affiliate of Warbug Pincus. The transaction is subject to requisite regulatory and statutory approvals.

In January 2018, the local regulator issued final regulations on international IUC rates for the telecommunications industry in India. The international IUC rate would be reduced from Rs. 0.53 to Rs. 0.30 per minute effective from 1 February 2018.

Africa

In this quarter, Airtel and Millicom International Cellular formed a joint venture to combine their operations in Ghana.

As at 31 December 2017, 'Airtel Money' and 3G services were available across all the 14 African countries¹⁷ that Airtel has presence in, while 4G services were available in 4 African countries.

Airtel Africa continued to report strong growth momentum this quarter.

In constant US Dollar terms, Africa's operating revenue was stable. Excluding the divested operations, operating revenue in the 14 Africa countries¹⁷ grew 5% due to continued strong growth in data and Airtel Money's transaction value. EBITDA was up a significant 51% on continued strong cost control initiatives and efficiency gains. Its margin rose to a new record high of 35.5% this quarter.

In reported US Dollar terms, operating revenue was stable and EBITDA grew 48%.

¹⁶ The gain on disposal has been recognised in equity in accordance with IFRS.

¹⁷ Namely Nigeria, Chad, Congo B, DRC, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Compared to the preceding quarter and excluding the divested operations, Airtel Africa's EBITDA grew 12% on revenue growth of 4% in constant currency terms.

With lower depreciation charges, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) more than doubled to S\$77 million.

Airtel Africa reported its fourth consecutive quarter of net profit¹⁸ at US\$76 million, compared to a net loss¹⁸ of US\$93 million in the same quarter last year.

Airtel Africa added 2.2 million¹⁹ mobile customers in the quarter as compared to 1.9 million added in the preceding quarter. As at 31 December 2017, the mobile customer base stood at 84 million, an increase of 3.8 million¹⁹ or 4.7% from a year ago. The number of data customers was 23 million, representing 28% of total mobile customer base.

In December 2017, Airtel entered into an agreement to acquire 100% equity stake in Tigo Rwanda Limited and the transaction was completed on 1 February 2018.

Overall

At the consolidated level, Airtel's operating revenue, EBITDA and EBIT declined 13%, 11% and 27% respectively. After recording higher share of net finance costs (mainly on lower investment income and higher interest and finance charges) and share of fair value gains as compared to fair value losses in the same corresponding quarter, the Group's share of overall pre-tax profit from Airtel fell sharply by 73% to S\$38 million.

Post-tax underlying profit contribution fell 49% to S\$25 million on lower effective tax rate. This was due mainly to change in profit mix in Africa and lower deferred tax liabilities. Consequently, on a post-tax basis, Airtel's contribution to the Group's underlying net profit declined to 3% (Q3 FY2017: 5%).

Airtel recorded some one-off items this quarter which have been classified as exceptional items of the Group (see page 13). The exceptional items comprised mainly a one-off translation adjustment loss in Nigeria due to a transition from administered to market based exchange rate to reflect changes in the underlying economics, network re-farming and upgrading costs, gain on divestment of some tower assets, as well as net loss on disposal of its operations in Ghana²⁰.

Including mobile customers across operations in 16 countries covering India, Sri Lanka and Africa, Airtel's total mobile customer base across all geographies was 376 million as at 31 December 2017. This represented a growth of 28 million or 8.1%, or a growth of 32 million or 9.2% excluding operations in Ghana, from a year ago.

¹⁸ Before exceptional items.

¹⁹ Adjusting for the divestment of operations in Ghana, the number of mobile subscribers grew 5.4 million from a quarter ago and 7.2 million from a year ago.

²⁰ A gain was recorded based on Indian Accounting Standards but a net loss was recorded under IFRS as the cumulative currency translation loss in equity was reversed to income statement upon disposal.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Globe Telecom, Inc (“Globe”)

Globe is listed on the Philippine Stock Exchange.

Globe’s service revenue grew 5% mainly driven by growth in data related services as demand for internet and data connectivity continued to increase. EBITDA grew 2% after providing for higher doubtful trade debts this quarter.

With an increase in both depreciation charges and finance costs from its network infrastructure investments, Globe’s pre-tax profit (excluding impairment charges for investments classified under exceptional items of the Group) declined 27% in Philippine Peso terms. After accounting for 8% depreciation of the Philippine Peso against the Singapore Dollar this quarter, the Group’s share of Globe’s pre-tax profit contribution declined 32% to S\$44 million.

On a post-tax basis, Globe’s profit contribution for the quarter declined 47% to S\$30 million and constituted 3% (Q3 FY2017: 6%) to the Group’s underlying net profit as the last corresponding quarter included a tax credit from Bayantel’s carried forward net operating losses.

Against the preceding quarter, Globe’s service revenue grew 2% but EBITDA declined 5% on increased provision for trade debts.

As at 31 December 2017, Globe’s total mobile customer base expanded by 1.4 million to 60.7 million, as compared to a decline of 0.4 million in the preceding quarter.

Compared to a year ago, its mobile customer base fell 2.1 million or 3.4% 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 net profit was S\$25 million, excluding impairment charges for Thaicom’s satellite business classified under exceptional items of the Group. After including amortisation of acquired intangibles of S\$5 million (Q3 FY2017: S\$3 million), Intouch’s post-tax contribution was S\$20 million which constituted 2% (Q3 FY2017: 1%) of the Group’s underlying net profit.

Against the preceding quarter, net profit was lower due mainly to lower satellite profit partly offset by higher AIS’ profit.

