SingTel

Singapore Telecommunications Limited
And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 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 June 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.

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FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2011

- **Operating revenue and EBITDA[1] (from Singapore and Australia businesses) increased 7.4% and 2.3% respectively, lifted by the 7% strengthening of the Australian Dollar.**

- **Associates' contributions negatively impacted by foreign exchange movements, with the major regional currencies depreciating by 5% to 10%.**

- **Pre-tax ordinary contributions from associates at S$500 million – down 9.2%. If the regional currencies were held constant from a year ago, pre-tax ordinary contributions from the associates would have been down 3.1%.**

- **AIS' results for June 2011 quarter were equity accounted as part of ordinary results to align AIS' reporting period with the Group. AIS' contribution from the preceding March quarter has been recorded under the Group's exceptional items.**

- **EBITDA and share of associates' pre-tax profits stable at S$1.79 billion.**

- **Net profit at S$916 million – down 2.9%.**

- **Free cash flow of S$913 million – up 18%, with S$227 million from the Singapore business, S$266 million (A$203 million) from the Australia business and S$420 million from the associates.**

[1] With effect from this quarter, EBITDA refers to the consolidated EBITDA of the Singapore and Australia operations, namely the aggregate of operating revenue and other income less operating expenses, and excludes the share of pre-tax results of associates and excludes exceptional items. In prior years, EBITDA referred to the aggregate of operating revenue and other income less operating expenses of the Singapore and Australia operations, and included the share of pre-tax results of associates and excluded exceptional items. The comparatives in these financial statements have been restated to conform to the new definition.

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	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Operating revenue	**4,605**	**4,289**	**7.4**
Operating expenses	(3,352)	(3,058)	9.6
(ex-Cost of Sales)	*(2,607)*	*(2,388)*	*9.1*
EBITDA	**1,284**	**1,255**	**2.3**
EBITDA margin	***27.9%***	***29.3%***	
Share of associates' pre-tax profits	**508**	**541**	**-6.2**
- ordinary operations	**500**	**551**	**-9.2**
- exceptional items	**7**	**(10)**	**nm**
EBITDA and share of associates' pre-tax profits	**1,792**	**1,797**	**-0.3**
Exceptional items	**61**	*****	**nm**
Underlying net profit	**873**	**943**	**-7.4**
Net profit	**916**	**943**	**-2.9**
Free cash flow	**913**	**776**	**17.7**
Underlying earnings per share (S cents)	**5.48**	**5.92**	**-7.4**
Basic earnings per share (S cents)	**5.75**	**5.92**	**-2.9**

	As at 30 Jun 2011 S$ m	As at 31 Mar 2011 S$ m	As at 30 Jun 2010 S$ m
Total assets	**40,003**	**39,282**	**37,189**
Shareholders' funds	**25,190**	**24,328**	**23,738**
Net debt (1)	**5,322**	**6,023**	**5,552**
Net debt gearing ratio (2)	***17.4%***	***19.8%***	***18.9%***
Net debt to EBITDA and share of associates' pre-tax profits (3)	***0.75X***	***0.83X***	***0.77X***
Interest cover:			
- EBITDA and share of associates' pre-tax profits/ net interest expense (4)	***20.6X***	***21.8X***	***21.4X***

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.

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GROUP SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2011

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Operating revenue	**4,605**	**4,289**	**7.4**
Operating expenses	(3,352)	(3,058)	9.6
	1,253	1,231	1.8
Other income	31	24	27.5
EBITDA	**1,284**	**1,255**	**2.3**
- EBITDA margin	***27.9%***	***29.3%***	
Share of associates' pre-tax profits			
- ordinary operations	500	551	-9.2
- exceptional item	7	(10)	nm
	508	541	-6.2
EBITDA and share of associates' pre-tax profits	**1,792**	**1,797**	**-0.3**
Depreciation & amortisation	(501)	(484)	3.5
EBIT	**1,291**	**1,312**	**-1.7**
Net finance expense			
- net interest expense	(87)	(84)	3.6
- other finance (expense)/ income	(6)	5	nm
	(93)	(79)	17.9
Profit before exceptional items	**1,198**	**1,234**	**-2.9**
Exceptional items	61	*	nm
Profit before tax	**1,259**	**1,234**	**2.0**
Taxation	(342)	(292)	17.2
Profit after tax	**917**	**942**	**-2.7**
Minority interests	(1)	1	nm
Net profit	**916**	**943**	**-2.9**
Net profit	**916**	**943**	**-2.9**
Exclude :			
Exceptional items	(61)	*	nm
Tax on exceptional items	18	-	nm
Underlying net profit	**873**	**943**	**-7.4**
(ex-Bharti Africa) [3]	*904*	*965*	*-6.3*

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 first quarter ended 30 June 2011.

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

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DIVISIONAL TOTALS

	Quarter 30 Jun		YOY Chge
	2011 S$ m	2010 S$ m	%
Operating revenue by division:			
Singapore Telco	1,233	1,174	5.0
IT and Engineering	324	346	-6.4
Singapore Business	1,557	1,520	2.4
Optus	3,048	2,769	10.1
Group	**4,605**	**4,289**	**7.4**
EBITDA by division:			
Singapore Telco	517	540	-4.2
IT and Engineering	50	51	-1.8
Singapore Business	567	591	-4.0
Optus	738	679	8.6
Group and Int'l Business net corporate costs	(21)	(15)	39.6
Group	**1,284**	**1,255**	**2.3**
EBITDA margins by division:			
Singapore Telco	*41.9%*	*46.0%*	
IT and Engineering	*15.5%*	*14.7%*	
Singapore Business	***36.4%***	***38.9%***	
Optus	***24.2%***	***24.5%***	
Group	***27.9%***	***29.3%***	

DEFINITION OF 'EBITDA'

EBITDA as presented is a non-GAAP measure. Accordingly, it should neither be considered in isolation nor as an alternative to net profit as an indicator of operating performance nor as an alternative to cash flow as a measure of liquidity. EBITDA of the SingTel Group may not be comparable to that of other companies that may determine EBITDA differently.

With effect from this quarter, EBITDA refers to the consolidated EBITDA of the Singapore and Australia operations, namely the aggregate of operating revenue and other income less operating expenses, and excludes the share of pre-tax results of associates and excludes exceptional items. In prior years, EBITDA referred to the aggregate of operating revenue and other income less operating expenses of the Singapore and Australia operations, and included the share of pre-tax results of associates and excluded exceptional items. The comparatives in these financial statements have been restated to conform to the new definition.

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REVIEW OF GROUP OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2011

The Group delivered resilient operational performance in Singapore and Australia under competitive market conditions. Operating revenue grew 7.4% to S$4.61 billion, led by mobile revenue growth in Singapore and Australia and further lifted by the 7% strengthening of the Australian Dollar from a year ago.

In Singapore, Mobile Communications achieved a strong quarter of performance with revenue growing 9.3%. Total mobile customer base grew by 110,000 in the quarter to 3.42 million, up 9.8% from a year ago. Postpaid net additions this quarter was a record 57,000, driven by higher smartphone connections and strong take-up of data SIMs from integrated mobile broadband bundles. With continued momentum from 3G prepaid offerings, prepaid customer base grew strongly by 53,000 this quarter, the highest since the September 2009 quarter. As OpenNet passed peak rollout with coverage exceeding 70%, fibre rollout revenue was consequently lower and IT and Engineering revenue declined 6.4%. Excluding fibre rollout, the Singapore Business' revenue grew 4.4% from a year ago.

In Australia, Optus' revenue growth moderated to 2.6% in an intensely competitive market. Mobile service revenue rose 2.8% year-on-year with continued postpaid customer growth. Postpaid net additions this quarter was 113,000 and total postpaid customer base grew 13% from a year ago to 4.89 million. In Business and Wholesale fixed, overall revenue was stable year-on-year while in Consumer & SMB fixed, revenue was down 3.7% on managed exit from its marginal resale services. Optus' translated revenue in Singapore Dollars grew 10% from a year ago with the stronger Australian Dollar.

The Group's EBITDA grew 2.3% to S$1.28 billion with growth from Optus. EBITDA in Australia increased 8.6% in Singapore Dollar terms. In Australian Dollar terms, Optus' EBITDA increased 1.2%. The Singapore Business' EBITDA was lower by 4.0% from a year ago, reflecting investments in mio TV content and strategic initiatives to grow new businesses.

The Group and its regional mobile associates continued to register strong customer growth. As at 30 June 2011, the combined mobile customer base reached 416 million, up 19% from a year ago. The Group's share of associates' ordinary pre-tax profits, however, decreased 9.2% year-on-year, negatively impacted by the strengthening of the Singapore Dollar against regional currencies. If the regional currencies were held constant from a year ago, ordinary pre-tax contributions would have been down by 3.1%.

In Thailand, AIS continued its strong performance in the June 2011 quarter underpinned by strong data growth. In the Philippines, Globe delivered record service revenue and increased operating profits with growth momentum sustained across key business segments. In Indonesia, Telkomsel registered strong data growth and increased EBITDA under improved market conditions. However, with higher depreciation due to network expansion and the shortening of useful life of certain facilities' assets, as well as the 6% depreciation of the Indonesian Rupiah, Telkomsel's pre-tax contribution declined by 4.8%. In India, stabilising tariffs led to revenue and EBITDA growth for Bharti's South Asia operations. Earnings, however, were impacted by 3G rollout cost and licence fee amortisation. Including a full quarter of losses from its Africa operations which was acquired on 8 June 2010 combined with the impact of the 10% depreciation of the Indian Rupee, Bharti's overall ordinary pre-tax contribution declined 27%.

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With lower contributions from associates, the Group's EBITDA and share of associates' pre-tax profits were flat at S$1.79 billion.

The Group's EBIT was 1.7% lower, due to higher depreciation and amortisation from the translation impact of a stronger Australian Dollar.

Net finance expense increased 18% as the corresponding quarter last year recorded an exchange gain of S$12 million on the Group's foreign currency consideration payable for its additional acquisition of 1.5% effective stake in Bharti, which was settled in January 2011.

In this quarter, the Group equity accounted AIS' results for the June 2011 quarter as part of ordinary results following the alignment of AIS' reporting period to the Group. Accordingly, AIS' contribution from the preceding March 2011 quarter of S$80 million (post-tax: S$55 million) has been recorded under the Group's exceptional items. This exceptional gain was partially offset by Optus' one-off accrual of S$24 million (post-tax: S$17 million) for ex-gratia payment on its workforce restructuring.

Profit before tax grew 2.0% but tax expense increased 17% this quarter. The higher tax expense was due to the higher effective tax rate of the associates. In India, Bharti recorded higher tax expense on reduction in tax holiday benefits.

Hence, net profit decreased 2.9% to S$916 million. Excluding the exceptional items, underlying net profit was down by 7.4% to S$873 million. If further excluding the net loss and acquisition financing costs of Bharti Africa, underlying net profit would have declined by 6.3%.

Free cash flow in the quarter grew strongly by 18% to S$913 million on higher associates' dividends.

The Group continued to maintain an efficient capital structure while retaining flexibility for further investments. As at 30 June 2011, net debt gearing ratio was at approximately 17% compared to 20% a quarter ago, reflecting a higher cash balance. As approved at the Annual General Meeting held on 29 July 2011, the Group will pay the special and ordinary dividends totalling approximately S$3.03 billion 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 78% (Q1 FY2011: 76%) of the Group's proportionate revenue and 77% (Q1 FY2011: 75%) of proportionate EBITDA.

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SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2011 were as follows:

	Quarter		QOQ Chge %
	30 Jun 2011 S$ m	31 Mar 2011 S$ m	
Operating revenue	**4,605**	**4,643**	**-0.8**
Singapore Business	1,557	1,661	-6.2
Optus	3,048	2,982	2.2
Operating expenses	(3,352)	(3,282)	2.1
EBITDA	**1,284**	**1,392**	**-7.7**
EBITDA margin	***27.9%***	***30.0%***	
Singapore Business	*36.4%*	*33.2%*	
Optus	*24.2%*	*28.9%*	
Share of associates' pre-tax profits	**508**	**514**	**-1.3**
Profit before exceptional items and tax	**1,198**	**1,314**	**-8.9**
Underlying net profit	**873**	**998**	**-12.5**
Net profit	**916**	**992**	**-7.6**
Free cash flow	**913**	**1,175**	**-22.3**

Compared to the preceding quarter, underlying net profit decreased 13% on EBITDA decline of 7.7% and share of associates' increased tax expense. Optus recorded seasonally lower EBITDA across all its business segments including the impact of a write-back of outpayment provision in the preceding quarter.

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.

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GROUP OPERATING REVENUE

By Products And Services	Quarter 30 Jun 2011 S'pore Business S$ m	2011 Optus S$ m	2011 Group S$ m	2010 Group S$ m	YOY Chge %
Mobile communications	472	1,546	2,018	1,829	10.3
Data and Internet	398	487	885	847	4.5
IT and Engineering	324	147	471	479	-1.8
National telephone	90	379	469	464	1.0
Sale of equipment	77	334	411	336	22.3
International telephone	127	81	209	210	-0.5
Pay television	23	25	49	42	15.7
Others (1)	45	50	95	83	15.3
Total	**1,557**	**3,048**	**4,605**	**4,289**	**7.4**
Operating revenue			4,605	4,289	7.4
Associates' proportionate revenue (2)			2,759	2,428	13.6
Group's proportionate revenue			**7,364**	**6,717**	**9.6**

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 Jun 2011 Mix	2010 Mix
Mobile communications	43.8%	42.7%
Data and Internet	19.2%	19.7%
IT and Engineering	10.2%	11.2%
National telephone	10.2%	10.8%
Sale of equipment	8.9%	7.8%
International telephone	4.5%	4.9%
Pay television	1.1%	1.0%
Others	2.1%	1.9%
	100.0%	**100.0%**

Mobile Communications, the largest revenue stream, contributed 44% to total revenue, 1 percentage point higher than the same quarter a year ago.

The Group's enlarged revenue, including the proportionate share of operating revenue from the associates, was up 9.6% to S$7.36 billion boosted by a full quarter of revenue contribution from Bharti Africa.

