



Q2FY17 Financial Results Presentation

For the quarter ended 30 Sep 2016

Chua Sock Koong, Group CEO

10 November 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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

01 • Overview

02 • Business Units

03 • Group Outlook

04 • Supplementary Information



Q2FY17: Stable performance with strong associates' earnings

Q2FY17	% change (reported)	% change (constant currency) ¹	Highlights
Operating revenue S\$4,086m	-2%	-3%	› Growth in mobile data, cyber security, data & internet and digital services
Ex-MTR² S\$4,280m	+2%	+2%	› MTR ² reductions and DRP ³ credits in Australia › Subdued economic & business environment in Singapore › Heightened competition in Australia › Continued voice to data substitution
EBITDA S\$1,233m	-4%	-5%	› Investments in customer acquisition and higher content costs in Australia
Regional Mobile Associates' pre-tax earnings⁴ S\$679m	+7%	+8%	› Stronger operating results from Telkomsel & Airtel India; lower fair value losses from Airtel Africa
Underlying net profit S\$978m	Stable	Stable	› Strong associates' performance mitigated decline in EBITDA › Dilution from Trustwave losses
Net profit S\$972m	-6%	-6%	› Airtel divestment gains in prior year
Free cash flow S\$641m	+34%	N.M.	› Improved working capital and distributions from NetLink Trust

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. Excludes exceptional items.

N.M. – not meaningful.

Foreign exchange movements

Currency		Quarter ended 30 September 2016			Half-year ended 30 September 2016	
		Exchange rate ¹	Increase/ (decrease) against S\$		Exchange rate ¹	Increase/ (decrease) against S\$
			YoY	QoQ		
1 AUD ²		1.0256	1.7%	1.3%	1.0192	(0.7%)
1 USD ³		1.3532	(2.7%)	(0.4%)	1.3552	(0.9%)
IDR		9,713	2.9%	1.3%	9,771	1.4%
INR		49.4	(5.8%)	(0.4%)	49.3	(4.9%)
PHP		34.8	(5.1%)	(1.5%)	34.5	(3.9%)
THB		25.8	(2.0%)	0.4%	25.9	(3.6%)

1. Average exchange rates for the quarter and half year ended 30 September 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 Q2FY17 highlights

Group

- › Interim Dividend
- › Expected completion of Intouch¹ & BTL² shares purchase in November
- › Fixed Broadband & Managed Security Service Provider of the Year

6.8 cents per share



Group Consumer

- › SG: DataX3-Triple data plan catering to heavy data users
- › SG: ZoneAlarm- mobile app protecting users from cyber threats
- › AU: Successful delivery of Premier League content and Australia first 24/7 cricket channel
- › AU: Enhanced regional coverage with recently-acquired 1800Mhz spectrum



Group Enterprise

- › Established advanced cyber security operation centre in Sydney
- › Launched NUS-Singtel cyber security R&D laboratory



Group Digital Life

- › Amobee won Best Predictive Analytics & Measurement Technology and Best Mobile Marketing Campaign³



H1FY17: Underlying net profit increased 3%

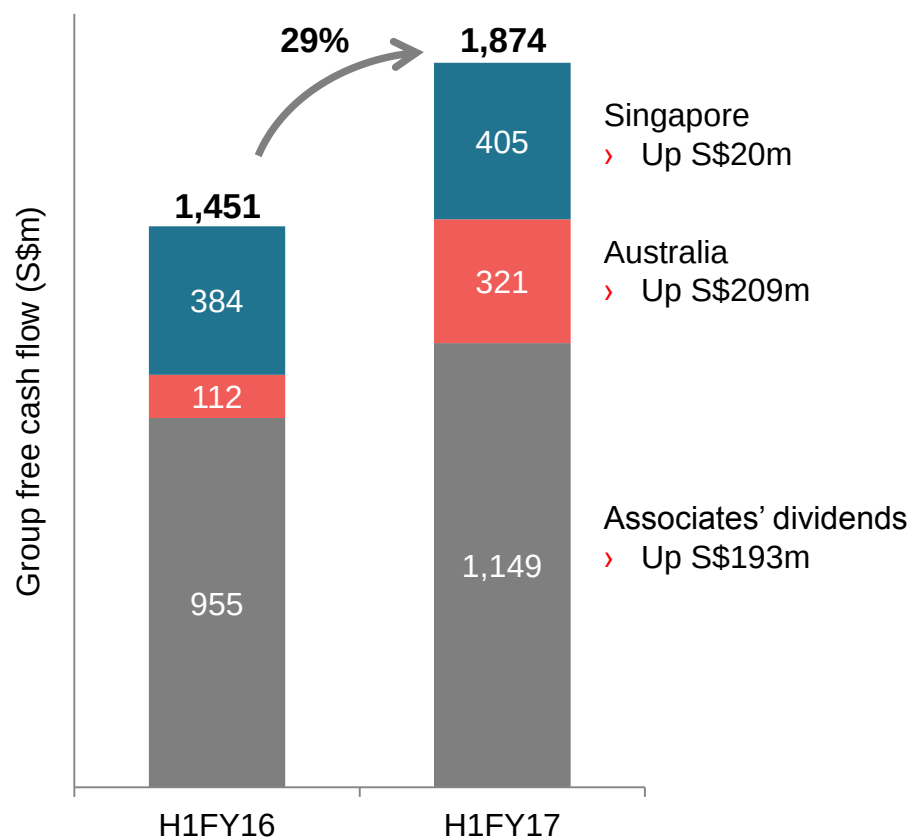
	3 months to			6 months to		
	Sep 16	Sep 15	YoY %	Sep 16	Sep 15	YoY %
Operating revenue	4,086	4,184	(2.3%)	7,994	8,393	(4.8%)
EBITDA	1,233	1,290	(4.4%)	2,469	2,531	(2.5%)
- margin	30.2%	30.8%		30.9%	30.2%	
Associates pre-tax earnings ¹	737	684	7.7%	1,504	1,350	11.5%
EBITDA & share of associates' pre-tax earnings	1,970	1,996	(1.3%)	3,973	3,903	1.8%
Depreciation & amortisation	(549)	(531)	3.3%	(1,092)	(1,067)	2.4%
Net finance expense	(71)	(53)	33.8%	(136)	(111)	23.0%
Profit before EI and tax	1,350	1,412	(4.4%)	2,744	2,725	0.7%
Tax	(376)	(440)	(14.5%)	(820)	(859)	(4.5%)
Underlying net profit	978	974	0.4%	1,933	1,870	3.4%
Exceptional Items (post tax)	(6)	55	N.M.	(16)	102	N.M.
Net profit	972	1,030	(5.6%)	1,917	1,971	(2.8%)

