Singapore Telecommunications Limited
And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2011

The financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards, which are the same, in material respects, to International Financial Reporting Standards. The financial statements for the period ended, and as at, 30 September 2011 are unaudited.

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

For all pages, "@" denotes more than +/- 500%, "" denotes less than +/- S$500,000 or A$500,000 and "**" denotes less than +/- 0.05%, unless otherwise indicated.*

For all tables, a negative sign for year-on-year change denotes a decrease in operating revenue, expense, gain or loss.

Table Of Contents

SECTION I : GROUP

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

- **Operating revenue and EBITDA (from Singapore and Australia businesses) increased 3.9% and 5.2% respectively, lifted by the 5% strengthening of the Australian Dollar.**
- **Associates' underlying performance had been strong but their contributions were negatively impacted by the depreciation of major regional currencies against Singapore Dollar and fair value losses compared to gains a year ago.**
- **Pre-tax contributions from associates at S$498 million – down 12%. If the regional currencies were held constant from a year ago, pre-tax contributions from the associates would have been down 6.7%.**
- **EBITDA and share of associates' pre-tax profits stable at S$1.75 billion.**
- **Underlying net profit stable at S$885 million.**
- **Free cash flow of S$916 million – down 17%, with S$293 million from the Singapore business, S$419 million (A$330 million) from the Australia business and S$204 million from the associates.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2011

- **Operating revenue at S$9.22 billion – up 5.6%.**
- **EBITDA at S$2.53 billion – up 3.7%.**
- **Pre-tax ordinary contributions from associates at S$998 million – down 11%.**
- **EBITDA and share of associates' pre-tax profits stable at S$3.54 billion.**
- **Net profit at S$1.80 billion – down 2.1%.**
- **Free cash flow of S$1.83 billion – down 2.3%, with S$520 million from the Singapore business, S$685 million (A$534 million) from the Australia business and S$624 million from the associates.**

SECTION I : GROUP

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Operating revenue	**4,610**	**4,436**	**3.9**	**9,215**	**8,725**	**5.6**
Operating expenses	(3,384)	(3,273)	3.4	(6,737)	(6,331)	**6.4**
EBITDA	**1,249**	**1,188**	**5.2**	**2,534**	**2,444**	**3.7**
EBITDA margin	***27.1%***	***26.8%***		***27.5%***	***28.0%***	
Share of associates' pre-tax profits	**498**	**567**	**-12.1**	**1,006**	**1,108**	**-9.2**
- ordinary operations	**498**	**567**	**-12.1**	**998**	**1,117**	**-10.6**
- exceptional items	**-**	**-**	**-**	**7**	**(10)**	**nm**
EBITDA and share of associates' pre-tax profits	**1,747**	**1,755**	**-0.4**	**3,539**	**3,551**	**-0.3**
Exceptional items	**(4)**	**1**	**nm**	**58**	**1**	**@**
Underlying net profit	**885**	**891**	**-0.7**	**1,758**	**1,834**	**-4.1**
Net profit	**882**	**892**	**-1.2**	**1,798**	**1,835**	**-2.1**
Free cash flow	**916**	**1,096**	**-16.5**	**1,829**	**1,872**	**-2.3**
Underlying earnings per share (S cents)	**5.56**	**5.59**	**-0.5**	**11.04**	**11.52**	**-4.2**
Basic earnings per share (S cents)	**5.53**	**5.60**	**-1.2**	**11.29**	**11.52**	**-2.0**

	As at 30 Sep 2011 S$ m	As at 30 Jun 2011 S$ m	As at 31 Mar 2011 S$ m
Total assets	**39,059**	**40,003**	**39,282**
Shareholders' funds	**22,473**	**25,190**	**24,328**
Net debt (1)	**7,612**	**5,322**	**6,023**
Net debt gearing ratio *(2)*	***25.3%***	***17.4%***	***19.8%***
Net debt to EBITDA and share of associates' pre-tax profits *(3)*	***1.08X***	***0.75X***	***0.83X***
Interest cover:			
- EBITDA and share of associates' pre-tax profits/ net interest expense *(4)*	***19.9X***	***20.6X***	***21.8X***

Notes:

(1) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
(2) Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.
(3) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.
(4) Net interest expense refers to interest expense less interest income.

SECTION I : GROUP

GROUP SUMMARY INCOME STATEMENTS
For The Second Quarter And Half Year Ended 30 September 2011

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Operating revenue	**4,610**	**4,436**	**3.9**	**9,215**	**8,725**	**5.6**
Operating expenses	(3,384)	(3,273)	3.4	(6,737)	(6,331)	6.4
	1,225	1,163	5.4	2,478	2,394	3.5
Other income	24	26	-5.5	55	50	10.6
EBITDA	**1,249**	**1,188**	**5.2**	**2,534**	**2,444**	**3.7**
- EBITDA margin	***27.1%***	***26.8%***		***27.5%***	***28.0%***	
Share of associates' pre-tax profits						
- ordinary operations	498	567	-12.1	998	1,117	-10.6
- exceptional items	-	-	-	7	(10)	nm
	498	567	-12.1	1,006	1,108	-9.2
EBITDA and share of associates' pre-tax profits	**1,747**	**1,755**	**-0.4**	**3,539**	**3,551**	**-0.3**
Depreciation & amortisation	(494)	(481)	2.7	(996)	(965)	3.1
EBIT	**1,253**	**1,274**	**-1.6**	**2,544**	**2,586**	**-1.6**
Net finance expense						
- net interest expense	(91)	(81)	12.7	(178)	(165)	8.1
- other finance income/ (expense)	19	(7)	nm	13	(2)	nm
	(72)	(88)	-17.5	(165)	(167)	-0.8
Profit before exceptional items	**1,181**	**1,186**	**-0.4**	**2,378**	**2,419**	**-1.7**
Exceptional items	(4)	1	nm	58	1	@
Profit before tax	**1,177**	**1,187**	**-0.8**	**2,436**	**2,421**	**0.6**
Taxation	(296)	(296)	0.2	(638)	(588)	8.6
Profit after tax	**881**	**891**	**-1.2**	**1,798**	**1,833**	**-1.9**
Minority interests	1	1	-30.0	*	2	nm
Net profit	**882**	**892**	**-1.2**	**1,798**	**1,835**	**-2.1**
(ex-Bharti Africa) (3)	***918***	***928***	***-1.0***	***1,866***	***1,893***	***-1.4***
Net profit	**882**	**892**	**-1.2**	**1,798**	**1,835**	**-2.1**
Exclude:						
Exceptional items	4	(1)	nm	(58)	(1)	@
Tax on exceptional items	-	-	-	18	-	nm
Underlying net profit	**885**	**891**	**-0.7**	**1,758**	**1,834**	**-4.1**
(ex-Bharti Africa) (3)	***922***	***926***	***-0.5***	***1,826***	***1,891***	***-3.4***

Notes:

(1) 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”.

(2) See **Appendix 1** for the summary income statements of the various businesses for the second quarter and half year ended 30 September 2011.

(3) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa. Bharti Africa was acquired by Bharti Airtel on 8 June 2010.

SECTION I : GROUP

DIVISIONAL TOTALS

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2011 S$ m	2010 S$ m	%	2011 S$ m	2010 S$ m	%
Operating revenue by division:						
Singapore Telco	1,233	1,212	1.7	2,466	2,386	3.4
IT and Engineering	368	374	-1.5	692	720	-3.8
Singapore Business	1,601	1,586	1.0	3,159	3,106	1.7
Optus	3,008	2,850	5.6	6,056	5,619	7.8
Group	**4,610**	**4,436**	**3.9**	**9,215**	**8,725**	**5.6**
EBITDA by division:						
Singapore Telco	493	451	9.2	1,010	991	1.9
IT and Engineering	60	73	-18.6	110	124	-11.7
Singapore Business	553	524	5.4	1,120	1,115	0.4
Optus	719	683	5.3	1,457	1,362	6.9
Group and Int'l business net corporate costs	(22)	(19)	14.5	(43)	(34)	25.4
Group	**1,249**	**1,188**	**5.2**	**2,534**	**2,444**	**3.7**
EBITDA margins by division:						
Singapore Telco	*40.0%*	*37.2%*		*41.0%*	*41.5%*	
IT and Engineering (1)	*16.2%*	*13.3%*		*15.9%*	*13.7%*	
Singapore Business	***34.5%***	***33.1%***		***35.5%***	***35.9%***	
Optus	***23.9%***	***23.9%***		***24.1%***	***24.2%***	
Group	***27.1%***	***26.8%***		***27.5%***	***28.0%***	

Note:
(1) The margins in the corresponding periods excluded the effect of one-off writeback of provisions no longer required.

DIVIDEND

On 9 November 2011, the Directors approved an interim dividend of 6.8 cents (H1 FY2011: 6.8 cents) per share totalling approximately S$1.08 billion in respect of the current financial year ending 31 March 2012. This represents a 62% payout of the current half year earnings.

The financial statements for the half year ended, and as at, 30 September 2011 do not reflect this interim dividend. The dividend will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the quarter ending 31 December 2011.

In August 2011, SingTel paid a final ordinary dividend of 9.0 cents per share and a special dividend of 10.0 cents per share totalling S$3.03 billion in respect of the previous financial year ended 31 March 2011.

SECTION I : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The Second Quarter Ended 30 September 2011

The Group reported resilient performance across its operations. Operating revenue grew 3.9% and EBITDA increased 5.2%, lifted by the 5% strengthening of the Australian Dollar from a year ago.

In Singapore, Mobile Communications delivered robust performance with revenue growth of 9.1%. Total mobile customer base grew by 71,000 in the quarter to 3.49 million, up a strong 10% from a year ago. Postpaid net additions this quarter was 40,000, driven by higher smartphone connections and strong take-up of data SIMs from integrated mobile broadband bundles. IT and Engineering revenue declined 1.5% with lower fibre rollout revenue as OpenNet passed peak rollout. Excluding fibre rollout, the Singapore Business' revenue grew 3.0% from a year ago.

In Australia, Optus' revenue was up slightly by 0.7% amid an intensely competitive market. Mobile service revenue rose 1.3% year-on-year with continued postpaid customer growth. Postpaid net additions this quarter was 116,000 and total postpaid customer base exceeded 5 million. In Business and Wholesale fixed, overall revenue grew 5.2% contributed by strong satellite, and ICT and managed services revenue. In Consumer and SMB fixed, revenue was down 6.4%, reflecting continued exit of fixed resale services and lower broadband ARPU. Optus' translated revenue in Singapore Dollars grew 5.6% from a year ago with the stronger Australian Dollar.

The Group's EBITDA grew 5.2% to S$1.25 billion driven by growth from the Singapore Business and effects of a stronger Australian Dollar. EBITDA in Singapore increased 5.4% with lower costs of mobile customer connections and stable mio TV content costs. Optus' EBITDA was up 0.6% in Australian Dollar terms and increased 5.3% in Singapore Dollar terms.

The Group and its regional mobile associates continued to register strong customer growth. As at 30 September 2011, the combined mobile customer base reached 424 million, up 15% from a year ago. The regional mobile associates' operations grew strongly. However, overall associates' pre-tax contributions declined 12% as weaker regional currencies affected the associates' translated earnings and led to fair value losses on their foreign currency liabilities. Excluding the currency translation impact, the associates' pre-tax contributions would have been lower by 6.7%.

In Indonesia, Telkomsel delivered strong data growth and increased EBITDA as competition eased. In Thailand, AIS continued to record strong operating performance underpinned by sustained data growth. In the Philippines, Globe registered higher revenue and operating profits with growth from mobile and broadband. In India, Bharti continued its double-digit revenue growth and increased EBITDA for its South Asia operations with increases in mobile tariffs in the quarter. Revenue from Bharti's Africa operations crossed the US$1 billion mark, up a robust 23% and EBITDA grew strongly by 39%. The strong operational performance was, however, impacted by 3G rollout costs, licence fee amortisation and higher finance charges in India, as well as fair value losses in Bharti Africa as several African currencies depreciated sharply against the US Dollar. With a 9% decline in the Indian Rupee against Singapore Dollar, total pre-tax contribution from Bharti decreased 37%.

SECTION I : GROUP

With lower contributions from associates, the Group's EBITDA and share of associates' pre-tax profits were flat at S$1.75 billion.

The Group's EBIT was 1.6% lower with higher depreciation and amortisation mainly from the translation impact of a stronger Australian Dollar.

Net finance expense decreased 18% due to net foreign exchange gains from revaluation of monetary assets and liabilities compared to losses in the same quarter a year ago.

Net profit declined 1.2% to S$882 million. Excluding the exceptional items, underlying net profit was stable at S$885 million.

Free cash flow in the quarter was S$916 million, down 17% from a year ago attributed to lower dividends from the associates.

The Group continued to maintain a healthy capital structure. As at 30 September 2011, net debt gearing ratio was at approximately 25%, up from 17% a quarter ago. The increase reflected a lower cash balance following the payment of final and special dividends to shareholders in August 2011.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for 77% of the Group's proportionate revenue and proportionate EBITDA each, comparable to a year ago.

For The Half Year Ended 30 September 2011

Operating revenue for the half year grew 5.6% to S$9.22 billion, with mobile service revenue growth from Singapore and Australia and further lifted by the 6% strengthening of the Australian Dollar from a year ago.

EBITDA rose 3.7% to S$2.53 billion, with stable EBITDA from the Singapore and Australia businesses partly lifted by the stronger Australian Dollar.

However, the Group's EBITDA and share of associates' pre-tax profits were flat at S$3.54 billion as the associates' ordinary pre-tax contributions declined 11% mainly due to lower earnings from Bharti.

The Group's exceptional items for the half year comprised AIS' pre-tax contribution of S$80 million (post-tax: S$55 million) from the March 2011 quarter following the alignment of AIS' reporting period to the Group, as well as one-off charge of S$24 million (post-tax: S$17 million) for Optus' ex-gratia costs on its workforce restructuring.

With increased depreciation and amortisation as well as higher tax expense, net profit was down by 2.1% to S$1.80 billion. Excluding the exceptional items, underlying net profit declined 4.1% to S$1.76 billion. Further excluding the effect of Bharti Africa, underlying net profit would have declined by 3.4%.

The Group's free cash flow for the half year was S$1.83 billion, down 2.3% from a year ago due to a special dividend paid by AIS a year ago.

SECTION I : GROUP

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2011 were as follows:

	Quarter		
	30 Sep 2011 S$ m	30 Jun 2011 S$ m	QOQ Chge %
Operating revenue	**4,610**	**4,605**	**0.1**
Singapore Business	1,601	1,557	2.8
Optus	3,008	3,048	-1.3
Operating expenses	(3,384)	(3,352)	1.0
EBITDA	**1,249**	**1,284**	**-2.7**
EBITDA margin	***27.1%***	***27.9%***	
Singapore Business	*34.5%*	*36.4%*	
Optus	*23.9%*	*24.2%*	
Share of associates' pre-tax profits	**498**	**508**	**-1.9**
- ordinary operations	498	500	-0.5
- exceptional items	-	7	nm
EBITDA and share of associates' pre-tax profits	**1,747**	**1,792**	**-2.5**
Profit before exceptional items and tax	**1,181**	**1,198**	**-1.4**
Underlying net profit	**885**	**873**	**1.4**
Net profit	**882**	**916**	**-3.8**
Free cash flow	**916**	**913**	**0.2**

The Group’s EBITDA decreased 2.7% with lower EBITDA from the Singapore Business mainly due to seasonality and decline in Optus’ translated EBITDA in Singapore Dollar terms with a weaker Australian Dollar from a quarter ago. Underlying net profit was, however, up 1.4% with lower net finance expense and lower withholding taxes on associates’ dividends.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

The guidance issued earlier with the results for the financial year ended 31 March 2011 is affirmed.

Please refer to **Appendix 5** for further details on the outlook for the current financial year.

SECTION I : GROUP

GROUP OPERATING REVENUE

By Products And Services	Quarter 30 Sep 2011 S'pore Business S$ m	Quarter 30 Sep 2011 Optus S$ m	Quarter 30 Sep 2011 Group S$ m	Quarter 30 Sep 2010 Group S$ m	YOY Chge %	Half Year 30 Sep 2011 Group S$ m	Half Year 30 Sep 2010 Group S$ m	YOY Chge %
Mobile communications	477	1,558	2,035	1,897	7.3	4,053	3,726	8.8
Data and Internet	398	494	892	856	4.3	1,777	1,702	4.4
IT and Engineering	368	127	495	486	1.7	966	966	-
National telephone	90	376	465	469	-0.9	934	933	0.1
Sale of equipment	71	298	369	365	1.2	779	700	11.3
International telephone	126	82	208	216	-3.9	416	426	-2.2
Pay television	25	25	50	48	4.2	98	90	9.6
Others (1)	46	50	96	98	-2.4	191	181	5.6
Total	**1,601**	**3,008**	**4,610**	**4,436**	**3.9**	**9,215**	**8,725**	**5.6**
Operating revenue			4,610	4,436	3.9	9,215	8,725	5.6
Associates' proportionate revenue (2)			2,778	2,660	4.4	5,537	5,087	8.8
Group's proportionate revenue			**7,387**	**7,095**	**4.1**	**14,751**	**13,812**	**6.8**

Notes:

(1) Include revenues from maritime and land mobile, and lease of satellite transponders.

(2) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by SingTel's effective ownership interest.

Operating Revenue Mix By Services	Quarter 30 Sep 2011 Mix	Quarter 30 Sep 2010 Mix	Half Year 30 Sep 2011 Mix	Half Year 30 Sep 2010 Mix
Mobile communications	44.1%	42.8%	44.0%	42.7%
Data and Internet	19.4%	19.3%	19.3%	19.5%
IT and Engineering	10.7%	11.0%	10.5%	11.1%
National telephone	10.1%	10.6%	10.1%	10.7%
Sale of equipment	8.0%	8.2%	8.4%	8.0%
International telephone	4.5%	4.9%	4.5%	4.9%
Pay television	1.1%	1.1%	1.1%	1.0%
Others	2.1%	2.1%	2.1%	2.1%
	100.0%	**100.0%**	**100.0%**	**100.0%**

Mobile Communications, the key contributor to revenue growth, contributed 44% to total revenue, 1.3 percentage points higher than the same quarter a year ago.

The Group's enlarged revenue, including the proportionate share of operating revenue from the associates, grew 4.1% to S$7.39 billion, driven by revenue growth from Bharti including its Africa operations.

SECTION I : GROUP

GROUP OPERATING EXPENSES
(Before Depreciation And Amortisation)

	Quarter 30 Sep						Half Year 30 Sep		
	2011			2011	2010		2011	2010	
	S'pore Business S$ m	Optus S$ m	Corp S$ m	Group S$ m	Group S$ m	YOY Chge %	Group S$ m	Group S$ m	YOY Chge %
Selling & administrative	316	893	9	1,217	1,206	1.0	2,433	2,274	7.0
Traffic expenses	206	557	-	763	719	6.1	1,526	1,416	7.8
Cost of sales	274	465	-	740	710	4.2	1,485	1,379	7.7
Staff costs	237	320	14	571	555	3.0	1,112	1,098	1.2
Repair & maintenance	30	54	*	84	81	3.9	167	160	4.1
Others	(6)	16	-	10	4	171.4	14	4	246.3
Total	**1,057**	**2,305**	**23**	**3,384**	**3,273**	**3.4**	**6,737**	**6,331**	**6.4**

	Quarter 30 Sep		Half Year 30 Sep	
As a percentage of operating revenue	**2011**	**2010**	**2011**	**2010**
Selling & administrative	26.4%	27.2%	26.4%	26.1%
Traffic expenses	16.6%	16.2%	16.6%	16.2%
Cost of sales	16.0%	16.0%	16.1%	15.8%
Staff costs	12.4%	12.5%	12.1%	12.6%
Repair & maintenance	1.8%	1.8%	1.8%	1.8%
Others	0.2%	0.1%	0.1%	**
	73.4%	**73.8%**	**73.1%**	**72.5%**

Selling & administrative expenses, the largest expense category at 26% of operating revenue, was stable year-on-year. The decrease in mobile customer acquisition and retention costs in both Singapore and Australia was, however, offset by the impact of a stronger Australian Dollar.

