Financial Results Presentation

Q2 FY15: Quarter ended 30 September 2014

13 November 2014

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Group CEO

Forward looking statement – important note

The following presentation contains forward looking statements by the management of Singapore Telecommunications Limited ("SingTel"), relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of SingTel. In particular, such targets should not be regarded as a forecast or projection of future performance of SingTel. It should be noted that the actual performance of SingTel may vary significantly from such targets.

“S$” means Singapore dollars and "A$" means Australian dollars unless otherwise indicated. Any discrepancies between individual amounts and totals are due to rounding.

Agenda

Q2FY15: Robust performance across all businesses

Q2FY15	% change (reported)	% change (constant currency)[1]	Explanation (constant currency)
Operating revenue **S$4,309m**	+4%	+4%	› Strength in ICT services › Mobile data growth across Singapore & Australia › Higher digital marketing revenue through acquisitions
EBITDA **S$1,334m**	+3%	+3%	› Improved Group Enterprise profitability
Regional Mobile Associates' pre-tax earnings[2] **S$629m**	+26%	+33%	› Increased contributions from Airtel India › Robust mobile data growth › Continued adverse currency impact
Underlying net profit **S$979m**	+11%	+14%	› Strong associates' post-tax earnings
Net profit **S$1,038m**	+19%	+22%	› S$65m exceptional gain from dilution of stake in SingPost
Free cash flow **S$732m**	-20%	N.M.	› Higher cash taxes and capital expenditure

1. Assuming constant exchange rates from corresponding periods in FY2014.
2. Excluding exceptional items.

Foreign exchange movements

Currency	Quarter ended 30 September 2014			Half-year ended 30 September 2014	
	Exchange rate[1]	Increase/ (decrease) against S$		Exchange rate[1]	Increase/ (decrease) against S$
		YoY	QoQ		YoY
1 AUD[2]	1.1574	(0.4%)	(1.0%)	1.1630	(3.0%)
IDR	9,434	(12.3%)	(1.9%)	9,352	(15.4%)
INR	48.3	1.0%	(1.0%)	48.1	(2.1%)
PHP	35.0	(1.4%)	0.6%	35.1	(3.5%)
THB	25.6	(3.2%)	1.2%	25.8	(6.2%)

1. Average exchange rates for the quarter and half-year ended 30 September 2014.
2. Average A$ rate for translation of Optus' operating revenue.

Group Q2FY15 highlights

Group

- Interim dividend — **6.8 cents per share**
- Landmark collaboration with EDB to grow digital ecosystem in Singapore
- NetLink Trust/ OpenNet integration completed

Consumer

- SG: Singapore's first 4G + premium high-speed WiFi Combo plans
- AU: Successful launch of Optus 10 satellite
- AU: Strong take-up for Optus My Plan Plus
- Airtel: Divested over 6,600 towers in Africa

Group Enterprise

- Introduced new suite of cyber-security solutions for APAC governments and enterprises
- Invested in FASTER, the highest capacity trans-Pacific cable system

Group Digital L!fe

- Completed Adconion and Kontera acquisitions
- Dash won Gold award for Best Consumer Product[1]

