

Financial Results Presentation

Q3 FY16: Quarter ended 31 December 2015

12 February 2016 • Chua Sock Koong, Group CEO

Singtel



Forward looking statement – important note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

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



Agenda

01 • Overview

02 • Business Units

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Q3FY16: Strong business performance offsets currency headwinds

Q3FY16	% change (reported)	% change (constant currency) ¹	Highlights
Operating revenue			› Growth in mobile data, ICT & digital services
S\$4,474m	+1%	+6%	› First full quarter contribution from Trustwave › Continued growth momentum in Australia
EBITDA			
S\$1,220m	-1%	+5%	› Strong EBITDA growth impacted by AUD decline
Regional Mobile Associates' pre-tax earnings²			
S\$647m	Stable	+1%	› Steady customer growth & robust mobile data take-up
Underlying net profit			
S\$955m	-2%	+1%	› Strong core offset AUD & IDR declines
Net profit			
S\$954m	-2%	+1%	› Excl. prior year net tax credit ³ of S\$39m & Trustwave, underlying & reported net profit up 4% & 3% respectively (up 6% in constant currency)
Free cash flow			
S\$585m	-13%	N.M.	› Higher working capital for customer acquisition & retention in Australia

1. Assuming constant exchange rates from corresponding periods in FY2015.

2. Exclude exceptional items.

N.M. – not meaningful.

3. Net tax credit arose from transfer of certain property, plant & equipment to an associate

Foreign exchange movements

Currency	Quarter ended 31 December 2015			9 months ended 31 December 2015	
	Exchange rate ¹	Increase/ (decrease) against S\$		Exchange rate ¹	Increase/ (decrease) against S\$
		YoY	QoQ		
1 AUD ² 	1.0138	(8.4%)	0.5%	1.0222	(10.6%)
IDR 	9,804	(3.9%)	2.0%	9,875	(5.2%)
INR 	46.7	2.3%	-	46.9	2.3%
PHP 	33.3	3.8%	(0.6%)	33.2	5.1%
THB 	25.4	(0.4%)	(0.4%)	25.2	1.6%

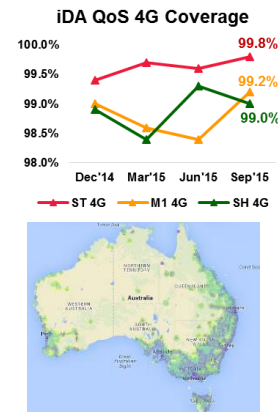
1. Average exchange rates for the quarter and 9 months ended 31 December 2015.

2. Average A\$ rate for translation of Optus' operating revenue.

Group Q3FY16 highlights

Group Consumer

- › SG: Widest 4G coverage at 99.8%¹
- › SG: Launched Singtel Circle to reward customers with bundled services²
- › AU: Secured 1800MHz regional spectrum



Group Enterprise

- › Leverage Trustwave to form strategic cyber security partnerships with global carriers
- › Significant contract wins & re-signs from the Australian government