SECTION I : GROUP

GROUP NET FINANCE EXPENSE

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Net interest expense:						
- Interest income	9	6	39.7	18	11	66.4
- Interest expense	(100)	(87)	14.7	(196)	(175)	11.6
	(91)	(81)	12.7	(178)	(165)	8.1
Other finance income/ (expense):						
- Investment gain [1]	16	17	-6.5	17	18	-6.7
- Net foreign exchange gain/ (loss)	6	(21)	nm	2	(9)	nm
- FRS 39 fair value adjustments [2]	(3)	(3)	22.2	(6)	(11)	-43.8
	19	(7)	nm	13	(2)	nm
Net finance expense	**(72)**	**(88)**	**-17.5**	**(165)**	**(167)**	**-0.8**

Notes:
(1) Comprise mainly dividend income and realised gains or losses on disposals of investments held for resale.
(2) Comprise mainly adjustments for hedging instruments measured at fair values at reporting date under FRS 39, *Financial Instruments: Recognition and Measurement*.

Net interest expense increased 13% from a year ago, reflecting Optus' financing strategy to extend the average maturity of its debt with long-term borrowings.

Net foreign exchange gain of S$6 million arose from revaluation of monetary assets and liabilities.

SECTION I : GROUP

GROUP EXCEPTIONAL ITEMS [(1)]

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Share of AIS' pre-tax profit (Jan-Mar 2011)	-	-	-	80	-	nm
Net foreign exchange (loss)/ gain on SAI loan	(4)	-	nm	1	-	nm
Dilution gain on associates	*	1	nm	1	1	-21.4
Corporate	(4)	1	nm	81	1	@
Provision for ex-gratia payment (pre-tax)	-	-	-	(24)	-	nm
Optus	-	-	-	(24)	-	nm
Group (pre-tax)	**(4)**	**1**	**nm**	**58**	**1**	**@**
Tax on exceptional items						
- Share of AIS' tax expense (Jan-Mar 2011)	-	-	-	(25)	-	nm
- Tax credit on Optus' provision for ex-gratia payment	-	-	-	7	-	nm
	-	-	-	(18)	-	nm
Group (post-tax)	**(4)**	**1**	**nm**	**40**	**1**	**@**

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

In the current quarter, the Group recognised a net foreign exchange loss of S$4 million on SAI's repayment of a short-term intercompany loan which represented the difference between the Singapore Dollar denominated loan and the loan amount recorded by SAI in Australian Dollar terms.

In the preceding June 2011 quarter, the Group recorded AIS' pre-tax contribution from the March 2011 quarter of S$80 million (post-tax: S$55 million) as an exceptional item following the alignment of AIS' reporting period to the Group. This was partially offset by one-off charge of S$24 million (post-tax: S$17 million) for Optus' ex-gratia costs on its workforce restructuring.

SECTION I : GROUP

GROUP SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2011 S$ m	30 Sep 2010 S$ m	30 Jun 2011 S$ m
Current assets (excluding cash)	3,918	3,907	3,815
Cash and bank balances	1,729	2,096	3,583
Non-current assets	33,412	32,033	32,605
Total assets	**39,059**	**38,036**	**40,003**
Current liabilities	8,439	4,999	8,254
Non-current liabilities	8,126	9,325	6,536
Total liabilities	**16,564**	**14,324**	**14,789**
Net assets	**22,495**	**23,712**	**25,213**
Share capital	2,630	2,621	2,624
Reserves	19,843	21,068	22,566
Equity attributable to shareholders	**22,473**	**23,689**	**25,190**
Minority interest	22	23	23
	22,495	**23,712**	**25,213**

The Group is in a sound financial position as at 30 September 2011. SingTel is rated at Aa2 by Moody’s and A+ by Standard & Poor’s.

As at 30 September 2011, the shareholders’ equity was S$22.47 billion, a decrease of S$2.72 billion from a quarter ago after accounting for the final and special dividend payments totalling S$3.03 billion this quarter, and included a net translation loss of S$504 million mainly arising from the strengthening of the Singapore Dollar against the Australian Dollar and Indian Rupee from a quarter ago, and the Group’s share of Bharti’s currency translation loss.

SECTION I : GROUP

GROUP LIQUIDITY AND GEARING

	As at		
	30 Sep 2011 S$ m	30 Sep 2010 S$ m	30 Jun 2011 S$ m
Gross debt			
Current debt	2,777	58	2,622
Non-current debt	5,451	7,072	4,691
Gross debt as reported in statement of financial position	**8,228**	**7,130**	**7,313**
Related net hedging liability (1)	1,113	933	1,592
	9,341	**8,063**	**8,905**
Less : Cash and bank balances	(1,729)	(2,096)	(3,583)
Net debt	**7,612**	**5,968**	**5,322**
Gross debt gearing ratio (2)	***29.3%***	***25.4%***	***26.1%***
Net debt gearing ratio	***25.3%***	***20.1%***	***17.4%***

Notes:

(1) The net hedging liability arose from mark-to-market of cross currency and interest rate swaps.

(2) Gross debt gearing ratio refers to the ratio of gross debt to gross capitalisation. Gross capitalisation is the aggregate of gross debt, shareholders' funds and minority interests.

Hedged gross debt increased by S$437 million to S$9.34 billion from a quarter ago with an increase in borrowings partially offset by reduction in hedging liability from mark-to-market adjustments.

During the quarter, SingTel Group Treasury Pte Ltd ("**SGT**") completed a S$250 million 5-year note issue and a US$100 million 7-year floating rate note issue. The notes, issued under SGT's Euro Medium Term Note Programme, formed part of its long-term financing strategy and extended the maturity of its debt profile.

SECTION I : GROUP

GROUP CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Half Year		
	30 Sep 2011 S$ m	30 Sep 2010 S$ m	30 Jun 2011 S$ m	30 Sep 2011 S$ m	30 Sep 2010 S$ m	YOY Chge %
Net cash inflow from operating activities						
Profit before tax	**1,177**	**1,187**	**1,259**	**2,436**	**2,421**	**0.6**
Non-cash items	83	11	12	95	38	149.0
Operating cashflow before working capital changes	1,261	1,198	1,271	2,531	2,459	2.9
Changes in operating assets and liabilities	52	64	(176)	(125)	(168)	-25.8
	1,312	1,262	1,095	2,407	2,291	5.0
Cash paid to employees under performance share plans	(1)	(1)	*	(1)	(4)	-80.0
Tax paid on operating activities	(168)	(108)	(1)	(170)	(79)	115.2
Operating cashflow before dividends from associates	**1,143**	**1,153**	**1,093**	**2,236**	**2,208**	**1.3**
Dividends received from associates	222	483	465	686	711	-3.5
Withholding tax paid on dividends received	(18)	(46)	(44)	(62)	(66)	-5.8
	1,347	**1,591**	**1,513**	**2,860**	**2,853**	**0.2**
Net cash outflow for investing activities						
Net investment in associates	(567)	-	(8)	(575)	(30)	@
Investment in available-for-sale investments	(9)	-	(38)	(48)	-	nm
Payment for purchase of property, plant and equipment	(432)	(495)	(600)	(1,031)	(981)	5.1
Advance payment for purchase of C2C submarine cable capacity	(10)	(28)	-	(10)	(28)	-65.2
Drawdown of prepaid C2C submarine cable capacity	-	-	11	11	18	-38.9
Proceeds from disposal of property, plant and equipment	571	3	2	573	3	@
Withholding tax paid on interest received on inter-company loans	(7)	(1)	(1)	(8)	(1)	478.6
Payment for purchase of intangibles	(12)	-	(33)	(45)	-	nm
Others *(interest received, etc)*	23	21	10	33	29	14.7
	(444)	**(500)**	**(657)**	**(1,100)**	**(991)**	**11.0**
Net cash outflow for financing activities						
Final dividend paid to SingTel shareholders	(1,434)	(1,274)	-	(1,434)	(1,274)	12.6
Special dividend paid to SingTel shareholders	(1,594)	-	-	(1,594)	-	nm
Net increase in borrowings	369	524	93	462	328	40.6
Settlement of swaps paid	-	-	-	-	(218)	nm
Net interest paid on borrowings and swaps	(55)	(33)	(132)	(187)	(155)	20.2
Loan repayment to minority shareholder	-	-	-	-	(25)	nm
Proceeds from share issue	6	*	1	7	5	33.3
Purchase of performance shares	(7)	(15)	(2)	(8)	(37)	-77.5
Others	(26)	-	26	1	-	nm
	(2,740)	**(797)**	**(14)**	**(2,754)**	**(1,376)**	**100.2**
Net (decrease)/ increase in cash & cash equivalents	**(1,837)**	**294**	**843**	**(994)**	**487**	**nm**
Exchange effects on cash and cash equivalents	(17)	22	2	(15)	(5)	221.3
Group cash and cash equivalents at beginning	**3,583**	**1,780**	**2,738**	**2,738**	**1,614**	**69.7**
Group cash and cash equivalents at end	**1,729**	**2,095**	**3,583**	**1,729**	**2,095**	**-17.5**
Group free cash flow (ex-associates' dividends)	**712**	**659**	**493**	**1,205**	**1,227**	**-1.8**
Group free cash flow	**916**	**1,096**	**913**	**1,829**	**1,872**	**-2.3**
Cash capex to operating revenue	***9%***	***11%***	***13%***	***11%***	***11%***	

SECTION I : GROUP

Net cash inflow from operating activities for the quarter amounted to S$1.35 billion, down 15% from a year ago. Operating cash flow (before associates' dividend receipts) was stable at S$1.14 billion. Gross dividends from associates declined by S$262 million from a year ago due to timing in receipt of Telkomsel's dividends.

Compared to a quarter ago, operating cash flow (before associates' dividend receipts) grew 4.6% on positive working capital movements partly offset by tax payments including S$51M (A$39M) payment by Optus for Australian income tax this quarter. With lower dividends received from the associates, overall operating cash flow declined 11% from the preceding quarter.

Net cash outflow for investing activities was S$444 million. Capital expenditure of S$432 million, representing 9% of operating revenue, decreased 13% year-on-year with the completion of ST-2 satellite which was launched in the preceding quarter. Other investing cash flows included SingTel's investment in NetLink Trust, an associated company of the Group, of S$567 million in partial settlement for SingTel's sale of certain assets and related business to NetLink Trust. The remaining sale proceeds were settled by a unitholder's loan of S$1,260 million to NetLink Trust which has no impact to the Group's cash flows for the quarter (see Pg 37 for details).

The Group's free cash flow declined 17% from a year ago to S$916 million on lower associates' dividends. Compared to a quarter ago, free cash flow was stable.

Net cash financing outflow for the quarter of S$2.74 billion mainly comprised payments of final and special dividends totalling S$3.03 billion in respect of the previous financial year ended 31 March 2011, partially offset by net increase in borrowings of S$369 million.

Overall cash balance decreased S$1.85 billion from a quarter ago, with ending cash balance at S$1.73 billion as at end of September 2011.

SECTION II : SINGAPORE

SINGAPORE

MANAGEMENT DISCUSSION AND ANALYSIS

The equity accounted results of associates, as well as dividends from associates, are disclosed in **Section IV**.

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

- **Excluding fibre rollout, operating revenue up 3.0%.**
- **EBITDA at S$553 million – up 5.4%.**
- **Net profit at S$324 million – up 10%.**
- **Free cash flow of S$293 million – up 31%.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2011

- **Excluding fibre rollout, operating revenue up 3.7%.**
- **EBITDA stable at S$1.12 billion.**
- **Net profit at S$653 million – down 2.0%.**
- **Free cash flow of S$520 million – down 6.2%.**

SECTION II : SINGAPORE

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Operating revenue						
Singapore Business	**1,601**	**1,586**	**1.0**	**3,159**	**3,106**	**1.7**
(ex-Fibre rollout revenue)	*1,559*	*1,514*	*3.0*	*3,070*	*2,961*	*3.7*
Singapore Telco business	*1,233*	*1,212*	*1.7*	*2,466*	*2,386*	*3.4*
IT and Engineering business	*368*	*374*	*-1.5*	*692*	*720*	*-3.8*
Operating expenses	*(1,080)*	*(1,091)*	*-1.0*	*(2,104)*	*(2,043)*	*3.0*
Singapore Business	*(1,057)*	*(1,072)*	*-1.5*	*(2,060)*	*(2,009)*	*2.5*
Group and Int'l business corp costs	*(23)*	*(19)*	*22.5*	*(44)*	*(34)*	*28.9*
EBITDA						
Singapore Business	**553**	**524**	**5.4**	**1,120**	**1,115**	**0.4**
Singapore Telco business	*493*	*451*	*9.2*	*1,010*	*991*	*1.9*
IT and Engineering business	*60*	*73*	*-18.6*	*110*	*124*	*-11.7*
EBITDA margin						
Singapore Business	***34.5%***	***33.1%***		***35.5%***	***35.9%***	
Singapore Telco business	*40.0%*	*37.2%*		*41.0%*	*41.5%*	
IT and Engineering business (2)	*16.2%*	*13.3%*		*15.9%*	*13.7%*	
Net profit	**324**	**295**	**10.2**	**653**	**666**	**-2.0**
Free cash flow	**293**	**224**	**31.1**	**520**	**554**	**-6.2**

Notes:

(1) The figures in this section are after elimination of inter-company transactions and cash flows within the Group except for transactions and cash flows with Optus. Material inter-company transactions, cash flows and balances between Singapore and Optus are eliminated in the Group's financials under **Section I**.

(2) The margins in the corresponding periods excluded the effect of one-off writeback of provisions no longer required.

SECTION II : SINGAPORE

SINGAPORE SUMMARY INCOME STATEMENTS
For The Second Quarter And Half Year Ended 30 September 2011

	Quarter		YOY	Half Year		YOY
	30 Sep			30 Sep		
	2011	2010	Chge	2011	2010	Chge
	S$ m	S$ m	%	S$ m	S$ m	%
Singapore Business						
Operating revenue	**1,601**	**1,586**	**1.0**	**3,159**	**3,106**	**1.7**
Operating expenses	(1,057)	(1,072)	-1.5	(2,060)	(2,009)	2.5
	545	514	6.1	1,099	1,097	0.2
Other income	8	11	-28.4	21	19	13.0
EBITDA	**553**	**524**	**5.4**	**1,120**	**1,115**	**0.4**
- EBITDA margin	***34.5%***	***33.1%***		***35.5%***	***35.9%***	
Group and Int'l business net corp costs	(22)	(19)	14.5	(43)	(34)	25.4
	530	505	5.0	1,077	1,081	-0.4
Depreciation & amortisation	(148)	(134)	10.4	(282)	(268)	5.3
EBIT	**382**	**371**	**3.0**	**795**	**814**	**-2.3**
Net finance expense						
- net interest expense	(53)	(51)	4.1	(103)	(102)	1.0
- other finance income	22	4	@	19	5	281.6
	(31)	(47)	-34.5	(84)	(97)	-13.2
Profit before tax	**351**	**324**	**8.5**	**711**	**717**	**-0.8**
Taxation	(28)	(30)	-8.6	(58)	(53)	9.9
Profit after tax	**324**	**294**	**10.3**	**653**	**664**	**-1.7**
Minority interests	1	1	-30.0	*	2	nm
Net profit	**324**	**295**	**10.2**	**653**	**666**	**-2.0**

SECTION II : SINGAPORE

REVIEW OF SINGAPORE OPERATING PERFORMANCE

For The Second Quarter Ended 30 September 2011

The Singapore Business reported strong operating results amid a highly competitive market. EBITDA increased 5.4% from a year ago and free cash flow increased 31% with lower capital expenditure this quarter.

Mobile Communications delivered consecutive quarter of robust performance, with revenue growth of 9.1% to S$477 million on the back of strong customer connections. Total mobile customer base grew by 71,000 in the quarter to 3.49 million, up 10% from a year ago. Postpaid net additions this quarter was 40,000, driven by higher smartphone connections and strong take-up of data SIMs from continued success of integrated mobile broadband bundles.

SingTel continued to lead the regional ICT and cloud services market. Data and Internet revenue was stable at S$398 million with growth in Managed Services offsetting price pressures in traditional Leased Circuits. Fixed Broadband revenue grew by 6.1%, led by increased adoption of higher-tier plans and fibre-based services. Total fixed broadband lines increased 4,000 in the quarter, reaching 541,000 as at 30 September 2011.

Revenue from mio TV was S$25 million, up from S$22 million last year. SingTel's exciting new offerings and exclusive sports attracted a net gain of 22,000 customers this quarter, bringing the total customer base to 335,000 as at 30 September 2011.

In the digital space, SingTel continued to grow its presence and build on its suite of exclusive applications to complement customers' mobile lifestyle. *'deF!nd',* Singapore's first digital concierge service using voice commands was recently launched. This application is designed to recognise local accents and allows customers to book taxis, purchase movie tickets and make restaurant reservations, as well as search for amenities.

IT and Engineering revenue decreased 1.5% to S$368 million with fibre rollout revenue at S$42 million compared to S$72 million a year ago as OpenNet passed peak rollout. NCS' revenue grew 7.9% to S$326 million on completion of the central infrastructure set-up for the Ministry of Education's Standard ICT Operating Environment for Schools ("**SSOE**") project during the quarter. NCS' order book remained strong at approximately S$2 billion as at end of September 2011.

EBITDA in the Telco business was up strongly by 9.2% with lower costs of mobile customer connections and stable mio TV content costs. IT and Engineering's EBITDA, excluding one-off writeback of provisions no longer required in the corresponding quarter a year ago, rose a strong 21% driven by an increased mix of business solutions revenue from NCS and increased cost efficiencies. Overall, the Singapore Business' EBITDA grew 5.4% to S$553 million.

Depreciation increased 8.8% on a larger asset base, partly from NCS' investments in equipment for major government contracts, as well as the commissioning of ST-2 satellite in the quarter.

Net finance expense decreased 35% due to net foreign exchange gains from revaluation of monetary assets and liabilities compared to losses in the same quarter last year.

Net profit for the quarter was S$324 million, an increase of 10% from a year ago.

SECTION II : SINGAPORE

For The Half Year Ended 30 September 2011

Operating revenue for the half year amounted to S$3.16 billion, up 1.7% from a year ago. Excluding fibre rollout, revenue grew 3.7% led by a strong 9.2% growth in Mobile Communications.

EBITDA was stable at S$1.12 billion, reflecting investments in mio TV content and strategic initiatives.

Depreciation and amortisation expense increased 5.3% on a larger asset base. Tax expense was higher due to non-recurring tax credits recognised in the corresponding period. Consequently, net profit declined 2.0% to S$653 million.