1. Awarded by Singapore infocomm Technology Federation (SiTF).

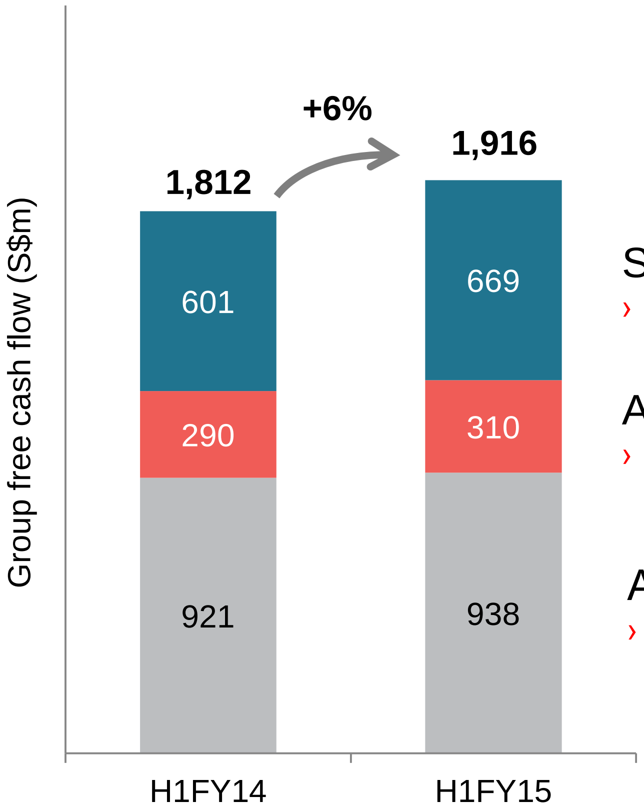
Q2FY15: strong earnings growth

	3 months to			6 months to		
	Sep 14	Sep 13	YoY % change	Sep 14	Sep 13	YoY % change
Operating revenue	4,309	4,163	3.5%	8,457	8,456	–
EBITDA	1,334	1,298	2.7%	2,588	2,594	(0.2%)
- margin	30.9%	31.2%		30.6%	30.7%	
Associates pre-tax earnings[1]	655	519	26.3%	1,277	1,090	17.2%
EBITDA & share of associates' pre-tax earnings	1,978	1,817	8.9%	3,854	3,691	4.4%
Depreciation & amortisation	(545)	(527)	3.5%	(1,078)	(1,066)	1.1%
Net finance expense	(44)	(55)	(21.0%)	(95)	(104)	(8.5%)
Profit before EI and tax	1,389	1,235	12.5%	2,681	2,520	6.4%
Tax	(409)	(350)	16.7%	(818)	(736)	11.2%
Underlying net profit	979	884	10.8%	1,860	1,781	4.4%
Exceptional Items (post tax)	59	(13)	N.M.	13	101	(87.1%)
Net profit	1,038	870	19.3%	1,873	1,881	(0.5%)

1. Excluding exceptionals.

Strong financial position

Free cash flow **S$1,916m**



Singapore
› Up S$68m

Australia
› Up S$20m

Assoc' div
› up S$17m

Solid balance sheet

Net debt[1]	**S$8.5b**
Net gearing[2]	**26.2%**
Net debt: EBITDA & share of associates' pre-tax profits[3]	**1.1x**
EBITDA & share of associates' pre-tax profits: Net interest expense	**30.7x**

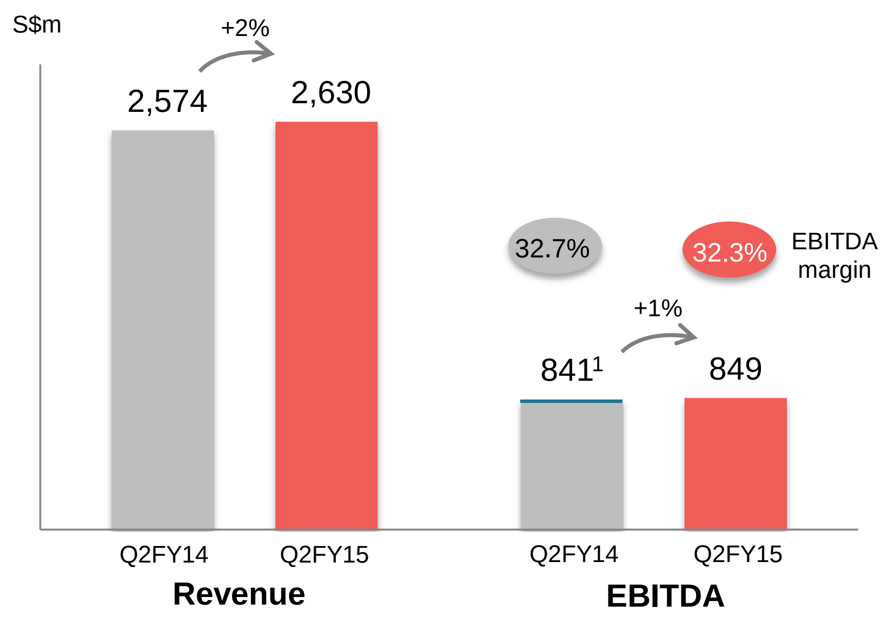
S&P's rating **A+** **Moody's rating** **Aa3**

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.

Agenda

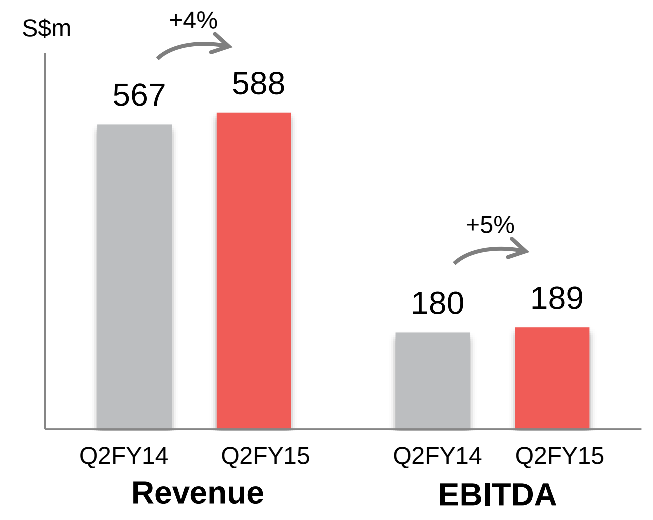
Consumer: Growth in Singapore & Australia

