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 2014

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 2014 are unaudited.

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

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

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

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FINANCIAL HIGHLIGHTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014

- **Including the contributions from digital acquisitions, operating revenue grew 3.8% but EBITDA was down 2.8%, impacted by the weaker Australian Dollar.**

- **Post-tax contributions from the associates rose 29% with strong results from Telkomsel and Airtel.**

- **Underlying net profit, excluding exceptionals, rose 6.6%.**

- **Net profit was up 11%, with exceptional losses in the December quarter last year.**

- **Free cash flow increased S$100 million or 18% to S$669 million. Adjusting for a one-off S$143 million payment to NetLink Trust in December 2013 quarter, free cash flow was lower by 6.0% mainly due to higher capital expenditure.**

FINANCIAL HIGHLIGHTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

- **Including the contributions from digital acquisitions, operating revenue grew 1.3% and EBITDA declined 1.1%.**

- **Underlying net profit grew 5.2% on strong associates' contributions.**

- **In constant currency terms[1], net profit rose 6.7%.**

- **Free cash flow increased S$204 million or 8.6% to S$2.59 billion.**

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[1] Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding period ended 31 December 2013.

SECTION 1 : GROUP

	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Operating revenue	4,427	4,263	3.8	12,884	12,720	1.3
EBITDA	1,229	1,264	-2.8	3,817	3,858	-1.1
EBITDA margin	*27.8%*	*29.6%*		*29.6%*	*30.3%*	
Share of associates' pre-tax profits	667	539	23.8	1,933	1,635	18.2
EBITDA and share of associates' pre-tax profits	1,896	1,803	5.2	5,750	5,493	4.7
EBIT	1,355	1,270	6.7	4,131	3,894	6.1
(exclude share of associates' pre-tax profits)	*688*	*731*	*-5.9*	*2,198*	*2,259*	*-2.7*
Underlying net profit	970	910	6.6	2,830	2,690	5.2
Exceptional items (post-tax)	*	(37)	nm	13	64	-79.2
Net profit	970	872	11.2	2,843	2,754	3.2
Free cash flow	669	569	17.5	2,585	2,381	8.6
(exclude one-off payment to NetLink Trust) (1)	*669*	*712*	*-6.0*	*2,585*	*2,523*	*2.4*
Underlying earnings per share (S cents)	6.08	5.71	6.5	17.75	16.88	5.2
Basic earnings per share (S cents)	6.09	5.47	11.3	17.84	17.28	3.2

	As at 31 Dec 2014 S$ m	As at 30 Sep 2014 S$ m	As at 31 Dec 2013 S$ m
Total assets	41,251	40,219	38,970
Shareholders' funds	23,674	23,901	22,536
Net debt (2)	7,863	8,514	7,146
Net debt gearing ratio (3)	*24.9%*	*26.2%*	*24.1%*
Net debt to EBITDA and share of associates' pre-tax profits (4)	*1.02X*	*1.10X*	*0.98X*
Interest cover:			
- EBITDA and share of associates' pre-tax profits/ net interest expense (5)	*29.2X*	*30.7X*	*28.0X*

Notes:

(1) Adjusted to exclude one-off payment of S$143 million to NetLink Trust in the December 2013 quarter. The S$143 million was subsequently applied by NetLink Trust towards its acquisition of OpenNet.

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

(3) 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.

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

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

SECTION 1 : GROUP

GROUP SUMMARY INCOME STATEMENTS
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Operating revenue	**4,427**	**4,263**	**3.8**	**12,884**	**12,720**	**1.3**
Operating expenses	(3,232)	(3,023)	6.9	(9,165)	(8,941)	2.5
	1,195	1,241	-3.6	3,720	3,779	-1.6
Other income	33	23	42.3	97	79	22.7
EBITDA	**1,229**	**1,264**	**-2.8**	**3,817**	**3,858**	**-1.1**
- EBITDA margin	***27.8%***	***29.6%***		***29.6%***	***30.3%***	
Share of associates' pre-tax profits						
- operating results	683	531	28.7	1,960	1,621	21.0
- exceptional items	(16)	8	nm	(27)	14	nm
	667	539	23.8	1,933	1,635	18.2
EBITDA and share of associates' pre-tax profits	**1,896**	**1,803**	**5.2**	**5,750**	**5,493**	**4.7**
Depreciation	(496)	(491)	1.1	(1,476)	(1,474)	0.1
Amortisation of intangibles	(45)	(42)	6.8	(143)	(125)	14.0
	(541)	(533)	1.5	(1,619)	(1,599)	1.2
EBIT	**1,355**	**1,270**	**6.7**	**4,131**	**3,894**	**6.1**
Net finance expense						
- net interest expense	(71)	(64)	11.9	(197)	(196)	0.1
- other finance income	2	30	-94.0	32	59	-45.7
	(69)	(34)	107.2	(165)	(138)	19.6
Profit before exceptional items and tax	**1,285**	**1,236**	**4.0**	**3,966**	**3,756**	**5.6**
Taxation	(314)	(326)	-3.5	(1,133)	(1,062)	6.7
Profit after tax	**971**	**911**	**6.6**	**2,834**	**2,695**	**5.2**
Minority interests	(1)	(1)	27.3	(4)	(5)	-6.5
Underlying net profit	**970**	**910**	**6.6**	**2,830**	**2,690**	**5.2**
Exceptional items (post-tax)	*	(37)	nm	13	64	-79.2
Net profit	**970**	**872**	**11.2**	**2,843**	**2,754**	**3.2**
Depreciation as % of operating revenue	***11%***	***12%***		***11%***	***12%***	

Unless otherwise stated, the presentation of income statements in this document is consistent with prior periods. For income statements presented in accordance with FRS 1, ***Presentation of Financial Statements***, please refer to “SGX Appendix 7.2 Announcement”.

SECTION 1 : GROUP

BUSINESS SEGMENTS

The Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life, to better serve the evolving needs of its customers and to capture growth opportunities globally.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly, AIS in Thailand, Airtel in India, Africa and South Asia, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore and Australia and focuses on growing the Group's position in the enterprise markets. Key services include mobile, fixed voice and data, managed services, cloud computing, IT services and professional consulting.

Group Digital Life focuses on using the latest internet technologies and assets of the Group operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It includes digital marketing, e-commerce, data analytics, mobile banking payment, concierge and hyper-local services.

Corporate comprises the costs of Group functions not allocated to the business segments.

The following table shows the operating performance of the three business segments in the current quarter and nine months ended 31 December 2014:

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2014 S$ m	2013 S$ m	Chge %	2014 S$ m	2013 S$ m	Chge %
Operating revenue						
Group Consumer	2,762	2,668	3.5	7,937	7,945	-0.1
Group Enterprise	1,559	1,548	0.8	4,714	4,656	1.3
Core Business	**4,322**	**4,216**	**2.5**	**12,651**	**12,601**	**0.4**
Group Digital Life	105	40	165.0	233	104	123.1
Corporate	-	8	nm	-	15	nm
Group	**4,427**	**4,263**	**3.8**	**12,884**	**12,720**	**1.3**
EBITDA						
Group Consumer	799	792	0.9	2,454	2,422	1.3
Group Enterprise	497	526	-5.7	1,560	1,591	-2.0
Core Business	**1,295**	**1,318**	**-1.7**	**4,014**	**4,013**	**
Group Digital Life	(49)	(43)	15.5	(144)	(115)	25.7
Corporate	(17)	(11)	50.9	(53)	(40)	30.0
Group	**1,229**	**1,264**	**-2.8**	**3,817**	**3,858**	**-1.1**
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	431	426	1.0	1,350	1,323	2.1
Group Enterprise	345	373	-7.5	1,106	1,129	-2.0
Core Business	**775**	**799**	**-3.0**	**2,456**	**2,452**	**0.2**
Group Digital Life	(70)	(56)	24.6	(204)	(151)	35.3
Corporate	(18)	(12)	50.0	(54)	(41)	29.8
Group	**688**	**731**	**-5.9**	**2,198**	**2,259**	**-2.7**

Note:
(1) Comparatives in the above table have been restated for certain adjustments (see **Appendix 5**).

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REVIEW OF GROUP OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2014

The Group's results this quarter showed strong mobile data growth across businesses with continued investments in network, customer initiatives and solutions. The quarter also saw robust demand for smartphones launched in recent months and increased acquisition and retention volumes. Underlying net profit, excluding exceptional items, grew 6.6% and in constant currency terms would have increased by 7.8%.

The Group's operating revenue grew 3.8%, however, EBITDA declined 2.8% due to the Australian Dollar weakening by 4%. In constant currency terms, revenue would have increased 6.6%, with a stable EBITDA.

Group Consumer contributed 62% (Q3 FY2014: 63%) and 65% (Q3 FY2014: 63%) to the Group's operating revenue and EBITDA respectively. Operating revenue grew 3.5%, and EBITDA was stable. In constant currency terms, revenue and EBITDA would have increased by 7.2% and 4.6% respectively. Singapore Consumer recorded revenue growth of 7.4% driven mainly by higher Equipment sales and Pay TV. EBITDA grew 2.8% with higher selling costs on strong mobile customer connections. Australia Consumer delivered strong growth in revenue of 7.2% and EBITDA increase of 5.5%, benefiting from customer growth and mobile service ARPU gains.

Group Enterprise contributed 35% (Q3 FY2014: 36%) and 40% (Q3 FY2014: 42%) to the Group's operating revenue and EBITDA respectively. Operating revenue was stable but EBITDA declined 5.7% as fibre rollout and maintenance revenue ceased with effect from 1 October 2014 (see Page 30 for details). Adjusted for the fibre rollout business, operating revenue grew 3.4% on strong ICT growth, and EBITDA declined 2.6%. Further excluding the write-back of one-off provision in the December 2013 quarter, EBITDA would have been stable.

Operating revenue in Group Digital Life rose by 165% to S$105 million with contributions from Adconion and Kontera which were acquired in the preceding quarter. Ongoing integration costs and investment initiatives resulted in negative EBITDA of S$49 million for the quarter.

The increase in Group's depreciation and amortisation charges resulted from increased network investments and acquired intangibles including spectrum.

The Group and its regional mobile associates continued to record strong customer growth. The combined mobile customer base reached 543 million as at 31 December 2014, up 2.2% from a quarter ago.

The Group's share of associates' pre-tax profits increased 24% to S$667 million with strong earnings growth from Telkomsel and Airtel.

Net finance expense increased S$36 million to S$69 million mainly due to lower dividend income from the Southern Cross consortium (see Page 12).

The Group's tax expense included a net tax credit of S$39 million recognised this quarter, which arose from certain property, plant and equipment transferred to an associate.

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The exceptional items in the quarter comprised mainly a gain of S$17 million on sale of venture investments and an impairment charge of S$16 million on certain venture investments (see Page 13).

Net profit increased by 11% to S$970 million and in constant currency terms, would have been up by 12%.

Free cash flow in the quarter was S$669 million, higher by S$100 million or 18% from the same quarter last year. Excluding the one-off payment of S$143 million to NetLink Trust in the December 2013 quarter, free cash flow declined by S$43 million mainly due to higher capital expenditure.

The Group continued to maintain a healthy capital structure. As at 31 December 2014, net debt gearing ratio was at 25%.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. Hence, the Group is exposed to currency movements. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for 76% (Q3 FY2014: 75%) of the Group’s proportionate revenue and 75% (Q3 FY2014: 73%) of proportionate EBITDA.

For The Nine Months Ended 31 December 2014

Operating revenue for the nine months grew 1.3% while EBITDA declined 1.1%. If the Australian Dollar had remained constant from the corresponding period, operating revenue would have increased by 3.4% and EBITDA would be stable.

With higher associates’ contributions, underlying net profit grew 5.2% to S$2.83 billion. In constant currency terms, underlying net profit would have increased 8.8%.

The Group’s net exceptional gain of S$13 million for the current period mainly comprised S$65 million of gain on dilution of its equity interest in SingPost, and S$29 million of staff restructuring costs. In the corresponding period last year, an exceptional gain of S$150 million was recognised from the dilution of equity interest in Airtel.

Including exceptional items, net profit increased by 3.2% to S$2.84 billion, and in constant currency terms would have increased 6.7%.

The Group’s free cash flow grew 8.6% to S$2.59 billion. Excluding one-off payment to NetLink Trust in the corresponding period, free cash flow increased 2.4%.

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SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2014 were as follows:

	Quarter		
	31 Dec 2014 S$ m	30 Sep 2014 S$ m	QOQ Chge %
Operating revenue	**4,427**	**4,309**	**2.7**
EBITDA	**1,229**	**1,334**	**-7.9**
EBITDA margin	***27.8%***	***30.9%***	
Share of associates' pre-tax profits	**667**	**644**	**3.6**
EBITDA and share of associates' pre-tax profits	**1,896**	**1,978**	**-4.1**
EBIT	**1,355**	**1,433**	**-5.5**
Profit before exceptional items and tax	1,285	1,389	-7.5
Underlying net profit	**970**	**979**	**-1.0**
Exceptional items (post-tax)	*	59	**nm**
Net profit	**970**	**1,038**	**-6.6**
Free cash flow	**669**	**732**	**-8.7**

The Australian Dollar depreciated 4% while the regional currencies were relatively stable compared to the preceding quarter.

The Group's EBIT declined 5.5% from the preceding quarter due mainly to cessation of fibre rollout and maintenance revenue, seasonally higher selling costs and the weaker Australian Dollar. With lower tax expense, underlying net profit was stable from a quarter ago.

The lower free cash flow was mainly due to timing of dividend receipts from associates.

SECTION 1 : GROUP

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2015

The Group affirms the guidance previously issued in November 2014, other than the update below.

Mobile service revenue from Australia for the financial year ending 31 March 2015 is expected to increase by low single digit level. In the nine months to 31 December 2014, Australia mobile service revenue grew 1.6%.

Please refer to **Appendix 7** for further details on the outlook for the current financial year.

OPERATING REVENUE

By Products and Services	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Mobile communications	1,841	1,826	0.8	5,479	5,501	-0.4
Data and Internet	776	764	1.6	2,332	2,370	-1.6
Managed services	*430*	*411*	*4.5*	*1,300*	*1,216*	*6.9*
Business solutions	*154*	*137*	*12.3*	*441*	*399*	*10.6*
Infocomm Technology ("ICT")	584	548	6.5	1,741	1,615	7.8
Sale of equipment	501	388	29.2	1,114	983	13.4
National telephone	335	368	-8.9	1,039	1,150	-9.7
International telephone	148	171	-13.4	480	528	-9.1
Pay television	71	64	10.7	232	184	26.2
Digital businesses (1)	104	39	168.5	223	101	120.0
Others	68	57	18.8	164	161	1.9
	4,427	**4,224**	**4.8**	**12,803**	**12,592**	**1.7**
Fibre rollout and maintenance (2)	-	39	nm	81	128	-36.8
Total	**4,427**	**4,263**	**3.8**	**12,884**	**12,720**	**1.3**
Operating revenue	**4,427**	**4,263**	**3.8**	**12,884**	**12,720**	**1.3**
Associates' proportionate revenue (3)	3,123	2,828	10.4	9,091	8,552	6.3
Group's proportionate revenue	**7,550**	**7,092**	**6.5**	**21,975**	**21,271**	**3.3**

Notes:

(1) Comprise revenues mainly from digital marketing, e-commerce, concierge and hyper-local services. The comparatives have been restated to be consistent with the current periods.

(2) Fibre rollout and maintenance revenue ceased to be recognised with effect from 1 October 2014 as Singtel relinquished its role as OpenNet's key-subcontractor.

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

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Operating Revenue Mix	**Quarter 31 Dec**		**Nine Months 31 Dec**	
	2014 %	**2013 %**	**2014 %**	**2013 %**
Mobile communications	41.6	42.8	42.5	43.2
Data and Internet	17.5	17.9	18.1	18.6
Managed services	*9.7*	*9.6*	*10.1*	*9.6*
Business solutions	*3.5*	*3.2*	*3.4*	*3.1*
Infocomm Technology ("**ICT**")	13.2	12.9	13.5	12.7
Sale of equipment	11.3	9.1	8.6	7.7
National telephone	7.6	8.6	8.1	9.0
International telephone	3.3	4.0	3.7	4.2
Pay television	1.6	1.5	1.8	1.4
Digital businesses	2.3	0.9	1.7	0.8
Others	1.5	1.3	1.3	1.3
	100.0	**99.1**	**99.4**	**99.0**
Fibre rollout and maintenance	-	0.9	0.6	1.0
Total	**100.0**	**100.0**	**100.0**	**100.0**

Operating revenue of the Group grew 3.8% and in constant currency terms would have increased 6.6%.

