



Q1FY17 Financial Results Presentation

For the quarter ended 30 June 2016

Chua Sock Koong, Group CEO

11 August 2016

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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, "A\$" means Australian dollars and "US\$" means United States dollars unless otherwise indicated. Any discrepancies between individual amounts and totals are due to rounding.

Agenda

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Q1FY17: Strong earnings growth with solid associates' performance & resilient core

Q1FY17	% change (reported)	% change (constant currency) ¹	Highlights
Operating revenue S\$3,908m	-7%	-6%	› Impacted by MTR ² reductions, DRP ³ credits & lower equipment sales
Ex-MTR² S\$4,097m	-3%	-1%	› Continued growth in mobile data, cyber security & digital services
EBITDA S\$1,236m	Stable	+1%	› Impacted by AUD decline
Regional Mobile Associates' pre-tax earnings⁴ S\$714m	+14%	+17%	› Higher profits from Telkomsel & Airtel
Underlying net profit S\$954m	+7%	+9%	› Strong associates' performance
Net profit S\$944m	Stable	+2%	› Exceptional gains in prior year
Free cash flow S\$1,232m	+26%	N.M.	› Higher Telkomsel dividends & improved working capital

1. Assuming constant exchange rates from corresponding quarter in FY2016.

2. Mobile Termination Rates in Australia. Regulated reductions with effect from 1 January 2016.

3. Device Repayment Plans in Australia.

4. Exclude exceptional items.

N.M. – not meaningful.

Foreign exchange movements

Currency	Quarter ended 30 June 2016		
	Exchange rate ¹	Increase/ (decrease) against S\$	
		YoY	QoQ
1 AUD ² 	1.0125	(3.1%)	-
1 USD ³ 	1.3580	1.1%	(3.1%)
IDR 	9,837	(0.3%)	(2.3%)
INR 	49.2	(4.2%)	(2.3%)
PHP 	34.3	(3.3%)	(1.8%)
THB 	25.9	(4.4%)	(2.0%)

1. Average exchange rates for the quarter ended 30 June 2016.

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

3. Average US\$ rate for translation of Trustwave, Amobee and HOOQ's operating revenue.

Group Q1FY17 highlights

Group Consumer

- › SG: Launched OTT video & news services
- › SG: Widened data roaming offerings – ReadyRoam
- › AU: Launched 24/7 channel for EPL and sport app
- › AU: Rollout of VoLTE in major capital cities



Group Enterprise

- › Awarded Telecom Group & Telco Cloud Service Provider of the Year
- › Strategic Airtel alliance enhances Indian footprint
- › NCS to drive smart estate management with HDB
- › Major ICT win from QBE, Australia's largest global insurer



Group Digital Life

- › Amobee extended social media channels with Snapchat & named Facebook's new Managed Marketing Partner



Q1FY17: Underlying net profit increased 7%

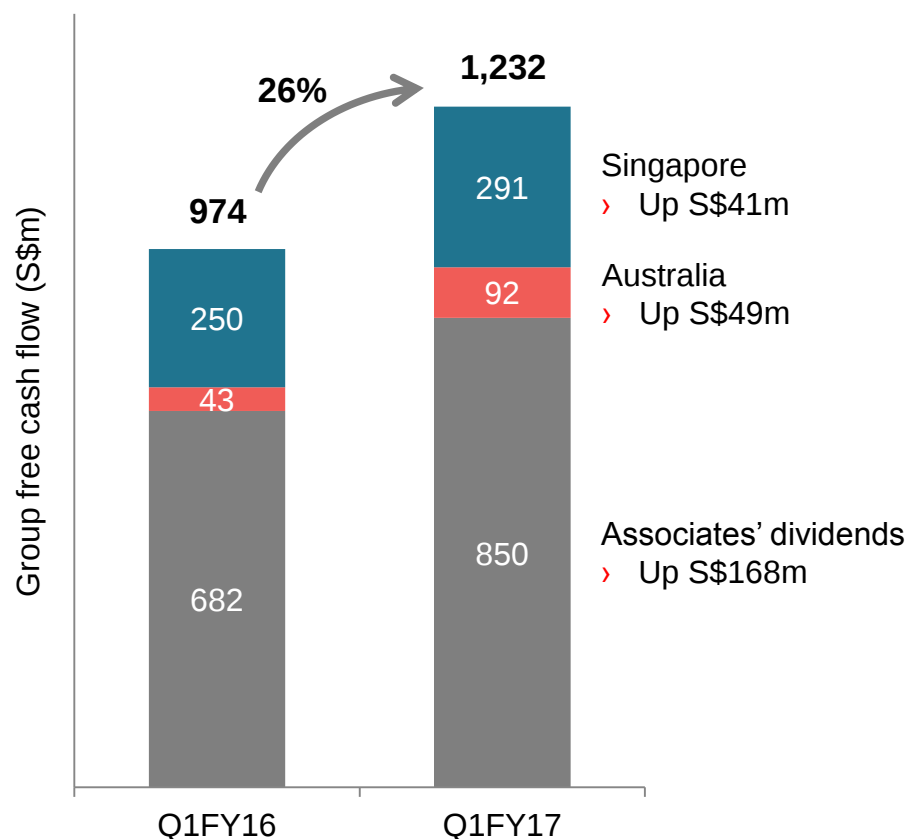
	3 months to				
	Jun 16	Jun 15	Mar 16	YoY %	QoQ %
Operating revenue	3,908	4,209	4,094	(7.1%)	(4.5%)
EBITDA	1,236	1,241	1,262	(0.4%)	(2.1%)
- margin	31.6%	29.5%	30.8%		
Associates pre-tax earnings ¹	767	665	740	15.3%	3.6%
EBITDA & share of associates' pre-tax earnings	2,003	1,907	1,983	5.1%	1.0%
Depreciation & amortisation	(543)	(535)	(545)	1.5%	(0.3%)
Net finance expense	(65)	(58)	(91)	13.0%	(28.6%)
Profit before EI and tax	1,394	1,314	1,346	6.2%	3.6%
Tax	(444)	(419)	(371)	6.0%	19.7%
Underlying net profit	954	895	981	6.6%	(2.7%)
Exceptional Items (post tax)	(10)	47	(35)	N.M.	(71.6%)
Net profit	944	942	946	0.3%	(0.2%)