Group Digital Life

- › Innov8 Connect to crowdsource smart solutions from start-ups



1. iDA's 4G Measurement Survey Results for Q3 2015

2. For customers with mobile, broadband, TV and home lines under the same subscriber account

9MFY16: Net profit increased 3%

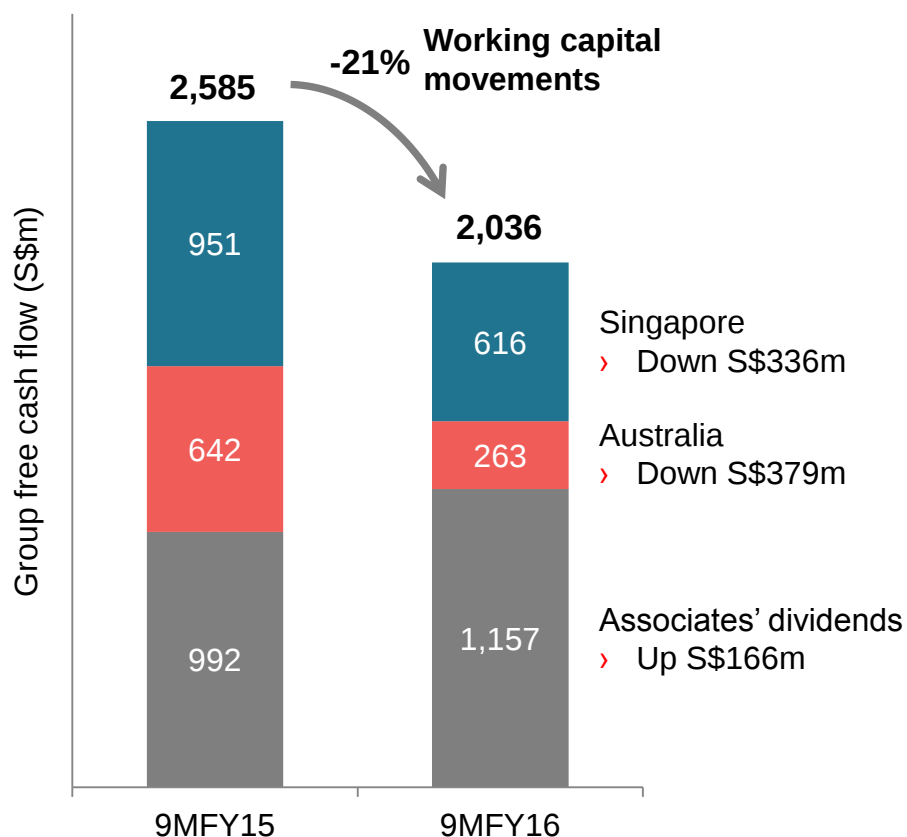
	3 months to			9 months to		
	Dec 15	Dec 14	YoY %	Dec 15	Dec 14	YoY %
Operating revenue	4,474	4,427	1.1%	12,867	12,884	(0.1%)
EBITDA	1,220	1,229	(0.7%)	3,751	3,817	(1.7%)
- margin	27.3%	27.8%		29.2%	29.6%	
Associates pre-tax earnings ¹	698	683	2.2%	2,048	1,960	4.5%
EBITDA & share of associates' pre-tax earnings	1,918	1,896	1.2%	5,821	5,750	1.2%
Depreciation & amortisation	(537)	(541)	(0.8%)	(1,604)	(1,619)	(0.9%)
Net finance expense	(63)	(69)	(9.4%)	(174)	(165)	5.5%
Profit before EI and tax	1,319	1,285	2.6%	4,044	3,966	1.9%
Tax	(368)	(314)	17.0%	(1,226)	(1,133)	8.3%
Underlying net profit	955	970	(1.5%)	2,824	2,830	(0.2%)
Exceptional Items (post tax)	(1)	*	@	101	13	@
Net profit	954	970	(1.7%)	2,925	2,843	2.9%

1. Excluding exceptionals.

@ – Denotes more than 500% * – Denotes less than +/- S\$0.5M

Solid financial position

Free cash flow **\$2,036m**



Balance sheet

Net debt¹ **S\$8.9b**

Net debt gearing² **26.6%**

Net debt: EBITDA & share of associates' pre-tax profits³ **1.2x**

EBITDA & share of associates' pre-tax profits: Net interest expense **25.9x**

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

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



Agenda

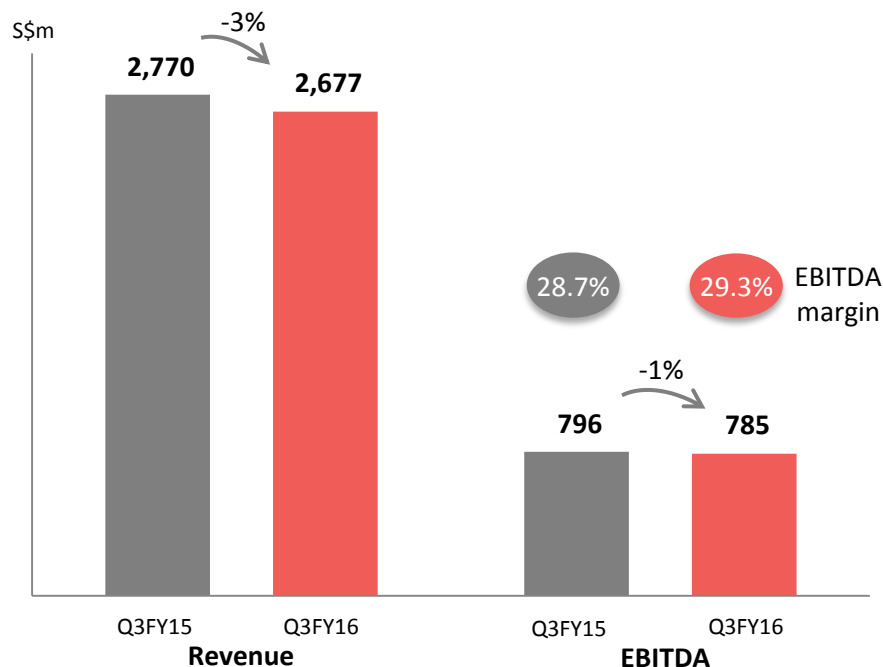
01 • Overview

02 • Business Units

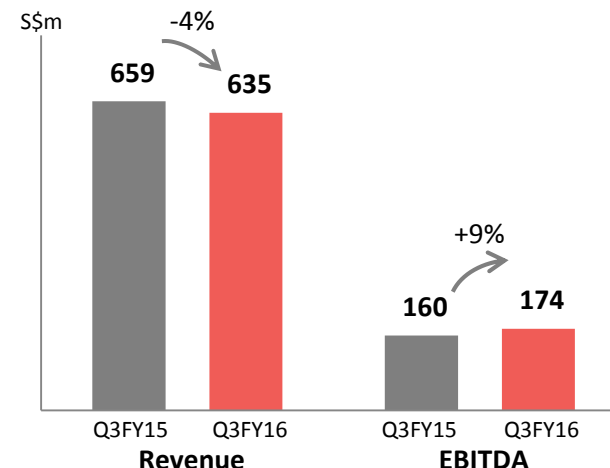
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Group Consumer: EBITDA growth across Singapore & Australia