Free cash flow for the half year was S$520 million, down 6.2% from a year ago on higher capital expenditure.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2011 were as follows:

	Quarter		QOQ
	30 Sep 2011 S$ m	30 Jun 2011 S$ m	Chge %
Operating revenue			
Singapore Business	**1,601**	**1,557**	**2.8**
(ex-Fibre rollout revenue)	*1,559*	*1,511*	*3.2*
Singapore Telco business	*1,233*	*1,233*	**
IT and Engineering business	*368*	*324*	*13.6*
Operating expenses	*(1,080)*	*(1,024)*	*5.5*
Singapore Business	*(1,057)*	*(1,003)*	*5.3*
Group and Int'l business corp costs	*(23)*	*(21)*	*13.0*
EBITDA			
Singapore Business	**553**	**567**	**-2.6**
Net profit	**324**	**328**	**-1.2**
Free cash flow	**293**	**227**	**29.4**

Operating revenue from the Singapore Business grew 2.8% from the preceding quarter with higher NCS' revenue partially offsetting seasonally lower roaming traffic this quarter. EBITDA declined 2.6% with 5.3% increase in operating expenses mainly from annual salary increments. Free cash flow was up 29% primarily due to lower capital expenditure.

SECTION II : SINGAPORE

OPERATING REVENUE

	Quarter 30 Sep				YOY Chge	Half Year 30 Sep				YOY Chge
	2011		2010			2011		2010		
	S$ m	Mix %	S$ m	Mix %	%	S$ m	Mix %	S$ m	Mix %	%
Mobile communications	477	30	437	28	9.1	949	30	869	28	9.2
Data and Internet	398	25	402	25	-0.8	796	25	796	26	**
International telephone	126	8	131	8	-3.6	253	8	257	8	-1.3
National telephone	90	6	95	6	-5.6	180	6	190	6	-5.2
Sale of equipment	71	5	75	5	-4.3	148	5	140	5	5.6
mio TV	25	2	22	1	17.2	49	2	35	1	38.9
Others (1)	46	3	52	3	-11.4	91	3	99	3	-8.0
Singapore Telco	1,233	77	1,212	77	1.7	2,466	78	2,386	77	3.4
IT and Engineering	368	23	374	24	-1.5	692	22	720	23	-3.8
Total	**1,601**	**100**	**1,586**	**100**	**1.0**	**3,159**	**100**	**3,106**	**100**	**1.7**

Note:
(1) Include revenues from maritime & land mobile revenue and lease of satellite transponders.

Mobile Communications, the key contributor to revenue growth, comprised 30% of total revenue, 2 percentage points higher than the same quarter a year ago.

Sale of equipment revenue was S$71 million for the quarter, down 4.3% year-on-year and 7.0% from a quarter ago on lower sales volume.

SECTION II : SINGAPORE

Mobile Communications

	Quarter 30 Sep 2011	Quarter 30 Sep 2010	YOY %	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY %
Cellular service (1)	**477**	**437**	**9.1**	**949**	**869**	**9.2**

Key Drivers	Quarter 30 Sep 2011	Quarter 30 Jun 2011	Quarter 30 Sep 2010	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY Chge %
Number of mobile subscribers (000s)						
Prepaid	1,615	1,584	1,483	1,615	1,483	8.9
Postpaid	1,873	1,833	1,684	1,873	1,684	11.2
Total	**3,488**	**3,417**	**3,167**	**3,488**	**3,167**	**10.1**
MOUs per subscriber per month (2)						
Prepaid	342	346	355	345	342	0.9
Postpaid (3)	335	341	369	338	368	-8.2
Average revenue per subscriber per month (2) (4) (S$ per month)						
Prepaid	14	14	14	14	14	2.1
Postpaid	85	87	88	86	88	-2.8
Blended	**52**	**53**	**53**	**53**	**53**	**-0.8**
Data services as % of ARPU						
- total data (5)	41%	41%	38%	41%	37%	
- non-SMS data	19%	19%	16%	19%	16%	
Acquisition cost per postpaid subscriber (S$)	**300**	**294**	**371**	**297**	**370**	-19.7
Postpaid external churn per month (6)	*0.9%*	*0.8%*	*1.1%*	*0.8%*	*1.0%*	
Singapore mobile penetration rate (7)	***147%***	***149%***	***141%***	***147%***	***141%***	
Singapore mobile subscribers (000s) (7)	***7,627***	***7,537***	***7,178***	***7,627***	***7,178***	
Market share (7)						
Prepaid	*43.8%*	*43.7%*	*42.5%*	*43.8%*	*42.5%*	
Postpaid	*47.0%*	*46.9%*	*45.7%*	*47.0%*	*45.7%*	
Overall	***45.5%***	***45.3%***	***44.1%***	***45.5%***	***44.1%***	

Notes:

(1) Cellular service revenue is determined net of bill rebates and net of prepaid sales discount, and includes revenue earned from mio plans and mobile broadband. It excludes revenue earned from international calls classified under “International telephone” revenue, consistent with prior periods.
(2) Based on average subscribers, calculated as the simple average of opening and closing subscribers.
(3) Postpaid MOU 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) Include revenue from SMS, *SEND, MMS and other data services.
(6) 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 the average subscribers.
(7) Source: IDA. The market statistics were based on IDA latest available published statistics as of 31 August 2011.

SECTION II : SINGAPORE

Mobile Communications maintained its growth trajectory, with revenue increasing 9.1% to S$477 million driven mainly by strong customer connections. Compared to the preceding quarter, revenue was stable despite the seasonal decline in roaming traffic.

A total of 71,000 mobile customers were added in the quarter. This brought the total customer base to 3.49 million as at 30 September 2011, leading the overall mobile market at 45.5%.

SingTel strengthened its foothold in the smartphone market, launching the Blackberry Bold 9900, LG Optimus Chic, as well as the Sony Ericsson Experia Ray. The take-up for data SIMs remained strong this quarter with continued popularity for integrated mobile broadband bundles and tablets. With higher smartphone connections and strong data SIMs take-up, postpaid net additions this quarter were 40,000.

Approximately 80% of new postpaid customers chose smartphones this quarter, lifting the overall smartphone penetration to more than 60% of the total postpaid base as at end of September 2011. Total postpaid customer base reached 1.87 million, up 11% from a year earlier, representing a leading market share of 47.0%.

In the prepaid segment, a net total of 31,000 customers were added in the quarter with continued traction in the take-up of 3G prepaid offerings which included 3G SIM card, data and Blackberry value added services. New unlimited prepaid data plans were introduced this quarter, offering customers enhanced value proposition for unlimited data usage. Total prepaid customer base reached 1.62 million, an increase of 8.9% from a year ago, maintaining SingTel's leading prepaid market share at 43.8%.

Overall blended ARPU was lower at S$52 compared to S$53 a year ago as growth in 'data only' SIMs reduced postpaid ARPU by 3.8% to S$85 from a year ago. Excluding 'data only' SIMs, postpaid ARPU was stable. On a sequential quarter, postpaid ARPU declined 3.1% primarily on lower roaming traffic.

SMS and other data revenue grew steadily over the year, accounting for 41% of blended ARPU, 3 percentage points higher than a year ago. Mobile broadband[1] customers grew 90,000 in the quarter and total customer base crossed the 1 million mark at end September 2011, an increase of 59% from a year ago. SingTel's broad suite of smartphones and tablets combined with exclusive customised applications contributed to the robust growth in mobile broadband.

Acquisition cost per postpaid subscriber decreased 19% from a year ago on the stronger Singapore Dollar and initiatives to optimise handset subsidies. Compared to a quarter ago, it was up 2.0% reflecting a higher mix of smartphones.

[1] Mobile customers who registered for the monthly mobile broadband data subscription plans, including data packs attached to voice services.

SECTION II : SINGAPORE

Data and Internet

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Data services						
Managed Services [1]	102	93	10.3	201	180	11.4
International Leased Circuits	27	35	-21.5	56	73	-23.1
	129	127	1.6	257	253	1.5
Local Leased Circuits	110	116	-5.6	220	229	-3.8
Others [2]	48	50	-3.4	97	97	0.3
	287	**293**	**-2.1**	**574**	**579**	**-0.8**
Internet related						
Fixed broadband [3]	99	94	6.1	196	186	5.6
SingTel Internet Exchange ("**STiX**") [4]	10	12	-14.4	21	25	-14.3
Others	2	3	-34.4	4	7	-35.8
	111	**109**	**2.7**	**222**	**217**	**2.1**
Total	**398**	**402**	**-0.8**	**796**	**796**	**

Key Drivers - Internet related	Quarter 30 Sep 2011	Quarter 30 Jun 2011	Quarter 30 Sep 2010	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY Chge %
Number of fixed broadband lines (000s) [5] [8]	**541**	**537**	**524**	**541**	**524**	**3.2**
Singapore fixed broadband penetration rate [6] [8]	***104%***	***104%***	***99%***	***104%***	***99%***	
Fixed broadband market share [7] [8]	***45.2%***	***44.9%***	***45.6%***	***45.2%***	***45.6%***	

Notes:

(1) Include MEG@POP, Global Corporate IP, Facility Management and Managed Hosting Services.
(2) Include mainly ISDN, VSAT, DTE/ DCE, digital video broadcasting.
(3) Include revenues from Internet access under mio plans and fibre plans.
(4) Include inter-company sales to Optus of S$3 million (Q2 FY2011: S$4 million) and S$5 million (H1 FT2011: S$8 million) for the second quarter and half year ended 30 September 2011 respectively.
(5) Fixed broadband service comprises all ADSL and fibre lines, including SingNet retail fixed broadband lines but excluding leased lines and other fixed broadband access.
(6) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IDA).
(7) Based on total SingTel ADSL and fibre lines divided by total ADSL, cable and fibre lines in the population.
(8) Comparatives for 30 September 2010 have been restated to include other fixed broadband access lines, consistent with the current period. The market statistics were based on IDA's latest available published statistics as of 31 August 2011.
(9) As at 30 September 2011, SingTel owns 1,276,620 km of access fibre network and 682,191 km of junction fibre network, up 11% and 2% from 31 March 2011 respectively.

SECTION II : SINGAPORE

Data and Internet revenue was stable at S$398 million.

Data revenue declined 2.1% year-on-year as the corresponding quarter last year included the benefit of one-time project revenue from the Singapore 2010 Youth Olympic Games. Growth in Managed Services was partly offset by price pressures in International Leased Circuits (ILC). Aggregate revenue from Managed Services and ILC, however, grew 1.6% year-on-year and 1.4% on a sequential quarter, underpinned by growth in IP VPN, facility management and robust demand for SingTel's market-leading suite of ICT applications and cloud solutions.

SingTel continued to innovate and leverage on its unique strength in fixed-mobile-cloud convergence. It extended its suite of cloud solutions to SMEs with the launch of '*SAP Business One'* powered by SingTel's PowerON cloud computing. This revolutionary business management solution provides SMEs with on-the-move business management across multiple devices from smartphones, tablets to PCs, enabling them to enjoy increased productivity and achieved significant cost savings.

Revenue from Local Leased Circuits declined 5.6% from a year ago and 1.2% from a quarter ago. Growth in Ethernet services was offset by planned price adjustments and continued migration of legacy Diginet services to IP-based services.

Fixed Broadband delivered revenue growth of 6.1% year-on-year and 2.1% from the preceding quarter despite a highly penetrated market. The growth was driven by increased take-up of higher-tier plans and fibre-based services.

Sustained demand for SingTel's integrated home bundles and innovative suite of high-speed fibre-based services led to an increase of 4,000 fixed broadband lines this quarter. Total fixed broadband lines reached 541,000, an increase of 17,000 or 3.2% from a year ago.

A net total of 16,000 customers subscribed to bundled plans[2] this quarter. This brought total customer base to 271,000, an increase of 29% or 60,000 from a year ago.

SingTel continued to lead the fibre market with its distinctive suite of entertainment, lifestyle and productivity applications. As at 30 September 2011, SingTel gained a total of 37,000 fibre broadband[3] customers in the consumer and business segments, an increase of 14,000 customers in the quarter.

[2] Bundled plans comprised mio Plan (bundling of mobile, fixed broadband and fixed voice), mio Home and exPlore Home (bundling of mio TV, fixed broadband and fixed voice).
[3] Residential and corporate subscriptions to broadband Internet services using optical fibre networks.

SECTION II : SINGAPORE

IT and Engineering

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2011 S$ m	2010 S$ m	%	2011 S$ m	2010 S$ m	%
Revenue from NCS (1)	326	302	7.9	603	575	4.9
Fibre rollout revenue (2)	42	72	-41.1	89	144	-38.5
Total	**368**	**374**	**-1.5**	**692**	**720**	**-3.8**

NCS segment revenue (%)	Quarter			Half Year	
	30 Sep	30 Jun	30 Sep	30 Sep	
	2011	2011	2010	2011	2010
Geographical markets					
Singapore	87	88	86	87	86
Overseas	13	12	14	13	14
Total	**100**	**100**	**100**	**100**	**100**
Lines of business					
Infrastructure services (3)	69	65	71	67	70
Business solutions (4)	31	35	29	33	30
Total	**100**	**100**	**100**	**100**	**100**

Notes:

(1) Generated by NCS and its subsidiaries. Included billings to Optus of approximately S$16 million (Q2 FY 2011: S$18 million) and S$31 million (H1 FY2011: S$36 million) for the second quarter and half year ended 30 September 2011 respectively.

(2) This revenue is for the roll out of fibre on behalf of OpenNet under Singapore's Next Generation National Broadband Network (NGNBN) initiative.

(3) Infrastructure services include the full suite of managed services, network and communication engineering services, and value-added reselling and services.

(4) Business solutions include applications management services and outsourcing, system integration and business process outsourcing.

IT and Engineering revenue fell 1.5% from a year ago to S$368 million on lower fibre rollout revenue from OpenNet.

Fibre rollout revenue was S$42 million compared to S$72 million in the same quarter last year, as OpenNet passed its peak rollout phase with islandwide coverage of more than 75% as of end September 2011.

Revenue from NCS grew 7.9% year-on-year on completion of the central infrastructure set-up for the Ministry of Education's SSOE project. On a sequential quarter, revenue grew 18%, lifted by growth in network integration services.

NCS' major contract wins this quarter included a multi-year contract for the maintenance of IT systems and implementation of a network infrastructure for a corporate customer, as well as a renewal contract for the provision of systems application maintenance, database administration and operation of a call centre for various Singapore government agencies.

SECTION II : SINGAPORE

International Telephone [1]

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	Chge %
International (incl Malaysia) call revenue	106	105	0.3	213	210	1.4
Inpayments and net transit	21	26	-19.6	41	47	-13.2
Total	**126**	**131**	**-3.6**	**253**	**257**	**-1.3**
International Telephone outpayments	**46**	**51**	**-10.3**	**91**	**100**	**-8.7**
Net	**80**	**80**	**0.8**	**163**	**157**	**3.4**
Margin %	***64%***	***61%***		***64%***	***61%***	

Key drivers	Quarter 30 Sep 2011	Quarter 30 Jun 2011	Quarter 30 Sep 2010	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY Chge %
International telephone outgoing minutes (m mins) (excl Malaysia)	**821**	**785**	**765**	**1,606**	**1,482**	**8.4**
Average IDD call collection rate - net basis (S$/ min) (excl Malaysia)	**0.110**	**0.117**	**0.117**	**0.113**	**0.122**	**-7.4**

Note:

(1) International telephone services include international calling cards, IDD calls and facsimile services into and out of Singapore, other international call services, corporate voice, video and audio conferencing and wholesale voice services. It also includes international telephone revenue earned from calls made from mobile phones.

International Telephone revenue was S$126 million, down 3.6% from a year ago as a result of lower inpayments and net transit. On a sequential quarter, revenue was stable.

International call revenue was stable as increased international call traffic in mobile mitigated the impact of lower average collection rates.

Inpayments and net transit declined 20% from a year ago due to a combination of lower inpayment rates and a weaker US Dollar.

Outpayments for international calls correspondingly declined 10% year-on-year, benefiting from lower international outpayment rates as well as a weaker US Dollar.

SECTION II : SINGAPORE

National Telephone

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Direct exchange lines ("**DEL**")						
- rental	42	41	1.0	83	82	1.3
- traffic	15	17	-13.2	29	34	-13.6
	56	58	-3.1	113	116	-3.0
Others [(1)]	43	45	-5.5	86	91	-5.3
	99	103	-4.2	199	207	-4.0
Inter-company eliminations	(9)	(8)	12.0	(19)	(17)	9.3
	90	**95**	**-5.6**	**180**	**190**	**-5.2**

Key Drivers	Quarter 30 Sep 2011	Quarter 30 Jun 2011	Quarter 30 Sep 2010	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY Chge %
Fixed working lines (000s) [(2)]						
Residential	929	934	918	929	918	1.2
Business	771	770	767	771	767	0.5
Total	**1,700**	**1,704**	**1,685**	**1,700**	**1,685**	**0.9**
Singapore fixed line penetration rate [(3)]	***40.6%***	***40.3%***	***39.4%***	***40.6%***	***39.4%***	
Singapore fixed working lines (000s) [(3)]	**2,019**	**2,008**	**1,966**	**2,019**	**1,966**	
Fixed Line market share [(3)]	***84.2%***	***84.9%***	***85.7%***	***84.2%***	***85.7%***	

Notes:

(1) Include revenue from enhanced telephone services, payphones, DEL interconnect and call management services such as 1900/1800 call services, Telepoll and mio voice.

(2) Fixed working lines refer to Direct Exchange Lines (DEL) and mio voice. Some lines are for connections of second set top box under mio bundles, where the revenue is recognised under Fixed Broadband or mio TV.

(3) Source: IDA. The market statistics as at 30 September 2011 were based on management's estimates.

Fixed line phone services continued to be impacted by fixed-to-mobile substitution. With lower usage, revenue declined 5.6% from a year ago. Compared to a quarter ago, revenue was stable.

The number of residential lines fell 5,000 while the number of business lines grew 1,000 in the quarter.

SECTION II : SINGAPORE

mio TV

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2011 S$ m	2010 S$ m	Chge %	2011 S$ m	2010 S$ m	Chge %
mio TV revenue	25	22	17.2	49	35	38.9

Key drivers	Quarter			Half Year 30 Sep		YOY Chge
	30 Sep 2011	30 Jun 2011	30 Sep 2010	2011	2010	%
Number of mio TV subscribers ('000s) (1)	335	313	245	335	245	36.7

Note:
(1) Comprise subscribers in the residential segment only.

Revenue from mio TV was S$25 million for the quarter, up from S$23 million in the preceding quarter.

SingTel gained 22,000 mio TV customers this quarter and total customer base reached 335,000 at end of September 2011, up 37% from a year ago.

mio TV expanded its content suite with the launch of two Asian entertainment channels – *'Jia Le'*, a first aggregated channel offering the latest top-rated dramas and variety shows from Taiwan and the region in both Hokkien dialect and Mandarin, as well as *'Celestial Movies'* which offers exclusive first-run blockbuster movies and all-time favourites from Hong Kong, Japan and Korea.

With the start of the second Barclays Premier League ("**BPL**") season this quarter, mio TV further enhanced customers' experience with improved local programming, introduction of new hosts as well as more High Definition and 3D 'live' matches.