Consumer

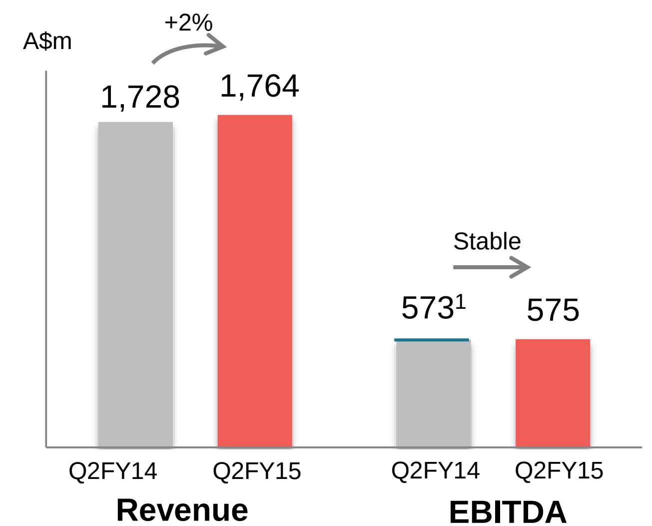


- Higher TV and fibre broadband revenue in Singapore
- Australia mobile revenue grew on customer gains[2] and higher ARPU
- Growth in mobile data revenue and higher equipment sales across Singapore and Australia

Singapore



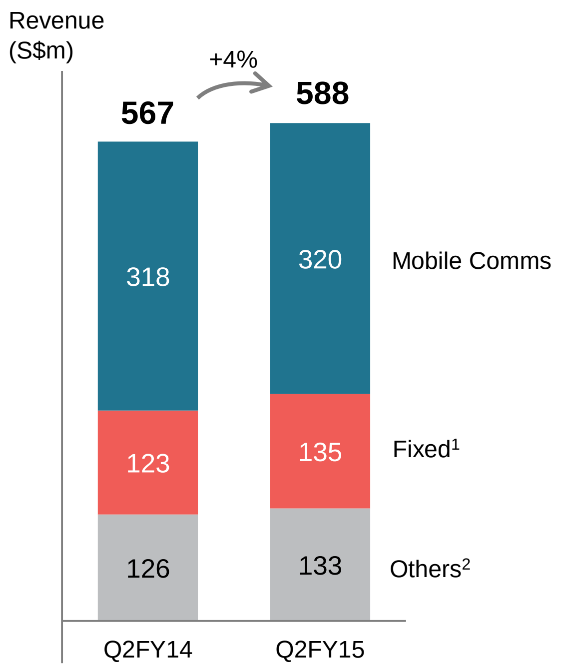
Australia



1. Including write-back of A$22m provision for base station rentals last year.
2. Excluding mobile broadband, Optus mobile net adds grew 60k.