Mobile Communications revenue was stable and would have increased 4.1% in constant currency terms. Robust data growth across Singapore and Australia was partially offset by declines in voice, SMS and roaming. In Singapore, mobile revenue increased 1.5% while mobile service revenue in Australia grew 4.3% in Australian Dollar terms.

Revenues from ICT services grew 6.5% with growth in G-Cloud services in Singapore, higher project implementation and maintenance revenue and increased application development and maintenance projects.

The increase in equipment sales was due to higher handset sales in both Singapore and Australia.

Including the proportionate share of operating revenue from the associates, the Group's enlarged revenue grew 6.5% to S$7.55 billion, underpinned by Airtel's strong revenue growth.

SECTION 1 : GROUP

OPERATING EXPENSES (Before Depreciation and Amortisation)

	Quarter			Nine Months		
	31 Dec			31 Dec		
	2014	2013	YOY	2014	2013	YOY
	S$ m	S$ m	%	S$ m	S$ m	%
Selling & administrative	1,088	1,008	8.0	3,044	3,000	1.4
Cost of sales	811	705	15.0	2,097	1,985	5.7
Traffic expenses	645	663	-2.7	1,931	1,970	-2.0
Staff costs	608	573	6.3	1,838	1,740	5.6
Repair & maintenance	78	82	-5.0	246	247	-0.4
Others	1	(7)	nm	8	(2)	nm
Total	**3,232**	**3,023**	**6.9**	**9,165**	**8,941**	**2.5**

	Quarter		Nine Months	
	31 Dec		31 Dec	
As a percentage of operating revenue	2014	2013	2014	2013
	%	%	%	%
Selling & administrative	24.6%	23.6%	23.6%	23.6%
Cost of sales	18.3%	16.5%	16.3%	15.6%
Traffic expenses	14.6%	15.6%	15.0%	15.5%
Staff costs	13.7%	13.4%	14.3%	13.7%
Repair & maintenance	1.8%	1.9%	1.9%	1.9%
Others	**	-0.2%	0.1%	**
Total	**73.0%**	**70.8%**	**71.2%**	**70.3%**

Total operating expenses increased 6.9% from the same quarter last year, and in constant currency terms would have increased 9.7%.

Selling and administrative expenses, the largest expense category at 25% of operating revenue, grew by 8.0% driven by higher mobile customer connection volume and costs.

Cost of sales grew 15% related to higher equipment sales and ICT revenue.

SECTION 1 : GROUP

STAFF COSTS

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2014 S$ m	2013 S$ m	%	2014 S$ m	2013 S$ m	%
Staff costs						
Optus	288	298	-3.5	914	914	**
Amobee (including Adconion & Kontera)	29	10	196.9	65	25	165.0
SingTel and other subsidiaries	292	265	10.1	859	802	7.1
Group	**608**	**573**	**6.3**	**1,838**	**1,740**	**5.6**

	Quarter			Nine Months		YOY
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	Chge %
Average number of staff						
Optus	9,130	9,091	8,848	9,088	8,685	4.6
Amobee	543	433	208	401	191	109.9
SingTel and other subsidiaries	13,565	13,510	12,821	13,336	12,894	3.4
Group	**23,238**	**23,034**	**21,877**	**22,825**	**21,770**	**4.8**
As at end of period						
Optus	9,125	9,125	8,921	9,125	8,921	2.3
Amobee	539	536	213	539	213	153.1
SingTel and other subsidiaries	13,615	13,582	12,807	13,615	12,807	6.3
Group	**23,279**	**23,243**	**21,941**	**23,279**	**21,941**	**6.1**

Staff costs grew 6.3% due to higher average headcount and annual salary increments.

As of 31 December 2014, Group headcount increased 1,338 or 6.1% from a year ago to 23,279. The increase was due to staff additions from Adconion and Kontera, additional IT capabilities to support ICT projects, and higher number of retail staff in Australia with the expansion of Optus owned stores.

SECTION 1 : GROUP

NET FINANCE EXPENSE

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2014 S$ m	2013 S$ m	%	2014 S$ m	2013 S$ m	%
Net interest expense:						
- Interest income	*	4	nm	9	10	-14.4
- Interest expense	(78)	(72)	7.6	(222)	(222)	**
	(78)	(69)	13.1	(213)	(212)	0.8
- Net interest income from NetLink Trust (1)	7	5	27.5	17	15	9.2
	(71)	(64)	11.9	(197)	(196)	0.1
Other finance income:						
- Investment income (2)	9	28	-66.7	40	52	-23.3
- Net foreign exchange (loss)/ gain	(1)	1	nm	(1)	*	nm
- Fair value adjustments (3)	(7)	2	nm	(7)	7	nm
	2	30	-94.0	32	59	-45.7
Net finance expense	**(69)**	**(34)**	**107.2**	**(165)**	**(138)**	**19.6**

Notes:

(1) Comprise interest earned on the unitholder's loan to NetLink Trust, net of the finance lease expenses on the exchange buildings leased from NetLink Trust.

(2) Comprise mainly dividend income from other non-equity accounted investments.

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

Interest income reduced with lower average cash balance while interest expense increased from higher average borrowings.

In the quarter, the Group received dividend income of S$9 million (Q3 FY2014: S$27 million) from the Southern Cross consortium.

Net fair value loss of S$7 million in the quarter arose from mark-to-market valuation of interest rate swaps.

SECTION 1 : GROUP

EXCEPTIONAL ITEMS [1]

	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Exceptional gains/ (losses)						
Dilution gain on SingPost	-	-	-	65	-	nm
Dilution gain on Airtel	-	-	-	-	150	nm
Net gain on sale/ liquidation of venture investments	17	-	nm	17	6	191.4
Staff restructuring costs	*	*	nm	(29)	(7)	333.3
Impairment of venture investments	(16)	(14)	20.7	(16)	(18)	-9.9
Share of Airtel's one-off items	-	(17)	nm	(17)	(17)	1.2
Share of Globe's accelerated depreciation	(2)	(8)	-81.9	(11)	(56)	-81.3
Others	2	2	-11.1	3	6	-40.0
Group net exceptional gains/ (losses) (post-tax)	*****	**(37)**	**nm**	**13**	**64**	**-79.2**

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 quarter, exceptional items comprised mainly a gain on sale of venture investments of S$17 million and an impairment charge of S$16 million (Q3 FY2014: S$14 million) on certain venture investments.

SECTION 1 : GROUP

TAX EXPENSE

	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Income tax expense						
Optus	95	100	-4.3	303	303	**
SingTel and other subsidiaries	44	43	2.4	141	136	3.6
Tax expense of SingTel and its subsidiaries (a)	139	142	-2.3	444	439	1.1
Tax credit on assets transferred to an associate	(39)	-	nm	(39)	-	nm
Share of associates' tax expense (b)	209	184	14.0	625	532	17.4
Withholding taxes on associates' dividend income [1]	5	-	nm	103	91	13.3
Total	**314**	**326**	**-3.5**	**1,133**	**1,062**	**6.7**
Profit before exceptional items and tax	1,285	1,236	4.0	3,966	3,756	5.6
Exclude:						
Share of associates' pre-tax profits	(667)	(539)	23.8	(1,933)	(1,635)	18.2
Adjusted pre-tax profit (c)	**618**	**698**	**-11.4**	**2,033**	**2,121**	**-4.2**
Effective tax rate of SingTel and subsidiaries (a)/(c)	***22.5%***	***20.4%***		***21.8%***	***20.7%***	
Share of associates' pre-tax profits (d)	667	539	23.8	1,933	1,635	18.2
Effective tax rate of associates (b)/(d)	***31.4%***	***34.1%***		***32.3%***	***32.5%***	

Note:

(1) Withholding taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, the dividend income and related withholding taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at Group. The cash inflows upon the receipt of dividend are shown in **Section 5**.

The Group’s tax expense included a net tax credit of S$39 million recognised this quarter, which arose from certain property, plant and equipment transferred to an associate.

SECTION 1 : GROUP

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Dec 2014 S$ m	30 Sep 2014 S$ m	31 Dec 2013 S$ m
Current assets (excluding cash)	4,070	3,868	3,708
Cash and bank balances	629	524	1,283
Non-current assets	36,552	35,828	33,980
Total assets	**41,251**	**40,219**	**38,970**
Current liabilities	6,019	4,773	7,265
Non-current liabilities	11,535	11,518	9,150
Total liabilities	**17,554**	**16,292**	**16,415**
Net assets	**23,697**	**23,928**	**22,556**
Share capital	2,634	2,634	2,634
Retained earnings	26,532	26,645	25,473
Currency translation reserves	(4,288)	(4,161)	(4,097)
Other reserves	(1,203)	(1,217)	(1,473)
Equity attributable to shareholders	**23,674**	**23,901**	**22,536**
Minority interest	23	27	19
	23,697	**23,928**	**22,556**

The Group is in a strong financial position as at 31 December 2014. Singtel is rated Aa3 by Moody's and A+ by Standard & Poor's.

On 12 November 2014, the Directors approved an interim dividend of 6.8 cents per share totaling S$1.08 billion in respect of the current financial year ending 31 March 2015. The dividend has been accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the current quarter ended 31 December 2014. The interim dividend was paid in January 2015.

The currency translation losses increased by S$127 million from a quarter ago, arising mainly from the impact of the weaker Australian Dollar against the Singapore Dollar on translation of net assets of Optus and the Group's share of Airtel's translation losses.

SECTION 1 : GROUP

LIQUIDITY AND GEARING

	As at		
	31 Dec 2014 S$ m	**30 Sep 2014 S$ m**	**31 Dec 2013 S$ m**
Gross debt			
Current debt	26	193	1,633
Non-current debt	8,716	8,863	6,710
Gross debt as reported in statement of financial position	**8,742**	**9,056**	**8,343**
Related net hedging (asset)/ liability [1]	(250)	(18)	86
	8,493	**9,038**	**8,429**
Less : Cash and bank balances	(629)	(524)	(1,283)
Net debt	**7,863**	**8,514**	**7,146**
Gross debt gearing ratio [2]	***26.4%***	***27.4%***	***27.2%***
Net debt gearing ratio	***24.9%***	***26.2%***	***24.1%***

Notes:

(1) The net hedging asset/ liability relates to the fair values of cross currency and interest rate swaps.

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

Hedged gross debt decreased by S$546 million to S$8.49 billion from a quarter ago, mainly due to net decline in S$439 million of borrowings, and mark-to-market movements. Net debt gearing decreased to 24.9% from 26.2% a quarter ago.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Nine Months		YOY
	31 Dec 2014 S$ m	31 Dec 2013 S$ m	30 Sep 2014 S$ m	31 Dec 2014 S$ m	31 Dec 2013 S$ m	Chge %
Net cash inflow from operating activities						
Profit before exceptional items and tax	**1,285**	**1,236**	**1,389**	**3,966**	**3,756**	**5.6**
Non-cash items	(47)	33	(48)	(156)	112	nm
Operating cash flow before working capital changes	1,239	1,269	1,342	3,810	3,869	-1.5
Changes in operating assets and liabilities	(8)	(112)	5	(139)	(553)	-74.8
	1,231	1,157	1,346	3,671	3,316	10.7
Cash paid to employees under performance share plans	-	-	(1)	(1)	(5)	-77.6
Tax paid on operating activities	(68)	(37)	(286)	(399)	(312)	28.0
Operating cash flow before dividends from associates	**1,164**	**1,120**	**1,059**	**3,270**	**2,999**	**9.1**
Dividends received from associates	59	51	277	1,094	1,072	2.0
Withholding tax paid on dividends received	(5)	-	(22)	(102)	(99)	3.0
	1,217	**1,171**	**1,315**	**4,262**	**3,971**	**7.3**
Tax benefit payment to NetLink Trust	-	(143)	-	-	(143)	nm
	1,217	**1,029**	**1,315**	**4,262**	**3,829**	**11.3**
Net cash outflow for investing activities						
Payment for purchase of property, plant and equipment	(549)	(460)	(582)	(1,677)	(1,448)	15.8
Investment in associates	(1)	(13)	-	(1)	(398)	-99.6
Proceeds from disposal of associates	-	38	-	-	38	nm
Payment for purchase of spectrum	(40)	-	(746)	(865)	(180)	381.9
Payment for purchase of subsidiaries	-	(7)	(433)	(443)	(48)	@
Investment in venture investments	(4)	(2)	(8)	(23)	(48)	-51.6
Proceeds from disposal of venture investments	11	*	9	61	8	@
Proceeds from disposal of property, plant and equipment	6	*	3	10	6	67.8
Withholding tax paid on interest received on inter-company loans	-	-	(16)	(16)	(18)	-6.3
Others	(2)	(4)	(14)	(15)	(29)	-47.2
	(578)	**(448)**	**(1,787)**	**(2,970)**	**(2,116)**	**40.4**
Net cash (outflow)/ inflow for financing activities						
Net (decrease)/ increase in borrowings	(439)	(56)	2,021	601	564	6.5
Net interest paid on borrowings and swaps	(85)	(85)	(61)	(243)	(244)	-0.3
Final dividend paid to shareholders	-	-	(1,594)	(1,594)	(1,594)	**
Purchase of performance shares	(6)	(6)	(14)	(41)	(31)	34.4
Others	(5)	(6)	-	(5)	(6)	-26.2
	(534)	**(153)**	**352**	**(1,282)**	**(1,311)**	**-2.2**
Net increase/ (decrease) in cash and cash equivalents	**105**	**428**	**(121)**	**10**	**402**	**-97.6**
Exchange effects on cash and cash equivalents	1	(6)	(4)	(3)	(30)	-90.6
Group cash and cash equivalents at beginning	**524**	**861**	**649**	**623**	**911**	**-31.7**
Group cash and cash equivalents at end	**629**	**1,283**	**524**	**629**	**1,283**	**-50.9**
Singapore	283	227	314	951	828	14.8
Optus	332	290	162	642	580	10.8
Group free cash flow (before associates' dividends)	**615**	**518**	**477**	**1,594**	**1,408**	**13.2**
Dividends received from associates (net of withholding tax)	**54**	**51**	**256**	**992**	**973**	**1.9**
Group free cash flow	**669**	**569**	**732**	**2,585**	**2,381**	**8.6**
Group free cash flow (1)	**669**	**712**	**732**	**2,585**	**2,523**	**2.4**
Optus free cash flow (in A$)	*306*	*249*	*138*	*571*	*516*	*10.7*
Cash capex to operating revenue	***12%***	***11%***	***14%***	***13%***	***11%***	

Note:
(1) Adjusted to exclude tax benefit payment of S$143 million to NetLink Trust during the December 2013 quarter. The S$143 million was subsequently applied by NetLink Trust towards the acquisition of OpenNet.

SECTION 1 : GROUP

Net cash inflow from operating activities (before associates' dividend receipts) amounted to S$1.16 billion for the quarter, up 3.9% from the corresponding quarter last year due to positive movements in working capital.

Compared to a quarter ago, operating cash flow decreased 7.4% mainly attributed to lower EBITDA and lower dividends received from associates, partly offset by lower cash taxes.

Net cash outflow for investing activities was S$578 million. Capital expenditure was S$549 million, comprising S$187 million for Singapore and S$362 million (A$327 million) for Australia. In Singapore, major capital investments in the quarter included S$72 million for mobile networks and S$42 million for fixed and data infrastructure. In Australia, capital investments in mobile networks and other core infrastructure were A$230 million and A$97 million respectively. Other investing cash flows included spectrum payment of S$40 million for 2.5 GHz spectrum in Singapore.

The Group's free cash flow grew 18% to S$669 million. Excluding tax benefit payment of S$143 million to NetLink Trust in the December 2013 quarter, free cash flow declined by S$43 million or 6.0% due to higher capital expenditure.

Net cash financing outflow of S$534 million mainly comprised net decrease in borrowings of S$439 million and interest payments of S$85 million.

Overall cash balance increased S$106 million from a quarter ago, and the cash balance was S$629 million as at 31 December 2014.

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER

MANAGEMENT DISCUSSION AND ANALYSIS

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the regional mobile associates in the emerging markets. Group Consumer showed stable earnings, affected by the weakening of the Australian Dollar against the Singapore Dollar by 4% this quarter. The results of regional mobile associates are discussed in **Section 5**.