1. Excluding exceptionals.

N.M. – Not meaningful.

Solid financial position

Free cash flow **\$1,874m**



Balance sheet

Net debt¹ **S\$9.3b**

Net debt gearing² **27.0%**

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

EBITDA & share of associates' pre-tax profits: **24.6x**
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

01 • Overview

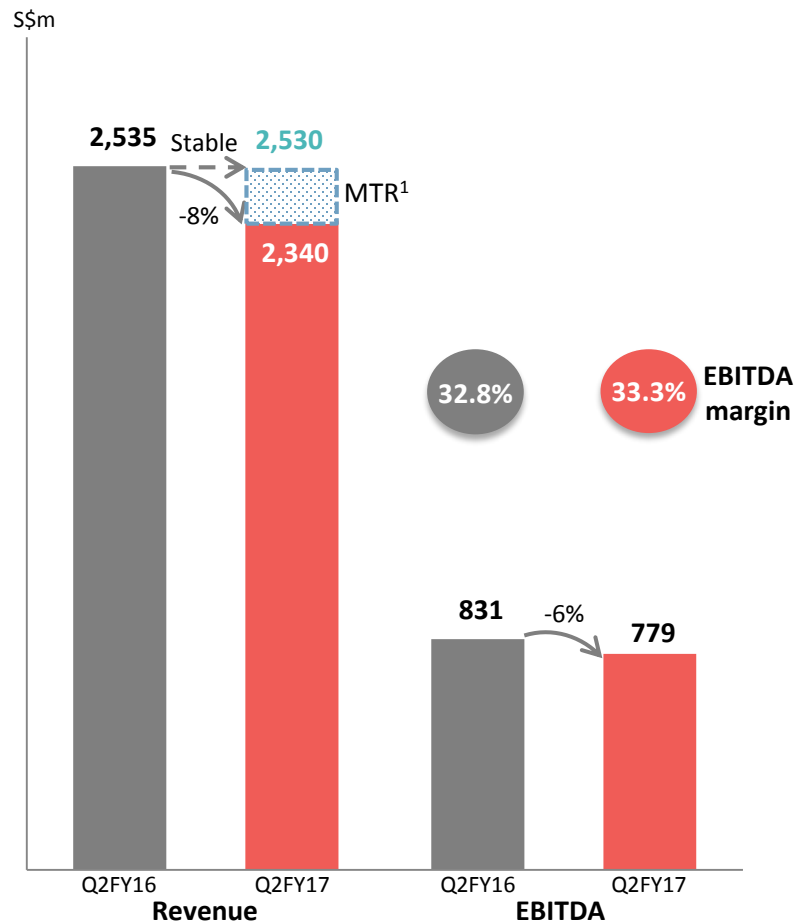
02 • Business Units

03 • Group Outlook

04 • Supplementary Information

Group Consumer

Group Consumer



Revenue down 8%

- › Strong mobile data growth mitigated impact of voice to data substitution
- › MTR¹ rates decline in Australia (minimal impact on EBITDA)
- › Higher DRP² credits in Australia