Singapore Consumer: Resilient performance

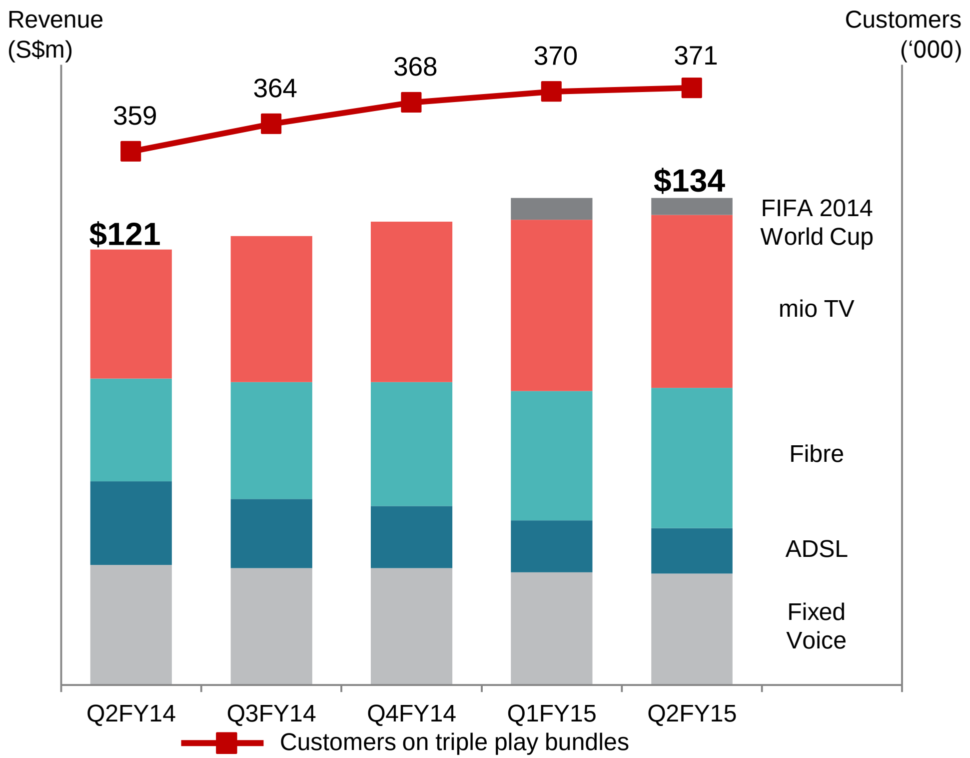
Singapore Consumer



Mobile revenue up 1%

- Postpaid: data growth offsets declines in voice, SMS and roaming
- Prepaid: strong data growth from inbound travellers

Consumer Home



Household ARPU up 11% to S$61

- Higher value TV packages

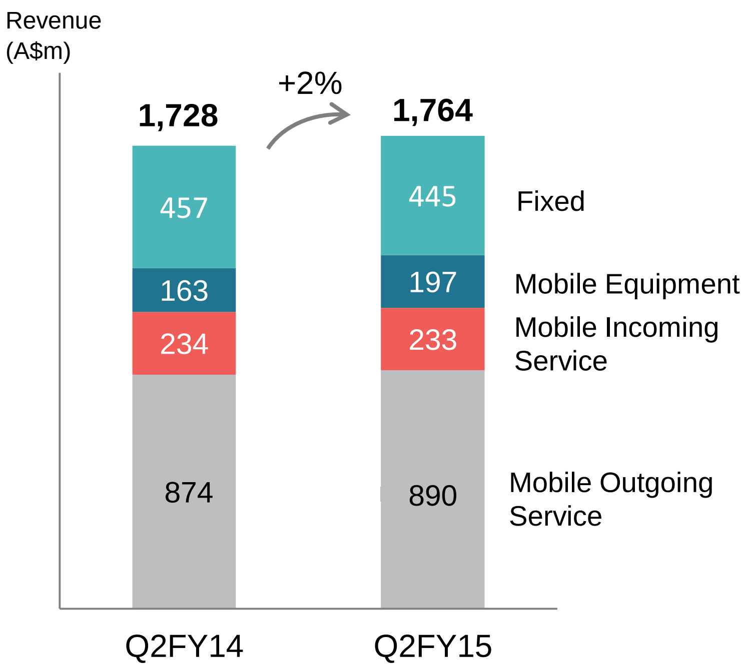
Broadband revenue up 2% QoQ

- Upgrades to higher speed plans
- Continued migration from ADSL to fibre

1. Fixed services revenue comprises internet, national telephone and mio TV.
2. Others revenue comprises sale of equipment, international telephone and other services.

Australia Consumer: Mobile handset customer and ARPU growth

Australia Consumer



Mobile Service Revenue up 1%

- Outgoing service revenue up 2%
- Strong data growth offsets voice and SMS decline

Outgoing mobile service revenue up 2%

- Strong net adds in mobile customers[1]; up 60k
- Blended ARPU up 3%
- Data revenues up 7%

Data and 4G focus

- 1.5m customers on My Plan[2]
  - 34% "tiered up"[3] during Q2
- 2.7m 4G handsets on the network
- 2,245 4G sites deliver 83% metro coverage[4]

EBITDA stable

- Up 4% excluding A$22m provision write-back for base station rentals last year

1. Mobile handsets only; excludes mobile broadband.
2. As at 30 September 2014; includes My Plan Plus customers.
3. Moved to a higher data tier for at least 1 month due to increased data usage.
4. On-street metro population coverage.

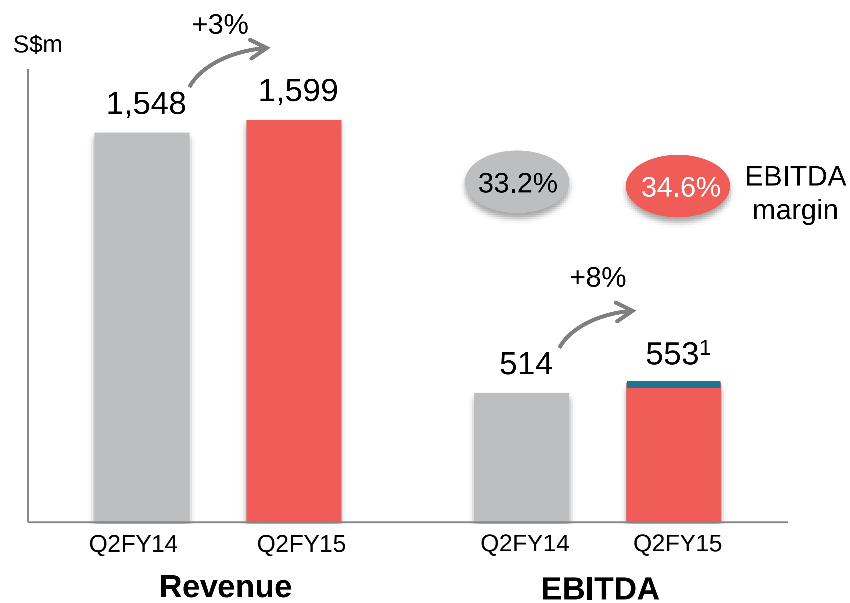
Regional mobile associates registered strong growth