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 %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Group operating revenue						
Optus	2,422	2,332	3.8	6,887	6,523	5.6
Singapore subsidiaries	1,703	1,754	-2.9	4,972	4,972	**
Other overseas subsidiaries (incl. Amobee & Trustwave)	479	324	48.0	1,347	909	48.1
	4,603	4,410	4.4	13,205	12,404	6.5
Proportionate share of operating revenue of associates						
Regional associates	3,287	3,357	-2.1	10,056	9,781	2.8
Singapore associates ⁽¹⁾	115	166	-30.5	421	455	-7.5
Other overseas associates	11	13	-17.7	34	37	-8.4
	3,413	3,535	-3.5	10,511	10,273	2.3
Enlarged revenue	8,016	7,945	0.9	23,716	22,677	4.6
% of overseas revenue to enlarged revenue	77%	76%		77%	76%	

Note:

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

Overseas revenue contributed 77% to the Group’s enlarged revenue, and was stable from the last corresponding quarter, with contribution from Turn (Q3 FY17: Nil) partly offset by lower contributions from Airtel and NetLink NBN Trust.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Group EBITDA						
Optus	768	687	11.9	2,171	1,989	9.2
Singapore	598	612	-2.2	1,881	1,915	-1.8
Other overseas subsidiaries (including Amobee & Trustwave)	(73)	(78)	-6.3	(198)	(214)	-7.7
	1,293	1,221	6.0	3,854	3,689	4.5
Proportionate share of associates' EBITDA ⁽¹⁾⁽²⁾						
Regional associates ⁽²⁾	1,430	1,427	0.2	4,459	4,264	4.6
Singapore associates ⁽³⁾	32	71	-55.6	144	212	-32.4
Other overseas associates	10	10	-2.0	28	28	2.5
	1,472	1,508	-2.4	4,631	4,504	2.8
Total proportionate EBITDA ⁽²⁾	2,765	2,729	1.3	8,485	8,194	3.6
Overseas proportionate EBITDA as a % to total proportionate EBITDA	77%	75%		76%	74%	
Contributions to total proportionate EBITDA						
Regional associates	52%	52%		53%	52%	
Australia	28%	25%		26%	24%	
Singapore	23%	25%		24%	26%	
Others	-2%	-2%		-2%	-2%	
	100%	100%		100%	100%	

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 75% in the last corresponding quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share ⁽¹⁾		
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	30 Sep 2017	31 Dec 2016
Singtel	4,109	4,098	4,088	4,109	4,098	4,088
Optus	9,952	9,827	9,573	9,952	9,827	9,573
	14,061	13,925	13,661	14,061	13,925	13,661
Regional Associates						
Airtel						
- India	290,113	282,047	265,853	112,100	102,834	96,930
- Africa	84,130	81,927	80,356	32,508	29,871	29,298
- South Asia	2,150	2,086	1,938	831	761	706
	376,393	366,060	348,147	145,439	133,466	126,934
Telkomsel	196,322	190,362	173,919	68,713	66,627	60,872
AIS	40,056	40,186	41,031	9,341	9,371	9,568
Intouch's share of AIS	NM	NM	NM	3,401	3,414	3,484
Globe	60,686	59,331	62,799	28,601	27,964	29,635
	673,457	655,939	625,896	255,495	240,842	230,493
Group	687,518	669,864	639,557	269,556	254,767	244,154

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 688 million as at 31 December 2017, up 18 million or 2.6% from a quarter ago, and 48 million or 7.5% from a year ago.

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

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Telkomsel ⁽²⁾						
- final dividend FY 2016 / FY 2015	-	-	-	724	715	1.3
- special dividend FY 2016	294	-	nm	294	-	nm
	294	-	nm	1,018	715	42.4
AIS ⁽³⁾						
- interim dividend FY 2017 / FY 2016	-	-	-	99	155	-36.3
- final dividend FY 2016 / FY 2015	-	-	-	119	176	-32.5
	-	-	-	217	330	-34.3
Globe ⁽⁴⁾						
- quarterly dividend FY 2016 / FY 2015	38	40	-5.3	116	119	-2.5
Intouch ⁽⁵⁾						
- interim dividend FY 2017	-	-	-	78	-	nm
Airtel ⁽⁶⁾						
- final dividend FY 2017 / FY 2016	-	-	-	13	17	-23.0
Regional associates	331	40	@	1,442	1,181	22.1
Other associates						
Southern Cross/ PCHL ⁽⁷⁾	-	10	nm	11	32	-65.6
NetLink Trust ⁽⁸⁾	-	-	-	76	80	-5.3
Others	12	10	24.2	23	33	-28.9
	12	20	-37.2	110	144	-23.9
Total	343	59	479.9	1,552	1,325	17.1

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%). With strong cash flows, Telkomsel further declared a special dividend of 30% on net profit for its 2016 financial year. The Group received its share of the special dividend of S\$294 million in December 2017.
- (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 fourth quarterly dividend of PHP 22.75 per common share for its 2016 financial year in December 2017. The Group's share of this dividend was S\$38 million. Globe will pay its next quarterly dividend of PHP 22.75 per common share in March 2018, the Group's share of this dividend is approximately S\$36 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. Airtel declared an interim dividend of INR 2.84 per common share in respect of its net profit for its 2018 financial year. The Group received its share of the interim dividend based on its direct stake of S\$35 million in February 2018.
- (7) Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited (PCHL), part of the Southern Cross consortium, do not have fixed dividend policies.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

- (8) Singtel received S\$25 million and S\$51 million of distributions from NetLink Trust in June 2017 and July 2017 respectively.

The increase in dividends from the associates arose mainly from the receipt of S\$294 million of special dividend from Telkomsel for its financial year ended 31 December 2016.

