



Singapore Telecommunications Limited And Subsidiary Companies

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

FINANCIAL HIGHLIGHTS**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011**

- Operating revenue at S\$4.83 billion – up 2.7%.
- EBITDA (from Singapore and Australia) at S\$1.26 billion – down 2.2%, with higher mobile acquisition and retention volume.
- Associates' ordinary pre-tax contributions at S\$475 million – down 8.3%, impacted by 3G losses at Bharti's India operations and currency translation.
- EBITDA and share of associates' pre-tax profits at S\$1.73 billion – down 4.0%.
- Underlying net profit at S\$895 million – down 7.6% with Bharti's higher tax expense.
- Free cash flow of S\$634 million – lower by 36% mainly due to AIS' special dividends received in the last corresponding quarter, and comprised S\$273 million from the Singapore business, S\$273 million (A\$207 million) from the Australia business and S\$88 million from the associates.

FOR THE NINE MONTHS ENDED 31 DECEMBER 2011

- Operating revenue at S\$14.05 billion – up 4.6%.
- EBITDA at S\$3.79 billion – up 1.7%.
- Associates' ordinary pre-tax contributions at S\$1.47 billion – down 9.9%. In constant currency terms and excluding fair value adjustments, associates' pre-tax contributions would be down 1.2%.
- EBITDA and share of associates' pre-tax profits at S\$5.27 billion – down 1.6%.
- Net profit at S\$2.70 billion – down 4.7%.
- Free cash flow of S\$2.46 billion – lower by 14% with AIS' special dividends received in the last corresponding period, and comprised S\$793 million from the Singapore business, S\$958 million (A\$741 million) from the Australia business and S\$712 million from the associates.

SECTION I : GROUP

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011	2010		2011	2010	
	S\$ m	S\$ m		S\$ m	S\$ m	
Operating revenue	4,830	4,704	2.7	14,045	13,428	4.6
Operating expenses	(3,606)	(3,468)	4.0	(10,342)	(9,799)	5.5
EBITDA	1,256	1,284	-2.2	3,789	3,727	1.7
<i>EBITDA margin</i>	<i>26.0%</i>	<i>27.3%</i>		<i>27.0%</i>	<i>27.8%</i>	
Share of associates' pre-tax profits	475	519	-8.4	1,481	1,627	-9.0
- ordinary operations	475	518	-8.3	1,474	1,636	-9.9
- exceptional items	-	1	nm	7	(9)	nm
EBITDA and share of associates' pre-tax profits	1,731	1,803	-4.0	5,270	5,354	-1.6
Exceptional items	33	30	8.7	90	31	188.5
Underlying net profit	895	968	-7.6	2,653	2,802	-5.3
Net profit	902	998	-9.6	2,700	2,834	-4.7
Free cash flow	634	991	-36.0	2,463	2,864	-14.0
Underlying earnings per share (S cents)	5.62	6.08	-7.6	16.65	17.60	-5.4
Basic earnings per share (S cents)	5.66	6.27	-9.7	16.95	17.79	-4.7

	As at		
	31 Dec	30 Sep	31 Mar
	2011 S\$ m	2011 S\$ m	2011 S\$ m
Total assets	39,772	39,059	39,282
Shareholders' funds	22,177	22,473	24,328
Net debt ⁽¹⁾	7,693	7,612	6,023
<i>Net debt gearing ratio</i> ⁽²⁾	25.7%	25.3%	19.8%
<i>Net debt to EBITDA and share of associates' pre-tax profits</i> ⁽³⁾	1.10X	1.08X	0.83X
<i>Interest cover:</i>			
- <i>EBITDA and share of associates' pre-tax profits/ net interest expense</i> ⁽⁴⁾	19.6X	19.9X	21.8X

Notes:

(1) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.

(2) Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.

(3) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.

(4) Net interest expense refers to interest expense less interest income.

SECTION I : GROUP

GROUP SUMMARY INCOME STATEMENTS

For The Third Quarter And Nine Months Ended 31 December 2011

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Operating revenue	4,830	4,704	2.7	14,045	13,428	4.6
Operating expenses	(3,606)	(3,468)	4.0	(10,342)	(9,799)	5.5
	1,225	1,235	-0.9	3,703	3,629	2.0
Other income	31	49	-36.2	86	99	-12.5
EBITDA	1,256	1,284	-2.2	3,789	3,727	1.7
- EBITDA margin	26.0%	27.3%		27.0%	27.8%	
Share of associates' pre-tax profits						
- ordinary operations	475	518	-8.3	1,474	1,636	-9.9
- exceptional items	-	1	nm	7	(9)	nm
	475	519	-8.4	1,481	1,627	-9.0
EBITDA and share of associates' pre-tax profits	1,731	1,803	-4.0	5,270	5,354	-1.6
Depreciation & amortisation	(499)	(503)	-1.0	(1,494)	(1,469)	1.7
EBIT	1,232	1,299	-5.1	3,776	3,885	-2.8
Net finance expense						
- net interest expense	(91)	(83)	9.8	(269)	(248)	8.6
- other finance income	9	17	-48.8	22	15	40.3
	(82)	(66)	25.1	(248)	(232)	6.5
Profit before exceptional items	1,150	1,234	-6.8	3,529	3,653	-3.4
Exceptional items	33	30	8.7	90	31	188.5
Profit before tax	1,183	1,263	-6.4	3,619	3,684	-1.8
Taxation						
- ordinary tax	(255)	(266)	-4.2	(875)	(853)	2.5
- exceptional tax	(25)	-	nm	(43)	-	nm
	(280)	(266)	5.2	(918)	(853)	7.6
Profit after tax	903	998	-9.5	2,701	2,831	-4.6
Minority interests	(1)	1	nm	(1)	3	nm
Net profit	902	998	-9.6	2,700	2,834	-4.7
Net profit	902	998	-9.6	2,700	2,834	-4.7
Exclude:						
Exceptional items	(33)	(30)	8.7	(90)	(31)	188.5
Exceptional tax	25	-	nm	43	-	nm
Underlying net profit	895	968	-7.6	2,653	2,802	-5.3

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 3** for the summary income statements of the various businesses for the third quarter and nine months ended 31 December 2011.

SECTION I : GROUP**DIVISIONAL TOTALS**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Operating revenue by division:						
Singapore Telco	1,314	1,250	5.1	3,781	3,636	4.0
IT and Engineering	361	384	-6.0	1,053	1,103	-4.6
Singapore Business	1,675	1,634	2.5	4,833	4,740	2.0
Optus	3,155	3,070	2.8	9,212	8,688	6.0
Group	4,830	4,704	2.7	14,045	13,428	4.6
EBITDA by division:						
Singapore Telco	484	527	-8.1	1,494	1,518	-1.6
IT and Engineering	63	60	4.7	173	184	-6.3
Singapore Business	547	587	-6.8	1,667	1,702	-2.1
Optus	732	712	2.8	2,189	2,075	5.5
Group and Int'l business net corporate costs	(24)	(15)	54.6	(66)	(49)	34.4
Group	1,256	1,284	-2.2	3,789	3,727	1.7
EBITDA margins by division:						
Singapore Telco	36.8%	42.1%		39.5%	41.7%	
IT and Engineering	17.4%	15.7%		16.4%	16.7%	
Singapore Business	32.7%	35.9%		34.5%	35.9%	
Optus	23.2%	23.2%		23.8%	23.9%	
Group	26.0%	27.3%		27.0%	27.8%	

DIVIDEND

On 9 November 2011, the Directors approved an interim dividend of 6.8 cents (FY2011: 6.8 cents) per share totalling approximately S\$1.08 billion in respect of the current financial year ending 31 March 2012.

The financial statements for the period ended, and as at, 31 December 2011 reflected this interim dividend. The dividend has been accounted for in the shareholders' equity as an appropriation of 'Retained Earnings', and the dividend payable has been included in 'Current Liabilities'. The interim dividend was paid in January 2012.

SECTION I : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2011

The Group delivered resilient performance across its operations with operating revenue growth of 2.7% to S\$4.83 billion. The growth was underpinned by robust mobile performance in Singapore and Australia.

In Singapore, Mobile Communications revenue rose 5.8% year-on-year on increased customer connections. Total mobile customer base grew by 61,000 in the quarter to 3.55 million, up 9.9% from a year ago. Postpaid net additions this quarter was 44,000, up from 40,000 in the preceding quarter driven by higher smartphone connections and strong take-up of data SIMs from integrated mobile broadband bundles. IT and Engineering revenue declined 6.0% on lower fibre rollout revenue as OpenNet reached peak rollout. Excluding fibre rollout, the Singapore Business' revenue grew 4.4% from a year ago.

In Australia, Optus' revenue grew 1.5% amid an intensely competitive market. Mobile service revenue increased 2.4% year-on-year with continued postpaid customer growth. Postpaid net additions this quarter was 113,000 and total mobile customer base reached 9.41 million. In Business and Wholesale fixed, revenue was stable. Revenue from Consumer and SMB fixed declined 6.0% with continued exit of fixed resale services and lower broadband ARPU. Optus' translated revenue in Singapore Dollars grew 2.8% from a year ago as the Australian Dollar strengthened by 1%.

The Group's EBITDA declined 2.2% to S\$1.26 billion as EBITDA from the Singapore Business was impacted by costs associated with higher mobile customer connections and the launch of iPhone 4S, as well as a full quarter of lease payments to NetLink Trust (see Appendix 1). Optus' EBITDA was up 1.6% in Australian Dollar terms and grew 2.8% in Singapore Dollar terms.

The Group and its regional mobile associates continued to register strong customer growth. As at 31 December 2011, the combined mobile customer base reached 434 million, up 13% from a year ago.

Telkomsel and AIS recorded strong operating performance supported by robust data growth. In the Philippines, Globe delivered strong growth in mobile and broadband but profit declined mainly due to higher marketing and subsidy expenses from iPhone 4S launch. In South Asia, Bharti recorded healthy revenue and EBITDA growth though earnings were impacted by higher depreciation, spectrum and interest costs related to 3G rollout. Bharti Africa reported positive free cash flow for the first time this quarter. It also posted robust revenue and EBITDA growth and crossed the 50 million customer milestone as at 31 December 2011.

With 3G losses at Bharti's India operations and weaker regional currencies, the associates' ordinary pre-tax contributions declined by 8.3%. The associates' results this quarter also included a net loss from NetLink Trust, a business trust established pursuant to regulatory requirements in Singapore on structural separation.

Consequently, the Group's EBITDA and share of associates' pre-tax profits declined 4.0% to S\$1.73 billion.

SECTION I : GROUP

Net finance expense increased 25% as the last corresponding quarter recorded a one-off exchange gain of S\$13 million on the Group's foreign currency consideration payable for the upstake in Bharti.

Exceptional items this quarter comprised mainly foreign exchange gain on revaluation of short-term intercompany loan payable recorded by SAI (a wholly owned investment holding company) and gain on disposal of a joint venture, Teletech Park.

The exceptional tax expense of S\$25 million this quarter was due to AIS' reduction of its deferred tax asset as a result of the lower corporate tax rate in Thailand effective from 2012. Excluding this item, tax expense decreased 4.2% with Bharti's higher taxes partly offset by tax credits in Singapore.

Net profit declined 9.6% to S\$902 million. Excluding the exceptional and other one-off items, underlying net profit was down by 7.6% to S\$895 million.

Free cash flow was S\$634 million, 36% lower than a year ago with special dividends received from AIS in the last corresponding quarter and timing of Telkomsel's dividend payments.

The Group continued to maintain a healthy capital structure. As at 31 December 2011, net debt gearing ratio was at approximately 26%, comparable to a quarter ago.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for 77% (Q3 FY2011: 77%) of the Group's proportionate revenue and 77% (Q3 FY2011: 75%) of the Group's proportionate EBITDA.

For The Nine Months Ended 31 December 2011

Operating revenue for the nine months grew 4.6% to S\$14.05 billion, with mobile service revenue growth from Singapore and Australia and lifted by the 4% strengthening of the Australian Dollar from a year ago.

EBITDA was up 1.7% to S\$3.79 billion, with growth in Optus' EBITDA and the stronger Australian Dollar. EBITDA in Singapore decreased 2.1% reflecting investments in mio TV content and higher mobile customer connections.

However, the Group's EBITDA and share of associates' pre-tax profits were down by 1.6% to S\$5.27 billion as the associates' ordinary pre-tax contributions declined 9.9% mainly due to lower earnings from Bharti.

With increased depreciation and amortisation and higher tax expense mainly from Bharti, net profit decreased 4.7% to S\$2.70 billion. Excluding the exceptional and other one-off items, underlying net profit declined 5.3% to S\$2.65 billion.

The Group's free cash flow for the nine months totalled S\$2.46 billion and was 14% lower due mainly to special dividends received from AIS a year ago.

SECTION I : GROUP**SEQUENTIAL QUARTERLY RESULTS**

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

	Quarter		QOQ Chge %
	31 Dec 2011 S\$ m	30 Sep 2011 S\$ m	
Operating revenue	4,830	4,610	4.8
Singapore Business	1,675	1,601	4.6
Optus	3,155	3,008	4.9
Operating expenses	(3,606)	(3,384)	6.5
EBITDA	1,256	1,249	0.5
EBITDA margin	26.0%	27.1%	
Singapore Business	32.7%	34.5%	
Optus	23.2%	23.9%	
Share of associates' pre-tax profits	475	498	-4.6
EBITDA and share of associates' pre-tax profits	1,731	1,747	-0.9
Profit before exceptional items and tax	1,150	1,181	-2.6
Underlying net profit	895	885	1.1
Net profit	902	882	2.3
Free cash flow	634	916	-30.7

The Group's EBITDA was stable as Optus' EBITDA growth driven mainly by the stronger Australian Dollar offset the lower EBITDA in Singapore. With lower tax expense, underlying net profit grew 1.1% from a quarter ago. Free cash flow was 31% lower compared to a quarter ago with higher capital expenditure and lower dividend receipts from associates.

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 7** for further details on the outlook for the current financial year.

SECTION I : GROUP**GROUP OPERATING REVENUE**

By Products And Services	Quarter				YOY Chge %	Nine Months		YOY Chge %
	31 Dec					31 Dec		
	2011		2011	2010		2011	2010	
	S'pore Business S\$ m		Group S\$ m			Group S\$ m		
Mobile communications	491	1,596	2,088	2,000	4.4	6,141	5,727	7.2
Data and Internet	409	484	893	883	1.1	2,670	2,585	3.3
Sale of equipment	113	421	534	470	13.6	1,313	1,171	12.2
IT and Engineering	361	132	492	502	-1.9	1,458	1,467	-0.6
National telephone	86	366	452	487	-7.0	1,386	1,420	-2.4
International telephone	123	77	201	220	-8.6	617	646	-4.4
Pay television	28	25	53	47	12.1	151	137	10.4
Others ⁽¹⁾	63	55	118	96	23.2	309	277	11.7
Total	1,675	3,155	4,830	4,704	2.7	14,045	13,428	4.6
Operating revenue			4,830	4,704	2.7	14,045	13,428	4.6
Associates' proportionate revenue ⁽²⁾			2,856	2,687	6.3	8,393	7,774	8.0
Group's proportionate revenue			7,686	7,391	4.0	22,438	21,202	5.8

Notes:

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

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

Operating Revenue Mix By Services	Quarter		Nine Months	
	31 Dec		31 Dec	
	2011	2010	2011	2010
	Mix	Mix	Mix	Mix
Mobile communications	43.2%	42.5%	43.7%	42.6%
Data and Internet	18.5%	18.8%	19.0%	19.3%
Sale of equipment	11.1%	10.0%	9.3%	8.7%
IT and Engineering	10.2%	10.7%	10.4%	10.9%
National telephone	9.4%	10.3%	9.9%	10.6%
International telephone	4.1%	4.7%	4.4%	4.8%
Pay television	1.1%	1.0%	1.1%	1.0%
Others	2.4%	2.0%	2.2%	2.1%
	100.0%	100.0%	100.0%	100.0%

Mobile Communications, the key contributor to revenue growth, contributed 43% to total revenue, slightly higher than a year ago.

Revenue from Sale of equipment rose 14% year-on-year, driven by increased sales volume including iPhone 4S launches in Singapore and Australia in this quarter.

The Group's enlarged revenue, including the proportionate share of operating revenue from the associates, grew 4.0% to S\$7.69 billion.

SECTION I : GROUP**GROUP OPERATING EXPENSES
(Before Depreciation And Amortisation)**

	Quarter					YOY Chge %	Nine Months		YOY Chge %
	31 Dec						31 Dec		
	2011			2011	2010		2011	2010	
	S'pore Business S\$ m	Optus S\$ m	Corp S\$ m	Group S\$ m	Group S\$ m		Group S\$ m	Group S\$ m	
Selling & administrative	382	875	8	1,265	1,281	-1.2	3,698	3,554	4.0
Cost of sales	280	593	-	873	811	7.6	2,358	2,190	7.7
Traffic expenses	232	577	-	809	753	7.4	2,335	2,169	7.7
Staff costs	227	333	15	575	534	7.7	1,687	1,633	3.3
Repair & maintenance	31	50	-	81	82	-0.1	248	241	2.7
Others	(8)	11	(1)	3	8	-66.7	17	12	38.5
Total	1,144	2,438	23	3,606	3,468	4.0	10,342	9,799	5.5

As a percentage of operating revenue	Quarter		Nine Months	
	31 Dec		31 Dec	
	2011	2010	2011	2010
Selling & administrative	26.2%	27.2%	26.3%	26.5%
Cost of sales	18.1%	17.2%	16.8%	16.3%
Traffic expenses	16.7%	16.0%	16.6%	16.1%
Staff costs	11.9%	11.4%	12.0%	12.2%
Repair & maintenance	1.7%	1.7%	1.8%	1.8%
Others	0.1%	0.2%	0.1%	0.1%
	74.6%	73.7%	73.6%	73.0%

Selling & administrative expenses, the largest expense category at 26% of operating revenue, was 1 percentage point lower compared to a year ago.

Cost of sales constituted 18% of operating revenue, up 1 percentage point from a year ago, corresponding to the higher Sale of equipment revenue.