FINANCIAL HIGHLIGHTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014

- **Operating revenue at S$2.76 billion – up 3.5%.**
- **EBITDA stable at S$799 million.**
- **EBIT stable at S$431 million.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

- **Operating revenue stable at S$7.94 billion.**
- **EBITDA at S$2.45 billion – up 1.3%.**
- **EBIT at S$1.35 billion – up 2.1%.**

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER SUMMARY INCOME STATEMENTS
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2014 S$ m	2013 S$ m	%	2014 S$ m	2013 S$ m	%
Operating revenue	**2,762**	**2,668**	**3.5**	**7,937**	**7,945**	**-0.1**
Operating expenses	(1,989)	(1,894)	5.0	(5,559)	(5,576)	-0.3
	774	774	-0.1	2,378	2,369	0.4
Other income	25	17	43.9	76	53	43.2
EBITDA	**799**	**792**	**0.9**	**2,454**	**2,422**	**1.3**
- margin	***28.9%***	***29.7%***		***30.9%***	***30.5%***	
Depreciation & amortisation	(368)	(365)	0.7	(1,104)	(1,099)	0.4
EBIT	**431**	**426**	**1.0**	**1,350**	**1,323**	**2.1**

	Quarter 31 Dec		YOY Change	Nine Months 31 Dec		YOY Change
	2014 S$ m	2013 S$ m	%	2014 S$ m	2013 S$ m	%
Selling & administrative	767	739	3.8	2,193	2,248	-2.5
Traffic expenses	475	479	-0.8	1,400	1,430	-2.0
Cost of sales	460	381	20.7	1,058	1,006	5.2
Staff costs	236	240	-1.4	744	725	2.7
Repair & maintenance	41	47	-13.2	138	147	-6.1
Others	9	7	23.9	25	20	24.6
Operating expenses	**1,989**	**1,894**	**5.0**	**5,559**	**5,576**	**-0.3**

Notes:
(1) Comparatives in the above tables have been restated for certain adjustments (see **Appendix 5**).
(2) The above figures include the costs of International Group division which have responsibility over the regional mobile associates.

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER OPERATING HIGHLIGHTS

For The Third Quarter Ended 31 December 2014

Australia Consumer contributed 76% (Q3 FY2014: 77%) and 80% (Q3 FY2014: 80%) to the Group Consumer's operating revenue and EBITDA respectively. The Australian Dollar depreciated 4% against the Singapore Dollar from the same quarter last year, negatively impacting the Group Consumer's results.

Operating revenue increased 3.5%, while both EBITDA and EBIT were stable. In constant currency terms, operating revenue grew 7.2%, and both EBITDA and EBIT increased 4.6%.

Operating revenue for Singapore Consumer increased by 7.4% with growth from Equipment sales, Pay TV and Mobile Communications. Operating expenses grew 9.9% from higher cost of sales and mobile acquisition and retention costs from higher connection volumes. EBITDA increased 2.8%.

This quarter, Australia delivered strong growth in operating revenue of 7.2% and increased EBITDA of 5.5% from growth in mobile service ARPU and higher customer numbers.

For The Nine Months Ended 31 December 2014

For the first nine months, operating revenue was stable. EBITDA and EBIT grew 1.3% and 2.1% respectively. In constant currency terms, operating revenue grew 2.6%, and EBITDA and EBIT were up 4.1% and 4.7% respectively.

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2014 were as follows:

	Quarter		
	31 Dec 2014 S$ m	30 Sep 2014 S$ m	QOQ Chge %
Operating revenue	**2,762**	**2,630**	**5.0**
Operating expenses	(1,989)	(1,810)	9.9
EBITDA	**799**	**849**	**-5.9**
- margin	***28.9%***	***32.3%***	
EBIT	**431**	**481**	**-10.5**

The decline in earnings against the preceding quarter was attributed mainly to seasonally higher selling costs in Singapore and the 4% decline in the Australian Dollar.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER SUMMARY INCOME STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2014 S$ m	2013 S$ m	%	2014 S$ m	2013 S$ m	%
Operating revenue	**651**	**607**	**7.4**	**1,808**	**1,731**	**4.4**
Operating expenses	(494)	(449)	9.9	(1,274)	(1,226)	3.9
	157	157	0.1	534	505	5.8
Other income (1)	5	1	438.4	14	6	132.4
EBITDA	**162**	**158**	**2.8**	**547**	**510**	**7.2**
- margin	***24.9%***	***26.1%***		***30.3%***	***29.5%***	
EBIT	**101**	**101**	**-0.1**	**370**	**340**	**8.7**

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2014 S$ m	2013 S$ m	%	2014 S$ m	2013 S$ m	%
Mobile communications	328	322	2.1	965	950	1.6
Sale of equipment	122	89	37.3	243	204	19.2
International telephone	52	56	-6.3	159	170	-6.1
Residential Pay TV	49	39	24.6	154	107	44.0
Fixed broadband	52	52	1.0	154	159	-3.6
National telephone	32	34	-6.4	96	104	-7.5
Others (2)	15	15	2.6	37	37	-0.8
Operating revenue	**651**	**607**	**7.4**	**1,808**	**1,731**	**4.4**
Selling & administrative	245	221	10.4	633	611	3.5
Cost of sales	116	86	35.5	234	198	18.0
Traffic expenses	77	86	-11.1	236	247	-4.4
Staff costs	52	50	4.9	157	153	2.5
Repair & maintenance	11	12	-6.6	34	34	-2.1
Others (3)	(7)	(6)	20.1	(19)	(17)	9.0
Operating expenses	**494**	**449**	**9.9**	**1,274**	**1,226**	**3.9**

Notes:
(1) Other income includes foreign exchange differences, scrap copper sales, gain or loss on disposal of property, plant and equipment and other recoveries.
(2) Include inter-operator tariff discounts as well as revenue from mobile network cabling works and projects.
(3) Include project costs recovery.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2014

In this quarter, Singapore Consumer grew its EBITDA by 2.8% while EBIT remained stable.

Operating revenue increased by 7.4% with growth from Equipment sales, Pay TV and Mobile Communications.

Mobile Communications revenue grew 2.1%. Postpaid subscription and data revenues grew steadily as more customers signed up for the new 4G Combo service plans. In the prepaid segment, data usage continued to grow with increased take-up of data bundles. The steady growth in subscription and data revenues helped mitigate the declining trends in voice, SMS and roaming. To further enhance customer's data usage experience, Singtel upgraded its nationwide 4G network to LTE-Advanced technology (4G+) to enable customers to enjoy higher download speeds up to 300 Mbps.

Consumer Home Services comprising residential pay TV, fixed broadband and voice revenues increased by 6.7% on the back of a higher customer base and increased ARPU. Revenue from Pay TV grew by a robust 25% as a result of higher content upgrades, and growth in the number of customers with bundled services. Content offerings were also broadened with the addition of new ethnic channels, enhanced kids and news content suite, and the revamped Sony Entertainment channel. Amid the highly competitive Next Gen NBN environment, fixed broadband registered growth as more customers upgraded to higher speed plans and migrated from copper to fibre.

Equipment sales revenue grew significantly by 37% driven by demand for new smartphones.

Overall operating expenses increased 9.9% mainly on higher cost of sales, which rose 36% with increased handset sales. Following the launch of new smartphones and new models, more customers renewed and upgraded their mobile plans this quarter. The surge in volume significantly impacted acquisition and retention costs as handset subsidies are fully expensed on connections. This explained the increase in selling and administrative expenses by 10% for the quarter. Consequently, overall EBITDA margin declined 1.2 percentage points to 24.9%.

For The Nine Months Ended 31 December 2014

Operating revenue for the first nine months grew 4.4% to S$1.81 billion while EBITDA and EBIT grew by 7.2% and 8.7% respectively, despite the impact of 2014 FIFA World cup subsidy in the first half year.

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2014 were as follows:

	Quarter		QOQ
	31 Dec 2014 S$ m	30 Sep 2014 S$ m	Chge %
Operating revenue	**651**	**588**	**10.7**
Operating expenses	(494)	(404)	22.4
EBITDA	**162**	**189**	**-14.2**
- margin	***24.9%***	***32.2%***	
EBIT	**101**	**130**	**-22.9**

EBITDA declined 14% compared to the preceding quarter mainly due to seasonally higher selling costs combined with the popularity of new smartphones. EBIT declined 23% on higher depreciation and amortisation charges.

SECTION 2 : GROUP CONSUMER

AUSTRALIA CONSUMER SUMMARY INCOME STATEMENTS
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter 31 Dec 2014 A$ m	Quarter 31 Dec 2013 A$ m	YOY Chge %	Nine Months 31 Dec 2014 A$ m	Nine Months 31 Dec 2013 A$ m	YOY Chge %
Operating revenue	**1,907**	**1,779**	**7.2**	**5,362**	**5,244**	**2.3**
Operating expenses	(1,344)	(1,242)	8.2	(3,734)	(3,657)	2.1
	563	537	4.8	1,628	1,587	2.5
Other income	18	13	32.2	53	38	38.2
EBITDA	**580**	**550**	**5.5**	**1,681**	**1,626**	**3.4**
- margin	***30.4%***	***30.9%***		***31.3%***	***31.0%***	
EBIT	**304**	**284**	**7.0**	**871**	**842**	**3.5**

	Quarter 31 Dec 2014 A$ m	Quarter 31 Dec 2013 A$ m	YOY Chge %	Nine Months 31 Dec 2014 A$ m	Nine Months 31 Dec 2013 A$ m	YOY Chge %
Incoming	253	238	6.1	702	696	0.8
Outgoing	912	876	4.1	2,675	2,624	1.9
Total Mobile Service (2)	1,165	1,115	4.5	3,376	3,320	1.7
Equipment	292	215	35.6	649	554	17.3
Total Mobile Revenue	**1,457**	**1,330**	**9.5**	**4,025**	**3,874**	**3.9**
Voice	131	139	-5.9	395	429	-7.8
Broadband	115	113	1.5	340	341	-0.3
Pay TV	19	19	2.4	57	56	1.1
Mass Market Fixed On-net	265	271	-2.2	793	826	-4.1
Mass Market Fixed Off-net	23	7	235.1	48	19	156.1
Total Mass Market Fixed	**288**	**278**	**3.6**	**841**	**845**	**-0.5**
Data & IP	59	56	5.0	181	171	5.9
Voice	33	37	-10.9	102	110	-7.3
Satellite	71	79	-10.0	213	245	-12.8
Total Wholesale Fixed	**162**	**171**	**-5.3**	**496**	**525**	**-5.6**
Operating revenue	**1,907**	**1,779**	**7.2**	**5,362**	**5,244**	**2.3**

Notes:
(1) Comparatives in the above tables have been restated for certain adjustments (see **Appendix 5**).
(2) Includes international incoming and outgoing revenue.

SECTION 2 : GROUP CONSUMER

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2014 A$ m	2013 A$ m	%	2014 A$ m	2013 A$ m	%
Selling & administrative	470	445	5.5	1,359	1,375	-1.2
Traffic expenses	360	339	6.1	1,018	998	2.0
Cost of sales	311	255	21.9	724	682	6.1
Staff costs	163	162	0.6	503	474	6.1
Repair & maintenance	27	30	-11.7	91	95	-4.2
Others	14	11	30.2	39	32	22.5
Operating expenses	**1,344**	**1,242**	**8.2**	**3,734**	**3,657**	**2.1**

Note:
(1) Comparatives in the above table have been restated for certain adjustments (see **Appendix 5**).

AUSTRALIA CONSUMER OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2014

This quarter, Australia Consumer delivered strong growth in operating revenue of 7.2% and increase in EBITDA of 5.5% from growth in mobile service ARPU and higher customer numbers. Data revenues were up 12% from the same quarter last year.

The strong postpaid handset trading momentum of the ‘My Plan’ offers has been maintained through the iPhone 6 launch with customer additions of 40,000 in the December quarter. The number of prepaid customers grew 56,000 in the quarter following the launch of ‘My Prepaid Daily’ plans.

The number of 4G mobile customers increased by 428,000 this quarter, resulting in the total 4G customer base increasing to 3.15 million at 31 December 2014, up from 2.72 million[2] a quarter ago.

Continued focus on customer engagement and innovation has resulted in Optus having the lowest comparative complaint figures amongst the major operators for the three months ended 30 September 2014.[3] Optus continued to enhance customer value with the launch of ‘Cash by Optus’, a contactless payment app for Android phones offering a convenient alternative to cash purchases below A$100.

Optus continued its mobile network investment targeting 90% of 4G national population coverage by April 2015, with 80% reached by 31 January 2015. Following the release of 700 Mhz spectrum on 1 January 2015, Optus has accelerated its 4G expansion by upgrading over 1,200 sites in metropolitan and regional areas with 700 Mhz as of 31 January 2015.

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[2] Including Enterprise customers, total Optus 4G customers increased from 2.75 million to 3.18 million.
[3] As published this quarter by the Telecommunications Industry Ombudsman (TIO).

SECTION 2 : GROUP CONSUMER

In Mass Market Fixed, operating revenue grew 3.6% from higher off-net revenue from an increase in the NBN customer base and recognition of some revenue from the Optus HFC subscriber agreement. This quarter saw the launch of unlimited broadband data offers bundled with entertainment packages.

Wholesale fixed revenue was down 5.3% compared to the same quarter last year as the increase in higher margin data and IP revenues was offset by the decline in lower margin satellite equipment sales and voice revenues.

Total operating expenses increased 8.2%. Selling and administrative expenses grew 5.5% driven by investment in customer growth, while traffic expenses increased 6.1% as a result of higher mobile service revenue. Cost of sales increased 22% with higher handset sales volume.

Overall Australia Consumer EBITDA grew A$30 million or 5.5%, while EBITDA margin reduced slightly by 0.5 percentage point to 30.4%. EBIT increased A$20 million or 7.0% on higher depreciation and amortisation charges from increased investment in the mobile network.

For The Nine Months Ended 31 December 2014

For the nine months ended 31 December 2014, operating revenue increased 2.3%, with EBITDA and EBIT up by 3.4% and 3.5% respectively. Operating expenses increased 2.1% mainly from higher cost of sales and higher staff costs from the expansion of Optus owned stores.

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2014 were as follows:

	Quarter		
	31 Dec 2014 A$ m	30 Sep 2014 A$ m	QOQ Chge %
Operating revenue	**1,907**	**1,764**	**8.1**
Operating expenses	(1,344)	(1,210)	11.1
EBITDA	**580**	**575**	**0.9**
- margin	***30.4%***	***32.6%***	
EBIT	**304**	**308**	**-1.3**

EBITDA was stable from the preceding quarter while EBIT reduced by 1.3% as continued mobile network investment and the commencement of the Optus10 satellite increased the depreciation charges.

AUSTRALIAN GOVERNMENT'S NBN PROJECT

In June 2011, Optus and NBNCo reached an agreement on the migration of Optus' HFC customers, with the total value of the agreement being approximately A$800 million on a post-tax NPV basis. In December 2014, Optus and NBNCo reached a revised agreement where the overall value remains comparable to the 2011 Optus HFC Subscriber Agreement, with the majority of the payments being received progressively on migration.

Under the terms of the agreement, once Optus HFC subscribers have been migrated to the NBN, Optus will progressively transfer ownership of its coaxial cable and ancillary assets to NBNCo, while retaining ownership of strategic aerial fibre assets used to connect mobile base stations and business customers.

The revised agreement is conditional upon ACCC approval and a ruling by the Australian Taxation Office.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE

MANAGEMENT DISCUSSION AND ANALYSIS

Group Enterprise provides comprehensive and integrated ICT solutions to enterprise customers both in Singapore and Australia, covering mobile, fixed voice and data, managed services, cloud computing, and IT services and professional consulting.

With the integration of NetLink Trust and OpenNet on 1 October 2014, Singtel relinquished its role as the key sub-contractor in respect of fibre rollout and maintenance. Accordingly, the financial highlights shown below reflected the cessation of fibre rollout and maintenance business and the related revenue share.