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GROUP OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter 30 Jun					
	2011	2011	2011	2011	2010	
	S'pore Business S$ m	Optus S$ m	Corp S$ m	Group S$ m	Group S$ m	YOY Chge %
Selling & administrative	311	897	7	1,215	1,068	13.8
Traffic expenses	205	558	-	763	697	9.6
Cost of sales	243	502	-	746	670	11.3
Staff costs	220	307	14	541	544	-0.6
Repair and maintenance	30	53	-	83	79	4.4
Others	(6)	11	-	5	1	@
Total	**1,003**	**2,328**	**21**	**3,352**	**3,058**	**9.6**

As a percentage of operating revenue	Quarter 30 Jun 2011	Quarter 30 Jun 2010
Selling & administrative	26.4%	24.9%
Traffic expenses	16.6%	16.2%
Cost of sales	16.2%	15.6%
Staff costs	11.7%	12.7%
Repair and maintenance	1.8%	1.9%
Others	**	**
	72.8%	**71.3%**

Selling & administrative expenses, the largest expense category at 26% of operating revenue, rose 14% year-on-year. The increase was mainly due to higher mobile selling expenses in Singapore and Australia with higher smartphone connections, as well as higher mio TV content and rollout costs in Singapore.

Cost of Sales increased 11% and accounted for 16% of revenue, slightly higher compared to a year earlier.

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GROUP NET FINANCE EXPENSE

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Net interest expense:			
- Interest income	9	4	104.5
- Interest expense	(96)	(88)	8.6
	(87)	**(84)**	**3.6**
Other finance (expense)/ income:			
- FRS 39 fair value adjustments [(1)]	(3)	(8)	-66.7
- Investment gain [(2)]	1	1	-9.1
- Net foreign exchange (loss)/ gain	(4)	12	nm
	(6)	**5**	**nm**
Net finance expense	**(93)**	**(79)**	**17.9**

Notes:

(1) Comprise mainly adustments for hedging instruments measured at fair values at reporting date under FRS 39, *Financial Instruments: Recognition and Measurement*.

(2) Comprise mainly dividend income and realised gains or losses on disposals of investments held for resale.

Net interest expense increased 3.6% from a year ago, reflecting Optus' financing strategy to extend the average maturity of its debt, with higher long-term borrowings partially offsetting the repayment of short-term bank loans.

In the corresponding quarter last year, other finance income included an exchange gain of S$12 million on the Group's foreign currency consideration payable for its additional acquisition of 1.5% effective stake in Bharti, which was settled in January 2011.

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GROUP EXCEPTIONAL ITEMS [1]

	Quarter 30 June		YOY
	2011 S$m	2010 S$m	Chge %
Share of AIS' pre-tax profit (Jan-Mar 2011)	80	-	nm
Net foreign exchange gain on SAI loan	4	-	nm
Dilution gain on associates	1	*	nm
Corporate	85	*	nm
Provision for ex-gratia payment (pre-tax)	(24)	-	nm
Optus	(24)	-	nm
Group (pre-tax)	**61**	*	**nm**
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)	**43**	*	**nm**

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 equity accounted AIS' results for June 2011 quarter as part of ordinary results following the alignment of AIS' reporting period to the Group. AIS' pre-tax contribution of S$80 million from the preceding March 2011 quarter was accordingly classified as an exceptional item of the Group. The related tax expense of S$25 million was classified as exceptional tax.

In addition, the Group recognised a net foreign exchange gain of S$4 million on short-term intercompany loan payable recorded by SAI which represented the difference between the Singapore Dollar-denominated loan and the loan amount recorded by SAI in Australian Dollars.

The gains were partially offset by Optus' one-off accrual of S$24 million (A$18 million) for ex-gratia payment on its workforce restructuring.

On a post-tax basis, the Group's net exceptional gain totalled S$43 million for the quarter.

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GROUP SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2011 S$ m	31 Mar 2011 S$ m	30 Jun 2010 S$ m
Current assets (excluding cash)	3,815	3,817	3,956
Cash and bank balances	3,583	2,738	1,780
Non-current assets	32,605	32,727	31,453
Total assets	**40,003**	**39,282**	**37,189**
Current liabilities	8,254	8,541	4,874
Non-current liabilities	6,536	6,391	8,552
Total liabilities	**14,789**	**14,932**	**13,426**
Net assets	**25,213**	**24,350**	**23,763**
Share capital	2,624	2,623	2,621
Reserves	22,566	21,706	21,117
Equity attributable to shareholders	**25,190**	**24,328**	**23,738**
Minority interest	23	22	25
	25,213	**24,350**	**23,763**

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

As at 30 June 2011, the shareholders' equity was S$25.19 billion, an increase of S$862 million from a quarter ago which included a net translation loss of S$59 million mainly arising from the strengthening of the Singapore Dollar against the Indian Rupee.

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GROUP LIQUIDITY AND GEARING

	As at		
	30 Jun	31 Mar	30 Jun
	2011	2011	2010
	S$ m	S$ m	S$ m
Gross debt			
Current debt	2,622	2,699	34
Non-current debt	4,691	4,587	6,611
Gross debt as reported in statement of financial position	**7,313**	**7,286**	**6,645**
Related net hedging liability (1)	1,592	1,475	688
	8,905	**8,761**	**7,333**
Less : Cash and bank balances	(3,583)	(2,738)	(1,780)
Net debt	**5,322**	**6,023**	**5,552**
Gross debt gearing ratio ***(2)***	***26.1%***	***26.5%***	***23.6%***
Net debt gearing ratio	***17.4%***	***19.8%***	***18.9%***

Notes:
(1) The net hedging liability arose from mark-to-market valuation 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.

Gross debt (including hedging) increased by S$144 million to S$8.91 billion from a quarter ago attributable to SingTel Group Treasury Pte Ltd's ("**SGT**") HK$620 million 7-year note issue completed in April 2011 as well as increased hedging liability from mark-to-market adjustments.

On 30 June 2011, the Group entered into agreements for approximately S$3.7 billion of revolving credit facilities for general corporate purposes and to refinance existing facilities, with participation from major banks.

On 6 July 2011, SGT successfully priced a S$250 million 5-year 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 the Group's debt profile.

SECTION I : GROUP

GROUP CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			
	30 Jun 2011 S$ m	30 Jun 2010 S$ m	31 Mar 2011 S$ m	YOY chge %
Net cash inflow from operating activities				
Profit before tax	**1,259**	**1,234**	**1,308**	**2.0**
Non-cash items	12	27	89	-56.6
Operating cash flow before working capital changes	1,271	1,261	1,398	0.8
Changes in operating assets and liabilities	(176)	(232)	259	-24.1
	1,095	1,029	1,657	6.4
Cash paid to employees under performance share plans	*	(3)	-	nm
Net tax (paid)/ refund on operating activities	(1)	29	(34)	nm
Operating cash flow before dividends from associates	**1,093**	**1,055**	**1,623**	**3.6**
Dividends received from associates	465	228	82	104.1
Withholding tax paid on dividends received	(44)	(20)	(9)	121.5
	1,513	**1,263**	**1,697**	**19.9**
Net cash outflow for investing activities				
Payment for purchase of property, plant and equipment	(600)	(486)	(522)	23.4
Drawdown of prepaid C2C submarine cable capacity	11	18	-	-38.9
Proceeds from disposal of property, plant and equipment	2	1	2	320.0
Payment for purchase of licences and other intangibles	(33)	*	(4)	nm
Net investment in associates	(8)	(30)	(121)	-74.8
Investment in available-for-sale investments	(38)	-	(20)	nm
Withholding tax paid on interest received on inter-company loans	(1)	(1)	(33)	14.3
Others *(interest received etc)*	10	8	8	22.2
	(657)	**(491)**	**(689)**	**33.7**
Net cash outflow for financing activities				
Net increase/ (decrease) in borrowings	93	(196)	747	nm
Net interest paid on borrowings and swaps	(132)	(122)	(45)	8.1
Settlement of swaps paid	-	(218)	-	nm
Interim dividends paid to SingTel shareholders	-	-	(1,083)	-
Repayment of loans to minority shareholders	-	(25)	-	nm
Proceeds from share issue	1	5	1	-72.3
Purchase of performance shares	(2)	(23)	-	-92.1
Others	26	-	*	nm
	(14)	**(579)**	**(380)**	**-97.6**
Net increase in cash and cash equivalents	**843**	**193**	**627**	**337.2**
Exchange effects on cash and cash equivalents	2	(26)	(5)	nm
Group cash and cash equivalents at beginning	**2,738**	**1,614**	**2,116**	**69.7**
Group cash and cash equivalents at end	**3,583**	**1,780**	**2,738**	**101.3**
Free cash flow (before associates' dividends)	**493**	**569**	**1,101**	**-13.3**
Free cash flow	**913**	**776**	**1,175**	**17.7**
Cash capex to operating revenue	***13%***	***11%***	***11%***	

SECTION I : GROUP

Net cash inflow from operating activities for the quarter increased 20% to S$1.51 billion. Operating cash flow (before associates' dividend receipts) grew 3.6% to S$1.09 billion with positive working capital movements. The higher dividends received from associates were mainly due to timing in receipt of Telkomsel's dividend. Compared to the preceding quarter ended 31 March 2011, operating cash flow fell 11% due mainly to seasonality in timing of payments including annual staff incentive paid in the June quarter, partially offset by higher associates' dividends.

Net cash outflow for investing activities was S$657 million, mainly for the payment of capital expenditure of S$600 million. Capital expenditure rose 23% year-on-year largely due to milestone payments for Singapore's ST-2 satellite which was launched in the quarter. Capital expenditure represented 13% of operating revenue, 2 percentage points higher than a year ago.

The Group generated strong free cash flow of S$913 million, up 18% from a year ago on higher dividends received from the associates. Compared to the preceding quarter, free cash flow declined 22% on seasonally lower operating cash flow.

Net cash outflow for financing activities included mainly proceeds of S$100 million from SGT's HK$620 million note issue and interest payments of S$132 million.

Overall cash balance increased S$845 million from a quarter ago, resulting in ending cash balance of S$3.58 billion as at end of June 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** and aggregated at the Group.

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2011

- **Excluding fibre rollout revenue, operating revenue up 4.4%.**
- **EBITDA at S$567 million – down 4.0%.**
- **Net profit at S$328 million – down 12%.**
- **Free cash flow of S$227 million – down 31%.**

SECTION II : SINGAPORE

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Operating revenue			
Singapore Business	**1,557**	**1,520**	**2.4**
(ex-Fibre rollout revenue)	*1,511*	*1,447*	*4.4*
Singapore Telco business	*1,233*	*1,174*	*5.0*
IT and Engineering business	*324*	*346*	*-6.4*
Operating expenses	(1,024)	(952)	7.6
Singapore Business	*(1,003)*	*(937)*	*7.1*
Group and International business corporate costs	*(21)*	*(15)*	*37.1*
EBITDA			
Singapore Business	**567**	**591**	**-4.0**
Singapore Telco business	*517*	*540*	*-4.2*
IT and Engineering business	*50*	*51*	*-1.8*
EBITDA margin			
Singapore Business	***36.4%***	***38.9%***	
Singapore Telco business	*41.9%*	*46.0%*	
IT and Engineering business	*15.5%*	*14.7%*	
Net profit	**328**	**372**	**-11.7**
Free cash flow	**227**	**330**	**-31.4**

Note:

(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**.

SECTION II : SINGAPORE

SINGAPORE SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2011

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Singapore Business			
Operating revenue	**1,557**	**1,520**	**2.4**
Operating expenses	(1,003)	(937)	7.1
	554	583	-5.0
Other income	13	8	72.4
EBITDA	**567**	**591**	**-4.0**
-EBITDA margin	***36.4%***	***38.9%***	
Group and International business net corporate costs	(21)	(15)	39.6
	547	576	-5.1
Depreciation & amortisation	(134)	(134)	0.2
EBIT	**413**	**443**	**-6.8**
Net finance expense			
- net interest expense	(50)	(51)	-2.2
- other finance (expense)/ income	(3)	2	nm
	(53)	(50)	7.5
Profit before tax	**359**	**393**	**-8.5**
Taxation	(30)	(23)	34.7
Profit after tax	**329**	**371**	**-11.2**
Minority interests	(1)	1	nm
Net profit	**328**	**372**	**-11.7**

SECTION II : SINGAPORE

REVIEW OF SINGAPORE OPERATING PERFORMANCE
For The First Quarter Ended 30 June 2011

The Singapore Business recorded operating revenue growth of 4.4%, excluding fibre rollout revenue. Fibre rollout revenue declined to S$47 million from S$73 million a year ago as OpenNet passed peak rollout with coverage exceeding 70%. Revenue from the Singapore Telco business was up 5.0%, led by robust mobile growth in spite of a highly competitive market.

Mobile Communications delivered another quarter of strong performance with revenue growing 9.3% year-on-year to S$472 million. Total mobile customer base grew 110,000 in the quarter to 3.42 million, up 9.8% from a year ago. Postpaid net additions this quarter of 57,000 was a record, driven by higher smartphone connections coupled with strong take-up of data SIMs for integrated mobile broadband bundles. With continued momentum from 3G prepaid offerings, prepaid customer base grew strongly by 53,000 this quarter, the highest since the September 2009 quarter.

Data and Internet revenue was stable at S$398 million as growth in Managed Services mitigated intense price competition in International Leased Circuits. SingTel continued to lead in regional ICT and cloud services market with its strong execution and innovative suite of cloud computing solutions. Fixed Broadband revenue rose 5.2% year-on-year, fuelled by increased adoption of higher-tier plans and fibre-based services. Total fixed broadband lines grew 4,000 in the quarter, reaching 534,000 as at end of June 2011.

SingTel achieved a significant milestone in its satellite business with the successful launch of its second satellite ST-2 in May 2011. ST-2 provides higher transponder capacity and extends SingTel's global footprint across the Middle East, Central Asia, Indian sub-continent and South East Asia, enabling SingTel to reach a geographically more extensive base of customers. It also enhances SingTel's capability to deliver end-to-end ICT solutions to key markets.