Revenue ex-MTR¹ stable

EBITDA down 6%

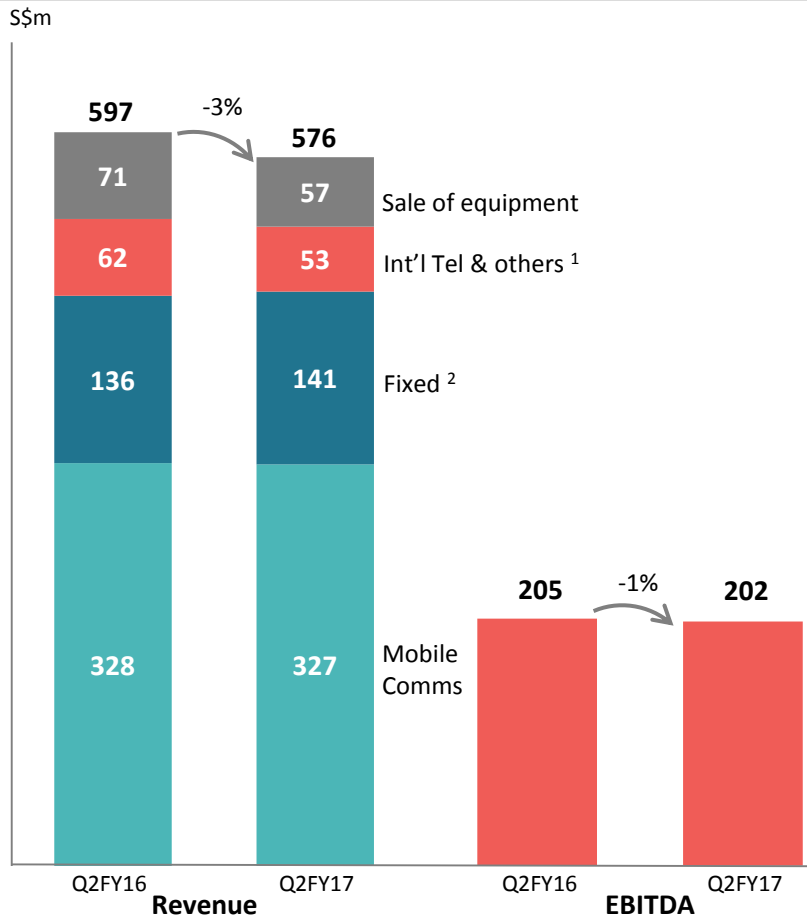
- › Heightened competition in Australia
- › Higher content costs for the Group

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

2. Device Repayment Plans.

Singapore Consumer

Singapore Consumer



Mobile communications revenue stable

- › Strong data growth offset voice decline

Equipment sales down 20%

- › Pending release of new handsets, popularity of lower priced Android handsets & SIM-only plans

IDD services down 15%

- › Lower call traffic from data substitution

Home services³ & ARPU both up 4%

- › Wholesale of Premier League content rights from Aug 16 & migration to higher speed fibre plans

EBITDA down 1%

- › FX gains of S\$7m in the prior year

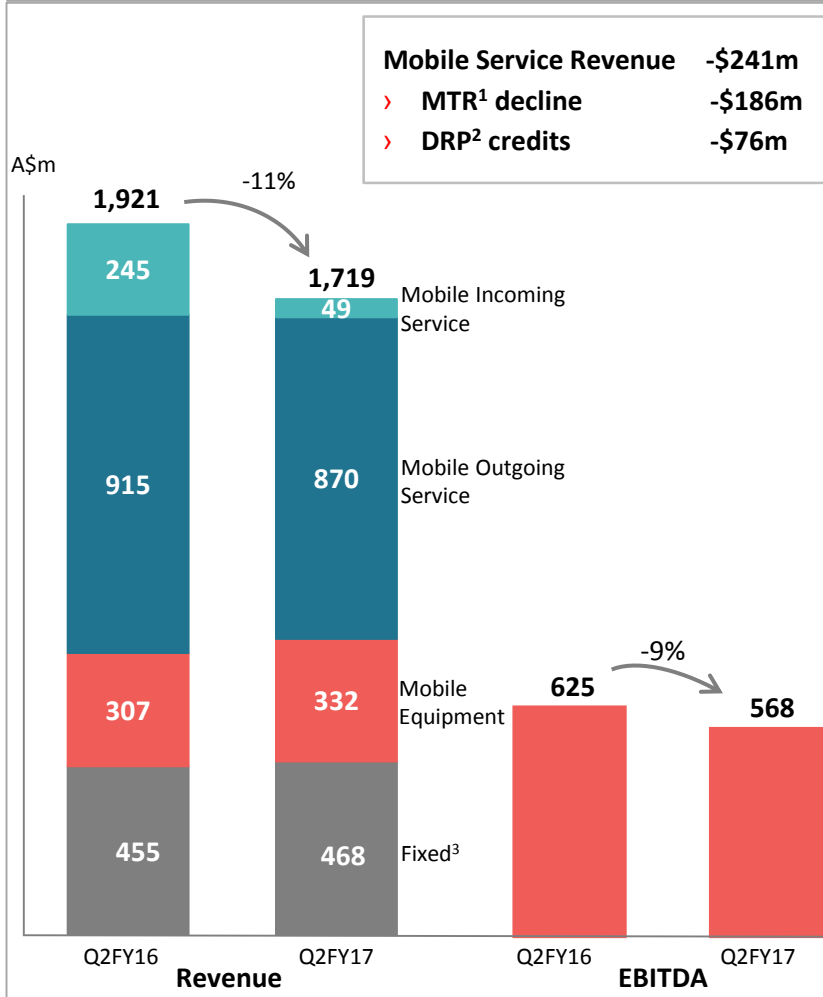
1. Other revenue includes digital services, inter-operator tariff discounts, and revenue from mobile network cabling works and projects.