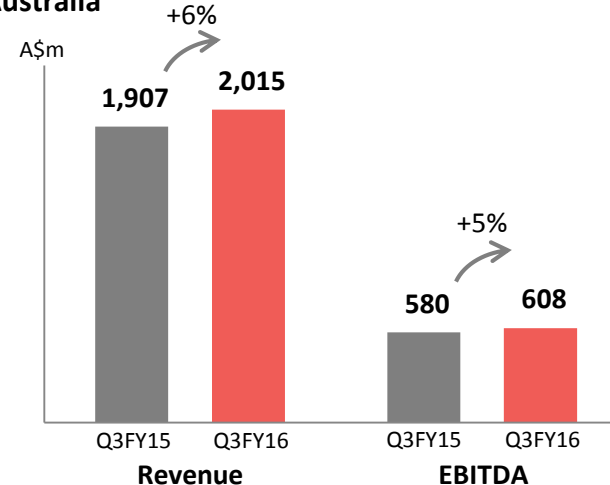
Consumer



Singapore



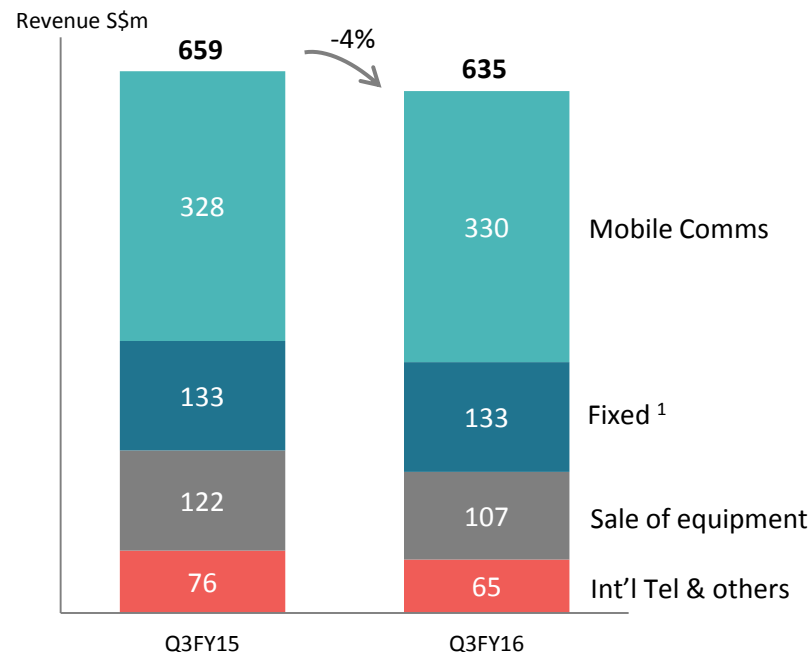
Australia



- › Singapore: Softer handset sales & declines in roaming & IDD services. Margins grew strongly on lower SACs
- › Australia: Sustained growth in mobile & fixed, coupled with higher equipment sales
- › In constant currency terms, Group Consumer's revenue & EBITDA up 3% & 6% respectively

Singapore Consumer: Cautious consumer sentiments impacted revenues

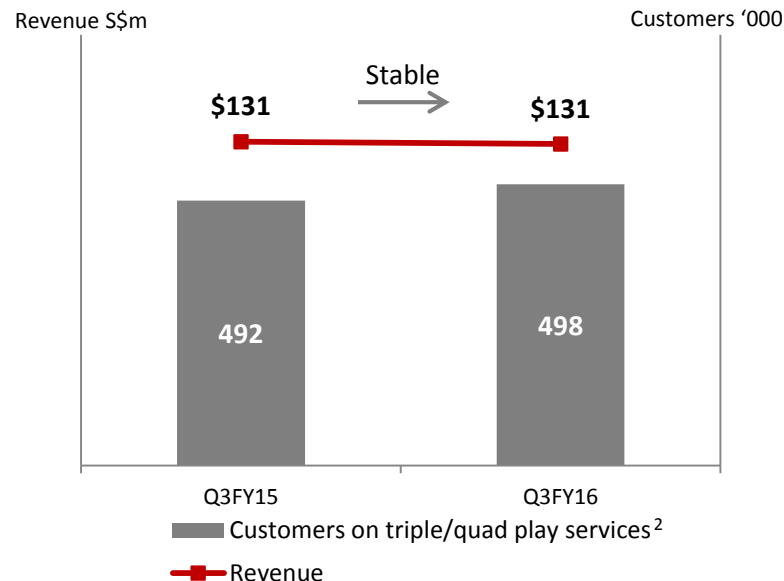
Singapore Consumer



Mobile Communications revenue stable

- › Strong prepaid mobile data growth & higher postpaid plan mix
- › Offset by lower roaming