SECTION I : GROUP**GROUP NET FINANCE EXPENSE**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011	2010		2011	2010	
	S\$ m	S\$ m		S\$ m	S\$ m	
Net interest expense:						
- Interest income	5	16	-66.7	22	26	-15.6
- Interest expense	(102)	(99)	3.0	(297)	(274)	8.5
	(96)	(83)	16.1	(275)	(248)	11.0
- Net interest income from NetLink Trust	5	-	nm	6	-	nm
	(91)	(83)	9.8	(269)	(248)	8.6
Other finance income:						
- Investment gain ⁽¹⁾	1	2	-18.8	18	20	-7.7
- Net foreign exchange gain	2	9	-83.5	3	*	nm
- FRS 39 fair value adjustments ⁽²⁾	6	7	-7.7	*	(4)	nm
	9	17	-48.8	22	15	40.3
Net finance expense	(82)	(66)	25.1	(248)	(232)	6.5

Notes:

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

Net interest expense increased 16% from a year ago, reflecting the Group's financing strategy to extend the average debt maturity with long-term borrowings.

In this quarter, SingTel recognised a net interest income of S\$5 million from interest earned on a unitholder's loan to NetLink Trust, partly offset by finance lease rentals paid in respect of the exchange buildings leased from NetLink Trust.

Net foreign exchange gain of S\$2 million arose from revaluation of monetary assets and liabilities. The corresponding quarter included S\$13 million gain from the revaluation of the foreign currency consideration payable for the upstake in Bharti, which was settled in January 2011.

SECTION I : GROUP**GROUP EXCEPTIONAL ITEMS ⁽¹⁾**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011	2010		2011	2010	
	S\$ m	S\$ m		S\$ m	S\$ m	
Share of AIS' pre-tax profit (Jan-Mar 2011)	-	-	-	80	-	nm
Net foreign exchange gain on SAI loan	28	25	9.9	28	25	11.9
Fair value gain related to additional investment in Bharti	-	38	nm	-	38	nm
Share of Bharti's brand launch cost	-	(30)	nm	-	(30)	nm
Gain on disposal of Teletech Park	5	-	nm	5	-	nm
Accrual of fine payment	-	(4)	nm	-	(4)	nm
Dilution gain on associates	*	1	nm	1	3	-57.1
Provision for Optus' ex-gratia payment	-	-	-	(24)	-	nm
Group (pre-tax)	33	30	8.7	90	31	188.5
Exceptional tax (expense)/ credit						
- Share of AIS' reduction in deferred tax asset	(25)	-	nm	(25)	-	nm
- Share of AIS' tax expense (Jan-Mar 2011)	-	-	-	(25)	-	nm
- Tax credit on Optus' provision for ex-gratia payment	-	-	-	7	-	nm
	(25)	-	nm	(43)	-	nm
Group (post-tax)	7	30	-75.3	47	31	50.8

Note:

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

In the current quarter, the Group recognised a net foreign exchange gain of S\$28 million on SAI's repayment of a short-term intercompany loan which represented the difference between the Singapore Dollar denominated loan and the loan amount recorded by SAI in Australian Dollar terms.

In addition, a gain of S\$5 million was recognised this quarter from the disposal of Teletech Park Pte Ltd, a 40%-owned joint venture of SingTel.

The Group also recorded an exceptional tax expense of S\$25 million this quarter due to AIS' reduction of its deferred tax asset which resulted from the lower corporate tax rate in Thailand effective from 2012.

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

	As at		
	31 Dec	30 Sep	31 Mar
	2011	2011	2011
	S\$ m	S\$ m	S\$ m
Current assets (excluding cash)	3,972	3,918	3,817
Cash and bank balances	1,520	1,729	2,738
Non-current assets	34,280	33,412	32,727
Total assets	39,772	39,059	39,282
Current liabilities	5,988	8,439	8,541
Non-current liabilities	11,584	8,126	6,391
Total liabilities	17,572	16,564	14,932
Net assets	22,200	22,495	24,350
Share capital	2,631	2,630	2,623
Reserves	19,546	19,843	21,706
Equity attributable to shareholders	22,177	22,473	24,328
Minority interest	23	22	22
	22,200	22,495	24,350

The Group is in a sound financial position as at 31 December 2011. SingTel is rated at Aa2 by Moody's and A+ by Standard & Poor's.

As at 31 December 2011, the shareholders' equity was S\$22.18 billion, a decrease of S\$296 million from a quarter ago after accounting for the interim dividend of S\$1.08 billion. The quarter's movements also included a net translation loss of S\$253 million mainly from the strengthening of the Singapore Dollar against the Indian Rupee from a quarter ago, and the Group's share of Bharti's currency translation loss.

SECTION I : GROUP**GROUP LIQUIDITY AND GEARING**

	As at		
	31 Dec	30 Sep	31 Mar
	2011	2011	2011
	S\$ m	S\$ m	S\$ m
Gross debt			
Current debt	131	2,777	2,699
Non-current debt	8,806	5,451	4,587
Gross debt as reported in statement of financial position	8,937	8,228	7,286
Related net hedging liability ⁽¹⁾	277	1,113	1,475
	9,213	9,341	8,761
Less : Cash and bank balances	(1,520)	(1,729)	(2,738)
Net debt	7,693	7,612	6,023
Gross debt gearing ratio ⁽²⁾	29.3%	29.3%	26.5%
Net debt gearing ratio	25.7%	25.3%	19.8%

Notes:

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

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

Hedged gross debt decreased by S\$128 million to S\$9.21 billion from a quarter ago with the repayment of bonds of US\$1.35 billion and EUR 500 million respectively, and the settlement of related swaps, partially offset by new borrowings.

During the quarter, SingTel Group Treasury Pte Ltd ("**SGT**") issued a JPY10 billion 7-year fixed rate note and a U\$200 million 7-year floating rate note, and Optus issued a A\$75 million 7-year fixed rate note. These notes formed part of the Group's long-term financing strategy and extended the maturity of its debt profile.

In addition, the Group utilised approximately S\$2.8 billion of its committed 3-year revolving credit facilities established in June 2011.

In January 2012, SGT issued a HK\$830 million 5-year fixed rate note under its Euro Medium Term Note Programme.

SECTION I : GROUP

GROUP CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Nine Months		YOY Chge %
	31 Dec	31 Dec	30 Sep	31 Dec		
	2011	2010	2011	2011	2010	
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m	
Net cash inflow from operating activities						
Profit before tax	1,183	1,263	1,177	3,619	3,684	-1.8
Non-cash items	82	18	83	177	56	214.8
Operating cashflow before working capital changes	1,264	1,281	1,261	3,796	3,740	1.5
Changes in operating assets and liabilities	(41)	(76)	52	(165)	(244)	-32.2
	1,224	1,206	1,312	3,631	3,497	3.8
Cash paid to employees under performance share plans	(1)	-	(1)	(1)	(4)	-65.0
Tax paid on operating activities	(126)	(78)	(168)	(296)	(157)	89.1
Operating cashflow before dividends from associates	1,097	1,128	1,143	3,333	3,336	-0.1
Dividends received from associates	96	401	222	782	1,112	-29.6
Withholding tax paid on dividends received	(8)	(36)	(18)	(70)	(102)	-31.0
	1,185	1,493	1,347	4,045	4,347	-6.9
Net cash outflow for investing activities						
Net investment in associates	(325)	(517)	(567)	(900)	(549)	63.9
Investment in available-for-sale investments	(9)	-	(9)	(56)	*	nm
Payment for purchase of property, plant and equipment	(551)	(502)	(432)	(1,582)	(1,483)	6.7
Advance payment for purchase of C2C submarine cable capacity	-	-	(10)	(10)	(28)	-65.2
Drawdown of prepaid C2C submarine cable capacity	7	11	-	18	29	-37.4
Proceeds from disposal of property, plant and equipment	3	18	571	575	22	@
Withholding tax paid on interest received on inter-company loans	(81)	(85)	(7)	(89)	(87)	2.4
Payment for purchase of intangibles	(48)	(22)	(12)	(93)	(23)	311.5
Others (<i>interest received, etc</i>)	4	18	23	37	49	-23.5
	(999)	(1,079)	(444)	(2,099)	(2,070)	1.4
Net cash outflow for financing activities						
Final dividend paid to SingTel shareholders	-	-	(1,434)	(1,434)	(1,274)	12.6
Special dividend paid to SingTel shareholders	-	-	(1,594)	(1,594)	-	nm
Net increase/ (decrease) in borrowings	679	(235)	369	1,140	93	@
Settlement of swaps for bonds repaid	(922)	-	-	(922)	(218)	323.7
Net interest paid on borrowings and swaps	(150)	(147)	(55)	(337)	(303)	11.3
Loan repayment to minority shareholder	-	-	-	-	(25)	nm
Proceeds from share issue	2	*	6	9	6	54.5
Purchase of performance shares	(6)	(2)	(7)	(15)	(39)	-63.2
Others	-	(1)	(26)	1	(1)	nm
	(398)	(385)	(2,740)	(3,152)	(1,761)	79.0
Net (decrease)/ increase in cash and cash equivalents	(212)	29	(1,837)	(1,206)	516	nm
Exchange effects on cash and cash equivalents	2	(9)	(17)	(13)	(14)	-6.6
Group cash and cash equivalents at beginning	1,729	2,095	3,583	2,738	1,614	69.7
Group cash and cash equivalents at end	1,520	2,116	1,729	1,520	2,116	-28.2
Group free cash flow (ex-associates' dividends)	546	626	712	1,751	1,854	-5.5
Group free cash flow	634	991	916	2,463	2,864	-14.0
Cash capex to operating revenue	11%	11%	9%	11%	11%	

SECTION I : GROUP

Net cash inflow from operating activities for the quarter amounted to S\$1.19 billion, down 21% from a year ago. Operating cash flow (before associates' dividend receipts) declined 2.7% to S\$1.10 billion as Optus paid S\$51 million (A\$39 million) of Australian income tax in the quarter. Gross dividends from associates declined by S\$305 million mainly due to special dividends received from AIS in the same quarter last year and timing of Telkomel's dividend payments.

Compared to a quarter ago, operating cash flow (before dividend) fell 4.0% on working capital movements. With lower dividends received from the associates, overall operating cash flow declined 12% from the preceding quarter.

Net cash outflow for investing activities was S\$999 million. The net investment in associates of S\$325 million mainly comprised the acquisition of additional 2.05% equity interest in AIS of S\$332 million and proceeds from the disposal of Teletech Park. Capital expenditure of S\$551 million, representing 11% of operating revenue, rose 9.7% year-on-year and 28% from a quarter ago with increased capital investments in Singapore and Australia.

With lower associates' dividends, the Group's free cash flow declined 36% from a year ago. Compared to a quarter ago, free cash flow was down 31% due to higher capital expenditure and lower dividends from the associates.

Net cash financing outflow for the quarter was S\$398 million. This mainly comprised the repayment of bonds of approximately the equivalent of S\$2.6 billion, settlement of related swaps of S\$922 million as well as interest payments of S\$150 million. The cash outflows were partially offset by new borrowings of approximately S\$3.4 billion.

Overall cash balance decreased S\$209 million from a quarter ago, with ending cash balance at S\$1.52 billion as at end of December 2011.

SECTION II : SINGAPORE

SINGAPORE**MANAGEMENT DISCUSSION AND ANALYSIS**

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

FINANCIAL HIGHLIGHTS**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011**

- Excluding fibre rollout, operating revenue up 4.4%.
- EBITDA at S\$547 million – down 6.8%, with higher mobile acquisition and retention volume and a full quarter of structural separation costs.
- Net profit at S\$333 million – down 4.3%.
- Free cash flow of S\$273 million – lower by 15%.

FOR THE NINE MONTHS ENDED 31 DECEMBER 2011

- Excluding fibre rollout, operating revenue up 3.9%.
- EBITDA at S\$1.67 billion – down 2.1%.
- Net profit at S\$985 million – down 2.8%.
- Free cash flow of S\$793 million – lower by 9.3%.

SECTION II : SINGAPORE

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Operating revenue						
Singapore Business	1,675	1,634	2.5	4,833	4,740	2.0
(ex-Fibre rollout revenue)	1,631	1,562	4.4	4,701	4,524	3.9
Singapore Telco business	1,314	1,250	5.1	3,781	3,636	4.0
IT and Engineering business	361	384	-6.0	1,053	1,103	-4.6
Operating expenses	(1,167)	(1,086)	7.5	(3,271)	(3,129)	4.5
Singapore Business	(1,144)	(1,070)	6.9	(3,204)	(3,079)	4.1
Group and Int'l business corp costs	(23)	(16)	46.2	(67)	(50)	34.4
EBITDA						
Singapore Business	547	587	-6.8	1,667	1,702	-2.1
(ex-payments to NetLink Trust) ⁽²⁾	555	587	-5.4	1,676	1,702	-1.6
Singapore Telco business	484	527	-8.1	1,494	1,518	-1.6
(ex-payments to NetLink Trust) ⁽²⁾	493	527	-6.5	1,503	1,518	-1.0
IT and Engineering business	63	60	4.7	173	184	-6.3
EBITDA margin						
Singapore Business	32.7%	35.9%		34.5%	35.9%	
Singapore Telco business	36.8%	42.1%		39.5%	41.7%	
IT and Engineering business	17.4%	15.7%		16.4%	16.7%	
Exceptional item ⁽³⁾	5	-	nm	5	-	nm
Underlying net profit	328	348	-5.7	981	1,014	-3.3
Net profit	333	348	-4.3	985	1,014	-2.8
Free cash flow	273	321	-14.8	793	875	-9.3

Notes

- (1) The figures in this section are after elimination of inter-company transactions and cash flows within the Group except for transactions and cash flows with Optus. Material inter-company transactions, cash flows and balances between Singapore and Optus are eliminated in the Group's financials under **Section I**.
- (2) Excluding mainly lease payments to NetLink Trust, a 100%-owned business trust, which is equity accounted as an associate in the Group as SingTel does not control it. See **Appendix 1** for further details.
- (3) The exceptional item in the current quarter comprised the gain on disposal of Teletech Park, a 40%-owned joint venture.

SECTION II : SINGAPORE**SINGAPORE SUMMARY INCOME STATEMENTS****For The Third Quarter And Nine Months Ended 31 December 2011**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Singapore Business						
Operating revenue	1,675	1,634	2.5	4,833	4,740	2.0
Operating expenses	(1,144)	(1,070)	6.9	(3,204)	(3,079)	4.1
	531	564	-5.9	1,630	1,661	-1.9
Other income	16	23	-28.8	37	41	-10.1
EBITDA	547	587	-6.8	1,667	1,702	-2.1
- EBITDA margin	32.7%	35.9%		34.5%	35.9%	
Group and Int'l business net corp costs	(24)	(15)	54.6	(66)	(49)	34.4
	524	572	-8.4	1,601	1,653	-3.2
Depreciation & amortisation	(149)	(136)	10.2	(431)	(403)	7.0
EBIT	374	436	-14.2	1,169	1,250	-6.4
Net finance expense						
- net interest expense	(41)	(48)	-13.9	(144)	(150)	-3.7
- other finance income/ (expense)	3	(3)	nm	22	2	@
	(38)	(50)	-24.3	(122)	(147)	-17.0
Profit before exceptional items	336	386	-12.9	1,047	1,102	-5.0
Exceptional items	5	-	nm	5	-	nm
Profit before tax	341	386	-11.6	1,052	1,102	-4.6
Taxation	(7)	(39)	-80.9	(65)	(92)	-28.6
Profit after tax	334	347	-3.9	986	1,011	-2.4
Minority interests	(1)	1	nm	(1)	3	nm
Net profit	333	348	-4.3	985	1,014	-2.8
Net profit	333	348	-4.3	985	1,014	-2.8
Exclude:						
Exceptional items	(5)	-	nm	(5)	-	nm
Underlying net profit	328	348	-5.7	981	1,014	-3.3

SECTION II : SINGAPORE

REVIEW OF SINGAPORE OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2011

In a highly competitive market, operating revenue from the Singapore Telco business grew 5.1% year-on-year driven by robust mobile performance and higher handset sales boosted by the launch of iPhone 4S this quarter.

Mobile Communications continued its growth momentum, with revenue increase of 5.8% to S\$491 million on the back of strong customer connections. Total mobile customer base grew by 61,000 in the quarter to 3.55 million, up 9.9% from a year ago. With a share of 45.8%, SingTel achieved another quarter of market share gains and extended its lead. Postpaid net additions this quarter was 44,000, up from 40,000 in the preceding quarter, driven by higher smartphone connections and increased data SIMs take-up from continued success of integrated mobile broadband bundles. Mobile broadband growth remained strong this quarter with 109,000 customers added in the quarter, up from 90,000 in the preceding quarter.

SingTel continued to lead the regional ICT and cloud services market. Data and Internet revenue rose 1.8% to S\$409 million with growth in Managed Services offsetting price pressures in traditional Leased Circuits. Fixed Broadband revenue grew 4.6%, led by increased take-up of fibre-based services and higher-tier plans. SingTel maintained its lead in the domestic fibre market and registered a net gain of 18,000 fibre broadband customers this quarter, compared to 14,000 in the preceding quarter.

Revenue from mio TV was S\$28 million, up 32% on an enlarged customer base. SingTel's exciting new offerings and exclusive sports attracted a net gain of 18,000 customers this quarter, bringing the total customer base to 353,000 as at 31 December 2011, up 34% from a year earlier.

In the digital space, SingTel continued to develop exclusive applications to enhance the mobile lifestyles of its customers and strengthened its presence. 'Skoob', Singapore's first e-book service offering a wide selection of books catered to local needs, was launched. 'Store and Share', another innovative application was also launched, which allows customers to store, share and retrieve files on a secure local server and access them from any location and device.

IT and Engineering revenue decreased 6.0% to S\$361 million with fibre rollout revenue at S\$44 million compared to S\$72 million a year ago as OpenNet achieved homes coverage of more than 80% as at 31 December 2011. NCS' revenue grew 1.5% to S\$317 million with domestic revenue growing 8% fuelled by strong demand for business solutions services. NCS' order book remained strong at approximately S\$2 billion as at the quarter end.