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 and lower wholesale revenues
- › Up 3% excluding DRP² credits

Mobile handset customers

- › Branded postpaid grew 107k
- › Prepaid down 21k

Mass market fixed revenue grew 6%

- › Increase in NBN customer numbers and migration revenues

EBITDA down 9%

- › Impacted by DRP² credits and content costs

Investment in networks

- › 95.7% national population 4G coverage⁴

1. Mobile Termination Rates.

2. Device Repayment Plans.

3. Included NBN migration and preparation revenue of A\$20m (Q2 FY16: A\$14m).

4. As at 31 October 2016.

Regional Mobile Associates

Q2FY17	PBT ¹ (S\$m)	% Change (S\$)	% Change (local ccy)	Business Highlights
Regional Mobile	679	+7%	N.A.	› Group's customer base up 3% to 629m › Capturing growth in mobile data services from increased spectrum & network investments
Telkomsel	365	+22%	+19%	› Growing customer base & rising smartphone adoption › Robust growth across voice, data & digital businesses
Airtel	172	+13%	+19%	
- India & South Asia	292	+11%	+17%	› Achieved pan-India 3G & 4G spectrum coverage
- Africa	15	-16%	-11%	› Lower fair value losses
- Others ²	(134)	+5%	+10%	
AIS	83	-19%	-17%	› Achieved 65% 4G population coverage › Commencement of 900MHz licence amortisation › Payment to TOT³ for use of towers & 2G facilities
Globe	59	-25%	-21%	› Impacted by equity-accounted losses on acquisition of SMC's ⁴ telecom assets & one-off gain in prior year

1. Excludes exceptional items.

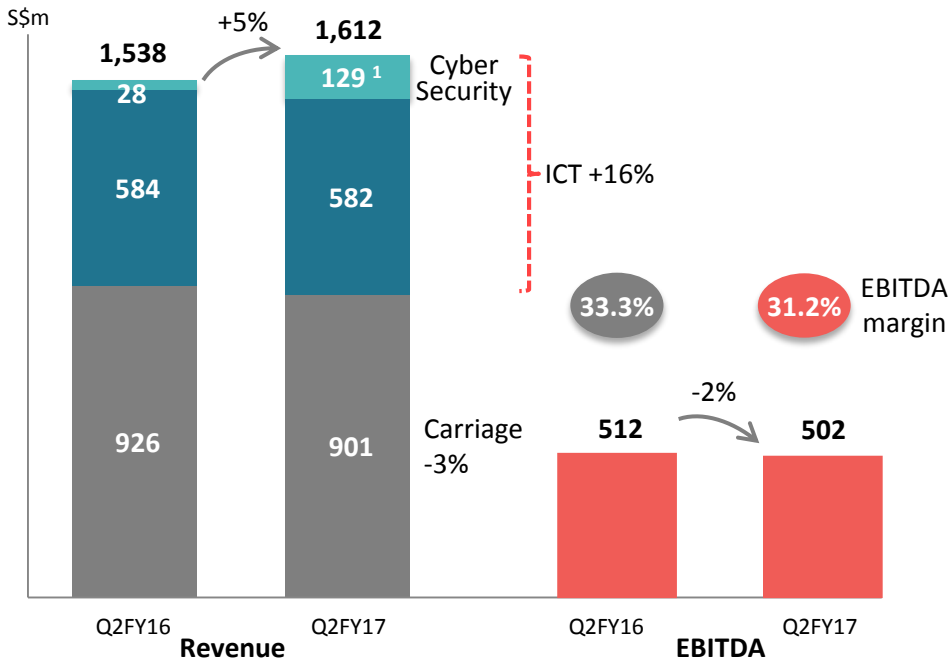
2. Net finance costs & fair value losses.