1. Excluding exceptionals.

N.M. – Not meaningful

Solid financial position

Free cash flow **\$1,232m**



Balance sheet

Net debt¹ **S\$7.9b**

Net debt gearing² **23.6%**

Net debt: EBITDA & share of associates' pre-tax profits³ **1.0x**

EBITDA & share of associates' pre-tax profits: **25.2x**
Net interest expense

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

1. Gross debt less cash and bank balances adjusted for related hedging balances.
2. The ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.
3. Ratio is calculated on an annualised basis.



Agenda

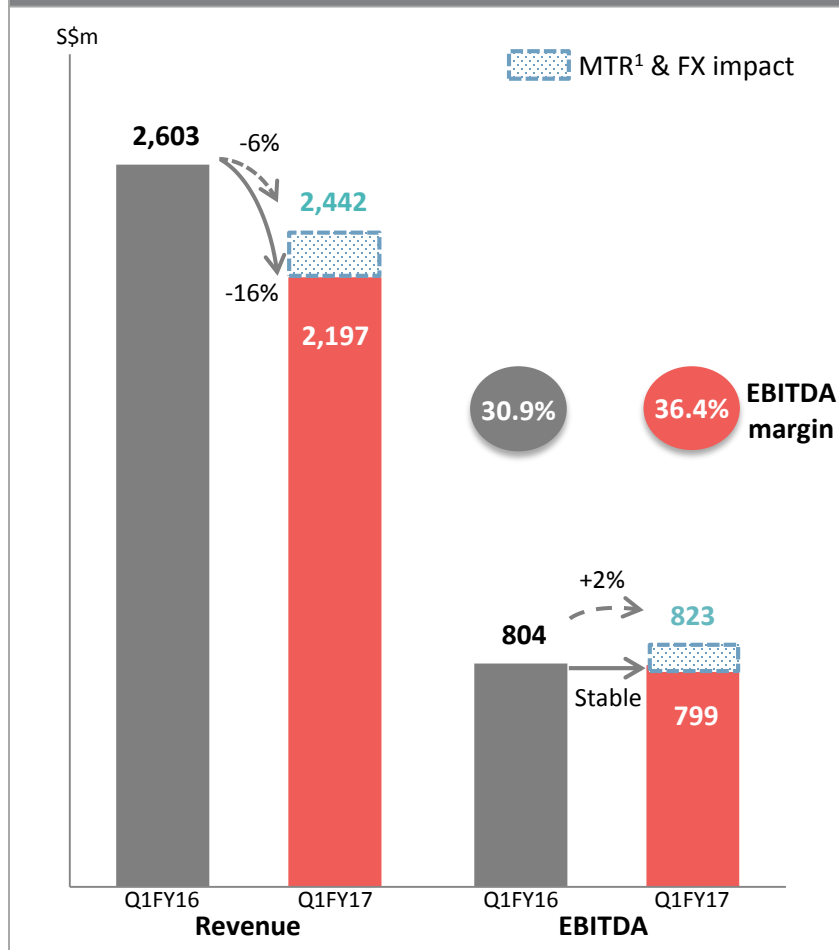
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Group Consumer

Group Consumer



Revenue down 16%

- › Strong mobile data growth offset voice & roaming declines
- › MTR¹ rates decline in Australia (minimal impact on EBITDA)
- › DRP² credits in Australia
- › Equipment sales decline due to lower recontracting volumes