SECTION II : SINGAPORE

The quarter's results included a full quarter of structural separation costs mainly comprising payments to NetLink Trust¹ for the lease of ducts and manholes. Excluding these payments, EBITDA in the Telco business fell 6.5% from higher costs associated with strong mobile customer connections and the launch of iPhone 4S. There was also a non-recurring property disposal gain in the corresponding quarter last year. IT and Engineering's EBITDA increased, driven by NCS' higher mix of business solutions revenue and increased cost efficiencies. Overall, the Singapore Business' EBITDA declined 6.8%, and would have decreased 5.4% if excluding the payments to NetLink Trust as part of structural separation requirements.

Depreciation increased 11% on a larger asset base, mainly from NCS' additional investments in equipment for major customer contracts, as well as the commissioning of ST-2 satellite in August 2011.

Net finance expense decreased 24% year-on-year due to net interest income from NetLink Trust this quarter and foreign exchange gain on revaluation of monetary assets and liabilities.

The lower tax expense this quarter was due to the recognition of certain tax credits upon finalisation of earlier years' tax assessments.

Net profit for the quarter was S\$333 million, down 4.3% from a year ago. Excluding the exceptional gain on disposal of Teletech Park (a joint venture) this quarter, underlying net profit decreased by 5.7% to S\$328 million.

Free cash flow for the quarter was S\$273 million, down 15% with lower EBITDA from higher mobile customer connections and increased capital expenditure.

For The Nine Months Ended 31 December 2011

Operating revenue for the nine months grew 2.0% to S\$4.83 billion from a year ago. Excluding fibre rollout, revenue increased 3.9% led by a strong 8.0% growth in Mobile Communications.

EBITDA was down by 2.1% to S\$1.67 billion, reflecting investments in mio TV content and higher mobile customer connections.

Net profit declined 2.8% to S\$985 million and underlying net profit was lower by 3.3% to S\$981 million.

Free cash flow for the nine months was S\$793 million, 9.3% lower mainly attributed to higher tax payments as the corresponding period included a tax refund, and increased capital expenditure.

¹ NetLink Trust, a 100%-owned business trust, is equity accounted as an associate in the Group, hence the payments to NetLink Trust are not eliminated on a line-by-line basis.

SECTION II : SINGAPORE**SEQUENTIAL QUARTERLY RESULTS**

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

	Quarter		QOQ Chge %
	31 Dec	30 Sep	
	2011 S\$ m	2011 S\$ m	
Operating revenue			
Singapore Business	1,675	1,601	4.6
<i>Singapore Telco business</i>	<i>1,314</i>	<i>1,233</i>	<i>6.6</i>
<i>IT and Engineering business</i>	<i>361</i>	<i>368</i>	<i>-2.0</i>
Operating expenses	(1,167)	(1,080)	8.1
Singapore Business	(1,144)	(1,057)	8.3
Group and Int'l business corp costs	(23)	(23)	-1.3
EBITDA			
Singapore Business	547	553	-1.0
<i>(ex-payments to NetLink Trust)</i>	<i>555</i>	<i>553</i>	<i>0.4</i>
Profit before exceptional items and tax	336	351	-4.3
Underlying net profit	328	324	1.1
Net profit	333	324	2.5
Free cash flow	273	293	-6.8

Operating revenue from the Singapore Business grew 4.6% from the preceding quarter, driven by higher mobile roaming traffic in the December quarter and strong handset sales with the iPhone 4S launch. With higher mobile customer connection costs, EBITDA was stable. Free cash flow was 6.8% lower mainly on higher capital expenditure.

SECTION II : SINGAPORE**OPERATING REVENUE**

	Quarter				YOY Chge %	Nine Months				YOY Chge %
	31 Dec					31 Dec				
	2011		2010			2011		2010		
	S\$ m	Mix %	S\$ m	Mix %		S\$ m	Mix %	S\$ m	Mix %	
Mobile communications	491	29	465	28	5.8	1,440	30	1,334	28	8.0
Data and Internet	409	24	401	25	1.8	1,205	25	1,197	25	0.6
International telephone	123	7	132	8	-6.2	377	8	388	8	-3.0
National telephone	86	5	95	6	-8.6	266	6	284	6	-6.3
Sale of equipment	113	7	85	5	34.2	262	5	225	5	16.3
mio TV	28	2	21	1	31.6	77	2	56	1	36.1
Others ⁽¹⁾	63	4	53	3	20.3	155	3	152	3	1.8
Singapore Telco	1,314	79	1,250	77	5.1	3,781	78	3,636	77	4.0
IT and Engineering	361	21	384	23	-6.0	1,053	22	1,103	23	-4.6
Total	1,675	100	1,634	100	2.5	4,833	100	4,740	100	2.0

Note:

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

Mobile Communications, the key contributor to revenue growth, comprised 29% of total revenue, 1 percentage point higher than the same quarter a year ago.

Sale of equipment revenue was up strongly by 34% from a year ago and 59% from a quarter ago, boosted by increased smartphone volumes including iPhone 4S.

Other revenue grew 20% year-on-year mainly on higher satellite revenue including a full quarter revenue contribution from ST-2 satellite.

SECTION II : SINGAPORE**Mobile Communications**

	Quarter		YOY %	Nine Months		YOY %
	31 Dec			31 Dec		
	2011	2010		2011	2010	
Cellular service ⁽¹⁾	491	465	5.8	1,440	1,334	8.0

Key Drivers	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec		
	2011	2011	2010	2011	2010	
Number of mobile subscribers (000s)						
Prepaid	1,632	1,615	1,504	1,632	1,504	8.5
Postpaid	1,917	1,873	1,725	1,917	1,725	11.1
Total	3,549	3,488	3,229	3,549	3,229	9.9
MOUs per subscriber per month ⁽²⁾						
Prepaid	337	342	357	344	345	-0.3
Postpaid ⁽³⁾	329	335	359	335	364	-8.0
Average revenue per subscriber per month ^{(2) (4)} (S\$ per month)						
Prepaid	14	14	14	14	14	2.1
Postpaid	86	85	92	86	89	-3.3
Blended	53	52	56	53	54	-0.9
Data services as % of ARPU						
- total data ⁽⁵⁾	43%	41%	40%	42%	38%	
- non-SMS data	21%	19%	18%	20%	16%	
Acquisition cost per postpaid subscriber (S\$)	364	300	342	321	360	-10.8
Postpaid external churn per month ⁽⁶⁾	1.0%	0.9%	0.9%	0.9%	1.0%	
Singapore mobile penetration rate ⁽⁷⁾	149%	148%	144%	149%	144%	
Singapore mobile subscribers (000s) ⁽⁷⁾	7,718	7,668	7,289	7,718	7,289	
Market share ⁽⁷⁾						
Prepaid	43.8%	43.7%	42.7%	43.8%	42.7%	
Postpaid	47.6%	47.2%	45.8%	47.6%	45.8%	
Overall	45.8%	45.5%	44.3%	45.8%	44.3%	

Notes:

- (1) Cellular service revenue is determined net of bill rebates and net of prepaid sales discount, and includes revenue earned from mio plans and mobile broadband. It excludes revenue earned from international calls classified under "International telephone" revenue, consistent with prior periods.
- (2) Based on average subscribers, calculated as the simple average of opening and closing subscribers.
- (3) Postpaid MOU excludes customers that have 'data only' SIM plans.
- (4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Include revenue from SMS, *SEND, MMS and other data services.
- (6) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of the average subscribers.
- (7) Source: IDA. The market share data as at 31 December 2011 was based on Telco operators' published results. The other market statistics were based on IDA's latest available published statistics as of 30 November 2011.

SECTION II : SINGAPORE

Mobile Communications maintained its growth momentum, with revenue increasing 5.8% to S\$491 million driven mainly by strong customer connections. Compared to the preceding quarter, revenue was up 3.1% lifted by seasonal increase in roaming traffic.

A total of 61,000 mobile customers were added in the quarter, bringing the total customer base to 3.55 million as at 31 December 2011. SingTel registered market share gains for the consecutive quarter and extended its lead with a mobile market share of 45.8%.

Postpaid net additions this quarter were 44,000, with increased data SIMs take-up for integrated mobile broadband bundles and strong customer demand for iPhone 4S launched on 28 October 2011.

Over 80% of new postpaid customers chose smartphones this quarter, lifting the overall smartphone penetration to more than 65% of the total postpaid base as at end of December 2011. Total postpaid customer base grew 11% from a year ago to 1.92 million, and strengthened its lead with a share of 47.6%, the highest in last five years.

In the prepaid segment, a net total of 17,000 customers were added in the quarter with continued traction in the take-up of 3G prepaid offerings which included 3G SIM, data and Blackberry value added services. Total prepaid customer base reached 1.63 million, an increase of 8.5% from a year ago, with prepaid market share at 43.8%.

SMS and other data revenue grew strongly, accounting for 43% of blended ARPU, up 3 percentage points from a year ago and 2 percentage points from a quarter ago. Mobile broadband² customers grew 109,000 in the quarter, up from 90,000 in the preceding quarter. This brought mobile broadband customer base to 1.17 million at end December 2011, an increase of 53% from a year ago. SingTel's strong suite of smartphones combined with exclusive customised applications and attractive value propositions continued to drive growth in mobile broadband.

Blended ARPU was lower at S\$53 compared to S\$56 a year ago, a result of lower postpaid ARPU which fell 5.9% from a year ago. Excluding 'data only' SIMs, postpaid ARPU declined 2.6% year-on-year with lower roaming traffic and bundled discounts from growth in triple and quadruple play customers. On a sequential quarter, postpaid ARPU grew 1.8% primarily on increased roaming volume.

Acquisition cost per postpaid subscriber was higher due to the increased mix of smartphones and tablets.

On 20 December 2011, SingTel announced the commercial launch of its Long Term Evolution (LTE) mobile broadband service '*Broadband on Mobile Prestige 75*', for both consumer and business customers. This service offers data speeds three times faster than existing 3G services with theoretical download speeds of up to 75 Mbps and typical download speeds between 3.4 Mbps and 12 Mbps, allowing customers to enjoy bandwidth-intensive multimedia content on the move.

² 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		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011	2010		2011	2010	
	S\$ m	S\$ m		S\$ m	S\$ m	
Data services						
Managed Services ⁽¹⁾	109	100	8.6	310	280	10.5
International Leased Circuits	27	30	-12.2	83	103	-19.9
	135	130	3.8	392	383	2.3
Local Leased Circuits	112	111	0.4	332	340	-2.4
Others ⁽²⁾	49	49	1.4	146	146	0.6
	296	290	2.1	871	869	0.2
Internet related						
Fixed broadband ⁽³⁾	100	96	4.6	297	282	5.3
SingTel Internet Exchange ("STiX") ⁽⁴⁾	10	12	-15.8	31	37	-14.8
Others	2	3	-38.7	6	10	-36.7
	112	111	1.2	334	328	1.8
Total	409	401	1.8	1,205	1,197	0.6

Key Drivers - Internet related	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec		
	2011	2011	2010	2011	2010	
Number of fixed broadband lines (000s) ⁽⁷⁾	540	541	527	540	527	2.5
Singapore fixed broadband penetration rate ^{(5) (7)}	104%	104%	101%	104%	101%	
Fixed broadband market share ^{(6) (7)}	44.7%	45.1%	45.2%	44.7%	45.2%	

Notes:

- (1) Include MEG@POP, Global Corporate IP, Facility Management and Managed Hosting Services.
- (2) Include mainly ISDN, VSAT, DTE/ DCE, digital video broadcasting.
- (3) Include revenues from Internet access under mio plans and fibre plans.
- (4) Include inter-company sales to Optus of S\$2 million (Q3 FY2011: S\$4 million) and S\$7 million (YTD December 2010: S\$12 million) for the third quarter and nine months ended 31 December 2011 respectively.
- (5) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IDA).
- (6) Based on total SingTel ADSL and fibre lines divided by total ADSL, cable and fibre lines in the population.
- (7) Comparatives for 31 December 2010 have been restated to include other fixed broadband access lines, consistent with the current period. The market share data as at 31 December 2011 was based on management's estimates. The market penetration rate was based on IDA's latest available published statistics as of 30 November 2011.
- (8) As at 31 December 2011, SingTel owns 1,369,893 km of access fibre network and 722,733 km of junction fibre network, up 19% and 9% from 31 March 2011 respectively.

SECTION II : SINGAPORE

Data and Internet revenue was up 1.8% year-on-year and 2.6% from a quarter ago to S\$409 million.

Data revenue grew 2.1% from a year ago and 3.3% from the preceding quarter. Growth in Managed Services was partly offset by price declines in International Leased Circuits (ILC). Aggregate revenue from Managed Services and ILC increased 3.8% year-on-year and 4.5% from a quarter ago. The increase was underpinned by growth in IP VPN and facility management with increased occupancy at KC2 Data Centre, as well as robust demand for SingTel's market-leading suite of ICT applications and cloud solutions.

SingTel expanded its cloud computing solutions with the launch of '*SingTel PowerON Security*', a suite of cloud-based cyber-security solutions and services, which offers enterprises comprehensive on-demand protection from cyber-threats at competitive price levels.

Revenue from Local Leased Circuits was stable from a year ago and higher by 2.0% from a quarter ago. Growth in Ethernet services was partly offset by planned price adjustments and increased migration of legacy Diginet services to IP-based services.

Fixed Broadband delivered revenue growth of 4.6% year-on-year and 1.1% from the preceding quarter with increased adoption of fibre-based services and higher-tier plans.

Demand for integrated home bundles and SingTel's innovative suite of high-speed fibre-based services continued to gain traction. A total of 16,000 customers subscribed to bundled plans³ this quarter. This brought total customer base to 287,000, an increase of 28% or 63,000 from a year ago.

Total fixed broadband lines grew by 13,000 or 2.5% from a year ago to 540,000. The net decline of 1,000 fixed broadband lines this quarter was due to a one-off adjustment from a wholesale customer.

SingTel continued to lead the fibre market with its distinctive suite of entertainment, lifestyle and productivity applications. As at 31 December 2011, SingTel gained a total of 55,000 fibre broadband⁴ customers, an increase of 18,000 customers in the quarter, up from 14,000 in the preceding quarter.

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 Residential and corporate subscriptions to broadband Internet services using optical fibre networks.

SECTION II : SINGAPORE**IT and Engineering**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Revenue from NCS ⁽¹⁾	317	312	1.5	920	887	3.7
Fibre rollout revenue ⁽²⁾	44	72	-38.8	133	216	-38.6
Total	361	384	-6.0	1,053	1,103	-4.6

NCS segment revenue (%)	Quarter			Nine Months	
	31 Dec	30 Sep	31 Dec	31 Dec	
	2011	2011	2010	2011	2010
Geographical markets					
Singapore	88	87	83	87	85
Overseas	12	13	17	13	15
Total	100	100	100	100	100
Lines of business					
Infrastructure services ⁽³⁾	66	69	68	67	69
Business solutions ⁽⁴⁾	34	31	32	33	31
Total	100	100	100	100	100

Notes:

- (1) Generated by NCS and its subsidiaries. Included billings to Optus of approximately S\$18 million (Q3 FY 2011: S\$18 million) and S\$49 million (YTD December 2010: S\$54 million) for the third quarter and nine months ended 31 December 2011 respectively.
- (2) This revenue is for the roll out of fibre on behalf of OpenNet under Singapore's Next Generation National Broadband Network (NGNBN) initiative.
- (3) Infrastructure services include the full suite of managed services, network and communication engineering services, and value-added reselling and services.
- (4) Business solutions include applications management services and outsourcing, system integration and business process outsourcing.

IT and Engineering revenue fell 6.0% from a year ago to S\$361 million on lower fibre rollout revenue from OpenNet.

Fibre rollout revenue was S\$44 million compared to S\$72 million in the same quarter last year, as OpenNet achieved homes coverage of over 80% as of end December 2011.

Revenue from NCS grew 1.5% year-on-year with domestic revenue growing 8% underpinned by strong demand for business solutions services. On a sequential quarter, revenue declined 2.9% due to one-time infrastructure services revenue from a major government contract in the previous quarter.

NCS' major contract wins this quarter included a multi-year contract for the provision of a new Data Centre facility for a government agency, a renewal contract for the provision of application, maintenance and support services for various IT systems for another government agency, as well as a contract for upgrading the Enterprise Resource Planning systems for a tertiary institution.

SECTION II : SINGAPORE

International Telephone ⁽¹⁾

	Quarter		Chge %	Nine Months		Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
International (incl Malaysia) call revenue	103	105	-2.0	316	315	0.3
Inpayments and net transit	20	26	-23.3	61	73	-16.8
Total	123	132	-6.2	377	388	-3.0
International Telephone outpayments	(47)	(46)	1.7	(138)	(145)	-5.4
Net	77	86	-10.5	239	243	-1.5
Margin %	62%	65%		64%	63%	

Key drivers	Quarter			Nine Months		YOY Chge
	31 Dec	30 Sep	31 Dec	31 Dec		
	2011	2011	2010	2011	2010	%
International telephone outgoing minutes (m mins) (excl Malaysia)	780	821	767	2,385	2,249	6.0
Average IDD call collection rate - net basis (S\$/ min) (excl Malaysia)	0.112	0.110	0.117	0.113	0.120	-5.8

Note:

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

International Telephone revenue was S\$123 million, down 6.2% from a year ago attributed to declines in international call revenue and inpayments. On a sequential quarter, revenue declined 2.2% mainly on seasonally lower call revenue.

International call revenue decreased 2.0% year-on-year reflecting competitive pressures and weaker economic sentiment.

Inpayments and net transit declined 23% from a year ago due to both lower traffic volume and inpayment rates, as well as one-off credit adjustments on traffic settlement recognised in the corresponding quarter a year ago.

Outpayments for international calls increased 1.7% year-on-year with the strengthening of the US Dollar and one-off write-back of accruals no longer required in the corresponding quarter last year.