FINANCIAL HIGHLIGHTS (EXCLUDING FIBRE ROLLOUT & MAINTENANCE) FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014

- **Operating revenue at S$1.56 billion – up 3.4%.**
- **EBITDA at S$485 million – down 2.6%.**
- **EBIT at S$333 million – down 3.2%.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

- **Operating revenue at S$4.63 billion – up 2.3%.**
- **EBITDA at S$1.49 billion – down 3.0%.**
- **EBIT at S$1.04 billion – down 3.5%.**

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE SUMMARY INCOME STATEMENTS
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter		YOY	Nine Months		YOY
	31 Dec		Chge	31 Dec		Chge
	2014	2013	%	2014	2013	%
	S$ m	S$ m		S$ m	S$ m	
Operating revenue	**1,559**	**1,548**	**0.8**	**4,714**	**4,656**	**1.3**
Operating expenses	(1,073)	(1,027)	4.5	(3,176)	(3,088)	2.9
	487	521	-6.5	1,538	1,568	-1.9
Other income	10	6	76.4	21	23	-7.4
EBITDA	**497**	**526**	**-5.7**	**1,560**	**1,591**	**-2.0**
- margin	***31.8%***	***34.0%***		***33.1%***	***34.2%***	
Depreciation & amortisation	(152)	(154)	-1.3	(454)	(463)	-1.9
EBIT	**345**	**373**	**-7.5**	**1,106**	**1,129**	**-2.0**
Excluding fibre rollout & maintenance						
Operating revenue	1,559	1,508	3.4	4,634	4,528	2.3
EBITDA	485	498	-2.6	1,492	1,539	-3.0
EBIT	333	344	-3.2	1,039	1,077	-3.5

	Quarter		YOY	Nine Months		YOY
	31 Dec		Chge	31 Dec		Chge
	2014	2013	%	2014	2013	%
	S$ m	S$ m		S$ m	S$ m	
Cost of sales (2)	351	323	8.7	1,039	977	6.4
Staff costs	308	292	5.6	926	894	3.6
Selling & administrative	217	209	3.8	601	603	-0.4
Traffic expenses	170	184	-7.6	530	541	-1.9
Repairs, maintenance and other expenses/ recoveries	27	19	38.9	80	74	8.5
Operating expenses	**1,073**	**1,027**	**4.5**	**3,176**	**3,088**	**2.9**

Notes:
(1) Comparatives in the above tables have been restated for certain adjustments (see **Appendix 5**).
(2) In the current quarter, an accrual of S$12 million related to fibre rollout costs was written back.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE OPERATING HIGHLIGHTS

For the Third Quarter Ended 31 December 2014

Singapore contributed 73% (Q3 FY2014: 71%) and 84% (Q3 FY 2014: 82%) to Group Enterprise's operating revenue and EBITDA respectively.

This quarter, Singtel relinquished its role as OpenNet's key sub-contractor in respect of fibre rollout and maintenance, following the integration of OpenNet by NetLink Trust.[4] Accordingly, Group Enterprise's results have been prepared to reflect the cessation of fibre rollout and maintenance business and the related revenue share.

Operating revenue grew 3.4% with strong ICT and Data & Internet revenue growth of 10% and 4.1% respectively in Singapore. Overall revenue in Singapore grew 6.4% while Australia Enterprise revenue was stable in Australian Dollar terms with mobile growth offset by lower voice.

Adjusted for the fibre rollout business, operating expenses grew 6.7% from higher cost of sales, staff costs and selling expenses in line with the related revenue growth, partly offset by lower traffic expenses. Traffic expenses declined mainly due to lower outpayments and interconnect rates and write-back of some accruals no longer required.

Consequently, EBITDA and EBIT declined 2.6% and 3.2% respectively. Excluding the write-back of a one-off provision in December 2013 quarter, both EBITDA and EBIT were stable.

In the quarter, Group Enterprise gained momentum in cloud services with 6 new government agencies adopting G-Cloud in Singapore. Optus Business also expanded its cloud capabilities by acquiring Ensyst, a cloud IT professional and managed services company in Australia. Singtel SaaS marketplace went regional with the launch of SaaS marketplace in the Philippines in partnership with Globe Telecoms, Inc ("**Globe**"). Globe plans to leverage the wide library of digital content and services on myBusiness to engage Digital-Ready small and medium size enterprises in the Philippines.

Group Enterprise continued to be recognised in the industry for its innovative ICT solutions. In this quarter, it bagged several award wins, including Users' Choice Award at World Communication Awards 2014, as well as Computerworld Readers' Choice Award for its Unified Communications, Data Centre and Hosting, and Managed Connectivity services. Group Enterprise also won the NetworkWorld Asia Product Excellence Award for its Managed Infrastructure and Managed Security services.

For the Nine Months Ended 31 December 2014

Excluding the fibre rollout business, operating revenue for the first nine months grew 2.3%. EBITDA and EBIT declined by 3.0% and 3.5% respectively. The earnings reflected the keen competition in core carriage business, price declines with the Next Gen NBN environment in Singapore as well as pricing reduction with contract transition for a large government infrastructure and ICT project.

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[4] At the Group level, Singtel equity accounted for its interest in NetLink Trust, an independently managed trust.

SECTION 3 : GROUP ENTERPRISE

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2014 were as follows:

	Quarter		
	31 Dec 2014 S$ m	30 Sep 2014 S$ m	QOQ Chge %
Operating revenue	**1,559**	**1,599**	**-2.5**
Operating expenses	(1,073)	(1,052)	2.0
EBITDA	**497**	**553**	**-10.3**
- margin	***31.8%***	***34.6%***	
EBIT	**345**	**402**	**-14.3**
Excluding fibre rollout & maintenance			
Operating revenue	1,559	1,561	-0.1
EBITDA	485	511	-5.1
EBIT	333	360	-7.5

Operating revenue was stable while EBITDA and EBIT declined by 5.1% and 7.5% respectively from seasonally higher customer acquisition and retention costs in mobile.

SECTION 3 : GROUP ENTERPRISE

SINGAPORE ENTERPRISE

	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Managed services [1]	286	262	9.4	860	768	12.0
Business solutions [2]	154	137	12.3	441	399	10.6
ICT	440	399	10.4	1,301	1,166	11.5
Data and Internet [3]	327	315	4.1	968	963	0.6
Mobile communications	205	203	0.7	610	597	2.0
International telephone	51	57	-11.6	165	174	-5.2
National telephone	45	46	-2.4	136	139	-2.0
Miscellaneous [4]	72	51	40.4	157	132	19.0
Operating revenue	**1,140**	**1,071**	**6.4**	**3,337**	**3,172**	**5.2**
Fibre rollout and maintenance	-	39	nm	81	128	-36.8
Total revenue	**1,140**	**1,110**	**2.7**	**3,418**	**3,299**	**3.6**
EBITDA	**419**	**436**	**-3.8**	**1,311**	**1,328**	**-1.3**
(ex-fibre rollout & maintenance)	*407*	*407*	*0.1*	*1,244*	*1,276*	*-2.5*

Notes:

(1) Include facility management, managed and network services, and value-added reselling and services.
(2) Include applications management services and outsourcing, system integration and business process outsourcing and communication engineering services.
(3) Include Local Leased Circuits (LLC), International Leased Circuits (ILC), Fixed Broadband, STiX and Satellite.
(4) Include sale of equipment and other miscellaneous revenue.

Excluding the fibre rollout business, operating revenue was up 6.4% at S$1.14 billion driven by strong growth in ICT, and Data and Internet.

Managed Services revenue grew by 9.4% with the continued on-boarding of Singapore government's agencies to the G-Cloud platform and higher project implementation and maintenance revenue, partly offset by price reductions on contract transition for a large government infrastructure and ICT project.

Business Solutions revenue grew strongly by 12% from increased application development and maintenance projects as well as communication engineering services.

NCS continued to maintain a healthy order book of S$2.1 billion as at 31 December 2014 and won significant recognition this quarter.

In the 'Safe and Smart Cities' space, NCS entered into a strategic partnership with Sino-Singapore Guangzhou Knowledge City to identify, explore and implement Smart Healthcare, Smart Transportation and Smart Education test bedding projects in Guangzhou Development District. In addition, NCS' solution (Singapore General Hospital Automated Radio-frequency identification (RFID) Prescription Drug Delivery System) won the Best Public Sector Product (GOLD) at Singapore Infocomm Technology Federation (SiTF) Awards 2014. NCS was also recognised at the Global City Informatisation Forum (GCIF) where it secured Global Smart City Best Practice 2014 Award.

SECTION 3 : GROUP ENTERPRISE

Data and Internet revenue grew 4.1% from a combination of project related equipment sales, increased demand for circuits and bandwidth partially offset by lower satellite revenue on continued migration of legacy satellite products to IP-based satellite solutions and customer churn.

Mobile Communications revenue was stable. The growth in the mobile customer base and the increased mix of customers on tiered data and roaming plans were offset by lower domestic and roaming voice, SMS and VAS revenues.

International Telephone revenue declined 12% from lower inpayment rates and traffic, and adjustment for customer rebates. The impact on earnings was partially mitigated by lower traffic outpayment rates.

Miscellaneous revenue grew 40% from higher equipment sales and project management services.

AUSTRALIA ENTERPRISE

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2014	2013	Chge	2014	2013	Chge
	A$ m	A$ m	%	A$ m	A$ m	%
ICT and Managed Services (2)	130	129	0.9	385	379	1.6
Data and IP	89	90	-0.2	272	283	-3.7
Voice	86	90	-4.0	262	278	-5.9
Mobile (3)	74	69	6.3	215	205	4.7
Operating revenue (4)	**379**	**377**	**0.5**	**1,133**	**1,144**	**-1.0**
EBITDA (1) (5)	**70**	**79**	**-10.8**	**217**	**222**	**-2.3**

Notes:
(1) Comparatives have been restated for certain adjustments (see **Appendix 5**).
(2) Includes Hosting reclassified from Data and IP. The comparatives have been reclassified to be consistent with current quarter.
(3) Includes mobile service revenue and sale of equipment revenue.
(4) Excludes small and medium business segment which is reported under Australia Consumer.
(5) Includes A$10 million of write-back of provisions in December 2013 quarter.

ICT and Managed Services revenue grew slightly from increased project services offset by lower sales of hardware and software.

Data and IP revenue was stable with continued price competition and migration of legacy data services to lower-cost IP network solutions.

Voice revenue declined 4.0%, comparable to industry trends, with price erosions and declines in switched voice as businesses migrated to IP-based voice solutions.

Mobile revenue grew 6.3% mainly from customer growth, value added services (corporate messaging and applications) and higher equipment sales.

Significant customer wins included a comprehensive ICT managed services deal with Suncorp Group Limited (Suncorp) over seven years. The whole-of-business agreement will see Optus Business manage Suncorp's ICT services, including voice, contact centre, data networks, and international and transaction services.

SECTION 4 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE

MANAGEMENT DISCUSSION AND ANALYSIS

Group Digital Life focuses on using the latest Internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It includes digital marketing, e-commerce, data analytics, mobile banking payment, concierge and hyper-local services.

FINANCIAL HIGHLIGHTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014

- **Operating revenue at S$105 million – up 165% with contributions from Adconion and Kontera.**
- **Negative EBITDA of S$49 million, reflecting integration costs and investment initiatives.**
- **Negative EBIT of S$70 million, including amortisation of acquired intangibles.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

- **Operating revenue at S$233 million – up 123%.**
- **Negative EBITDA of S$144 million.**
- **Negative EBIT of S$204 million.**

SECTION 4 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE SUMMARY INCOME STATEMENTS
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2014 S$ m	2013 S$ m	Chge %	2014 S$ m	2013 S$ m	Chge %
Digital [2]	104	38	177.7	225	89	153.2
Others [3]	13	14	(6.4)	48	41	15.7
Operating revenue	**118**	**52**	**127.5**	**273**	**130**	**109.4**
Intercompany eliminations	(12)	(12)	3.3	(40)	(26)	54.4
Operating revenue	**105**	**40**	**165.0**	**233**	**104**	**123.1**
Operating expenses	(153)	(82)	87.6	(376)	(218)	73.1
	(48)	(42)	14.5	(144)	(113)	26.9
Other income	(1)	(1)	83.3	(1)	(2)	-62.5
EBITDA	**(49)**	**(43)**	**15.5**	**(144)**	**(115)**	**25.7**
Depreciation	(9)	(6)	56.9	(21)	(14)	44.4
Amortisation of intangibles	(12)	(8)	51.3	(40)	(22)	79.2
	(21)	(13)	53.7	(60)	(36)	65.6
EBIT	**(70)**	**(56)**	**24.6**	**(204)**	**(151)**	**35.3**
Amobee group						
Operating revenue	104	38	177.7	225	89	153.2
Intercompany eliminations	(12)	(12)	3.3	(40)	(26)	54.4
Operating revenue	92	26	259.3	185	63	193.8
EBITDA	(20)	(7)	191.2	(44)	(17)	163.1
EBIT	(28)	(9)	210.0	(67)	(21)	220.6

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2014 S$ m	2013 S$ m	Chge %	2014 S$ m	2013 S$ m	Chge %
Selling & administrative	100	48	110.9	240	120	99.4
Staff costs	49	31	57.9	126	88	43.9
Cost of sales	*	1	nm	*	2	nm
Others	4	2	58.3	10	8	29.1
Operating expenses	**153**	**82**	**87.6**	**376**	**218**	**73.1**

Notes:

(1) Comparatives in the above tables have been restated for certain adjustments (see **Appendix 5**).
(2) Mainly digital marketing (which includes digital advertising) revenue from Amobee group.
(3) Include revenues from e-commerce, mobile banking payment, concierge and hyper-local services, advertising revenue from TV and internet etc.

SECTION 4 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE OPERATING HIGHLIGHTS

For The Third Quarter Ended 31 December 2014

Following the acquisitions of Kontera in July 2014 and Adconion in August 2014, operating revenue rose 165% to S$105 million.

Negative EBITDA amounted to S$49 million (Q3 FY2014: S$43 million) and negative EBIT was S$70 million (Q3 FY2014: S$56 million). The losses reflected the integration of Adconion and Kontera and start-up costs in new businesses and initiatives.

Amobee group including Adconion and Kontera recorded operating revenue of S$92 million in the quarter. Negative EBITDA was S$20 million and negative EBIT was S$28 million in the quarter with the amortisation of the acquired intangibles.

Amobee is focusing on becoming a leader in real moment marketing, and has been recognised with a number of top industry awards. In the quarter, Amobee was awarded with the "Most Innovative Company of the Year" in the 2014 Best in Biz Awards under the Medium-size company category. The award recognises companies which have demonstrated innovations in terms of patents, inventions, first-to-market developments, company culture and policies.

Amobee also officially launched INK, its proprietary cross device tracking technology. INK enables brands to profile users across devices more comprehensively and accurately. The launch was featured in VentureBeat website and Adweek magazine.

On 30 January 2015, Singtel partnered with Sony Pictures Entertainment (Sony) and Warner Bros. Entertainment (Warner) to form HOOQ. HOOQ will offer a regional over-the-top (OTT) video service and deliver both Hollywood blockbusters and popular local programmes to customers anytime, anywhere by enabling them to stream and download their favourite shows on their device or platform of choice. HOOQ will be rolled out progressively in the Singtel Group's Asia footprint, including India, Indonesia, the Philippines and Thailand.

For The Nine Months Ended 31 December 2014

Operating revenue for the nine months more than doubled to S$233 million. Negative EBITDA and EBIT were at S$144 million (YTD December 2013: S$115 million) and S$204 million (YTD December 2013: S$151 million) respectively.

SECTION 4 : GROUP DIGITAL LIFE

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2014 were as follows:

	Quarter		QOQ
	31 Dec 2014 S$ m	30 Sep 2014 S$ m	Chge %
Operating revenue (before intercompany eliminations)	**118**	**103**	**14.3**
Intercompany eliminations	(12)	(18)	-32.2
Operating revenue	**105**	**85**	**24.3**
EBITDA	**(49)**	**(50)**	**-1.6**
EBIT	**(70)**	**(77)**	**-8.8**

Compared to a quarter ago, lower negative EBIT was due to credit adjustments to amortisation expense in respect of the September 2014 quarter.