Q2FY15	PBT[1] (S$m)	% Change (S$)	% Change (local currency)	Highlights
Regional Mobile	629	+26%	N.A.	› Up 33% in constant currency › Strong contributions from Airtel India › Strong data growth momentum
Telkomsel	247	-2%	+10%	› Strong growth in data and digital services, and higher voice revenue offset by weaker Rupiah
Airtel	203	+130%	+122%	› India: growth in mobile data, voice rates and customer base › Africa: mobile data and Airtel Money growth offset higher network and sales & marketing costs and weaker local currencies
AIS	103	+1%	+5%	› Service revenue growth driven by mobile data, improved 3G coverage and higher smartphone penetration › Higher D&A from 3G network rollout
Globe	77	+34%	+36%	› Growth in mobile customers and strong take-up of data services › Lower depreciation

1. Excluding exceptional items.

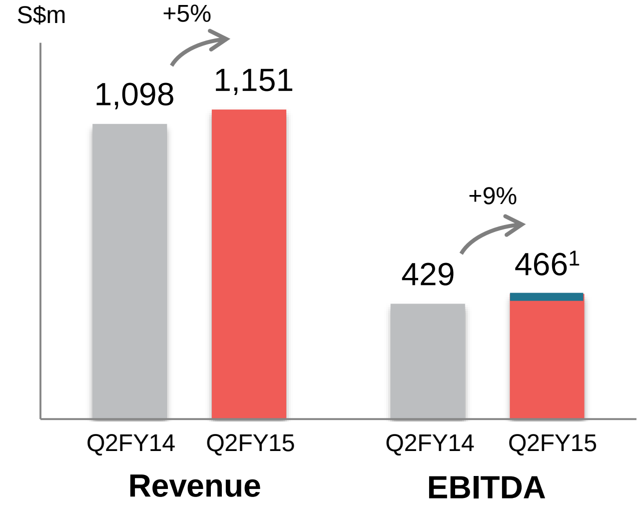
Group Enterprise: Leadership maintained in price-competitive environment

Group Enterprise

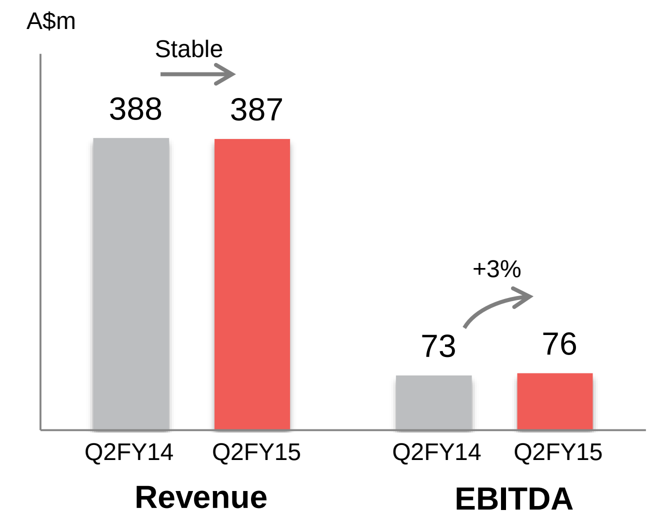


- Strong market share
  - Higher ICT revenue in Singapore & Australia
  - Stable core carriage revenues
- EBITDA improvement
  - Growth in ICT and mobile services
  - Write-back related to fibre rollout costs