With lower fibre rollout revenue, IT and Engineering revenue declined 6.4% to S$324 million. NCS' revenue grew 1.5% to S$277 million, with growth in business solutions partially offset by phasing of infrastructure services revenue. NCS' order book remained strong at S$1.9 billion as at end of June 2011.

Reflecting continued investments in mio TV and strategic initiatives, Telco's EBITDA declined 4.2% from a year ago. The decrease in IT and Engineering's EBITDA of 1.8% was due to the lower fibre rollout revenue. Overall, the Singapore Business' EBITDA was down by 4.0% to S$567 million.

The higher tax expense this quarter resulted from the recognition of certain tax credits in the corresponding quarter last year on finalisation of the earlier years' tax assessments.

Hence, net profit for the quarter declined 12% to S$328 million.

Free cash flow for the quarter declined 31% from a year ago to S$227 million, reflecting higher capital expenditure for the ST-2 satellite launched in the quarter.

SECTION II : SINGAPORE

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2011 are as follows:

	Quarter 30 June 2011 S$ m	Quarter 31 Mar 2011 S$ m	QOQ Chge %
Operating revenue			
Singapore Business	**1,557**	**1,661**	**-6.2**
Singapore Telco business	*1,233*	*1,231*	*0.2*
IT and Engineering business	*324*	*430*	*-24.7*
Operating expenses	(1,024)	*(1,142)*	-10.4
Singapore Business	*(1,003)*	*(1,117)*	*-10.2*
Group and International business corporate costs	*(21)*	*(25)*	*-17.2*
EBITDA			
Singapore Business	**567**	**551**	**3.0**
Profit before tax	**359**	**327**	**9.9**
Net profit	**328**	**303**	**8.2**
Free cash flow	**227**	**562**	**-59.7**

Operating revenue declined 6.2% from the preceding quarter due to seasonally lower revenue from NCS. Correspondingly, with 10% decline in operating expenses primarily from lower cost of sales and selling & administrative expenses, the Singapore Business' EBITDA grew 3.0% from a quarter ago. Free cash flow decreased 60% from the preceding quarter primarily due to seasonality in payments including annual staff incentive paid in the June quarter.

ESTABLISHMENT OF 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 also entered into conditional agreements to sell certain infrastructure assets, and its business of providing duct and manhole services in relation to the assets, to CityNet Infrastructure Management Pte. Ltd., the trustee-manager of NetLink Trust, for an aggregate consideration of approximately S$1.89 billion. The agreements are conditional on, amongst other things, the relevant regulatory approvals being obtained. It is expected that the completion of the conditional sale agreements will take place in September 2011.

SECTION II : SINGAPORE

SingTel retains a 100% economic interest over the business and assets of NetLink Trust as the sole unitholder of NetLink Trust. However, NetLink Trust will be equity accounted as an associate in SingTel's consolidated financial statements. SingTel will account for the additional costs of the operation and maintenance of NetLink Trust and such costs are currently not expected to exceed S$20 million per annum.

The above transactions do not have a material impact on the net assets or net profit of SingTel Group in the current financial year.

SingTel also undertook to the IDA to reduce its stake in NetLink Trust to less than 25% by April 2014, subject to relevant approvals being obtained. Upon divestment of its stake, the realised gain, as applicable, relating to the divestment will be recognised accordingly.

OPERATING REVENUE

	Quarter 30 Jun				YOY Chge
	2011		2010		
	S$ m	Mix %	S$ m	Mix %	%
Mobile communications	472	30	432	28	9.3
Data and Internet	398	26	395	26	0.8
International telephone	127	8	126	8	1.1
National telephone	90	6	95	6	-4.8
Sale of equipment	77	5	66	4	16.7
mio TV	23	2	14	1	73.3
Others (1)	45	3	47	3	-4.2
Singapore Telco	1,233	79	1,174	77	5.0
IT and Engineering	324	21	346	23	-6.4
Total	**1,557**	**100**	**1,520**	**100**	**2.4**

Note:
(1) Include revenues from maritime & land mobile 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$77 million, an increase of 17% from a year earlier, led by higher demand for smartphones and tablets. On a sequential quarter, revenue declined 11% due to seasonality factors.

Revenue from mio TV was S$23 million for the quarter, up from S$14 million a year ago, with an enlarged customer base driven by SingTel's new offerings and exclusive sports content.

SECTION II : SINGAPORE

Mobile Communications

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Cellular service [1]	472	432	9.3

Key Drivers	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
Number of mobile subscribers (000s)				
Prepaid	1,584	1,531	1,468	7.9
Postpaid	1,833	1,776	1,645	11.4
Total	**3,417**	**3,307**	**3,113**	**9.8**
MOUs per subscriber per month [2]				
Prepaid	346	350	334	3.6
Postpaid [3]	341	351	367	-7.2
Average revenue per subscriber per month [2] [4] (S$ per month)				
Prepaid	14	15	14	0.7
Postpaid	87	87	89	-1.7
Blended	**53**	**53**	**53**	**0.4**
Data services as % of ARPU				
- total data [5]	41%	40%	37%	
- non-SMS data	19%	18%	15%	
Acquisition cost per postpaid subscriber (S$)	**294**	**287**	**369**	-20.3
Postpaid external churn per month [6]	*0.8%*	*0.8%*	*1.0%*	
Singapore mobile penetration rate [7]	***147%***	***144%***	***140%***	
Singapore mobile subscribers ('000s) [7]	***7,468***	***7,320***	***7,018***	
Market share [7]				
Prepaid	*43.7%*	*43.0%*	*42.9%*	
Postpaid	*46.9%*	*46.5%*	*45.8%*	
Overall	***45.3%***	***44.8%***	***44.4%***	

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) Includes 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 share data as at 30 June 2011 was based on Telco operators’ published results. The other market statistics were based on IDA’s latest available published statistics as of 31 May 2011.

SECTION II : SINGAPORE

Mobile Communications continued its growth momentum, with revenue increasing 9.3% to S$472 million. The growth was underpinned by strong customer acquisitions and increased take-up of higher rate plans. Compared to a quarter ago, revenue grew 3.8% mainly on seasonally higher mobile roaming in the June quarter.

A total of 110,000 mobile customers were added in the quarter, up from 78,000 in the preceding quarter. This brought the total customer base to 3.42 million as at 30 June 2011, leading the overall mobile market at 45.3%.

SingTel strengthened its foothold in the smartphone and tablet markets, launching two Android-based smartphones in the gaming and social networking space, Sony Ericsson Experia™ Play and HTC ChaCha™, as well as the iPad 2 tablet. The take-up of data SIMs remained strong this quarter with increased popularity of integrated mobile broadband bundles and tablets. With higher smartphone connections and strong data SIMs take-up, the postpaid net additions this quarter of 57,000 was a record, up from 51,000 in the preceding quarter.

More than 80% of new postpaid customers chose smartphones this quarter, lifting overall smartphone penetration to more than 60% of the total postpaid base as at the end of June 2011. Total postpaid customer base reached 1.83 million and represented a leading market share of 46.9% as at 30 June 2011.

In the prepaid segment, a net total of 53,000 customers were added in the quarter, doubled the 27,000 in the preceding quarter. This was led by successful 3G prepaid offerings which included the 3G SIM card, Data VAS and Blackberry VAS. Total prepaid customer base reached 1.58 million, a 7.9% increase from a year ago, maintaining SingTel's leading prepaid market share at 43.7%.

Overall blended ARPU was stable at S$53. The growth in 'data only' SIMs reduced postpaid ARPU by 1.7% to S$87 from a year ago. Excluding 'data only' SIMs, postpaid ARPU grew 1.5% year-on-year with uplift from higher rate plans. On a sequential quarter, postpaid ARPU was stable.

SMS and other data revenue grew steadily over the year, accounting for 41% of blended ARPU, 4 percentage points higher than a year ago. Mobile broadband[2] customers grew 106,000 in the quarter to 975,000, up 72% from a year ago. SingTel's strong suite of smart devices coupled with compelling range of data plans and customised applications drove robust growth in mobile broadband.

During the quarter, SingTel introduced Asia's first premium priority mobile broadband service 'Priority Pass' to provide customers on higher-speed plans a consistently faster mobile data experience.

Acquisition cost per postpaid customer decreased 20% from a year ago following initiatives to optimise handset subsidies and the effect of a stronger Singapore Dollar. It increased 2.4% from the preceding quarter, reflecting the impact of the newly launched iPad 2.

[2] Refer to 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 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Data services			
Managed services [1]	99	88	12.8
International leased circuits	29	38	-24.5
	128	126	1.5
Local leased circuits	111	113	-1.9
Others [2]	49	47	4.0
	288	**286**	**0.6**
Internet related			
Fixed broadband [3]	97	92	5.2
SingTel Internet Exchange ("**STiX**") [4]	11	13	-14.2
Others	2	4	-37.1
	110	**109**	**1.6**
Total	**398**	**395**	**0.8**

Key Drivers - Internet related	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
Number of fixed broadband lines (000s) [5] [8]	**537**	**533**	**520**	**3.3**
Singapore fixed broadband penetration rate [6] [8]	***104%***	***102%***	***98%***	
Fixed broadband market share [7] [8]	***45.3%***	***45.5%***	***45.6%***	

Notes:

(1) Include MEG@POP, Global Corporate IP, Facility Management and Managed Hosting Services.
(2) Include mainly ISDN, VSAT, DTE/ DCE, and 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 (Q1 FY2011: S$4 million) for the first quarter ended 30 June 2011.
(5) Fixed broadband service comprise ADSL and fibre lines, including SingNet retail fixed broadband and other fixed broadband access lines but exclude leased lines.
(6) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IDA).
(7) Based on total SingTel ADSL, fibre and other fixed broadband access lines divided by total ADSL, cable, fibre and other fixed broadband access lines in the population.
(8) Comparatives have been restated to include other fixed broadband access lines, consistent with the current period. The market share data as at 30 June 2011 was based on management's estimates. The market penetration rate was based on IDA's latest available published statistics as of 31 May 2011.

SECTION II : SINGAPORE

Data and Internet revenue was stable at S$398 million from a year ago. Compared to a quarter ago, revenue was lower by 4.0% as the preceding quarter included the benefit of one-time project revenues in Managed Services.

Data revenue was stable in the quarter, with growth in Managed Services mitigating intense price competition in International Leased Circuits (ILC). Aggregate revenue from Managed Services and ILC grew 1.5% from a year ago. SingTel's ICT and cloud computing strategy combined with its market-leading suite of products and solutions continued to drive strong customer wins in the region.

In recognition of its strong revenue growth and leadership in product innovation, SingTel won the 2011 Asia Pacific Frost & Sullivan ICT Award for 'Managed Service Provider of the Year' for the second consecutive year. SingTel also won the 'Best Cloud Service' by Asia Communication Awards 2011 for its 'PowerON' suite of cloud services. These awards are a strong endorsement of SingTel's ICT achievements and strengthen its transformation into a leading ICT company in the region.

Revenue from Local Leased Circuits decreased 1.9% year-on-year and 2.0% from a quarter ago. Growth in Ethernet services was dampened by price pressure and migration from the legacy Diginet services to IP-based services.

Fixed Broadband delivered revenue growth of 5.2% from a year ago and was stable on a sequential quarter in a competitive and highly penetrated market. The growth was driven by increased adoption of higher-tier plans in the business segment 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 534,000, up 3.3% or 17,000 from a year ago.

A net total of 14,000 customers subscribed to bundled plans[3] this quarter. This brought total customer base to 255,000, an increase of 28% or 56,000 from a year ago.

SingTel continued to lead the fibre market with its distinctive suite of entertainment, lifestyle and productivity applications. During the quarter, SingTel expanded its innovative range of fibre plans with the launch of 'exPlore Home 100' and 'exPlore Home Sports 100'. As at 30 June 2011, SingTel gained a total of 22,000 fibre broadband[4] customers in the consumer and business segments.

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[3] 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).

[4] Refer to residential and corporate subscriptions to broadband Internet services using optical fibre networks.

SECTION II : SINGAPORE

IT and Engineering

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Revenue from NCS [(1)]	277	273	1.5
Fibre rollout revenue [(2)]	47	73	-35.9
Total	**324**	**346**	**-6.4**

NCS segment revenue (%)	Quarter		
	30 Jun 2011	31 Mar 2011	30 Jun 2010
Geographical Markets			
Singapore	88	88	88
Overseas	12	12	12
Total	**100**	**100**	**100**
Lines of Business			
Infrastructure services [(3)]	65	71	67
Business solutions [(4)]	35	29	33
Total	**100**	**100**	**100**

Notes:
(1) Generated by NCS and its subsidiaries. Include billings to Optus of approximately S$15 million (Q1 FY2011: S$18 million) for the first quarter ended 30 June 2011.
(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 declined 6.4% from a year ago to S$324 million on lower fibre rollout revenue from OpenNet.

Fibre rollout revenue was S$47 million compared to S$73 million in the same quarter a year ago, as OpenNet passed peak rollout with coverage exceeding 70% as of end June 2011.

Revenue from NCS grew 1.5% year-on-year on the back of strong demand in business solutions partially offset by phasing of infrastructure services revenue. On a sequential quarter, revenue decreased 27% as the preceding March quarter benefited from seasonal factors.

NCS' major customer wins this quarter included the implementation of an Enterprise Resource Planning (ERP) system and provision of infrastructure managed services for certain Singapore government agencies, the provision of business process outsourcing services for an international bank in China and a maintenance contract for e-gates for an international airport.

SECTION II : SINGAPORE

International Telephone [1]

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
International (incl Malaysia) call revenue	107	104	2.5
Inpayments and net transit	20	22	-5.6
Total	**127**	**126**	**1.1**
International Telephone outpayments	**45**	**48**	**-7.1**
Net	**82**	**78**	**6.2**
Margin %	***65%***	***62%***	

Key drivers	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
International telephone outgoing minutes (m mins) (excl Malaysia)	**785**	**771**	**717**	**9.4**
Average collection rate - net basis (S$/ min) (excl Malaysia)	**0.117**	**0.116**	**0.127**	**-7.9**

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 recorded improved revenue, up 1.1% year-on-year and 3.6% from a quarter ago to S$127 million on the back of higher call revenue.

