Singapore Telecommunications Limited
And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2018

*With effect from 1 April 2018, the Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and has applied them retrospectively. Accordingly, the comparatives have been restated to take into account adjustments relating to SFRS(I) 1, First-time Adoption of SFRS(I), SFRS(I) 15, Revenue from Contracts with Customers and SFRS(I) 9, Financial Instruments. The financial statements for the quarter ended, and as at, 30 June 2018 are unaudited.*

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

For all pages, "@" denotes more than +/- 500%, "" denotes less than +/- S$0.5 million or A$0.5 million 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 FIRST QUARTER ENDED 30 JUNE 2018

- **Operating revenue was stable and EBITDA declined 2.7%.**
- **The associates' post-tax profit contributions fell 26% mainly on lower profits at Telkomsel and Airtel, as well as lower contribution from NetLink NBN Trust following Singtel's reduction in its economic interest.**
- **Underlying net profit fell 19%.**
- **Including exceptional gains compared to a loss in the corresponding quarter, net profit declined 6.6%.**
- **In constant currency terms[1], underlying net profit fell 17% and net profit declined 3.7%.**
- **Free cash flow grew a strong 13% due to timing of receipt of dividend from Telkomsel and lower capital expenditure partially offset by working capital movements.**

[1] Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2017.

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	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated [1] 2017 S$ m	YOY Chge %
Operating revenue	**4,134**	**4,156**	**-0.5**
(exclude NBN migration revenues)	*4,109*	*4,113*	*-0.1*
EBITDA	**1,207**	**1,240**	**-2.7**
(exclude NBN migration revenues)	*1,182*	*1,198*	*-1.3*
- EBITDA margin	***29.2%***	***29.8%***	
Share of associates' pre-tax profits	**416**	**730**	**-43.0**
EBITDA and share of associates' pre-tax profits	**1,623**	**1,970**	**-17.6**
EBIT	**1,069**	**1,421**	**-24.8**
(exclude share of associates' pre-tax profits)	*653*	*691*	*-5.5*
Underlying net profit	**733**	**909**	**-19.3**
(exclude Airtel and BTL) [2]	*714*	*873*	*-18.2*
Exceptional items (post-tax)	**98**	**(19)**	**nm**
Net profit	**832**	**890**	**-6.6**
(exclude Airtel and BTL) [2]	*796*	*855*	*-6.9*
Free cash flow	**1,466**	**1,294**	**13.3**
Underlying earnings per share (S cents)	**4.49**	**5.57**	**-19.4**
Basic earnings per share (S cents)	**5.09**	**5.45**	**-6.6**

	As at 30 Jun 2018 S$ m	As at Restated [1] 31 Mar 2018 S$ m	As at Restated [1] 30 Jun 2017 S$ m
Total assets	**47,775**	**48,487**	**49,324**
Shareholders' funds	**30,420**	**29,706**	**28,855**
Net debt [3]	**8,473**	**9,877**	**10,600**
Net debt gearing ratio [4]	***21.8%***	***25.0%***	***26.9%***
Net debt to EBITDA and share of associates' pre-tax profits [5]	***1.31X***	***1.32X***	***1.34X***
Interest cover:			
- EBITDA and share of associates' pre-tax profits/ net interest expense [6]	***18.0X***	***20.1X***	***21.7X***

Notes:

(1) The Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which became effective from 1 April 2018 and has applied them retrospectively. Accordingly, comparatives have been restated to take into account adjustments relating to SFRS(I) 1, *First-time Adoption of SFRS(I),* SFRS(I) 15, *Revenue from Contracts with Customers* and SFRS(I) 9, *Financial Instruments*. See **Appendix 7** for details.

(2) The profits were adjusted to exclude the results of Airtel and its shareholder, Bharti Telecom Limited ("**BTL**").

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

(4) 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.

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

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

SECTION 1 : GROUP

GROUP SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2018

	Quarter 30 Jun		
	2018 S$ m	Restated 2017 S$ m	YOY Chge %
Operating revenue	**4,134**	**4,156**	**-0.5**
Operating expenses	(2,992)	(2,988)	0.1
	1,142	1,168	-2.2
Other income	65	73	-10.3
EBITDA	**1,207**	**1,240**	**-2.7**
- EBITDA margin	***29.2%***	***29.8%***	
Share of associates' pre-tax profits	416	730	-43.0
EBITDA and share of associates' pre-tax profits	**1,623**	**1,970**	**-17.6**
Depreciation	(481)	(476)	0.9
Amortisation of intangibles	(73)	(73)	0.1
	(554)	(549)	0.8
EBIT	**1,069**	**1,421**	**-24.8**
Net finance expense			
- net interest expense	(90)	(91)	-0.3
- other finance income	20	5	320.8
	(70)	(86)	-18.3
Profit before exceptional items and tax	**999**	**1,335**	**-25.2**
Taxation	(271)	(432)	-37.2
Profit after tax	**728**	**903**	**-19.4**
Minority interests	5	6	-3.6
Underlying net profit	**733**	**909**	**-19.3**
Exceptional items (post-tax)	98	(19)	nm
Net profit	**832**	**890**	**-6.6**
Depreciation as % of operating revenue	***12%***	***11%***	

Unless otherwise stated, the presentation of income statements in this document is consistent with prior periods. For income statements presented in accordance with SFRS(I) 1-1, *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 and Intouch in Thailand, Airtel in India, Africa and Sri Lanka, 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, Australia, U.S.A., Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT services and professional consulting.

Group Digital Life ("**GDL**") 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 focuses on three key businesses in digital life – digital marketing, regional premium OTT video and advanced analytics and intelligence capabilities, in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

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:

Based on post elimination basis	**Quarter 30 June**		
	2018 S$ m	**Restated 2017 S$ m**	**YOY Chge %**
Operating revenue			
Group Consumer	2,356	2,313	1.9
Group Enterprise	1,519	1,569	-3.2
Core Business	**3,875**	**3,882**	**-0.2**
Group Digital Life	259	273	-5.4
Group	**4,134**	**4,156**	**-0.5**
EBITDA			
Group Consumer	794	804	-1.2
Group Enterprise	449	482	-6.8
Core Business	**1,243**	**1,285**	**-3.3**
Group Digital Life	(23)	(24)	-0.4
Corporate	(13)	(21)	-40.7
Group	**1,207**	**1,240**	**-2.7**
EBIT (exclude share of associates' pre-tax profits)			
Group Consumer	404	426	-5.1
Group Enterprise	299	333	-10.4
Core Business	**703**	**759**	**-7.4**
Group Digital Life	(36)	(46)	-21.3
Corporate	(13)	(22)	-38.7
Group	**653**	**691**	**-5.5**

SECTION 1 : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2018

The Group delivered resilient core results with strong performance in Australia Consumer mitigating the declines in traditional carriage business. Telkomsel and Airtel continued to face headwinds in Indonesia and India on intense price competition.