Singapore



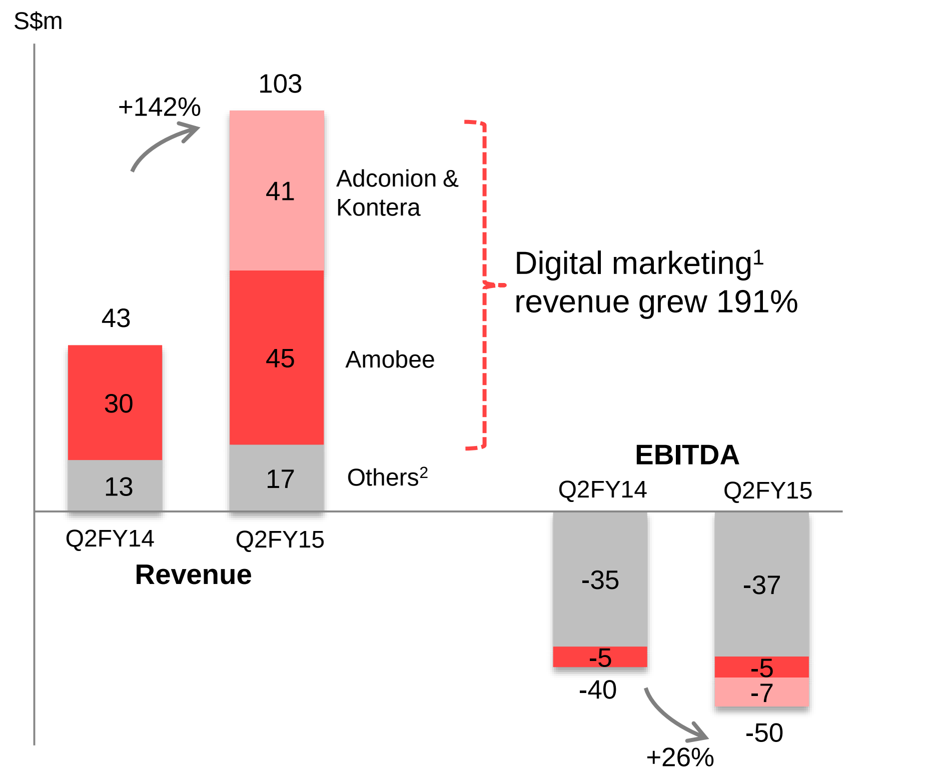
Australia



[1] Including a S$31m write-back related to fibre rollout costs.

Group Digital L!fe: Building scale with acquisitions in digital marketing

Group Digital L!fe



- Digital marketing revenue grew with new acquisitions
- Losses increased with new investments and initiatives in m-commerce, video and analytics

[a·mo·bee]

- Global digital marketing player with unique insights and targeted ad solutions
- Announced partnership with Twitter
- Won top industry awards, including:
  - Gold award for Mobile Marketing Single Execution & Members Choice award for 3D mobile ad campaign for Ford-150[3]

1. Digital marketing (includes digital advertising) revenue from Amobee Group.
2. Including revenues from e-commerce, mobile banking payments, concierge and hyper-local services, advertising revenue from TV and internet etc.
3. Online Media, Marketing and Advertising (OMMA) Awards from Mediapost.

Agenda

Outlook[1]

Group	Revenue and EBITDA excluding acquisitions to be stable
	Capital expenditure to be approx. S$2.3b • Approx. S$900m for Singapore • Approx. S$1.4b for Australia
	Free cash flow[2] to be stable
	Ordinary dividends from Regional Mobile Associates to be approx. S$1.0b

Core Business[3]	Revenue to be stable
	EBITDA to increase by low single digit level
	Singapore Mobile Communications revenue to increase by mid single digit level
	Australia Mobile Service revenue to decrease by low single digit level
	Group ICT[4] revenue to increase by low single digit level

Group Digital L!fe[5]	Revenue to exceed S$300m (updated)
	Negative EBITDA to increase to approximately S$200 – S$250m (updated)

1. Based on average exchange rates during FY14.
2. Excluding spectrum payments of approx. S$900m and associates' dividends.
3. Comprises Singapore Consumer, Australia Consumer and Group Enterprise.
4. Comprises Managed Services and Business Solutions.
5. Including acquisition of Adconion and Kontera