Consumer Home



Home services stable

- › Household ARPU up 1% to S\$61
- › 84% of BB customers on fibre
- › Exclusive marketing & content partnership with:

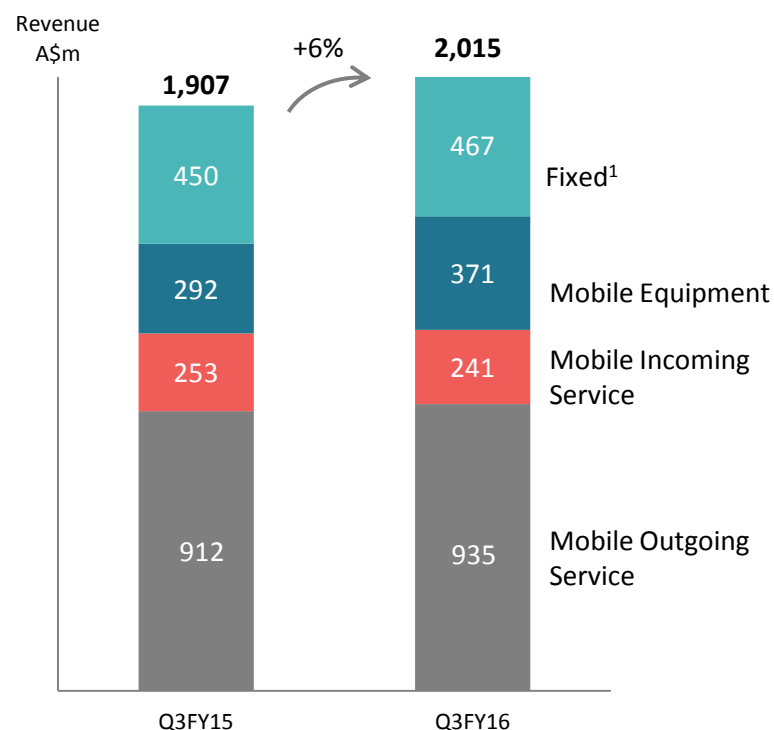
NETFLIX



1. Fixed services revenue comprises internet, national telephone, payphone and Singtel TV.
 2. Households who subscribe to 3 or 4 services comprising Broadband, TV, Fixed Voice and Mobile.

Australia Consumer: Growth in mobile and fixed

Australia Consumer



- › Mobile service revenue up 1%
- › Mass market fixed revenue grew 6%

Mobile handset customer growth 41k

- › Postpaid handset customers down 21k; up 93k excluding wholesale deactivations
- › Prepaid handset customers up 61k