Operating revenue was stable and would have grown 1.7% in constant currency terms with higher equipment sales. EBITDA declined 2.7% but was stable in constant currency terms.

Group Consumer contributed 57% (Q1 FY2018: 56%) and 66% (Q1 FY2018: 65%) to the Group's operating revenue and EBITDA respectively. Operating revenue grew 1.9% while EBITDA declined 1.2%. In constant currency terms, operating revenue and EBITDA would have increased by 4.6% and 1.5% respectively.

Singapore Consumer recorded a resilient performance in the quarter. Operating revenue was up 1.7% on increases in equipment sales and Consumer Home services, boosted by pay TV revenue contribution from 2018 FIFA World Cup in June, partly offset by decline in Mobile service revenue. EBITDA, however, declined by 2.6% with cessation of sub-licensing of TV content rights revenue. In Australia, operating revenue and EBITDA grew by 5.4% and 2.8% respectively. Excluding NBN migration revenues, operating revenue rose 6.6% and EBITDA increased 6.2% due to strong mobile customer growth.

Group Enterprise contributed 37% (Q1 FY2018: 38%) and 37% (Q1 FY2018: 39%) to the Group's operating revenue and EBITDA respectively. Operating revenue fell 3.2%, impacted by the lumpy nature of major infrastructure projects and continued declines in traditional legacy services. In Australia, Optus Business recorded growth in the ICT business and mobile partially offset by lower voice. With continued investments in capabilities and products, EBITDA fell 6.8%.

GDL contributed 6% to the Group's operating revenue, down from 7% in the same quarter last year. Operating revenue for the quarter declined 5.4% (1.3% in constant currency terms) due to the timing of marketing spend by certain Amobee's customers partially offset by higher revenue from HOOQ on continued ramp up of its business. Amobee grew its Agency Trading Desk business, doubling revenue from last corresponding quarter. EBITDA for both GDL and Amobee remained stable with lower operating expenses.

Depreciation and amortisation charges were stable but would have increased 3.5% in constant currency terms due mainly to higher investments in mobile infrastructure network, spectrum and a new billing system.

EBIT (before share of results of associates) fell 5.5% to S$653 million.

The Group and its regional associates continued to record strong customer growth. The combined mobile customer base reached 735 million as at 30 June 2018, up significantly by 29 million or 4.2% from a quarter ago due to growth in India.

The associates' post-tax underlying profit contributions declined 26%. If the regional currencies had remained stable, the associates' post-tax underlying profit contributions would have declined by 21% due to lower profits at Telkomsel and Airtel as well as decline in contribution from NetLink NBN Trust following the reduction in economic interest. The decline was partly mitigated by higher profits at Globe, AIS and Intouch. Despite fierce competitive conditions in Indonesia and India, Telkomsel and Airtel have gained market shares in the quarter.

SECTION 1 : GROUP

Net finance expense decreased 18% due mainly to foreign exchange gains compared to losses in the last corresponding quarter and higher dividend received from Southern Cross.

The Group's tax expense fell 37% on lower earnings and the recognition of deferred tax credits in Nigeria by Airtel partly offset by higher dividend withholding taxes.

Consequently, underlying net profit declined by 19% (17% in constant currency terms).

The net exceptional gain (post-tax) of S$98 million (Q1 FY2018: S$19 million of net loss) in the quarter comprised mainly of a gain on disposal of a property in Singapore and the Group's share of Airtel's net exceptional gains partially offset by staff restructuring costs.

With an exceptional gain compared to a loss in the corresponding quarter, net profit declined 6.6%. In constant currency terms, the decline was 3.7%.

The Group continued to deliver substantial free cash flow, which rose 13% to S$1.47 billion this quarter mainly on the timing of receipt of dividend from Telkomsel and lower capital expenditure partly offset by working capital movements.

The Group continued to maintain a healthy capital structure. As at 30 June 2018, net debt gearing ratio was 21.8%, down from 25.0% a quarter ago following a net repayment of borrowings.

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 three-quarters of both the Group's proportionate revenue and EBITDA.

SECTION 1 : GROUP

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2018 were as follows:

	Quarter		
	30 June 2018 S$ m	Restated 31 Mar 2018 S$ m	QOQ Chge %
Operating revenue	**4,134**	**4,262**	**-3.0**
EBITDA	**1,207**	**1,230**	**-1.9**
- margin	***29.2%***	***28.9%***	
Share of associates' pre-tax profits	**416**	**519**	**-19.9**
EBIT	**1,069**	**1,188**	**-10.0**
Underlying net profit	**733**	**821**	**-10.7**
Exceptional items (post-tax)	**98**	**(51)**	**nm**
Net profit	**832**	**770**	**8.0**
Free cash flow	**1,466**	**800**	**83.3**

Operating revenue declined from the preceding quarter mainly due to a weaker Australian Dollar and seasonally higher ICT revenue recorded in the March quarter, partly offset by higher revenue from Amobee.

Underlying net profit fell on lower associates' earnings and higher withholding taxes from associates' dividends this quarter.

Free cash flow rose on higher dividends from associates and lower capital expenditure, partly offset by working capital movements.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2019

The Group affirms the guidance previously issued in May 2018.

Please refer to **Appendix 6** for further details on the outlook for the current financial year.

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OPERATING REVENUE

By Products and Services	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Mobile service (includes international call revenue)	1,392	1,424	-2.2
Data and Internet	824	837	-1.5
Cyber security	*114*	*117*	-3.0
Other services	*426*	*456*	-6.7
Managed services	539	573	-5.9
Business solutions	140	132	5.8
Infocomm Technology ("**ICT**")	679	706	-3.7
Sale of equipment	581	511	13.7
Digital businesses (1)	271	282	-3.8
Fixed voice	246	283	-13.0
Pay television	104	93	12.1
Others	35	20	77.3
Total	**4,134**	**4,156**	**-0.5**
Operating revenue	**4,134**	**4,156**	**-0.5**
Associates' proportionate revenue (2)	3,282	3,632	-9.6
Group's proportionate revenue	**7,416**	**7,788**	**-4.8**

Notes:

(1) Include revenues from Amobee, HOOQ, DataSpark.

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

Operating Revenue Mix	Quarter 30 Jun 2018 %	Quarter 30 Jun Restated 2017 %
Mobile service	33.7	34.3
Data and Internet	19.9	20.1
Cyber security	*2.7*	*2.8*
Other services	*10.3*	*11.0*
Managed services	13.0	13.8
Business solutions	3.4	3.2
ICT	16.4	17.0
Sale of equipment	14.1	12.3
Digital businesses	6.6	6.8
Fixed voice	6.0	6.8
Pay television	2.5	2.2
Others	0.8	0.5
Total	**100.0**	**100.0**

Operating revenue was stable and would have increased 1.7% in constant currency terms.