KEY OPERATIONAL DATA

	Airtel ⁽¹⁾	Telkomsel	AIS	Intouch	Globe
Singtel's investment:					
Year of initial investment	2000	2001	1999	2016	1993
Effective economic interest (%)	38.6%	35.0%	23.3% ⁽²⁾	21.0%	47.1% ⁽³⁾
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 ⁽⁴⁾	INR 529	NA	THB 191 ⁽⁵⁾	THB 56 ⁽⁵⁾	PHP 1,900
Market capitalisation					
- Total	S\$44.15 bil	NA	S\$23.23 bil	S\$7.38 bil	S\$6.75 bil
- Singtel holding	S\$17.06 bil	NA	S\$5.42 bil	S\$1.55 bil	S\$3.18 bil
Operational Performance :					
Mobile penetration rate ⁽⁶⁾	90%	153%	136%	NM	114%
Market share, 31 December 2017 ⁽⁶⁾	24.9%	47.3%	44.7%	NM	50.5%
Market share, 30 September 2017 ⁽⁷⁾	23.8%	47.3%	44.7%	NM	50.5%
Market position ⁽⁸⁾	#1	#1	#1	NM	#1
Mobile customers ('000)					
- Aggregate	376,393	196,322	40,056	NM	60,686
- Proportionate	145,439	68,713	9,341	3,401	28,601
Growth in mobile customers (%) ⁽⁹⁾	8.1%	13%	-2.4%	NM	-3.4%
Credit ratings					
- Sovereign (Moody's/ S&P Global)	Baa2/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 31 December 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 31 December 2017.
(7) Based on actual data.
(8) Based on number of mobile customers and based on actual data or latest data available as of 31 December 2017.
(9) Compared against 31 December 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			Nine Months		YOY Chge %
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	
Mobile Communications revenue (S\$'M) ⁽¹⁾	509	506	526	1,521	1,571	-3.2
Number of mobile subscribers (000s)						
Prepaid	1,679	1,675	1,738	1,679	1,738	-3.4
Postpaid	2,430	2,423	2,350	2,430	2,350	3.4
Total	4,109	4,098	4,088	4,109	4,088	0.5
Number of 4G mobile subscribers (000s)	2,693	2,656	2,562	2,693	2,562	5.1
MOUs per subscriber per month ⁽²⁾						
Prepaid	182	196	231	192	245	-21.6
Postpaid ⁽³⁾	194	204	233	203	239	-15.2
Average revenue per subscriber per month ⁽²⁾⁽⁴⁾ (S\$ per month)						
Prepaid	18	18	18	18	19	-2.2
Postpaid	64	64	69	65	69	-6.9
Blended	46	45	48	45	48	-4.8
Data services as % of ARPU						
- total data ⁽⁵⁾	63%	62%	56%	62%	54%	
- non-SMS data	56%	54%	47%	54%	45%	
Acquisition cost per postpaid subscriber (S\$) ⁽⁶⁾	533	400	495	452	450	0.4
Postpaid external churn per month ⁽⁷⁾	1.1%	0.8%	0.9%	0.9%	1.0%	
Singapore mobile penetration rate ⁽⁸⁾	150%	149%	150%	150%	150%	
Market share ⁽⁸⁾						
Prepaid	50.8%	50.7%	50.7%	50.8%	50.7%	
Postpaid	47.7%	47.9%	47.2%	47.7%	47.2%	
Overall	48.9%	49.0%	48.6%	48.9%	48.6%	

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\$14 million in the current quarter (YTD Dec 2017: S\$36 million), previously classified under 'Other revenue'. Excluding this reclassification, Mobile Communications would have been stable for both the quarter and the nine months ended 31 December 2017.
- (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 31 December 2017 was based on management's estimates. The other market statistics were based on IMDA's latest available published statistics as of 30 November 2017.

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

	Quarter			Nine Months		YOY Chge %
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,505	1,274	1,417	4,093	3,978	2.9
Optus' mobile service revenue (A\$'M)	1,001	991	966	2,970	2,899	2.4
Optus' mobile outgoing service revenue (A\$M)	946	938	914	2,810	2,749	2.2
Number of mobile subscribers (000s)						
Prepaid Handset	3,672	3,701	3,679	3,672	3,679	-0.2
Postpaid Handset	5,203	5,076	4,864	5,203	4,864	7.0
Mobile Broadband ⁽²⁾	1,077	1,050	1,030	1,077	1,030	4.6
Total	9,952	9,827	9,573	9,952	9,573	4.0
Number of 4G mobile subscribers (000s) ⁽³⁾	6,193	6,056	5,539	6,193	5,539	11.8
Mobile penetration rate	ND	ND	ND	ND	ND	
MOUs per subscriber per month ⁽⁴⁾						
Prepaid	134	140	147	139	143	-2.6
Postpaid	333	308	289	295	289	2.2
ARPU per month (A\$) ⁽⁵⁾						
Prepaid Handset	20	21	21	21	21	-4.0
Postpaid Handset	46	46	46	46	47	-2.5
Mobile Broadband ⁽²⁾	21	20	20	21	20	2.6
Blended	34	34	34	34	34	-1.7
Postpaid Handset excluding DRP impact	60	60	59	59	58	1.7
Data revenue as a % of service revenue						
- total data	79%	79%	78%	79%	76%	
- non-SMS data	70%	70%	68%	70%	66%	
Market share	ND	ND	ND	ND	ND	
Market share - excluding the rate change	ND	ND	ND	ND	ND	
Retail postpaid churn rate per month ⁽⁶⁾	1.5%	1.4%	1.3%	1.5%	1.3%	

Notes:

- (1) This comprises mobile service revenue (both outgoing and incoming), sales of equipment and handset leasing 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) 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.
- (5) Based on average number of customers, calculated as the simple average of opening and closing number of customers. Excludes equipment revenue.
- (6) 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			Nine Months		YOY Chge %
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	
Singtel TV revenue (S\$'M)	58	64	63	185	184	0.2
Average revenue per residential TV customer per month (S\$ per month)	41	41	41	41	42	-1.0
Number of residential TV customers (000s)	401	404	409	401	409	-2.0