SECTION II : SINGAPORE

OPERATING EXPENSES
(Before Depreciation And Amortisation)

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2011 S$ m	2010 S$ m	%	2011 S$ m	2010 S$ m	%
Selling & administrative	325	339	-4.3	643	593	8.4
Cost of sales	274	288	-4.8	518	541	-4.3
Staff costs	251	229	9.8	485	442	9.8
Traffic expenses	206	213	-3.0	411	422	-2.5
Repair & maintenance	30	29	1.0	59	59	0.5
Others (1)	(6)	(7)	-7.7	(12)	(14)	-10.3
Total	**1,080**	**1,091**	**-1.0**	**2,104**	**2,043**	**3.0**
Less: Group and Int'l business corp costs	(23)	(19)	22.5	(44)	(34)	28.9
Singapore Business	**1,057**	**1,072**	**-1.5**	**2,060**	**2,009**	**2.5**

	Quarter 30 Sep		Half Year 30 Sep	
As a percentage of operating revenue	2011	2010	2011	2010
Selling & administrative	20.3%	21.4%	20.4%	19.1%
Cost of sales	17.1%	18.2%	16.4%	17.4%
Staff costs	15.7%	14.4%	15.3%	14.2%
Traffic expenses	12.9%	13.4%	13.0%	13.6%
Repair & maintenance	1.9%	1.9%	1.9%	1.9%
Others	-0.4%	-0.4%	-0.4%	-0.4%
Total	**67.4%**	**68.8%**	**66.6%**	**65.8%**
Singapore Business	**66.0%**	**67.6%**	**65.2%**	**64.7%**

Note:
(1) Include government grants and recoveries of costs.

Cost of sales decreased 4.8% year-on-year corresponding to lower fibre rollout revenue from OpenNet. It grew 13% from the preceding quarter, in line with higher revenue from NCS.

SECTION II : SINGAPORE

Selling & administrative Expenses

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Selling & administrative expenses	**325**	**339**	**-4.3**	**643**	**593**	**8.4**
Singapore Business - Selling & administrative expenses	**316**	**332**	**-5.1**	**627**	**582**	**7.7**

Selling & administrative expenses, the largest expense category at 20% of operating revenue, declined from a year ago. Total mobile customer acquisition and retention costs fell year-on-year, as the costs in the corresponding quarter were impacted by the launch of iPhone 4. Content costs for mio TV were stable this quarter as BPL content costs were amortised from August last year.

Compared to the preceding quarter, mobile customer acquisition and retention costs decreased on lower connections.

Traffic Expenses

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
International Telephone outpayments	46	51	-10.3	91	100	-8.7
Mobile roaming outpayments	61	56	8.2	121	115	5.7
Total outpayments	107	107	-0.7	212	214	-1.0
Leases (1)	70	78	-10.2	142	156	-9.2
Interconnect	29	27	9.0	58	52	11.6
Traffic expenses	**206**	**213**	**-3.0**	**411**	**422**	**-2.5**
Singapore Business - Traffic expenses	**206**	**213**	**-3.0**	**411**	**422**	**-2.5**

Note:
(1) Leases comprise backhaul charges, Inmarsat satellite rental, cost of restoring cable breakages and leased circuit charges.

See Page 27 for further information on International Telephone outpayments relative to inpayments.

Mobile roaming outpayments increased 8.2% year-on-year, consistent with higher roaming traffic and associated revenue.

Lease expenses fell 10% from a year ago attributable to lower lease circuit charges, and reduced satellite lease costs in line with lower mobile satellite revenue.

Interconnect expenses increased 9.0% on higher inter-operator SMS volume across a larger customer base.

SECTION II : SINGAPORE

Staff Costs

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Gross staff costs	246	225	9.4	475	440	7.8
Performance share cost [(1)]	8	8	-	16	12	34.7
	254	233	9.1	490	452	8.5
Capitalisation of staff costs [(2)]	(3)	(4)	-27.9	(6)	(8)	-27.5
	251	**229**	**9.8**	**485**	**444**	**9.2**
Job credits	-	-	-	-	(2)	nm
Total, net	**251**	**229**	**9.8**	**485**	**442**	**9.8**
Singapore Business - Staff costs	**237**	**216**	**9.5**	**457**	**419**	**9.0**

Key Drivers	Quarter 30 Sep 2011	Quarter 30 Jun 2011	Quarter 30 Sep 2010	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY Chge %
Singapore average number of staff	13,349	12,983	12,887	13,166	12,777	3.0
Revenue per staff (S$'000) [(3)]	120	120	123	240	243	-1.3
As at end of period:						
Number of staff						
NCS	6,621	6,335	5,988	6,621	5,988	10.6
SingTel and other subsidiaries	6,697	6,729	6,830	6,697	6,830	-1.9
Singapore	**13,318**	**13,064**	**12,818**	**13,318**	**12,818**	**3.9**
Optus	**9,815**	**10,064**	**10,270**	**9,815**	**10,270**	**-4.4**
Total Group	**23,133**	**23,128**	**23,088**	**23,133**	**23,088**	**0.2**

Notes:

(1) Performance share expense for a share grant is amortised and recognised in income statement on a straight-line basis over the vesting period of 3 years from the date of the grant.

(2) The amounts represent capitalisation of direct staff costs in property, plant and equipment and/ or inventories (work-in-progress) related to the fibre rollout contract with OpenNet.

(3) Based on average employee numbers.

Gross staff costs rose 9.4% year-on-year on headcount growth from NCS, as well as annual salary increments.

Overall headcount for Singapore increased 500 from a year ago to 13,318 as at end September 2011, reflecting additional hires at NCS to support major customer wins and the build-up of its offshore development resource base.

SECTION II : SINGAPORE

OTHER INCOME STATEMENT ITEMS

Depreciation And Amortisation

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2011 S$ m	2010 S$ m	Chge %	2011 S$ m	2010 S$ m	Chge %
Depreciation of property, plant and equipment	144	132	8.8	273	261	4.5
Amortisation	5	2	109.1	9	7	36.8
	148	**134**	**10.4**	**282**	**268**	**5.3**
Depreciation as a percentage of operating revenue	***9.0%***	***8.3%***		***8.6%***	***8.4%***	

Depreciation increased 8.8% from a year ago on a larger asset base resulting partly from NCS' investments in equipment for major government contracts and the commissioning of ST-2 satellite this quarter.

The higher amortisation expense this quarter was due to the recognition of accelerated amortisation of deferred gain on certain sale and leaseback contracts in the corresponding quarter last year.

Net Finance Expense

	Quarter 30 Sep			Half Year 30 Sep		
	2011 S$ m	2010 S$ m	Chge %	2011 S$ m	2010 S$ m	Chge %
Net interest expense						
- Interest income	3	1	177.8	4	2	138.9
- Interest expense	(55)	(52)	7.2	(107)	(104)	3.4
	(53)	**(51)**	**4.1**	**(103)**	**(102)**	**1.0**
Other finance expense						
- Investment gain (1)	16	17	-6.5	17	18	-6.7
- Net foreign exchange gain/ (loss)	6	(13)	nm	2	(13)	nm
	22	**4**	**@**	**19**	**5**	**281.6**
Net finance expense	**(31)**	**(47)**	**-34.5**	**(84)**	**(97)**	**-13.2**

Note:
(1) Comprise mainly dividend income and realised gains or losses on disposals of investments held for resale,

Interest income grew by S$2 million year-on-year mainly on an increase in average cash balance.

Interest expense increased from a year ago on higher borrowings partially offset by the decline in average interest rates.

SECTION II : SINGAPORE

Net foreign exchange gain of S$6 million arose mainly from revaluation of monetary assets and liabilities.

Taxation

	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Taxation						
Current and deferred taxes **(a)**	59	61	-2.3	122	113	8.0
Tax benefit of inter-company interest expense	(32)	(31)	3.9	(64)	(61)	6.4
Total	**28**	**30**	**-8.6**	**58**	**53**	**9.9**
Effective tax rates based on :						
Singapore reported profit before tax				***8.1%***	***7.4%***	
Profit before tax				**711**	**717**	
Exclude :						
Net foreign exchange (gain)/ loss (non-trade)				(2)	13	
Adjusted pre-tax profit **(b)**				**709**	**730**	
Effective tax rate **(a)/ (b)**				***17.3%***	***15.5%***	
Applicable statutory tax rate in the period				***17.0%***	***17.0%***	

The tax expense for the half year period last year included certain tax credits recognised on finalisation of the earlier years' tax assessments.

SECTION II : SINGAPORE

SINGAPORE CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Half Year		YOY
	30 Sep 2011 S$ m	30 Sep 2010 S$ m	30 Jun 2011 S$ m	30 Sep 2011 S$ m	30 Sep 2010 S$ m	Chge %
Net cash inflow from operating activities						
Profit before tax	**351**	**324**	**359**	**711**	**717**	**-0.8**
Non-cash items	187	189	195	382	377	1.5
Operating cash flow before working capital changes	539	513	554	1,093	1,093	**
Changes in operating assets and liabilities	11	17	(126)	(115)	(144)	-19.9
	549	**530**	**429**	**978**	**950**	**3.0**
Cash paid to employees under performance share plans	(1)	(1)	*	(1)	(4)	-80.0
Tax paid on operating acitivites	(118)	(108)	(1)	(119)	(79)	51.3
Operating cash flow	**431**	**421**	**427**	**858**	**867**	**-1.0**
Net cash inflow/ (outflow) for investing activities						
Net loan repayment from Optus to STAI [(1)]	635	8	9	643	15	@
Withholding tax paid on interest received on inter-company loans	(7)	(1)	(1)	(8)	(1)	478.6
Payment for purchase of property, plant and equipment	(138)	(197)	(201)	(338)	(313)	8.1
Advance payment for purchase of C2C submarine cable capacity	(10)	(28)	-	(10)	(28)	-65.2
Drawdown of prepaid C2C submarine cable capacity	-	-	11	11	18	-38.9
Proceeds on disposal of property, plant and equipment	571	3	2	573	3	@
Net investment in associates	(567)	-	(6)	(573)	(31)	@
Investment in available-for-sale investments	(9)	*	(38)	(48)	*	nm
Others *(dividends and interest received etc)*	14	16	1	15	19	-23.2
	488	**(200)**	**(223)**	**265**	**(318)**	**nm**
Net cash (outflow)/ inflow for financing activities						
Final dividend paid to shareholders	(1,434)	(1,274)	-	(1,434)	(1,274)	12.6
Special dividend paid to shareholders	(1,594)	-	-	(1,594)	-	nm
Net increase/ (decrease) in borrowings	365	(4)	94	459	(238)	nm
Net interest paid on borrowings and swaps	(8)	(3)	(94)	(102)	(92)	11.7
Repayment of loan to minority shareholder	-	-	-	-	(25)	nm
Proceeds from share issue	6	*	1	7	5	33.3
Purchase of performance shares	(7)	(15)	(1)	(7)	(25)	-70.6
	(2,673)	**(1,294)**	**1**	**(2,672)**	**(1,648)**	**62.1**
Net (decrease)/ increase in Singapore cash balance	**(1,754)**	**(1,073)**	**205**	**(1,549)**	**(1,099)**	**41.0**
Net (decrease)/ increase in Singapore cash balance	**(1,754)**	**(1,073)**	**205**	**(1,549)**	**(1,099)**	**41.0**
Dividends received from associates	222	483	465	686	711	-3.5
Withholding tax paid	(18)	(46)	(44)	(62)	(66)	-5.8
Net dividends received from associates	**204**	**437**	**420**	**624**	**645**	**-3.2**
Net (decrease)/ increase in cash and cash equivalents	**(1,550)**	**(636)**	**625**	**(925)**	**(454)**	**103.7**
SingTel cash and cash equivalents at beginning	**2,821**	**1,590**	**2,202**	**2,202**	**1,416**	**55.5**
Exchange effects on cash and cash equivalents	1	(11)	(6)	(6)	(18)	-69.4
SingTel cash and cash equivalents at end	**1,271**	**943**	**2,821**	**1,271**	**943**	**34.7**
Singapore free cash flow	**293**	**224**	**227**	**520**	**554**	**-6.2**
Free cash flow from associates' dividends	**204**	**437**	**420**	**624**	**645**	**-3.2**
Cash capex to operating revenue	***9%***	***12%***	***13%***	***11%***	***10%***	

Note:

(1) This inter-company loan was eliminated at the Group level.

SECTION II : SINGAPORE

Net cash generated from operating activities grew 2.3% from a year ago to S$431 million, driven by higher EBITDA. As at 30 September 2011, the work-in-progress and receivable balances in respect of the fibre rollout contract with OpenNet totalled S$100 million. Compared to a quarter ago, operating cash flow was stable with higher tax payments this quarter offset by positive movements in working capital upon the payment of annual staff incentive in the preceding quarter.

Cash flows from investing activities included the net repayment of S$635 million (A$486 million) of inter-company loan from Optus. Other investing cash flows included the investment in NetLink Trust of S$567 million in partial settlement of SingTel's sale of certain assets and related business to NetLink Trust. The remaining sale proceeds were settled by a unitholder's loan of S$1,260 million to NetLink Trust which has no impact to SingTel's cash flows for the quarter (see Pg 37 for details).

Capital expenditure for the quarter totalled S$138 million, down 30% year-on-year and 31% from the preceding quarter with the completion of ST-2 satellite. It represented 9% of operating revenue, 3 percentage points lower than a year ago. Major capital expenditure this quarter comprised additional investments and enhancements in fixed and mobile networks to support the growing multimedia customer base, as well as NCS' investments in equipment for major government contracts.

Free cash flow for the quarter was S$293 million, up 31% from a year ago and 29% from a quarter ago, reflecting lower capital expenditure for ST-2 satellite.

Net cash outflow for financing activities was S$2.67 billion, comprising mainly the payments of final and special dividends to shareholders totalling S$3.03 billion in August 2011. In the quarter, SGT, a wholly-owned subsidiary of SingTel, completed a S$250 million 5-year note issue and a US$100 million (equivalent of S$120 million) 7-year floating rate note issue under its Euro Medium Term Note Programme.

Including net dividends of S$204 million received from the associates in the quarter, overall cash balance as at 30 September 2011 decreased S$1.55 billion from a quarter ago to S$1.27 billion.

SECTION II : SINGAPORE

UPDATE ON NETLINK TRUST

On 22 July 2011, SingTel established a business trust, NetLink Trust, as part of the IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. SingTel then entered into conditional agreements to sell certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd. and 7 exchange buildings ("**Assets**"), and SingTel's business of providing duct and manhole services in relation to the Assets ("**Business**"), to CityNet Infrastructure Management Pte. Ltd. ("**CityNet**") in its capacity as trustee-manager of NetLink Trust, for an aggregate consideration of approximately S$1.89 billion.

On 12 August 2011, the Monetary Authority of Singapore approved the registration of NetLink Trust pursuant to section 4 of the Business Trusts Act. On 22 September 2011, CityNet has been granted a Facilities-based Operator license by the IDA and has also been designated as a Public Telecommunication Licensee. As a Dominant Licensee, CityNet is required to comply with Dominant Licensee obligations, including the requirement to file and seek IDA's approval for its tariffs.

On 22 September 2011, SingTel announced that it has completed its subscription for a further 567,380,000 units at S$1 each in NetLink Trust. On 28 October 2011, SingTel completed the sale of the Assets and Business to CityNet in the latter's capacity as trustee-manager of NetLink Trust.

The aggregate consideration paid by NetLink Trust for the purchase of the Assets and Business was financed by the issue of units to SingTel and loans from SingTel.

Although currently 100% owned by SingTel, NetLink Trust is managed and operated by CityNet and hence, equity accounted as an associated company of SingTel. At the consolidated level, the gain on disposal of Assets and Business recorded by SingTel was deferred in the Group's balance sheet and amortised over the useful lives of the Assets. The unamortised deferred gain in the Group's balance sheet will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed.

SECTION III : OPTUS

SINGTEL OPTUS PTY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

- **Operating revenue at A$2.34 billion – up 0.7%.**
- **EBITDA at A$559 million – up 0.6%.**
- **EBITDA margin stable at 23.9%.**
- **Net profit at A$182 million – up 4.0%.**
- **Free cash flow of A$330 million - down 6.7%.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2011

- **Operating revenue at A$4.65 billion – up 1.6%.**
- **EBITDA at A$1.12 billion - up 0.9%.**
- **EBITDA margin lower at 24.1%.**
- **Underlying net profit at A$356 million – up 3.3%.**
- **Free cash flow of A$534 million – down 2.8%.**

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2011 A$ m	2010 A$ m	Chge %	2011 A$ m	2010 A$ m	Chge %
Operating revenue	2,337	2,322	0.7	4,651	4,578	1.6
EBITDA	559	556	0.6	1,119	1,110	0.9
EBITDA margin	*23.9%*	*23.9%*		*24.1%*	*24.2%*	
EBIT	290	273	6.3	572	541	5.6
Underlying net profit	182	175	4.0	356	345	3.3
Net profit	182	175	4.0	344	345	-0.3
Free cash flow	330	354	-6.7	534	549	-2.8

SECTION III : OPTUS

OPTUS SUMMARY INCOME STATEMENTS – Singapore GAAP
For The Second Quarter and Half Year Ended 30 September 2011

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Operating revenue	**2,337**	**2,322**	**0.7**	**4,651**	**4,578**	**1.6**
Operating expenses	(1,790)	(1,778)	0.6	(3,557)	(3,494)	1.8
	548	544	0.7	1,094	1,084	0.9
Other income	12	12	-4.1	25	26	-0.8
EBITDA	**559**	**556**	**0.6**	**1,119**	**1,110**	**0.9**
- EBITDA margin	***23.9%***	***23.9%***		***24.1%***	***24.2%***	
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	**559**	**556**	**0.6**	**1,119**	**1,110**	**0.9**
Depreciation & amortisation	(269)	(283)	-4.9	(548)	(568)	-3.6
EBIT	**290**	**273**	**6.3**	**572**	**541**	**5.6**
Net finance expense	(30)	(23)	27.6	(58)	(48)	19.2
Profit before exceptional items	**261**	**250**	**4.2**	**514**	**493**	**4.3**
Exceptional items	-	-	-	(18)	-	nm
Profit before tax	**261**	**250**	**4.2**	**496**	**493**	**0.7**
Tax expense	(78)	(75)	4.8	(152)	(148)	3.1
Net profit after tax	**182**	**175**	**4.0**	**344**	**345**	**-0.3**
Net profit	**182**	**175**	**4.0**	**344**	**345**	**-0.3**
Exclude:						
Exceptional items	-	-	-	(18)	-	nm
Deferred tax on exceptional items	-	-	-	5	-	nm
Underlying net profit	**182**	**175**	**4.0**	**356**	**345**	**3.3**

Optus Mobile results have been disclosed as a division, consistent with general industry practice. Optus fixed line revenue have been presented in accordance with the organisational structure by customer segments.

SECTION III : OPTUS

REVIEW OF OPTUS OPERATING PERFORMANCE
For The Second Quarter Ended 30 September 2011

Optus reported another quarter of resilient results in a highly competitive market. Operating revenue grew 0.7% and EBITDA increased 0.6%.

In Mobile, total service revenue rose 1.3% year-on-year while EBITDA was stable. Optus continued its postpaid customer growth momentum with net additions of 116,000 this quarter and the total postpaid customer base exceeded 5 million. Prepaid subscribers returned to growth this quarter with net additions of 15,000. Total Mobile customers grew 131,000 to 9.23 million.

Optus continued to lead the market through differentiated digital services which provide customers personalised applications and content. Following the introduction of Smart Safe™ and Optus TV Now™ in prior quarters, Optus announced the launch of Optus Go Places. This mobile application provides hyper-local information to over 25,000 restaurants in Australia, reviews and ratings, bookings, electronic discount vouchers as well as travel directions including turn-by-turn navigation.

During the quarter, Optus was appointed the official digital partner of the Football Federation of Australia ("**FFA**"). Optus is delivering exclusive news, sneak-peek videos and behind-the-scenes photos to the FFA's websites. Customers will also be able to access this content through two new dedicated mobile applications developed by Optus.

In the small and medium business ("**SMB**") segment, Optus expanded its suite of integrated business tools with the launch of Optus OfficeApps Mobile Security. As the first dedicated cloud-based mobile security solution for SMBs, it couples anti-virus protection with the ability to lock, wipe and reset the password of any compatible device within their business from the OfficeApps portal or from another mobile phone.