Mobile service revenue declined 2.2% mainly from Singapore. It would have been stable in constant currency terms. The growth in data was offset by lower voice usage due to voice to data substitution.

SECTION 1 : GROUP

Data and Internet revenue decreased 1.5% due mainly to decline in NBN migration revenues from the temporary suspension of migrating customers to NBN's HFC access network in Australia, the slowdown in the maritime industry and price erosion.

Revenue from ICT fell 3.7% on completion of a major infrastructure project last year as well as decline in Trustwave's legacy payment card industry (PCI) data security business which is facing commoditisation.

Equipment sales grew 14% due mainly to higher volume of handset sales on continued demand for higher value smartphones.

Revenue from Digital Businesses declined 3.8% due to a weaker US Dollar, and would be stable in constant currency terms.

Including the proportionate share of operating revenue from the associates, the Group's enlarged revenue declined 4.8% mainly on lower revenues at Airtel and Telkomsel.

OPERATING EXPENSES (Before Depreciation and Amortisation)

	Quarter 30 Jun		
	2018 S$ m	Restated 2017 S$ m	YOY Chge %
Cost of sales [(1)]	1,253	1,195	4.9
Staff costs	680	689	-1.4
Selling & administrative	599	614	-2.3
Traffic expenses	392	393	-0.4
Repair & maintenance	86	93	-7.8
Others	(17)	3	nm
Total	**2,992**	**2,988**	**0.1**

	Quarter 30 Jun	
As a percentage of operating revenue	2018 %	Restated 2017 %
Cost of sales [(1)]	30.3%	28.8%
Staff costs	16.4%	16.6%
Selling & administrative	14.5%	14.8%
Traffic expenses	9.5%	9.5%
Repair & maintenance	2.1%	2.2%
Others	-0.4%	0.1%
Total	**72.4%**	**72.0%**

Note:
(1) Cost of sales include cost of goods sold and service costs such as costs of content and programming.

Total operating expenses were stable and would have increased 2.5% in constant currency terms.

SECTION 1 : GROUP

The increase in Cost of Sales was mainly due to growth in volume of equipment sales and higher content costs partially offset by lower ICT sales.

STAFF COSTS

	Quarter 30 Jun		YOY
	2018 S$ m	Restated 2017 S$m	Chge %
Staff costs			
Optus	277	273	1.6
Singtel and other subsidiaries	402	417	-3.4
Group	**680**	**689**	**-1.4**

	Quarter			YOY
	30 Jun 2018	31 Mar 2018	30 Jun 2017	Chge %
Average number of staff				
Optus	8,370	8,526	8,579	-2.4
Singtel and other subsidiaries	16,737	17,045	17,070	-2.0
Group (1)	**25,107**	**25,571**	**25,649**	**-2.1**
Headcount as at end of period				
Optus	8,146	8,515	8,475	-3.9
Singtel and other subsidiaries	16,611	16,953	17,325	-4.1
Group (1)	**24,757**	**25,468**	**25,800**	**-4.0**

Note:

(1) Headcount for staff deployed in capital projects are included in the table above, though the related staff costs are capitalised as part of the cost of property, plant and equipment.

Staff costs declined 1.4% and would have been stable in constant currency terms.

As at 30 June 2018, Group headcount declined from a year ago on cost management.

SECTION 1 : GROUP

NET FINANCE EXPENSE

	Quarter 30 Jun		YOY Chge
	2018 S$ m	Restated 2017 S$ m	%
Net interest expense			
- Interest expense	(91)	(97)	-5.6
- Interest income	2	2	5.9
	(89)	**(95)**	**-5.8**
- Net interest (expense)/ income NetLink Trust [1]	(1)	4	nm
	(90)	**(91)**	**-0.3**
Other finance income			
- Dividend income from Southern Cross	13	6	136.4
- Investment income [2]	*	1	nm
- Other foreign exchange gain/ (loss)	6	(2)	nm
- Net fair value gain [3]	1	1	28.6
	20	**5**	**320.8**
Net finance expense	**(70)**	**(86)**	**-18.3**

Notes:

(1) Comprise interest earned on the unitholder's loan to NetLink Trust (fully repaid in July 2017), net of the finance lease expenses on the exchange buildings leased from NetLink Trust.

(2) Comprise mainly dividend income from Fair Value through Other Comprehensive Income investments.

(3) Comprise mainly adjustments for hedging instruments and other financial instruments including options measured at fair values under SFRS(I) 9, *Financial Instruments*.

"" denotes less than +/- S$0.5 million.*

Interest expense decreased 5.6% on lower average borrowings from the last corresponding quarter, partly offset by higher average interest rates.

Interest income from NetLink Trust ceased on repayment of unitholder loan by NetLink Trust in July 2017. Consequently, interest expense from NetLink Trust was S$1 million compared to net interest income of S$4 million in the last corresponding quarter.

Other foreign exchange gain arose mainly from revaluation gain of fixed deposits on appreciation of the US Dollar in the quarter.

SECTION 1 : GROUP

EXCEPTIONAL ITEMS (POST-TAX) [(1)]

	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Gain on sale of property	106	-	nm
Staff restructuring costs	(29)	(26)	11.1
Group exceptional items	77	(26)	nm
Share of Airtel's one-off net gains (pre-tax)	10	-	nm
Share of associates' exceptional items	10	-	nm
Group net exceptional gains/(losses) (pre-tax)	**87**	**(26)**	**nm**
Exceptional tax			
Share of tax credit on associates' exceptional items	7	-	nm
Other tax credit	5	7	-31.1
	12	**7**	**59.5**
Group net exceptional gains/ (losses) (post-tax)	**98**	**(19)**	**nm**

Note:

(1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.

The Group's exceptional gains in the quarter comprised a gain on disposal of a property in Singapore partially offset by staff restructuring costs. The gains also included the Group's share of Airtel's exceptional net gain (post-tax) of S$17 million from recognition of a negative goodwill[2] arising from business combinations partially offset by network re-farming and upgrading costs in the quarter.

[2] Under Singapore Financial Reporting Standards (International), negative goodwill or bargain purchase gain is required to be recognised in income statement. Under Indian Accounting Standards, Airtel has recognised this gain in equity.