SECTION 5: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014

- **Regional currencies were relatively stable in the quarter.**

- **Associates' pre-tax and post-tax contributions grew strongly by 24% and 29% respectively on strong earnings growth from Telkomsel and Airtel.**

- **The Group's combined mobile customer base[5] was up 12 million or 2.2% in the quarter to 543 million.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

- **Associates' pre-tax and post-tax contributions grew by 18% and 19% respectively.**

- **If the regional currencies had remained stable from the same period last year, the pre-tax and post-tax contributions from the associates would have increased by 24% and 25% respectively.**

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

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Pre-tax profit contribution [1]	Equity Int %	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Regional mobile associates							
Telkomsel	35.0						
- operating results		268	215	24.6	748	743	0.7
- fair value gains/ (losses)		5	(2)	nm	(5)	(22)	-75.6
		273	214	27.9	743	721	3.0
Bharti Telecom/ Bharti Airtel ("Airtel") [2][3]	32.4						
- operating results (India and South Asia) [4]		243	178	36.3	705	508	38.9
- operating results (Africa)		30	40	-24.2	95	99	-4.0
- net finance costs		(33)	(56)	-40.2	(132)	(183)	-27.8
- fair value losses		(37)	(14)	165.2	(72)	(75)	-3.1
		202	148	36.7	596	350	70.6
AIS	23.3						
- operating results		113	108	4.8	311	323	-4.0
- fair value (losses)/ gains		*	(2)	nm	1	(4)	nm
		113	106	6.6	312	320	-2.5
Globe [5]	47.2						
- operating results		57	41	37.3	217	173	25.8
- fair value gains/ (losses)		1	(3)	nm	1	(6)	nm
		57	39	48.3	219	166	31.3
		646	**506**	**27.6**	**1,869**	**1,557**	**20.1**
Other Singtel associates							
Singapore Post	23.0	12	13	-3.9	36	36	-0.8
NetLink Trust/ OpenNet [6]	100.0	17	3	475.9	32	3	@
Others		8	9	-7.8	23	25	-6.0
Singtel share of ordinary results (pre-tax)		**683**	**531**	**28.7**	**1,960**	**1,621**	**21.0**
Optus share of ordinary results (pre-tax)		*****	*****	**nm**	*****	*****	**nm**
Group share of ordinary results (pre-tax)		**683**	**531**	**28.7**	**1,960**	**1,621**	**21.0**
Exceptional item ("EI")							
Airtel - one-off items		(16)	-	nm	(27)	7	nm
ACPL Marine - gain on sale of asset		-	8	nm	-	8	nm
Group share of EI		**(16)**	**8**	**nm**	**(27)**	**14**	**nm**
Singtel share of pre-tax profit [3][5]		**667**	**539**	**23.9**	**1,933**	**1,635**	**18.2**
Optus share of pre-tax profit		*****	*****	**nm**	*****	*****	**nm**
Group share of pre-tax profit [3][5]		**667**	**539**	**23.8**	**1,933**	**1,635**	**18.2**

	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Singtel share of associates' tax	(208)	(182)	14.6	(623)	(529)	17.8
Optus share of associates' tax	(1)	(2)	(50.0)	(1)	(3)	-51.7
Group share of associates' tax (a)	**(209)**	**(184)**	**14.0**	**(625)**	**(532)**	**17.4**
Group share of pre-tax results (b)	**667**	**539**	**23.8**	**1,933**	**1,635**	**18.2**
Effective tax rate (a)/(b)	***31.4%***	***34.1%***		***32.3%***	***32.5%***	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter 31 Dec				YOY Chge	Nine Months 31 Dec				YOY Chge
	2014		2013			2014		2013		
	S$ m	% [7]	S$ m	% [7]	%	S$ m	% [7]	S$ m	% [7]	%
Regional mobile associates										
Telkomsel	206	21	161	18	28.4	559	20	541	20	3.3
Airtel [2][3]										
- ordinary results (India and South Asia) [4]	174		93		85.9	475		220		116.0
- ordinary results (Africa)	(57)		(37)		54.2	(163)		(79)		105.6
- exceptional items	(20)		-		nm	(30)		(1)		@
	97	10	57	6	71.4	282	10	139	5	102.3
AIS	84	9	81	9	4.0	242	9	249	9	-2.8
Globe [5]	40	4	28	3	45.7	151	5	115	4	31.4
	428	**44**	**326**	**36**	**31.3**	**1,234**	**44**	**1,045**	**39**	**18.2**
Other Singtel associates										
Singapore Post	10	1	10	1	1.0	29	1	29	1	-0.3
NetLink Trust/ OpenNet [6]	14	1	6	1	140.4	26	1	4	**	@
Others	7	1	16	2	-52.9	21	1	29	1	-28.5
Singtel share of post-tax profit [3][5]	**459**	**47**	**357**	**39**	**28.6**	**1,310**	**46**	**1,106**	**41**	**18.4**
Optus share of post-tax profit	**(1)**	**	**(2)**	**	**-47.1**	**(1)**	**	**(3)**	**	**-53.6**
Group share of post-tax profit [3][5]	**458**	**47**	**355**	**39**	**28.9**	**1,308**	**46**	**1,103**	**41**	**18.6**

Post-tax profit contribution (in constant currency) [8]	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2014 S$ m	2013 S$ m	%	2014 S$ m	2013 S$ m	%
Regional mobile associates						
- operating results	674	527	28.0	2,044	1,663	22.9
- fair value losses	(31)	(20)	51.0	(77)	(107)	-27.7
	644	506	27.1	1,967	1,557	26.4
Other associates	37	25	50.6	91	64	42.2
Group share of ordinary results	**681**	**531**	**28.2**	**2,058**	**1,621**	**27.0**
Group share of exceptional items	(16)	8	nm	(27)	14	nm
Group share of pre-tax profit	**665**	**539**	**23.5**	**2,032**	**1,635**	**24.3**
Group share of tax	(207)	(184)	13.0	(651)	(532)	22.4
Group share of post-tax profit	**458**	**355**	**28.9**	**1,381**	**1,103**	**25.2**

Notes:

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

(2) The Group's equity interest in Airtel increased to 32.4% (31 March 2014: 32.38%) following Bharti Telecom Ltd's additional investment in Airtel in June 2014 quarter.

(3) Share of results for the current period excluded the Group's share of Airtel's exceptional items which have been classified as exceptional items of the Group.

(4) With effect from 1 April 2014, Airtel reported the results of India, Bangladesh and Sri Lanka as part of its "India and South Asia" segment. Comparatives have been restated accordingly.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

(5) Share of results for the third quarter and nine months ended 31 December 2014 and 31 December 2013 excluded the Group's share of Globe's accelerated depreciation arising from its network modernisation and IT transformation which has been classified as an exceptional item of the Group.

(6) NetLink Trust is 100% owned by Singtel and is equity accounted as an associate in the Group as Singtel does not control it. On 28 November 2013, NetLink Trust acquired 100% of OpenNet Pte. Ltd.

(7) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.

(8) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 31 December 2013.

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

The Group's share of associates' pre-tax profits grew 24% with strong earnings growth from Telkomsel and Airtel.

Telkomsel registered double-digit growth in revenue and EBITDA partly offset by higher depreciation charges from network expansion. Airtel recorded increases in both consolidated revenue and EBITDA. The strong results in India were partly offset by weaker performance in Airtel Africa compounded by significant currency depreciation especially the Nigerian Naira. AIS recorded higher service revenue on mobile data growth and increased EBITDA which was partly offset by higher depreciation charges on continued 3G network expansion. Globe reported higher revenue and EBITDA with continued growth in mobile and data services.

On a post-tax basis, the associates contributed 47% to the Group's underlying net profit, up 8 percentage points from the same quarter last year.

For the nine months ended 31 December 2014, the Group's share of associates' pre-tax and post-tax profits grew 18% and 19% respectively. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions from the associates would have increased by 24% and 25% respectively.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with over 85,400 radio base stations (of which 45% are 3G Node B) providing nationwide coverage. Telkomsel continued to expand its network with a focus to grow data and digital services. In the quarter, Telkomsel added approximately 2,100 radio base stations, of which 85% are 3G Node B.

Operating revenue was up 11% year-on-year with growth across voice, data and digital services fuelled by strong customer growth and data adoption. Voice revenue grew 10% while data and digital services grew a robust 38% on higher data usage and continued strong uptake of smartphones.

EBITDA increased by a strong 23% on the back of higher revenue and lower operation and maintenance costs and other cost of services. With higher depreciation charges on the expanded network rollout, the Group's share of Telkomsel's pre-tax operating profit (before fair value adjustments) rose 27% in Indonesian Rupiah terms.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

After including the Group's share of fair value gains of S$5 million (Q3 FY2014: S$2 million losses) and with 2% depreciation of the Indonesian Rupiah against the Singapore Dollar this quarter, the Group's overall share of Telkomsel's pre-tax profit grew 28%.

On a post-tax basis, Telkomsel's profit contribution for the quarter increased 28% to S$206 million which constituted 21% (Q3 FY2014: 18%) of the Group's underlying net profit.

Compared to the preceding quarter, revenue was up 5% in Indonesian Rupiah terms with seasonally higher usage in both voice and data, and a higher customer base. Operating expenses declined 3% on lower operation and maintenance costs. As a result, EBITDA grew 11%.

Telkomsel gained 1.2 million mobile customers in the quarter, compared to 2.0 million in the preceding quarter. The total mobile customer base grew 9.1 million or 6.9% from a year ago to 141 million, including 68 million data customers at end of December 2014.

Bharti Telecom Group ("Airtel")

Airtel is listed on the Indian Stock Exchanges - National Stock Exchange and the Bombay Stock Exchange. It is a leading integrated telecommunications company with operations in 20 countries across Asia and Africa, offering telecom services under wireless and fixed line technology, national and international long distance connectivity, digital TV and IPTV service and complete integrated telecom solutions to its enterprise customers. Airtel also owns tower infrastructure pertaining to telecom operations through its subsidiary and joint venture companies.

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

Airtel continued its strong operating momentum in India this quarter with improved operating metrics across all its business segments. Operating revenue grew a strong 13%, the highest in nine quarters driven by strong mobile data growth and customer acquisitions. Year-on-year, total minutes on its networks increased by 5% while voice realisation per minute was up 1%. Total data traffic rose strongly by 94% and blended ARPU increased by 4% lifted by increase in number of data customers and higher usage.

EBITDA was up by a robust 21% and margin expanded on revenue growth and improved operational efficiency.

'South Asia' comprised operations in Sri Lanka and Bangladesh. Airtel recorded lower operating revenue and a negative EBITDA in South Asia, impacted by lower minutes of usage and a lower customer base.

The Group's share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia grew steeply by 32% in Indian Rupee terms. With a 3% appreciation of the Indian Rupee against the Singapore Dollar, pre-tax operating profit contribution increased 36% to S$243 million.

Compared to the preceding quarter, both Airtel's revenue and EBITDA from its India and South Asia operations grew 3% and 4% respectively.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Airtel added 5.5 million mobile customers in India this quarter, compared to 2.3 million added in the preceding quarter. As at 31 December 2014, Airtel had 217 million mobile customers in India, an increase of 19 million or 9.4% from a year ago. Reflecting the improved quality of customer acquisitions and retention strategy, the average mobile monthly churn in India remained healthy at 2.7%.

Africa

As at end of December 2014, 'Airtel Money' service was available in all the 17 African countries that Airtel operated in, while 3G mobile services has been launched across 16 African countries.

Africa's operating revenue grew 4% in local currency terms driven by strong growth in mobile data and 'Airtel Money' services. Mobile data revenue grew 35% on higher usage and increased data penetration. However, significant depreciation in the African currencies especially the Nigerian Naira depressed the reported results in US Dollar terms. Consequently, operating revenue declined 5% and EBITDA fell 20% from investments in network and customer service costs.

The Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) declined 24% to S$30 million in the quarter.

Compared to the preceding quarter, Airtel Africa's revenue and EBITDA declined 3% and 11% respectively on weaker African currencies.

Airtel Africa added 3.2 million mobile customers in the quarter, up from 2.3 million added in the preceding quarter. As at 31 December 2014, the total customer base stood at 75 million, an increase of 6.3 million or 9.2% from a year ago.

Overall

In Singapore Dollar terms, with a stronger Indian Rupee, the Group's share of overall ordinary pre-tax profit from Airtel grew 37% to S$202 million after including the share of net finance costs of S$33 million (Q3 FY2014: S$56 million) and fair value losses of S$37 million (Q3 FY2014: S$14 million). The decrease in net finance costs was primarily due to higher unrealised mark-to-market gains on investments in the current quarter. The higher fair value losses mainly resulted from the sharp depreciation of African currencies against the US Dollar, especially the Nigerian Naira.

The share of Airtel's exceptional post-tax losses of S$20 million this quarter included fair value losses arising from the translation of foreign currency denominated liabilities in Nigeria from the one-off re-instatement of Central Bank administered rates to open market exchange rates, as well as staff restructuring costs and provisions on various disputes and tax charges.

Post-tax profit contribution from Airtel grew 71% to S$97 million and accounted for 10% of the Group's underlying net profit, 4 percentage points higher than a year ago.

Including mobile customers across operations in 20 countries covering India, Bangladesh, Sri Lanka and across Africa, Airtel's total mobile customer base across all geographies grew 24 million or 8.9% from a year ago to 300 million as at 31 December 2014.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

On 18 February 2014, Airtel and Loop Mobile announced a strategic agreement to integrate their operations in Mumbai (India) service area. On 5 November 2014, as Department Of Telecom's approval had not been received, the agreement was terminated.

On 30 August 2014, Airtel Networks Kenya Limited ("**Airtel Kenya**"), an indirect subsidiary of Airtel, signed a definitive agreement with Essar Telecommunications Kenya Limited ("**Essar**") to acquire Essar's subscribers. As part of this transaction, the regulator has also approved the synchronisation of Airtel Kenya's license with Essar to expire on 30 June 2024. Airtel Kenya started integrating Essar's subscribers into its network in August 2014 and completed the process in January 2015.

In the quarter, Airtel, through its subsidiary Bharti Airtel International (Netherlands) B.V., entered into agreements with American Tower Corporation to divest 4,800 telecom towers in Nigeria, and with IHS Holdings Limited to divest 1,100 telecom towers in Zambia and Rwanda. Completion of these transactions are subject to condition precedents, including regulatory approvals.

Advanced Info Service ("AIS")

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

Service revenue (excluding interconnect revenue) grew 4% driven by growing demand for mobile data and higher smartphone penetration. EBITDA grew 9% largely attributed to regulatory costs savings from 3G migration. Including higher depreciation and amortisation charges from continued investments in 3G network, AIS pre-tax profit increased 6.1% in Thai Baht terms. With a stable Thai Baht against the Singapore Dollar this quarter, the Group's share of AIS' pre-tax profit rose 6.6% to S$113 million.

Post-tax contribution, however, rose 4.0% and contributed 9% (Q3 FY2014: 9%) to the Group's underlying net profit after a deferred tax asset adjustment.

Against the preceding quarter, AIS' service revenue increased 2% while EBITDA grew 8% with lower regulatory fees.

During the quarter, AIS added 0.5 million mobile customers, compared to 0.9 million in the preceding quarter. The total customer base grew 3.4 million or 8.4% from a year ago to 44 million. AIS gained 2.1 million 3G customers in the quarter, bringing the total number of 3G customers to 41 million or 92% of its total mobile customer base as at 31 December 2014.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Globe Telecom, Inc ("Globe")

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

Globe's service revenue grew by 13% driven by a higher mobile customer base and strong adoption of data services. Operating expenses increased 12% on higher subsidy and marketing expenses to drive customer acquisitions and transformation initiatives, as well as higher provisions and network costs. Consequently, Globe's EBITDA rose 16%. With lower depreciation charges, Globe's pre-tax profit (before exceptional items) rose 47% from a year ago in Philippine Peso terms.

Globe's ordinary pre-tax profit contribution increased 48% year-on-year to S$57 million. This contribution excluded Globe's accelerated depreciation charges related to its network modernisation and IT transformation programs. The Group's share of the post-tax charge of S$2 million (Q3 FY2014: S$8 million) has been classified as an exceptional item of the Group.

On a post-tax basis, Globe contributed S$40 million or 4% (Q3 FY2014: 3%) to the Group's underlying net profit.

Against the preceding quarter, Globe's service revenue rose 5% while EBITDA declined 11% from higher subsidy and marketing expenses and higher provisions.

Globe added 1.2 million mobile customers in the quarter, compared to 136,000 in the preceding quarter. As at 31 December 2014, its mobile customer base expanded to 44 million, up 5.6 million or 14% from a year ago.

NetLink Trust

The Group's share of post-tax profits from NetLink Trust was S$14 million for the quarter compared to S$6 million in the same quarter a year ago.

The higher share of profits of NetLink Trust reflected the enlarged NetLink Trust following its acquisition of 100% equity interest in OpenNet in November 2013. Singtel relinquished its role as the key sub-contractor for the fibre rollout and maintenance with effect from 1 October 2014 (see page 30).