In a key network milestone, Optus announced the roll-out of Long Term Evolution ("**LTE**") on the Optus Open Network[4]. From April 2012, Optus will deliver its first LTE services to Newcastle, Port Stephens, the Hunter Valley and Lake Macquarie areas. A capital city service roll-out will begin in the second half of 2012, with phase one to deliver LTE services in Sydney, Melbourne and Perth, and phase two to other capital cities. Optus is the first Australian carrier to be awarded a licence to trial LTE services in the 700 MHz spectrum band.

In Business and Wholesale fixed, overall revenue grew 5.2% contributed by strong satellite and ICT and managed services revenue. EBITDA increased by 3.7% year-on-year.

In Business fixed services, Optus continued to win corporate accounts, including marquee customers such as Virgin Australia and NRMA (one of Australia's largest mutual organisations providing motoring and car rental services).

In the Consumer fixed business, Optus continued the exit of its fixed resale business. Lower on-net broadband ARPU from increased data inclusions caused on-net revenue to decline by 5.1%. EBITDA decreased by 3.1% on lower revenue, but EBITDA margin improved 1 percentage point from a year ago. Total on-net broadband customers reached 972,000 as at 30 September 2011.

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[4] This refers to Optus' mobile network which encompasses the 3G dual band, 3G single band and 2G mobile networks.

SECTION III : OPTUS

Optus launched a unique new IPTV service, Optus MeTV, which redefines conventional TV viewing. With only 33% of Australians currently subscribed to pay TV services, Optus MeTV offers customers access to on-demand programmes at an affordable price. Extending the innovation into mobile, Optus and FetchTV also developed a dedicated application, allowing customers to access programming information and remote record their favourite shows from mobile devices.

During the quarter, Optus expanded its rewards program with Qantas Frequent Flyer, becoming the first Australian telecommunications provider to reward Consumer and SMB customers with the ability to earn Frequent Flyer points.

Optus' overall EBITDA grew 0.6% to A$559 million, demonstrating strong cost discipline.

EBIT grew 6.3% to A$290 million on lower depreciation and amortisation expense.

Net finance expense was up by A$7 million year-on-year reflecting the strategy to extend the average maturity of its debt with long-term borrowings.

Net profit for the quarter grew 4.0% to A$182 million.

Free cash flow generated in the quarter was A$330 million which included cash tax payment of A$39 million. Excluding the tax payment, free cash flow was up A$15 million or 4.2% year-on-year.

For The Half Year Ended 30 September 2011

For the half year under review, Optus' operating revenue was up 1.6% to A$4.65 billion, underpinned by mobile service revenue growth of 2.0%.

EBITDA grew A$9 million to A$1.12 billion, driven by careful cost management.

Underlying net profit increased by 3.3% to A$356 million on lower depreciation and amortisation expense.

SECTION III : OPTUS

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 June 2011 were as follows:

	Quarter		QOQ
	30 Sep 2011 A$ m	30 Jun 2011 A$ m	Chge %
Operating revenue	**2,337**	**2,313**	**1.0**
Operating expenses	(1,790)	(1,767)	1.3
EBITDA	**559**	**560**	**-0.1**
EBITDA margin	***23.9%***	***24.2%***	
Mobile	*25%*	*25%*	
Business & wholesale fixed	*25%*	*26%*	
Consumer & SMB fixed	*18%*	*18%*	
Profit before exceptional items and tax	**261**	**253**	**3.0**
Underlying net profit	**182**	**174**	**4.8**
Free cash flow	**330**	**203**	**62.6**

Operating revenue grew 1.0% in the current quarter mainly due to higher Mobile and Wholesale fixed revenue.

EBITDA was stable compared to the preceding quarter.

Underlying net profit was up 4.8% on lower depreciation and amortisation expense.

Free cash flow was higher due to lower capital expenditure and the seasonality in timing of payments including annual staff incentive and licence fees paid in the June quarter.

SECTION III : OPTUS

DIVISIONAL TOTALS

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Operating revenue by division:						
Mobile	1,509	1,498	0.8	3,001	2,922	2.7
Optus Business Fixed	322	316	2.1	649	644	0.8
Optus Wholesale Fixed	187	168	11.2	356	334	6.7
Consumer and SMB Fixed	321	343	-6.4	648	682	-5.1
Less inter-divisional revenue (1)	(2)	(2)	-14.3	(4)	(4)	-18.2
Total	**2,337**	**2,322**	**0.7**	**4,651**	**4,578**	**1.6**
EBITDA by division:						
Mobile	374	374	0.2	745	743	0.4
Optus Business & Wholesale Fixed	129	124	3.7	260	254	2.5
Consumer and SMB Fixed	56	58	-3.1	114	113	0.7
Total	**559**	**556**	**0.6**	**1,119**	**1,110**	**0.9**
EBITDA margins by division:						
Mobile	*25%*	*25%*		*25%*	*25%*	
Optus Business & Wholesale Fixed	*25%*	*26%*		*26%*	*26%*	
Consumer and SMB Fixed	*18%*	*17%*		*18%*	*17%*	
Total	***23.9%***	***23.9%***		***24.1%***	***24.2%***	

Note:

(1) Inter-divisional revenue represents mobile termination revenue for fixed to mobile calls originating from Optus customers.

Mobile revenue comprised 65% of total revenue and was stable compared to the same quarter last year. Optus Wholesale fixed grew 11%, contributed by new revenue from the NBN Interim Satellite Service contract.

Consumer and SMB fixed EBITDA margin expanded, reflecting careful cost management.

SECTION III : OPTUS

OPTUS MOBILE DIVISION

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Mobile communications revenue [(1)]						
Outgoing service revenue	990	1,023	-3.2	1,963	2,004	-2.0
Incoming service revenue	288	239	20.5	554	463	19.7
Service revenue	1,279	1,262	1.3	2,517	2,466	2.0
Equipment	231	236	-2.1	484	455	6.3
Total Mobile revenue	**1,509**	**1,498**	**0.8**	**3,001**	**2,922**	**2.7**
EBITDA [(2)]	**374**	**374**	**0.2**	**745**	**743**	**0.4**
- EBITDA margin	***25%***	***25%***		***25%***	***25%***	

Key Drivers	Quarter 30 Sep 2011	Quarter 30 Jun 2011	Quarter 30 Sep 2010	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY Chge %
Number of mobile subscribers (000s)						
Prepaid	4,225	4,210	4,404	4,225	4,404	-4.1
Postpaid [(3)]	5,002	4,886	4,473	5,002	4,473	11.8
Total	**9,227**	**9,096**	**8,877**	**9,227**	**8,877**	**4.0**
Mobile penetration rate [(4)]	***ND***	***126%***	***ND***	***ND***	***ND***	
MOUs per subscriber per month [(5)]						
Prepaid	95	83	74	88	74	19.5
Postpaid	232	230	228	231	224	3.2
ARPU per month (A$) [(6)]						
Prepaid	23	22	26	23	26	-12.1
Postpaid	67	66	70	66	69	-4.3
Blended	**47**	**45**	**48**	**46**	**47**	**-3.2**
Data revenue as a % of service revenue						
- total data	*46%*	*44%*	*40%*	*45%*	*40%*	
- non-SMS data	*21%*	*20%*	*18%*	*21%*	*18%*	
Market share - total [(4)]	***ND***	***31.8%***	***ND***	***ND***	***ND***	
Retail postpaid churn rate per month [(7)]	***1.6%***	***1.8%***	***1.7%***	***1.7%***	***1.6%***	
% users through wholesale	***12%***	***11%***	***9%***	***12%***	***9%***	
Acquisition cost per subscriber	**A$208**	**A$220**	**A$214**	**A$214**	**A$207**	

Notes:

(1) Includes international outgoing and international incoming revenue.
(2) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.
(3) Includes bundled telephony and broadband products delivered over the 3G network.
(4) Penetration and subscriber market share are estimated by Optus based on published data.
(5) Based on average customers, calculated as the simple average of opening and closing customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only wireless broadband.
(6) Based on average customers, calculated as the simple average of opening and closing customers. Excludes equipment revenue.
(7) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

SECTION III : OPTUS

Amid intense market competition, the Mobile business has seen moderating mobile service revenue growth with stable EBITDA and EBITDA margin. Total revenue was A$1.51 billion, with service revenue growth of 1.3% partly offset by lower equipment revenue.

Optus continued its postpaid customer growth momentum with net additions of 116,000 this quarter and the total postpaid customer base exceeded 5 million. Postpaid customers comprised 54% of the total base, up 4 percentage points from a year ago.

Prepaid subscribers returned to growth this quarter. Net additions were 15,000 this quarter as sales lifted and the churn rates on '*International Calls for Less*' plans improved.

The number of 3G subscribers[5] increased to 5.96 million, a 13% increase from a quarter ago. This included a base of 1.46 million wireless broadband[6] subscribers, an increase of approximately 94,000 subscribers since a quarter ago.

Incoming service revenue continued to grow strongly at 21% this quarter supported by subscriber growth, increased SMS and voice revenue. Termination rates remained steady at 9 cents per minute.

Blended ARPU was up A$2 against the preceding quarter, but down A$1 against the same quarter last year. Excluding wireless broadband, postpaid ARPU declined 2.5% year-on-year, reflecting higher value inclusions on selected plans.

SMS and other data revenue was at 46% of ARPU with increased data usage and higher penetration of wireless data products, up from 44% in the preceding quarter and 40% a year ago. The proportion of non-SMS data revenue (including premium content SMS) grew to 21% of ARPU, compared to 20% in the preceding quarter and 18% a year ago.

The sustained demand for smartphones and refreshed cap plans continued to increase the penetration of capped plans into the base. A total of 92%[7] of new and recontracted postpaid customers chose capped plans this quarter. Approximately 71% of the total Optus postpaid mobile base were on capped plans as at 30 September 2011, up from 65% a year ago.

Acquisition cost per subscriber was 6% lower than the preceding quarter and 3% lower than a year ago, driven by timing of new smartphone launches in the market.

EBITDA was stable at A$374 million despite continued investment in customer growth, reflecting careful cost management.

Optus continued to make significant investments to enhance the quality and performance of the Open Network. During the quarter, the number of 3G mobile base stations increased by approximately 300 or 6%. In addition, Optus announced a number of major network initiatives, including U900 spectrum migration programs that will continue to enhance Optus' 3G mobile coverage and performance across Australia's major metropolitan areas.

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[5] 3G subscribers are defined as subscribers who i) own a 3G device and ii) are provisioned with 3G Data Services access.

[6] Wireless broadband subscribers are defined as subscribers provisioned with an HSPA broadband service. Excludes data packs attached to voice services.

[7] These cap penetration metrics exclude customers on Optus' capped plans offered through Optus wholesale service providers. Including these customers, the percentage of total Optus postpaid customers on capped plans as at 30 September 2011 was 78% (June 2011: 78%), with 87% of total new and recontracted customers choosing capped plans in this quarter (June 2011: 87%).

SECTION III : OPTUS

Combined with the LTE roll-out, these network initiatives will lift network capacity and provide customers with enhanced 3G signals in more places, including better indoor coverage. This ensures that Optus remains ahead of the rising demand for mobile data. To-date, the Open Network has reached 97 per cent of the population for both voice and data coverage while expansion continues. With the continuing network investment, Optus is the only carrier capable of challenging the incumbent telco's network on both coverage and speed.

SECTION III : OPTUS

OPTUS BUSINESS & WHOLESALE FIXED DIVISIONS

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Business revenue						
Voice	105	105	-0.7	205	206	-0.6
Data and IP	119	119	0.7	235	238	-1.1
ICT and Managed Services	98	92	7.0	209	200	4.7
Total Business fixed revenue	**322**	**316**	**2.1**	**649**	**644**	**0.8**
Wholesale revenue						
Domestic Voice	32	31	2.3	62	62	-0.8
International Voice	4	6	-21.8	8	10	-23.5
Data and IP	66	63	4.8	128	126	2.1
Satellite	85	68	23.9	158	136	16.7
Total Wholesale fixed revenue	**187**	**168**	**11.2**	**356**	**334**	**6.7**
Total Business & Wholesale fixed revenue	**509**	**484**	**5.2**	**1,006**	**978**	**2.8**
EBITDA [(1)]	**129**	**124**	**3.7**	**260**	**254**	**2.5**
- EBITDA margin	***25%***	***26%***		***26%***	***26%***	

Key Drivers	Quarter 30 Sep 2011	Quarter 30 Jun 2011	Quarter 30 Sep 2010	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY Chge %
Business voice minutes (m min)	1,364	1,279	1,288	2,644	2,530	4.5
Wholesale domestic voice minutes (m min)	890	890	857	1,779	1,693	5.1
As at end of period:						
Buildings connected [(2)]	17,861	17,850	17,571	17,861	17,571	1.7

Notes:
(1) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.
(2) Directly connected buildings include all connections via all access media - fibre, DSL, fixed wireless, satellite and leases.

Total Business and Wholesale fixed revenue grew 5.2% with growth registered in ICT and managed services and satellite.

Total Business fixed revenue grew 2.1%. Data and IP revenue was stable as growth in Evolve[TM] revenue was offset by the exit of legacy data products. ICT and managed services grew 7.0% due to an increase in managed services revenue from prior corporate wins.

Wholesale fixed revenue recorded strong growth of 11%. Total voice revenue was stable, with growth in domestic voice offset by international voice due to reduced rates for international inpayment traffic. Data and IP grew 4.8%, mainly arising from increased demand for internet bandwidth and access. Satellite revenue rose 24% driven largely by a full quarter of revenue from the NBN Interim Satellite Service contract.

EBITDA increased 3.7%, with EBITDA margin moderating slightly to 25%.

SECTION III : OPTUS

OPTUS CONSUMER AND SMB FIXED DIVISION

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
On-net						
Voice	130	136	-4.6	262	271	-3.1
Broadband	115	121	-4.6	234	237	-1.4
Pay TV	19	21	-11.2	38	45	-14.5
Consumer Fixed on-net	**264**	**279**	**-5.1**	**534**	**553**	**-3.3**
Off-net						
Voice	8	13	-37.1	18	27	-36.1
Broadband	3	5	-43.6	7	12	-42.4
Dial-up	1	1	-41.7	1	3	-44.0
Consumer Fixed off-net	**12**	**20**	**-38.9**	**26**	**42**	**-38.4**
Consumer Fixed revenue	**276**	**298**	**-7.3**	**560**	**594**	**-5.8**
SMB						
Voice	31	32	-4.3	61	63	-4.3
Data and IP	14	12	9.8	27	25	8.4
SMB fixed revenue	**44**	**45**	**-0.2**	**88**	**88**	**-0.6**
Total Consumer & SMB fixed revenue	**321**	**343**	**-6.4**	**648**	**682**	**-5.1**
EBITDA (1)	**56**	**58**	**-3.1**	**114**	**113**	**0.7**
- EBITDA margin	***18%***	***17%***		***18%***	***17%***	

Key Drivers	Quarter 30 Sep 2011	Quarter 30 Jun 2011	Quarter 30 Sep 2010	Half Year 30 Sep 2011	Half Year 30 Sep 2010	YOY Chge %
On-net ARPU (A$) (2)						
Voice	51	52	53	51	53	-3.0
Broadband	48	49	52	49	51	-4.1
Telephony customers ('000)						
HFC (3)	501	503	507	501	507	-1.2
ULL (4)	516	512	497	516	497	3.9
On-net	**1,016**	**1,015**	**1,003**	**1,016**	**1,003**	**1.3**
Resale	46	50	67	46	67	-31.9
Long distance only	8	9	11	8	11	-24.8
Off-net	**54**	**59**	**78**	**54**	**78**	**-30.9**
HFC bundling rate (5)	*88%*	*87%*	*86%*	*88%*	*86%*	
HFC penetration	***36%***	***36%***	***36%***	***36%***	***36%***	
Internet customers (000s)						
On-net						
HFC broadband	427	426	424	427	424	0.7
ULL broadband (4)	513	506	480	513	480	7.0
Business grade broadband (6)	32	32	32	32	32	0.9
	972	965	935	972	935	4.0
Off-net						
Broadband	28	31	46	28	46	-40.2
Broadband subtotal	**1,000**	**996**	**981**	**1,000**	**981**	**1.9**
Dial-up	24	24	25	24	25	-2.0
Total Internet customers	**1,024**	**1,021**	**1,006**	**1,024**	**1,006**	**1.8**

SECTION III : OPTUS

Notes:

(1) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.
(2) Per month, based on average HFC and ULL customers.
(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).
(6) Revenue associated with the business grade retail broadband customers is included within Optus Business fixed segment.

The fixed broadband market remained competitive, with the market offering higher data inclusions. Consumer fixed on-net revenue declined by 5.1% as growth in on-net customers was offset by lower broadband ARPU, as a result of increased data allowances in selected broadband offers.

As at 30 September 2011, Optus had 516,000 ULL customers, up 4,000 from a quarter ago and 19,000 from a year ago. On-net broadband customers increased 4.0% to 972,000 and accounted for 97% of the total broadband customer base as at 30 September 201.

As Optus continued to exit fixed resale services, Consumer off-net revenue declined 39% and contributed to an overall decline of 7.3% for Consumer fixed revenue. This quarter, on-net revenue comprised 96% of overall Consumer fixed revenue, up from 94% a year ago.

SMB fixed revenue was stable year-on-year with increased demand for data and IP services mitigating lower voice revenue.

EBITDA declined 3.1% on the back of lower revenue. However, EBITDA margin improved by 1 percentage point to 18%.

SECTION III : OPTUS

OPTUS OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2011 A$ m	2010 A$ m	%	2011 A$ m	2010 A$ m	%
Interconnect	376	348	8.1	751	685	9.6
Outpayments & other leases	57	65	-12.9	106	125	-15.3
Traffic expenses	433	413	4.8	857	810	5.8
Selling & administrative	693	707	-1.9	1,374	1,370	0.3
Cost of sales	361	343	5.3	743	683	8.8
Staff costs	288	302	-4.6	556	604	-7.9
Repair & maintenance and others	59	55	6.5	113	109	4.2
Capitalisation of costs (1)	(45)	(42)	6.9	(86)	(81)	5.5
Total	**1,790**	**1,778**	**0.6**	**3,557**	**3,494**	**1.8**
As a percentage of operating revenue						
Traffic expenses	19%	18%		18%	18%	
Selling & administrative	30%	30%		30%	30%	
Cost of sales	15%	15%		16%	15%	
Staff costs	12%	13%		12%	13%	
Repair & maintenance and others	3%	2%		2%	2%	
Capitalisation of costs (1)	-2%	-2%		-2%	-2%	
	77%	**77%**		**76%**	**76%**	

	Quarter			Half Year		YOY Chge
	30 Sep 2011	30 Jun 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010	%
Staff statistics						
Number of employees, at end of period	9,815	10,064	10,270	9,815	10,270	-4.4
Average number of employees	9,949	10,102	10,306	10,020	10,334	-3.0
Revenue per employee (A$'000) (2)	235	229	225	464	443	4.8

Notes:
(1) Capitalisation relates primarily to staff costs.
(2) Based on average employee numbers.

Total operating expenses were flat year-on-year, reflecting cost management discipline.

Traffic expenses grew 4.8% in line with higher mobile traffic, with an increase in interconnect expenses partly offset by a decline in outpayments costs and lower off-net fixed line traffic.

Selling and administrative expenses declined 1.9% due to lower acquisition and retention cost per subscriber this quarter, coupled with careful management on discretionary items.

Cost of sales increased 5.3% mainly due to higher ICT sales.

Staff costs declined with lower average headcount and accruals.