International call revenue rose 2.5% from a year ago as increased international call traffic in mobile offset the impact of lower collection rates. Compared to the preceding quarter, international call revenue grew 3.2% on seasonally higher usage and stable collection rates.

Inpayments and net transit were 5.6% lower from a year ago mainly on lower transit traffic volume coupled with the impact of a weaker US Dollar.

Outpayments for international calls correspondingly declined 7.1% year-on-year, benefiting from lower international outpayment rates as well as a weaker US Dollar.

SECTION II : SINGAPORE

National Telephone

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Direct exchange line (DEL)			
- rental	42	41	1.7
- traffic	15	17	-14.0
	57	58	-2.9
Others (1)	43	46	-5.0
	100	104	-3.8
Inter-company eliminations	(10)	(9)	6.7
	90	**95**	**-4.8**

Key Drivers	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
Fixed working lines (000s) (2)				
Residential	934	932	908	2.9
Business	770	769	770	*
Total	**1,704**	**1,701**	**1,678**	1.5
Singapore fixed line penetration rate (3)	***40.2%***	***40.0%***	***39.0%***	
Singapore fixed working lines ('000s) (3)	**1,999**	**1,996**	**1,944**	
Fixed line market share (3)	***85.2%***	***85.2%***	***86.3%***	

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.
(3) Source: IDA. The market statistics as at 30 June 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 4.8% to S$90 million from a year ago. Compared to a quarter ago, revenue was stable.

The number of residential working lines increased 2,000 in the quarter, led by growth in mio Home and mio TV subscriptions.

SECTION II : SINGAPORE

mio TV

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
mio TV	23	14	73.3

Key drivers	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
Number of mio TV subscribers ('000s) (1)	313	292	220	42.3

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

Revenue from mio TV was S$23 million for the quarter, comparable to the preceding quarter.

SingTel gained 21,000 mio TV customers this quarter and total customer base reached 313,000 at end of June 2011.

mio TV boosted its info-tainment and news offerings with the addition of Travel Channel, a travel and leisure channel, and Times Now, India’s leading English news channel. It strengthened its sports content with the addition of Setanta Rugby sports channel which features worldwide ‘live’ and exclusive rugby matches. SingTel also expanded its 3D content offerings including ‘live’ Barclays Premier League matches and Formula One in 3D as well as 3D movie blockbusters, enriching customers’ viewing experience in the emerging 3D market.

SECTION II : SINGAPORE

OPERATING EXPENSES
(Before Depreciation And Amortisation)

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Selling & administrative	318	254	25.3
Cost of sales	243	253	-3.8
Staff costs	234	213	9.7
Traffic expenses	205	209	-2.0
Repair & maintenance	30	30	-
Others (1)	(6)	(7)	-12.7
Total	**1,024**	**952**	**7.6**
Less: Group and International Business corporate costs	(21)	(15)	37.1
Singapore Business	**1,003**	**937**	**7.1**

As a percentage of operating revenue	Quarter 30 Jun 2011	Quarter 30 Jun 2010
Selling & administrative	20.4%	16.7%
Cost of sales	15.6%	16.6%
Staff costs	15.0%	14.0%
Traffic expenses	13.2%	13.8%
Repair & maintenance	1.9%	1.9%
Others	-0.4%	-0.5%
Total	**65.7%**	**62.6%**
Singapore Business	**64.4%**	**61.6%**

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

Cost of sales decreased 3.8% year-on-year corresponding to lower fibre rollout revenue from OpenNet. It declined 26% from the preceding quarter, in line with seasonally lower revenues from IT and Engineering and Sale of equipment.

SECTION II : SINGAPORE

Selling & administrative Expenses

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Selling & administrative expenses	318	254	25.3
Singapore Business - Selling & administrative expenses	311	249	24.8

Selling & administrative expenses, the largest expense category at 20% of operating revenue, rose 25% from a year ago. The increase was mainly attributable to higher acquisition costs of mio TV content and rollout, as well as increased maintenance and customer service costs to support the growing multimedia customer base. Total mobile subscriber acquisition and retention costs increased on higher smartphone connections and the impact of iPad 2. Compared to a quarter ago, expenses decreased by 5.5%, partly on lower subscriber acquisition and retention costs in fixed broadband.

Traffic Expenses

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
International Telephone outpayments	45	48	-7.1
Mobile roaming outpayments	61	59	3.2
Total outpayments	105	107	-1.4
Leases (1)	71	78	-8.1
Interconnect	29	25	14.3
Traffic expenses	**205**	**209**	**-2.0**
Singapore Business - Traffic expenses	**205**	**209**	**-2.0**

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 rose 3.2% year-on-year and 4.3% from the preceding quarter, in line with higher roaming traffic and associated revenue.

The decrease in lease expenses of 8.1% from a year ago and 10% from a quarter ago resulted from lower lease circuit charges and reduced satellite lease costs corresponding to lower mobile satellite revenue, as well as the effect of a weaker US Dollar.

Interconnect expenses recorded increases of 14% from a year ago and 2.5% from a quarter ago with higher inter-operator SMS volume across a larger customer base.

SECTION II : SINGAPORE

Staff Costs

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Gross staff costs	228	214	6.5
Performance share costs (1)	8	5	73.9
	236	219	7.9
Capitalisation of staff costs (2)	(3)	(4)	-27.0
	234	**215**	**8.6**
Job credits	-	(2)	nm
Total, net	**234**	**213**	**9.7**
Singapore Business	**220**	**203**	**8.6**

Key Drivers	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
SingTel average number of staff	12,983	12,920	12,666	2.5
Revenue per staff (S$'000) (3)	120	129	120	-0.1
As at end of period:				
Number of staff				
NCS group	6,335	6,179	5,818	8.9
SingTel and other subsidiaries	6,729	6,762	6,901	-2.5
Singapore	**13,064**	**12,941**	**12,719**	**2.7**
Optus	**10,064**	**10,090**	**10,343**	**-2.7**
Total Group	**23,128**	**23,031**	**23,062**	**0.3**

Notes:

(1) Performance share expense for a share grant is amortised and recognised in the 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 6.5% year-on-year on headcount growth from NCS, as well as annual increment.

The increase in performance share costs from a year ago resulted mainly from higher fair values for cash-settled plans compared to the same quarter last year.

Overall headcount for Singapore increased 345 from a year ago to 13,064 as at end June 2011 due to additional hires at NCS to support new customer wins and the build-up of its offshore development resource base.

SECTION II : SINGAPORE

OTHER INCOME STATEMENT ITEMS

Depreciation And Amortisation

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Depreciation of property, plant and equipment	129	129	0.2
Amortisation	5	5	2.2
	134	**134**	**0.2**
Depreciation as a percentage of operating revenue	***8.3%***	***8.5%***	

Depreciation was stable from a year ago, with NCS' investments in equipment for a government contract partially offset by the impact of fully depreciated assets in the previous financial year.

Net Finance Expense

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Net interest expense:			
- Interest income	2	1	100.0
- Interest expense	(52)	(52)	-0.4
	(50)	**(51)**	**-2.2**
Other finance (expense)/ income:			
- Investment gain [(1)]	1	1	-9.1
- Net foreign exchange loss	(4)	*	nm
	(3)	**2**	**nm**
Net finance expense	**(53)**	**(50)**	**7.5**

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

Interest income grew year-on-year mainly on an increase in average cash balance.

Interest expense was stable as increased borrowings were offset by the decline in average interest rates.

Net foreign non-trade exchange loss of S$4 million was mainly from the revaluation of forward contracts and US Dollar-denominated fixed deposits with a weaker US Dollar from a year ago.

SECTION II : SINGAPORE

Taxation

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Taxation			
Current and deferred taxes **(a)**	63	53	20.0
Tax benefit of inter-company interest expense	(33)	(30)	9.0
Total	**30**	**23**	**34.7**
Effective tax rates based on :			
Singapore reported profit before tax	*8.4%*	*5.7%*	
Profit before tax	359	393	
Exclude :			
Net foreign exchange loss (non-trade)	4	*	
Adjusted pre-tax profit **(b)**	**364**	**393**	
Effective tax rate **(a)/(b)**	*17.3%*	*13.4%*	
Applicable statutory tax rate in the quarter	*17.0%*	*17.0%*	

The tax expense in the corresponding quarter last year included certain tax credits recognised on finalisation of the earlier years' tax assessments.

The deferred tax credit relating to intercompany interest expense benefited from the stronger Australian Dollar from a year ago.

SECTION II : SINGAPORE

SINGAPORE CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			YOY
	30 Jun 2011 S$ m	30 Jun 2010 S$ m	31 Mar 2011 S$ m	Chge %
Net cash inflow from operating activities				
Profit before tax	359	393	327	-8.5
Non-cash items	195	187	207	4.1
Operating cash flow before working capital changes	554	580	534	-4.5
Changes in operating assets and liabilities	(126)	(160)	274	-21.8
	429	420	809	2.1
Cash paid to employees under performance share plans	*	(3)	-	nm
Net tax (paid)/ refund on operating activities	(1)	29	(34)	nm
Operating cash flow	427	446	775	-4.2
Net cash outflow for investing activities				
Net loan to STAI from Optus (1)	9	7	328	25.0
Withholding tax paid on interest received on inter-company loans	(1)	(1)	(33)	14.3
Payment for purchase of property, plant and equipment	(201)	(115)	(214)	74.0
Drawdown of prepaid C2C submarine cable capacity	11	18	-	-38.9
Proceeds from disposal of property, plant and equipment	2	1	2	320.0
Net investment in associates	(6)	(32)	(121)	-81.2
Investment in available-for-sale investments	(38)	-	(20)	nm
Others *(dividends and interest received etc)*	1	5	(3)	-81.6
	(223)	(118)	(59)	89.5
Net cash inflow/ (outflow) for financing activities				
Net increase/ (decrease) in borrowings	94	(234)	753	nm
Net interest paid on borrowings and swaps	(94)	(89)	(4)	6.2
Interim dividends paid to shareholders	-	-	(1,083)	-
Repayment of loan to minority shareholder	-	(25)	-	nm
Proceeds from share issue	1	5	1	-72.3
Purchase of performance shares	(1)	(10)	-	-95.1
Others	-	-	*	-
	1	(354)	(334)	nm
Net increase/ (decrease) in cash balance from Singapore	205	(26)	383	nm
Net increase/ (decrease) in cash balance from Singapore	205	(26)	383	nm
Dividends received from associates	465	228	82	104.1
Withholding tax paid	(44)	(20)	(9)	121.5
Net dividends received from associates	420	208	74	102.5
Net increase in cash and cash equivalents	625	182	456	243.8
SingTel cash and cash equivalents at beginning	2,202	1,416	1,751	55.5
Exchange effects on cash and cash equivalents	(6)	(8)	(5)	-20.8
SingTel cash and cash equivalents at end	2,821	1,590	2,202	77.4
Singapore free cash flow	227	330	562	-31.4
Free cash flow from associates' dividends	420	208	74	102.5
Cash capex to operating revenue	*13%*	*8%*	*13%*	

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

SECTION II : SINGAPORE

Net cash generated from operating activities decreased 4.2% from a year ago to S$427 million partly due to a tax refund in the same quarter a year ago. As at 30 June 2011, the work-in-progress and receivable balances in respect of the fibre rollout contract with OpenNet totalled S$149 million. Compared to a quarter ago, operating cash flow fell 46% due mainly to seasonality in payments including annual staff incentive.

Cash outflows from investing activities totalled S$223 million mainly for the capital expenditure of S$201 million. Major capital expenditure this quarter comprised additional investments in fixed and mobile networks as well as milestone payments for the ST-2 satellite which was launched in the quarter. It represented 13% of operating revenue, up 5 percentage points from a year ago. Other investing cash outflows included payments of S$38 million for SingTel Innov8’s venture investments, and S$6 million for the additional capital injection in OpenNet.

Free cash flow for the quarter was S$227 million, down by 31% from a year ago primarily due to higher capital expenditure. The decline in free cash flow from the preceding quarter was mainly attributed to seasonal working capital movements.

Net cash flow for financing activities included proceeds from SGT’s HK$620 million (equivalent of S$100 million) note issue under its Euro Medium Term Note Programme and interest payments of S$94 million.

Including net dividends of S$420 million received from the associates in the quarter, overall cash balance as at 30 June 2011 increased S$619 million from a quarter ago to S$2.82 billion.

SECTION III : OPTUS

SINGTEL OPTUS PTY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2011

- **Operating revenue at A$2.31 billion – up 2.6%.**
- **EBITDA at A$560 million – up 1.2%.**
- **EBITDA margin at 24.2%.**
- **Underlying net profit at A$174 million – up 2.5%.**
- **Free cash flow of A$203 million – up 4.4%.**

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Operating revenue	2,313	2,256	2.6
EBITDA	560	553	1.2
EBITDA margin	*24.2%*	*24.5%*	
EBIT	281	268	5.0
Underlying net profit	174	170	2.5
Net profit	161	170	-4.9
Free cash flow	203	195	4.4

SECTION III : OPTUS

OPTUS SUMMARY INCOME STATEMENTS – Singapore GAAP
For The First Quarter Ended 30 June 2011

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Operating revenue	**2,313**	**2,256**	**2.6**
Operating expenses	(1,767)	(1,716)	3.0
	546	540	1.2
Other income	14	14	2.2
EBITDA	**560**	**553**	**1.2**
- EBITDA margin	***24.2%***	***24.5%***	
Share of results of joint ventures	*	*	nm
EBITDA and share of results of joint ventures	**560**	**553**	**1.2**
Depreciation & amortisation	(279)	(286)	-2.4
EBIT	**281**	**268**	**5.0**
Net finance expense	(28)	(25)	11.1
Profit before exceptional items	**253**	**243**	**4.4**
Exceptional items (1)	(18)	-	nm
Profit before tax	**235**	**243**	**-3.0**
Tax expense	(74)	(73)	1.4
Net profit after tax	**161**	**170**	**-4.9**
Net profit	**161**	**170**	**-4.9**
Exclude:			
Exceptional items (1)	18	-	nm
Deferred tax on exceptional items	(5)	-	nm
Underlying net profit	**174**	**170**	**2.5**

Note:
(1) Exceptional items relate to a one-off provision of A$18M (post-tax: A$13M) for ex-gratia payment arising from workforce restructuring.