SINGAPORE CONSUMER HOME

	Quarter			Nine Months		YOY Chge %
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	
Singapore Consumer home revenue (S\$'M) ⁽¹⁾	135	143	140	417	414	0.9
Number of households on triple/ quad play services (000s) ⁽²⁾	506	505	500	506	500	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			Nine Months		YOY Chge %
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	
Internet						
Number of fixed broadband lines (000s) ⁽¹⁾	617	617	605	617	605	2.0
<i>Singapore fixed broadband penetration rate</i> ⁽²⁾	95%	95%	98%	95%	98%	
<i>Fixed broadband market share</i> ⁽³⁾⁽⁴⁾	42.1%	42.2%	41.9%	42.1%	41.9%	
Number of fibre broadband lines (000s)	589	580	546	589	546	7.8
<i>Fibre broadband market share</i> ⁽⁴⁾	47.3%	47.3%	48.0%	47.3%	48.0%	
International Telephone						
International telephone outgoing minutes (m mins) (excl Malaysia)	526	563	658	1,679	2,055	-18.3
Average collection rate - net basis (\$/ min) (excl Malaysia)	0.093	0.093	0.092	0.092	0.093	-1.1
National Telephone						
Fixed working lines (000s) ⁽⁵⁾						
Residential	771	776	789	771	789	-2.3
Business	654	663	691	654	691	-5.4
Total	1,425	1,439	1,480	1,425	1,480	-3.7
<i>Singapore fixed line penetration rate</i> ⁽⁶⁾	35.5%	35.5%	35.7%	35.5%	35.7%	
<i>Singapore fixed working lines ('000s)</i> ⁽⁶⁾	1,990	1,990	2,003	1,990	2,003	
<i>Fixed line market share</i> ⁽⁶⁾	71.6%	72.3%	73.9%	71.6%	73.9%	

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 31 December 2017 was based on IMDA's latest available published statistics as of 30 November 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 31 December 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 31 December 2017 was based on management's estimates. The other market statistics as at 31 December 2017 were based on IMDA's latest available published statistics as of 30 September 2017.

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter			Nine Months		YOY Chge %
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	
Enterprise Fixed Business voice minutes (m min)	1,264	1,309	1,237	3,823	3,921	-2.5
Wholesale Fixed Wholesale domestic voice minutes (m min)	959	1,047	1,065	3,017	2,911	3.6
Mass Market Fixed						
On-net ARPU (A\$) ⁽¹⁾						
Voice	30	31	33	31	35	-9.3
Broadband ⁽²⁾	54	54	54	55	53	2.7
Telephony customers ('000)						
HFC ⁽³⁾	401	425	451	401	451	-11.0
ULL ⁽⁴⁾	342	359	411	342	411	-16.8
On-net	743	784	862	743	862	-13.8
Resale	45	52	55	45	55	-17.7
NBN	415	350	190	415	190	118.4
Off-net	460	403	245	460	245	87.8
TV customers (000s)	474	469	433	474	433	9.6
HFC bundling rate ⁽⁵⁾	98%	98%	98%	98%	98%	
HFC penetration	29%	30%	32%	29%	32%	
Broadband customers (000s)						
On-net						
HFC broadband	394	418	440	394	440	-10.3
ULL broadband ⁽⁴⁾	354	373	429	354	429	-17.3
Business grade broadband	25	25	25	25	25	-3.1
	773	816	894	773	894	-13.5
Off-net						
Broadband	34	39	40	34	40	-13.7
NBN	416	351	192	416	192	116.8
Total Broadband customers	1,223	1,206	1,125	1,223	1,125	8.7

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).

SECTION 7 : GLOSSARY

“ACCC”	Australian Competition And Consumer Commission.
“ADSL”	Asymmetric digital subscriber line.
“ARPU”	Average revenue per user.
“Associate”	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standard.
“ATO”	Australian Taxation Office.
“DRP”	Device repayment plans.
“EI”	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.
“EBIT”	Earnings before interest and tax.
“EBITDA”	Earnings before interest, tax, depreciation and amortisation, and does not include the share of pre-tax results of associates.
“EBITDA margin”	Ratio of EBITDA over operating revenue.
“EPS”	Earnings per share.
“FRS”	Financial Reporting Standard.
“Free Cash Flow”	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
“ICT”	Infocomm Technology.
“IoT”	Internet of Things.
“IUC”	Interconnect usage charge.
“IMDA”	Info-communications Media Development Authority of Singapore.
“IP VPN”	Internet Protocol Virtual Private Network.
“MOU”	Minutes of use per subscriber.
“NM”	Not meaningful.
“NPS”	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.
“Optus”	Singtel Optus Pty Limited, Singtel’s wholly-owned subsidiary, and its subsidiaries.
“OTT”	Over-the-top.
“Regional associates”	Comprises Airtel, AIS, Intouch, Telkomsel and Globe. Formerly known as regional mobile associates.
“SMS”	Short message service.
“SME”	Small and medium-sized enterprises.
“STAI”	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
“Singapore”	The term refers to the Group’s operations excluding Optus and the associates and includes the overseas operations of Singtel including Amobee and Trustwave.
“Underlying net profit”	Defined as net profit before exceptional items.