SECTION III : OPTUS

OTHER INCOME

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Sublease income	10	9	11.0	20	19	6.3
Foreign exchange (losses)/gains	(4)	2	nm	(4)	(2)	186.7
Other	6	1	300.0	10	8	17.1
Total	**12**	**12**	**-4.1**	**25**	**26**	**-0.8**

The foreign currency losses were offset by higher one-off income classified as "other".

OTHER INCOME STATEMENT ITEMS

Depreciation and Amortisation

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Depreciation and amortisation expense	269	283	-4.9	548	568	-3.6
As a percentage of operating revenue	***12%***	***12%***		***12%***	***12%***	

Depreciation and amortisation expense declined 4.9%. Depreciation on newly capitalised assets was offset by the impact from assets fully depreciated during the quarter.

Net Finance Expense

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Interest expense	34	27	28.3	66	54	23.1
Interest capitalised	(1)	-	nm	(1)	-	nm
	33	27	25.3	65	54	21.6
Interest income	(5)	(4)	13.6	(10)	(7)	41.9
Net interest expense	**28**	**22**	**27.6**	**55**	**46**	**18.4**
Other finance costs						
Unwinding of discounts, incl adjs	1	1	30.0	3	2	38.1
Revaluation gain/(loss) of FX contracts	*	*	nm	*	*	nm
Total	**30**	**23**	**27.6**	**58**	**48**	**19.2**

Net finance expense increased A$7 million as a result of Optus' financing strategy to extend the average maturity of its debt with long-term borrowings.

SECTION III : OPTUS

Taxation

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	YOY Chge %	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Optus' Australian income tax expense	78	75	4.8	156	146	6.9
Share of joint venture income tax expense	*	-	nm	1	1	-14.3
Exceptional Item	-	-	-	(5)	-	nm
	78	**75**	**4.8**	**152**	**148**	**3.1**

The income tax expense reflected primarily the Australian statutory tax rate of 30% together with variations between accounting and taxable income.

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter 30 Sep 2011 A$ m	Quarter 30 Sep 2010 A$ m	Quarter 30 Jun 2011 A$ m	Half Year 30 Sep 2011 A$ m	Half Year 30 Sep 2010 A$ m	YOY Chge %
Net cash inflow from operating activities						
Profit before tax	**261**	**250**	**235**	**496**	**493**	**0.7**
Non-cash items	301	308	309	610	620	-1.6
Operating cashflow before working capital changes	562	558	544	1,106	1,113	-0.6
Changes in operating assets and liabilities	36	39	(38)	(2)	(20)	-90.0
Tax paid	(39)	*	*	(39)	*	nm
	559	**597**	**506**	**1,065**	**1,092**	**-2.5**
Net cash outflow from investing activities						
Purchases of property, plant and equipment	(229)	(243)	(303)	(532)	(544)	-2.2
Loan to STAI	(50)	-	-	(50)	-	nm
Others	(2)	4	(20)	(21)	8	nm
	(280)	**(238)**	**(323)**	**(603)**	**(535)**	**12.6**
Net cash (outflow)/ inflow from financing activities						
Net increase/(decrease) in bank borrowings	-	417	-	-	267	nm
Repayment to STAI	(432)	-	-	(432)	-	nm
Purchase of SingTel shares	-	-	(1)	(1)	(10)	-91.3
Settlement on behalf of STAI	(4)	(7)	(6)	(11)	(12)	-10.7
Finance lease payments (excl interest)	(2)	-	(1)	(3)	-	nm
Net interest paid on borrowings and swaps	(36)	(25)	(29)	(65)	(52)	24.6
Others	(20)	-	20	-	-	-
	(494)	**386**	**(17)**	**(511)**	**193**	**nm**
Net (decrease)/increase in cash and cash equivalents	**(215)**	**745**	**166**	**(49)**	**750**	**nm**
Cash and cash equivalents at beginning	578	159	412	412	154	167.2
Cash and cash equivalents at end	**363**	**904**	**578**	**363**	**904**	**-59.9**
Free cash flow	**330**	**354**	**203**	**534**	**549**	**-2.8**
Cash capital expenditure to operating revenue	***10%***	***10%***	***13%***	***11%***	***12%***	

In the quarter, operating cash flow amounted to A$559 million, A$38 million lower than the same quarter last year mainly due to the tax instalment of A$39 million paid in the current quarter. Excluding the tax payment, free cash flow was up A$15 million or 4.2%.

SECTION III : OPTUS

Cash capital expenditure represented 10% of operating revenue, consistent with the same quarter last year.

Capital expenditure by division

	Quarter		YOY	Half Year		YOY
	30 Sep		Chge	30 Sep		Chge
	2011	2010		2011	2010	
	A$ m	A$ m	%	A$ m	A$ m	%
Mobile	130	140	-7.6	299	313	-4.4
Business & Wholesale fixed	33	41	-19.9	79	81	-2.6
Consumer & SMB fixed	17	19	-12.6	33	41	-19.3
Other	49	42	17.4	120	108	11.1
Total	**229**	**243**	**-5.7**	**532**	**544**	**-2.3**

To support the growing demand for voice and wireless data services, Optus continued to invest in upgrading and increasing the quality of mobile network coverage and performance in Australia, with 57% of its total capital spend on Mobile.

In Optus Business and Wholesale fixed division, capital expenditure of A$33 million was mainly invested in the expansion of Customer Access, IP and core networks, and included milestone payments for the new Optus 10 satellite.

In the Consumer and SMB fixed division, capital investment of A$17M primarily represented costs of new customer connections and new product development.

Other capital expenditure was incurred to upgrade facilities, core IT systems and network infrastructure.

Update on National Broadband Network (NBN)

Optus and NBN Co reached an agreement on 23 June 2011 on the migration of Optus' HFC customers to the NBN. This agreement is conditional on regulatory approval and taxation rulings, and includes various termination rights, such as rights relating to agreeing an implementation plan and the market environment in which the NBN is expected to operate. The ACCC is currently assessing an application for approval of the deal under the authorisation provisions of the Competition and Consumer Act.

On 29 July 2011, the incumbent operator, Telstra, lodged a Structural Separation Undertaking and Migration Plan for approval by the ACCC, as contemplated by the telecommunications structural reforms that were legislated in 2010. The Structural Separation Undertaking commits Telstra to implement structural separation by 1 July 2018. It also sets out the various measures which Telstra will put in place to provide for transparency and equivalence in the supply of regulated services to its wholesale customers during the transition to the NBN. The Migration Plan sets out the arrangements Telstra will implement to migrate its retail and wholesale customers from the copper network to the NBN on a non-discriminatory basis. The ACCC is currently assessing Telstra's Structural Separation Undertaking and Migration Plan. On 18 October 2011, Telstra's shareholders approved the NBN agreement at the company's annual general meeting.

SECTION IV: ASSOCIATES/ JOINT VENTURES

FINANCIAL HIGHLIGHTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

- **Associates' underlying performance had been strong but their contributions were negatively impacted by unfavourable foreign exchange movements, with the major regional currencies depreciating by 5% to 9%.**

- **Earnings were also impacted by fair value losses compared to gains a year ago.**

- **If regional currencies were held constant from a year ago, pre-tax contributions from the associates would have been down 6.7%.**

- **On a post-tax basis, earnings from associates were down 16% to S$353 million and contributed 40% to the Group's underlying net profit.**

- **If the regional currencies had remained stable from a year ago, post-tax contributions would have declined 11%.**

- **The Group's combined mobile customer base[8] was up 1.9% or 7.8 million in the quarter to 424 million. Compared to a year ago, the mobile customer base was up 15% or 56.0 million. On a proportionate share basis to the Group, the increase was 1.9% from a quarter ago to 149 million.**

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2011

- **Group's share of pre-tax profits down 9.2% to S$1.01 billion.**

- **Post-tax profit contributions from associates down 14% to S$713 million.**

- **If the regional currencies had remained stable from the corresponding period, pre-tax and post-tax contributions would have declined 3.5% and 8.3% respectively.**

[8] Combined mobile customer base here refers to the total number of mobile customers in SingTel, Optus and the regional mobile associates.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Pre-tax profit contribution	Equity Int %	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Regional mobile associates							
Bharti Telecom / Bharti Airtel	32.3						
India, Bangladesh and Sri Lanka ("South Asia")							
- operating results		156	210	-26.0	340	447	-23.9
- fair value gains (2)		5	16	-68.3	2	2	4.5
		161	226	-29.0	342	449	-23.8
Africa							
- operating results		16	(3)	nm	21	(6)	nm
- acquisition financing costs		(20)	(22)	-12.5	(40)	(24)	64.2
- fair value (losses)/gains (2)		(26)	7	nm	(39)	*	nm
		(30)	(18)	66.3	(58)	(30)	91.0
Bharti Group		131	209	-37.2	285	419	-32.1
Telkomsel	35.0						
- operating results		238	228	4.6	447	449	-0.4
- fair value (losses)/gains (2)		(5)	2	nm	(4)	2	nm
		233	230	1.4	443	451	-1.6
AIS (3)	21.3	78	67	17.3	155	135	15.1
Globe Telecom	47.3						
- operating results		51	40	27.2	102	90	13.0
- fair value (losses)/gains (2)		(2)	9	nm	(4)	3	nm
		48	49	-0.8	98	93	4.5
Pacific Bangladesh Telecom Ltd ("PBTL")	45.0						
- operating results		(6)	(4)	41.0	(10)	(8)	20.5
- fair value losses (2)		*	*	nm	(1)	(1)	180.0
		(6)	(4)	32.6	(11)	(9)	29.5
Warid	30.0						
- operating results		(12)	(13)	-6.8	(23)	(26)	-8.6
- fair value losses (2)		(2)	(1)	157.1	(3)	(3)	7.4
		(14)	(14)	1.4	(26)	(28)	-7.1
		471	**536**	**-12.1**	**943**	**1,061**	**-11.1**
Other SingTel associates							
Singapore Post	25.6	10	12	-18.9	22	25	-11.2
Southern Cross	40.0	12	11	3.6	22	18	21.8
Others		6	8	-26.3	11	14	-18.0
SingTel share of ordinary pre-tax profit		**498**	**567**	**-12.1**	**998**	**1,117**	**-10.6**
Optus share of ordinary pre-tax profit		*	*	**nm**	*	*	**nm**
Group share of ordinary pre-tax profit		**498**	**567**	**-12.1**	**998**	**1,117**	**-10.6**
Exceptional items ("EI")							
PBTL - write back of selling expenses and other provisions no longer required		-	-	-	7	-	nm
Bharti - acquisition related costs		-	-	-	-	(10)	nm
Group share of EI		**-**	**-**	**-**	**7**	**(10)**	**nm**
SingTel share of pre-tax profit		**498**	**567**	**-12.1**	**1,006**	**1,108**	**-9.2**
Optus share of pre-tax profit		*	*	**nm**	*	*	**nm**
Group share of pre-tax profit		**498**	**567**	**-12.1**	**1,006**	**1,108**	**-9.2**
Group share of pre-tax profit (ex-Bharti Africa) (4)		**528**	**584**	**-9.7**	**1,063**	**1,147**	**-7.3**

Notes:

(1) The accounts of the associates are prepared based on local GAAP. Where applicable, the accounting policies of the associates have been restated to ensure compliance with the Group's accounting policies.

(2) Fair value gains or losses arose from mark-to-market valuation of foreign currency liabilities, net of related hedging, if any.

(3) In the June 2011 quarter, the Group aligned AIS' reporting period to the Group for consolidation purposes. AIS' results for its half year ended 30 September 2011 have been equity accounted as part of the Group's ordinary results for the half year ended 30 September 2011. The Group's share of AIS' results for its quarter ended 31 March 2011 had accordingly been classified as exceptional item of the Group for the half year ended 30 September 2011.

(4) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	**Quarter 30 Sep**				**YOY**	**Half Year 30 Sep**				**YOY**
	2011		**2010**		**Chge**	**2011**		**2010**		**Chge**
	S$ m	**% (1)**	**S$ m**	**% (1)**	**%**	**S$ m**	**% (1)**	**S$ m**	**% (1)**	**%**
Bharti Telecom / Bharti Airtel										
- ordinary results (South Asia)	126		191		-34.2	260		378		-31.1
- ordinary results and acquisition financing cost (Africa)	(37)		(35)		4.0	(64)		(48)		31.9
- exceptional item	-		-		-	(5)		(10)		-53.1
	89	10	156	17	-42.9	192	11	320	17	-40.0
Telkomsel	174	20	172	19	1.5	331	19	336	18	-1.4
AIS (2)	53	6	46	5	15.3	107	6	94	5	13.5
Globe Telecom	34	4	34	4	-0.3	68	4	65	4	5.4
PBTL										
- ordinary results	(6)		(4)		34.9	(12)		(9)		30.7
- exceptional item	-		-		-	7		-		nm
	(6)	(1)	(4)	**	34.9	(4)	**	(9)	(1)	-51.1
Warid	(15)	(2)	(14)	(2)	5.0	(27)	(2)	(28)	(2)	-4.6
Regional mobile associates	**330**	**37**	**389**	**44**	**-15.2**	**667**	**38**	**777**	**42**	**-14.2**
Other SingTel associates	23	3	28	3	-18.4	48	3	51	3	-5.3
SingTel share of post-tax profit	**353**	**40**	**417**	**47**	**-15.5**	**715**	**41**	**828**	**45**	**-13.6**
Optus share of post-tax profit	*****	******	*****	******	**nm**	**(2)**	******	**(2)**	******	**-5.9**
Group share of post-tax profit	**353**	**40**	**417**	**47**	**-15.5**	**713**	**41**	**826**	**45**	**-13.7**
Group share of post-tax profit (ex-Bharti Africa) (3)	**390**	**42**	**453**	**49**	**-13.9**	**782**	**43**	**883**	**47**	**-11.5**

Notes:

(1) The above table shows the post-tax profit contribution of the associates to the Group's underlying net profit.

(2) In the June 2011 quarter, the Group aligned AIS' reporting period to the Group for consolidation purposes. AIS' results for its half year ended 30 September 2011 have been equity accounted as part of the Group's ordinary results for the half year ended 30 September 2011. The Group's share of AIS' results for its quarter ended 31 March 2011 had accordingly been classified as exceptional item of the Group for the half year ended 30 September 2011.

(3) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa.

	Quarter 30 Sep		**YOY**	**Half year 30 Sep**		**YOY**
	2011 S$ m	**2010 S$ m**	**Chge %**	**2011 S$ m**	**2010 S$ m**	**Chge %**
SingTel share of associates' tax	(145)	(149)	-2.7	(291)	(280)	3.9
Optus share of associates' tax	-	-	-	(2)	(2)	-5.9
Group share of associates' tax (a)	**(145)**	**(149)**	**-2.7**	**(292)**	**(282)**	**3.8**
Group share of pre-tax profit (b)	**498**	**567**	**-12.1**	**1,006**	**1,108**	**-9.2**
Effective tax rate (a)/(b)	***29.1%***	***26.3%***		***29.1%***	***25.4%***	
Effective tax rate (ex-Bharti Africa)	***26.2%***	***22.5%***		***26.5%***	***23.0%***	

The associates' underlying performance had been strong but their contributions were negatively impacted by unfavourable foreign exchange movements and fair value losses compared to gains a year ago. The major regional currencies depreciated 5% to 9% against the Singapore Dollar. Excluding the currency translation impact, the associates' pre-tax contributions would have been down 6.7% and further excluding the fair value adjustments, the associates' pre-tax contributions would be up 5.2%.

The Group aligned AIS' reporting period to the Group in the preceding quarter. AIS continued to record strong operating performance in Thailand for the quarter ended 30 September 2011 underpinned by sustained data growth.

SECTION IV : ASSOCIATES/ JOINT VENTURES

In Indonesia, Telkomsel delivered strong data growth and increased EBITDA as competition eased. Globe registered higher revenue and operating profits with growth from mobile and broadband.

Bharti's South Asia operations reported healthy revenue and EBITDA growth with increases in mobile tariffs in the quarter. Revenue from Bharti's Africa operations crossed the US$1 billion mark, up a robust 23% and EBITDA grew strongly by 39%. The strong operational performance was, however, impacted by 3G rollout costs, licence fee amortisation, and higher finance charges in India, as well as fair value losses in Africa as several African currencies depreciated sharply against the US Dollar. With a 9% decline in the Indian Rupee against Singapore Dollar, total pre-tax contribution from Bharti decreased 37%.

The associates contributed 40% to the Group's underlying net profit, 7 percentage points lower than a year ago.

For the half year ended 30 September 2011, the Group's share of the associates' pre-tax and post-tax profits declined 9.2% and 14% respectively. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions of the associates would have declined by 3.5% and 8.3% respectively.

Bharti Telecom Group ("Bharti")

Bharti is India's leading private sector provider of telecommunications services, offering mobile, fixed line, long distance, broadband and enterprise services. It is listed on the National Stock Exchange and the Stock Exchange, Mumbai and is the first private telecom operator with an 'all India' presence offering mobile services in all 22 licenced circles. Bharti is the largest mobile phone operator in India.

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

In India, Bharti's 3G services are now available across 20 circles and 498 cities, offering a host of innovative services to customers such as Mobile TV, video calls and high definition gaming along with access to high speed internet.

Compared to the same quarter a year ago, EBITDA in South Asia rose 8% driven by a double-digit 12% revenue growth. The recent tariff increase in India has begun to take effect, offsetting some of the inflationary and other cost increases impacting the entire industry. The Group's share of pre-tax operating profit (before fair value adjustments) was however down 19% year-on-year in Indian Rupee terms, reflecting increased finance charges, depreciation and amortisation expenses, including amortisation of 3G licence fees. The results of this quarter had also included the impact of recent judicial pronouncements on regulatory matters.

In Singapore Dollar terms, including the Group's share of fair value gains of S$5 million (Q2 FY2011: S$16 million) and with the Indian Rupee 9% weaker against the Singapore Dollar, pre-tax contribution was down 29% to S$161 million.

Although the September quarter is a seasonally weak quarter, revenue and EBITDA were stable against the preceding quarter. Pre-tax operating profit, however, declined 13% in Indian Rupee terms on higher finance charges, depreciation and amortisation expenses.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Bharti's effective tax rate increased compared to the same quarter last year with reduction in tax holiday benefits in India. Consequently, post-tax contributions from Bharti South Asia operations declined 34% to S$126 million.

Africa

In the current quarter, Bharti was awarded a green-field licence to operate 2G and 3G network services in Rwanda, increasing its footprint in Africa to 17 countries. It also launched 3G services in Congo B as well as airtel money service in Kenya and Zambia.

IT, network and BPO outsourcing for the Africa operations were completed in the current quarter. Cost efficiencies are expected to materialise gradually in the coming quarters.

This quarter had the first full quarter of comparable consolidated results post the African acquisition in June 2010. Revenue from Africa operations crossed the US$1 billion mark to reach US$1.03 billion, a strong increase of 23% from a year ago. The increase was driven by a higher customer base and increased average minutes of use. EBITDA grew 39% to US$270 million from the same quarter last year.

The Group's share of pre-tax operating profit amounted to S$16 million, compared to S$3 million of operating losses in the corresponding quarter a year ago. After including S$20 million (Q2 FY2011: S$22 million) of related acquisition financing costs and S$26 million of fair value losses (Q2 FY2011: S$7 million of fair value gains), overall pre-tax losses from Bharti Africa in the quarter amounted to S$30 million (Q2 FY2011: S$18 million). The fair value losses resulted mainly from revaluation of US Dollar liabilities on sharp depreciation of several African currencies in the quarter.