SECTION 1 : GROUP

TAX EXPENSE

	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Income tax expense			
Optus	73	80	-8.3
Singtel and other subsidiaries	64	59	8.5
Total (a)	137	139	-1.2
Share of associates' tax expense (b)	32	214	-85.0
Withholding and dividend distribution taxes on associates' dividend income [(1)]	102	79	29.1
Total	**271**	**432**	**-37.2**
Profit before exceptional items and tax	999	1,335	-25.2
Exclude:			
Share of associates' pre-tax profits	(416)	(730)	-43.0
Adjusted pre-tax profit (c)	**583**	**605**	**-3.7**
Effective tax rate of Singtel and subsidiaries (a)/(c)	***23.5%***	***22.9%***	
Share of associates' pre-tax profits (d)	416	730	-43.0
Effective tax rate of associates (b)/(d)	***7.7%***	***29.4%***	

Note:

(1) Withholding and Indian dividend distribution taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, the dividend income and related withholding or dividend distribution 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 decreased on lower earnings and recognition of deferred tax credits in Nigeria by Airtel partly offset by higher dividend withholding taxes.

SECTION 1 : GROUP

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2018 S$ m	Restated 31 Mar 2018 S$ m	Restated 30 Jun 2017 S$ m
Current assets (excluding cash)	6,209	6,238	7,367
Cash and bank balances	625	525	632
Non-current assets	40,941	41,724	41,325
Total assets	**47,775**	**48,487**	**49,324**
Current liabilities	7,696	8,429	7,905
Non-current liabilities	9,664	10,377	12,570
Total liabilities	**17,360**	**18,806**	**20,475**
Net assets	**30,415**	**29,681**	**28,849**
Share capital	4,127	4,127	4,127
Retained earnings	28,067	27,235	25,953
Currency translation reserve (loss)	(1,413)	(1,280)	(227)
Other reserves	(361)	(376)	(999)
Equity attributable to shareholders	**30,420**	**29,706**	**28,855**
Minority interests and other reserve	(5)	(26)	(5)
	30,415	**29,681**	**28,849**

The Group continued to be in a strong financial position as at 30 June 2018. It is rated A1 by Moody's and A+ by S&P Global Ratings. Singtel's ratings continued to be strong among its peers in the global telecommunications industry.

The currency translation reserve (loss) in equity increased by S$133 million from a quarter ago mainly due to recognition of translation losses on net assets of Airtel and AIS/ Intouch on depreciation in the Indian Rupee and Thai Baht respectively.

SECTION 1 : GROUP

LIQUIDITY AND GEARING

	As at		
	30 Jun 2018 S$ m	Restated 31 Mar 2018 S$ m	Restated 30 Jun 2017 S$ m
Gross debt			
Current debt	1,286	1,824	1,739
Non-current debt	8,029	8,668	9,768
Gross debt as reported in statement of financial position	**9,315**	**10,491**	**11,507**
Related net hedging asset [(1)]	(217)	(90)	(275)
Hedged gross debt	**9,098**	**10,402**	**11,232**
Less : Cash and bank balances	(625)	(525)	(632)
Net debt	**8,473**	**9,877**	**10,600**
Gross debt gearing ratio [(2)]	***23.0%***	***26.0%***	***28.0%***
Net debt gearing ratio	***21.8%***	***25.0%***	***26.9%***

Notes:

(1) The net hedging asset 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.

Net debt decreased by S$1.40 billion from a quarter ago to S$8.47 billion as at 30 June 2018 mainly due to net repayment of borrowings. Consequently, net debt gearing ratio decreased to 21.8% from 25.0% a quarter ago.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			
	30 Jun 2018 S$ m	Restated 30 Jun 2017 S$ m	Restated 31 Mar 2018 S$ m	YOY Chge %
Net cash inflow from operating activities				
Profit before exceptional items and tax	**999**	**1,335**	**1,101**	**-25.2**
Non-cash items	183	(114)	106	nm
Operating cash flow before working capital changes	1,182	1,221	1,207	-3.2
Changes in operating assets and liabilities	(260)	(129)	195	101.5
	923	1,092	1,402	-15.5
Cash paid to employees under performance share plans	*	(1)	*	nm
Tax paid on operating activities	(58)	(71)	(89)	-18.1
Operating cash flow before dividends from associates	**865**	**1,021**	**1,313**	**-15.3**
Dividends/ Distributions received from associates	1,182	961	96	23.0
Withholding tax paid on dividends received	(116)	(96)	(6)	20.3
	1,931	**1,886**	**1,403**	**2.4**
Net cash outflow for investing activities				
Accrued capital expenditure	*(375)*	*(341)*	*(952)*	*10.0*
Changes in creditors' balances	*(90)*	*(251)*	*348*	*-64.2*
Cash capital expenditure	(465)	(592)	(603)	-21.4
Investment in associates	-	-	(539)	-
Deferred proceeds from disposal of an associate	4	-	7	nm
Payment for purchase of spectrum	(35)	(934)	-	-96.3
Payment for purchase of other intangibles	(21)	(43)	(33)	-51.6
Payment for purchase of subsidiaries, net of cash acquired	-	(340)	-	nm
Investment in venture investments	(9)	(25)	(9)	-64.8
Proceeds from disposal of venture investments	3	1	38	115.4
Proceeds from disposal of property, plant and equipment	118	4	*	@
Withholding tax paid on interest received on inter-company loans	-	-	(12)	-
Payment for acquisition of non-controlling interests	(16)	-	-	nm
Others	2	2	3	-25.0
	(419)	**(1,928)**	**(1,149)**	**-78.3**
Net cash (outflow)/ inflow for financing activities				
Net (decrease)/ increase in borrowings	(1,320)	280	1,113	nm
Settlement of swap for bonds repaid	3	-	-	nm
Net interest paid on borrowings and swaps	(96)	(121)	(86)	-20.6
Interim dividend paid to shareholders	-	-	(1,110)	-
Special dividend paid to shareholders	-	-	(490)	-
Purchase of performance shares	(7)	(10)	(6)	-32.4
	(1,420)	**149**	**(579)**	**nm**
Net increase/ (decrease) in cash and cash equivalents	**92**	**107**	**(324)**	**-13.8**
Exchange effects on cash and cash equivalents	7	(9)	8	nm
Group cash and cash equivalents at beginning	**525**	**534**	**841**	**-1.7**
Group cash and cash equivalents at end	**625**	**632**	**525**	**-1.2**
Group free cash flow				
Singapore	268	305	343	-12.1
Optus	131	123	367	6.7
Group free cash flow (before associates' dividends/ distributions)	**400**	**428**	**709**	**-6.7**
Dividends/ Distributions received from associates (net of withholding tax)	1,067	865	91	23.3
Group free cash flow	**1,466**	**1,294**	**800**	**13.3**
Optus free cash flow (in A$)	*130*	*120*	*357*	*8.2*
Cash capex to operating revenue	***11%***	***14%***	***14%***	

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

SECTION 1 : GROUP

Net cash inflow from operating activities (before associates' dividend receipts) for the quarter declined 15% to S$865 million due mainly to working capital movements. Dividends from the associates increased mainly attributable to timing of dividend received from Telkomsel partly offset by a 9% depreciation of the Indonesian Rupiah against the Singapore Dollar. Consequently, total cash flow from operations grew 2.4% to S$1.93 billion.