Outgoing mobile service revenue up 3%

- › up 8% excluding DRP² credits
- › Data revenues up 10%

EBITDA up 5%

- › Customer growth in mobile and NBN payments
- › Increased take-up of DRP²

Investment in mobile networks

- › 92% national population 4G coverage

1. Included NBN migration and preparation revenue of A\$28M (Q3 FY2015: A\$13M)

2. Device Repayment Plans

Regional Mobile Associates

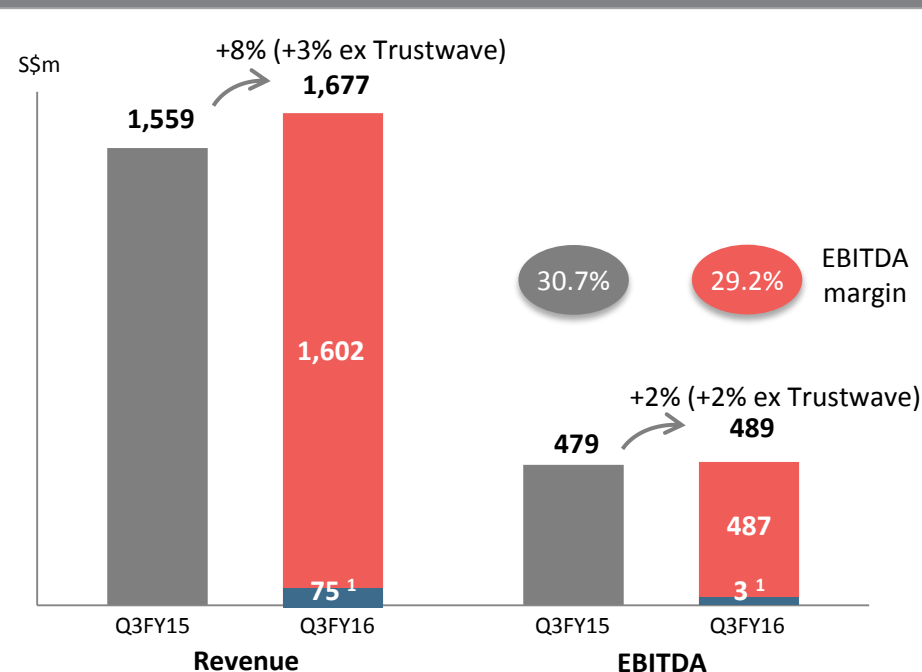
Q3FY16	PBT ¹ (S\$m)	% Change (S\$)	% Change (local ccy)	Business Highlights
Regional Mobile	647	Stable	N.A.	› Strong revenue growth driven by data › Higher depreciation, amortisation & net finance costs › Customer base up 3% to 595m
Telkomsel	276	+1%	+5%	› Strong data & voice revenue growth
Airtel	194	-4%	-7%	
- India & South Asia	273	+12%	+10%	› Network superiority with pan-India 3G & 4G coverage
- Africa	17	-42%	-44%	› Sale of Burkina Faso & Sierra Leone operations improves the balance sheet
- Others ²	(97)	+36%	+33%	
AIS	123	+9%	+10%	› Launched 4G on 1800MHz spectrum › Migration of 2G subscribers to 3G with subsidised handset offerings
Globe	56	-3%	-7%	› Gain in revenue market share

1. Exclude exceptional items.

2. Net finance costs & fair value losses.

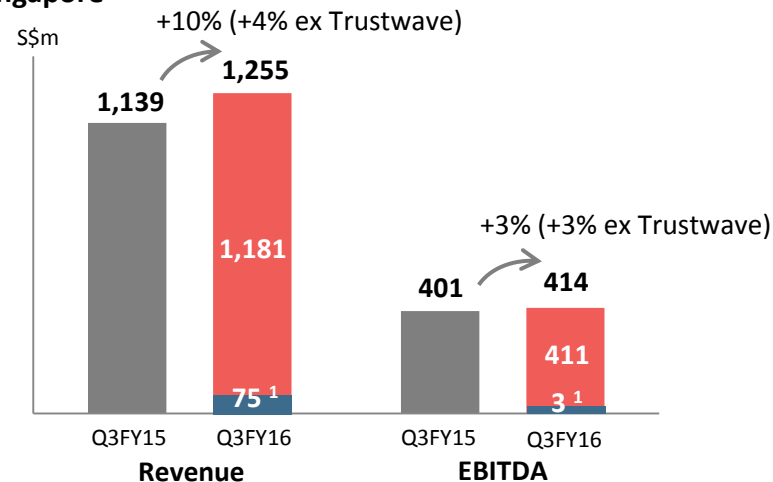
Group Enterprise: Higher ICT revenues and growing cyber security services

Group Enterprise (ex fibre rollout & maintenance)

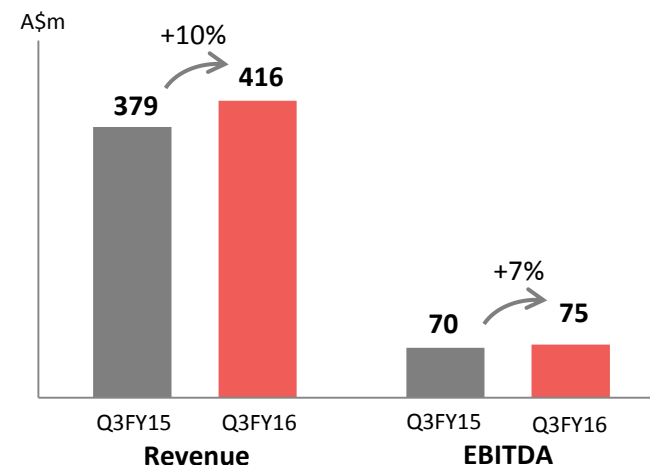


- › ICT revenue growth in Singapore & Australia
- › First full quarter contributions from Trustwave
- › Excluding Trustwave, revenue & EBITDA up 5% & 3% respectively in constant currency terms