GROUP SUMMARY INCOME STATEMENTS
For The Third Quarter Ended 31 December 2017

	Quarter						YOY Chge %	
	31 Dec							
	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		
Operating revenue	2,182	-	-	2,182	2,422	4,603	4,410	4.4
Operating expenses	(1,669)	-	-	(1,669)	(1,722)	(3,391)	(3,236)	4.8
Other income	513	-	-	513	700	1,213	1,174	3.3
	12	-	-	12	68	81	47	73.0
EBITDA	525	-	-	525	768	1,293	1,221	6.0
- EBITDA margin	24.1%	-	-	24.1%	31.7%	28.1%	27.7%	
Share of associates' pre-tax profits ⁽²⁾								
Regional associates ⁽²⁾	-	523	-	523	-	523	637	-17.8
Other associates	-	29	-	29	*	29	58	-49.2
	-	552	-	552	*	553	694	-20.4
EBITDA and share of associates' pre-tax profits ⁽²⁾	525	552	-	1,077	769	1,846	1,915	-3.6
Depreciation & amortisation	(209)	-	-	(209)	(376)	(585)	(562)	4.1
EBIT ⁽²⁾	316	552	-	868	392	1,261	1,353	-6.8
Net finance (expense)/ income								
- net interest expense	(43)	-	-	(43)	(50)	(94)	(87)	8.1
- other finance (expense)/ income	(3)	-	16	13	1	13	46	-70.6
	(47)	-	16	(31)	(50)	(80)	(41)	95.4
Profit before EI and tax ⁽²⁾	269	552	16	838	343	1,180	1,312	-10.0
Taxation								
- current and deferred taxes	(28)	-	-	(28)	(94)	(122)	(131)	-7.2
- share of taxes of associates ⁽²⁾	-	(132)	-	(132)	(1)	(133)	(205)	-35.1
- withholding taxes ⁽¹⁾	-	-	(35)	(35)	-	(35)	(6)	496.6
	(28)	(132)	(35)	(195)	(95)	(290)	(342)	-15.2
Profit/ (Loss) after tax ⁽²⁾	241	420	(19)	643	248	890	970	-8.2
Minority interests	8	-	-	8	-	8	6	33.3
Underlying net profit/ (loss) ⁽²⁾	249	420	(19)	651	248	898	976	-8.0
(exclude Airtel) ⁽³⁾	249	395	(19)	626	248	874	928	-5.8
Exceptional items ("EI") (post-tax) ⁽²⁾	(2)	(36)	7	(31)	23	(8)	(3)	161.3
Net profit	247	384	(13)	619	271	890	973	-8.5
(exclude Airtel) ⁽³⁾	247	388	(13)	623	271	894	930	-3.8

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

GROUP SUMMARY INCOME STATEMENTS
For The Nine Months Ended 31 December 2017

	Nine Months							YOY Chge %
	31 Dec							
	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		
Operating revenue	6,318	-	-	6,318	6,887	13,205	12,404	6.5
Operating expenses	(4,677)	-	-	(4,677)	(4,875)	(9,552)	(8,869)	7.7
Other income	1,642	-	-	1,642	2,012	3,654	3,535	3.4
	42	-	-	42	159	201	154	30.2
EBITDA	1,684	-	-	1,684	2,171	3,854	3,689	4.5
- EBITDA margin	26.6%	-	-	26.6%	31.5%	29.2%	29.7%	
Share of associates' pre-tax profits ⁽²⁾								
Regional associates ⁽²⁾	-	1,816	-	1,816	-	1,816	2,004	-9.4
Other associates	-	118	-	118	*	119	169	-29.8
- ordinary operations	-	1,934	-	1,934	*	1,934	2,173	-11.0
- exceptional items	-	7	-	7	-	7	-	nm
	-	1,941	-	1,941	*	1,941	2,173	-10.6
EBITDA and share of associates' pre-tax profits ⁽²⁾	1,684	1,941	-	3,625	2,171	5,796	5,862	-1.1
Depreciation & amortisation	(626)	-	-	(626)	(1,130)	(1,756)	(1,654)	6.2
EBIT ⁽⁴⁾	1,058	1,941	-	2,999	1,041	4,040	4,208	-4.0
Net finance (expense)/ income								
- net interest expense	(131)	-	-	(131)	(149)	(281)	(248)	13.0
- other finance (expense)/ income	(8)	-	27	19	3	22	71	-69.7
	(140)	-	27	(112)	(147)	(259)	(177)	46.1
Profit before EI and tax ⁽²⁾	918	1,941	27	2,887	894	3,781	4,030	-6.2
Taxation								
- current and deferred taxes	(143)	-	-	(143)	(261)	(404)	(401)	0.6
- share of taxes of associates ⁽²⁾	-	(519)	-	(519)	(1)	(519)	(642)	-19.1
- withholding taxes ⁽¹⁾	-	-	(140)	(140)	-	(140)	(113)	23.4
	(143)	(519)	(140)	(801)	(262)	(1,063)	(1,157)	-8.1
Profit/ (Loss) after tax ⁽²⁾	776	1,423	(113)	2,086	632	2,718	2,874	-5.4
Minority interests	19	-	-	19	-	19	14	38.6
Underlying net profit/ (loss) ⁽²⁾	795	1,423	(113)	2,105	632	2,737	2,888	-5.2
(exclude Airtel) ⁽³⁾	795	1,332	(113)	2,015	632	2,647	2,654	-0.3
EI (post-tax) ⁽²⁾	(39)	(36)	2,003	1,927	6	1,934	2	@
Net profit	756	1,387	1,890	4,033	638	4,671	2,889	61.7
(exclude Airtel) ⁽³⁾	756	1,325	1,890	3,971	638	4,609	2,639	74.7

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 Third Quarter And Nine Months Ended 31 December 2017