3. TOT Public Company Limited, Thailand.

4. San Miguel Corporation.

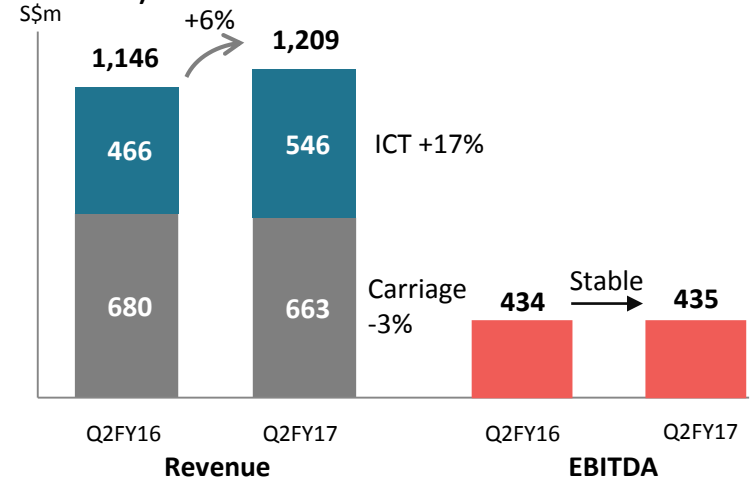
Group Enterprise

Group Enterprise

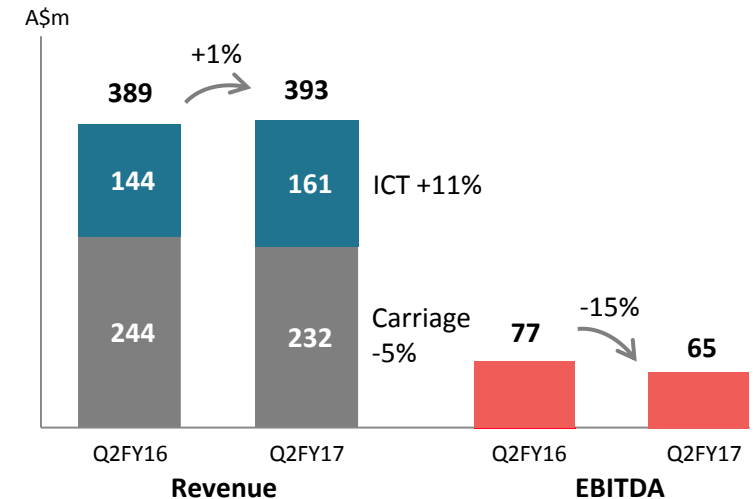


- › Revenue grew on cyber security & international data
- › Lower carriage revenues on continued voice to data substitution
- › EBITDA down 2% on increased mix of lower-margin ICT revenues & intense competition in Australia

Singapore & International (ex Australia)



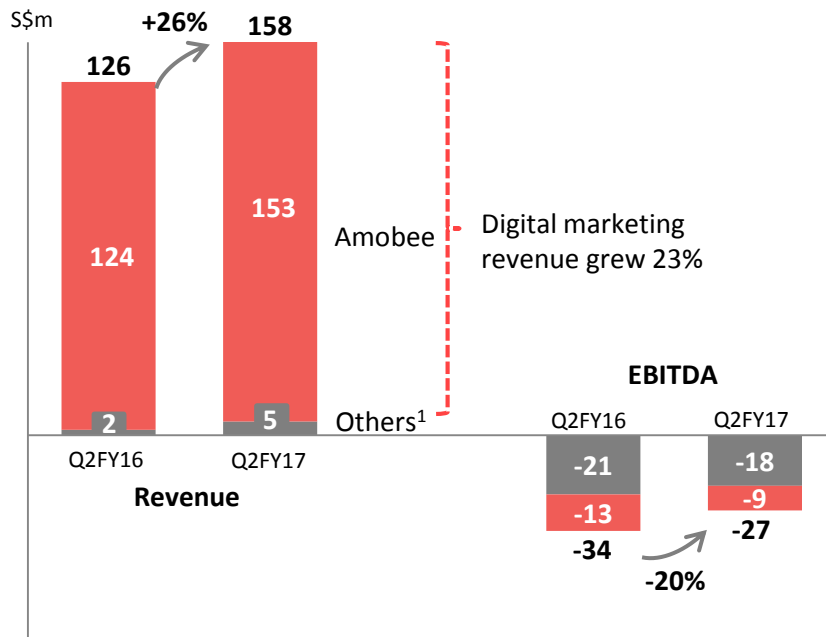
Australia



1. Cyber security revenue in Q2FY17 includes contributions from Trustwave, which was acquired in September 2015.

Group Digital Life

Group Digital Life



- › Strong Amobee growth driven by social advertising

Amobee

- › New customer wins

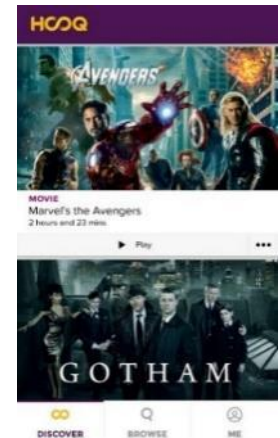


- › Partnered with Facebook to offer Dynamic Ads



HOOQ

- › Improved content and user interface



1. Include revenues from HOOQ and DataSpark.

A young couple is shown outdoors, smiling and using their mobile devices. The woman on the left is holding a smartphone to her ear, while the man on the right is wearing large headphones and looking at his phone. They are standing in front of a modern building with a curved roof and a wooden slat wall. A large red semi-circle is overlaid on the bottom left of the image, containing the agenda text.