SECTION 5 : ASSOCIATES/ JOINT VENTURES

PROFORMA INFORMATION

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

Proportionate presentation is not required by Singapore 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 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2014 S$ m	2013 S$ m	%	2014 S$ m	2013 S$ m	%
Group operating revenue						
Optus	2,535	2,503	1.3	7,439	7,584	-1.9
Singapore subsidiaries	1,719	1,651	4.1	5,015	4,840	3.6
Other overseas subsidiaries (including Amobee)	173	109	58.5	430	295	45.7
	1,892	1,760	7.5	5,445	5,136	6.0
	4,427	**4,263**	**3.8**	**12,884**	**12,720**	**1.3**
Proportionate share of operating revenue of associates						
Regional mobile associates	2,975	2,702	10.1	8,651	8,209	5.4
Singapore associates	129	109	17.9	383	291	31.6
Other overseas associates	19	17	10.9	57	52	10.7
	3,123	**2,828**	**10.4**	**9,091**	**8,552**	**6.3**
Enlarged revenue	**7,550**	**7,092**	**6.5**	**21,975**	**21,271**	**3.3**
% of overseas revenue to enlarged revenue	***76%***	***75%***		***75%***	***76%***	

In the quarter, overseas revenue contributed 76% to the Group's enlarged revenue against 75% a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter 31 Dec 2014 S$ m	Quarter 31 Dec 2013 S$ m	YOY Chge %	Nine Months 31 Dec 2014 S$ m	Nine Months 31 Dec 2013 S$ m	YOY Chge %
Group EBITDA						
Optus	721	728	-0.9	2,174	2,185	-0.5
Singapore subsidiaries	593	606	-2.2	1,881	1,854	1.5
Other overseas subsidiaries (including Amobee)	(85)	(70)	22.1	(239)	(180)	32.6
	507	536	-5.4	1,643	1,674	-1.8
	1,229	**1,264**	**-2.8**	**3,817**	**3,858**	**-1.1**
Proportionate share of associates' EBITDA [(1)]						
Regional mobile associates	1,225	1,052	16.5	3,544	3,287	7.8
Singapore associates	45	38	18.1	124	97	28.2
Other overseas associates	15	14	7.1	40	41	-3.6
	1,285	**1,104**	**16.4**	**3,708**	**3,425**	**8.3**
Total proportionate EBITDA	**2,514**	**2,368**	**6.2**	**7,525**	**7,283**	**3.3**
Overseas proportionate EBITDA as a % to total proportionate EBITDA	***75%***	***73%***		***73%***	***73%***	
Contributions to total proportionate EBITDA						
Regional mobile associates	49%	44%		47%	45%	
Australia	29%	31%		29%	30%	
Singapore	25%	27%		27%	27%	
Others	-3%	-2%		-3%	-2%	
	100%	**100%**		**100%**	**100%**	

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

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 75% to proportionate EBITDA against 73% a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share [1]		
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	30 Sep 2014	31 Dec 2013
Singtel	4,092	4,068	3,960	4,092	4,068	3,960
Optus	9,391	9,403	9,431	9,391	9,403	9,431
	13,483	**13,471**	**13,391**	**13,483**	**13,471**	**13,391**
Regional Mobile Associates						
Airtel						
- *India*	217,215	211,752	198,513	70,378	68,608	64,199
- *Africa*	74,599	71,367	68,307	24,170	23,123	22,091
- *South Asia*	7,892	7,678	8,426	2,557	2,487	2,725
	299,706	290,797	275,246	97,105	94,218	89,015
Telkomsel	140,585	139,348	131,513	49,205	48,772	46,029
AIS	44,301	43,795	40,861	10,331	10,213	9,529
Globe	44,041	42,854	38,475	20,787	20,227	18,179
	528,633	516,794	486,095	177,428	173,430	162,752
PBTL	1,293	1,416	1,365	582	637	614
	529,926	**518,210**	**487,460**	**178,010**	**174,067**	**163,366**
Group	**543,409**	**531,681**	**500,851**	**191,493**	**187,538**	**176,757**

Note:

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

The Group's combined mobile customer base was 543 million as at 31 December 2014, up 12 million or 2.2% from a quarter ago, and 43 million or 8.5% from a year ago. On a proportionate share basis, the Group's mobile customer base increased 2.1% to 191 million from a quarter ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

CASH DIVIDENDS RECEIVED FROM ASSOCIATES / JOINT VENTURES [1]

	Quarter		YOY	Nine Months		YOY
	31 Dec		Chge	31 Dec		Chge
	2014	2013		2014	2013	
	S$ m	S$ m	%	S$ m	S$ m	%
Regional mobile associates						
Telkomsel [2]						
- final dividend FY 2013 / FY 2012	-	-	-	595	589	0.9
AIS [3]						
- interim dividend FY 2014 / FY 2013	-	-	-	162	181	-10.7
- final dividend FY 2013 / FY 2012	-	-	-	152	144	5.3
	-	-	-	314	325	-3.6
Globe [4]						
- quarterly dividend FY 2013	34	-	nm	67	-	nm
- semi-annual dividend FY 2012	-	-	-	-	61	nm
	34	-	nm	67	61	10.5
Airtel [5]						
- interim dividend FY 2015	-	-	-	20	-	nm
- final dividend FY 2014 / FY 2013	-	-	-	22	12	90.6
	-	-	-	43	12	263.2
	34	**-**	**nm**	**1,018**	**987**	**3.1**
Other associates						
Southern Cross/ PCHL [6]	9	36	-75.6	36	47	-23.9
SingPost	6	6	**	25	25	**
Others	10	9	14.3	15	12	20.3
Total	**59**	**51**	**15.0**	**1,094**	**1,072**	**2.0**

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 90% on net profit for its 2013 financial year (FY 2012: 85%).

(3) AIS dividend policy is to pay dividends of at least 100% of net profit. Dividends will be paid twice a year, with an interim dividend distributed from the first half operating results and final dividend distributed from the second half operating results. The Group received its share of the interim dividend for 2014 financial year in September 2014.

(4) Effective from the second half of its 2014 financial year, Globe will pay dividends on a quarterly basis as compared to semi-annually in March and September of each year. Globe's dividend policy is to pay ordinary dividends of 75% to 90% of prior year's core net income. The Group received its share of the second quarterly dividend in December 2014. Globe will pay its next quarterly dividend of Peso 20.75 per common share in March 2015. The Group's share of this dividend is Peso 1.30 billion (~S$38 million).

(5) Airtel does not have a fixed dividend policy. The Group received its share of the final dividend for 2014 financial year and an interim dividend for 2015 financial year from its direct stake of 15.01% in September 2014.

(6) Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited (PCHL), part of the Southern Cross consortium, do not have fixed dividend policies.

The total dividends received from the associates for the quarter increased 15% to S$59 million on receipt of Globe's quarterly dividend partly offset by lower dividends from PCHL (part of the Southern Cross consortium) due to timing.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Airtel [1]	Telkomsel	AIS	Globe	PBTL
SingTel's investment:					
Year of initial investment	**2000**	**2001**	**1999**	**1993**	**2005**
Effective economic interest (%)	32.4%	35.0%	23.3%	47.2%	45.0%
Investment to date	S$2.69 bil	S$1.93 bil	S$1.20 bil	S$1.02 bil	S$238 mil
Closing market share price [2]	INR 352.9	NA	THB 251 [3]	PHP 1,730	NA
Market capitalisation					
- Total	S$29.42 bil	NA	S$29.99 bil	S$6.78 bil	NA
- SingTel holding	S$9.53 bil	NA	S$6.99 bil	S$3.20 bil	NA
Operational Performance :					
Mobile penetration rate [4]	75%	117%	147%	113%	73%
Market share, 31 Dec 2014 [4]	23.0%	47.3%	46.1%	38.3%	1.1%
Market share, 30 Sep 2014 [5]	22.8%	47.3%	46.1%	38.3%	1.1%
Market position [6]	#1	#1	#1	#2	#6
Mobile customers ('000)					
- Aggregate	299,706	140,585	44,301	44,041	1,293
- Proportionate	97,105	49,205	10,331	20,787	582
Growth in mobile customers (%) [7]	8.9%	6.9%	8.4%	14%	-5.3%
Credit ratings					
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Baa3/BB+	Baa1/BBB+	Baa2/BBB	Ba3/BB-
- Company (Moody's/ S&P's)	Baa3/BBB-	Baa1/BBB-	NA/A-	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 2014, in local currency.
(3) Based on local market price quoted on the Stock Exchange of Thailand.
(4) Based on actual data or latest data available as of 31 December 2014.
(5) Based on actual data.
(6) Based on number of mobile customers.
(7) Compared against 31 December 2013 and based on aggregate mobile customers.

NA Denotes not applicable.

Please refer to **Appendix 6** for the currency rate movements of the major associates.

SECTION 6 : PRODUCT INFORMATION

SINGAPORE MOBILE (PRODUCT VIEW)

	Quarter			Nine Months		YOY
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	Chge %
Mobile Communications revenue (S$'M) [1]	**533**	**523**	**525**	**1,574**	**1,547**	**1.7**
Number of mobile subscribers (000s)						
Prepaid	1,828	1,830	1,772	1,828	1,772	3.2
Postpaid	2,264	2,238	2,188	2,264	2,188	3.5
Total	**4,092**	**4,068**	**3,960**	**4,092**	**3,960**	**3.3**
Number of 4G postpaid mobile subscribers (000s)	**1,661**	**1,481**	**899**	**1,661**	**899**	**84.7**
MOUs per subscriber per month [2]						
Prepaid	310	317	328	316	332	-4.9
Postpaid [3]	264	274	285	270	294	-8.1
Average revenue per subscriber per month [2] [4] **(S$ per month)**						
Prepaid	17	17	16	17	16	6.9
Postpaid	76	75	78	75	79	-4.2
Blended	**49**	**49**	**50**	**49**	**51**	**-2.6**
Data services as % of ARPU						
- total data [5]	48%	47%	43%	47%	42%	
- non-SMS data	36%	35%	30%	34%	27%	
Tiered data plans						
- postpaid base on tiered data plans [6]	59%	57%	44%	59%	44%	
- tiered data plan customers exceeding data bundles	21%	19%	14%	21%	14%	
Acquisition cost per postpaid subscriber (S$) [7]	**488**	**405**	**469**	**434**	**417**	4.0
Postpaid external churn per month [8]	*0.9%*	*0.8%*	*0.9%*	*0.9%*	*0.9%*	
Singapore mobile penetration rate [9]	***148%***	***149%***	***156%***	***148%***	***156%***	
Market share [9]						
Prepaid	*53.1%*	*52.1%*	*45.5%*	*53.1%*	*45.5%*	
Postpaid	*48.3%*	*48.2%*	*48.3%*	*48.3%*	*48.3%*	
Overall	***50.4%***	***49.9%***	***47.0%***	***50.4%***	***47.0%***	

Notes:

(1) This comprises cellular service revenue in Singapore only and is determined net of bill rebates and net of prepaid sales discount, and includes revenue earned from ADSL bundles. It excludes revenue earned from international calls classified under "International Telephone" revenue.

(2) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.

(3) MOU of postpaid base excludes customers that have 'data-only' SIM plans.

(4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.

(5) Includes revenue from SMS, *SEND, MMS and other data services.

(6) If excluding data-only SIMs, approximately 72% of postpaid customers as at 31 December 2014 were on tiered plans. Of these customers, 21% had exceeded their data bundles.

(7) This relates to blended acquisition and retention cost per postpaid customer.

(8) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of average number of subscribers.

(9) The market share data as at 31 December 2014 was based on management's estimates. The other market statistics were based on IDA's latest available published statistics as of 30 November 2014.

SECTION 6 : PRODUCT INFORMATION

AUSTRALIA MOBILE (PRODUCT VIEW)

	Quarter			Nine Months		YOY
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	Chge %
Optus' mobile revenue (A$'M) [(1)]	**1,534**	**1,393**	**1,403**	**4,251**	**4,089**	**4.0**
Optus' mobile service revenue (A$'M)	**1,225**	**1,182**	**1,174**	**3,554**	**3,498**	**1.6**
Number of mobile subscribers (000s)						
Prepaid Handset	3,695	3,639	3,598	3,695	3,598	2.7
Postpaid Handset	4,555	4,511	4,441	4,555	4,441	2.6
Mobile Broadband [(2)]	1,141	1,253	1,393	1,141	1,393	-18.1
Total	**9,391**	**9,403**	**9,431**	**9,391**	**9,431**	**-0.4**
Number of 4G mobile subscribers (000s) [(3)]	**3,182**	**2,747**	**1,806**	**3,182**	**1,806**	**76.2**
Mobile penetration rate [(4)]	***ND***	***ND***	***133%***	***ND***	***133%***	
MOUs per subscriber per month [(5)]						
Prepaid	130	130	124	128	121	5.7
Postpaid	226	213	220	226	219	3.2
ARPU per month (A$) [(6)]						
Prepaid Handset	27	27	25	26	24	9.4
Postpaid Handset	62	60	61	60	61	-2.0
Mobile Broadband [(2)]	22	21	20	22	20	9.6
Blended	**43**	**42**	**41**	**42**	**41**	**2.7**
Data revenue as a % of service revenue						
- total data	67%	66%	63%	66%	62%	
- non-SMS data	45%	41%	38%	42%	37%	
Tiered data plans						
- postpaid base on tiered data plans [(7)]	66%	55%	22%	66%	22%	
- tiered data plan customers exceeding data bundles	32%	34%	27%	32%	27%	
Market share - total [(4)]	***ND***	***ND***	***29.6%***	***ND***	***29.6%***	
Retail postpaid churn rate per month [(8)]	***1.4%***	***1.3%***	***1.4%***	***1.3%***	***1.4%***	
Acquisition cost per subscriber (A$)						
Prepaid	13	8	5	10	14	-25.1
Postpaid [(9)]	198	202	237	201	229	-12.0
Blended	**109**	**106**	**115**	**106**	**117**	**-9.3**

Notes:

(1) This comprises mobile service revenue (both outgoing and incoming) and sales of equipment in Australia, covering Australia Consumer as well as Australia Enterprise.

(2) Defined as data-only SIMs incurring a monthly subscription fee, and include both prepaid and postpaid.

(3) Defined as 4G handsets on the Optus network.

(4) Penetration and subscriber market share are estimated by Optus based on published data.

(5) Based on average number of customers, calculated as the simple average of opening and closing number of customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only wireless broadband.

(6) Based on average number of customers, calculated as the simple average of opening and closing number of customers. Excludes equipment revenue.

(7) Defined as a percentage of Consumer Branded customers which excludes Virgin Mobile (which does not offer tiered data plans) and wholesale customers.

(8) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

(9) This relates to blended acquisition and retention cost per postpaid customer.

SECTION 6 : PRODUCT INFORMATION

Singtel TV [1] (PRODUCT VIEW)

	Quarter			Nine Months		YOY
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	Chge %
Singtel TV revenue (S$'M) [2]	55	63	46	181	125	44.8
Average revenue per customer per month (S$ per month) [2]	39	41	32	41	29	41.2
Number of residential TV customers (000s)	420	419	418	420	418	0.5

Notes:

(1) With effect from 21 January 2015, mio TV has been renamed as Singtel TV.

(2) Excluding 2014 FIFA World Cup revenue, Singtel TV revenue would be S$161 million and ARPU would be S$38 for the nine months ended 31 December 2014.

SINGAPORE CONSUMER HOME

	Quarter			Nine Months		YOY
	31 Dec 2014	30 Sep 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	Chge %
Singapore Consumer home revenue (S$'M) [1] [3]	131	134	123	398	364	9.5
Average revenue per household per month (S$ per month) [2] [3]	60	61	56	61	54	11.8
Number of households on triple/quad play services (000s) [4]	492	492	483	492	483	1.9

Notes:

(1) This comprises fixed broadband, fixed voice and Singtel TV in the residential segment only and does not include mobile.

(2) Based on average number of households, calculated as the simple average of opening and closing number of households.

(3) Excluding 2014 FIFA World Cup revenue, Consumer Home revenue would be S$388 million for the nine months ended 31 December 2014. ARPU would be S$59 for the nine months ended 31 December 2014.

(4) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, Singtel TV, fixed voice and mobile.

SECTION 6 : PRODUCT INFORMATION

OTHER PRODUCTS

Singapore	Quarter 31 Dec 2014	30 Sep 2014	31 Dec 2013	Nine Months 31 Dec 2014	31 Dec 2013	YOY Chge %
Internet						
Number of fixed broadband lines (000s) (1)	585	582	567	585	567	3.1
Singapore fixed broadband penetration rate (2)	*106%*	*105%*	*105%*	*106%*	*105%*	
Fixed broadband market share (3) (4)	*42.5%*	*42.5%*	*43.4%*	*42.5%*	*43.4%*	
Number of fibre broadband lines (000s)	390	369	291	390	291	34.0
Fibre broadband market share (4)	*55%*	*56%*	*58%*	*55%*	*58%*	
International Telephone						
International telephone outgoing minutes (m mins) (excl Malaysia)	847	886	854	2,609	2,614	-0.2
Average collection rate - net basis (S$/ min) (excl Malaysia)	0.091	0.095	0.097	0.094	0.097	-3.1
National Telephone						
Fixed working lines (000s) (5)						
Residential	851	858	878	851	878	-3.1
Business	740	742	756	740	756	-2.1
Total	1,591	1,600	1,634	1,591	1,634	-2.6
Singapore fixed line penetration rate (6)	*36.2%*	*36.2%*	*36.5%*	*36.2%*	*36.5%*	
Singapore fixed working lines ('000s) (6)	1,980	1,980	1,971	1,980	1,971	
Fixed line market share (6)	*80.3%*	*80.8%*	*82.9%*	*80.3%*	*82.9%*	

Notes:

(1) Include ADSL and fibre lines.