	Quarter	YOY		Nine Months	YOY	
	31 Dec	Change	Change in constant currency ⁽¹⁾	31 Dec	Change	Change in constant currency ⁽¹⁾
	2017			2017		
	S\$ m	%	%	S\$ m	%	%
Operating revenue	4,603	4.4	5.6	13,205	6.5	5.4
Operating expenses	(3,391)	4.8	6.1	(9,552)	7.7	6.7
	1,213	3.3	4.1	3,654	3.4	2.2
Other income	81	73.0	75.8	201	30.2	28.4
EBITDA	1,293	6.0	6.9	3,854	4.5	3.3
-EBITDA margin	28.1%			29.2%		
Share of associates' pre-tax profits						
- <i>Telkomsel</i>	329	-8.6	-2.8	1,083	3.1	4.4
- <i>Airtel</i>	38	-73.4	-73.4	224	-54.3	-56.1
- <i>AIS</i>	88	34.5	30.4	253	3.0	-1.7
- <i>Globe</i>	44	-32.3	-26.9	184	-13.8	-8.4
- <i>Intouch</i>	24	485.4	462.9	72	@	@
Regional associates	523	-17.8	-14.4	1,816	-9.4	-9.4
Other associates	29	-49.2	-49.2	119	-29.8	-29.8
- ordinary operations	553	-20.4	-17.3	1,934	-11.0	-10.9
- exceptional items	-	nm	nm	7	nm	nm
	553	-20.4	-17.3	1,941	-10.6	-10.5
EBITDA and share of associates' pre-tax profits	1,846	-3.6	-1.9	5,796	-1.1	-1.8
Depreciation & amortisation	(585)	4.1	5.4	(1,756)	6.2	4.8
EBIT	1,261	-6.8	-4.9	4,040	-4.0	-4.4
Net finance expense	(80)	95.4	97.3	(259)	46.1	44.5
Profit before EI and tax	1,180	-10.0	-8.1	3,781	-6.2	-6.5
Taxation	(290)	-15.2	-13.4	(1,063)	-8.1	-8.7
Profit after tax	890	-8.2	-6.3	2,718	-5.4	-5.7
Minority interests	8	33.3	38.3	19	38.6	37.9
Underlying net profit	898	-8.0	-6.0	2,737	-5.2	-5.4
<i>(exclude Airtel)</i> ⁽²⁾	<i>874</i>	<i>-5.8</i>	<i>-3.8</i>	<i>2,647</i>	<i>-0.3</i>	<i>-0.4</i>
EI (post-tax)	(8)	161.3	189.4	1,934	@	@
Net profit	890	-8.5	-6.6	4,671	61.7	61.4
<i>(exclude Airtel)</i> ⁽²⁾	<i>894</i>	<i>-3.8</i>	<i>-1.8</i>	<i>4,609</i>	<i>74.7</i>	<i>74.6</i>

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 31 December 2016.

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

BUSINESS SEGMENTS

For The Third Quarter And Nine Months Ended 31 December 2017

	Quarter	YOY		Nine months	YOY	
	31 Dec	Change	Change in constant currency ⁽¹⁾	31 Dec	Change	Change in constant currency ⁽¹⁾
	2017			2017		
	S\$ m	%	%	S\$ m	%	%
Operating revenue						
Group Consumer	2,659	3.1	4.4	7,412	4.2	2.7
Group Enterprise	1,620	-3.9	-3.3	4,918	0.8	0.3
Core Business	4,279	0.4	1.3	12,330	2.8	1.7
Group Digital Life	325	121.9	129.8	875	112.4	113.1
Group	4,603	4.4	5.6	13,205	6.5	5.4
EBITDA						
Group Consumer	868	7.4	8.7	2,545	6.6	5.0
Group Enterprise	456	0.1	0.3	1,415	-2.2	-2.5
Core Business	1,324	4.8	5.7	3,960	3.3	2.2
Group Digital Life	(14)	-39.7	-38.5	(51)	-40.5	-39.8
Corporate	(17)	-16.7	-16.7	(54)	-7.2	-7.2
Group	1,293	6.0	6.9	3,854	4.5	3.3
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	458	8.9	10.3	1,323	5.2	3.8
Group Enterprise	295	-1.3	-1.5	938	-3.7	-3.9
Core Business	753	4.7	5.4	2,260	1.3	0.4
Group Digital Life	(28)	-31.5	-28.9	(107)	-22.1	-21.5
Corporate	(17)	-15.3	-15.3	(55)	-7.6	-7.6
Group	708	7.5	8.2	2,098	3.1	2.1

Note:

(1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 31 December 2016.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Dec 2017	30 Sep 2017	31 Dec 2016
	(Unaudited)	(Unaudited)	(Unaudited)
	S\$ million	S\$ million	S\$ million
Current assets			
Cash and cash equivalents	841	651	848
Trade and other receivable:	5,354	5,126	4,636
Inventories	579	359	382
Derivative financial instruments	31	26	178
	6,805	6,163	6,044
Non-current assets			
Property, plant and equipment	11,607	11,740	11,285
Intangible assets	14,127	14,215	13,135
Associates	1,975	1,958	1,959
Loan to an associate ⁽¹⁾	-	-	1,101
Joint ventures	12,499	12,042	11,953
Available-for-sale investment:	227	232	185
Deferred tax assets ⁽¹⁾	417	448	641
Derivative financial instruments	394	433	666
Other non-current receivable:	795	749	771
	42,042	41,817	41,694
Total assets	48,846	47,979	47,738
Current liabilities			
Trade and other payable:	5,208	4,827	4,516
Advance billings	819	844	810
Current tax liabilities:	346	318	294
Dividend payable	1,600	-	1,110
Borrowings (unsecured)	1,665	865	3,087
Borrowings (secured)	20	68	91
Derivative financial instruments	73	24	3
Net deferred gain ⁽¹⁾	20	19	69
	9,752	6,964	9,980
Non-current liabilities			
Borrowings (unsecured)	7,696	9,101	7,915
Borrowings (secured)	88	135	176
Derivative financial instruments	302	303	216
Advance billings	247	237	250
Net deferred gain ⁽¹⁾	371	352	1,321
Deferred tax liabilities	538	559	564
Other non-current liabilities:	348	351	355
	9,590	11,037	10,798
Total liabilities	19,341	18,001	20,778
Net assets	29,505	29,979	26,960
Share capital and reserves			
Share capital	4,127	4,127	4,128
Reserves	25,402	25,863	22,824
Equity attributable to shareholders of the Company	29,529	29,990	26,952
Minority interests and other reserve	(24)	(12)	8
Total equity	29,505	29,979	26,960