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Outlook^{1,2}

Group	Revenue to decline by low single digit level ³ (updated)
	EBITDA to be stable ³ (updated)
	Capital expenditure to be approx. S\$2.8b • Approx. S\$1.0b for Singapore • Approx. A\$1.8b for Australia
	Cash capital expenditure to be approx. S\$2.4b
	Free cash flow ⁴ to be approx. S\$1.5b ⁵
	Ordinary dividends from Regional Mobile Associates to be approx. S\$1.2b
Core Business	Revenue to decline by low single digit level ³ (updated)
	EBITDA to be stable ³ (updated)
	Singapore Mobile Communications revenue to be stable
	Australia Mobile Service revenue to decline by mid teens ³ (updated)
	Group ICT revenue to increase by low teens
	› Cyber security revenue is expected to be S\$450-550m ⁶
Group Digital Life	Amobee revenue is expected to grow by mid single digit
	Group Digital Life negative EBITDA to be approx. S\$150–S\$180m

1. Based on average exchange rates during FY16.

2. Excludes acquisitions.

3. Includes the the impact of decline in mobile termination rates in Australia.

4. Excludes associates' dividends.

5. Excludes payment to Australian Taxation Office in respect of the amended assessments related to Optus acquisition financing.

6. Includes a full year contribution from Trustwave.

A man and a woman are standing in a modern office or exhibition space, looking at a tablet together. The man is wearing a blue checkered shirt and a name tag that says "Dimitris". The woman is wearing a black blazer over a white top. They are both smiling. In the background, there are blue and white display panels and a white spiral staircase.

Agenda

01 • Overview

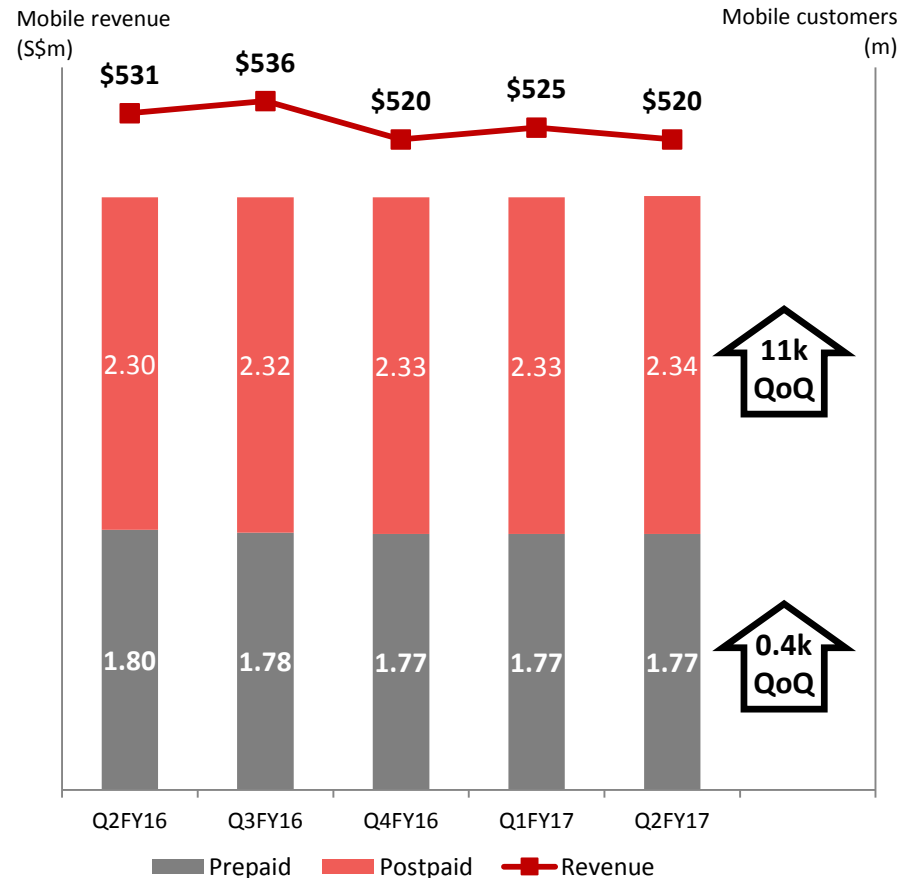
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Singapore Mobile

Mobile Communications revenue S\$520m



4G customers up 89k QoQ **2,487k**

Tiered data plans

- > Postpaid customers on tiered plans **65%**
- > Tiered plans customers who exceed data bundles **32%**
- > Average smartphone data usage **2.8Gb**