EBITDA stable

- › Lower traffic expenses mitigate revenue decline
- › Lower acquisition & retention costs on lower handset volumes

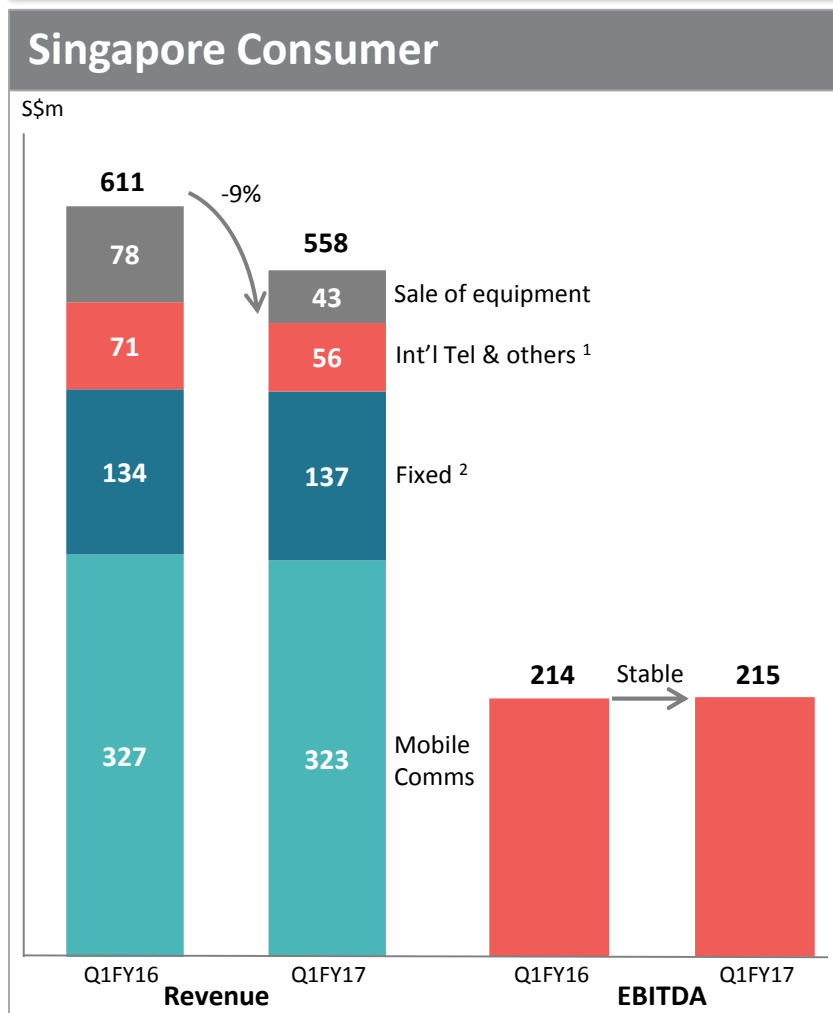
Ex-MTR¹ & in constant currency terms

- › Revenue down 6% & EBITDA up 2%

1. Mobile Termination Rates in Australia. Regulated reductions with effect from 1 January 2016.

2. Device Repayment Plans.

Singapore Consumer



Mobile communications revenue down 1%

- › Growth in mobile data usage & higher tiered plan mix
- › Declines in roaming & voice