Some of the operating companies within the Bharti Africa group are profitable and with the associated tax expense, the Group's share of post-tax losses amounted to S$37 million (Q2 FY2011: S$35 million).

Compared to the preceding quarter, operating revenue grew 5% and EBITDA improved 10%. Mobile customer based grew 2.1 million or 4.6% from a quarter ago to 48.4 million.

Overall

Overall, the pre-tax and post-tax contributions from Bharti were down 37% and 43% respectively.

Bharti contributed 10% to the Group's underlying net profit, down 7 percentage points from 17% a year ago

In this quarter, Bharti added 3.6 million mobile customers in India, compared to 7.0 million in the preceding quarter, bringing its mobile customer base to173 million as at 30 September 2011. Including mobile customers across operations in 20 countries covering India, Bangladesh, Sri Lanka and across Africa, Bharti's aggregate mobile customer base across all geographies reached 227 million as at 30 September 2011, an increase of 5.8 million from a quarter ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 41,000 radio base stations (including 3G Node B) providing nationwide coverage.

Operating revenue grew 8% and EBITDA improved 9% from a year ago on tariff optimisation and strong growth in non-voice revenue. Depreciation expense was up 8% on continued network expansion and shortening of useful life of certain facilities' assets in the preceding quarter. With lower financing charges as a result of reduced borrowings, the Group's share of Telkomsel's pre-tax operating profit (before fair value adjustments) grew 11% in Indonesian Rupiah terms.

The Group's share of fair value losses amounted to S$5 million compared to gains of S$2 million in the corresponding quarter. With 6% depreciation of the Indonesian Rupiah against the Singapore Dollar, the Group's overall share of Telkomsel's pre-tax profit in Singapore Dollar terms was up slightly by 1.4%.

On a post-tax basis, Telkomsel's contribution for the quarter was up 1.5% to S$174 million, constituting 20% of the Group's underlying net profit, up 1 percentage point from a year ago.

Compared to the preceding quarter, the Group's share of operating profit increased 16% in Indonesian Rupiah terms as EBITDA grew 8% underpinned by revenue growth of 7% on increased ARPU driven by increased SMS and data usage during Lebaran.

In the quarter, Telkomsel added 1.9 million mobile customers, compared to 2.9 million in the preceding quarter. Total mobile customer base stood at 104 million, up 11.0 million or 12% from a year ago. Telkomsel's market share was at approximately 43.3% as at 30 September 2011.

Telkomsel continued to roll out its network, deploying 1,400 radio base stations in the quarter, compared to 1,800 installed in the preceding quarter.

Advanced Info Service ("AIS")

AIS is the largest mobile communications operator in Thailand and is listed on the Stock Exchange of Thailand.

On 29 September 2011, AIS rebranded its logo and brand. It also expanded its total 3G coverage to greater Bangkok and 9 key cities.

In September quarter, AIS' EBITDA was up 11% driven by a 13% growth in service revenue (excluding interconnection) against the same quarter last year primarily on higher non-voice revenue, which surged 36% on strong demand for mobile internet driven by rising adoption of smart devices and tablets.

Compared to the preceding June quarter, AIS' service revenue (excluding interconnection) rose 2%. EBITDA was stable due to higher staff costs on payment of a special staff reward. Pre-tax profit contribution grew 1.5% in Thai Baht terms on lower depreciation and amortisation expenses.

AIS' post-tax profit contributed 6% to the Group's underlying net profit, compared to 5% a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

In the September quarter, AIS added 279,000 mobile customers, compared to 534,000 in the preceding quarter. Year-on-year, AIS' customer base grew 2.3 million or 7.4% to 32.8 million. As at 30 September 2011, AIS continued to lead the market with approximately 44.4% market share.

On 4 November 2011, SingTel announced that its wholly-owned subsidiary, SingTel Strategic Investments Pte Ltd, has entered into a conditional share sale and purchase agreement with Shin Corporation Public Company Limited ("**Shin**"). Pursuant to this agreement, Shin agreed to sell and SingTel agreed to purchase 61 million ordinary shares, constituting approximately 2.05% of the issued share capital of AIS, subject to certain conditions being met, including applicable regulatory approvals and the approval of the shareholders of Shin for the sale at an extraordinary general meeting. Upon completion of this acquisition, SingTel's interest in AIS will increase from 21.27% to 23.32%. The aggregate consideration, payable in cash, will be between THB 7.259 billion (approximately S$300 million) to THB 7.930 billion (approximately S$328 million).

Globe Telecom, Inc ("Globe")

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

In Philippine Peso terms, the pre-tax operating profit contribution from Globe grew a strong 33% year-on-year. Mobile revenue grew 13% with double-digit customer growth in all segments. Postpaid customers in particular grew 39% on strong take-up of customisable postpaid plans. Broadband revenue registered robust growth of 25% fuelled by growing demand for internet connectivity particularly in the mobile broadband segment. As a result, service revenue was up 13% while EBITDA grew 15%. Depreciation expense increased 5% with continued network expansion.

Including the Group's share of fair value losses of S$2 million (Q2 FY2011: S$9 million fair value gains) and with the Peso depreciating 5% against the Singapore Dollar, overall pre-tax contribution amounted to S$48 million, stable against the same quarter last year.

Compared to the preceding quarter, Globe's service revenue was up 3% and EBITDA was stable. Pre-tax operating profit declined slightly by 1.2% in Philippine Peso terms on higher depreciation expense.

On a post-tax basis, Globe contributed 4% to the Group's underlying net profit, comparable to a year ago.

Globe added 684,000 mobile customers in the current quarter, from 1.1 million in the preceding quarter. As at 30 September 2011, its mobile customer base was 29.1 million, up 15% or 3.7 million from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Pacific Bangladesh Telecom Limited ("PBTL")

PBTL is the only CDMA operator in Bangladesh and offers Evolution Data Only (EVDO) data services in key metro cities.

Including fair value adjustments and the impact of the 18% depreciation of the Bangladeshi Taka against the Singapore Dollar, the Group's share of PBTL's pre-tax losses increased 33% or S$1.4 million to S$6 million.

As at 30 September 2011, PBTL's total mobile customer base was 1.8 million, 32,000 or 1.8% higher than a quarter ago.

Warid Telecom (Private) Limited ("Warid")

Warid is the fourth largest mobile operator in Pakistan. It launched its services in May 2005 and has a 15-year licence to operate GSM-mobile services in Pakistan, Azad Jammu and Kashmir, and the Northern areas.

EBITDA improved by 21% on operating revenue growth of 10%. The Group's share of pre-tax operating losses of Warid, however increased 3.0% in Pakistani Rupee terms with higher financing costs. Including fair value losses and the 12% depreciation of the Pakistani Rupee against the Singapore Dollar, the Group's share of overall pre-tax losses amounted to S$14 million, 1.4% higher compared to the same quarter last year.

Against the preceding quarter, the Group's share of pre-tax losses from Warid increased by 17% or S$2 million on increased financing costs and fair value losses.

Warid's total mobile customer stood at 16.3 million as at 30 September 2011, 831,000 or 4.8% lower than a year ago.

Warid is currently in discussions with certain of its lenders in relation to a proposed restructuring of its loan facilities. As at 30 September 2011, the outstanding principal amounted to approximately US$752 million, and was secured by a floating charge on Warid's assets. In addition, US$90 million of these loan facilities was guaranteed by SingTel and US$512 million was secured by guarantees of the other shareholder group of Warid.

SECTION IV : 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 GAAP and is not intended to replace the financial statements prepared in accordance with Singapore GAAP. However, since the associates are not consolidated on a line by line basis, proportionate information is provided as supplemental data to facilitate a better appreciation of the relative contribution from the Group's operations in Australia, Singapore and other regional markets.

Proportionate operating revenue	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Group operating revenue						
Singapore Business	1,601	1,586	1.0	3,159	3,106	1.7
Optus	3,008	2,850	5.6	6,056	5,619	7.8
	4,610	**4,436**	**3.9**	**9,215**	**8,725**	**5.6**
Proportionate share of operating revenue of associates						
Regional mobile associates	2,683	2,566	4.6	5,350	4,903	9.1
Singapore associates	62	60	2.3	120	120	0.1
Other overseas associates	33	34	-2.4	66	65	2.2
	2,778	**2,660**	**4.4**	**5,537**	**5,087**	**8.8**
Enlarged revenue	**7,387**	**7,095**	**4.1**	**14,751**	**13,812**	**6.8**
% of overseas revenue to enlarged revenue	***77%***	***77%***		***78%***	***77%***	

In the quarter, overseas revenue contributed 77% to the Group's enlarged revenue, stable from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA [1]	Quarter 30 Sep 2011 S$ m	Quarter 30 Sep 2010 S$ m	YOY Chge %	Half Year 30 Sep 2011 S$ m	Half Year 30 Sep 2010 S$ m	YOY Chge %
Group EBITDA						
Singapore Business	553	524	5.4	1,120	1,115	0.4
Optus	719	683	5.3	1,457	1,362	6.9
Group and Int'l business net corporate costs	(22)	(19)	14.5	(43)	(34)	25.4
	1,249	**1,188**	**5.2**	**2,534**	**2,444**	**3.7**
Proportionate share of associates' EBITDA						
Regional mobile associates	1,123	1,093	2.8	2,232	2,140	4.3
Singapore associates	18	23	-19.0	39	45	-12.3
Other overseas associates	28	28	-0.7	54	53	2.9
	1,170	**1,144**	**2.3**	**2,325**	**2,237**	**3.9**
Total proportionate EBITDA	**2,419**	**2,332**	**3.7**	**4,858**	**4,681**	**3.8**
Overseas proportionate EBITDA as a % to total proportionate EBITDA	***77%***	***77%***		***77%***	***76%***	
Contributions to total proportionate EBITDA						
Regional mobile associates	46%	47%		46%	46%	
Australia	30%	29%		30%	29%	
Singapore	23%	23%		23%	24%	
Others	1%	1%		1%	1%	
	100%	**100%**		**100%**	**100%**	

Note:

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

Through its investments in key markets overseas, the Group has diversified its earnings base. Overseas operations contributed 77% to proportionate EBITDA, comparable to a year ago.

Number of mobile customers (000s)	Total Number 30 Sep 2011	Total Number 30 Jun 2011	Total Number 30 Sep 2010	Proportionate Share [1] 30 Sep 2011	Proportionate Share [1] 30 Jun 2011	Proportionate Share [1] 30 Sep 2010
SingTel	3,488	3,417	3,167	3,488	3,417	3,167
Optus	9,227	9,096	8,877	9,227	9,096	8,877
	12,715	**12,513**	**12,044**	**12,715**	**12,513**	**12,044**
Regional Mobile Associates						
Bharti						
- South Asia	178,606	174,941	147,626	57,618	56,418	47,300
- Africa	48,437	46,306	40,082	15,626	14,934	12,842
	227,044	221,247	187,708	73,244	71,352	60,142
Telkomsel	104,149	102,291	93,136	36,452	35,802	32,598
AIS	32,764	32,485	30,502	6,969	6,909	6,497
Globe	29,118	28,434	25,403	13,782	13,458	12,023
Warid	16,334	17,388	17,165	4,900	5,216	5,149
PBTL	1,763	1,731	1,908	793	779	859
	411,172	**403,576**	**355,822**	**136,140**	**133,516**	**117,268**
Group	**423,887**	**416,089**	**367,866**	**148,855**	**146,029**	**129,312**

Note:

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

SECTION IV : ASSOCIATES/ JOINT VENTURES

As at end September, the Group served 424 million mobile customers in 25 countries, 1.9% or 7.8 million more than a quarter ago. Year-on-year, the total customer base was up 15% or 56.0 million. On a proportionate share basis, the increase was 1.9% to 149 million customers from a quarter ago.

CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES [1]

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2011	2010	Chge	2011	2010	Chge
	S$ m	S$ m	%	S$ m	S$ m	%
Regional mobile associates						
Telkomsel [2]						
- final dividend FY 2010 / FY 2009	-	265	nm	353	265	33.1
Globe [3]						
- second dividend FY 2010 / FY 2009	55	74	-25.2	55	74	-25.2
AIS [4]						
- special dividend FY 2009	-	-	-	-	134	nm
- interim dividend FY 2011 / FY 2010	106	80	32.7	106	80	32.7
- final dividend FY 2010 / FY 2009	-	-	-	102	89	15.5
	106	80	32.7	208	303	-31.2
Bharti [5]						
- final dividend FY 2011 / FY 2010	16	17	-7.6	16	17	-7.6
	177	**436**	**-59.3**	**632**	**659**	**-4.1**
Other associates						
Southern Cross [6]	15	22	-31.3	23	26	-13.3
SingPost	19	19	-	19	19	-
Others	11	7	63.1	13	7	75.7
Total	**222**	**483**	**-54.1**	**686**	**711**	**-3.5**

Notes:

(1) The cash dividends received from overseas associates as stated here are before related tax payments.

(2) Telkomsel declared a full year dividend of 70% on net profit for its 2010 financial year (FY 2009: 70%). The Group's share of the dividend is approximately S$434 million, of which S$353 million had been received in the June 2011 quarter and S$81 million is expected to be received in the December 2011 quarter.

(3) Globe's dividend policy is to pay ordinary dividend of 75% to 90% of prior year's net profit, payable semi-annually in March and September of each year. Globe declared a full year dividend of 84% of net profit for its 2010 financial year (FY 2009: 84%) The Group received its share of the first semi-annual dividend of S$58 million in March 2011 and second semi-annual dividend of S$55 million in September 2011.

(4) AIS' dividend policy is to pay dividend of at least 100% of net profit. Dividends will be paid twice a year, with an interim dividend distributed from the first half operating result and annual dividend distributed from the second half operating results. The Group received its share of the interim dividend in respect of AIS' 2011 financial year in September 2011.

(5) Bharti does not have a fixed dividend policy.

(6) Southern Cross does not have a fixed dividend policy.

The total dividends received of S$222 million from the associates for the quarter was lower by 54% due mainly to timing differences in Telkomsel dividend payment schedule.

SECTION IV : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Bharti [(1)]	Telkomsel	AIS	Globe	PBTL	Warid
SingTel's investment:						
Year of initial investment	**2000**	**2001**	**1999**	**1993**	**2005**	**2007**
Effective shareholding (%)	32.3%	35.0%	21.3%	47.3%	45.0%	30.0%
Investment to date	S$2.31 bil	S$1.93 bil	S$870 mil	S$1.02 bil	S$238 mil	S$1.31 bil
Closing market share price [(2)]	INR 378.1	NA	THB 128 [(7)] THB 124 [(8)]	PHP 888	NA	NA
Market capitalisation						
- Total	S$37.97 bil	NA	S$15.64 bil	S$3.39 bil	NA	NA
- SingTel holding	S$12.25 bil	NA	S$3.28 bil	S$1.60 bil	NA	NA
Operational Performance :						
Mobile penetration rate [(3)]	72%	100%	116%	97%	49%	66%
Market share, 30 Sep 2011 [(3)]	NAV	43.3%	44.4%	NAV	2.2%	14.9%
Market share, 30 Jun 2011 [(4)]	19.9%	45.3%	44.0%	31.2%	2.3%	16.0%
Market position [(3) (5)]	#1	#1	#1	#2	#5	#4
Mobile customers ('000)						
- Aggregate	227,044	104,149	32,764	29,118	1,763	16,334
- Proportionate	73,244	36,452	6,969	13,782	793	4,900
Growth in mobile customers (%) [(6)]	21%	12%	7.4%	15%	-7.6%	-4.8%
Credit ratings						
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Ba1/BB+	Baa1/BBB+	Ba2/BB	Ba3/BB-	B3/B-
- Company (Moody's/ S&P's)	NA/BB+	Baa1/BBB-	NA/A-	NA	NA	NA

Notes:

(1) Mobile penetration rate, market share and market position pertain to India market only.
(2) Based on closing market price on 30 September 2011, in local currency.
(3) Based on actual or estimated data available as at 30 September 2011.
(4) Based on actual data a quarter ago.
(5) Based on number of mobile customers.
(6) Compared against 30 September 2010 and based on aggregate mobile customers.
(7) Based on local market price quoted on the Stock Exchange of Thailand.
(8) Based on foreign market price quoted on the Stock Exchange of Thailand.
NA Denotes not applicable.
NAV Denotes not available.

Please refer to **Appendix 3** for the currency rate movements of the major associates.

SECTION V : GLOSSARY

"ACCC"	Australian Competition And Consumer Commission.
"ARPU"	Average revenue per user.
"Associate"	An associated or a joint venture company under Singapore Financial Reporting Standard.
"DEL"	Direct exchange lines, which are telephone lines connected directly to a telephone switch.
"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"	Effective this financial year, EBITDA refers to earnings before interest, tax, depreciation and amortisation, namely the aggregate of operating revenue and other income less operating expenses of the Singapore and Australia operations, and excludes the share of pre-tax results of associates and excludes exceptional items.
"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.
"GDP"	Gross Domestic Product.
"HFC"	Hybrid fibre coaxial cable, a system that has the potential to deliver voice, video and data via fibre optic cable for long haul transmission and via coaxial cable for short haul transmission.
"ICT"	Infocomm Technology.
"IP"	Internet Protocol.
"IP VPN"	Internet Protocol Virtual Private Network.
"MMS"	Multimedia messaging service.
"MOU"	Minutes of use per subscriber.
"NA"	Not applicable.
"ND"	Not disclosed.
"NCS"	NCS Pte Ltd, SingTel's wholly-owned subsidiary, and its subsidiaries.
"NM"	Not meaningful.
"OpenNet"	OpenNet Pte Ltd, the Netco for Singapore's Next Generation National Broadband Network, which SingTel has a 30% equity interest.
"Optus"	SingTel Optus Pty Limited, SingTel's wholly-owned subsidiary, and its subsidiaries.
"SAI"	SingTel Australia Investment Ltd, SingTel's wholly-owned subsidiary, which has 100% equity interest in Singapore Telecom Australia Investments Pty Limited ("**STAI**").
"STAI"	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
"SMB"	Small and medium sized business.
"SMS"	Short message service.
"Singapore"	Unless expressly stated, the term refers to SingTel Group excluding Optus and the associates.
"Singapore Business"	Comprised both the Singapore Telco and IT businesses.
"SME"	Refers to small-medium businesses.
"ULL"	Unbundled Local Loop.
"Underlying net profit"	Defined as net profit before exceptional items and exchange differences on capital reductions of certain overseas subsidiaries, net of hedging, as well as significant exceptional items of associates.