Net cash outflow for investing activities was S$419 million. In the quarter, the Group received S$118 million from disposal of a property in Singapore. Capital expenditure comprised S$188 million for Singapore and S$277 million (A$274 million) for Australia. In Singapore, major capital investments in the quarter included S$55 million for fixed and data infrastructure, S$49 million for ICT investments, S$45 million for mobile network and S$22 million for information systems. In Australia, capital investments in mobile network, and fixed and other core infrastructure were A$135 million and A$139 million respectively.

With higher dividends received from associates and lower capital expenditure, partially offset by working capital movements, the Group's free cash flow grew 13% to S$1.47 billion.

Net cash financing outflow of S$1.42 billion in the quarter mainly comprised of S$1.32 billion in net repayment of borrowings and S$96 million in interest payments.

Overall cash balance increased S$100 million from a quarter ago and the cash balance was S$625 million as at 30 June 2018.

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 associates in the emerging markets. The results shown in this section are for the consumer businesses across Singapore and Australia only. The results of the regional associates are discussed in **Section 5**.

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2018

- **Operating revenue increased 1.9% while EBITDA and EBIT declined 1.2% and 5.1% respectively.**
- **In constant currency terms[3], operating revenue and EBITDA rose 4.6% and 1.5% respectively, while EBIT decreased 2.8%.**

[3] Assuming constant exchange rates for the Australian Dollar from the corresponding quarter ended 30 June 2017.

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2018

	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Operating revenue	**2,356**	**2,313**	**1.9**
Operating expenses	(1,602)	(1,575)	1.7
	754	738	2.1
Other income	40	65	-38.2
EBITDA	**794**	**804**	**-1.2**
- margin	***33.7%***	***34.7%***	
Depreciation & amortisation	(390)	(378)	3.2
EBIT	**404**	**426**	**-5.1**
NBN migration revenues	25	43	-42.9
Exclude NBN migration revenues			
Operating revenue	2,332	2,270	2.7
EBITDA	770	761	1.2
EBIT	380	383	-0.8

	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Cost of sales (2)	637	580	9.8
Selling & administrative	420	439	-4.4
Traffic expenses	266	260	2.3
Staff costs	243	234	4.0
Repair & maintenance	42	51	-18.6
Others	(5)	12	nm
Operating expenses	**1,602**	**1,575**	**1.7**

Notes:

(1) The above figures include the costs of International Group division which have responsibility over the regional associates.

(2) Cost of sales include costs of content and programming.

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER OPERATING HIGHLIGHTS

For The First Quarter Ended 30 June 2018

Group Consumer recorded revenue growth of 1.9% while EBITDA declined 1.2% due to a weaker Australian Dollar which depreciated 3% against the Singapore Dollar from the same quarter last year. In constant currency terms, operating revenue and EBITDA would have increased by 4.6% and 1.5% respectively. The decline in voice due to continued data substitution and lower NBN migration revenues in Australia following NBN's temporary suspension of new orders on its HFC access network was offset by higher equipment sales. Excluding NBN migration revenues in Australia, Group Consumer's operating revenue would have increased 2.7% (5.5% in constant currency terms) and EBITDA would have grown 1.2% (3.9% in constant currency terms).

EBIT fell 2.8% in constant currency terms after including higher depreciation and amortisation charges from investments in mobile infrastructure network, spectrum and new billing system.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2018 were as follows:

	Quarter		
	30 Jun 2018 S$ m	Restated 31 Mar 2018 S$ m	QOQ Chge %
Operating revenue	**2,356**	**2,380**	**-1.0**
Operating expenses	(1,602)	(1,607)	-0.3
EBITDA	**794**	**812**	**-2.1**
- margin	***33.7%***	***34.1%***	
EBIT	**404**	**416**	**-2.8**
NBN migration revenue	25	18	39.2
Exclude NBN migration revenue			
Operating revenue	2,332	2,362	-1.3
EBITDA	770	794	-3.0
EBIT	380	398	-4.7

Compared to the preceding quarter, operating revenue was lower due to a weaker Australian Dollar. EBITDA declined mainly from Australia.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2018

	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Operating revenue	**547**	**538**	**1.7**
Operating expenses	(360)	(346)	3.9
	187	191	-2.3
Other income (1)	6	7	-11.6
EBITDA	**193**	**198**	**-2.6**
- margin	***35.3%***	***36.8%***	
Depreciation & amortisation	(62)	(57)	9.3
EBIT	**131**	**141**	**-7.4**

	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Mobile service	265	276	-3.8
Sale of equipment	105	100	5.5
Residential Pay TV	65	58	13.6
Fixed broadband	59	57	4.4
Fixed voice	33	33	-2.4
Others (2)	19	15	31.5
Operating revenue	**547**	**538**	**1.7**
Cost of sales	170	150	13.2
Selling & administrative	74	75	-1.2
Staff costs	57	60	-4.2
Traffic expenses	52	55	-4.2
Repair & maintenance	13	12	5.9
Others	(6)	(5)	32.6
Operating expenses	**360**	**346**	**3.9**

Notes:

(1) 'Other income' include trade foreign currency exchange differences, rental income, gain/loss on disposal of scrap copper and property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange gain amounted to S$0.1 million (Q1 FY2018: S$0.1 million of loss) for the quarter.

(2) 'Other revenue' include digital services and revenues from mobile network cabling works and projects.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2018

Singapore Consumer recorded a resilient performance in the quarter.

Mobile data recorded strong growth for the quarter on higher subscription of both data add-on plans and data roaming plans. Voice usage (IDD, local and roaming), however, continued to decline due to voice to data substitution. Consequently, mobile service revenue declined by 3.8%. Including equipment sales, total mobile revenue declined by 1.3%.

The postpaid customer base grew by over 16,000[4] from a quarter ago, mainly from SIM-only and Mobile Share plans. Prepaid ARPU for Singapore Consumer grew this quarter on higher data add-ons from strong adoption of content and app bundles, despite the decline in voice and IDD usage.

During the quarter, Singtel expanded its suite of new services to cater to the needs of mobile customers. Singapore's first mobile handset leasing plan for premium handsets allows customers to sign up for SIM-only plans with an option to lease a handset at an affordable monthly rate. Singtel also introduced the Combo XO (or cross-over) plan, an affordable postpaid mobile plan that offers customers large data allowance with handset discounts. To further complement Singtel's wide range of content offerings, Singtel collaborated with Apple Music on an exclusive basis to offer customers data-free music streaming from a catalogue of more than 45 million songs.