Equipment sales down 45%

- › Lower recontracting volume & higher mix of SIM-only plans

IDD services down 19%

- › Lower call traffic due to data substitution

Home services³ & ARPU up 2% & 4%

- › Higher TV spend & increased take-up of higher speed plans

EBITDA stable

- › On lower selling costs & cost management

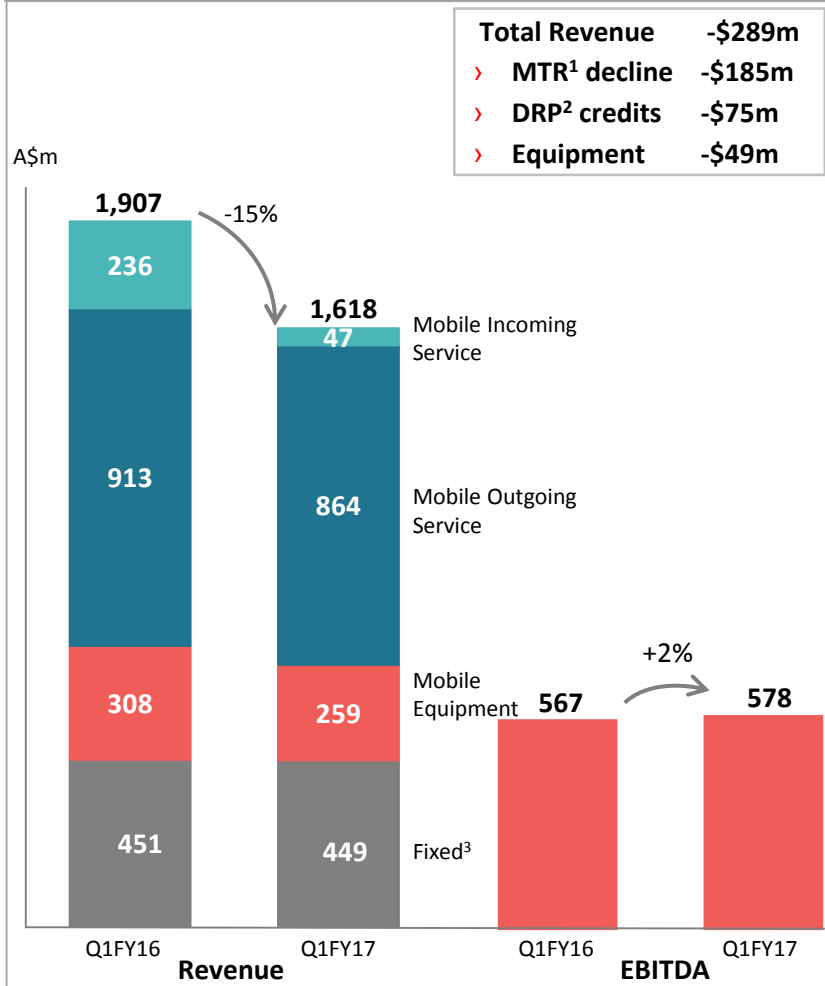
1. Other revenue includes digital services, inter-operator tariff discounts, and revenue from mobile network cabling works and projects.

2. Comprises fixed broadband, residential Pay TV, national telephone and payphone.

3. Comprises fixed broadband, fixed voice and Singtel TV in the residential segment only.

Australia Consumer

Australia Consumer



Outgoing mobile service revenue down 5%

- › Impacted by DRP² credits & wholesale deactivations
- › Up 3% excluding DRP² credits

Mobile handset customers

- › Postpaid handset up 51k; After wholesale deactivations, up 13k
- › Prepaid handset down 24k

Mass market fixed revenue grew 4%

EBITDA up 2%

- › DRP² credits offset by GST refund

Investment in networks

- › 95% national population 4G coverage⁴
- › Fastest Netflix provider for 10 consecutive months

1. Mobile Termination Rates.

2. Device Repayment Plans.

3. Included NBN migration and preparation revenue of A\$15m (Q1 FY16: A\$12m).

4. As at 31 July 2016.

Regional Mobile Associates

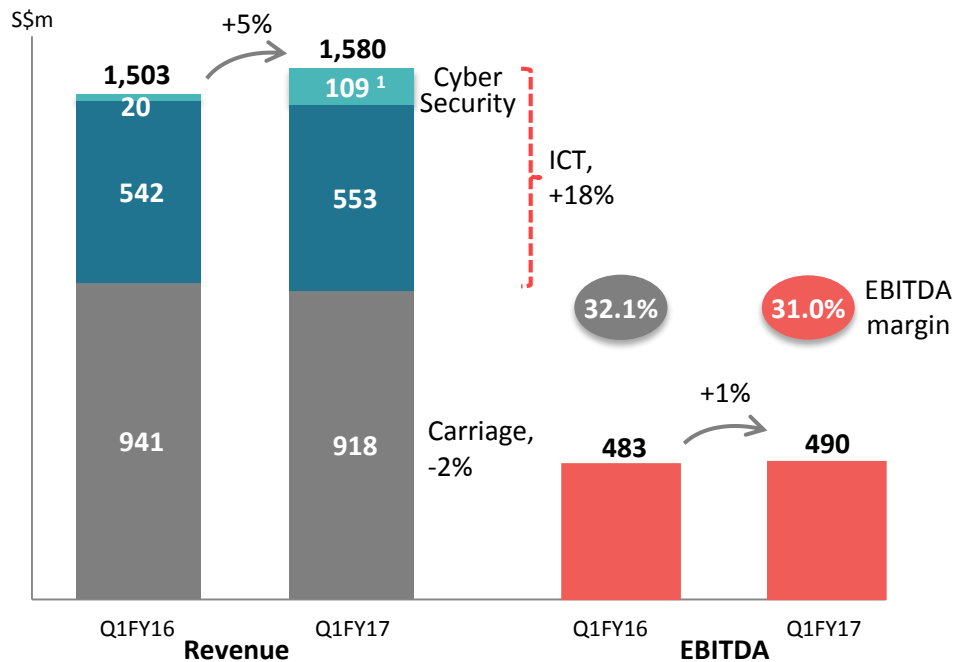
Q1FY17	PBT ¹ (S\$m)	% Change (S\$)	% Change (local ccy)	Business Highlights
Regional Mobile	714	+14%	N.A.	› Customer base up 1% to 613m › Robust performance from Telkomsel & Airtel India › Lower fair value losses from Airtel
Telkomsel	326	+31%	+32%	› Higher voice, data & digital revenue with strong smartphone adoption › Strong customer growth
Airtel	176	+5%	+10%	
- India & South Asia	288	+1%	+6%	› Strong mobile data & voice growth in India › Higher depreciation & spectrum amortisation costs
- Africa	16	Stable	+6%	› Divestment of Burkina Faso & Sierra Leone operations in June & July 2016 respectively
- Others ²	(127)	-4%	Stable	
AIS	122	+5%	+10%	› Stable revenue; earnings growth on lower depreciation › Acquired 900MHz spectrum
Globe	90	-3%	Stable	› Growth in mobile & broadband customer base › Impacted by higher depreciation & interest expense › Entered agreement to acquire San Miguel's telecom assets