SECTION II : SINGAPORE

National Telephone

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011	2010		2011	2010	
	S\$ m	S\$ m		S\$ m	S\$ m	
Direct exchange lines ("DEL")						
- rental	41	42	-1.4	125	124	0.4
- traffic	14	16	-14.8	43	50	-14.0
Others ⁽¹⁾	55	58	-5.2	168	174	-3.7
	40	45	-10.2	127	136	-6.9
Inter-company eliminations	96	103	-7.4	294	310	-5.1
	(9)	(9)	5.7	(28)	(26)	8.1
	86	95	-8.6	266	284	-6.3

Key Drivers	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec		
	2011	2011	2010	2011	2010	
Fixed working lines (000s) ⁽²⁾						
Residential	922	929	923	922	923	-0.1
Business	772	771	769	772	769	0.4
Total	1,694	1,700	1,692	1,694	1,692	0.1
Singapore fixed line penetration rate ⁽³⁾	38.9%	38.9%	39.8%	38.9%	39.8%	
Singapore fixed working lines (000s) ⁽³⁾	2,017	2,017	1,984	2,017	1,984	
Fixed Line market share ⁽³⁾	84.0%	84.3%	85.3%	84.0%	85.3%	

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. Some lines are for connections of second set top box under mio bundles, where the revenue is recognised under Fixed Broadband or mio TV.
- (3) Source: IDA. The market statistics as at 31 December 2011 were based on management's estimates.

Fixed line phone services continued to be impacted by fixed-to-mobile substitution and reflected the net decline of 7,000 residential lines in the quarter.

With lower usage on fixed lines, revenue declined 8.6% from a year ago and 3.6% from a quarter ago.

SECTION II : SINGAPORE

mio TV

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
mio TV revenue	28	21	31.6	77	56	36.1

Key drivers	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec		
	2011	2011	2010	2011	2010	
Number of mio TV subscribers ('000s) ⁽¹⁾	353	335	264	353	264	33.7

Note:

(1) Comprise subscribers in the residential segment only.

Revenue from mio TV was S\$28 million for the quarter, up from S\$25 million in the preceding quarter.

SingTel gained 18,000 mio TV customers this quarter, driven by demand for multiple content packs such as '*Ultimate*' and '*Combo*' which bundle exciting entertainment and exclusive sports. Total customer base reached 353,000 at end of December 2011, up 34% from a year ago.

mio TV continued to expand its content suite with the addition of '*ONE*' to the Jingxuan Pack, offering the latest Korean entertainment in high definition, as well as '*KIX HD*' which features high-energy series, blockbuster movies and epic anime during the day, and thriller, horror and suspense movies from Asia and Hollywood during the night hours.

SECTION II : SINGAPORE**OPERATING EXPENSES
(Before Depreciation And Amortisation)**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Selling & administrative	390	319	22.2	1,033	912	13.2
Cost of sales	280	305	-8.1	798	846	-5.7
Staff costs	242	224	8.2	727	666	9.2
Traffic expenses	232	214	8.7	643	635	1.3
Repair & maintenance	31	29	8.0	91	88	3.0
Others ⁽¹⁾	(8)	(4)	92.9	(20)	(18)	14.0
Total	1,167	1,086	7.5	3,271	3,129	4.5
Less: Group and Int'l business corp costs	(23)	(16)	46.2	(67)	(50)	34.4
Singapore Business	1,144	1,070	6.9	3,204	3,079	4.1

As a percentage of operating revenue	Quarter		Nine Months	
	31 Dec		31 Dec	
	2011	2010	2011	2010
Selling & administrative	23.3%	19.5%	21.4%	19.2%
Cost of sales	16.7%	18.6%	16.5%	17.8%
Staff costs	14.5%	13.7%	15.0%	14.0%
Traffic expenses	13.9%	13.1%	13.3%	13.4%
Repair & maintenance	1.9%	1.8%	1.9%	1.9%
Others	-0.5%	-0.3%	-0.4%	-0.4%
Total	69.7%	66.5%	67.7%	66.0%
Singapore Business	68.3%	65.5%	66.3%	65.0%

Note:

(1) Include government grants and recoveries of costs.

Cost of sales decreased 8.1% year-on-year, corresponding to lower fibre rollout revenue from OpenNet. It increased 2.0% from the preceding quarter, a result of the higher Sale of equipment revenue.

SECTION II : SINGAPORE

Selling & administrative Expenses

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Selling & administrative expenses	390	319	22.2	1,033	912	13.2
Singapore Business - Selling & administrative expenses	382	313	21.8	1,008	895	12.7

Selling & administrative expenses were the largest expense category at 23% of operating revenue and accounted for 87% of the overall increase in operating expenses for the quarter. The increase from both a year ago and the preceding quarter was mainly attributable to higher mobile customer acquisition and retention costs with strong demand for iPhone 4S, as well as increased maintenance and service costs to support the growing multimedia customer base.

Traffic Expenses

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
International Telephone outpayments	47	46	1.7	138	145	-5.4
Mobile roaming outpayments	74	66	13.1	195	180	8.4
Total outpayments	121	112	8.4	333	326	2.2
Leases ⁽¹⁾	81	74	8.9	223	230	-3.3
Interconnect	30	28	9.1	88	80	10.7
Traffic expenses	232	214	8.7	643	635	1.3
Singapore Business - Traffic expenses	232	214	8.7	643	635	1.3

Note:

(1) Leases comprise backhaul charges, Inmarsat satellite rental, cost of restoring cable breakages, leased circuit charges, and lease of ducts and manholes from NetLink Trust.

See Page 28 for further information on International Telephone outpayments relative to inpayments.

Mobile roaming outpayments increased 13% year-on-year and 22% from a quarter ago, consistent with higher data roaming traffic and associated revenue.

Lease expenses were higher by 8.9% year-on-year and 15% from the preceding quarter attributed to payments to NetLink Trust for the lease of ducts and manholes.

Interconnect expenses rose 9.1% year-on-year and 3.1% from a quarter ago as a result of increased fibre interconnect costs paid to OpenNet with higher take-up of fibre broadband.

SECTION II : SINGAPORE**Staff Costs**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Gross staff costs	240	226	6.6	715	666	7.4
Performance share cost ⁽¹⁾	6	3	81.3	22	15	45.3
Capitalisation of staff costs ⁽²⁾	246 (4)	229 (5)	7.6 -20.8	737 (10)	681 (13)	8.2 -25.0
Job credits	242 -	224 -	8.2 -	727 -	668 (2)	8.9 nm
Total, net	242	224	8.2	727	666	9.2
Singapore Business - Staff costs	227	214	6.1	684	633	8.0

Key Drivers	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec		
	2011	2011	2010	2011	2010	
Singapore average number of staff	13,392	13,349	12,822	13,241	12,792	3.5
Revenue per staff (S\$'000) ⁽³⁾	125	120	127	365	371	-1.5
As at end of period:						
Number of staff						
NCS	6,654	6,621	6,053	6,654	6,053	9.9
SingTel and other subsidiaries	6,782	6,697	6,792	6,782	6,792	-0.1
Singapore	13,436	13,318	12,845	13,436	12,845	4.6
Optus	9,726	9,815	10,182	9,726	10,182	-4.5
Total Group	23,162	23,133	23,027	23,162	23,027	0.6

Notes:

- (1) Performance share expense for a share grant is amortised and recognised in income statement on a straight-line basis over the vesting period of 3 years from the date of the grant.
- (2) The amounts represent capitalisation of direct staff costs in property, plant and equipment and/ or inventories (work-in-progress) related to the fibre rollout contract with OpenNet.
- (3) Based on average employee numbers.

Gross staff costs rose 6.6% year-on-year on headcount growth, as well as annual salary increments. The increase in performance share cost was due to a write-back of provisions no longer required on cash-settled scheme during the quarter last year.

Overall headcount for Singapore increased 591 from a year ago to 13,436 as at end December 2011, driven by NCS' additional hires to support major customer contracts and the build-up of its offshore development resource base.

SECTION II : SINGAPORE**OTHER INCOME STATEMENT ITEMS****Depreciation And Amortisation**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Depreciation of property, plant and equipment Amortisation	145	131	10.7	418	392	6.6
	4	4	-4.8	13	11	20.9
	149	136	10.2	431	403	7.0
Depreciation as a percentage of operating revenue	8.7%	8.0%		8.6%	8.3%	

Depreciation increased 11% from a year ago on a larger asset base resulting mainly from NCS' additional investments in equipment for major customer contracts and the commissioning of ST-2 satellite.

Net Finance Expense

	Quarter		Chge %	Nine Months		Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Net interest expense						
- Interest income	2	4	-43.6	6	6	-
- Interest expense	(49)	(52)	-5.8	(156)	(155)	0.2
	(46)	(48)	-2.7	(150)	(150)	0.2
- Net interest income from NetLink Trust	5	-	nm	6	-	nm
	(41)	(48)	-13.9	(144)	(150)	-3.7
Other finance income/ (expense)						
- Investment gain ⁽¹⁾	1	2	-18.8	18	20	-7.7
- Net foreign exchange gain/ (loss)	2	(4)	nm	4	(17)	nm
	3	(3)	nm	22	2	@
Net finance expense	(38)	(50)	-24.3	(122)	(147)	-17.0

Note:

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

Interest expense declined on lower average interest rates partially offset by an increase in borrowings, and interest income decreased S\$2 million on lower average interest rates.

In this quarter, SingTel recognised a net interest income of S\$5 million with interest earned on the loan to NetLink Trust, partly offset by finance lease rentals paid in respect of the exchange buildings leased from NetLink Trust.

SECTION II : SINGAPORE**Taxation**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011	2010		2011	2010	
	S\$ m	S\$ m		S\$ m	S\$ m	
Taxation						
Current and deferred taxes (a)	36	70	-48.4	159	184	-13.6
Tax benefit of inter-company interest expense	(29)	(32)	-8.3	(93)	(92)	1.4
Total	7	39	-80.9	65	92	-28.6
Effective tax rates based on :						
Singapore reported profit before tax				6.2%	8.3%	
Profit before tax				1,052	1,102	
Exclude :						
Net foreign exchange (gain)/ loss (non-trade)				(4)	17	
Exceptional item				(5)	-	
Adjusted pre-tax profit (b)				1,043	1,120	
Effective tax rate (a)/ (b)				15.2%	16.4%	
Applicable statutory tax rate in the period				17.0%	17.0%	

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

SECTION II : SINGAPORE

SINGAPORE CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Nine Months		YOY Chge %
	31 Dec	31 Dec	30 Sep	31 Dec		
	2011	2010	2011	2011	2010	
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m	
Net cash inflow from operating activities						
Profit before tax	341	386	351	1,052	1,102	-4.6
Non-cash items	189	181	187	571	558	2.3
Operating cash flow before working capital changes	530	567	539	1,622	1,660	-2.3
Changes in operating assets and liabilities	49	31	11	(66)	(112)	-41.3
	579	598	549	1,556	1,548	0.6
Cash paid to employees under performance share plans	(1)	-	(1)	(1)	(4)	-65.0
Tax paid on operating activities	(75)	(78)	(118)	(195)	(156)	24.4
Operating cash flow	503	521	431	1,360	1,387	-1.9
Net cash inflow/ (outflow) for investing activities						
Net loan repayment from Optus to STAI ⁽¹⁾	1,328	846	635	1,971	861	129.0
Withholding tax paid on interest received on inter-company loans	(81)	(85)	(7)	(89)	(87)	2.4
Payment for purchase of property, plant and equipment	(229)	(200)	(138)	(567)	(513)	10.6
Advance payment for purchase of C2C submarine cable capacity	-	-	(10)	(10)	(28)	-65.2
Drawdown of prepaid C2C submarine cable capacity	7	11	-	18	29	-37.4
Proceeds on disposal of property, plant and equipment	3	18	571	575	22	@
Net investment in associates	(321)	(517)	(567)	(895)	(548)	63.3
Investment in available-for-sale investments	(9)	-	(9)	(56)	*	nm
Payment for purchase of intangibles	(2)	(22)	-	(6)	(23)	-75.5
Others (dividends and interest received etc)	3	6	14	21	26	-18.9
	699	57	488	964	(261)	nm
Net cash outflow for financing activities						
Final dividend paid to shareholders	-	-	(1,434)	(1,434)	(1,274)	12.6
Special dividend paid to shareholders	-	-	(1,594)	(1,594)	-	nm
Net (decrease)/ increase in borrowings	(589)	(4)	365	(130)	(242)	-46.1
Settlement of swaps for bonds repaid	(922)	-	-	(922)	-	nm
Net interest paid on borrowings and swaps	(99)	(105)	(8)	(202)	(197)	2.4
Repayment of loan to minority shareholder	-	-	-	-	(25)	nm
Proceeds from share issue	2	*	6	9	6	54.5
Purchase of performance shares	(6)	(2)	(7)	(13)	(27)	-50.9
Others	-	(1)	-	*	(1)	nm
	(1,615)	(111)	(2,673)	(4,287)	(1,759)	143.7
Net (decrease)/ increase in Singapore cash balance	(413)	467	(1,754)	(1,962)	(633)	210.2
Net (decrease)/ increase in Singapore cash balance	(413)	467	(1,754)	(1,962)	(633)	210.2
Dividends received from associates	96	401	222	782	1,112	-29.6
Withholding tax paid	(8)	(36)	(18)	(70)	(102)	-31.0
Net dividends received from associates	88	365	204	712	1,010	-29.5
Net (decrease)/ increase in cash and cash equivalents	(325)	832	(1,550)	(1,250)	378	nm
SingTel cash and cash equivalents at beginning	1,271	943	2,821	2,202	1,416	55.5
Exchange effects on cash and cash equivalents	(17)	(24)	1	(23)	(42)	-46.3
SingTel cash and cash equivalents at end	929	1,751	1,271	929	1,751	-47.0
Singapore free cash flow	273	321	293	793	875	-9.3
Free cash flow from associates' dividends	88	365	204	712	1,010	-29.5
Cash capex to operating revenue	14%	12%	9%	12%	11%	

Note:

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

SECTION II : SINGAPORE

Net cash generated from operating activities declined 3.5% from a year ago to S\$503 million with lower EBITDA from higher mobile customer connections and higher receivable balance from OpenNet. As at 31 December 2011, the work-in-progress and receivable balances in respect of the fibre rollout contract with OpenNet totalled S\$129 million. Compared to a quarter ago, operating cash flow grew 17% with working capital movements and lower tax payments.

Cash flows from investing activities included the net repayment of S\$1.33 billion (A\$1.02 billion) of inter-company loan from Optus. The net investment in associates of S\$321 million mainly comprised the acquisition of additional 2.05% equity interest in AIS of S\$332 million and proceeds from the disposal of Teletech Park, a 40%-owned joint venture.

Capital expenditure for the quarter rose 15% year-on-year to S\$229 million and represented 14% of operating revenue, 2 percentage points higher than a year ago. Major capital expenditure this quarter comprised additional investments and enhancements in mobile networks to support customer and mobile broadband growth, as well as NCS' increased investments in equipment for major customer contracts.

Free cash flow for the quarter was S\$273 million, 15% lower than a year ago attributable to lower operating cash flow and higher capital expenditure. Compared to a quarter ago, free cash flow declined 6.8% on increased capital expenditure.

Net cash outflow for financing activities was S\$1.62 billion, comprising mainly the repayment of bonds of US\$1.35 billion and EUR 500 million (total equivalent of approximately S\$2.6 billion) and the settlement of related swaps of S\$922 million, as well as interest payments of S\$99 million. This was partially offset by new borrowings of approximately S\$2 billion, including proceeds from SGT's (a wholly-owned subsidiary of SingTel) issue of a JPY10 billion 7-year note and a US\$200 million 7-year note under its Euro Medium Term Note Programme.

Including associates' net dividends of S\$88 million, overall cash balance as at 31 December 2011 was at S\$929 million.

REVISIONS TO THE TELECOMMUNICATIONS ACT

The Singapore Parliament passed the Telecommunications (Amendment) Bill 2011 in November 2011. The revised Telecommunications Act came into force on 1 February 2012. See Appendix 2 for the key revisions.

SECTION III : OPTUS

SINGTEL OPTUS PTY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

- Operating revenue at A\$2.42 billion – up 1.5%.
- EBITDA at A\$562 million – up 1.6%.
- EBITDA margin stable at 23.2%.
- Net profit at A\$177 million – up 4.4%.
- Free cash flow of A\$207 million - down 12%.

FOR THE NINE MONTHS ENDED 31 DECEMBER 2011

- Operating revenue at A\$7.07 billion – up 1.6%.
- EBITDA at A\$1.68 billion - up 1.1%.
- EBITDA margin lower at 23.8%.
- Underlying net profit at A\$533 million – up 3.6%.
- Free cash flow of A\$741 million – down 5.7%.

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011	2010		2011	2010	
	A\$ m	A\$ m		A\$ m	A\$ m	
Operating revenue	2,421	2,384	1.5	7,072	6,962	1.6
EBITDA	562	553	1.6	1,681	1,663	1.1
<i>EBITDA margin</i>	23.2%	23.2%		23.8%	23.9%	
EBIT	294	267	9.9	865	808	7.0
Underlying net profit	177	169	4.4	533	514	3.6
Net profit	177	169	4.4	520	514	1.2
Free cash flow	207	236	-12.4	741	785	-5.7

SECTION III : OPTUS**OPTUS SUMMARY INCOME STATEMENTS – Singapore GAAP
For The Third Quarter and Nine Months Ended 31 December 2011**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Operating revenue	2,421	2,384	1.5	7,072	6,962	1.6
Operating expenses	(1,871)	(1,851)	1.1	(5,428)	(5,345)	1.6
	550	533	3.1	1,644	1,617	1.6
Other income	12	19	-40.5	37	45	-17.9
EBITDA - EBITDA margin	562 23.2%	553 23.2%	1.6	1,681 23.8%	1,663 23.9%	1.1
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	562	553	1.5	1,681	1,663	1.1
Depreciation & amortisation	(268)	(286)	-6.2	(816)	(854)	-4.5
EBIT	294	267	9.9	865	808	7.0
Net finance expense	(39)	(27)	43.9	(96)	(75)	27.9
Profit before exceptional items	255	240	6.1	769	733	4.9
Exceptional items	-	-	-	(18)	-	nm
Profit before tax	255	240	6.1	751	733	2.5
Tax expense	(78)	(71)	10.1	(231)	(219)	5.4
Net profit after tax	177	169	4.4	520	514	1.2
Net profit	177	169	4.4	520	514	1.2
Exclude:						
Exceptional items	-	-	-	(18)	-	nm
Deferred tax on exceptional items	-	-	-	5	-	nm
Underlying net profit	177	169	4.4	533	514	3.6

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 Third Quarter Ended 31 December 2011

Optus reported resilient performance in an intensely competitive market. Operating revenue grew 1.5% and EBITDA increased 1.6%.