(2) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IDA). The market penetration rate as at 31 December 2014 was based on IDA's latest available published statistics as of 30 November 2014.

(3) Based on total Singtel ADSL and fibre lines divided by total ADSL, cable and fibre lines in the population.

(4) The market share data as at 31 December 2014 was based on management's estimates.

(5) Fixed working lines refer to Direct Exchange Lines (DEL) and Home Digital Lines. Some lines are for connections of second set top box under ADSL bundles.

(6) The market share data as at 31 December 2014 was based on management's estimates. The other market statistics as at 31 December 2014 were based on IDA's latest available published statistics as of 30 September 2014.

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter 31 Dec 2014	Quarter 30 Sep 2014	Quarter 31 Dec 2013	Nine Months 31 Dec 2014	Nine Months 31 Dec 2013	YOY Chge %
Enterprise Fixed						
Business voice minutes (m min)	1,276	1,315	1,219	3,844	3,770	2.0
Buildings connected at the end of the period (1)	18,216	18,194	18,117	18,216	18,117	0.5
Wholesale Fixed						
Wholesale domestic voice minutes (m min)	1,002	955	1,073	2,946	3,215	-8.4
Mass Market Fixed						
On-net ARPU (A$) (2)						
Voice	48	48	49	48	50	-4.6
Broadband	45	44	44	44	44	-0.6
Telephony customers ('000)						
HFC (3)	465	466	472	465	472	-1.5
ULL (4)	476	491	496	476	496	-4.0
On-net	**941**	**957**	**967**	**941**	**967**	**-2.8**
Resale	19	20	25	19	25	-24.8
Long distance only	4	5	5	4	5	-14.6
Off-net	**23**	**24**	**30**	**23**	**30**	**-23.1**
HFC bundling rate (5)	*93%*	*92%*	*92%*	*93%*	*92%*	
HFC penetration	***33%***	***33%***	***34%***	***33%***	***34%***	
Internet customers (000s)						
On-net						
HFC broadband	421	422	421	421	421	0.1
ULL broadband (4)	520	534	524	520	524	-0.8
Business grade broadband	28	28	29	28	29	-3.2
	969	984	974	969	974	-0.5
Off-net						
Broadband	8	9	11	8	11	-28.5
Broadband subtotal	**977**	**993**	**985**	**977**	**985**	**-0.8**
Dial-up	10	10	10	10	10	-0.1
Total Internet customers	**988**	**1,003**	**996**	**988**	**996**	**-0.8**

Notes:

(1) Directly connected buildings include all connections via all access media - fibre, DSL, fixed wireless, satellite and leases.

(2) Per month, based on average number of 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).

SECTION 7 : GLOSSARY

“ACCC”	Australian Competition And Consumer Commission.
“ADSL”	Asymmetric digital subscriber line.
“ARPU”	Average revenue per user.
“Associate”	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standard.
“DEL”	Direct exchange lines, which are telephone lines connected directly to a telephone switch.
“Digital business”	Refers to all businesses under Group Digital Life segment.
“EI”	Exceptional items, which refer to items of income or expense within profit or loss from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial period.
“EBIT”	Earnings before interest and tax.
“EBITDA”	Earnings before interest, tax, depreciation and amortisation, 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.
“EBITDA margin”	Ratio of EBITDA over operating revenue.
“EPS”	Earnings per share.
“FRS”	Financial Reporting Standard.
“Free Cash Flow”	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
“ICT”	Infocomm Technology.
“IDA”	Infocomm Development Authority of Singapore.
“IP VPN”	Internet Protocol Virtual Private Network.
“MMS”	Multimedia messaging service.
“MOU”	Minutes of use per subscriber.
“NA”	Not applicable.
“ND”	Not disclosed.
“NetLink Trust”	NetLink Trust, a business trust established as part of IDA’s effective open access requirements under Singapore’s NextGen NBN, is currently 100% owned by Singtel. NetLink Trust is equity accounted as an associate in the Group as Singtel does not control it. NetLink Trust acquired 100% of OpenNet Pte. Ltd.
“Next Gen NBN”	Next Generation Nationwide Broadband Network in Singapore.
“NM”	Not meaningful.
“Optus”	Singtel Optus Pty Limited, Singtel’s wholly-owned subsidiary, and its subsidiaries.
“SaaS”	Software-as-a-Service.
“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.
“SMS”	Short message service.
“Singapore”	The term refers to the Group’s operations but excludes Optus and the associates. Therefore, this includes the overseas operations of Singtel including Amobee, Inc.
“Underlying net profit”	Defined as net profit before exceptional items.

GROUP SUMMARY INCOME STATEMENTS
For The Third Quarter Ended 31 December 2014

	Quarter 31 Dec 2014			2014		2014	2013	
	Singapore S$ m	Asso/JV S$ m	Corp S$ m	Singtel S$ m	Optus S$ m	Group S$ m	Group S$ m	YOY Chge %
Operating revenue	**1,892**	**-**	**-**	**1,892**	**2,535**	**4,427**	**4,263**	**3.8**
Operating expenses	(1,397)	-	-	(1,397)	(1,835)	(3,232)	(3,023)	6.9
	495	-	-	495	701	1,195	1,241	-3.6
Other income	13	-	-	13	21	33	23	42.3
EBITDA	**507**	**-**	**-**	**507**	**721**	**1,229**	**1,264**	**-2.8**
- EBITDA margin	***26.8%***	**-**	**-**	***26.8%***	***28.5%***	***27.8%***	***29.6%***	
Share of associates' pre-tax profits								
Regional mobile associates	-	*646*	-	*646*	-	*646*	*506*	*27.6*
Other associates	-	*37*	-	*37*	*	*37*	*25*	*50.6*
- ordinary operations	-	683	-	683	*	683	531	28.7
- exceptional items	-	(16)	-	(16)	-	(16)	8	nm
	-	**667**	**-**	**667**	**	**667**	**539**	**23.8**
EBITDA and share of associates' pre-tax profits	**507**	**667**	**-**	**1,174**	**721**	**1,896**	**1,803**	**5.2**
Depreciation & amortisation	(190)	-	-	(190)	(351)	(541)	(533)	1.5
EBIT	**317**	**667**	**-**	**984**	**371**	**1,355**	**1,270**	**6.7**
Net finance expense								
- net interest expense	(25)	-	-	(25)	(46)	(71)	(64)	11.9
- other finance income	*	-	-	*	1	2	30	-94.0
	(25)	-	-	(25)	(45)	(69)	(34)	107.2
Profit before EI and tax	**292**	**667**	**-**	**959**	**326**	**1,285**	**1,236**	**4.0**
Taxation								
- current and deferred taxes	(5)	-	-	(5)	(95)	(100)	(142)	-29.6
- share of taxes of associates	-	(208)	-	(208)	(1)	(209)	(184)	14.0
- withholding taxes (1)	-	-	(5)	(5)	-	(5)	-	nm
	(5)	(208)	(5)	(218)	(96)	(314)	(326)	-3.5
Profit after tax	**287**	**459**	**(5)**	**741**	**230**	**971**	**911**	**6.6**
Minority interests	(1)	-	-	(1)	-	(1)	(1)	27.3
Underlying net profit	**286**	**459**	**(5)**	**740**	**230**	**970**	**910**	**6.6**
Exceptional items ("EI") (post-tax)	*	(2)	2	*	-	*	(37)	nm
Net profit	**286**	**457**	**(4)**	**740**	**230**	**970**	**872**	**11.2**

Note:

(1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at Group. The cash inflows upon the receipt of dividend are shown in **Section 5**.

GROUP SUMMARY INCOME STATEMENTS
For The Nine Months Ended 31 December 2014

	Nine months 31 Dec							YOY Chge
	2014			2014		2014	2013	
	Singapore S$ m	Asso/JV S$ m	Corp S$ m	Singtel S$ m	Optus S$ m	Group S$ m	Group S$ m	%
Operating revenue	**5,445**	**-**	**-**	**5,445**	**7,439**	**12,884**	**12,720**	**1.3**
Operating expenses	(3,836)	-	-	(3,836)	(5,329)	(9,165)	(8,941)	2.5
	1,609	-	-	1,609	2,110	3,720	3,779	-1.6
Other income	33	-	-	33	64	97	79	22.7
EBITDA	**1,643**	**-**	**-**	**1,643**	**2,174**	**3,817**	**3,858**	**-1.1**
- EBITDA margin	***30.2%***	**-**	**-**	***30.2%***	***29.2%***	***29.6%***	***30.3%***	
Share of associates' pre-tax profits								
Regional mobile associates	-	*1,869*	-	*1,869*	-	*1,869*	*1,557*	*20.1*
Other associates	-	*91*	-	*91*	*	*91*	*64*	*42.2*
- ordinary operations	-	1,960	-	1,960	*	1,960	1,621	21.0
- exceptional items	-	(27)	-	(27)	-	(27)	14	nm
	-	**1,933**	**-**	**1,933**	*****	**1,933**	**1,635**	**18.2**
EBITDA and share of associates' pre-tax profits	**1,643**	**1,933**	**-**	**3,576**	**2,174**	**5,750**	**5,493**	**4.7**
Depreciation & amortisation	(556)	-	-	(556)	(1,063)	(1,619)	(1,599)	1.2
EBIT	**1,087**	**1,933**	**-**	**3,020**	**1,111**	**4,131**	**3,894**	**6.1**
Net finance expense								
- net interest expense	(75)	-	-	(75)	(122)	(197)	(196)	0.1
- other finance income	3	-	-	3	29	32	59	-45.7
	(72)	-	-	(72)	(93)	(165)	(138)	19.6
Profit before EI and tax	**1,015**	**1,933**	**-**	**2,948**	**1,019**	**3,966**	**3,756**	**5.6**
Taxation								
- current and deferred taxes	(102)	-	-	(102)	(303)	(405)	(439)	-7.7
- share of taxes of associates	-	(623)	-	(623)	(1)	(625)	(532)	17.4
- withholding taxes (1)	-	-	(103)	(103)	-	(103)	(91)	13.3
	(102)	(623)	(103)	(829)	(304)	(1,133)	(1,062)	6.7
Profit after tax	**912**	**1,310**	**(103)**	**2,119**	**715**	**2,834**	**2,695**	**5.2**
Minority interests	(4)	-	-	(4)	-	(4)	(5)	-6.5
Underlying net profit	**908**	**1,310**	**(103)**	**2,115**	**715**	**2,830**	**2,690**	**5.2**
EI (post-tax)	(1)	(28)	69	41	(27)	13	64	-79.2
Net profit	**908**	**1,282**	**(34)**	**2,156**	**687**	**2,843**	**2,754**	**3.2**

Note:
(1) These are withholding taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at Group. The cash inflows upon the receipt of dividend are shown in **Section 5**.

GROUP SUMMARY INCOME STATEMENTS
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter 31 Dec 2014	YOY Change	YOY Change in constant currency (1)	Nine months 31 Dec 2014	YOY Change	YOY Change in constant currency (1)
	S$ m	%	%	S$ m	%	%
Operating revenue	**4,427**	**3.8**	**6.6**	**12,884**	**1.3**	**3.4**
Operating expenses	(3,232)	6.9	9.7	(9,165)	2.5	4.6
	1,195	-3.6	-1.0	3,720	-1.6	0.4
Other income	33	42.3	47.4	97	22.7	26.5
EBITDA	**1,229**	**-2.8**	**-0.2**	**3,817**	**-1.1**	**0.9**
-EBITDA margin	***27.8%***			***29.6%***		
Share of associates' pre-tax profits						
- Telkomsel	*273*	*27.9*	*30.4*	*743*	*3.0*	*14.4*
- Airtel	*202*	*36.7*	*32.1*	*596*	*70.6*	*70.2*
- AIS	*113*	*6.6*	*6.1*	*312*	*-2.5*	*1.0*
- Globe	*57*	*48.3*	*47.2*	*219*	*31.3*	*34.6*
Regional mobile associates	646	27.6	27.1	1,869	20.1	26.4
Other associates	37	50.6	50.6	91	42.2	42.2
- ordinary operations	683	28.7	28.2	1,960	21.0	27.0
- exceptional items	(16)	*nm*	*nm*	(27)	nm	nm
	667	**23.8**	**23.5**	**1,933**	**18.2**	**24.3**
EBITDA and share of associates' pre-tax profits	**1,896**	**5.2**	**6.9**	**5,750**	**4.7**	**7.9**
Depreciation & amortisation	(541)	1.5	4.6	(1,619)	1.2	3.6
EBIT	**1,355**	**6.7**	**7.9**	**4,131**	**6.1**	**9.6**
Net finance expense	(69)	107.2	114.0	(165)	19.6	22.2
Profit before EI and tax	**1,285**	**4.0**	**5.0**	**3,966**	**5.6**	**9.2**
Taxation	(314)	-3.5	-2.7	(1,133)	6.7	10.1
Profit after tax	**971**	**6.6**	**7.8**	**2,834**	**5.2**	**8.8**
Minority interests	(1)	27.3	27.3	(4)	-6.5	-6.5
Underlying net profit	**970**	**6.6**	**7.8**	**2,830**	**5.2**	**8.8**
EI (post-tax)	*	nm	nm	13	-79.2	-84.7
Net profit	**970**	**11.2**	**12.4**	**2,843**	**3.2**	**6.7**

Note:
(1) Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 31 December 2013.

BUSINESS SEGMENTS
For The Third Quarter and Nine Months Ended 31 December 2014

	Quarter 31 Dec 2014	YOY		Nine months 31 Dec 2014	YOY	
	S$ m	Change %	Change in constant currency (1) %	S$ m	Change %	Change in constant currency (1) %
Operating revenue						
Group Consumer	2,762	3.5	7.2	7,937	-0.1	2.6
Group Enterprise	1,559	0.8	2.0	4,714	1.3	2.2
Core Business	4,322	2.5	5.3	12,651	0.4	2.5
Group Digital Life	105	165.0	165.5	233	123.1	123.5
Corporate	-	nm	nm	-	nm	nm
Group	**4,427**	**3.8**	**6.6**	**12,884**	**1.3**	**3.4**
EBITDA						
Group Consumer	799	0.9	4.6	2,454	1.3	4.1
Group Enterprise	497	-5.7	-5.0	1,560	-2.0	-1.4
Core Business	1,295	-1.7	0.8	4,014	**	1.9
Group Digital Life	(49)	15.5	15.3	(144)	25.7	25.6
Corporate	(17)	50.9	50.9	(53)	30.0	30.0
Group	**1,229**	**-2.8**	**-0.2**	**3,817**	**-1.1**	**0.9**
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	431	1.0	4.6	1,350	2.1	4.7
Group Enterprise	345	-7.5	-7.1	1,106	-2.0	-1.6
Core Business	775	-3.0	-0.8	2,456	0.2	1.8
Group Digital Life	(70)	24.6	24.5	(204)	35.3	35.2
Corporate	(18)	50.0	50.0	(54)	29.8	29.8
Group	**688**	**-5.9**	**-3.6**	**2,198**	**-2.7**	**-1.0**

Note:
(1) Assuming constant exchange rates for the Australian Dollar from the corresponding periods ended 31 December 2013.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Dec 2014 (Unaudited) S$ million	30 Sep 2014 (Unaudited) S$ million	31 Dec 2013 (Unaudited) S$ million
Current assets			
Cash and cash equivalents	629	524	1,283
Trade and other receivables	3,776	3,604	3,480
Inventories	258	243	220
Derivative financial instruments	37	21	8
	4,699	**4,392**	**4,991**
Non-current assets			
Property, plant and equipment	10,580	10,679	10,499
Intangible assets	11,981	11,993	10,730
Associates	264	254	173
Loan to an associate	1,611	1,331	1,331
Joint ventures	10,130	9,772	9,585
Available-for-sale investments	278	333	256
Deferred tax assets	836	775	858
Derivative financial instruments	579	374	349
Other non-current receivables	295	319	199
	36,552	**35,828**	**33,980**
Total assets	**41,251**	**40,219**	**38,970**
Current liabilities			
Trade and other payables	3,842	3,644	3,395
Advance billings	632	617	621
Current tax liabilities	364	259	471
Interim dividend payable	1,084	-	1,084
Borrowings (unsecured)	-	130	1,595
Borrowings (secured)	26	63	38
Derivative financial instruments	4	3	3
Net deferred gain (1)	68	58	58
	6,019	**4,773**	**7,265**
Non-current liabilities			
Borrowings (unsecured)	8,512	8,687	6,529
Borrowings (secured)	205	176	181
Derivative financial instruments	313	352	426
Advance billings	287	285	315
Deferred income	5	6	8
Net deferred gain (1)	1,383	1,138	1,159
Deferred tax liabilities	556	559	349
Other non-current liabilities	275	316	183
	11,535	**11,518**	**9,150**
Total liabilities	**17,554**	**16,292**	**16,415**
Net assets	**23,697**	**23,928**	**22,556**
Share capital and reserves			
Share capital	2,634	2,634	2,634
Reserves	21,040	21,267	19,902
Equity attributable to shareholders of the Company	23,674	23,901	22,536
Non-controlling interests	23	27	19
Total equity	**23,697**	**23,928**	**22,556**

Note:
(1) This relates to deferred gain on transfer of certain assets and business to NetLink Trust.