Consumer Home Services which comprise fixed broadband, residential pay TV and voice revenues grew by 7.0%, boosted by pay TV revenue contribution from 2018 FIFA World Cup in June, with another month of contribution in July. Broadband revenue was up 4.4% with higher value added services and increased premium equipment bundling such as Samsung Connect Home and Wifi Mesh. The 2 Gbps home fibre plan, launched in November 2017, remained popular with good sign ups in the quarter.

Excluding World Cup, the number of customers who signed up for 'on-the-go' services, namely the Cast OTT and Singtel TV Go companion apps, grew by 10,000 in the quarter to 109,000 as at 30 June 2018.

Excluding Cost of sales which increased due to higher Equipment sales and TV content costs, operating expenses fell 3.3%. This was contributed by lower selling and administrative expenses and lower staff costs while traffic expenses fell from lower outpayments.

Consequently, EBITDA declined 2.6%.

EBIT declined 7.4% after including depreciation and amortisation charges which rose on investments in mobile infrastructure network, spectrum and a new billing system.

Singtel was named the Asia's Best Mobile Carrier at the recent Telecom Asia Awards 2018, a recognition of its commitment to provide customers robust connectivity, innovative mobile data options and enriched digital content. It was also recognised for providing the Most Innovative Approach to customer experience.

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[4] Based on total product view (i.e. included Enterprise mobile).

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2018 were as follows:

	Quarter		
	30 Jun 2018 S$ m	Restated 31 Mar 2018 S$ m	QOQ Chge %
Operating revenue	**547**	**535**	**2.2**
Operating expenses	(360)	(379)	-5.0
EBITDA	**193**	**160**	**20.5**
- margin	***35.3%***	***29.9%***	
EBIT	**131**	**97**	**34.9**

EBITDA grew on higher operating revenue from seasonally higher mobile roaming revenue in the June quarter. Operating expenses were lower in the current quarter from lower selling and administrative expenses.

SECTION 2: GROUP CONSUMER

AUSTRALIA CONSUMER SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2018

	Quarter 30 Jun 2018 A$ m	Quarter 30 Jun Restated 2017 A$ m	YOY Chge %
Operating revenue	**1,792**	**1,699**	**5.4**
Operating expenses	(1,227)	(1,173)	4.6
	565	527	7.3
Other income	32	54	-41.3
EBITDA	**597**	**580**	**2.8**
- margin	***33.3%***	***34.2%***	
Depreciation & amortisation	(325)	(307)	5.8
EBIT	**272**	**273**	**-0.6**
NBN migration revenues	24	41	-41.4
Exclude NBN migration revenues			
Operating revenue	1,768	1,658	6.6
EBITDA	572	539	6.2
EBIT	248	232	6.7

	Quarter 30 Jun 2018 A$ m	Quarter 30 Jun Restated 2017 A$ m	YOY Chge %
Incoming	53	50	4.8
Outgoing	863	847	2.0
Total Mobile Service	916	897	2.1
Equipment	380	319	19.0
Leasing [1]	17	-	nm
Total Mobile Revenue	**1,313**	**1,216**	**7.9**
Voice	76	89	-14.4
Broadband	95	112	-15.7
PayTV	29	28	6.7
Mass Market Fixed On-net	200	229	-12.5
Mass Market Fixed Off-net [2]	139	113	22.7
Total Mass Market Fixed	**340**	**342**	**-0.8**
Data & IP	58	56	4.2
Voice	22	24	-10.0
Satellite	60	61	-1.7
Total Wholesale Fixed	**140**	**141**	**-0.7**
Operating revenue	**1,792**	**1,699**	**5.4**

Notes:
(1) Comprise revenue from lease of handsets to mobile customers under 2-year contracts.
(2) Include NBN migration and site preparation revenues of A$24 million (Q1 FY2018: A$41 million) for the quarter.

SECTION 2 : GROUP CONSUMER

	Quarter 30 Jun 2018 A$ m	Quarter 30 Jun Restated 2017 A$ m	YOY Chge %
Cost of sales	463	411	12.5
Selling & administrative	340	347	-2.1
Traffic expenses	211	196	7.6
Staff costs	183	165	10.9
Repair & maintenance	29	37	-22.9
Others	1	16	-91.2
Operating expenses	**1,227**	**1,173**	**4.6**

AUSTRALIA CONSUMER OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2018

Optus Consumer reported strong growth in operating revenue of A$93 million or 5.4% this quarter. The growth was driven by Mobile while Fixed revenues remained flat due to NBN's temporary suspension of migrating customers to the NBN's HFC network. Excluding NBN migration and site preparation revenues, operating revenue increased 6.6%.

Mobile revenue grew a strong 7.9% in the quarter primarily from customer growth and higher equipment sales. Mobile service revenue increased 2.1% on customer growth partially offset by lower ARPU. Blended mobile and postpaid handset ARPU declined 2% and 3% respectively, impacted by the increasing mix of SIM-only plans and data price competition.

Mobile customer growth continued with the addition of 60,000 new services this quarter. The postpaid handset customer base grew by 30,000[5], with branded handset customer base increasing by 45,000. Prepaid handset and mobile broadband customer base grew by 19,000 and 11,000 respectively.

Continued investments in networks, technology and content have allowed the Australia Consumer business to differentiate and grow.

As at 30 June 2018, Optus' 4G network population coverage was 96.9% in Australia, with 6,895 sites upgraded to 4G of which almost 5,800 have been upgraded to 700MHz spectrum.

Football continues to be a key pillar of the Australia Consumer business' content strategy and Optus Sport aspires to be the home of elite international football in Australia. In addition to the Premier League, Optus had signed exclusive broadcast rights for all European International football until 2022, including rights to Euro 2020 and qualifiers, UEFA Nations League and UEFA 2022 World Cup Qualifiers.

In this quarter, customer satisfaction improved with the Australia Consumer's NPS score rising from +10 to +12 and Optus was voted as the most digitalised of the leading ANZ telcos[6]. An Innovation Hub was also launched to connect the SMBs and startups with technology solutions.

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[5] Including Enterprise customers, Optus' total postpaid handset customer base grew 31,000.

[6] Digital eXperience Index (DXi) Report by Analysys Mason. Analysys Mason is a consulting and research specialist in telecoms, media and technology.

SECTION 2 : GROUP CONSUMER

In Mass Market Fixed, operating revenue was stable due to the temporary suspension of NBN's HFC connections. Excluding NBN migration revenues, Mass Market Fixed revenue increased 4.8% mainly driven by NBN customer growth of 204,000 from a year ago.