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 First Quarter Ended 30 June 2011

Optus reported resilient results in the current quarter amid intense market competition. Operating revenue grew 2.6% and EBITDA increased 1.2%.

In Mobile, service revenue rose 2.8% year-on-year while EBITDA was stable. Mobile growth was underpinned by continued postpaid customer growth. Postpaid net additions this quarter was 113,000 while total postpaid subscribers reached 4.89 million. Total Mobile customers grew by 28,000 to 9.10 million.

Optus continued to differentiate its offerings through leading digital services which provide customers relevance and convergence. Following the recent introduction of Smart Safe™ service that uses cloud technology to store files securely online, Optus announced the launch of Optus TV Now™, a landmark innovation in mobile entertainment. In an Australian first for a telecommunications company, Optus customers will be able to schedule, record and playback any of the 15 free-to-air television channels from their compatible 3G mobile devices or personal computers.

In the small and medium business ("SMB") segment, Optus supplemented its suite of integrated business tools with the launch of Optus OfficeApps Email and Collaboration Suite, offering business domain name registration, cloud-based applications and dedicated Optus OfficeApps support to enable SMBs to manage their business more cost effectively.

Continuing the focus on customer experience, Optus also announced a new loyalty alliance program with Qantas, becoming the only Australian telecommunications provider to reward consumer and SMB customers with the ability to earn Qantas Frequent Flyer points. The proposed alliance will enhance Optus' existing rewards programs and will be launched in the second half of 2011.

In Business and Wholesale fixed, overall revenue was stable year-on-year with growth in ICT and managed services and satellite revenue. EBITDA increased by 1.3%.

During the quarter, Optus was appointed to supply managed services for National Broadband Network (NBN) Co's Interim Satellite Service under a five-year agreement valued at approximately A$200 million. These managed services include the provisioning of satellite capacity, network infrastructure, customer premise equipment and operating systems for interfacing with NBN Co and retail service providers. This allowed Australians living in regional and remote parts of Australia to gain access to the NBN from as early as 1 July 2011.

In Consumer & SMB fixed, on-net revenue excluding Pay TV was stable. Including Pay TV, on-net revenue declined 1.5%. EBITDA continued to grow by 4.9%, reflecting the strong on-net focus. Total on-net broadband customers reached 965,000 as at 30 June 2011.

As part of Optus' strategy to develop a suite of converged video services, Optus announced a partnership with Fetch TV to jointly develop a unique IPTV service across multiple devices including integrated mobile functionality for smartphones and tablet devices. This service is scheduled for launch in the second half of 2011.

Optus' overall EBITDA grew 1.2% year-on-year to A$560 million, driven by contribution from all segments and continuing strong cost management.

SECTION III : OPTUS

Net finance expense was up by A$3 million year-on-year as a result of Optus' financing strategy to extend the average maturity of its debt, with higher long-term borrowings offsetting the repayment of short-term bank facilities.

On 30 June 2011, Optus signed a new three-year A$1.2 billion committed revolving facility agreement with major banks for general corporate purposes and to refinance existing facilities.

Net profit for the quarter included the impact of exceptional items relating to a one-off provision of A$18 million (post-tax: A$13 million) for ex-gratia payment arising from workforce restructuring. Excluding the exceptional items, underlying net profit grew 2.5% to A$174 million.

Free cash flow generated in the quarter was A$203 million, up A$8 million or 4.4% year-on-year.

National Broadband Network (NBN) Update

In May 2011, the Parliament approved two Bills to establish the regulatory and governance framework for the NBN Co. These Bills sought to deliver on the Government's commitment that the NBN will be operated as a wholesale-only network, on open access terms with strict oversight by the ACCC.

Optus and NBN Co reached an agreement on 23 June 2011 on the migration of Optus' HFC customers to the NBN. Under the agreement, Optus will begin the progressive migration of its customers to the NBN once the network is rolled out in an area and is ready to provide services to customers currently served by Optus' HFC network. Optus estimates the total value of the agreement as approximately A$800 million on a post-tax net present value basis assuming all current customers migrate, with payments received progressively on migration. Optus and NBN Co expect that the initial migration of customers to NBN infrastructure will commence in 2014 and take up to four years to be completed across Optus' entire HFC footprint. Optus will continue to supply services to customers using its HFC network until the NBN is built and customers have been migrated.

The agreement is conditional on regulatory approval and taxation rulings. The agreement also includes various termination rights, including rights relating to agreeing an implementation plan and the market environment in which the NBN is expected to operate.

SECTION III : OPTUS

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2011 were as follows:

	Quarter		QOQ
	30 Jun 2011 A$ m	31 Mar 2011 A$ m	Chge %
Operating revenue	**2,313**	**2,322**	**-0.4**
Operating expenses	(1,767)	(1,667)	6.0
EBITDA	**560**	**672**	**-16.6**
EBITDA margin	***24.2%***	***28.9%***	
Mobile	*25%*	*30%*	
Business & wholesale fixed	*26%*	*33%*	
Consumer & SMB fixed	*18%*	*18%*	
Profit before exceptional items and tax	**253**	**368**	**-31.2**
Underlying net profit	**174**	**261**	**-33.4**
Free cash flow	**203**	**420**	**-51.7**

Operating revenue in the current quarter was stable compared to the preceding quarter.

EBITDA was seasonally lower across all segments, declining by 17% against the preceding quarter. This was in part due to lower subscriber acquisition and retention costs as well as the impact of a A$20 million reversal of outpayment provision in the preceding March quarter.

Free cash flow reflected higher 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 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Operating revenue by division:			
Mobile	1,492	1,424	4.7
Optus Business Fixed	327	328	-0.3
Optus Wholesale Fixed	169	166	2.2
Consumer and SMB Fixed	327	339	-3.7
Less inter-divisional revenue (1)	(2)	(2)	-21.7
Total	**2,313**	**2,256**	**2.6**
EBITDA by division:			
Mobile	371	369	0.6
Optus Business & Wholesale Fixed	131	129	1.3
Consumer and SMB Fixed	58	55	4.9
Total	**560**	**553**	**1.2**
EBITDA margins by division:			
Mobile	*25%*	*26%*	
Optus Business & Wholesale Fixed	*26%*	*26%*	
Consumer and SMB Fixed	*18%*	*16%*	
Total	***24.2%***	***24.5%***	

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

Mobile revenue was the key contributor to revenue growth, comprising 65% of total revenue, 2 percentage points higher than the same quarter last year. Mobile and Optus Business and Wholesale fixed EBITDA growth was relatively stable, while Consumer and SMB fixed EBITDA grew as margins expanded driven by on-net yield and cost management.

SECTION III : OPTUS

OPTUS MOBILE DIVISION

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Mobile communications revenue [(1)]			
Outgoing service revenue	973	981	-0.8
Incoming service revenue	265	224	18.7
Service revenue	1,238	1,204	2.8
Equipment	253	220	15.3
Total Mobile revenue	**1,492**	**1,424**	**4.7**
EBITDA [(2)]	**371**	**369**	**0.6**
- EBITDA margin	***25%***	***26%***	

Key Drivers	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
Number of mobile subscribers (000s)				
Prepaid	4,210	4,295	4,358	-3.4
Postpaid [(3)]	4,886	4,773	4,330	12.8
Total	**9,096**	**9,068**	**8,688**	**4.7**
Mobile penetration rate [(4)]	***ND***	***ND***	***120%***	
MOUs per subscriber per month [(5)]				
Prepaid	83	78	74	11.6
Postpaid	230	229	221	4.2
ARPU per month (A$) [(6)]				
Prepaid	22	24	25	-11.5
Postpaid	66	68	69	-4.1
Blended	**45**	**47**	**47**	**-2.8**
Data revenue as a % of service revenue				
- total data	***44%***	***42%***	***40%***	
- non-SMS data	***20%***	***19%***	***18%***	
Market share - total [(4)]	***ND***	***ND***	***32.5%***	
Retail postpaid churn rate per month [(7)]	***1.8%***	***1.7%***	***1.5%***	
% users through wholesale	***11%***	***11%***	***9%***	
Acquisition cost per subscriber	**A$220**	**A$190**	**A$200**	

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 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

The Mobile business delivered moderated revenue growth and stable EBITDA. Total revenue grew 4.7% to A$1.49 billion, while service revenue and equipment revenue grew 2.8% and 15% respectively.

Postpaid customer growth continued with net additions of 113,000 this quarter, resulting in a postpaid customer base of 4.89 million as at 30 June 2011, up 13% from a year ago. Postpaid customers comprised 54% of the total base, up 4 percentage points from a year ago.

Prepaid net additions were impacted by the competitive market and continuing prepaid-to-postpaid migration. Specifically, there were higher customer churn rates on '*International Calls for Less*[4] plans in line with prior quarters and also on selected plans with long expiry periods. This resulted in a net decline of 85,000 in the prepaid customer base from a quarter ago.

To differentiate in an increasingly competitive market, Optus announced in July 2011 the launch of Australia's first national femtocell service, Optus 3G Home Zone, following a commercial pilot which commenced in April 2011. This service provides personalised mobile coverage to the home or home office, combined with an unlimited call offer.

The number of 3G subscribers[5] increased to 5.29 million, a 3.9% increase from a quarter ago. This included a base of 1.36 million wireless broadband[6] subscribers, an increase of approximately 81,000 subscribers since a quarter ago.

Incoming service revenue grew strongly at 19% this quarter supported by subscriber growth, increased SMS and voice revenue. Termination rates remained steady at 9 cents per minute.

Blended ARPU was lower at A$45 compared to the preceding quarter and the same quarter last year. Excluding wireless broadband, postpaid ARPU declined 1.2% year-on-year, reflecting higher value inclusions on selected plans. Prepaid ARPU was impacted by increased price competition and continuing prepaid-to-postpaid migration.

SMS and other data revenue was at 44% of ARPU with increased data usage and higher penetration of wireless data products, up from 42% in the preceding quarter and 40% a year ago. The proportion of non-SMS data revenue (including premium content SMS) grew to 20% of ARPU, compared to 19% 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 93%[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 June 2011, up from 65% a year ago.

Acquisition cost per subscriber was 10% higher than a year ago due to a higher postpaid mix and increased smartphone penetration. It was higher than the preceding quarter due to seasonality.

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[4] *'International Calls for Less'* plan was launched in November 2009, offering attractive rates for international calls.

[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 June 2011 was 78% (March 2011: 77%), with 87% of total new and recontracted customers choosing capped plans in this quarter (March 2011: 83%).

SECTION III : OPTUS

EBITDA was stable at A$371 million despite continued investment in customer growth, reflecting prudent cost management.

Optus continued to make significant investments to improve the quality and performance of the Open Network[8]. In this quarter, more than 170 new mobile sites were built to enhance depth and coverage in metropolitan areas and to bring 3G coverage to a number of communities in rural and regional Australia. As part of expanding regional coverage, Optus announced a A$25 million investment in Tasmania, giving Tasmanians greater innovation, choice and competition for their mobile services. In addition, Optus continued to make significant investments in transmission and backhaul capacity.

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 significant investment, Optus is the only carrier capable of challenging the incumbent telco's network on both coverage and speed.

Following the successful completion of the first phase of its Long Term Evolution (LTE) trial in metropolitan Sydney, Optus is continuing its LTE trials involving a wider scope of technical testing in Sydney's northern and eastern suburbs in 2011.

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

SECTION III : OPTUS

OPTUS BUSINESS & WHOLESALE FIXED DIVISIONS

	Quarter 30 June		YOY Chge
	2011 A$ m	2010 A$ m	%
Business revenue			
Voice	100	101	-0.7
Data and IP	116	119	-2.8
ICT and Managed Services	111	108	2.8
Total Business fixed revenue	**327**	**328**	**-0.3**
Wholesale revenue			
Domestic Voice	30	31	-3.8
International Voice	4	5	-25.5
Data and IP	63	63	-0.5
Satellite	73	67	9.2
Total Wholesale fixed revenue	**169**	**166**	**2.2**
Total Business & Wholesale fixed revenue	**497**	**494**	**0.5**
EBITDA (1)	**131**	**129**	**1.3**
- EBITDA margin	***26%***	***26%***	

Key Drivers	Quarter			YOY Chge
	30 Jun 2011	31 Mar 2011	30 Jun 2010	%
Business voice minutes (m min)	1,279	1,247	1,242	3.1
Wholesale domestic voice minutes (m min)	890	980	836	6.4
As at end of period:				
Buildings connected (2)	17,850	17,834	17,521	1.9

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 revenue was stable year-on-year, with growth registered in ICT and managed services and satellite.

Total Business fixed revenue was stable, with voice revenue relatively flat year-on-year. Data and IP revenue declined 2.8% as growth in Evolve™ revenue was offset by the exit of legacy data products. ICT and managed services grew 2.8% due to an increase in managed services revenue from prior corporate wins including ANZ and ATO.

As a testament to Optus' track record of providing outsourced and managed telecommunications services to enterprise and government, Optus was awarded a four-year managed services contract of approximately A$30 million to deliver a range of fixed, mobile and managed services to Sydney Water, Australia's largest urban water utility.

SECTION III : OPTUS

Wholesale fixed revenue increased 2.2% year-on-year. Domestic voice revenue continued to be impacted by the deregulation of access pricing in nominated exchanges, while international voice revenue declined due to lower usage and reduced rates for international inpayment traffic. Data and IP was stable as growth in on-net revenue was offset by exit of off-net data products. Satellite growth was attributed to a full quarter of revenue from delivering next generation digital free-to-air television services to households in black spot areas, as well as the commencement of revenue from the NBN Interim Satellite Service contract.

EBITDA increased slightly by 1.3% year-on-year, with stable EBITDA margins.