Postpaid ARPU down 6% **S\$69**

- > Mainly due to lower voice traffic & roaming and supplementary¹ lines

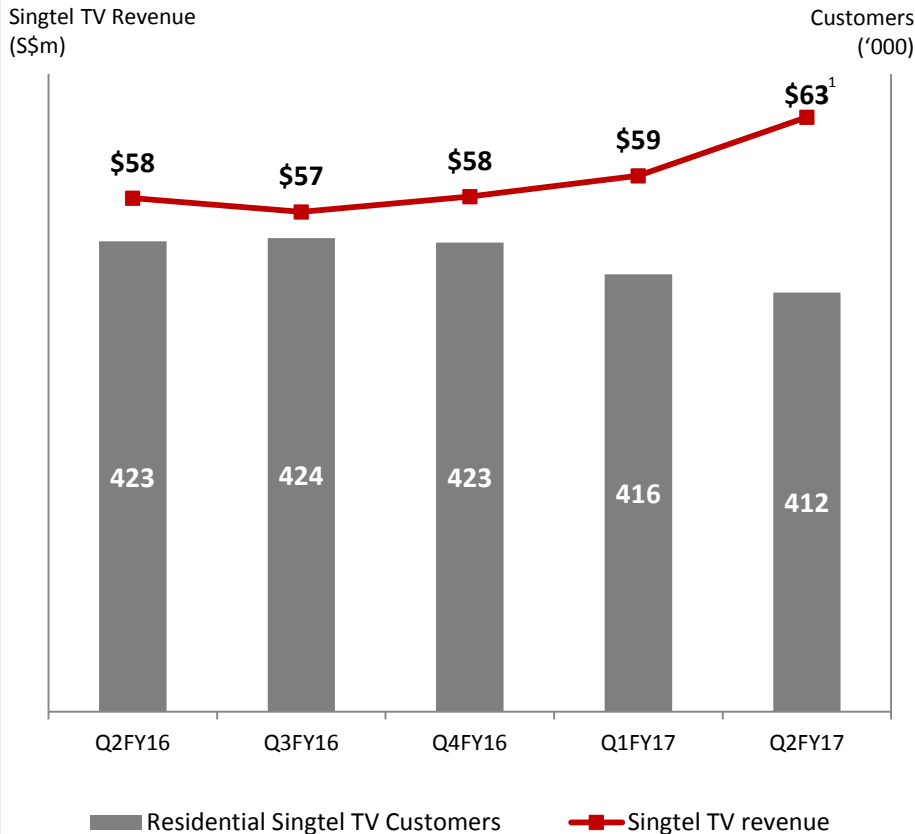
Postpaid SAC² up 7% **S\$429**

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

2. Blended acquisition and retention cost per postpaid customer.

Singapore Fixed

Singtel TV revenue S\$63m



Singtel TV ARPU **S\$42**

- > Up 6%
- > Up 3% excluding Euro 2016

Singtel TV churn **1.5%**

- > Down 0.3ppt

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

- > Stable QoQ

Fibre broadband customers³ **533k**

- > Up 13k QoQ

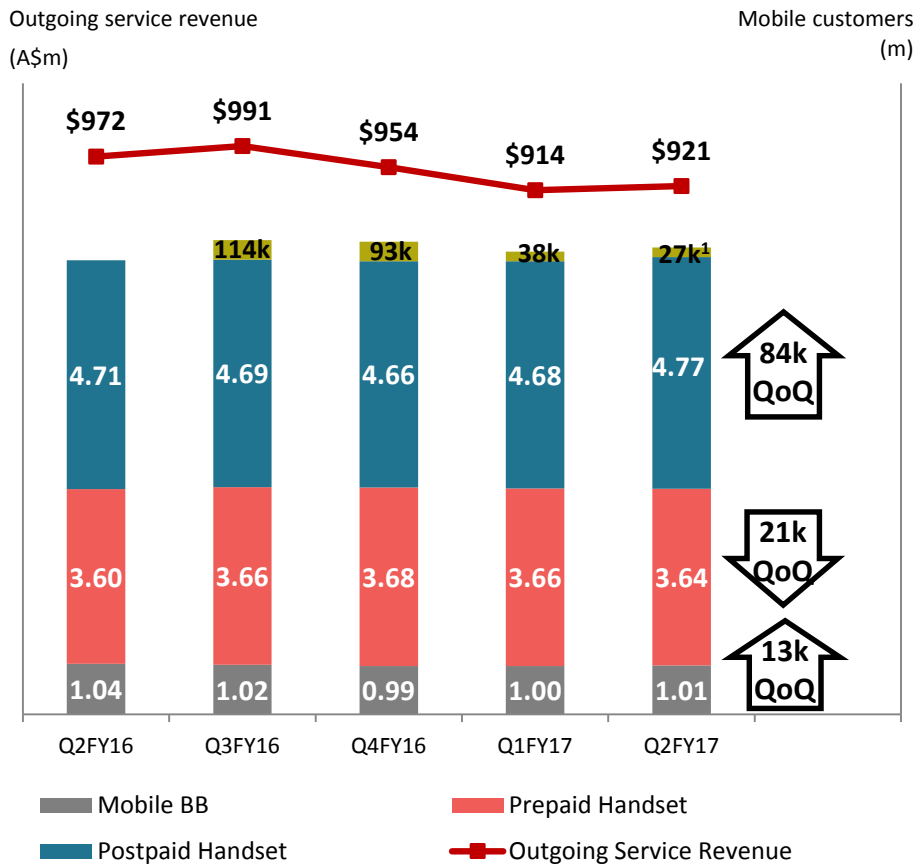
- > 91% of residential broadband customers on fibre