In Mobile, EBITDA increased 2.5% from increased service revenue and lower subscriber acquisition costs associated with the introduction of new postpaid price plans on high value handsets in the quarter. Optus continued its postpaid customer growth momentum with net additions of 113,000 this quarter. Prepaid subscriber growth increased this quarter with net additions of 69,000. Total Mobile customers grew 182,000 to 9.41 million.

Optus continued to lead the market with differentiated digital services which provide customers with personalised applications and content. Following the introduction of Smart Safe, Optus TV Now and Go Places in previous quarters, Optus announced the launch of a unique TV and Video application for the exclusive streaming of the Australian Open 2012, and enhanced the Go Places application so that customers may access a dedicated local restaurant guide during the tournament.

Optus has commenced the roll-out of Long Term Evolution (“LTE”) on the Optus Open Network and successfully connected Australia’s first LTE data call in the 700MHz “Digital Dividend” spectrum band on 1 November 2011. From April 2012, Optus will deliver its first LTE services to Newcastle, Port Stephens, the Hunter Valley and Lake Macquarie areas. A capital city service roll-out will begin in the second half of 2012, with phase one to deliver LTE services in Sydney, Melbourne and Perth, and phase two to other capital cities.

In Business and Wholesale fixed, overall revenue and EBITDA were stable year-on-year. Strong satellite and ICT and managed services revenue was offset by lower voice and data and IP revenue.

In this quarter, Optus secured a multi-million dollar multi-year contract to continue to provide state-of-the-art satellite services to GlobeCast Australia, including the provision of direct-to-home broadcast services on its D2 satellite. Optus continues to be the satellite provider of choice for Australian broadcast customers, delivering excellent quality and a range of value added services.

In the Consumer fixed business, Optus continued the exit of its fixed resale business. Lower on-net broadband ARPU from increased data inclusions caused on-net revenue to decline by 4.8%. EBITDA decreased by 1.1% on lower revenue, but EBITDA margin improved 1 percentage point from a year ago. On-net broadband customers totalled 965,000 as at 31 December 2011.

Optus unveiled details of various consumer NBN packages, available from November 2011. Plans will also be enhanced later to include enriched digital offerings such as the new Optus MeTV service which provides customers with access to on-demand programmes at affordable prices.

Continuing the focus on customer experience, Optus announced My Optus Community, a new online forum designed to empower Optus customers to interact online, provide feedback and share experiences. It will include a dedicated small and medium business forum and in the coming months will be expanded to allow customers to submit concepts and ideas for potential products and services.

SECTION III : OPTUS

Optus' overall EBITDA grew 1.6% to A\$562 million.

EBIT grew 9.9% to A\$294 million on lower depreciation and amortisation expense.

Net finance expense was up by A\$12 million year-on-year reflecting higher borrowings and the strategy to extend the average maturity of its debt with long-term borrowings.

Net profit for the quarter grew 4.4% to A\$177 million.

Free cash flow generated in the quarter was A\$207 million which included cash tax payments of A\$39 million. Excluding the tax payment, free cash flow was up A\$10 million or 4.1% year-on-year.

For The Nine Months Ended 31 December 2011

For the nine months under review, Optus' operating revenue was up 1.6% to A\$7.07 billion, underpinned by mobile service revenue growth of 2.2%.

EBITDA grew A\$18 million to A\$1.68 billion.

Underlying net profit increased by 3.6% to A\$533 million on lower depreciation and amortisation expense.

Free cash flow generated was A\$741 million which included cash tax payments of A\$78 million. Excluding the tax payments, free cash flow was up A\$33 million or 4.2% year-on-year.

SECTION III : OPTUS**SEQUENTIAL QUARTERLY RESULTS**

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

	Quarter		QOQ Chge %
	31 Dec	30 Sep	
	2011 A\$ m	2011 A\$ m	
Operating revenue	2,421	2,337	3.6
Operating expenses	(1,871)	(1,790)	4.6
EBITDA	562	559	0.4
EBITDA margin	23.2%	23.9%	
<i>Mobile</i>	24%	25%	
<i>Business & wholesale fixed</i>	26%	25%	
<i>Consumer & SMB fixed</i>	18%	18%	
Profit before exceptional items and tax	255	261	-2.2
Underlying net profit	177	182	-3.2
Free cash flow	207	330	-37.3

Operating revenue grew 3.6% in the current quarter mainly due to higher Mobile revenue.

EBITDA was stable compared to the preceding quarter while EBITDA margin was seasonally lower from higher equipment cost.

Underlying net profit was down 3.2% on higher net finance expense.

Free cash flow was lower due to higher capital expenditure and working capital movements.

SECTION III : OPTUS**DIVISIONAL TOTALS**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Operating revenue by division:						
Mobile	1,615	1,561	3.5	4,616	4,482	3.0
Optus Business Fixed	316	317	-0.3	965	961	0.4
Optus Wholesale Fixed	177	173	2.3	533	507	5.2
Consumer and SMB Fixed	316	336	-6.0	963	1,018	-5.4
Less inter-divisional revenue ⁽¹⁾	(2)	(2)	-15.0	(5)	(6)	-15.9
Total	2,421	2,384	1.5	7,072	6,962	1.6
EBITDA by division:						
Mobile	380	371	2.5	1,126	1,114	1.1
Optus Business & Wholesale Fixed	126	126	-	386	379	1.7
Consumer and SMB Fixed	56	56	-1.1	170	170	0.1
Total	562	553	1.6	1,681	1,663	1.1
EBITDA margins by division:						
Mobile	24%	24%		24%	25%	
Optus Business & Wholesale Fixed	26%	26%		26%	26%	
Consumer and SMB Fixed	18%	17%		18%	17%	
Total	23.2%	23.2%		23.8%	23.9%	

Note:

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

Mobile revenue comprised 67% of total revenue, up 2 percentage points compared to the same quarter last year. Optus Wholesale fixed grew 2.3% year-on-year, contributed by new revenue from the NBN Interim Satellite Service contract.

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

SECTION III : OPTUS

OPTUS MOBILE DIVISION

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Mobile communications revenue ⁽¹⁾						
Outgoing service revenue	990	1,005	-1.5	2,953	3,008	-1.9
Incoming service revenue	302	256	17.9	856	719	19.0
Service revenue	1,292	1,261	2.4	3,809	3,728	2.2
Equipment	323	299	7.8	807	755	6.9
Total Mobile revenue	1,615	1,561	3.5	4,616	4,482	3.0
EBITDA ⁽²⁾	380	371	2.5	1,126	1,114	1.1
- EBITDA margin	24%	24%		24%	25%	

Key Drivers	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec	31 Dec	
	2011	2011	2010	2011	2010	
Number of mobile subscribers (000s)						
Prepaid	4,294	4,225	4,342	4,294	4,342	-1.1
Postpaid ⁽³⁾	5,115	5,002	4,622	5,115	4,622	10.7
Total	9,409	9,227	8,965	9,409	8,965	5.0
Mobile penetration rate ⁽⁴⁾	ND	ND	125%	ND	125%	
MOUs per subscriber per month ⁽⁵⁾						
Prepaid	102	95	70	92	74	25.2
Postpaid	236	232	240	233	229	1.6
ARPU per month (A\$) ⁽⁶⁾						
Prepaid	23	23	25	23	26	-11.8
Postpaid	66	67	69	66	69	-4.3
Blended	46	47	47	46	47	-3.4
Data revenue as a % of service revenue						
- total data	47%	46%	40%	46%	40%	
- non-SMS data	21%	21%	17%	21%	18%	
Market share - total ⁽⁴⁾	ND	ND	31.9%	ND	31.9%	
Retail postpaid churn rate per month ⁽⁷⁾	1.7%	1.6%	1.7%	1.6%	1.7%	
% users through wholesale	12%	12%	10%	12%	10%	
Acquisition cost per subscriber	A\$180	A\$208	A\$254	A\$202	A\$223	

Notes:

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

SECTION III : OPTUS

Amid intense market competition, total mobile revenue grew 3.5% to A\$1.62 billion. Mobile service revenue grew 2.4%, up from 1.3% growth in the previous quarter. EBITDA grew 2.5% while EBITDA margin was stable against the same quarter last year.

Optus continued its postpaid customer growth momentum with net additions of 113,000 this quarter. Postpaid customers comprised 54% of the total base, up 2 percentage points from a year ago.

In October 2011, Optus introduced new postpaid price plans. These price plans reduced the upfront handset subsidies as well as lowered the recurring subscription charges via monthly customer credits. The plans have contributed to acquisition cost per subscriber being 13% lower than the preceding quarter and 29% lower than a year ago.

Prepaid subscriber growth increased this quarter with net additions of 69,000 as sales lifted and churn rates improved.

The number of 3G subscribers⁵ increased to 6.24 million, a 4.6% increase from a quarter ago. This included a base of 1.55 million wireless broadband⁶ subscribers, an increase of approximately 94,000 subscribers since a quarter ago.

Incoming service revenue continued to grow strongly at 18% this quarter supported by subscriber growth, increased SMS and voice revenue. Termination rates remained steady at 9 cents per minute. Effective 1 January 2012, the termination rate will reduce to 6 cents per minute as a result of a ACCC determination.

Blended ARPU was down A\$1 against the same quarter last year. Excluding wireless broadband, postpaid ARPU declined 2.3% year-on-year, reflecting higher value inclusions on selected plans.

SMS and other data revenue was at 47% of ARPU with increased data usage and higher penetration of wireless data products, up from 46% in the preceding quarter and 40% a year ago. The proportion of non-SMS data revenue (including premium content SMS) grew to 21% of ARPU, compared to 17% 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 94%⁷ of new and recontracted postpaid customers chose capped plans this quarter. Approximately 72% of the total Optus postpaid mobile base were on capped plans as at 31 December 2011, up from 69% a year ago.

EBITDA rose 2.5% to A\$380 million from increased service revenue and lower subscriber acquisition costs associated with the new price plans introduced in the quarter.

Optus continued to make significant investments to enhance the coverage, quality and performance of the Open Network, with the commencement of the U900 spectrum migration program targeted to increase 3G coverage in capital cities and continuing expansion of regional 3G coverage and capacity.

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 31 December 2011 was 79% (September 2011: 78%), with 86% of total new and recontracted customers choosing capped plans in this quarter (September 2011: 87%).

SECTION III : OPTUS

The LTE roll-out and the U900 spectrum migration programs will lift network capacity and provide customers with enhanced 3G signals in more places, including better indoor coverage. This ensures that Optus remains ahead of the rising demand for mobile data. To-date, the Open Network has reached 97 per cent of the population for both voice and data coverage while expansion continues. With the continuing network investment, Optus is the only carrier capable of challenging the incumbent telco's network on both coverage and speed.

SECTION III : OPTUS

OPTUS BUSINESS & WHOLESALE FIXED DIVISIONS

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Business revenue						
Voice	98	104	-6.5	302	311	-2.6
Data and IP	117	121	-2.7	353	358	-1.6
ICT and Managed Services	101	92	9.8	310	292	6.3
Total Business fixed revenue	316	317	-0.3	965	961	0.4
Wholesale revenue						
Domestic Voice	31	32	-3.7	93	94	-1.8
International Voice	4	4	12.5	12	14	-13.4
Data and IP	63	65	-3.7	191	191	0.2
Satellite	78	71	10.0	237	207	14.4
Total Wholesale fixed revenue	177	173	2.3	533	507	5.2
Total Business & Wholesale fixed revenue	493	490	0.6	1,498	1,468	2.1
EBITDA ⁽¹⁾	126	126	-	386	379	1.7
- EBITDA margin	26%	26%		26%	26%	

Key Drivers	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec	31 Dec	
	2011	2011	2010	2011	2010	
Business voice minutes (m min)	1,250	1,364	1,223	3,905	3,753	4.1
Wholesale domestic voice minutes (m min)	942	890	986	2,722	2,679	1.6
As at end of period:						
Buildings connected ⁽²⁾	17,890	17,861	17,609	17,890	17,609	1.6

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 fixed revenue was stable. Data & IP revenue declined 2.7% as growth in Evolve™ services was offset by the accelerated exit of legacy data products. ICT and managed services grew 9.8% due to an increase in managed services revenue from prior corporate wins.

Wholesale fixed revenue grew 2.3%. Total voice revenue was stable. Data and IP declined by 3.7%, mainly from the exit of unprofitable off-net services. Satellite revenue rose 10% driven largely by revenue from the new NBN Interim Satellite Service contract.

EBITDA and EBITDA margin remained stable year-on-year.

SECTION III : OPTUS

OPTUS CONSUMER AND SMB FIXED DIVISION

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
On-net						
Voice	127	137	-7.3	390	408	-4.5
Broadband	114	117	-1.9	348	354	-1.6
Pay TV	19	20	-5.0	57	65	-11.6
Consumer Fixed on-net	261	274	-4.8	795	827	-3.8
Off-net						
Voice	8	12	-34.5	25	39	-35.6
Broadband	3	5	-40.4	10	16	-41.8
Dial-up	1	1	-40.0	2	4	-44.4
Consumer Fixed off-net	11	18	-36.4	37	59	-37.8
Consumer Fixed revenue	272	292	-6.8	832	886	-6.1
SMB						
Voice	30	31	-2.6	91	94	-3.7
Data and IP	13	13	1.5	40	38	6.0
SMB fixed revenue	43	44	-1.4	131	132	-0.8
Total Consumer & SMB fixed revenue	316	336	-6.0	963	1,018	-5.4
EBITDA ⁽¹⁾	56	56	-1.1	170	170	0.1
- EBITDA margin	18%	17%		18%	17%	

Key Drivers	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec	31 Dec	
	2011	2011	2010	2011	2010	
On-net ARPU (A\$) ⁽²⁾						
Voice	50	51	54	51	53	-3.6
Broadband	48	48	50	49	51	-4.0
Telephony customers ('000)						
HFC ⁽³⁾	496	501	504	496	504	-1.6
ULL ⁽⁴⁾	511	516	503	511	503	1.6
On-net	1,007	1,016	1,007	1,007	1,007	**
Resale	42	46	61	42	61	-30.5
Long distance only	8	8	10	8	10	-22.2
Off-net	50	54	71	50	71	-29.2
HFC bundling rate ⁽⁵⁾	88%	88%	87%	88%	87%	
HFC penetration	35%	36%	36%	35%	36%	
Internet customers (000s)						
On-net						
HFC broadband	426	427	423	426	423	0.6
ULL broadband ⁽⁴⁾	507	513	491	507	491	3.3
Business grade broadband ⁽⁶⁾	32	32	32	32	32	-0.6
	965	972	946	965	946	2.0
Off-net						
Broadband	25	28	41	25	41	-38.9
Broadband subtotal	989	1,000	987	989	987	0.3
Dial-up	21	24	25	21	25	-13.8
Total Internet customers	1,011	1,024	1,011	1,011	1,011	-0.0

SECTION III : OPTUS

Notes:

- (1) In calculating divisional EBITDA, shared costs have been allocated using cost allocation methodologies.
- (2) Per month, based on average HFC and ULL customers.
- (3) Includes all customers who take local telephony over the HFC network, and customers who take one or more of pay TV or cable internet services over the HFC network.
- (4) Include wholesale ULL subscribers.
- (5) Based on customers who are receiving a "bundled benefit" from taking a package of products (local telephony plus at least one of broadband, dial-up internet or pay TV).
- (6) Revenue associated with the business grade retail broadband customers is included within Optus Business fixed segment.

The fixed broadband market remained competitive, with the market offering higher data inclusions. Consumer fixed on-net revenue declined by 4.8% as growth in on-net customers was offset by lower broadband ARPU, from increased data allowances in selected broadband offers.

As at 31 December 2011, Optus had 511,000 ULL customers, up 8,000 from a year ago and down 5,000 from a quarter ago. On-net broadband customers increased 2.0% to 965,000 and accounted for 97% of the total broadband customer base as at 31 December 2011.

As Optus continued to exit fixed resale services, Consumer off-net revenue declined 36% and contributed to an overall decline of 6.8% for Consumer fixed revenue. This quarter, on-net revenue contributed 96% of overall Consumer fixed revenue, up from 94% a year ago.

In the quarter Optus has established new channel partners to expand its direct sales position, aimed at the opportunities arising from the NBN rollout.

SMB fixed revenue was 1.4% lower year-on-year with increased demand for data and IP services mitigating lower voice revenue.

EBITDA declined 1.1% due to lower revenue. However, EBITDA margin improved by 1 percentage point to 18%.