Singapore

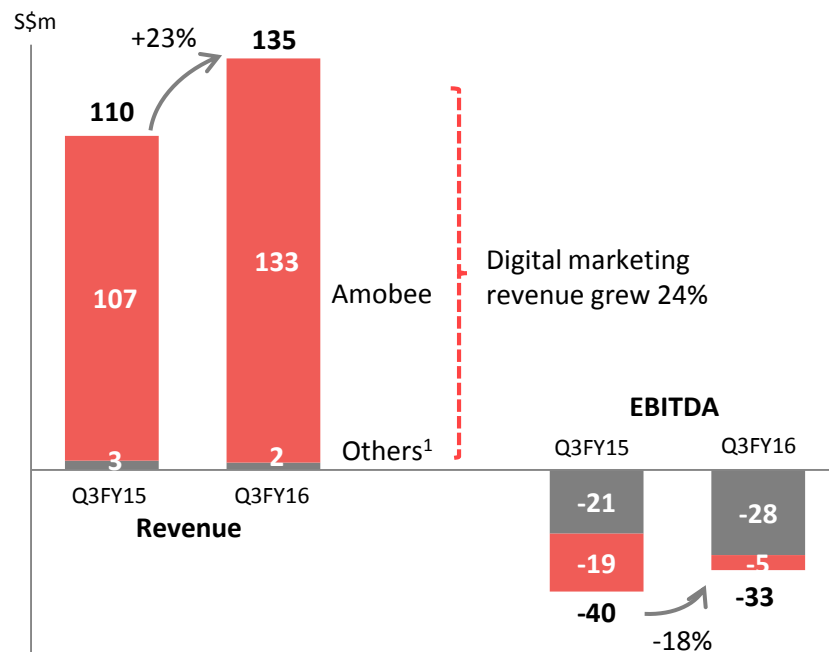


Australia



Group Digital Life: Driving revenue growth and improving EBITDA

Group Digital Life



- › Stronger revenue growth from Amobee
- › EBITDA improvement on lower Amobee losses & savings from discontinued businesses
- › In constant currency terms, revenue up 13% while losses before interest and tax reduced 19%

Amobee

- › New key customer wins



Microsoft



HOOQ

- › First to introduce sachet access to Hollywood & premium local content in India
- › Offers over 35,000 hours of movies & TV series
- › Launched exclusive titles



Agenda

01 • Overview

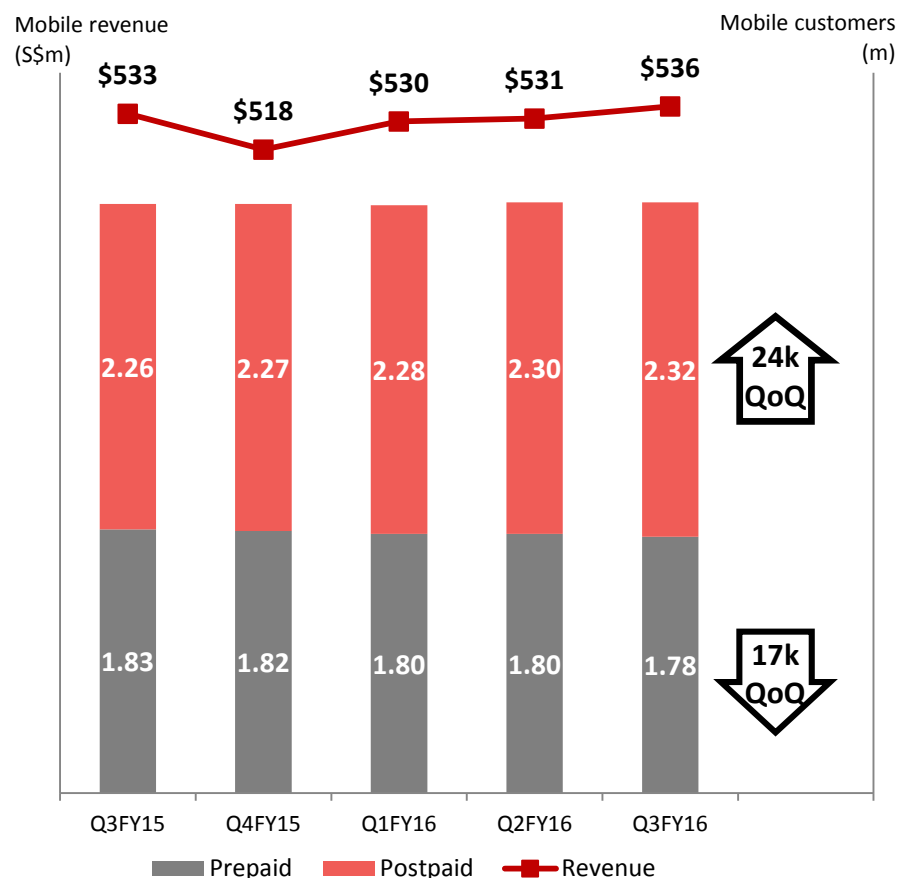
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Singapore Mobile

Mobile Communications revenue up 1% S\$536m



4G customers up 122k QoQ **2,205k**

Tiered data plans

- › Postpaid customers on tiered plans¹ **65%**
- › Tiered plans customers who exceed data bundles **26%**