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 Third Quarter And Nine Months Ended 31 December 2017

	Quarter			Nine months		YOY Chge %
	31 Dec 2017 S\$ m	31 Dec 2016 S\$ m	30 Sep 2017 S\$ m	31 Dec		
				2017 S\$ m	2016 S\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax	269	312	326	918	996	-7.8
Non-cash items	261	221	261	778	713	9.2
Operating cash flow before working capital changes	530	533	587	1,697	1,709	-0.7
Changes in operating assets and liabilities	13	128	(54)	(159)	(111)	43.0
	543	661	533	1,538	1,598	-3.8
Cash paid to employees under performance share plans	-	-	-	(1)	*	nm
Tax paid on operating activities	(93)	(87)	(118)	(213)	(206)	3.3
Operating cash flow	450	573	415	1,324	1,391	-4.8
Net cash (outflow for)/ inflow from investing activities						
Accrued capital expenditure	(175)	(188)	(164)	(399)	(472)	-15.4
Changes in creditors' balances	*	1	(48)	(142)	(128)	10.8
Cash capital expenditure	(175)	(187)	(213)	(541)	(600)	-9.8
Net loan to STAI from Optus ⁽¹⁾	-	-	138	138	144	-4.0
Withholding tax paid on interest received on inter-company loans	-	-	(14)	(14)	(14)	-4.2
Adjustment/ (Payment) for purchase of subsidiaries, net of cash acquired	-	-	4	(337)	(3)	@
Contribution from minority interests	-	13	-	-	13	nm
Investment in associates	-	(2,470)	-	-	(2,471)	nm
Investment in venture investments	(11)	(6)	(15)	(51)	(27)	86.1
Proceeds from disposal of venture investments	38	5	*	39	59	-33.3
Proceeds from disposal of property, plant and equipment	40	1	99	142	34	317.0
Loan repaid by an associate	-	-	1,101	1,101	-	nm
Proceeds/ Deferred proceeds from disposal of associates	45	1	1,095	1,140	43	@
Payment for purchase of spectrum	-	-	-	(188)	(96)	95.6
Payment for purchase of other intangibles	(23)	(9)	(13)	(50)	(11)	345.1
Others	1	1	10	13	21	-36.4
	(86)	(2,650)	2,193	1,393	(2,911)	nm
Net cash (outflow for)/ inflow from financing activities						
Net (decrease)/ increase in borrowings	(508)	726	(1,079)	(1,989)	920	nm
Net interest paid on borrowings and swaps	(46)	(54)	(36)	(147)	(147)	-0.3
Settlement of swap for bonds repaid	-	-	61	61	-	nm
Final dividends paid to shareholders	-	-	(1,747)	(1,747)	(1,706)	2.4
Purchase of performance shares	(4)	(6)	(5)	(13)	(14)	-9.9
Proceeds from issue of shares	-	1,603	-	-	1,603	nm
Others	(3)	(5)	*	(4)	(5)	-22.9
	(562)	2,265	(2,805)	(3,838)	651	nm
Net (decrease)/ increase in cash balance from Singapore	(198)	189	(197)	(1,121)	(869)	29.1
Net (decrease)/ increase in cash balance from Singapore	(198)	189	(197)	(1,121)	(869)	29.1
Dividends/ Distributions received from associates	343	57	247	1,552	1,312	18.2
Withholding tax paid	(35)	(6)	(19)	(150)	(123)	21.9
Net dividends/ distributions received from associates	308	51	228	1,401	1,189	17.9
Net increase in cash and cash equivalents	111	240	31	280	320	-12.6
Singtel cash and cash equivalents at beginning	555	489	527	397	403	-1.6
Exchange effects on cash and cash equivalents	(2)	14	(3)	(13)	19	nm
Singtel cash and cash equivalents at end	664	743	555	664	743	-10.6
Singapore free cash flow	275	387	202	783	792	-1.1
Free cash flow from associates' dividends/ distributions	308	51	228	1,401	1,189	17.9
Cash capex to operating revenue	8%	9%	10%	9%	10%	

Note:

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

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

OPTUS CASH FLOW STATEMENT

For The Third Quarter And Nine Months Ended 31 December 2017

	Quarter			Nine Months		YOY Chge %
	31 Dec 2017 A\$ m	31 Dec 2016 A\$ m	30 Sep 2017 A\$ m	31 Dec		
				2017 A\$ m	2016 A\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax	330	269	252	850	804	5.7
Non-cash items	444	378	412	1,228	1,091	12.5
Operating cashflow before working capital changes	773	647	664	2,078	1,895	9.6
Changes in operating assets and liabilities	(214)	(78)	46	(204)	(276)	-25.8
Tax paid ⁽¹⁾	(11)	(178)	(65)	(141)	(349)	-59.5
Operating cash flow	548	392	645	1,732	1,271	36.3
Net cash outflow for investing activities						
Accrued capital expenditure	(370)	(373)	(390)	(1,031)	(988)	4.3
Changes in creditors' balances	25	(41)	13	(110)	15	nm
Cash capital expenditure	(344)	(414)	(377)	(1,141)	(973)	17.3
Payment for purchase of subsidiary, net of cash required	-	-	-	-	(2)	nm
Loan to STAI ⁽²⁾	-	-	(127)	(127)	(139)	-8.2
Payment for purchase of spectrum	-	-	(3)	(715)	(29)	@
Payment for purchase of other intangibles	(35)	(27)	(36)	(99)	(94)	4.6
Others	*	1	1	1	3	-60.2
	(380)	(441)	(543)	(2,080)	(1,234)	68.6
Net cash (outflow for)/ inflow from financing activities						
Net (decrease)/ increase in borrowings	(40)	100	(71)	539	130	314.9
Net interest paid on borrowings and swaps	(49)	(46)	(41)	(143)	(129)	11.1
Purchase of Singtel shares	-	-	*	(6)	(7)	-10.5
	(89)	54	(111)	390	(6)	nm
Net increase/ (decrease) in cash balance from Optus	79	6	(9)	42	31	33.3
Dividends received from associates	-	2	-	-	13	nm
Net increase/ (decrease) in cash and cash equivalents	79	8	(9)	42	44	-5.4
Optus cash and cash equivalents at beginning	91	93	100	128	57	126.6
Optus cash and cash equivalents at end	170	101	91	170	101	69.0
Optus free cash flow ⁽¹⁾	203	(22)	268	591	298	98.1
(exclude ATO Tax payment)	203	112	268	591	432	36.7
Free cash flow from associates' dividends	-	2	-	-	13	nm
Cash capex to operating revenue	15%	19%	18%	17%	15%	

Note:

(1) Tax payment in the December 2016 quarter included tax payment of A\$134 million to the ATO (see page 18).

(2) 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 %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Operating revenue	2,328	2,207	5.5	6,540	6,318	3.5
Operating expenses	(1,655)	(1,583)	4.5	(4,630)	(4,504)	2.8
Other income	66	27	148.2	151	113	33.9
EBITDA - margin	739 31.7%	650 29.4%	13.7	2,062 31.5%	1,928 30.5%	6.9
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	739	650	13.7	2,062	1,928	7.0
Depreciation & amortisation	(362)	(343)	5.3	(1,073)	(1,013)	5.8
EBIT	377	307	23.1	989	915	8.2
Net finance expense	(48)	(38)	26.2	(139)	(110)	26.0
Profit before exceptional items and tax	330	269	22.7	850	804	5.7
Taxation	(91)	(78)	16.8	(249)	(235)	5.7
Underlying net profit	239	191	25.0	601	569	5.8
Exceptional items (post-tax)	23	(3)	nm	7	(25)	nm
Net profit	262	188	39.3	608	544	11.8

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

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

	As at		
	31 Dec 2017 A\$ m	30 Sep 2017 A\$ m	31 Dec 2016 A\$ m
Property, plant and equipment (net)	7,616	7,560	7,271
Gross debt			
Current debt	925	550	640
Non-current debt	3,275	3,667	2,695
Gross debt as reported in the statement of financial position	4,200	4,217	3,335
Related net hedging assets	(199)	(178)	(218)
	4,001	4,039	3,117
Less: Cash and bank balances	(170)	(91)	(101)
Net debt	3,831	3,948	3,016

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	Nine Months
Derived weighted average exchange rate ⁽¹⁾ for:					
Operating revenue					
<u>SGD</u>					
FY2018	1.0455	1.0744	1.0403	☒	1.0530
FY2017	1.0125	1.0256	1.0568	1.0735	1.0323
<i>Change (last corresponding period)</i>	3.3%	4.8%	-1.6%	☒	2.0%
Underlying net profit					
<u>SGD</u>					
FY2018	1.0453	1.0736	1.0386	☒	1.0509
FY2017	1.0098	1.0250	1.0566	1.0731	1.0304
<i>Change (last corresponding period)</i>	3.5%	4.7%	-1.7%	☒	2.0%

1 United States Dollar buys:	Q1	Q2	Q3	Q4	Nine Months
Derived weighted average exchange rate ⁽²⁾ for:					
Operating revenue					
<u>SGD</u>					
FY2018	1.3919	1.3615	1.3560	☒	1.3690
FY2017	1.3580	1.3532	1.4099	1.4177	1.3738
<i>Change (last corresponding period)</i>	2.5%	0.6%	-3.8%	☒	-0.3%

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	Nine Months
Rupiah					
FY2018	9,554	9,770	10,003	☒	9,765
FY2017	9,837	9,713	9,405	9,435	9,646
<i>Change (last corresponding period)</i>	-2.9%	0.6%	6.4%	☒	1.2%
Indian Rupee					
FY2018	46.4	47.3	47.6	☒	47.0
FY2017	49.2	49.4	47.8	47.2	48.9
<i>Change (last corresponding period)</i>	-5.7%	-4.3%	-0.4%	☒	-3.9%
Baht					
FY2018	24.6	24.5	24.3	☒	24.5
FY2017	26.0	25.8	25.1	24.8	25.7
<i>Change (last corresponding period)</i>	-5.4%	-5.0%	-3.2%	☒	-4.7%
Peso					
FY2018	35.8	37.3	37.6	☒	36.7
FY2017	34.3	34.8	34.8	35.3	34.6
<i>Change (last corresponding period)</i>	4.4%	7.2%	8.0%	☒	6.1%

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 revenue¹ and targets breakeven in EBITDA.²**
- **Negative EBITDA from Group Digital Life to reduce to approximately S\$100 million.²**
- **Consolidated revenue for the Group to grow by mid single digit level and EBITDA to grow by low single digit level.²**
- **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.**

¹ Includes intragroup revenue.

² 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.**