1. Exclude exceptional items.

2. Net finance costs & fair value losses.

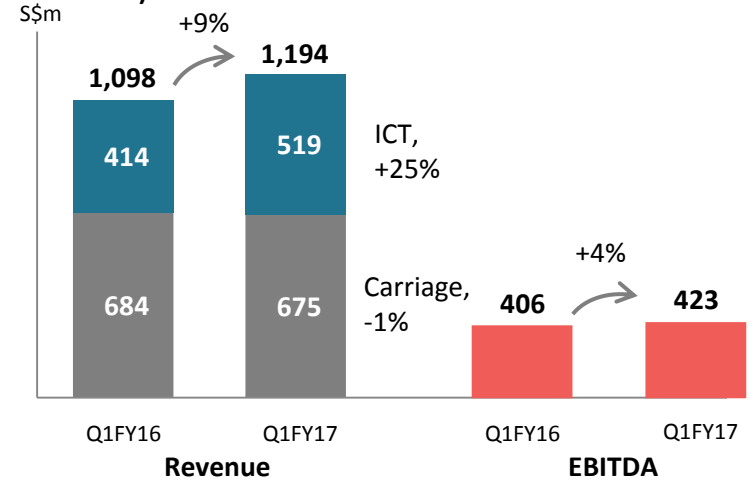
Group Enterprise

Group Enterprise

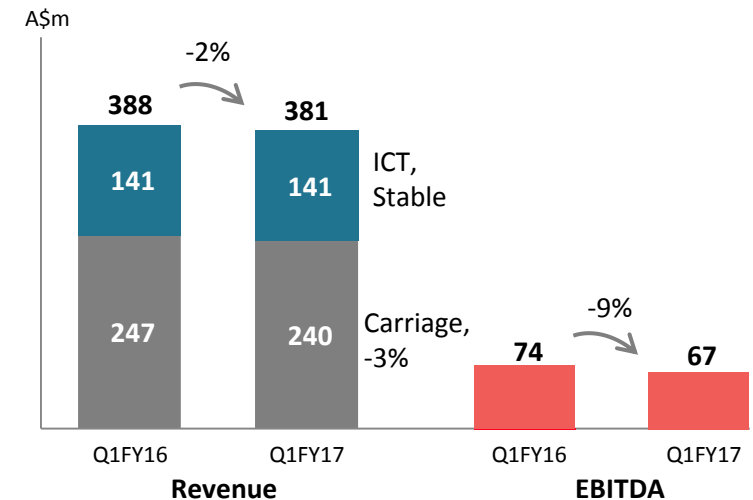


- › Strong revenues led by growth in ICT services & international data
- › Cyber security revenues increased to S\$109m
- › Lower carriage revenues:
 - Decline in roaming & MTR reductions in Australia
 - Lower voice services

Singapore & International (ex Australia)