Postpaid ARPU down 3% **S\$73**

- › Due to roaming & dilution of data-only SIMs & mobile share plans²

Postpaid SAC³ down 9% **S\$443**

Prepaid customers fell 17k QoQ **1,779k**

- › On strong sales of tourist SIM plans with shorter validity periods

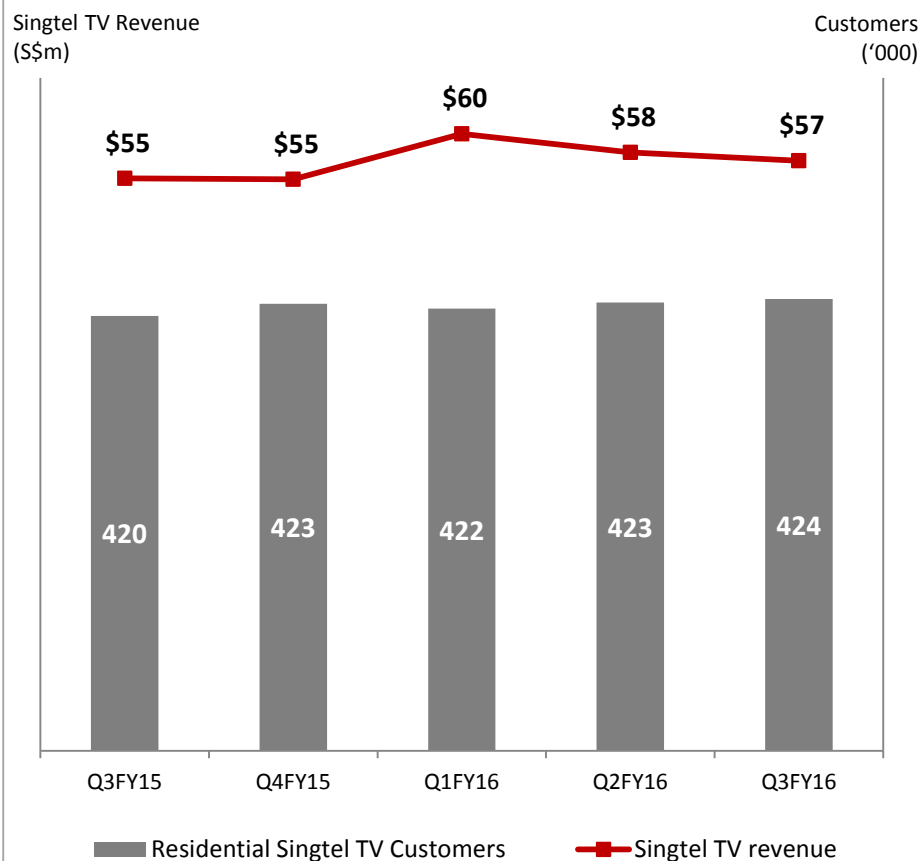
1. If excluding data-only SIMs, 79% of postpaid customers were on tiered plans.

2. Data-only SIMs refer to wireless broadband plans excluding voice. Mobile share plans refer to supplementary lines which share data, voice & text allowances of postpaid plans.