Agenda

01 // Overview

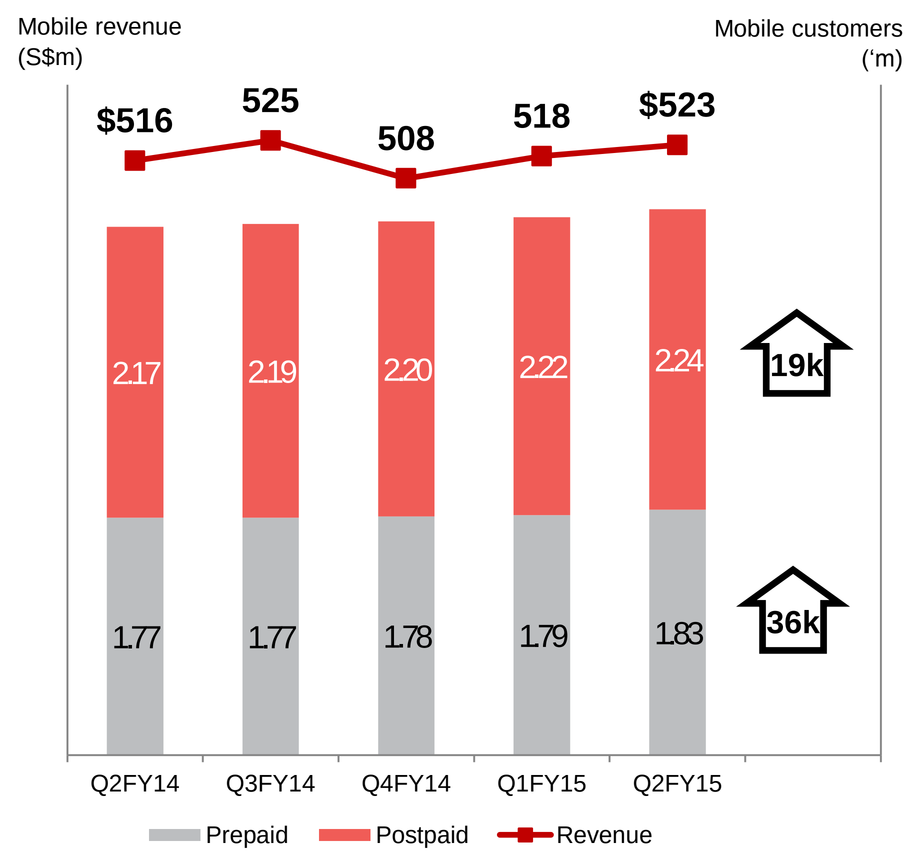
02 // Business Units

03 // Group Outlook

04 // Supplementary Information

Singapore Mobile

Mobile revenue up 1% **S$523m**



4G customers up 203k QoQ **1,481k**

Tiered data plans

- Postpaid customers on tiered plans [1] **57%**
- Tiered plans customers who exceed data bundles **19%**

Postpaid ARPU down 5% **S$75**

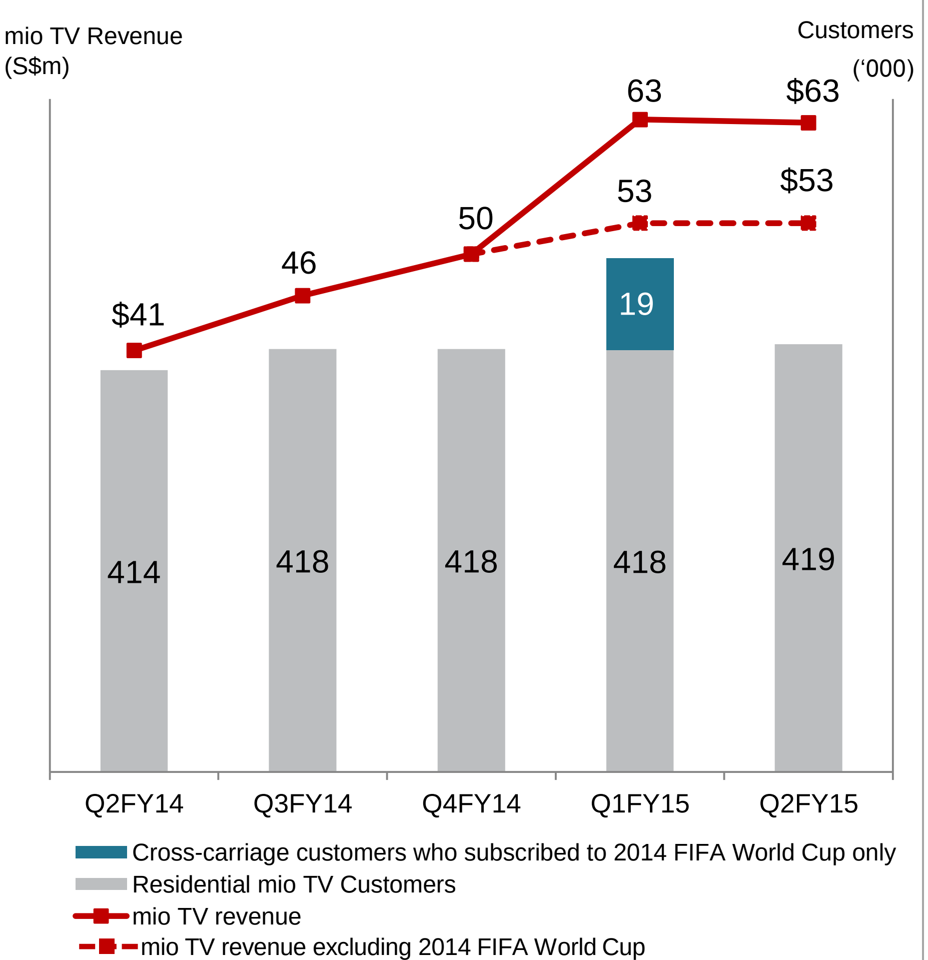
- 3ppts due to dilution effect of data-only SIMs and mobile share plans[2]
- 2ppts due to lower inter-operator SMS volume and roaming usage

Postpaid SAC[3] up 6% **S$217**

1. If excluding data-only SIMs, 68% of postpaid customers were on tiered plans.
2. Data-only SIMs refer to wireless broadband plans excluding voice. Mobile share plans refer to supplementary lines which share data, voice & text allowances of postpaid plans.
3. Subscriber acquisition cost per customer.