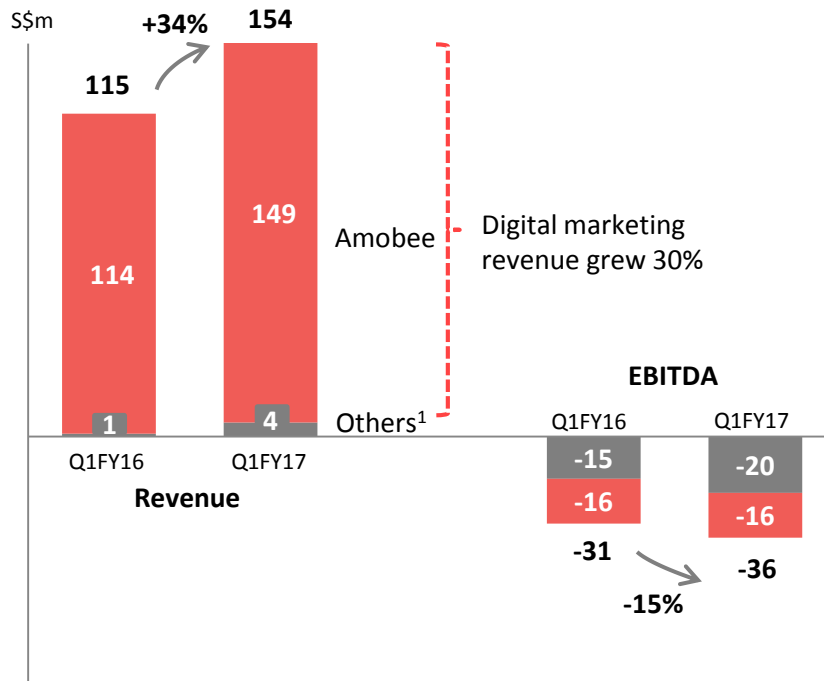
Australia



1. Cyber security revenue in Q1FY17 includes contributions from Trustwave, which was acquired in September 2015.

Group Digital Life

Group Digital Life



- › Strong revenue growth from Amobee
- › Increase in operating losses:
 - › HOOQ's investments in content & marketing
 - › Amobee's cost in respect of prior period (S\$7m)

Amobee

- › Offered video advertising campaigns on Twitter
- › New customer wins



HOOQ

- › Widened Hollywood & local content
- › Leverage direct carrier to boost adoption



DataSpark

- › Business expansion across Australia, Indonesia & Thailand

1. Include revenues from HOOQ and DataSpark.



Agenda

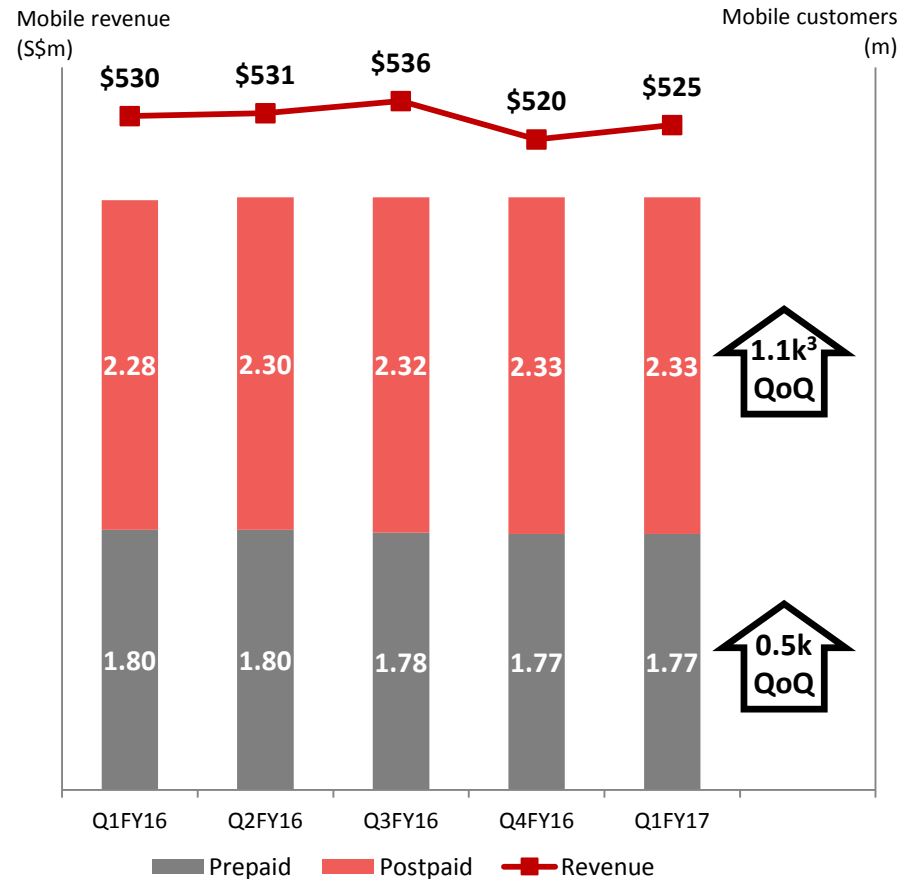
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Singapore Mobile

Mobile Communications revenue stable S\$525m



4G customers up 108k QoQ **2,398k**

Tiered data plans

- › Postpaid customers on tiered plans **66%**
- › Tiered plans customers who exceed data bundles **29%**
- › Average smartphone data usage **2.6Gb**

Postpaid ARPU down 5% **S\$70**

- › Due to roaming & dilution of data-only SIM, supplementary¹ and SIM-only plans