SECTION III : OPTUS

OPTUS CONSUMER AND SMB FIXED DIVISION

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
On-net			
Voice	132	135	-1.6
Broadband	118	116	1.9
Pay TV	19	23	-17.6
Consumer Fixed on-net	**270**	**274**	**-1.5**
Off-net			
Voice	9	14	-34.5
Broadband	4	6	-42.9
Dial-up	1	1	-42.9
Consumer Fixed off-net	**14**	**22**	**-37.4**
Consumer Fixed revenue	**284**	**296**	**-4.1**
SMB			
Voice	30	31	-4.2
Data and IP	13	13	7.1
SMB fixed revenue	**43**	**44**	**-0.7**
Total Consumer & SMB fixed revenue	**327**	**339**	**-3.7**
EBITDA (1)	**58**	**55**	**4.9**
- EBITDA margin	***18%***	***16%***	

Key Drivers	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
On-net ARPU (A$) (2)				
Voice	52	53	53	-1.9
Broadband	49	50	50	-1.6
Telephony customers ('000)				
HFC (3)	503	504	510	-1.4
ULL (4)	512	512	494	3.6
On-net	**1,015**	**1,016**	**1,004**	**1.1**
Resale	50	55	74	-32.1
Long distance only	9	9	11	-20.9
Off-net	**59**	**64**	**85**	**-30.7**
HFC bundling rate (5)	*87%*	*87%*	*86%*	
HFC penetration	***36%***	***36%***	***36%***	
Internet customers (000s)				
On-net				
HFC broadband	426	426	425	0.3
ULL broadband (4)	506	501	470	7.7
Business grade broadband (6)	32	33	32	2.5
	965	960	926	4.1
Off-net				
Broadband	31	36	53	-40.5
Broadband subtotal	**996**	**996**	**979**	**1.7**
Dial-up	24	24	25	-3.2
Total Internet customers	**1,021**	**1,020**	**1,004**	**1.6**

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.

In Consumer fixed, on-net revenue excluding Pay TV was stable. Including Pay TV, on-net revenue declined 1.5%. As at 30 June 2011, Optus had 512,000 ULL customers, unchanged from a quarter ago and up 18,000 from a year ago

On-net broadband delivered revenue growth of 1.9% year-on-year. On-net broadband customers increased by 4.1% to 965,000 and accounted for 97% of the total broadband customer base as at 30 June 2011, while on-net broadband ARPU was impacted by increased data allowances in selected broadband offers.

Consistent with its strategy of focusing on on-net subscriber growth, Optus continued to exit marginal resale services. Accordingly, Consumer off-net revenue declined 37% and contributed to an overall decline of 4.1% for Consumer fixed revenue. This quarter, on-net revenue contributed 95% to overall Consumer fixed revenue, up from 93% a year ago.

SMB fixed revenue was stable year-on-year with lower off-net revenue partly mitigated by increased demand for on-net voice and data services.

Underpinned by Optus' on-net strategy, EBITDA continued to grow 4.9% year-on-year to A$58 million, with margin expansion of 2 percentage points to 18%. The improvement was driven by higher on-net revenue mix and yield management initiatives.

SECTION III : OPTUS

OPTUS OPERATING EXPENSES
(Before Depreciation and Amortisation)

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Interconnect	374	337	11.2
Outpayments & other leases	49	60	-17.8
Traffic expenses	424	397	6.8
Selling & administrative	681	663	2.6
Cost of sales	381	340	12.2
Staff costs	268	301	-11.2
Repair & maintenance and others	54	53	1.9
Capitalisation of costs (1)	(41)	(39)	4.1
Total	**1,767**	**1,716**	**3.0**
As a percentage of operating revenue			
Traffic expenses	18%	18%	
Selling & administrative	29%	29%	
Cost of sales	16%	15%	
Staff costs	12%	13%	
Repair & maintenance and others	2%	2%	
Capitalisation of costs (1)	-2%	-2%	
	76%	**76%**	

	Quarter 30 Jun 2011	Quarter 31 Mar 2011	Quarter 30 Jun 2010	YOY Chge %
Staff statistics				
Number of employees, at end of period	10,064	10,090	10,343	-2.7
Average number of employees	10,102	10,157	10,380	-2.7
Revenue per employee (A$'000) (2)	229	229	217	5.4

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

Operating expenses increased by 3.0% year-on-year, reflecting a continuing focus on cost management.

Traffic expenses grew 6.8% in line with mobile traffic, with an increase in interconnect expenses partly offset by a decline in outpayment costs and lower off-net fixed line traffic as a result of Optus' continued on-net focus.

Selling and administrative expenses increased 2.6% as growth in customer acquisition and retention costs were mitigated by tight cost management.

Cost of sales was up 12%, primarily attributable to higher mobile and ICT equipment costs.

Staff costs declined year-on-year due to lower average headcount as well as lower provisions.

SECTION III : OPTUS

OTHER INCOME

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Sublease income	10	10	2.0
Foreign exchange losses	*	(3)	nm
Other	4	7	-47.1
Total	**14**	**14**	**2.2**

Other income was largely consistent with the same quarter last year.

OTHER INCOME STATEMENT ITEMS

Depreciation and Amortisation

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Depreciation and amortisation expense	279	286	-2.4
As a percentage of operating revenue	***12%***	***13%***	

Depreciation and amortisation expense declined 2.4% as growth from newly capitalised assets was offset by assets which have been fully depreciated during the quarter.

Net Finance Expense

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Interest expense	32	27	18.0
Interest capitalised	-	-	-
	32	27	18.0
Interest income	(5)	(3)	83.3
Net interest expense	**27**	**24**	**9.5**
Other finance costs			
Unwinding of discounts, incl adjs	2	1	50.0
Revaluation (gain)/loss of FX contracts	*	*	nm
Total	**28**	**25**	**11.1**

Net finance expenses increased by A$3 million as a result of Optus' financing strategy to extend the average maturity of its debt, with higher long-term borrowings partially offsetting the repayment of short-term bank facilities.

SECTION III : OPTUS

Taxation

	Quarter 30 June 2011 A$ m	Quarter 30 June 2010 A$ m	YOY Chge %
Optus' Australian income tax expense	78	72	9.1
Share of joint venture income tax expense	1	1	nm
Exceptional item	(5)	-	nm
	74	**73**	**1.4**

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 Jun 2011 A$ m	Quarter 30 Jun 2010 A$ m	Quarter 31 Mar 2011 A$ m	YOY Chge %
Net cash inflow from operating activities				
Profit before tax	**235**	**243**	**368**	**-3.0**
Non-cash items	309	312	304	-1.1
Operating cashflow before working capital changes	544	555	673	-1.9
Changes in operating assets and liabilities	(38)	(59)	(12)	-35.8
Net cash inflow from operating activities	**506**	**496**	**660**	**2.1**
Net cash outflow from investing activities				
Purchases of property, plant and equipment	(303)	(301)	(240)	0.6
Loan to STAI	-	-	(249)	nm
Others	(20)	4	5	nm
	(323)	**(297)**	**(484)**	**8.5**
Net cash outflow from financing activities				
Net decrease in bank borrowings	-	(150)	(4)	nm
Purchase of SingTel shares	(1)	(10)	-	-91.3
Settlement on behalf of STAI	(6)	(6)	(7)	14.3
Finance lease payments (excl interest)	(1)	-	(1)	nm
Net interest paid on borrowings and swaps	(29)	(27)	(32)	5.5
Others	20	-	-	nm
	(17)	**(193)**	**(43)**	**-91.1**
Net increase in cash and cash equivalents	**166**	**5**	**133**	**@**
Cash and cash equivalents at beginning	412	154	279	167.2
Cash and cash equivalents at end	**578**	**159**	**412**	**262.7**
Free cash flow	**203**	**195**	**420**	**4.4**
Cash capital expenditure to operating revenue	***13%***	***13%***	***10%***	

In the quarter, operating cash flow amounted to A$506 million, A$10 million higher than the same quarter last year largely driven by favourable working capital changes.

SECTION III : OPTUS

Capital expenditure represented 13% of operating revenue, consistent with the same quarter last year.

Free cash flow rose 4.4% to A$203 million.

Capital expenditure by division

	Quarter 30 June		YOY
	2011 A$ m	2010 A$ m	Chge %
Mobile	169	173	-1.9
Business & Wholesale fixed	46	40	14.9
Consumer & SMB fixed	16	22	-25.0
Other	71	66	6.5
Total	**303**	**301**	**0.6**

During the quarter, Optus maintained its investment commitment to deliver quality mobile network coverage and performance in Australia, spending 56% of total capital expenditure on Mobile. Mobile capital expenditure was largely incurred to increase speed, capacity and coverage of the Open Network to support the growing demand for voice and wireless broadband services.

In Optus Business and Wholesale fixed division, capital expenditure of A$46 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 Consumer and SMB fixed division, the capital expenditure of A$16 million primarily represented costs of new customer connections.

Other capital expenditure was incurred to upgrade core IT systems, facilities, network infrastructure, and the acquisition of additional Southern Cross capacity.

SECTION IV: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2011

- **Associates' contributions negatively impacted by foreign exchange movements, with the major regional currencies depreciating by 5% to 10%.**

- **If the regional currencies were held constant from a year ago, ordinary pre-tax contributions from the associates would have been down 3.1%.**

- **On a post-tax basis, earnings from associates declined 12% to S$360 million and contributed 41% to the Group's underlying net profit, 2 percentage points lower than a year ago.**

- **If the regional currencies had remained stable from a year ago, post-tax contributions would have been down 6.2%.**

- **AIS' results for June 2011 quarter were equity accounted as part of Group's ordinary results following the alignment of AIS' reporting period to the Group. AIS' contribution from the preceding March quarter has been recorded under the Group's exceptional items.**

- **The Group's combined mobile customer base[9] was up 3.4% or 13.6 million in the quarter to 416 million. Year-on-year, the mobile customer base was up 19% or 65.4 million. On a proportionate share basis, the increase was 3.3% from a quarter ago to 146 million.**

[9] 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 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Regional mobile associates				
Bharti Telecom / Bharti Airtel	32.3			
India, Bangladesh and Sri Lanka ("South Asia")				
- operating results		184	237	-22.1
- fair value losses (2)		(3)	(14)	-79.9
		181	223	-18.5
Africa				
- operating results		5	1	477.8
- acquisition financing costs		(20)	(6)	238.3
- fair value losses (2)		(13)	(7)	77.8
		(28)	(12)	126.8
Bharti Group		154	210	-27.0
Telkomsel	35.0			
- operating results		209	221	-5.6
- fair value gains / (losses) (2)		1	*	nm
		210	221	-4.8
AIS (3)	21.3	77	68	13.0
Globe	47.3			
- operating results		51	50	1.8
- fair value losses (2)		(2)	(6)	-63.8
		49	45	10.3
PBTL	45.0			
- operating results		(5)	(4)	2.3
- fair value losses (2)		(1)	*	nm
		(6)	(5)	26.7
Warid	30.0			
- operating results		(11)	(12)	-10.6
- fair value losses (2)		(1)	(2)	-45.0
		(12)	(14)	-15.4
		472	**525**	**-10.1**
Other SingTel associates				
Singapore Post	25.6	12	13	-3.9
Southern Cross	40.0	10	7	51.5
Others		6	6	-7.9
SingTel share of ordinary results (pre-tax)		**500**	**551**	**-9.2**
Optus share of ordinary results (pre-tax)		*****	*****	**nm**
Group share of ordinary results (pre-tax)		**500**	**551**	**-9.2**
Exceptional item ("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		**508**	**541**	**-6.2**
Optus share of pre-tax profit		*****	*****	**nm**
Group share of pre-tax profit		**508**	**541**	**-6.2**
Group share of pre-tax profit (ex-Bharti Africa) (4)		**536**	**562**	**-4.8**

SECTION IV : ASSOCIATES/ JOINT VENTURES

Notes:

(1) The accounts of the associates are prepared based on local GAAP. Where applicable, the accounting policies of the associates have been restated for compliance with the Group's accounting policies.
(2) Fair value gains or losses arose from mark-to-market valuation of foreign currency liabilities, net of related hedging, if any.
(3) In the current quarter, the Group equity accounted for AIS' results for the half year period from 1 January 2011 to 30 June 2011 to align AIS' reporting period to the Group for consolidation purposes. AIS' results for its June 2011 quarter have been equity accounted as part of Group's ordinary results. The Group's share of AIS' results for the quarter ended 31 March 2011 has accordingly been classified as exceptional item of the Group.
(4) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa.

Post-tax profit contribution	Quarter 30 Jun				YOY Chge
	2011		2010		
	S$ m	% (1)	S$ m	% (1)	%
Regional mobile associates					
Bharti Telecom / Bharti Airtel					
- ordinary results (South Asia)	135		187		-27.9
- ordinary results and acquisition financing cost (Africa)	(27)		(13)		107.7
- exceptional item	(5)		(10)		-53.1
	103	12	164	17	-37.2
Telkomsel	157	18	164	17	-4.4
AIS (2)	53	6	48	5	11.8
Globe	34	4	31	3	11.8
PBTL					
- ordinary results	(6)		(5)		26.7
- exceptional item	7		-		nm
	2	**	(5)	**	nm
Warid	(12)	(1)	(14)	(2)	-14.1
	337	**39**	**388**	**41**	**-13.2**
Other SingTel associates	25	3	23	2	11.0
SingTel share of post-tax profit	**362**	**41**	**411**	**44**	**-11.8**
Optus share of post-tax profit	**(2)**	**	**(2)**	**	**-5.9**
Group share of post-tax profit	**360**	**41**	**409**	**43**	**-11.8**
Group share of post-tax profit (ex-Bharti Africa) (3)	**392**	**43**	**431**	**45**	**-9.0**

Notes:

(1) The above table shows the post-tax profit contribution of the associates to the Group's underlying net profit.
(2) In the current quarter, the Group equity accounted for AIS' results for the half year period from 1 January 2011 to 30 June 2011 to align AIS' reporting period to the Group for consolidation purposes. AIS' results for its June 2011 quarter have been equity accounted as part of Group's ordinary results. The Group's share of AIS' results for the quarter ended 31 March 2011 has accordingly been classified as exceptional item of the Group.
(3) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa.