Wholesale Fixed revenue was stable as growth in Data & IP partially offset the decline in Satellite and voice revenues.

Total operating expenses were higher driven by a shift in revenue mix to NBN and equipment sales which have resulted in higher traffic expenses and cost of sales. Excluding traffic and cost of sales, total operating expenses would have declined 2.3%.

With improved revenue, EBITDA increased by 2.8% while EBIT was stable. Excluding NBN migration revenues, EBITDA and EBIT increased 6.2% and 6.7% respectively.

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2018 were as follows:

	Quarter		
	30 Jun 2018 A$ m	Restated 31 Mar 2018 A$ m	QOQ Chge %
Operating revenue	**1,792**	**1,780**	**0.7**
Operating expenses	(1,227)	(1,178)	4.2
EBITDA	**597**	**635**	**-6.0**
- margin	***33.3%***	***35.7%***	
EBIT	**272**	**314**	**-13.5**
NBN migration revenues	24	17	41.8
Exclude NBN migration revenues			
Operating revenue	1,768	1,763	0.3
EBITDA	572	618	-7.4
EBIT	248	297	-16.7

Against the preceding quarter, EBITDA declined due to higher NBN access costs and seasonality of expenses. EBIT was lower due to higher depreciation and amortisation charges.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE

MANAGEMENT DISCUSSION AND ANALYSIS

Group Enterprise provides comprehensive and integrated ICT solutions to enterprise customers in Singapore, Australia, U.S.A., Europe and the region, covering mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT services and professional consulting.

In this section, “Singapore” refers to all geographies that Singtel has operations other than Australia.

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2018

- **Operating revenue at S$1.52 billion – down 3.2%.**
- **EBITDA at S$449 million – down 6.8%.**
- **EBIT at S$299 million – down 10%.**
- **In constant currency terms[7], operating revenue, EBITDA and EBIT declined 2.1%, 6.6% and 11% respectively.**

[7] Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding quarter ended 30 June 2017.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2018

	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Operating revenue	**1,519**	**1,569**	**-3.2**
Operating expenses	(1,095)	(1,095)	**
	424	474	-10.5
Other income (1)	24	7	227.0
EBITDA	**449**	**482**	**-6.8**
- margin	***29.5%***	***30.7%***	
Depreciation & amortisation	(150)	(148)	1.1
EBIT	**299**	**333**	**-10.4**
Global Cyber Security business			
Managed Security and Technology Services	97	94	3.5
Payment Card Industry Compliance	16	23	-29.4
Operating revenue	114	117	-3.0
EBITDA	(15)	(8)	76.2
EBIT	(27)	(21)	29.0

	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Cyber security	114	117	-3.0
Other services (2)	426	456	-6.7
Managed services	539	573	-5.9
Business solutions(3)	140	132	5.8
ICT	679	706	-3.7
Data and Internet (4)	405	422	-3.9
Mobile service	202	210	-3.9
Fixed voice	124	137	-9.4
Sale of equipment	91	78	17.3
Others(5)	18	17	2.9
Operating revenue	**1,519**	**1,569**	**-3.2**
ICT as % of total	***44.7%***	***45.0%***	

*"**" denotes less than +/-0.05%.*

SECTION 3 : GROUP ENTERPRISE

Notes:

(1) 'Other income' include trade foreign exchange differences, rental income, gain/loss on disposal of property, plant and equipment, and other recoveries. The net trade foreign exchange gain amounted to S$0.3 million (Q1 FY2018: S$3 million of loss) for the quarter.

(2) Include facility management, managed and network services, and value-added reselling and services.

(3) Include applications management services and outsourcing, system integration and business process outsourcing and communication engineering services.

(4) Include local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.

(5) 'Other revenue' include TV and digital business revenues.

	Quarter 30 Jun		YOY
	2018 S$ m	Restated 2017 S$ m	Chge %
Cost of sales	413	403	2.5
Staff costs	368	383	-3.9
Selling & administrative	153	146	4.6
Traffic expenses	127	134	-5.2
Repairs, maintenance and others	34	29	17.9
Operating expenses	**1,095**	**1,095**	**

*"**" denotes less than +/-0.05%.*

GROUP ENTERPRISE OPERATING HIGHLIGHTS

For the First Quarter Ended 30 June 2018

Singapore contributed 74% (Q1 FY2018: 76%) and 87% (Q1 FY2018: 86%) to Group Enterprise's operating revenue and EBITDA respectively.

Group Enterprise's operating revenue fell 3.2% on completion of a large infrastructure project last year and continued declines in traditional legacy services, especially voice. In constant currency terms, operating revenue would have declined 2.1%.

Cyber security revenue was stable in constant currency terms. The cyber security business in the Asia Pacific region maintained its momentum and achieved strong double-digit growth. However, overall cyber security revenue was impacted by lower sales in the United States due to commoditisation in the traditional payment card industry (PCI) compliance business and price competition.

Operating expenses were stable. The increase in Cost of Sales was mainly from the Australian ICT business with an increased mix of project related equipment sales as well as one-off write back of accruals in the last corresponding quarter. Staff costs fell from reduction in average headcount as well as lower staff incentive accruals. Selling and administrative expenses were up from increased property security expenses, higher utility rates, and marketing expenses associated with the Commonwealth Games in Australia. Traffic expenses fell on lower call and roaming traffic and unit cost. Repairs, maintenance and others increased with investments in network resiliency and security.

SECTION 3 : GROUP ENTERPRISE

Other income was boosted by gains on disposal of property, plant and equipment this quarter.

With lower operating revenue, EBITDA and EBIT declined 6.8% and 10% respectively.

During the quarter, Singtel continued to be recognised by IDC as a leading next-generation telecom service provider and managed security service provider in the Asia Pacific with strengthening capabilities on cloud and cyber security services portfolio[8].

Singtel received several awards from Asia Communication Awards for demonstrating outstanding performance and innovation - 'Best Enterprise Service (Singtel Software-Defined Hybrid Network)', 'Cyber Safe Award (Singtel Managed Security Services)', as well as 'NFV Innovation Award (Singtel Network Functions Virtualisation Service)'.

In this quarter, Singtel also showcased its innovation and capabilities in various events such as IoT Asia 2018 and NCS TechConnect 2018, with services and products enabling enterprises to improve operational efficiencies in a new digital environment.