Postpaid SAC² down 6% **S\$410**

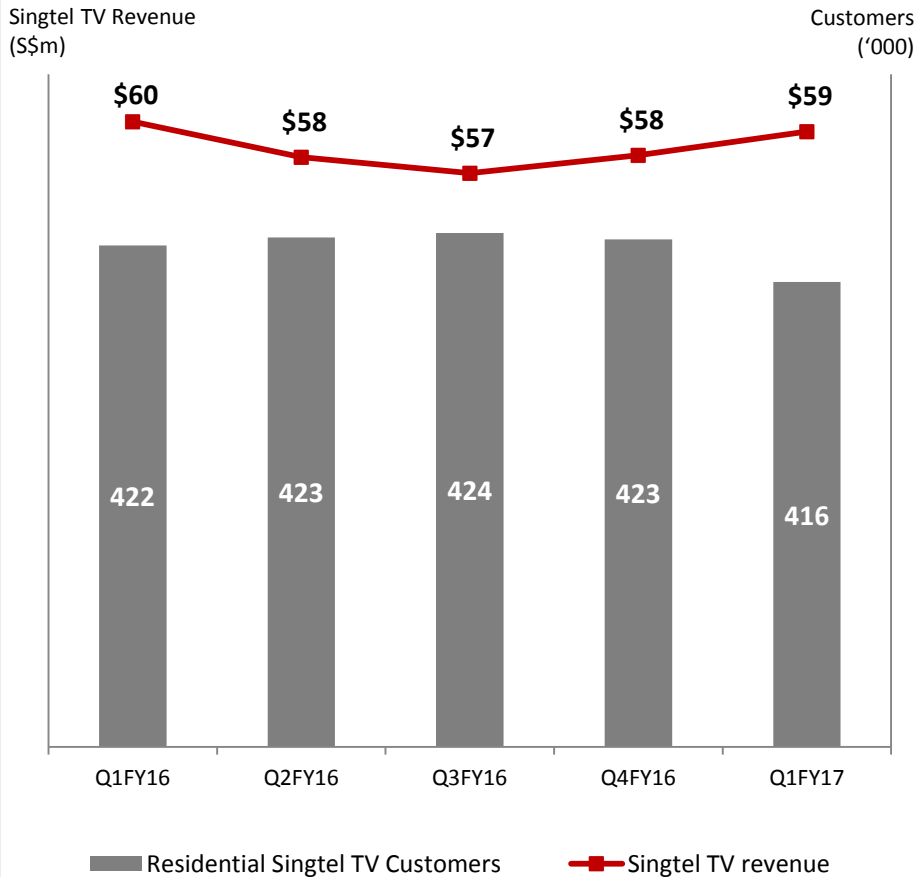
1. Refer to supplementary lines which share data, voice & text allowances of main postpaid plans.