SECTION IV : ASSOCIATES/ JOINT VENTURES

	Quarter 30 Jun		YOY Chge
	2011 S$ m	**2010 S$ m**	**%**
SingTel share of associates' tax	(146)	(131)	11.4
Optus share of associates' tax	(2)	(2)	(5.9)
Group share of associates' tax (a)	**(147)**	**(132)**	**11.2**
Group share of pre-tax results (b)	**508**	**541**	**-6.2**
Effective tax rate (a)/(b)	***29.0%***	***24.5%***	
Effective tax rate (ex-Bharti Africa)	***26.8%***	***23.4%***	

The Group's share of ordinary pre-tax contributions from the associates fell 9.2%, negatively impacted by foreign exchange movements. The major regional currencies depreciated 5% to 10% against the Singapore Dollar. Excluding the currency translation impact, the associates' ordinary pre-tax contributions would have been down 3.1%.

In the current quarter, SingTel aligned AIS' reporting period to the Group and equity accounted for AIS' results for its June 2011 quarter as part of Group's ordinary results. AIS' pre-tax contribution for the preceding March 2011 quarter of S$80 million and related tax of S$25 million have accordingly been recognised under the Group's exceptional items for the quarter (see Page 11).

In Thailand, AIS continued its strong performance in the June 2011 quarter underpinned by strong data growth. In the Philippines, Globe delivered record service revenue and increased operating profits with growth momentum sustained across key business segments. In Indonesia, Telkomsel registered strong data growth and increased EBITDA under improved market conditions. However, with higher depreciation due to network expansion and the shortening of useful life of certain facilities' assets, as well as the 6% depreciation of the Indonesian Rupiah, Telkomsel's pre-tax contribution declined by 4.8%. In India, stabilising tariffs led to revenue and EBITDA growth for Bharti's South Asia operations. Earnings, however, were impacted by 3G rollout cost, licence fee amortisation and higher interest expense. Including a full quarter of losses from its Africa operations which was acquired on 8 June 2010 combined with the impact of the 10% depreciation of the Indian Rupee, Bharti's ordinary pre-tax contribution declined 27%.

On a post-tax basis, contributions from associates declined 12% year-on-year as Bharti recorded higher tax expense in India on reduction in tax holiday benefits. Excluding the net loss of Bharti Africa and assuming the regional currencies had remained constant from a year ago, the Group's share of post-tax profits from the associates would have declined by 3.0%.

The associates contributed 41% to the Group's underlying net profit, 2 percentage points lower from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Bharti Airtel ("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 with 19.9% market share of the total wireless customer base.

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

In the current quarter, Bharti completed the rollout of its 3G services in all of its 13 3G licence circles. In the quarter, Bharti also launched International Video Calling capabilities on 3G in India.

EBITDA in South Asia grew 8% on revenue growth of 12% against the same quarter last year. The Group's share of the pre-tax operating profit (before fair value adjustments) was down 14% year-on-year in Indian Rupee terms as interest expenses and depreciation and amortisation charges, including amortisation of 3G licence fees, were higher.

In Singapore Dollar terms, including fair value adjustments and with the Indian Rupee weakening by a significant 10% against the Singapore Dollar, ordinary pre-tax contribution was down 19% against a year ago to S$181 million.

Compared to the preceding quarter, pre-tax operating profit contribution was down 4.8% in Indian Rupee terms underpinned by 4% increase in revenue, 3% growth in EBITDA and 7% increase in depreciation and amortisation charges.

Bharti recorded higher tax expense in the current quarter due to the reduction in tax holiday benefits in India. On a post-tax basis, ordinary contributions from Bharti declined 28% to S$135 million.

Africa

Bharti continued to make progress in network rollout, IT outsourcing and increased brand presence in Africa.

During the quarter, Bharti has announced contracts with various network vendors to modernise and expand its 2G and 3G networks in Africa. This will allow Bharti Africa to rapidly expand its mobile services and mobile broadband footprint in the region. Bharti also announced that it has signed a 10 year IT outsourcing contract with IBM across all 16 African operations.

Compared to the preceding quarter, operating revenue in Africa increased 6% to US$979 million on the back of 2% growth in ARPU, while EBITDA was up 10% to US$246 million. Mobile customer base grew 4.8% or 2.1 million to 46.3 million.

The Group's share of the pre-tax operating profit of Africa amounted to S$5 million, compared to S$3 million in the preceding quarter. After including S$20 million (Q4 FY2011: S$22 million) of related acquisition financing cost and S$13 million of fair value losses (Q4 FY2011: S$4 million), the Group's share of overall pre-tax losses from Bharti Africa in the quarter amounted to S$28 million (Q4 FY2011: S$23 million).

SECTION IV : ASSOCIATES/ JOINT VENTURES

Overall

On an overall basis, ordinary pre-tax contribution from Bharti amounted to S$154 million, down 27% from a year ago.

On a post-tax basis, profit contribution from Bharti was down 37% to S$103 million and accounted for 12% of the Group's underlying net profit, 5 percentage points lower than a year ago.

Bharti added 7.0 million mobile customers in India this quarter. With a mobile customer base of 169 million in India as at 30 June 2011, Bharti's subscriber market share was 19.9%. Including mobile customers across operations in 19 countries covering India, Bangladesh, Sri Lanka and across Africa, Bharti's total mobile customer base across all geographies reached 221 million as at 30 June 2011, an increase of 4.4% or 9.3 million from a quarter ago.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 39,000 radio base stations (including 3G Node B) providing nationwide coverage.

Telkomsel's operating revenue grew 5% year-on-year driven by strong non-voice data revenue growth. With an increase in operating expenses of 5%, EBITDA grew 4%. Depreciation charge, however, was up 13% due to network expansion and shortening of useful life of certain facilities' assets.

The Group's share of Telkomsel's pre-tax profit was up 1.1% in Indonesian Rupiah terms. However, 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 declined by 4.8%.

On a post-tax basis, Telkomsel's contribution for the quarter declined 4.4% to S$157 million and comprised 18% of the Group's underlying net profit compared to 17% a year ago.

Compared to the preceding quarter, the Group's share of operating profit in Indonesian Rupiah terms was up a strong 12% with a 10% improvement in EBITDA. Operating revenue grew 6%, mainly on subscriber growth and tariff optimisation. Operating expenses were flat against the preceding quarter.

Telkomsel continued to grow its customer base, adding 2.9 million mobile customers this quarter. Telkomsel's market share was approximately 45.5% as at 30 June 2011, down 0.2 percentage point from a quarter ago. Total mobile customer base reached 102 million, up 16% or 14.0 million from a year ago.

Telkomsel continued to expand its network, adding around 1,800 radio base stations in the quarter, compared to 1,300 in the preceding quarter.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Advanced Info Service ("AIS")

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

In the current quarter, AIS' results for its June 2011 quarter have been equity accounted as part of Group's ordinary results following the alignment of its reporting period. AIS' profit contribution and the related tax expense in the preceding March 2011 quarter have accordingly been classified as exceptional items of the Group.

In the June 2011 quarter, AIS' EBITDA was up 11% underpinned by a 13% growth in service revenue (excluding interconnection) against the same quarter a year ago primarily on higher non-voice revenue. Non-voice revenue surged a robust 29% on rising demand for mobile internet driven by higher smartphone and data card adoption, growing popularity of social networking and increased demand for internet in regional areas with limited fixed line infrastructure.

Despite the June quarter being the seasonally softer quarter, AIS' service revenue (excluding interconnection) was stable compared to the preceding March 2011 quarter. EBITDA declined by 3% with higher marketing expenses and increased base rental and utility costs.

AIS' post-tax profit in June quarter contributed 6% to the Group's underlying net profit, from 5% a year ago (based on AIS' March 2010 quarter).

In the June 2011 quarter, AIS added 534,000 mobile customers, compared to 751,000 in the preceding quarter. Year-on-year, AIS' customer base grew 8.3% or 2.5 million to 32.5 million. As at 30 June 2011, AIS' continued to lead the market with market share of approximately 44.0%.

Globe Telecom, Inc ("Globe")

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

Globe is the first Philippine operator to commercially roll out a mobile network that utilised the Evolved High-Speed Packet Access (HSPA+) technology. Tattoo Tonino Lamborghini stick, the fastest broadband dongle in the market, was also launched.

In the current quarter, Globe's service revenue reached an all-time high on sustained growth momentum in key business segments. In Philippine Peso terms, service revenue grew 7%. Mobile revenue grew 5%, contributed by strong take-up for its customisable postpaid plans, increased mobile internet usage and growth in unlimited, bucket text and voice services. Broadband revenue was up a robust 33% fuelled by growing demand for internet connectivity and corporate data services. Consequently, Globe's EBITDA was up 8% and pre-tax operating profit (before fair value adjustments) grew 8% from a year ago.

Including the Group's share of fair value losses of S$2 million compared to S$6 million in the same quarter last year, and the 6% depreciation of the Peso against the Singapore Dollar, Globe's pre-tax profit contribution grew 10% year-on-year to S$49 million.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Against the preceding quarter, Globe's revenue was stable and EBITDA was down slightly by 2% on higher network related costs. Pre-tax operating profit declined 10% in Peso terms due to higher depreciation expenses on continued network rollout and improvements.

On a post-tax basis, Globe contributed 4% to the Group's underlying net profit, up 1 percentage point from a year ago.

Globe added 1.1 million mobile customers in the current quarter, the highest quarterly net additions in three years. As at 30 June 2011, its mobile customer base was 28.4 million, up 15% or 3.8 million from a year ago.

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.

In local currency terms, PBTL's operating losses increased 18% year-on-year with keen price competition. Including fair value adjustments and the impact of the 19% depreciation of the Bangladeshi Taka against the Singapore Dollar, the Group's share of PBTL's ordinary losses for the quarter was S$6 million, 27% higher than a year ago.

In the current quarter, the Group recorded its share of PBTL's write back of selling expenses and other provisions made in prior periods which are no longer required. The Group's share of this exceptional item amounted to S$7 million.

As at 30 June 2011, PBTL's total mobile customer base was 1.7 million, 3.2% or 57,000 lower than a quarter ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

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.

Warid's operating revenue grew 6% despite intense market competition with operators offering aggressive voice and SMS bundles, especially smartphone and tablet bundles. With continued cost management, EBITDA improved 28%. However, operating results were impacted by higher interest expenses on higher borrowings and pre-tax operating losses increased 3% against the same quarter last year.

The Group's share of overall pre-tax losses of Warid declined 3.3% in Pakistani Rupee terms on smaller fair value losses compared to a year ago. In Singapore Dollar terms, pre-tax losses fell 15% to S$12 million as the Pakistani Rupee depreciated 14% against the Singapore Dollar.

Against the preceding quarter, the Group's share of pre-tax losses from Warid increased by 2.5% or S$0.3 million on fair value losses compared to gains in the preceding quarter.

Warid's total mobile customer base stood at 17.4 million as at 30 June 2011, 2.7% or 456,000 higher 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 June 2011, the outstanding principal amounted to approximately US$755 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 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Group operating revenue			
Singapore Business	1,557	1,520	2.4
Optus	3,048	2,769	10.1
	4,605	**4,289**	**7.4**
Proportionate share of operating revenue of associates			
Regional mobile associates	2,667	2,337	14.1
Singapore associates	59	60	-2.2
Other overseas associates	33	31	7.2
	2,759	**2,428**	**13.6**
Enlarged revenue	**7,364**	**6,717**	**9.6**
% of overseas revenue to enlarged revenue	***78%***	***76%***	

In the quarter, overseas revenue contributed 78% to the Group's enlarged revenue, 2 percentage points higher than a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	**Quarter 30 Jun**		**YOY Chge**
	2011	**2010**	
	S$ m	**S$ m**	**%**
Group EBITDA			
Singapore Business	567	591	-4.0
Optus	738	679	8.6
Group and Int'l Business net corporate costs	(21)	(15)	39.6
	1,284	**1,255**	**2.3**
Proportionate share of associates' EBITDA [(1)]			
Regional mobile associates	1,108	1,047	5.8
Singapore associates	21	22	-5.4
Other overseas associates	26	24	7.4
	1,155	**1,094**	**5.6**
Total proportionate EBITDA	**2,439**	**2,349**	**3.8**
Overseas proportionate EBITDA as a % to total proportionate EBITDA	***77%***	***75%***	
Contributions to total proportionate EBITDA			
Regional mobile associates	45%	45%	
Australia	30%	29%	
Singapore	23%	25%	
Others	1%	1%	
	100%	**100%**	

Note:

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

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 77% to proportionate EBITDA, up 2 percentage points from a year ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share [1]		
	30 Jun 2011	31 Mar 2011	30 Jun 2010	30 Jun 2011	31 Mar 2011	30 Jun 2010
SingTel	3,417	3,307	3,113	3,417	3,307	3,113
Optus	9,096	9,068	8,688	9,096	9,068	8,688
	12,513	**12,375**	**11,801**	**12,513**	**12,375**	**11,801**
Regional Mobile Associates						
Bharti						
- *South Asia*	174,941	167,713	140,613	56,418	54,088	45,052
- *Africa*	46,306	44,206	36,362	14,934	14,256	11,650
	221,247	211,919	176,975	71,352	68,344	56,702
Telkomsel	102,291	99,365	88,316	35,802	34,778	30,911
AIS	32,485	31,951	30,008	6,909	6,799	6,395
Globe	28,434	27,320	24,622	13,458	12,931	11,653
Warid	17,388	17,806	16,932	5,216	5,342	5,080
PBTL	1,731	1,788	1,998	779	805	899
	403,576	**390,149**	**338,851**	**133,516**	**128,999**	**111,640**
Group	**416,089**	**402,524**	**350,652**	**146,029**	**141,374**	**123,441**

Note:

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

As at 30 June 2011, the Group's combined mobile customer base rose 3.4% or 13.6 million to 416 million from a quarter ago. Year-on-year, the total customer base was up 19% or 65.4 million. On a proportionate share basis, the increase was 3.3% to 146 million mobile customers from a quarter ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES [1]

	Quarter 30 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Regional mobile associates			
Telkomsel			
- final dividend FY2010	353	-	nm
AIS [2]			
- final dividend FY2010 / FY2009	102	89	16
- special dividend FY2009	-	134	nm
	102	223	-54.1
Other associates			
Southern Cross [3]	7	4	89.7
Others	2	1	166.7
Total	**465**	**228**	**104.1**

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 financial year 2010 (FY 2009: 70%). The Group's share of the dividend is approximately S$436 million, of which S$353 million had been received in the current quarter and S$83 million is expected to be received in the December 2011 quarter.