SECTION III : OPTUS**OPTUS OPERATING EXPENSES
(Before Depreciation and Amortisation)**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Interconnect	388	363	6.9	1,139	1,048	8.7
Outpayments & other leases	54	56	-3.6	160	181	-11.6
Traffic expenses	442	419	5.5	1,299	1,229	5.7
Selling & administrative	672	747	-10.1	2,046	2,117	-3.4
Cost of sales	455	393	15.7	1,197	1,076	11.3
Staff costs	295	281	4.8	851	885	-3.9
Repair & maintenance and others	53	56	-5.4	166	164	1.0
Capitalisation of costs ⁽¹⁾	(45)	(45)	-0.2	(131)	(127)	3.5
Total	1,871	1,851	1.1	5,428	5,345	1.6
As a percentage of operating revenue						
Traffic expenses	18%	18%		18%	18%	
Selling & administrative	28%	31%		29%	30%	
Cost of sales	19%	16%		17%	15%	
Staff costs	12%	12%		12%	13%	
Repair & maintenance and others	2%	2%		2%	2%	
Capitalisation of costs ⁽¹⁾	-2%	-2%		-2%	-2%	
	77%	78%		77%	77%	

	Quarter			Nine Months		YOY Chge %
	31 Dec	30 Sep	31 Dec	31 Dec	31 Dec	
	2011	2011	2010	2011	2010	
Staff statistics						
Number of employees, at end of period	9,726	9,815	10,182	9,726	10,182	-4.5
Average number of employees	9,821	9,949	10,233	9,961	10,296	-3.3
Revenue per employee (A\$'000) ⁽²⁾	247	235	233	710	676	5.0

Notes:

(1) Capitalisation relates primarily to staff costs.

(2) Based on average employee numbers.

Total operating expenses grew 1.1% year-on-year.

Traffic expenses grew 5.5% in line with higher mobile traffic, with an increase in interconnect expenses partly offset by a decline in outpayments costs and lower off-net fixed line traffic.

Selling and administrative expenses declined 10% from lower handset subsidies.

Cost of sales increased 16% due to higher mobile equipment costs.

Staff costs grew 4.8% year-on-year due to write-back of accruals in the same quarter last year.

SECTION III : OPTUS**OTHER INCOME**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Sublease income	10	15	-29.0	31	34	-9.0
Foreign exchange (losses)/gains	(2)	1	nm	(6)	(1)	@
Other	3	4	-27.5	12	12	1.6
Total	12	19	-40.5	37	45	-17.9

Other income was lower mainly due to lower sublease income from co-location mobile base stations. In addition, foreign currency losses were recorded this quarter compared to foreign currency gains in the same quarter last year.

OTHER INCOME STATEMENT ITEMS**Depreciation and Amortisation**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Depreciation and amortisation expense	268	286	-6.2	816	854	-4.5
<i>As a percentage of operating revenue</i>	<i>11%</i>	<i>12%</i>		<i>12%</i>	<i>12%</i>	

Depreciation and amortisation expense declined 6.2%. Depreciation on newly capitalised assets was offset by the impact from assets fully depreciated during the quarter.

Net Finance Expense

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Interest expense	40	33	20.4	106	87	22.2
Interest capitalised	(1)	-	nm	(2)	-	nm
	39	33	17.7	105	87	20.0
Interest income	(2)	(9)	-75.8	(13)	(16)	-23.6
Net interest expense	37	24	52.7	92	71	30.2
Other finance costs						
Unwinding of discounts, incl adjs	2	3	-38.5	4	5	-4.3
Revaluation gain/(loss) of FX contracts	*	*	nm	*	*	nm
Total	39	27	43.9	96	75	27.9

Net finance expense was up by A\$12 million year-on-year reflecting higher borrowings and the strategy to extend the average maturity of debt with long-term borrowings.

SECTION III : OPTUS**Taxation**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Optus' Australian income tax expense	76	71	6.5	232	218	6.8
Share of joint venture income tax expense	3	-	nm	4	1	164.3
Exceptional Item	-	-	-	(5)	-	nm
	78	71	10.1	231	219	5.4

The income tax expense reflected primarily the Australian statutory tax rate of 30% together with variations between accounting and taxable income. Taxation expense in the quarter included Optus' share of tax relating to its interest in Pacific Carriage Holdings Limited.

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Nine Months		YOY Chge %
	31 Dec	31 Dec	30 Sep	31 Dec		
	2011	2010	2011	2011	2010	
	A\$ m	A\$ m	A\$ m	A\$ m	A\$ m	
Net cash inflow from operating activities						
Profit before tax	255	240	261	751	733	2.5
Non-cash items	309	314	301	918	934	-1.7
Operating cashflow before working capital changes	564	555	562	1,669	1,667	0.1
Changes in operating assets and liabilities	(71)	(84)	36	(73)	(104)	-29.9
Tax paid	(39)	*	(39)	(78)	(0)	nm
	454	471	559	1,519	1,563	-2.8
Net cash outflow from investing activities						
Purchases of property, plant and equipment	(247)	(234)	(229)	(778)	(778)	**
Loan to STAI	(1,020)	(650)	(50)	(1,070)	(650)	64.5
Others	(37)	9	(2)	(59)	17	nm
	(1,303)	(875)	(280)	(1,906)	(1,411)	35.1
Net cash (outflow)/ inflow from financing activities						
Net increase/(decrease) in bank borrowings	974	(178)	-	974	89	@
Repayment to STAI	-	-	(432)	(432)	-	nm
Purchase of SingTel shares	-	-	-	(1)	(10)	-91.3
Settlement on behalf of STAI	1	(7)	(4)	(10)	(19)	-47.9
Finance lease payments (excl interest)	(2)	(3)	(2)	(4)	(3)	72.0
Net interest paid on borrowings and swaps	(39)	(33)	(36)	(104)	(85)	22.4
Others	-	-	(20)	-	-	-
	934	(220)	(494)	423	(28)	nm
Net increase/(decrease) in cash and cash equivalents	85	(625)	(215)	36	125	-71.5
Cash and cash equivalents at beginning	363	904	578	412	154	167.2
Cash and cash equivalents at end	447	279	363	447	279	60.4
Free cash flow	207	236	330	741	785	-5.7
Cash capital expenditure to operating revenue	10%	10%	10%	11%	11%	

In the quarter, operating cash flow amounted to A\$454 million, A\$17 million lower than the same quarter last year mainly due to the tax payment of A\$39 million in the current quarter. Excluding the tax payment, free cash flow was up A\$10 million or 4.1%.

SECTION III : OPTUS

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

Capital expenditure by division

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 A\$ m	2010 A\$ m		2011 A\$ m	2010 A\$ m	
Mobile	125	134	-7.1	424	447	-5.2
Business & Wholesale fixed	58	37	56.9	137	118	16.0
Consumer & SMB fixed	19	15	21.4	52	56	-8.1
Other	45	48	-5.2	165	156	5.9
Total	247	234	5.3	778	778	**

To support the growing demand for voice and wireless data services, Optus continued to invest in upgrading and increasing the quality of mobile network coverage and performance in Australia, with 51% of its total capital spend on Mobile.

In Optus Business and Wholesale fixed division, capital expenditure has increased mainly due to milestone payments for the new Optus10 satellite.

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

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

Update on National Broadband Network (NBN)

Optus and NBN Co reached an agreement on 23 June 2011 on the migration of Optus' HFC customers to the NBN. This agreement is conditional on regulatory approval and taxation rulings, and includes various termination rights, such as rights relating to agreeing an implementation plan and the market environment in which the NBN is expected to operate. The ACCC is currently assessing an application for approval of the deal under the authorisation provisions of the Competition and Consumer Act. This application was recently withdrawn and resubmitted following an agreement by Optus and NBN Co to amend the 'anti-disparagement' provisions of the agreement relating to the marketing of wireless services. Telstra and NBN Co have also agreed to a similar amendment to wireless marketing provisions in their agreement.

On 29 July 2011, the incumbent operator, Telstra, lodged a Structural Separation Undertaking and Migration Plan for approval by the ACCC, as contemplated by the telecommunications structural reforms that were legislated in 2010. The Structural Separation Undertaking commits Telstra to implement structural separation by 1 July 2018. It also sets out the various measures which Telstra will put in place to provide for transparency and equivalence in the supply of regulated services to its wholesale customers during the transition to the NBN. The Migration Plan sets out the arrangements Telstra will implement to migrate its retail and wholesale customers from the copper network to the NBN on a non-discriminatory basis. On 9 December 2011, Telstra submitted a revised Structural Separation Undertaking to the ACCC which incorporates a number of additional commitments to equivalence and transparency in response to concerns raised by the ACCC and the industry. The ACCC is currently assessing Telstra's revised Structural Separation Undertaking.

SECTION IV: ASSOCIATES/ JOINT VENTURES

FINANCIAL HIGHLIGHTS

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

- Strong operating performance of the associates with Bharti Africa recording its first positive free cash flow. 3G losses at Bharti's India operations and currency translation, however, reduced associates' pre-tax contributions to S\$475 million, down 8.4%.
- On a post-tax basis, earnings from associates were down 18% to S\$327 million on higher taxes in Bharti.
- If regional currencies were held constant from a year ago, pre-tax contributions from the associates would have declined 3.7% and post-tax contributions down 14%.
- The Group's combined mobile customer base⁸ was up 2.3% or 9.7 million in the quarter to 434 million. Compared to a year ago, the mobile customer base was up 13% or 50.7 million. On a proportionate share basis to the Group, the increase was 2.9% from a quarter ago to 153 million.

FOR THE NINE MONTHS ENDED 31 DECEMBER 2011

- Group's share of pre-tax profits down 9.0% to S\$1.48 billion.
- Post-tax profit contributions from associates down 15% to S\$1.04 billion due mainly to lower earnings at Bharti.
- If the regional currencies had remained stable from the corresponding period, pre-tax and post-tax contributions would have declined 3.6% and 10% respectively.

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

SECTION IV : ASSOCIATES/ JOINT VENTURES

Pre-tax profit contribution	Equity Int %	Quarter		YOY Chge %	Nine months		YOY Chge %
		31 Dec			31 Dec		
		2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Regional mobile associates	32.3						
Bharti Telecom / Bharti Airtel							
India, Bangladesh and Sri Lanka ("South Asia")							
- operating results		142	214	-33.7	481	660	-27.1
- fair value (losses)/gains ⁽²⁾		(4)	1	nm	(2)	3	nm
		138	215	-35.9	480	664	-27.7
Africa							
- operating results		7	7	4.5	28	1	@
- acquisition financing costs		(21)	(22)	-4.5	(61)	(47)	31.3
- fair value gains/(losses) ⁽²⁾		5	(15)	nm	(34)	(15)	123.3
		(9)	(31)	-69.4	(67)	(61)	10.0
Bharti Group		128	184	-30.3	413	603	-31.5
Telkomsel	35.0						
- operating results		232	216	7.4	679	665	2.1
- fair value losses ⁽²⁾		(6)	(2)	221.1	(10)	*	nm
		226	214	5.6	670	665	0.7
AIS ^{(3) (4)}	23.3	84	68	23.4	240	203	17.9
Globe Telecom	47.3						
- operating results		37	40	-6.5	139	130	7.0
- fair value (losses)/gains ⁽²⁾		*	*	nm	(5)	3	nm
		37	40	-6.8	135	133	1.1
Pacific Bangladesh Telecom Ltd ("PBTl")	45.0						
- operating results		(6)	(3)	82.4	(16)	(12)	38.5
- fair value losses ⁽²⁾		(5)	(1)	@	(6)	(1)	454.5
		(11)	(4)	172.5	(22)	(13)	74.2
Warid	30.0						
- operating results		(12)	(15)	-21.2	(35)	(40)	-13.2
- fair value (losses)/gains ⁽²⁾		(4)	*	nm	(7)	(2)	195.7
		(15)	(14)	8.5	(42)	(42)	-1.9
		449	488	-7.9	1,393	1,549	-10.1
Other SingTel associates	25.6						
Singapore Post		13	14	-5.8	35	39	-9.3
Southern Cross		12	12	3.4	34	30	14.4
NetLink Trust ⁽⁵⁾		(6)	-	nm	(6)	-	nm
Others	100.0	6	5	37.0	18	19	-4.3
SingTel share of ordinary pre-tax profit		475	518	-8.3	1,474	1,636	-9.9
Optus share of ordinary pre-tax profit		*	*	nm	*	*	nm
Group share of ordinary pre-tax profit		475	518	-8.3	1,474	1,636	-9.9
Exceptional items ("EI")							
PBTL - write back of selling expenses and other provisions no longer required		-	-	-	7	-	nm
Globe - adjustment for prepaid load credit		-	8	nm	-	8	nm
Warid - adjustment to prior periods' depreciation and finance charges		-	(7)	nm	-	(7)	nm
Bharti - acquisition related costs		-	-	-	-	(10)	nm
Group share of EI		-	1	nm	7	(9)	nm
SingTel share of pre-tax profit		475	519	-8.4	1,481	1,627	-9.0
Optus share of pre-tax profit		*	*	nm	*	*	nm
Group share of pre-tax profit		475	519	-8.4	1,481	1,627	-9.0
Group share of pre-tax profit (ex-Bharti Africa) ⁽⁶⁾		485	549	-11.8	1,548	1,696	-8.7

Notes:

- (1) The accounts of the associates are prepared based on local GAAP. Where applicable, the accounting policies of the associates have been restated to ensure compliance with the Group's accounting policies.
- (2) Fair value gains or losses arose from mark-to-market valuation of foreign currency liabilities, net of related hedging, if any.
- (3) In the current quarter, the Group increased its shareholdings in AIS from 21.3% to 23.3%.
- (4) In the June 2011 quarter, the Group aligned AIS' reporting period to the Group for consolidation purposes. AIS' results for its nine months ended 31 December 2011 have been equity accounted as part of the Group's ordinary results for the nine months ended 31 December 2011. The Group's share of AIS' results for its quarter ended 31 March 2011 had accordingly been classified as exceptional item of the Group for the nine months ended 31 December 2011.

SECTION IV : ASSOCIATES/ JOINT VENTURES

- (5) Comprise S\$13 million of NetLink Trust's operating loss partially offset by S\$7 million of amortisation on the Group's deferred gain on sale of certain infrastructural assets and business (see **Appendix 1**).
- (6) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa.

Post-tax profit contribution	Quarter				YOY Chge %	Nine months				YOY Chge %
	31 Dec					31 Dec				
	2011		2010			2011		2010		
	S\$ m	% ⁽¹⁾	S\$ m	% ⁽¹⁾		S\$ m	% ⁽¹⁾	S\$ m	% ⁽¹⁾	
Bharti Telecom / Bharti Airtel										
- ordinary results (South Asia)	104		183		-43.4	364		561		-35.1
- ordinary results and acquisition financing cost (Africa)	(21)		(32)		-33.1	(85)		(80)		6.1
- exceptional item	-		5		nm	(5)		(5)		-8.2
	83	9	156	16	-47.2	274	10	476	17	-42.3
Telkomsel	169	19	161	17	5.1	500	19	496	18	0.7
AIS ^{(2) (3)}	58	6	48	5	21.1	164	6	141	5	16.1
Globe Telecom										
- ordinary results	26		27		-5.9	94		92		2.1
- exceptional item	-		5		nm	-		5		nm
	26	3	33	3	-21.2	94	4	97	4	-3.5
PBTL										
- ordinary results	(11)		(4)		172.5	(22)		(13)		75.0
- exceptional item	-		-		-	7		-		nm
	(11)	(1)	(4)	**	172.5	(15)	(1)	(13)	(1)	18.8
Warid										
- ordinary results	(15)		(14)		6.3	(42)		(42)		-0.9
- exceptional item	-		(7)		nm	-		(7)		nm
	(15)	(2)	(21)	(2)	-28.8	(42)	(2)	(49)	(2)	-15.0
Regional mobile associates	308	35	372	38	-17.0	975	37	1,148	41	-15.1
Other SingTel associates	22	3	27	3	-17.8	71	3	78	3	-9.6
SingTel share of post-tax profit ⁽²⁾	330	37	398	41	-17.1	1,045	39	1,226	44	-14.8
Optus share of post-tax profit	(3)	**	*	**	nm	(5)	**	(2)	**	188.2
Group share of post-tax profit ⁽²⁾	327	37	398	41	-17.9	1,040	39	1,225	44	-15.0
Group share of post-tax profit (ex-Bharti Africa) ^{(2) (4)}	348	38	425	43	-18.1	1,130	41	1,309	45	-13.7

Notes:

- (1) The above table shows the post-tax profit contribution of the associates to the Group's underlying net profit.
- (2) Share of results for the quarter and nine months ended 31 December 2011 excluded the Group's share of AIS' one-time write-back of deferred tax asset arising from a reduction in Thailand's corporate tax rate which has been classified as exceptional item of the Group.
- (3) In the June 2011 quarter, the Group aligned AIS' reporting period to the Group for consolidation purposes. AIS' results for its nine months ended 31 December 2011 have been equity accounted as part of the Group's ordinary results for the nine months ended 31 December 2011. The Group's share of AIS' results for its quarter ended 31 March 2011 had accordingly been classified as exceptional item of the Group for the nine months ended 31 December 2011.
- (4) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa.

	Quarter		YOY Chge %	Nine months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
SingTel share of associates' tax	(145)	(120)	20.4	(436)	(400)	8.8
Optus share of associates' tax	(3)	-	nm	(5)	(2)	188.2
Group share of associates' tax (a)	(148)	(120)	23.1	(440)	(402)	9.6
Group share of associates' pre-tax profit (b)	475	519	-8.4	1,481	1,627	-9.0
Effective tax rate (a)/(b)	31.2%	23.2%		29.7%	24.7%	
Effective tax rate (ex-Bharti Africa)	28.1%	22.6%		27.0%	22.8%	

SECTION IV : ASSOCIATES/ JOINT VENTURES

The associates recorded strong operating performance in the quarter. Their contributions, however, were negatively impacted by unfavourable foreign exchange movements. In particular, the steep 15% depreciation of the Indian Rupee against the Singapore Dollar had reduced Bharti's profit contribution. Excluding the currency translation impact, the associates' pre-tax contributions would have declined 3.7% mainly on 3G losses at Bharti.

Telkomsel and AIS delivered double-digit revenue growth and higher profits driven by sustained growth momentum in data. In the Philippines, Globe registered record service revenue with strong growth in mobile and broadband though overall profit declined due to higher marketing and subsidy expenses. In South Asia, Bharti recorded healthy growth in operating revenue and EBITDA. Overall earnings, however, were impacted by higher depreciation, licence fee amortisation and interest costs related to 3G rollout. Bharti Africa reported positive free cash flow for the first time this quarter. It also posted robust revenue and EBITDA growth and crossed the 50 million customer milestone as at 31 December 2011.

The associates contributed 37% to the Group's underlying net profit, 4 percentage points lower than a year ago.