2. Blended acquisition and retention cost per postpaid customer.

3. After rationalisation of legacy data only plans (25k)

Singapore Fixed

Singtel TV revenue stable S\$59m



Singtel TV ARPU **S\$42**

- > Up 5%
- > Stable excluding Euro 2016

Singtel TV churn **1.7%**

- > Up 0.5ppt QoQ due to the end of the EPL season

Households on Triple/quad services² **498k**

- > Down 2k QoQ

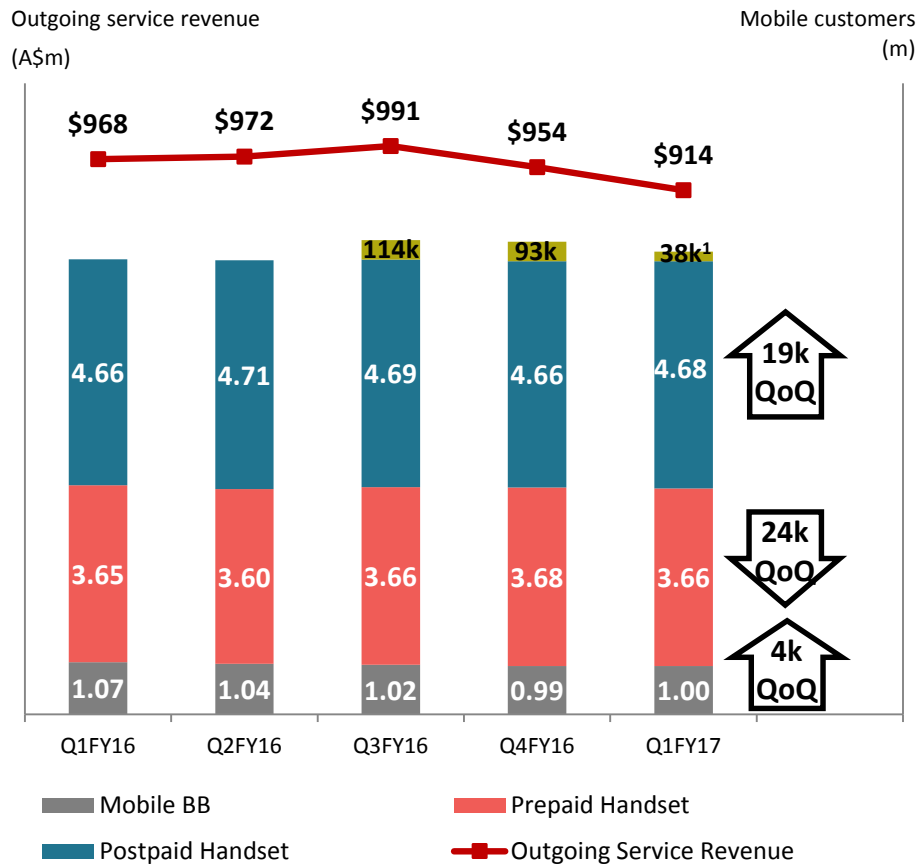
Fibre customers¹ **520k**

- > Up 19k QoQ
- > 89% of residential BB customers on fibre

1. Residential and corporate subscriptions to broadband internet services using optical fibre networks.
 2. Households which subscribed to 3 or 4 unique services comprising Fixed Broadband, Singtel TV, Fixed Voice and Mobile.

Australia Mobile

Outgoing service revenue A\$914m



4G customers² up 257k QoQ

4,933k

> 53% penetration

Postpaid

> Handset ARPU

A\$48

- down 19%

- up 4% on adjusted basis³

> Churn

1.3%

- down from 1.4% in Q1FY16

Prepaid

> Handset ARPU

A\$21

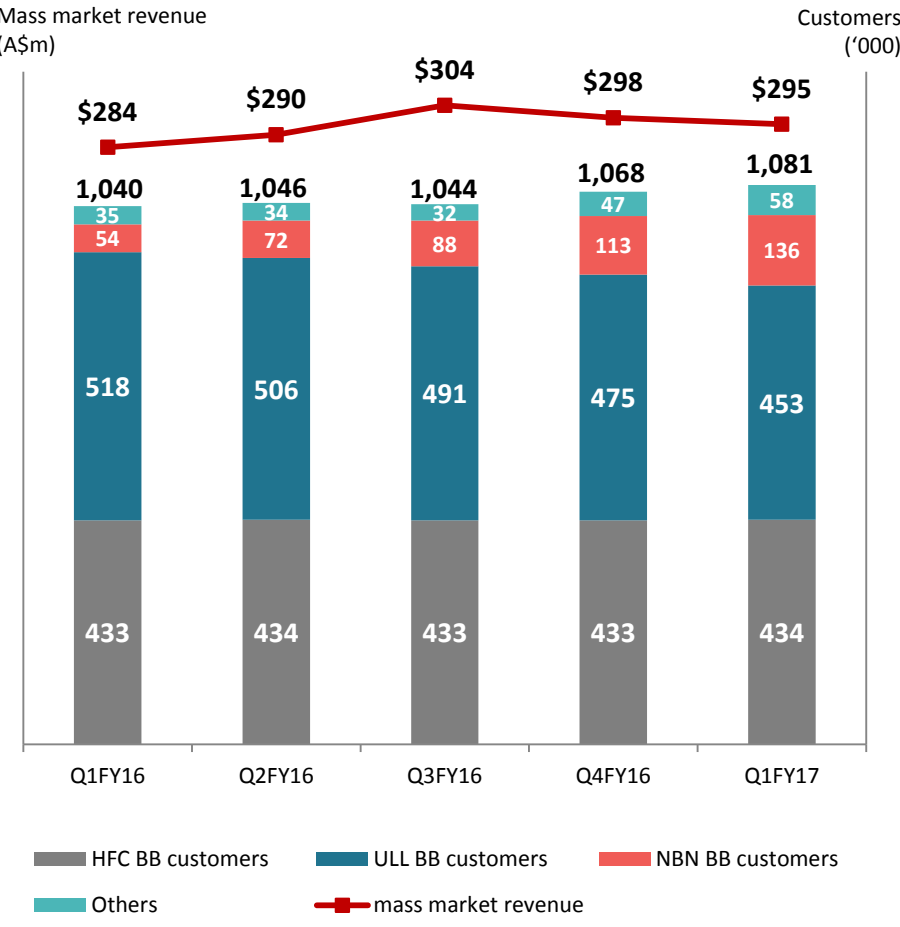
- down 25%

- down 5% on adjusted basis³

1. Wholesale deactivations.
2. 4G handsets on the Optus network.
3. Exclude the impact of service credits & lower mobile termination rates.

Australia Fixed

Mass market revenue A\$295m



On-net BB ARPU **A\$52**

> Down 3%

NBN BB Customers **136k**

> Up 23k QoQ

Resale DSL BB Customers **31k**

> Up 9k QoQ

TV Customers **345k**

> Up 30k QoQ

Trends in constant currency terms¹

3 months to June 16	Q1FY17 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	3,908	(7.1%)	(5.7%)
Group reported NPAT	944	0.3%	2.3%
Group underlying NPAT	954	6.6%	8.8%
Optus revenue	2,024	(15.6%)	(12.9%)
Regional Mobile Associates pre-tax earnings ²	714	14.3%	17.1%

1. Assuming constant exchange rates from corresponding periods in FY2016.

2. The Group's share of associates' earnings before exceptionals.



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