(3) 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 results and annual dividend distributed from the second half operating results. On 4 August 2011, AIS declared an interim dividend of Baht 4.17 per share for its 2011 financial year. The Group expects to receive its share of this dividend of approximately S$107 million in September 2011.

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

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

(6) 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. The Group expects to receive its share of the second semi-annual dividend of approximately S$56 million in September 2011.

The total dividends received from the associates for the quarter was up 104% to S$465 million primarily due to timing of receipt of Telkomsel's dividend.

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 395	NA	THB 104 [7] THB 104 [8]	PHP 875	NA	NA
Market capitalisation						
- Total	S$41.25 bil	NA	S$12.35 bil	S$3.40 bil	NA	NA
- SingTel holding	S$13.30 bil	NA	S$2.63 bil	S$1.61 bil	NA	NA
Operational Performance :						
Mobile penetration rate [3]	71%	93%	115%	95%	46%	65%
Market share, 30 Jun 2011 [3]	19.9%	45.5%	44.0%	31.3%	2.3%	16.0%
Market share, 31 Mar 2011 [4]	20.0%	45.7%	43.9%	31.0%	2.5%	16.7%
Market position [3] [5]	#1	#1	#1	#2	#5	#4
Mobile customers ('000)						
- Aggregate	221,247	102,291	32,485	28,434	1,731	17,388
- Proportionate	71,352	35,802	6,909	13,458	779	5,216
Growth in mobile customers (%) [6]	25%	16%	8.3%	15%	-13%	2.7%
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 June 2011, in local currency.
(3) Based on actual or estimated data available as at 30 June 2011. Mobile penetration rate for Philippines is as at 31 March 2011, which is the latest available data.
(4) Based on actual data a quarter ago.
(5) Based on number of mobile customers.
(6) Compared against 30 June 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 quarter, 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 First Quarter Ended 30 June 2011

	Quarter 30 Jun							
	2011			2011		2011	2010	
	Singapore S$ m	SingTel Asso/JV S$ m	Corp S$ m	SingTel S$ m	Optus S$ m	Group S$ m	Group S$ m	YOY Chge %
Operating revenue	**1,557**	**-**	**-**	**1,557**	**3,048**	**4,605**	**4,289**	**7.4**
Operating expenses	(1,003)	-	(21)	(1,024)	(2,328)	(3,352)	(3,058)	9.6
	554	-	(21)	534	720	1,253	1,231	1.8
Other income	13	-	*	13	18	31	24	27.5
EBITDA	**567**	**-**	**(21)**	**547**	**738**	**1,284**	**1,255**	**2.3**
- EBITDA margin	***36.4%***	***-***	***nm***	***35.1%***	***24.2%***	***27.9%***	***29.3%***	
Grp & Int'l business net corp costs	(21)	-	21	-	-	-	-	-
Share of associates' pre-tax profits								
Regional mobile associates	-	*472*	-	*472*	-	*472*	*525*	*-10.1*
Other associates	-	*28*	-	*28*	*	*28*	*26*	*9.7*
- ordinary operations	-	500	-	500	*	500	551	-9.2
- exceptional item	-	7	-	7	-	7	(10)	nm
	-	**508**	**-**	**508**	*****	**508**	**541**	**-6.2**
EBITDA and share of associates' pre-tax profits	**547**	**508**	**-**	**1,054**	**738**	**1,792**	**1,797**	**-0.3**
Depreciation & amortisation	(134)	-	-	(134)	(367)	(501)	(484)	3.5
EBIT	**413**	**508**	**-**	**920**	**370**	**1,291**	**1,312**	**-1.7**
Net finance expense								
- net interest expense	(50)	-	-	(50)	(37)	(87)	(84)	3.6
- other finance (expense)/ income	(3)	-	(3)	(6)	*	(6)	5	nm
	(53)	-	(3)	(56)	(37)	(93)	(79)	17.9
Profit before EI	**359**	**508**	**(3)**	**864**	**333**	**1,198**	**1,234**	**-2.9**
Exceptional items ("EI")	-	-	85	85	(24)	61	*	nm
Profit before tax	**359**	**508**	**82**	**949**	**310**	**1,259**	**1,234**	**2.0**
Taxation								
- current and deferred taxes	(30)	-	-	(30)	(103)	(133)	(110)	20.8
- tax (expense)/ credit on EI	-	-	(25)	(25)	7	(18)	-	nm
- share of taxes of associates	-	(146)	-	(146)	(2)	(147)	(132)	11.2
- withholding taxes (1)	-	-	(44)	(44)	-	(44)	(49)	-11.4
	(30)	(146)	(69)	(245)	(97)	(342)	(292)	17.2
Profit after tax	**329**	**362**	**14**	**705**	**213**	**917**	**942**	**-2.7**
Minority interests	(1)	-	-	(1)	-	(1)	1	nm
Net profit	**328**	**362**	**14**	**704**	**213**	**916**	**943**	**-2.9**
Net profit	**328**	**362**	**14**	**704**	**213**	**916**	**943**	**-2.9**
Exclude :								
Exceptional items	-	-	(85)	(85)	24	(61)	*	nm
Tax expense/ (credit) on EI	-	-	25	25	(7)	18	-	nm
Underlying net profit	**328**	**362**	**(46)**	**644**	**229**	**873**	**943**	**-7.4**
(ex-Bharti Africa) (2)	*328*	*394*	*(46)*	*676*	*229*	*904*	*965*	*-6.3*

Notes:

(1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding 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 on 8 June 2010.

	Quarter 30 Jun 2011 S$ m	YOY Change %	YOY Change in constant currency[1] %
Operating revenue	**4,605**	**7.4**	**2.5**
Operating expenses	(3,352)	9.6	4.4
	1,253	1.8	-2.2
Other income	31	27.5	22.5
EBITDA	**1,284**	**2.3**	**-1.7**
-EBITDA margin	***27.9%***		
Share of associates' pre-tax profits			
- Bharti			
India, Bangladesh, Sri Lanka	*181*	*-18.5*	*-10.3*
Africa	*(28)*	*126.8*	*148.9*
Bharti group	*154*	*-27.0*	*-19.6*
- Telkomsel	*210*	*-4.8*	*1.1*
- AIS	*77*	*13.0*	*18.9*
- Globe	*49*	*10.3*	*17.4*
- PBTL	*(6)*	*26.7*	*47.6*
- Warid	*(12)*	*-15.4*	*-3.3*
Regional mobile associates	472	-10.1	-3.8
Other associates	28	9.7	9.7
- ordinary operations	500	-9.2	-3.1
- exceptional item	7	nm	nm
	508	**-6.2**	**-0.1**
EBITDA and share of associates' pre-tax profits	**1,792**	**-0.3**	**-1.2**
Depreciation & amortisation	(501)	3.5	-1.7
EBIT	**1,291**	**-1.7**	**-1.1**
Net finance expense	(93)	17.9	15.0
Profit before exceptional items	**1,198**	**-2.9**	**-2.1**
Exceptional items	61	nm	nm
Profit before tax	**1,259**	**2.0**	**2.9**
Taxation	(342)	17.2	18.1
Profit after tax	**917**	**-2.7**	**-1.9**
Minority interests	(1)	nm	nm
Net profit	**916**	**-2.9**	**-2.1**
Net profit	**916**	**-2.9**	**-2.1**
Exclude:			
Exceptional items	(61)	nm	nm
Tax on exceptional items	18	nm	nm
Underlying net profit	**873**	**-7.4**	**-6.6**
(ex-Bharti Africa)	*904*	*-6.3*	*-5.2*

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 quarter ended 30 June 2010.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2011 (Unaudited) S$ million	31 Mar 2011 (Audited) S$ million	30 Jun 2010 (Unaudited) S$ million
Current assets			
Cash and cash equivalents	3,583	2,738	1,780
Trade and other receivables	3,444	3,449	3,557
Derivative financial instruments	43	69	5
Inventories	328	299	394
	7,398	**6,555**	**5,736**
Non-current assets			
Property, plant and equipment	11,121	11,113	10,084
Intangible assets	10,221	10,218	10,140
Associated companies	256	172	271
Joint venture companies	9,793	10,025	9,601
Available-for-sale investments	357	309	262
Derivative financial instruments	15	-	192
Deferred tax assets	721	764	772
Other non-current receivables	123	126	131
	32,605	**32,727**	**31,453**
Total assets	**40,003**	**39,282**	**37,189**
Current liabilities			
Trade and other payables	4,102	4,450	4,395
Current tax liabilities	458	392	421
Borrowings (unsecured)	2,599	2,673	18
Borrowings (secured)	23	26	16
Derivative financial instruments	1,072	1,000	25
	8,254	**8,541**	**4,874**
Non-current liabilities			
Borrowings (unsecured)	4,643	4,544	6,589
Borrowings (secured)	48	43	23
Advance billings	696	707	561
Deferred income	22	23	28
Derivative financial instruments	632	586	875
Deferred tax liabilities	303	295	299
Other non-current liabilities	193	194	177
	6,536	**6,391**	**8,552**
Total liabilities	**14,789**	**14,932**	**13,426**
Net assets	**25,213**	**24,350**	**23,763**
Share capital and reserves			
Share capital	2,624	2,623	2,621
Reserves	22,566	21,706	21,117
Equity attributable to shareholders of the Company	25,190	24,328	23,738
Minority interests	23	22	25
Total equity	**25,213**	**24,350**	**23,763**

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 Jun	31 Mar	30 Jun
Debt Currency Mix	**2011**	**2011**	**2010**
SGD	61%	61%	62%
AUD	39%	39%	38%
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 Jun 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						
FY10/11	1.2276	1.2272	1.2875	1.2838	1.2274	1.2857	1.2570
Change (last corresponding period)	***7.3%***						
Underlying net profit							
SGD							
FY11/12	1.3163						
FY10/11	1.2257	1.2298	1.2892	1.2840	1.2278	1.2860	1.2601
Change (last corresponding period)	***7.4%***						

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						
FY10/11	6,536	6,623	6,897	6,993	6,580	6,942	6,751
Change (last corresponding period)	***6.2%***						
Indian Rupee							
FY11/12	36.1						
FY10/11	32.8	34.2	34.5	35.5	33.5	35.0	34.2
Change (last corresponding period)	***10.1%***						
Baht							
FY11/12	24.4						
FY10/11	23.3	23.3	23.0	23.9	23.3	23.5	23.4
Change (last corresponding period)	***4.7%***						
Peso							
FY11/12	34.8						
FY10/11	32.7	33.3	33.4	34.2	33.0	33.9	33.5
Change (last corresponding period)	***6.4%***						
Taka							
FY11/12	59.2						
FY10/11	49.8	51.3	54.1	55.6	50.3	55.5	52.7
Change (last corresponding period)	***18.9%***						
Pakistani Rupee							
FY11/12	69.0						
FY10/11	60.6	63.3	65.8	67.1	61.8	66.4	64.3
Change (last corresponding period)	***13.9%***						

OPTUS FINANCIALS IN SINGAPORE DOLLARS

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

	Quarter 30 June		YOY
	2011 S$ m	2010 S$ m	Chge %
Operating revenue	**3,048**	**2,769**	**10.1**
Operating expenses	(2,328)	(2,106)	10.6
Other income	18	17	9.0
EBITDA	**738**	**679**	**8.6**
- EBITDA margin	***24.2%***	***24.5%***	
Share of results of joint ventures	*	*	nm
EBITDA and share of results of joint ventures	**738**	**679**	**8.6**
Depreciation & amortisation	(367)	(351)	4.7
EBIT	**370**	**329**	**12.7**
Net finance expense	(37)	(31)	18.6
Profit before exceptional items	**333**	**297**	**12.1**
Exceptional items	(24)	-	nm
Profit before tax	**310**	**297**	**4.2**
Taxation	(97)	(89)	8.8
Net profit	**213**	**208**	**2.2**
Net profit	**213**	**208**	**2.2**
Exclude:			
Exceptional items	24	-	nm
Deferred tax on exceptional items	(7)	-	nm
Underlying net profit	**229**	**208**	**10.0**

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 Jun 2011 S$ m	Quarter 30 Jun 2010 S$ m	YOY Chge %
Mobile communications	1,546	1,397	10.6
Data and Internet	487	452	7.7
National telephone	379	369	2.5
Sale of equipment	334	270	23.6
IT and engineering	147	133	10.2
International telephone	81	84	-2.9
Pay television	25	29	-11.5
Others	50	35	41.2
Total	**3,048**	**2,769**	**10.1**

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

	As at 30 Jun 2011 S$ m	As at 31 Mar 2011 S$ m	As at 30 Jun 2010 S$ m
Property, plant and equipment (net)	**7,949**	**7,943**	**7,203**
Gross debt			
Current debt	3	6	13
Non-current debt	2,025	2,030	1,754
Gross debt as reported in the statement of financial position	2,028	2,036	1,767
Related net hedging (asset)/ liability	301	274	(41)
	2,328	2,311	1,726
Less: Cash and bank balances	(762)	(536)	(190)
Net debt	**1,566**	**1,774**	**1,536**
	A$ m	**A$ m**	**A$ m**
Property, plant and equipment (net)	**6,029**	**6,099**	**6,034**
Gross debt			
Current debt	2	5	11
Non-current debt	1,536	1,559	1,469
Gross debt as reported in the statement of financial position	1,538	1,563	1,480
Related net hedging (asset)/ liability	228	211	(34)
	1,766	1,774	1,446
Less: Cash and bank balances	(578)	(412)	(159)
Net debt	**1,188**	**1,362**	**1,286**

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.**