For the nine months ended 31 December 2011, the Group's share of the associates' pre-tax and post-tax profits declined 9.0% and 15% respectively, mainly on lower contribution from Bharti's South Asia operations. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions of the associates would have declined by 3.6% and 10% respectively.

Bharti Telecom Group ("Bharti")

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

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

Bharti continued to enhance customer experience for voice quality and cater to increasing demand for data with investments in branding and networks. Operating revenue was up a strong 12% year-on-year. Excluding the one-off brand launch cost in the corresponding quarter, EBITDA in South Asia rose 3%. Bharti's pre-tax operating profit contribution (before fair value adjustments) was down 24% year-on-year in Indian Rupee terms due to higher interest costs, depreciation and amortisation expenses associated with 3G rollout.

In Singapore Dollar terms, including the Group's share of fair value losses of S\$4 million (Q3 FY2011: S\$1 million fair value gain) and with the significant 15% decline in the Indian Rupee against the Singapore Dollar, pre-tax contribution was down 36% to S\$138 million.

Compared to the preceding quarter, revenue grew 4% while EBITDA was stable. In Indian Rupee terms, the Group's share of operating profit declined 4% on higher depreciation and amortisation expenses.

Bharti's effective tax rate increased with reduction in tax holiday benefits in India. Consequently, post-tax contribution from South Asia operations declined 43% to S\$104 million.

SECTION IV : ASSOCIATES/ JOINT VENTURES

Africa

In the current quarter, Bharti announced a two-year partnership agreement with Samsung where it will have exclusive distribution rights in 17 African countries for some of Samsung wireless products including smartphones and mass-market mobile handsets for the first six months after their launches.

In this quarter, the African operations performed strongly and recorded its first positive operating cash flow since acquisition. Operating revenue was up 16% to US\$1.06 billion, driven mainly by a higher customer base and increased average minutes of use. With higher revenue, EBITDA (excluding the one-off brand launch cost in the same quarter last year) was up a robust 33% to US\$282 million.

The Group's share of pre-tax operating profit for the quarter amounted to S\$7 million (Q3 FY2011: S\$7 million). After including S\$21 million (Q3 FY2011: S\$22 million) of related acquisition financing costs and S\$5 million of fair value gains (Q3 FY2011: S\$15 million fair value losses), overall pre-tax loss from Bharti Africa in the quarter was S\$9 million, down significantly from S\$31 million loss in the same quarter last year.

Some of the operating companies within the Bharti Africa group are profitable and with the associated tax expense, the Group's share of post-tax loss amounted to S\$21 million (Q3 FY2011: S\$32 million ordinary post-tax loss).

Compared to the preceding quarter, EBITDA improved 4% underpinned by revenue growth of 3%. The mobile customer base grew 2.5 million or 5.2% from a quarter ago to cross the 50 million customer milestone at 50.9 million as at 31 December 2011.

Overall

Overall, the pre-tax and post-tax contributions from Bharti were down 30% and 47% respectively.

Bharti contributed 9% to the Group's underlying net profit, down 7 percentage points from 16% a year ago

In this quarter, Bharti added 2.9 million mobile customers in India, compared to 3.6 million in the preceding quarter, bringing its mobile customer base to 176 million as at 31 December 2011. Including mobile customers across operations in 19 countries covering India, Bangladesh, Sri Lanka and across Africa, Bharti's aggregate mobile customer base across all geographies reached 233 million as at 31 December 2011, an increase of 5.9 million from a quarter ago.

SECTION IV : ASSOCIATES/ JOINT VENTURES

PT Telekomunikasi Selular (“Telkomsel”)

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 42,000 radio base stations (including 3G Node B) providing nationwide coverage.

Operating revenue grew strongly by 11% driven by robust growth in non-voice revenue amid improved market conditions. Operating expenses increased 19% on higher cost of services and payment of a one-time staff compensation arising from settlement of Industrial Relation Agreement. In addition, the corresponding quarter benefited from a non-recurring write back of network expenses. Consequently, EBITDA was up 4% year-on-year. With lower financing charges on reduced borrowings, the Group's share of Telkomsel's pre-tax operating profit (before fair value adjustments) grew 8.9% in Indonesian Rupiah terms.

The Group's share of fair value losses amounted to S\$6 million compared to S\$2 million losses in the corresponding quarter. With the Indonesian Rupiah 1% weaker against the Singapore Dollar, the Group's overall share of Telkomsel's pre-tax profit in Singapore Dollar terms was S\$226 million, up 5.6%.

On a post-tax basis, Telkomsel's contribution for the quarter was up 5.1% to S\$169 million, constituting 19% of the Group's underlying net profit, up 2 percentage points from a year ago.

Compared to the preceding quarter, operating revenue was stable while operating expenses increased 5% on higher staff cost. Consequently, EBITDA declined 5% and the Group's share of pre-tax operating profit declined 3.2% in Indonesian Rupiah terms.

In the quarter, Telkomsel added 2.9 million mobile customers, compared to 1.9 million in the preceding quarter. Total mobile customer base stood at 107 million, up 13.0 million or 14% from a year ago. Telkomsel's market share was at approximately 42.7% as at 31 December 2011.

Telkomsel continued to roll out its network, deploying around 1,600 radio base stations in the quarter, compared to 1,400 installed in the preceding quarter.

Advanced Info Service (“AIS”)

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

In December quarter, AIS' service revenue (excluding interconnection) was up 12% primarily on higher non-voice revenue, which surged a robust 34% on strong demand for mobile internet as adoption of smart devices and tablets increased. EBITDA rose a slower 4% due to rebranding and flood related expenses.

Compared to the preceding quarter, AIS' service revenue (excluding interconnection) rose 6% and EBITDA grew 3%. Pre-tax profit contribution increased 5.9% in Thai Baht terms on lower depreciation and amortisation expenses.

In the current quarter, AIS recorded an exceptional item related to reduction in its deferred tax asset arising from a change in corporate tax rate from 30% to 23% for 2012 and 20% thereafter. The Group's share of this exceptional tax charge of S\$25 million has been classified accordingly as an exceptional item of the Group (see page 11).

SECTION IV : ASSOCIATES/ JOINT VENTURES

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

In the December quarter, AIS added 696,000 mobile customers, compared to 279,000 in the preceding quarter. Year-on-year, AIS' customer base grew 2.3 million or 7.2% to 33.5 million. As at 31 December 2011, AIS continued to lead the market with approximately 44.3% market share.

Globe Telecom, Inc ("Globe")

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

In the current quarter, Globe's service revenue reached an all-time high. Excluding the one-time write-back of prepaid load credits in the corresponding quarter, mobile revenue was up 10% with double-digit customer growth in all segments despite an intensely competitive market. Postpaid customers in particular grew 36% from a year ago on strong take-up of customisable postpaid plans. Broadband revenue registered strong growth of 18% fuelled by growing demand for internet connectivity particularly in the mobile broadband segment.

Operating expenses increased 22% on higher staff costs as well as marketing and subsidy expenses with launch of iPhone 4S. Consequently, EBITDA (excluding the one-time write-back in the corresponding quarter) declined 2%. With higher depreciation, the ordinary pre-tax profit contribution from Globe declined 6.0% in Philippine Peso terms.

In Singapore Dollar terms, the Group's share of Globe's ordinary pre-tax profit was down 6.8% to S\$37 million with the Peso depreciating 1% against the Singapore Dollar.

Compared to the preceding quarter, service revenue was up 5% while EBITDA declined 10% on higher marketing and subsidy expenses and consultancy fees. Coupled with a 7% increase in depreciation expense, pre-tax profit contribution declined 26% in Philippine Peso terms.

On a post-tax basis, Globe contributed 3% to the Group's underlying net profit, comparable to a year ago.

Globe added 922,000 mobile customers in the current quarter, from 684,000 in the preceding quarter. As at 31 December 2011, its mobile customer base was 30.0 million, up 13% or 3.6 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.

The Group's share of PBTL's pre-tax operating loss increased to S\$6 million on intense competition and higher amortisation expenses arising from licence renewal fee. Including fair value losses, overall loss amounted to S\$11 million.

As at 31 December 2011, PBTL's total mobile customer base was 1.8 million, 62,000 or 3.5% higher 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.

In the current quarter, EBITDA improved 39% mainly on cost management and 6% revenue growth. After accounting for financing costs, the Group's share of pre-tax operating loss of Warid decreased 18% in Pakistani Rupee terms. Including fair value losses compared to gains in the corresponding quarter, the Group's share of overall pre-tax loss amounted to S\$15 million, 8.5% higher compared to the same quarter last year.

Against the preceding quarter, the Group's share of pre-tax operating losses from Warid reduced 6.5% or S\$0.8 million. Overall pre-tax losses increased S\$1.3 million on higher fair value losses.

Warid's total mobile customer stood at 15.3 million as at 31 December 2011, 1.0 million or 6.4% lower than a quarter ago.

Warid is currently in discussions with certain of its lenders in relation to a proposed restructuring of its loan facilities. As at 31 December 2011, the outstanding principal amounted to approximately US\$752 million, and was secured by a floating charge on Warid's assets. In addition, US\$90 million of these loan facilities was guaranteed by SingTel and US\$512 million was secured by guarantees of the other shareholder group of Warid.

SECTION IV : ASSOCIATES/ JOINT VENTURES

PROFORMA INFORMATION

The following tables show unaudited proforma proportionate financial information which has been derived from the Income Statements of the Group prepared on a statutory basis.

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

Proportionate operating revenue	Quarter		YOY Chge %	Nine months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Group operating revenue						
Singapore Business	1,675	1,634	2.5	4,833	4,740	2.0
Optus	3,155	3,070	2.8	9,212	8,688	6.0
	4,830	4,704	2.7	14,045	13,428	4.6
Proportionate share of operating revenue of associates						
Regional mobile associates	2,746	2,590	6.0	8,096	7,492	8.1
Singapore associates	75	64	17.4	195	184	6.1
Other overseas associates	35	34	4.8	101	98	3.1
	2,856	2,687	6.3	8,393	7,774	8.0
Enlarged revenue	7,686	7,391	4.0	22,438	21,202	5.8
% of overseas revenue to enlarged revenue	77%	77%		78%	77%	

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

SECTION IV : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA ⁽¹⁾	Quarter		YOY Chge %	Nine months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Group EBITDA						
Singapore Business	547	587	-6.8	1,667	1,702	-2.1
Optus	732	712	2.8	2,189	2,075	5.5
Group and Int'l business net corporate costs	(24)	(15)	54.6	(66)	(49)	34.4
	1,256	1,284	-2.2	3,789	3,727	1.7
Proportionate share of associates' EBITDA						
Regional mobile associates	1,094	1,085	0.8	3,325	3,225	3.1
Singapore associates	26	24	11.4	66	68	-4.1
Other overseas associates	29	29	1.4	83	82	2.3
	1,149	1,137	1.0	3,474	3,375	2.9
Total proportionate EBITDA	2,405	2,421	-0.7	7,263	7,103	2.3
Overseas proportionate EBITDA as a % to total proportionate EBITDA	77%	75%		77%	76%	
Contributions to total proportionate EBITDA						
Regional mobile associates	45%	45%		46%	45%	
Australia	30%	29%		30%	29%	
Singapore	23%	25%		23%	24%	
Others	1%	1%		1%	1%	
	100%	100%		100%	100%	

Note:

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

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

Number of mobile customers (000s)	Total Number			Proportionate Share ⁽¹⁾		
	31 Dec	30 Sep	31 Dec	31 Dec	30 Sep	31 Dec
	2011	2011	2010	2011	2011	2010
SingTel	3,549	3,488	3,229	3,549	3,488	3,229
Optus	9,409	9,227	8,965	9,409	9,227	8,965
	12,958	12,715	12,194	12,958	12,715	12,194
Regional Mobile Associates						
Bharti						
- South Asia	182,000	178,606	157,485	58,822	57,618	50,647
- Africa	50,949	48,437	42,124	16,467	15,626	13,547
	232,950	227,044	199,610	75,289	73,244	64,194
Telkomsel	107,017	104,149	94,010	37,456	36,452	32,904
AIS	33,460	32,764	31,201	7,803	6,969	6,643
Globe	30,040	29,118	26,471	14,218	13,782	12,529
Warid	15,288	16,334	17,517	4,586	4,900	5,255
PBTL	1,825	1,763	1,811	821	793	815
	420,580	411,172	370,620	140,173	136,140	122,340
Group	433,538	423,887	382,814	153,131	148,855	134,534

Note:

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

SECTION IV : ASSOCIATES/ JOINT VENTURES

As at end December, the Group served 434 million mobile customers in 25 countries, 2.3% or 9.7 million more than a quarter ago. Year-on-year, the total customer base was up 13% or 50.7 million. On a proportionate share basis, the increase was 2.9% to 153 million customers from a quarter ago.

CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES ⁽¹⁾

	Quarter		YOY Chge %	Nine months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Regional mobile associates						
Telkomsel ⁽²⁾						
- final dividend FY 2010 / FY 2009	81	215	-62.1	434	480	-9.6
Globe ⁽³⁾						
- second dividend FY 2010 / FY 2009	-	-	-	55	74	-25.2
AIS ⁽⁴⁾						
- special dividend FY 2010	-	164	nm	-	164	nm
- special dividend FY 2009	-	-	-	-	134	nm
- interim dividend FY 2011 / FY 2010	-	-	-	106	80	32.7
- final dividend FY 2010 / FY 2009	-	-	-	102	89	15.5
	-	164	nm	208	466	-55.3
Bharti ⁽⁵⁾						
- final dividend FY 2011 / FY 2010	-	-	-	16	17	-7.6
	81	379	-78.5	713	1,037	-31.2
Other associates						
Southern Cross ⁽⁶⁾	5	8	-37.3	28	35	-19.1
SingPost	6	6	-	25	25	-
Others	3	8	-60.0	16	15	5.2
Total	96	401	-76.1	782	1,112	-29.6
Total (ex-special dividends)	96	238	-59.6	782	814	-3.9

Notes:

- (1) The cash dividends received from overseas associates as stated here are before related tax payments.
- (2) Telkomsel declared a full year dividend of 70% on net profit for its 2010 financial year (FY 2009: 70%). The Group's share of the dividend is approximately S\$434 million, of which S\$353 million had been received in the June 2011 quarter and S\$81 million was received in the December 2011 quarter.
- (3) Globe's dividend policy is to pay ordinary dividend of 75% to 90% of prior year's net profit, payable semi-annually in March and September of each year. Globe declared a full year dividend of 84% of net profit for its 2010 financial year (FY 2009: 84%) The Group received its share of the first semi-annual dividend of S\$58 million in March 2011 and second semi-annual dividend of S\$55 million in September 2011. From FY 2012, Globe's dividend policy is to pay ordinary dividend of 75% to 90% of prior year's core net profit. Globe will pay its first semi-annual dividend of Peso 32.5 per common share in March 2012. The Group's share of this dividend is approximately Peso 2.04 billion (S\$60 million).
- (4) AIS' dividend policy is to pay dividend of at least 100% of net profit. Dividends will be paid twice a year, with an interim dividend distributed from the first half operating result and annual dividend distributed from the second half operating results. The Group received its share of the interim dividend in respect of AIS' 2011 financial year in September 2011.
- (5) Bharti does not have a fixed dividend policy.
- (6) Southern Cross does not have a fixed dividend policy.

The lower dividends received of S\$96 million from the associates for the quarter was due mainly to special dividends received from AIS in the corresponding quarter last year and timing differences in Telkomsel dividend payment schedule.

SECTION IV : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Bharti ⁽¹⁾	Telkomsel	AIS	Globe	PBTL	Warid
SingTel's investment:						
Year of initial investment	2000	2001	1999	1993	2005	2007
Effective shareholding (%)	32.3%	35.0%	23.3%	47.3%	45.0%	30.0%
Investment to date	S\$2.31 bil	S\$1.93 bil	S\$1.20 bil	S\$1.02 bil	S\$238 mil	S\$1.31 bil
Closing market share price ⁽²⁾	INR 342.9	NA	THB 140.5 ⁽⁷⁾ THB 145 ⁽⁸⁾	PHP 1,113	NA	NA
Market capitalisation						
- Total	S\$31.77 bil	NA	S\$17.42 bil	S\$4.61 bil	NA	NA
- SingTel holding	S\$10.27 bil	NA	S\$4.12 bil	S\$2.37 bil	NA	NA
Operational Performance :						
Mobile penetration rate ⁽³⁾	74%	104%	118%	97%	52%	65%
Market share, 31 Dec 2011 ⁽³⁾	19.7%	42.7%	44.3%	NAV	2.1%	13.7%
Market share, 30 Sep 2011 ⁽⁴⁾	19.8%	43.3%	44.1%	31.4%	2.2%	14.8%
Market position ^{(3) (5)}	#1	#1	#1	#2	#5	#4
Mobile customers ('000)						
- Aggregate	232,950	107,017	33,460	30,040	1,825	15,288
- Proportionate	75,289	37,456	7,803	14,218	821	4,586
Growth in mobile customers (%) ⁽⁶⁾	17%	14%	7.2%	13%	0.8%	-13%
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 31 December 2011, in local currency.
(3) Based on actual or estimated data available as at 31 December 2011.
(4) Based on actual data a quarter ago.
(5) Based on number of mobile customers.
(6) Compared against 31 December 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 5** for the currency rate movements of the major associates.

SECTION V : GLOSSARY

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

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 had entered into conditional agreements to sell certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd. and 7 exchange buildings and SingTel's business of providing duct and manhole services to NetLink Trust, for an aggregate consideration of approximately S\$1.89 billion. SingTel is currently the sole unitholder of NetLink Trust.

Although currently 100% owned by SingTel, NetLink Trust is managed and operated by CityNet Infrastructure Management Pte. Ltd. in its capacity as trustee manager, and hence, it is equity accounted as an associate of SingTel.

At the consolidated level, the gain on disposal of assets and business recorded by SingTel was deferred in the Group's balance sheet and amortised over the useful lives of the assets. The unamortised deferred gain in the Group's balance sheet will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed. In addition, SingTel's lease expenses paid to NetLink Trust and interest income earned from NetLink Trust are not eliminated on a line-by-line basis in the Group.