Singtel OTT services (Cast & Singtel TV GO) **22k**

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

Australia Mobile

Outgoing service revenue A\$921m



4G customers² up 335k QoQ

5,268k

> 56% penetration

Postpaid

> Handset ARPU

A\$47

- down 20%

- up 3% on adjusted basis³

> Churn

1.3%

- stable YoY and QoQ

Prepaid

> Handset ARPU

A\$22

- down 24%

- down 4% on adjusted basis⁴

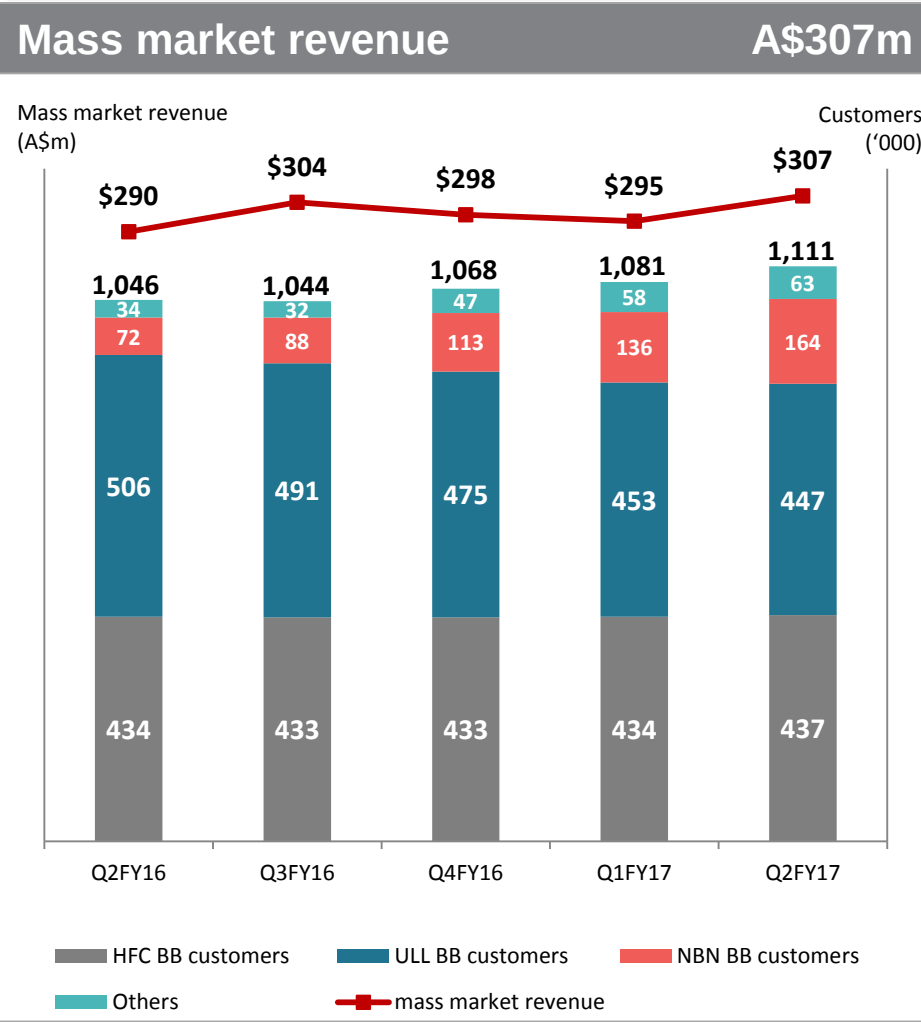
1. Wholesale deactivations.

2. 4G handsets on the Optus network.

3. Excludes the impact of service credits & lower mobile termination rates.

4. Excludes the impact of lower mobile termination rates.

Australia Fixed



On-net BB ARPU **A\$53**

> Down 1%

NBN BB Customers **164k**

> Up 28k QoQ

Resale DSL BB Customers **36k**

> Up 5k QoQ

TV Customers **421k**

> Up 36k¹ QoQ

1. Based on adjusted customer definition

Trends in constant currency terms¹

3 months to September 16	Q2FY17 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	4,086	(2.3%)	(3.1%)
Group reported NPAT	972	(5.6%)	(5.9%)
Group underlying NPAT	978	0.4%	(0.1%)
Optus revenue	2,167	(7.2%)	(8.7%)
Regional Mobile Associates pre-tax earnings ²	679	7.4%	8.2%
6 months to September 16	H1FY17 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	7,994	(4.8%)	(4.4%)
Group reported NPAT	1,917	(2.8%)	(2.0%)
Group underlying NPAT	1,933	3.4%	4.2%
Optus revenue	4,191	(11.4%)	(10.8%)
Regional Mobile Associates pre-tax earnings ²	1,393	10.8%	12.7%

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

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



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