3. Blended acquisition and retention cost per postpaid customer.

Singapore Fixed

Singtel TV revenue up 3% S\$57m



Singtel TV ARPU

S\$39

› Up 1%

Singtel TV churn

1.3%

› Stable

Fibre customers¹

485k

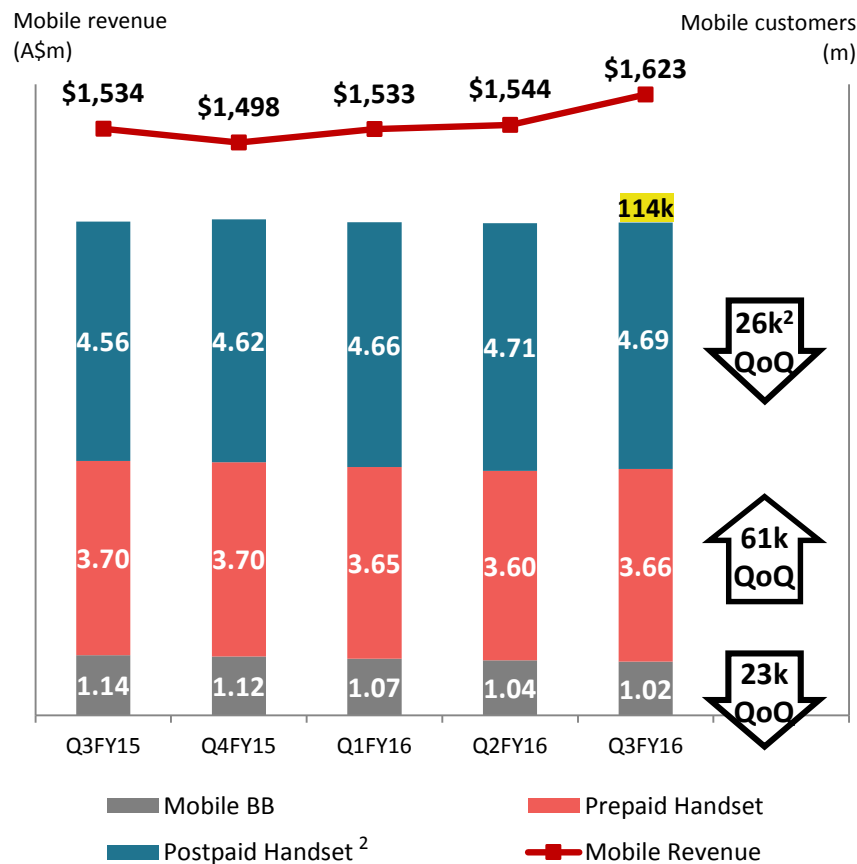
› Up 23k QoQ

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

Australia Mobile

Mobile revenue up 6%

A\$1,623m



4G customers¹ up 314k QoQ **4,445k**

> 47% penetration

Postpaid

> Handset ARPU **A\$61**

- down 2%
- up 4% ex-DRP credits

> Churn **1.4%**

- stable

Prepaid

> Handset ARPU **A\$28**

- up 3%

1. Defined as 4G handsets on the Optus network
2. Impacted by 114k deactivations from a wholesale customer

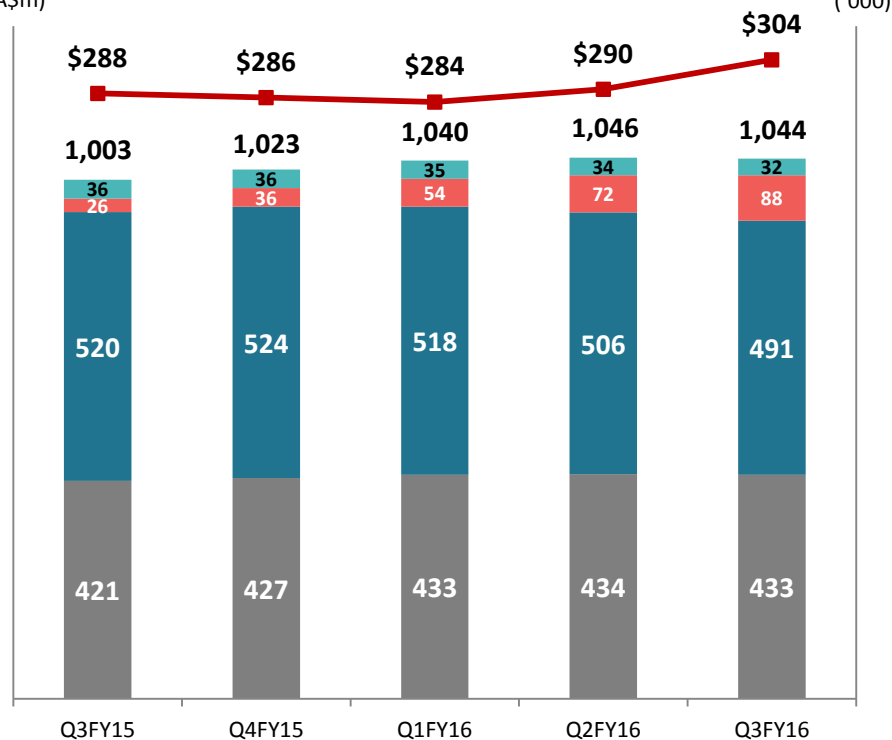
Australia Fixed

Mass market revenue up 6%

A\$304m

Mass market revenue
(A\$m)

Customers
('000)



HFC BB customers
 ULL BB customers
 NBN BB customers
 Others
 mass market revenue

On-net BB ARPU

A\$53

> Down 2% YoY & stable QoQ

NBN BB Customers

88k

> Up 16k QoQ

TV Customers

272k

> Up 12k QoQ

Trends in constant currency terms¹

3 months to Dec 15	Q3FY16 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	4,474	1.1%	6.2%
Group reported NPAT	954	(1.7%)	1.1%
Group underlying NPAT	955	(1.5%)	1.2%
Optus revenue	2,467	(2.7%)	6.3%
Regional Mobile Associates pre-tax earnings ²	647	0.2%	1.0%
9 months to Dec 15	9MFY16 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	12,867	(0.1%)	6.5%
Group reported NPAT	2,925	2.9%	6.1%
Group underlying NPAT	2,824	(0.2%)	3.1%
Optus revenue	7,198	(3.2%)	8.2%
Regional Mobile Associates pre-tax earnings ²	1,904	1.9%	2.7%

1. Assuming constant exchange rates from corresponding periods in FY2015.

2. Based on the Group's share of associates' earnings before exceptionals.



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