The net impact of NetLink Trust to the Group was S\$6 million which comprised the following -

	Quarter	Nine Months
	31 Dec	31 Dec
	2011	2011
	S\$ m	S\$ m
NetLink Trust's net loss	(13)	(13)
Amortisation of deferred disposal gain	7	7
Net impact of NetLink Trust	(6)	(6)

NetLink Trust reported a net loss of S\$13 million for the period since its establishment as a business trust on 22 September 2011, comprising costs incurred to comply with structural separation requirements as well as interest expense incurred on the loan from SingTel, and after including revenue earned from SingTel.

REVISIONS TO THE TELECOMMUNICATIONS ACT

The Singapore Parliament passed the Telecommunications (Amendment) Bill 2011 in November 2011. The revised Telecommunications Act came into force on 1 February 2012.

The key changes included:

- increasing the maximum amount of financial penalty that can be imposed on telecommunication licensee;
- update of consolidation provisions to include new concepts and business models (e.g. voting shares, voting powers, the Business Trust structure) so as to ensure consistency with other domestic legislation and economic sectors;
- provision of powers for IDA to issue written orders to building owners and developers to ensure their compliance with code of practices issued for the provision, maintenance and use of, and access to, space and facilities for the installation and operation of telecommunication systems;
- provision of separation powers for Minister to direct either the structural or operational separation of a telecommunication licensee where necessary, in order to promote competition in the provision of telecommunication services in Singapore;
- introduction of Special Administrative Orders to provide Minister power to direct the takeover of a telecommunications network and business where necessary to ensure continuity of key telecommunications network(s) or service(s) for public and national interest.

GROUP SUMMARY INCOME STATEMENTS
For The Third Quarter Ended 31 December 2011

	Quarter							YOY Chge %
	31 Dec							
	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	
Operating revenue	1,675	-	-	1,675	3,155	4,830	4,704	2.7
Operating expenses	(1,144)	-	(23)	(1,167)	(2,438)	(3,606)	(3,468)	4.0
Other income	531	-	(23)	508	717	1,225	1,235	-0.9
	16	-	*	16	15	31	49	-36.2
EBITDA	547	-	(24)	524	732	1,256	1,284	-2.2
- EBITDA margin	32.7%	-	nm	31.3%	23.2%	26.0%	27.3%	
Group & Int'l business net corp costs	(24)	-	24	-	-	-	-	-
Share of associates' pre-tax profits								
Regional mobile associates	-	449	-	449	-	449	488	-7.9
Other associates	-	26	-	26	*	26	30	-14.6
- ordinary operations	-	475	-	475	*	475	518	-8.3
- exceptional items	-	-	-	-	-	-	1	nm
	-	475	-	475	*	475	519	-8.4
EBITDA and share of associates' pre-tax profits	524	475	-	999	732	1,731	1,803	-4.0
Depreciation & amortisation	(149)	-	-	(149)	(349)	(499)	(503)	-1.0
EBIT	374	475	-	850	383	1,232	1,299	-5.1
Net finance (expense)/ income								
- net interest expense	(41)	-	-	(41)	(50)	(91)	(83)	9.8
- other finance income	3	-	6	9	*	9	17	-48.8
	(38)	-	6	(32)	(50)	(82)	(66)	25.1
Profit before exceptional items	336	475	6	817	333	1,150	1,234	-6.8
Exceptional items	5	-	28	33	-	33	30	8.7
Profit before tax	341	475	34	850	333	1,183	1,263	-6.4
Taxation								
- current and deferred taxes	(7)	-	-	(7)	(99)	(107)	(131)	-18.6
- exceptional tax	-	-	(25)	(25)	-	(25)	-	nm
- share of taxes of associates	-	(145)	-	(145)	(3)	(148)	(120)	23.1
- withholding and other taxes ⁽¹⁾	-	-	-	-	-	-	(15)	nm
	(7)	(145)	(25)	(177)	(102)	(280)	(266)	5.2
Profit after tax	334	330	9	673	230	903	998	-9.5
Minority interests	(1)	-	-	(1)	-	(1)	1	nm
Net profit	333	330	9	672	230	902	998	-9.6
Net profit	333	330	9	672	230	902	998	-9.6
Exclude :								
Exceptional items	(5)	-	(28)	(33)	-	(33)	(30)	8.7
Exceptional tax	-	-	25	25	-	25	-	nm
Underlying net profit	328	330	6	664	230	895	968	-7.6

Note:

- (1) This comprised withholding taxes deducted at source or dividend distribution taxes paid by certain associates when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding and other taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at Group. The cash inflows upon the receipt of dividend are shown in **Section IV**.

GROUP SUMMARY INCOME STATEMENTS
For The Nine Months Ended 31 December 2011

	Nine Months							YOY Chge %
	31 Dec							
	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	
Operating revenue	4,833	-	-	4,833	9,212	14,045	13,428	4.6
Operating expenses	(3,204)	-	(67)	(3,271)	(7,071)	(10,342)	(9,799)	5.5
Other income	1,630	-	(67)	1,563	2,140	3,703	3,629	2.0
	37	-	1	38	48	86	99	-12.5
EBITDA	1,667	-	(66)	1,601	2,189	3,789	3,727	1.7
- EBITDA margin	34.5%	-	nm	33.1%	23.8%	27.0%	27.8%	
Group & Int'l business net corp costs	(66)	-	66	-	-	-	-	-
Share of associates' pre-tax profits								
Regional mobile associates	-	1,393	-	1,393	-	1,393	1,549	-10.1
Other associates	-	81	-	81	*	81	87	-6.7
- ordinary operations	-	1,474	-	1,474	*	1,474	1,636	-9.9
- exceptional items	-	7	-	7	-	7	(9)	nm
	-	1,481	-	1,481	*	1,481	1,627	-9.0
EBITDA and share of associates' pre-tax profits	1,601	1,481	-	3,081	2,189	5,270	5,354	-1.6
Depreciation & amortisation	(431)	-	-	(431)	(1,063)	(1,494)	(1,469)	1.7
EBIT	1,169	1,481	-	2,650	1,126	3,776	3,885	-2.8
Net finance expense								
- net interest expense	(144)	-	-	(144)	(125)	(269)	(248)	8.6
- other finance income	22	-	*	22	*	22	15	40.3
	(122)	-	*	(122)	(125)	(248)	(232)	6.5
Profit before exceptional items	1,047	1,481	*	2,528	1,001	3,529	3,653	-3.4
Exceptional items	5	-	109	114	(24)	90	31	188.5
Profit before tax	1,052	1,481	109	2,642	977	3,619	3,684	-1.8
Taxation								
- current and deferred taxes	(65)	-	-	(65)	(302)	(368)	(363)	1.3
- exceptional tax	-	-	(50)	(50)	7	(43)	-	nm
- share of taxes of associates	-	(436)	-	(436)	(5)	(440)	(402)	9.6
- withholding and other taxes	-	-	(67)	(67)	-	(67)	(88)	-24.3
	(65)	(436)	(117)	(618)	(300)	(918)	(853)	7.6
Profit after tax	986	1,045	(8)	2,024	677	2,701	2,831	-4.6
Minority interests	(1)	-	-	(1)	-	(1)	3	nm
Net profit	985	1,045	(8)	2,023	677	2,700	2,834	-4.7
Net profit	985	1,045	(8)	2,023	677	2,700	2,834	-4.7
Exclude :								
Exceptional items	(5)	-	(109)	(114)	24	(90)	(31)	188.5
Exceptional tax	-	-	50	50	(7)	43	-	nm
Underlying net profit	981	1,045	(67)	1,959	693	2,653	2,802	-5.3

	Quarter	YOY		Nine Months	YOY	
	31 Dec	Change	Change in constant currency ⁽¹⁾	31 Dec	Change	Change in constant currency ⁽¹⁾
	2011			2011		
	S\$ m			S\$ m		
Operating revenue	4,830	2.7	1.9	14,045	4.6	1.7
Operating expenses	(3,606)	4.0	3.1	(10,342)	5.5	2.5
	1,225	-0.9	-1.6	3,703	2.0	-0.4
Other income	31	-36.2	-36.6	86	-12.5	-14.8
EBITDA	1,256	-2.2	-2.9	3,789	1.7	-0.8
-EBITDA margin	26.0%	-1.3%	-1.3%	27.0%	-0.8%	-0.7%
Share of associates' pre-tax profits						
- Bharti						
India, Bangladesh, Sri Lanka	138	-35.9	-26.5	480	-27.7	-19.9
Africa	(9)	-69.4	-64.8	(67)	10.0	19.8
- Bharti group	128	-30.3	-20.2	413	-31.5	-24.0
- Telkomsel	226	5.6	7.0	670	0.7	5.4
- AIS	84	23.4	29.0	240	17.9	23.8
- Globe	37	-6.8	-6.0	135	1.1	5.3
- PBTl	(11)	172.5	196.3	(22)	74.2	101.2
- Warid	(15)	8.5	13.2	(42)	-1.9	7.9
Regional mobile associates	449	-7.9	-3.0	1,393	-10.1	-4.4
Other associates	26	-14.6	-14.6	81	-6.7	-6.7
- ordinary operations	475	-8.3	-3.6	1,474	-9.9	-4.5
- exceptional item	-	nm	nm	7	nm	nm
	475	-8.4	-3.7	1,481	-9.0	-3.6
EBITDA and share of associates' pre-tax profits	1,731	-4.0	-3.1	5,270	-1.6	-1.6
Depreciation & amortisation	(499)	-1.0	-1.8	(1,494)	1.7	-1.4
EBIT	1,232	-5.1	-3.6	3,776	-2.8	-1.7
Net finance expense	(82)	25.1	24.0	(248)	6.5	4.5
Profit before exceptional items	1,150	-6.8	-5.1	3,529	-3.4	-2.1
Exceptional items	33	8.7	8.7	90	188.5	188.5
Profit before tax	1,183	-6.4	-4.8	3,619	-1.8	-0.5
Taxation	(280)	5.2	8.2	(918)	7.6	9.5
Profit after tax	903	-9.5	-8.2	2,701	-4.6	-3.5
Minority interests	(1)	nm	nm	(1)	nm	nm
Net profit	902	-9.6	-8.4	2,700	-4.7	-3.6
Net profit	902	-9.6	-8.4	2,700	-4.7	-3.6
Exclude:						
Exceptional items	(33)	8.7	8.7	(90)	188.5	188.5
Exceptional tax	25	nm	nm	43	nm	nm
Underlying net profit	895	-7.6	-6.3	2,653	-5.3	-4.2

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 periods ended 31 December 2010.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Dec 2011 (Unaudited) S\$ million	30 Sep 2011 (Unaudited) S\$ million	31 Mar 2011 (Audited) S\$ million
Current assets			
Cash and cash equivalents	1,520	1,729	2,738
Trade and other receivables	3,687	3,556	3,449
Derivative financial instruments	7	35	69
Inventories	279	328	299
	5,492	5,647	6,555
Non-current assets			
Property, plant and equipment	11,310	10,770	11,113
Intangible assets	10,185	10,176	10,218
Associated companies	228	243	172
Joint venture companies	9,848	9,703	10,025
Available-for-sale investments	438	363	309
Derivative financial instruments	138	123	-
Deferred tax assets	668	635	764
Other non-current receivables	141	139	126
Loan to an associate	1,325	1,260	-
	34,280	33,412	32,727
Total assets	39,772	39,059	39,282
Current liabilities			
Trade and other payables	4,387	4,368	4,450
Current tax liabilities	340	356	392
Interim dividend payable	1,084	-	-
Borrowings (unsecured)	106	2,752	2,673
Borrowings (secured)	25	25	26
Derivative financial instruments	17	909	1,000
Deferred gain	29	29	-
	5,988	8,439	8,541
Non-current liabilities			
Borrowings (unsecured)	8,611	5,319	4,544
Borrowings (secured)	195	132	43
Advance billings	741	710	707
Deferred income	19	21	23
Deferred gain	1,066	1,069	-
Derivative financial instruments	422	369	586
Deferred tax liabilities	312	304	295
Other non-current liabilities	219	203	194
	11,584	8,126	6,391
Total liabilities	17,572	16,564	14,932
Net assets	22,200	22,495	24,350
Share capital and reserves			
Share capital	2,631	2,630	2,623
Reserves	19,546	19,843	21,706
Equity attributable to shareholders of the Company	22,177	22,473	24,328
Minority interests	23	22	22
Total equity	22,200	22,495	24,350

CURRENCY RISK MANAGEMENT & OTHER MATTERS

The Group maintains a policy of hedging 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.

Debt Currency Mix	As at		
	31 Dec	30 Sep	31 Mar
	2011	2011	2011
SGD	60%	64%	61%
AUD	40%	36%	39%
Total	100%	100%	100%

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

CREDIT RATINGS

As at 31 Dec 2011	SingTel	Optus
Standard & Poor's	A+ (stable)	A+ (stable)
Moody's Investors Service	Aa2 (stable)	Aa3 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate ⁽¹⁾ for:							
Operating revenue							
SGD							
FY11/12	1.3176	1.2870	1.3033		1.3022		
FY10/11	1.2276	1.2272	1.2875	1.2838	1.2274	1.2857	1.2570
Change (last corresponding period)	7.3%	4.9%	1.2%		6.1%		
Underlying net profit							
SGD							
FY11/12	1.3163	1.2833	1.3048		1.2994		
FY10/11	1.2257	1.2298	1.2892	1.2840	1.2278	1.2860	1.2601
Change (last corresponding period)	7.4%	4.4%	1.2%		5.8%		

Note:

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

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Rupiah							
FY11/12	6,944	7,042	6,993		6,997		
FY10/11	6,536	6,623	6,897	6,993	6,580	6,942	6,751
Change (last corresponding period)	6.2%	6.3%	1.4%		6.3%		
Indian Rupee							
FY11/12	36.1	37.3	39.5		36.7		
FY10/11	32.8	34.2	34.5	35.5	33.5	35.0	34.2
Change (last corresponding period)	10.1%	9.1%	14.5%		9.6%		
Baht							
FY11/12	24.4	24.6	24.1		24.5		
FY10/11	23.3	23.3	23.0	23.9	23.3	23.5	23.4
Change (last corresponding period)	4.7%	5.6%	4.8%		5.2%		
Peso							
FY11/12	34.8	34.8	33.8		34.8		
FY10/11	32.7	33.3	33.4	34.2	33.0	33.9	33.5
Change (last corresponding period)	6.4%	4.5%	1.2%		5.5%		
Taka							
FY11/12	59.2	60.6	59.9		61.2		
FY10/11	49.8	51.3	54.1	55.6	50.3	55.5	52.7
Change (last corresponding period)	18.9%	18.1%	10.7%		21.7%		
Pakistani Rupee							
FY11/12	69.0	70.9	68.0		69.9		
FY10/11	60.6	63.3	65.8	67.1	61.8	66.4	64.3
Change (last corresponding period)	13.9%	12.0%	3.3%		13.1%		

OPTUS FINANCIALS IN SINGAPORE DOLLARS

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

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Operating revenue	3,155	3,070	2.8	9,212	8,688	6.0
Operating expenses	(2,438)	(2,383)	2.3	(7,071)	(6,670)	6.0
Other income	15	25	-39.8	48	57	-14.7
EBITDA - EBITDA margin	732 23.2%	712 23.2%	2.8	2,189 23.8%	2,075 23.9%	5.5
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	732	712	2.8	2,189	2,075	5.5
Depreciation & amortisation	(349)	(368)	-5.1	(1,063)	(1,066)	-0.3
EBIT	383	345	11.1	1,126	1,009	11.6
Net finance expense	(50)	(35)	45.5	(125)	(94)	33.2
Profit before exceptional items	333	310	7.3	1,001	915	9.4
Exceptional items	-	-	-	(24)	-	nm
Profit before tax	333	310	7.3	977	915	6.8
Taxation	(102)	(92)	11.3	(300)	(273)	9.8
Net profit	230	218	5.6	677	642	5.5
Net profit	230	218	5.6	677	642	5.5
Exclude:						
Exceptional items	-	-	-	24	-	nm
Tax on exceptional items	-	-	-	(7)	-	nm
Underlying net profit	230	218	5.6	693	642	8.1

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 5**.

OPTUS FINANCIALS IN SINGAPORE DOLLARS

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

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec			31 Dec		
	2011 S\$ m	2010 S\$ m		2011 S\$ m	2010 S\$ m	
Mobile communications	1,596	1,536	3.9	4,700	4,393	7.0
Data & Internet	484	482	0.6	1,465	1,388	5.6
National telephone	366	392	-6.7	1,120	1,135	-1.4
Sale of equipment	421	386	9.1	1,052	946	11.2
IT & Engineering	132	118	11.5	405	364	11.3
International telephone	77	88	-12.1	240	257	-6.5
Others	79	69	15.2	229	206	11.5
Total	3,155	3,070	2.8	9,212	8,688	6.0

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

	As at		
	31 Dec 2011 S\$ m	30 Sep 2011 S\$ m	31 Mar 2011 S\$ m
Property, plant and equipment (net)	8,131	7,657	7,943
Gross debt			
Current debt	8	7	6
Non-current debt	3,344	2,095	2,030
Gross debt as reported in statement of financial position	3,353	2,101	2,036
Related net hedging liability	255	132	274
	3,608	2,234	2,311
Less: Cash and bank balances	(591)	(458)	(536)
Net debt	3,016	1,775	1,774
	A\$ m	A\$ m	A\$ m
Property, plant and equipment (net)	6,154	6,060	6,099
Gross debt			
Current debt	6	5	5
Non-current debt	2,531	1,658	1,559
Gross debt as reported in statement of financial position	2,537	1,663	1,563
Related net hedging liability	193	105	211
	2,730	1,768	1,774
Less: Cash and bank balances	(447)	(363)	(412)
Net debt	2,283	1,405	1,362

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2012

Singapore

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

Australia

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

Associates/ Joint Ventures

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

Group

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