GROUP SUMMARY INCOME STATEMENTS
For The Second Quarter Ended 30 September 2011

	Quarter 30 Sep							YOY Chge
	2011			2011		2011	2010	
	Singapore	SingTel Asso/JV	Corp	SingTel	Optus	Group	Group	
	S$ m	S$ m	S$ m	S$ m	S$ m	S$ m	S$ m	%
Operating revenue	**1,601**	**-**	**-**	**1,601**	**3,008**	**4,610**	**4,436**	**3.9**
Operating expenses	(1,057)	-	(23)	(1,080)	(2,305)	(3,384)	(3,273)	3.4
	545	-	(23)	521	704	1,225	1,163	5.4
Other income	8	-	1	9	15	24	26	-5.5
EBITDA	**553**	**-**	**(22)**	**530**	**719**	**1,249**	**1,188**	**5.2**
- EBITDA margin	***34.5%***	***-***	***nm***	***33.1%***	***23.9%***	***27.1%***	***26.8%***	
Grp & Int'l business net corp costs	(22)	-	22	-	-	-	-	-
Share of associates' pre-tax profits								
Regional mobile associates	-	*471*	-	*471*	-	*471*	*536*	*-12.1*
Other associates	-	*27*	-	*27*	*	*27*	*31*	*-12.6*
- ordinary operations	-	498	-	498	*	498	567	-12.1
- exceptional items	-	-	-	-	-	-	-	-
	-	**498**	**-**	**498**	*****	**498**	**567**	**-12.1**
EBITDA and share of associates' pre-tax profits	**530**	**498**	**-**	**1,028**	**719.0**	**1,747**	**1,755**	**-0.4**
Depreciation & amortisation	(148)	-	-	(148)	(346)	(494)	(481)	2.7
EBIT	**382**	**498**	**-**	**880**	**373**	**1,253**	**1,274**	**-1.6**
Net finance expense								
- net interest expense	(53)	-	-	(53)	(38)	(91)	(81)	12.7
- other finance income/ (expense)	22	-	(3)	19	*	19	(7)	nm
	(31)	-	(3)	(34)	(38)	(72)	(88)	-17.5
Profit before exceptional items	**351**	**498**	**(3)**	**846**	**335**	**1,181**	**1,186**	**-0.4**
Exceptional items	-	-	(4)	(4)	-	(4)	1	nm
Profit before tax	**351**	**498**	**(7)**	**843**	**335**	**1,177**	**1,187**	**-0.8**
Taxation								
- current and deferred taxes	(28)	-	-	(28)	(101)	(128)	(122)	4.9
- share of taxes of associates	-	(145)	-	(145)	-	(145)	(149)	-2.7
- withholding and other taxes (1)	-	-	(23)	(23)	-	(23)	(24)	-4.9
	(28)	(145)	(23)	(196)	(101)	(296)	(296)	0.2
Profit after tax	**324**	**353**	**(30)**	**647**	**234.2**	**881**	**891**	**-1.2**
Minority interests	1	-	-	1	-	1	1	-30.0
Net profit	**324**	**353**	**(30)**	**647**	**234**	**882**	**892**	**-1.2**
Net profit	**324**	**353**	**(30)**	**647**	**234**	**882**	**892**	**-1.2**
Exclude :								
Exceptional items	-	-	4	4	-	4	(1)	nm
Underlying net profit	**324**	**353**	**(27)**	**651**	**234**	**885**	**891**	**-0.7**
(ex-Bharti Africa) (2)	*324*	*390*	*(27)*	*688*	*234*	*922*	*926*	*-0.5*

Notes:

(1) This comprised withholding taxes deducted at source or dividend distribution taxes paid by certain associates when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding and other 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 IV**.

(2) Excluding the share of net loss and acquisition financing costs of Bharti Africa. Bharti Africa was acquired by Bharti Airtel on 8 June 2010.

GROUP SUMMARY INCOME STATEMENTS
For The Half Year Ended 30 September 2011

	Half Year 30 Sep 2011			2011		2011	2010	YOY Chge
	Singapore	SingTel Asso/JV	Corp	SingTel	Optus	Group	Group	
	S$ m	S$ m	S$ m	S$ m	S$ m	S$ m	S$ m	%
Operating revenue	**3,159**	**-**	**-**	**3,159**	**6,056**	**9,215**	**8,725**	**5.6**
Operating expenses	(2,060)	-	(44)	(2,104)	(4,633)	(6,737)	(6,331)	6.4
	1,099	-	(44)	1,055	1,423	2,478	2,394	3.5
Other income	21	-	1	22	33	55	50	10.6
EBITDA	**1,120**	**-**	**(43)**	**1,077**	**1,457**	**2,534**	**2,444**	**3.7**
- EBITDA margin	***35.5%***	***-***	***nm***	***34.1%***	***24.1%***	***27.5%***	***28.0%***	
Grp & Int'l business net corp costs	(43)	-	43	-	-	-	-	-
Share of associates' pre-tax profits								
Regional mobile associates	-	*943*	-	*943*	-	*943*	*1,061*	*-11.1*
Other associates	-	*55*	-	*55*	*	*55*	*57*	*-2.5*
- ordinary operations	-	998	-	998	*	998	1,117	-10.6
- exceptional items	-	7	-	7	-	7	(10)	nm
	-	**1,006**	**-**	**1,006**	*****	**1,006**	**1,108**	**-9.2**
EBITDA and share of associates' pre-tax profits	**1,077**	**1,006**	**-**	**2,083**	**1,457**	**3,539**	**3,551**	**-0.3**
Depreciation & amortisation	(282)	-	-	(282)	(714)	(996)	(965)	3.1
EBIT	**795**	**1,006**	**-**	**1,801**	**743**	**2,544**	**2,586**	**-1.6**
Net finance expense								
- net interest expense	(103)	-	-	(103)	(75)	(178)	(165)	8.1
- other finance income/ (expense)	19	-	(6)	13	*	13	(2)	nm
	(84)	-	(6)	(90)	(75)	(165)	(167)	-0.8
Profit before exceptional items	**711**	**1,006**	**(6)**	**1,710**	**668**	**2,378**	**2,419**	**-1.7**
Exceptional items	-	-	81	81	(24)	58	1	@
Profit before tax	**711**	**1,006**	**75**	**1,792**	**645**	**2,436**	**2,421**	**0.6**
Taxation								
- current and deferred taxes	(58)	-	-	(58)	(203)	(261)	(232)	12.4
- tax on exceptional items	-	-	(25)	(25)	7	(18.0)	-	nm
- share of taxes of associates	-	(291)	-	(291)	(2)	(292)	(282)	3.8
- withholding and other taxes	-	-	(67)	(67)	-	(67)	(74)	-9.2
	(58)	(291)	(92)	(441)	(198)	(638)	(588)	8.6
Profit after tax	**653**	**715**	**(17)**	**1,351**	**447**	**1,798**	**1,833**	**-1.9**
Minority interests	*	-	-	*	-	*	2	nm
Net profit	**653**	**715**	**(17)**	**1,351**	**447**	**1,798**	**1,835**	**-2.1**
Net profit	**653**	**715**	**(17)**	**1,351**	**447**	**1,798**	**1,835**	**-2.1**
Exclude :								
Exceptional items	-	-	(81)	(81)	24	(58)	(1)	@
Tax expense/ (credit) on EI	-	-	25	25	(7)	18	-	nm
Underlying net profit	**653**	**715**	**(73)**	**1,295**	**463**	**1,758**	**1,834**	**-4.1**
(ex-Bharti Africa) (1)	*653*	*783*	*(73)*	*1,363*	*463*	*1,826*	*1,891*	*-3.4*

Note:
(1) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa.

	Quarter 30 Sep 2011 S$ m	YOY Change %	YOY Change in constant currency (1) %	Half Year 30 Sep 2011 S$ m	YOY Change %	YOY Change in constant currency (1) %
Operating revenue	**4,610**	**3.9**	**0.8**	**9,215**	**5.6**	**1.6**
Operating expenses	(3,384)	3.4	0.1	(6,737)	6.4	2.2
	1,225	5.4	2.7	2,478	3.5	0.2
Other income	24	-5.5	-9.0	55	10.6	6.4
EBITDA	**1,249**	**5.2**	**2.5**	**2,534**	**3.7**	**0.3**
-EBITDA margin	***27.1%***	**0.3%**	**0.4%**	***27.5%***	***-0.5%***	***-0.4%***
Share of associates' pre-tax profits						
- Bharti						
India, Bangladesh, Sri Lanka	*161*	*-29.0*	*-22.7*	*342*	*-23.8*	*-16.7*
Africa	*(30)*	*66.3*	*80.4*	*(58)*	*91.0*	*107.7*
Bharti group	*131*	*-37.2*	*-31.5*	*285*	*-32.1*	*-25.7*
- Telkomsel	*233*	*1.4*	*7.9*	*443*	*-1.6*	*4.6*
- AIS	*78*	*17.3*	*23.5*	*155*	*15.1*	*21.2*
- Globe	*48*	*-0.8*	*3.8*	*98*	*4.5*	*10.2*
- PBTL	*(6)*	*32.6*	*60.6*	*(11)*	*29.5*	*53.9*
- Warid	*(14)*	*1.4*	*13.1*	*(26)*	*-7.1*	*5.0*
Regional mobile associates	471	-12.1	-6.4	943	-11.1	-5.1
Other associates	27	-12.6	-12.6	55	-2.5	-2.5
- ordinary operations	498	-12.1	-6.7	998	-10.6	-4.9
- exceptional item	-	-	-	7	nm	nm
	498	**-12.1**	**-6.7**	**1,006**	**-9.2**	**-3.5**
EBITDA and share of associates' pre-tax profits	**1,747**	**-0.4**	**-0.5**	**3,539**	**-0.3**	**-0.9**
Depreciation & amortisation	(494)	2.7	-0.6	(996)	3.1	-1.1
EBIT	**1,253**	**-1.6**	**-0.4**	**2,544**	**-1.6**	**-0.8**
Net finance expense	(72)	-17.5	-19.5	(165)	-0.8	-3.2
Profit before exceptional items	**1,181**	**-0.4**	**1.0**	**2,378**	**-1.7**	**-0.6**
Exceptional items	(4)	nm	nm	58	@	@
Profit before tax	**1,177**	**-0.8**	**0.6**	**2,436**	**0.6**	**1.7**
Taxation	(296)	0.2	2.1	(638)	8.6	10.1
Profit after tax	**881**	**-1.2**	**0.1**	**1,798**	**-1.9**	**-0.9**
Minority interests	1	-30.0	-30.0	*	nm	nm
Net profit	**882**	**-1.2**	**	**1,798**	**-2.1**	**-1.1**
Net profit	**882**	**-1.2**	**	**1,798**	**-2.1**	**-1.1**
Exclude:						
Exceptional items	4	nm	nm	(58)	@	@
Tax on exceptional items	-	-	-	18	nm	nm
Underlying net profit	**885**	**-0.7**	**0.6**	**1,758**	**-4.1**	**-3.1**
(ex-Bharti Africa)	*922*	*-0.5*	*1.1*	*1,826*	*-3.4*	*-2.1*

Note:
(1) Assuming constant exchange rates for the Australian Dollar and/ or regional currencies (Bangladesh Taka, Indian Rupee, Indonesian Rupiah, Pakistani Rupee, Philippine Peso and Thai Baht) from the corresponding periods ended 30 September 2010.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2011 (Unaudited) S$ million	30 Jun 2011 (Unaudited) S$ million	31 Mar 2011 (Audited) S$ million
Current assets			
Cash and cash equivalents	1,729	3,583	2,738
Trade and other receivables	3,556	3,444	3,449
Derivative financial instruments	35	43	69
Inventories	328	328	299
	5,647	**7,398**	**6,555**
Non-current assets			
Property, plant and equipment	10,770	11,121	11,113
Intangible assets	10,176	10,221	10,218
Associated companies	243	256	172
Joint venture companies	9,703	9,793	10,025
Available-for-sale investments	363	357	309
Derivative financial instruments	123	15	-
Deferred tax assets	635	721	764
Other non-current receivables	139	123	126
Loan to associated company	1,260	-	-
	33,412	**32,605**	**32,727**
Total assets	**39,059**	**40,003**	**39,282**
Current liabilities			
Trade and other payables	4,368	4,102	4,450
Current tax liabilities	356	458	392
Borrowings (unsecured)	2,752	2,599	2,673
Borrowings (secured)	25	23	26
Derivative financial instruments	909	1,072	1,000
Deferred gain	29	-	-
	8,439	**8,254**	**8,541**
Non-current liabilities			
Borrowings (unsecured)	5,319	4,643	4,544
Borrowings (secured)	132	48	43
Advance billings	710	696	707
Deferred income	21	22	23
Deferred gain	1,069	-	-
Derivative financial instruments	369	632	586
Deferred tax liabilities	304	303	295
Other non-current liabilities	203	193	194
	8,126	**6,536**	**6,391**
Total liabilities	**16,564**	**14,789**	**14,932**
Net assets	**22,495**	**25,213**	**24,350**
Share capital and reserves			
Share capital	2,630	2,624	2,623
Reserves	19,843	22,566	21,706
Equity attributable to shareholders of the Company	22,473	25,190	24,328
Minority interests	22	23	22
Total equity	**22,495**	**25,213**	**24,350**

CURRENCY RISK MANAGEMENT & OTHER MATTERS

The Group maintains a policy of hedging all known foreign currency exposures related to commercial commitments or transactions. These commitments or transactions include payment of operating expenses, traffic settlement, capital expenditure, interest and debt. Translation risks of foreign currency EBITDA and net investments are not hedged unless specifically approved by the Board.

Financial instruments such as foreign currency forward contracts and cross currency swaps are used only to hedge underlying commercial exposures and are not held or sold for speculative purposes. All hedging transactions are reviewed regularly.

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

	As at		
	30 Sep	30-Jun	30 Sep
Debt Currency Mix	2011	2011	2010
SGD	64%	61%	56%
AUD	36%	39%	44%
Total	**100%**	**100%**	**100%**

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

CREDIT RATINGS

As at 30 Sep 2011	SingTel	Optus
Standard & Poor's	A+ (stable)	A+ (stable)
Moody's Investors Service	Aa2 (stable)	Aa3 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate [1] for:							
Operating revenue							
SGD							
FY11/12	1.3176	1.2870			1.3022		
FY10/11	1.2276	1.2272	1.2875	1.2838	1.2274	1.2857	1.2570
Change (last corresponding period)	***7.3%***	***4.9%***			***6.1%***		
Underlying net profit							
SGD							
FY11/12	1.3163	1.2833			1.2994		
FY10/11	1.2257	1.2298	1.2892	1.2840	1.2278	1.2860	1.2601
Change (last corresponding period)	***7.4%***	***4.4%***			***5.8%***		

Note:
(1) The monthly income statement of Optus is translated from Australian Dollar to Singapore Dollar based on the average exchange rate for the month. These rates represent the derived weighted average exchange rates for the Australian Dollar for the period to date.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Rupiah							
FY11/12	6,944	7,042			6,997		
FY10/11	6,536	6,623	6,897	6,993	6,580	6,942	6,751
Change (last corresponding period)	***6.2%***	***6.3%***			***6.3%***		
Indian Rupee							
FY11/12	36.1	37.3			36.7		
FY10/11	32.8	34.2	34.5	35.5	33.5	35.0	34.2
Change (last corresponding period)	***10.1%***	***9.1%***			***9.6%***		
Baht							
FY11/12	24.4	24.6			24.5		
FY10/11	23.3	23.3	23.0	23.9	23.3	23.5	23.4
Change (last corresponding period)	***4.7%***	***5.6%***			***5.2%***		
Peso							
FY11/12	34.8	34.8			34.8		
FY10/11	32.7	33.3	33.4	34.2	33.0	33.9	33.5
Change (last corresponding period)	***6.4%***	***4.5%***			***5.5%***		
Taka							
FY11/12	59.2	60.6			61.2		
FY10/11	49.8	51.3	54.1	55.6	50.3	55.5	52.7
Change (last corresponding period)	***18.9%***	***18.1%***			***21.7%***		
Pakistani Rupee							
FY11/12	69.0	70.9			69.9		
FY10/11	60.6	63.3	65.8	67.1	61.8	66.4	64.3
Change (last corresponding period)	***13.9%***	***12.0%***			***13.1%***		

OPTUS FINANCIALS IN SINGAPORE DOLLARS

Optus' contribution to the Group summary income statements (in Singapore Dollars) –

	Quarter 30 Sep		YOY Chge	Half Year 30 Sep		YOY Chge
	2011 S$ m	2010 S$ m	%	2011 S$ m	2010 S$ m	%
Operating revenue	**3,008**	**2,850**	**5.6**	**6,056**	**5,619**	**7.8**
Operating expenses	(2,305)	(2,182)	5.6	(4,633)	(4,288)	8.0
Other income	15	15	1.3	33	32	5.4
EBITDA	**719**	**683**	**5.3**	**1,457**	**1,362**	**6.9**
- EBITDA margin	***23.9%***	***24.0%***		***24.1%***	***24.2%***	
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	**719**	**683**	**5.3**	**1,457**	**1,362**	**6.9**
Depreciation & amortisation	(346)	(347)	-0.2	(714)	(698)	2.3
EBIT	**373**	**336**	**11.0**	**743**	**665**	**11.8**
Net finance expense	(38)	(28)	34.2	(75)	(60)	26.0
Profit before exceptional items	**335**	**308**	**8.8**	**668.0**	**605**	**10.4**
Exceptional items	-	-	-	(24)	-	nm
Profit before tax	**335**	**308**	**8.8**	**645**	**605**	**6.5**
Taxation	(101)	(92)	9.4	(198)	(181)	9.1
Net profit	**234**	**216**	**8.6**	**447**	**424**	**5.4**
Net profit	**234**	**216**	**8.6**	**447**	**424**	**5.4**
Exclude:						
Exceptional items	-	-	-	24	-	nm
Tax on exceptional items	-	-	-	(7)	-	nm
Underlying net profit	**234**	**216**	**8.6**	**463**	**424**	**9.3**

Note:
The monthly income statement of Optus was translated from the Australian Dollar to Singapore Dollar based on the average exchange rate for the month. The derived weighted average exchange rates on translation of Optus income statement is shown in **Appendix 3**.

OPTUS FINANCIALS IN SINGAPORE DOLLARS

Optus' contribution to the Group operating revenue in Singapore Dollars –

	Quarter 30 Sep		YOY	Half Year 30 Sep		YOY
	2011 S$ m	2010 S$ m	Chge %	2011 S$ m	2010 S$ m	Chge %
Mobile communications	1,558	1,461	6.7	3,104	2,857	8.6
Data & Internet	494	454	8.8	981	906	8.2
National telephone	376	374	0.3	754	743	1.4
Sale of equipment	298	290	2.6	631	560	12.7
IT & Engineering	127	113	12.4	273	246	11.2
International telephone	82	85	-4.3	163	169	-3.6
Others	75	73	2.5	150	137	9.6
Total	**3,008**	**2,850**	**5.6**	**6,056**	**5,619**	**7.8**

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

	As at		
	30 Sep 2011 S$ m	30 Jun 2011 S$ m	31 Mar 2011 S$ m
Property, plant and equipment (net)	**7,657**	**7,949**	**7,943**
Gross debt			
Current debt	7	3	6
Non-current debt	2,095	2,025	2,030
Gross debt as reported in statement of financial position	2,101	2,028	2,036
Related net hedging liability	132	301	274
	2,234	2,328	2,311
Less: Cash and bank balances	(458)	(762)	(536)
Net debt	**1,775**	**1,566**	**1,774**
	A$ m	A$ m	A$ m
Property, plant and equipment (net)	**6,060**	**6,029**	**6,099**
Gross debt			
Current debt	5	2	5
Non-current debt	1,658	1,536	1,559
Gross debt as reported in statement of financial position	1,663	1,538	1,563
Related net hedging liability	105	228	211
	1,768	1,766	1,774
Less: Cash and bank balances	(363)	(578)	(412)
Net debt	**1,405**	**1,188**	**1,362**

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2012

Singapore

- **Operating revenue to grow at low single digit level.**
- **EBITDA to be stable.**
- **Capital expenditure to be approximately S$900 million.**
- **Free cash flow (excluding dividends from associates) to be around S$1.3 billion.**

Australia

- **Operating revenue and EBITDA to grow at low single digit levels.**
- **Capital expenditure to be around A$1.2 billion.**
- **Free cash flow to be above A$1.0 billion.**

Associates/ Joint Ventures

- **Ordinary dividends from regional mobile associates to be stable.**

Group

- **Consolidated revenue and EBITDA would be impacted by exchange rate movements of the Australian Dollar.**
- **Earnings contribution from the regional mobile associates, when translated to Singapore Dollar, would be impacted by the exchange rate movements of the regional currencies.**