SINGAPORE CASH FLOW STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter			Nine months		
	31 Dec 2014 S$ m	31 Dec 2013 S$ m	30 Sep 2014 S$ m	31 Dec 2014 S$ m	31 Dec 2013 S$ m	YOY Chge %
Net cash inflow from operating activities						
Profit before exceptional items and tax	**292**	**335**	**366**	**1,015**	**1,079**	**-5.9**
Non-cash items	223	204	219	652	602	8.2
Operating cash flow before working capital changes	515	539	585	1,667	1,681	-0.9
Changes in operating assets and liabilities	5	37	(32)	(66)	(82)	-19.5
	521	**576**	**553**	**1,601**	**1,599**	**0.1**
Cash paid to employees under performance share plans	-	-	(1)	(1)	(5)	-77.6
Tax paid on operating activities	(51)	(37)	(73)	(122)	(95)	28.1
Operating cash flow	**470**	**539**	**479**	**1,478**	**1,500**	**-1.4**
Tax benefit payment to NetLink Trust	-	(143)	-	-	(143)	nm
	470	**396**	**479**	**1,478**	**1,357**	**8.9**
Net cash outflow for investing activities						
Net loan to STAI from Optus [1]	-	-	166	166	176	-5.7
Withholding tax paid on interest received on inter-company loans	-	-	(16)	(16)	(18)	-6.3
Payment for purchase of subsidiaries, net of cash acquired	-	(7)	(433)	(443)	(48)	@
Payment for purchase of property, plant and equipment	(187)	(169)	(165)	(527)	(529)	-0.3
Investment in venture investments	(4)	(2)	(8)	(23)	(48)	-51.6
Proceeds from disposal of venture investments	11	*	9	61	8	@
Proceeds from disposal of property, plant and equipment	6	*	3	10	6	67.8
Investment in associates	-	(11)	-	-	(395)	nm
Proceeds from disposal of associates	-	38	-	-	38	nm
Payment for purchase of spectrum	(40)	-	-	(40)	(15)	166.7
Others	19	14	(6)	26	23	10.3
	(195)	**(137)**	**(451)**	**(788)**	**(802)**	**-1.8**
Net cash outflow for financing activities						
Net (decrease)/ increase in borrowings	(220)	(159)	1,317	142	228	-37.6
Net interest paid on borrowings and swaps	(37)	(42)	(28)	(108)	(112)	-3.6
Final dividends paid to shareholders	-	-	(1,594)	(1,594)	(1,594)	**
Purchase of performance shares	(6)	(5)	(13)	(26)	(19)	37.4
Others	(5)	(6)	-	(5)	(6)	-26.2
	(267)	**(212)**	**(318)**	**(1,590)**	**(1,503)**	**5.8**
Net increase/ (decrease) in cash balance from Singapore	**8**	**48**	**(290)**	**(899)**	**(948)**	**-5.2**
Net increase/ (decrease) in cash balance from Singapore	**8**	**48**	**(290)**	**(899)**	**(948)**	**-5.2**
Dividends received from associates	50	15	260	1,058	1,036	2.1
Withholding tax paid	(5)	-	(22)	(102)	(99)	3.0
Net dividends received from associates	**45**	**15**	**239**	**956**	**937**	**2.0**
Net increase/ (decrease) in cash and cash equivalents	**53**	**63**	**(51)**	**56**	**(12)**	**nm**
Singtel cash and cash equivalents at beginning	421	640	471	418	716	-41.6
Exchange effects on cash and cash equivalents	2	1	1	2	*	nm
Singtel cash and cash equivalents at end	**476**	**704**	**421**	**476**	**704**	**-32.4**
Singapore free cash flow	**283**	**227**	**314**	**951**	**828**	**14.8**
Singapore free cash flow [2]	**283**	**370**	**314**	**951**	**971**	**-2.0**
Free cash flow from associates' dividends	**45**	**15**	**239**	**956**	**937**	**2.0**
Cash capex to operating revenue	***10%***	***10%***	***9%***	***10%***	***10%***	

Notes:
(1) The intercompany amounts are eliminated at the Group level.
(2) Adjusted to exclude tax benefit payment of S$143 million to NetLink Trust during the December 2013 quarter. The S$143 million was subsequently applied by NetLink Trust towards the acquisition of OpenNet.

OPTUS CASH FLOW STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2014

	Quarter			Nine Months		
	31 Dec 2014 A$ m	31 Dec 2013 A$ m	30 Sep 2014 A$ m	31 Dec 2014 A$ m	31 Dec 2013 A$ m	YOY Chge %
Net cash inflow from operating activities						
Profit before exceptional items and tax	**295**	**314**	**328**	**891**	**873**	**2.0**
Non-cash items	358	317	326	984	974	1.0
Operating cashflow before working capital changes	653	631	654	1,875	1,848	1.5
Changes in operating assets and liabilities	(6)	(130)	31	(57)	(377)	-84.8
Tax paid	(14)	*	(186)	(241)	(183)	32.2
Operating cash flow	**633**	**500**	**499**	**1,576**	**1,288**	**22.3**
Net cash outflow from investing activities						
Payment for purchase of property, plant and equipment	(327)	(251)	(361)	(1,005)	(773)	30.1
Loan to STAI (1)	-	-	(143)	(143)	(149)	-4.0
Payment for purchase of spectrum	-	-	(652)	(720)	(139)	419.1
Others	(20)	(18)	(7)	(37)	(46)	-19.5
	(346)	**(268)**	**(1,163)**	**(1,905)**	**(1,106)**	**72.2**
Net cash (outflow)/ inflow from financing activities						
Net (decrease)/ increase in bank borrowings	(200)	100	620	400	275	45.5
Net interest paid on borrowings and swaps	(44)	(37)	(29)	(119)	(112)	6.0
Purchase of SingTel shares	-	(1)	(1)	(13)	(10)	29.9
Finance lease payments (exclude interest)	(2)	(2)	(2)	(5)	(5)	-0.6
	(245)	**61**	**589**	**263**	**148**	**77.9**
Net increase/ (decrease) in cash balance from Optus	**41**	**293**	**(75)**	**(66)**	**330**	**nm**
Dividend received from associates	8	32	15	32	32	-0.2
Net increase/ (decrease) in cash and cash equivalents	**49**	**324**	**(60)**	**(34)**	**362**	**nm**
Optus cash and cash equivalents at beginning	92	189	152	175	151	16.4
Optus cash and cash equivalents at end	**141**	**513**	**92**	**141**	**513**	**-72.4**
Optus free cash flow	**306**	**249**	**138**	**571**	**516**	**10.7**
Free cash flow from associates' dividends	**8**	**32**	**15**	**32**	**32**	**-0.2**
Cash capex to operating revenue	***14%***	***12%***	***17%***	***15%***	***12%***	

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

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter 31 Dec		YOY	Nine months 31 Dec		YOY
	2014 A$ m	2013 A$ m	Chge %	2014 A$ m	2013 A$ m	Chge %
Operating revenue	**2,290**	**2,160**	**6.0**	**6,506**	**6,400**	**1.7**
Operating expenses	(1,657)	(1,546)	7.1	(4,661)	(4,596)	1.4
Other income	19	14	32.8	56	41	36.0
EBITDA	**652**	**628**	**3.7**	**1,901**	**1,845**	**3.0**
- margin	***28.5%***	***29.1%***		***29.2%***	***28.8%***	
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	**652**	**628**	**3.8**	**1,901**	**1,845**	**3.0**
Depreciation & amortisation	(317)	(307)	3.3	(929)	(906)	2.6
EBIT	**335**	**322**	**4.1**	**972**	**939**	**3.5**
Net finance expense	(40)	(8)	422.8	(81)	(66)	22.6
Profit before exceptional items and tax	**295**	**314**	**-6.1**	**891**	**873**	**2.0**
Taxation	(87)	(87)	-0.6	(266)	(258)	2.9
Underlying net profit	**208**	**227**	**-8.2**	**625**	**615**	**1.6**
Exceptional items (post-tax)	-	-	-	(24)	(4)	@
Net profit	**208**	**227**	**-8.2**	**602**	**611**	**-1.6**

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

	As at		
	31 Dec 2014 A$ m	**30 Sep 2014 A$ m**	**31 Dec 2013 A$ m**
Property, plant and equipment (net)	**6,619**	**6,523**	**6,305**
Gross debt			
Current debt	3	4	356
Non-current debt	2,784	2,909	2,198
Gross debt as reported in the statement of financial position	2,787	2,913	2,554
Related net hedging (assets)/ liabilities	(124)	(78)	(97)
	2,663	2,835	2,457
Less: Cash and bank balances	(141)	(92)	(513)
Net debt	**2,522**	**2,743**	**1,944**

BUSINESS SEGMENT INFORMATION FOR FY 2014

The costs of shared and common infrastructure are allocated to the business segments using established methodologies. As a result of higher utilisation of shared infrastructure by mobile in Australia, certain costs had been reallocated between Consumer and Enterprise business segments with effect from 1 April 2014. For comparative purpose, the EBITDA and EBIT of the business segments for the prior periods had been restated to reflect the changes in cost allocation and other adjustments.

The Group's overall EBITDA and EBIT for the respective periods remained unchanged. The business segments for FY2014 are restated as follows:

	Quarter 30 Jun			Quarter 30 Sep			Quarter 31 Dec			Quarter 31 Mar			Nine Months 31 Dec		
	Restated 2013 S$ m	Change S$ m	Change %	Restated 2013 S$ m	Change S$ m	Change %	Restated 2013 S$ m	Change S$ m	Change %	Restated 2014 S$ m	Change S$ m	Change %	Restated 2013 S$ m	Change S$ m	Change %
Revenue															
Group Consumer	2,703	-	-	2,574	-	-	2,668	-	-	2,466	-	-	7,945	-	-
Group Enterprise	1,560	-	-	1,548	-	-	1,548	-	-	1,613	-	-	4,656	-	-
Group Digital Life	30	-	-	35	7	19.2	40	8	20.2	39	10	25.6	104	15	14.1
Corporate	-	-	-	7	(7)	nm	8	(8)	nm	10	(10)	nm	15	(15)	nm
Group	**4,293**	**-**	**-**	**4,163**	**-**	**-**	**4,263**	**-**	**-**	**4,128**	**-**	**-**	**12,720**	**-**	**-**
EBITDA															
Group Consumer	789	(19)	-2.3	841	(16)	-1.9	792	(14)	-1.7	861	(14)	-1.6	2,422	(48)	-2.0
Group Enterprise	551	19	3.4	514	16	3.1	526	14	2.6	503	14	2.7	1,591	48	3.0
Group Digital Life	(32)	-	-	(40)	-	-	(42)	-	-	(55)	-	-	(114)	-	-
Corporate	(12)	-	-	(17)	-	-	(11)	-	-	(12)	-	-	(40)	-	-
Group	**1,296**	**-**	**-**	**1,298**	**-**	**-**	**1,264**	**-**	**-**	**1,297**	**-**	**-**	**3,858**	**-**	**-**
EBIT (exclude share of associates' pre-tax profits)															
Group Consumer	415	(36)	-8.6	481	(30)	-6.1	426	(30)	-6.9	497	(28)	-5.7	1,321	(95)	-7.2
Group Enterprise	397	36	8.9	360	30	8.2	373	30	7.9	345	28	8.2	1,130	95	8.4
Group Digital Life	(44)	-	-	(51)	-	-	(56)	-	-	(67)	-	-	(151)	-	-
Corporate	(12)	-	-	(17)	-	-	(12)	-	-	(12)	-	-	(41)	-	-
Group	**756**	**-**	**-**	**772**	**-**	**-**	**731**	**-**	**-**	**764**	**-**	**-**	**2,259**	**-**	**-**

CURRENCY RISK MANAGEMENT & OTHER MATTERS

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

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

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

	As at		
Debt Currency Mix	**31 Dec 2014**	**30 Sep 2014**	**31 Dec 2013**
SGD	66%	64%	66%
AUD	34%	36%	34%
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 2014	Singtel	Optus
Standard & Poor's	A+ (stable)	A (stable)
Moody's Investors Service	Aa3 (stable)	A1 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	**Q1**	**Q2**	**Q3**	**Nine Months**
Derived weighted average exchange rate [1] for:				
Operating revenue				
SGD				
FY2015	1.1688	1.1574	1.1073	1.1434
FY2014	1.2355	1.1615	1.1587	1.1851
Change (last corresponding period)	***-5.4%***	***-0.4%***	***-4.4%***	***-3.5%***
Underlying net profit				
SGD				
FY2015	1.1686	1.1563	1.1053	1.1430
FY2014	1.2389	1.1625	1.1544	1.1803
Change (last corresponding period)	***-5.7%***	***-0.5%***	***-4.3%***	***-3.2%***

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**	**Nine Months**
Rupiah				
FY2015	9,259	9,434	9,434	9,383
FY2014	7,813	8,403	9,259	8,448
Change (last corresponding period)	***18.5%***	***12.3%***	***1.9%***	***11.1%***
Indian Rupee				
FY2015	47.8	48.3	47.8	48.0
FY2014	44.6	48.8	49.5	48.1
Change (last corresponding period)	***7.2%***	***-1.0%***	***-3.4%***	***-0.2%***
Baht				
FY2015	25.9	25.6	25.3	25.6
FY2014	23.9	24.8	25.4	24.7
Change (last corresponding period)	***8.4%***	***3.2%***	***-0.4%***	***3.6%***
Peso				
FY2015	35.2	35.0	34.6	35.0
FY2014	33.4	34.5	34.8	34.1
Change (last corresponding period)	***5.4%***	***1.4%***	***-0.6%***	***2.6%***

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2015

- **Consolidated results and cash flow may be impacted by material exchange rate movements in the Australian Dollar and regional currencies.** The Group's outlook for the current financial year is based on the following average exchange rates during FY 2014:

Australian Dollar	**AUD 1: SGD 1.1737**
Indonesian Rupiah	SGD 1: IDR 8,655
Indian Rupee	SGD 1: INR 48.2
Thailand Baht	SGD 1: THB 24.9
Philippine Peso	SGD 1: PHP 34.5

- **Revenue from Core Business (comprises Group Consumer and Group Enterprise) to be stable and EBITDA to increase by low single digit level.**

- **Mobile Communications revenue from Singapore to increase by mid single digit level.**

- **Mobile service revenue from Australia to increase by low single digit level.**

- **Group ICT revenue (comprises Managed Services and Business Solutions) to increase by low single digit level.**

- **Revenue from Group Digital Life to exceed S$300 million and negative EBITDA to increase to approximately S$200-S$250 million.**

- **Consolidated revenue and EBITDA of the Group, excluding acquisitions, to be stable.**

- **Capital expenditure for the Group is expected to approximate S$2.3 billion, comprising approximately S$900 million for Singapore and the balance for Australia. This reflects the Group's continued strategic investments in mobile network, particularly in Australia, and expected increased spend in customer care and management systems.**

- **Spectrum payments to be approximately S$900 million, mainly for Optus' 4G spectrum in the 700 MHz range. Consequently, amortisation costs would be higher.**

- **Group free cash flow (excluding spectrum payments and dividends from associates) to be stable.**

- **Ordinary dividends from regional mobile associates are expected to be approximately S$1.0 billion.**