Singapore Fixed

mio TV revenue up 54% **S$63m**



mio TV ARPU up 41% **S$41**

- up 31% to S$38 excluding 2014 FIFA World Cup

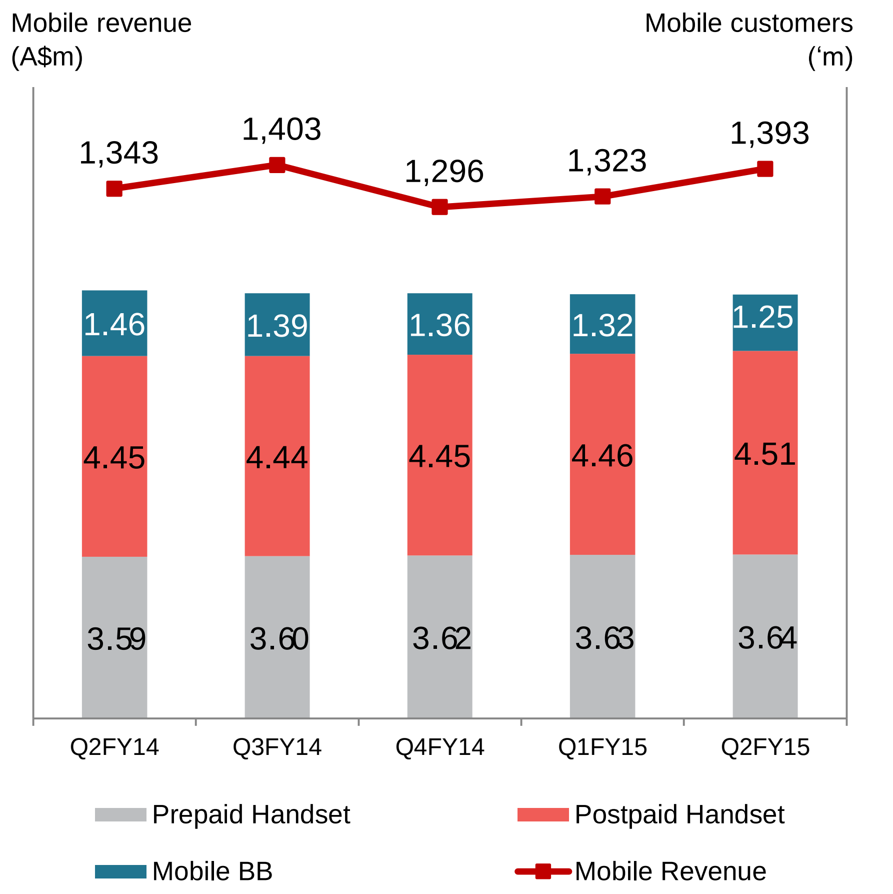
Fibre customers[1] up 22k QoQ **369k**

Pay TV churn down 0.4ppt **1.2%**

1. Refers to residential and corporate subscriptions to broadband internet services using optical fibre networks.

Australia Mobile

Mobile revenue up 4% **A$1,393m**



Net adds

› Handset plans	**+65k**
› Mobile broadband	**-70k**

Postpaid

› Handset ARPU - down 2%	**A$60**
› Churn	**1.3%**
› SAC[1] - down 10%	**A$202**

Prepaid

› Handset ARPU - up 9%	**A$27**
› SAC[1] - down 68%	**A$8**

1. Subscriber acquisition cost per customer

Trends in constant currency terms[1]

3 months to Sep 14	Q2FY15 (reported S$m)	YoY % change (reported S$)	YoY % change (at constant FX)[1]
Group revenue	4,309	3.5%	3.7%
Group reported NPAT	1,038	19.3%	22.4%
Group underlying NPAT	979	10.8%	13.9%
Optus revenue	2,494	1.3%	1.7%
Regional Mobile Associates pre-tax earnings[2]	629	26.2%	32.8%

6 months to Sep 14	H1FY15 (reported S$m)	YoY % change (reported S$)	YoY % change (at constant FX)[1]
Group revenue	8,457	-	1.7%
Group reported NPAT	1,873	(0.5%)	4.0%
Group underlying NPAT	1,860	4.4%	9.4%
Optus revenue	4,903	(3.5%)	(0.6%)
Regional Mobile Associates pre-tax earnings[2]	1,223	16.5%	26.0%

1. Assuming constant exchange rates from corresponding periods in FY2014.
2. Based on the Group's share of associates' earnings before exceptionals.

SingTel