At the recent prestigious Telecom Asia Awards 2018, Singtel won the Best Cloud-Based Service award for providing a comprehensive suite of services for public, private and hybrid cloud platforms to help enterprises move their business applications and database into the cloud with ease. By combining cloud services with its cyber security solutions, data centres and managed services, Singtel enables enterprises to accelerate their digital transformation.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2018 were as follows:

	Quarter		
	30 Jun 2018 S$ m	Restated 31 Mar 2018 S$ m	QOQ Chge %
Operating revenue	**1,519**	**1,677**	**-9.4**
Operating expenses	1,095	1,244	-12.0
EBITDA	**449**	**449**	**
- margin	***29.5%***	***26.8%***	
EBIT	**299**	**297**	**0.6**

*"**" denotes less than +/-0.05%.*

Operating revenue declined due mainly to seasonally higher ICT revenue recorded in the March quarter. EBITDA and EBIT, however, were stable from higher other income.

[8] IDC MarketScape AsiaPacific Next-Generation Telcos Telecom Services 2018 Vendor Assessment and IDC MarketScape AsiaPacific Managed Security Services 2018 Vendor Assessment.

SECTION 3 : GROUP ENTERPRISE

SINGAPORE ENTERPRISE

	Quarter 30 Jun		
	2018 S$ m	Restated 2017 S$ m	YOY Chge %
Managed services [1]	365	420	-13.0
Business solutions [2]	140	132	5.8
ICT	505	552	-8.5
Data and Internet [3]	326	339	-3.7
Mobile service	156	162	-3.8
Sale of equipment	64	58	11.2
Fixed voice	59	62	-3.9
Others [4]	18	17	2.9
Operating revenue	**1,129**	**1,190**	**-5.1**
EBITDA	**389**	**414**	**-6.0**
- margin	***34.4%***	***34.8%***	

Notes:
(1) Include cyber security, 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, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.
(4) ‘Other revenue’ include TV and digital business revenues.

Operating revenue was down 5.1% this quarter from lower ICT and traditional legacy services, while EBITDA declined 6.0% with continued investments in digital and cyber security capabilities and product development.

ICT revenue fell as revenue from Business solutions and Managed services was impacted by completion of a major infrastructure project as well as decline in Trustwave’s legacy payment card industry (PCI) data security business which is facing commoditisation.

NCS’ order book remained stable at S$2.9 billion as at 30 June 2018.

Data and Internet revenue declined 3.7% from the slowdown in the maritime industry and price erosion.

Mobile service revenue fell 3.8% due to lower international and roaming call usage partly offset by continued growth in mobile data. Including equipment sales, total mobile revenue would have been stable.

Fixed voice revenue fell 3.9% on lower call usage on continued mobile data substitution. The impact of the decline was partially mitigated by lower outpayment costs.

SECTION 3 : GROUP ENTERPRISE

AUSTRALIA ENTERPRISE

	Quarter 30 Jun		
	2018 A$ m	Restated 2017 A$ m	YOY Chge %
ICT and Managed Services	173	147	17.6
Data and IP	78	79	-1.5
Mobile (1)	72	65	11.0
Voice	64	71	-10.8
Operating revenue (2)	**386**	**362**	**6.6**
EBITDA	**59**	**65**	**-8.9**
- margin	***15.4%***	***18.0%***	

Notes:
(1) Include mobile service revenue and sale of equipment revenue.
(2) Exclude small and medium business segment which is reported under 'Australia Consumer'.

Operating revenue increased 6.6% driven by growth in ICT services and Mobile, partially offset by decline in traditional voice services. EBITDA, however, declined 8.9% due to intensifying price competition and higher mix of lower-margin ICT services.

ICT and Managed Services revenue grew 18% attributable to continued growth in Cyber security, Cloud and Unified Communications revenues.

Voice revenue fell 11%. The decrease was due to price erosion and declines in switched voice as businesses migrated to lower cost IP-based voice solutions.

With expanding network coverage, Optus Business continued to connect more enterprise mobile customers. Mobile revenue increased 11% due to increased equipment sales and higher mobile applications revenue from an enlarged customer base.

During the quarter, Optus Business continued to grow its suite of ICT products and services with long term customers such as the Australian Tax Office and the Department of Home Affairs. It also continued to acquire new customer mobile fleets, including NSW Uniting Care and the Queensland Ambulance Service.

SECTION 4 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE

MANAGEMENT DISCUSSION AND ANALYSIS

Group Digital Life (“**GDL**”) focuses on using the latest Internet technologies and assets of the Group’s operating companies to develop new revenue and growth engines by entering into adjacent businesses where it has a competitive advantage.

GDL has three key businesses – digital marketing (Amobee), regional premium OTT video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), and it also serves as Singtel’s digital innovation engine through Innov8.

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2018

- **Operating revenue fell 5.4% and negative EBITDA was stable.**
- **Negative EBIT reduced by 21% with lower amortisation charges on intangibles.**
- **In constant currency terms[9], operating revenue declined 1.3%, negative EBITDA increased 3.4% while negative EBIT was lower by 18%.**

[9] Assuming constant exchange rates for the United States Dollar from the corresponding quarter ended 30 June 2017.

SECTION 4 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE SUMMARY INCOME STATEMENT
For The First Quarter Ended 30 June 2018

	Quarter 30 Jun		YOY Chge
	2018 S$ m	2017 S$ m	%
Digital [1]	269	290	-7.1
Others [2]	7	3	115.1
Operating revenue	**277**	**294**	**-5.7**
Intercompany eliminations	(18)	(20)	-10.1
Operating revenue	**259**	**273**	**-5.4**
Operating expenses	(283)	(296)	-4.5
	(24)	(23)	6.6
Other gain/(loss)	1	(1)	nm
EBITDA	**(23)**	**(24)**	**-0.4**
Depreciation	(6)	(8)	-27.4
Amortisation of intangibles	(7)	(14)	-52.1
	(13)	(23)	-42.9
EBIT	**(36)**	**(46)**	**-21.3**
Amobee group			
Operating revenue	269	290	-7.1
Intercompany eliminations	(18)	(20)	-9.7
Operating revenue	252	271	-6.9
EBITDA	*	*	nm
EBIT	(9)	(16)	-42.3

Notes:
(1) Mainly digital marketing (which includes digital advertising) revenue from Amobee group.
(2) Other revenues mainly comprise revenues from HOOQ and DataSpark.

**A negative sign for year-on-year change in EBITDA and EBIT denotes decrease in losses.*
"" denotes less than +/-S$0.5 million.*

SECTION 4 : GROUP DIGITAL LIFE

	Quarter 30 June		YOY Chge
	2018 S$ m	2017 S$ m	%
Cost of sales	203	212	-4.3
Staff costs	55	57	-4.0
Selling & administrative	22	24	-8.8
Others	4	3	11.8
Operating expenses	**283**	**296**	**-4.5**

GROUP DIGITAL LIFE OPERATING HIGHLIGHTS

For The First Quarter Ended 30 June 2018

Operating revenue of GDL was impacted by a weaker US Dollar from the same quarter last year. Consequently, operating revenue declined 5.4% (1.3% in constant currency terms). Operating revenue from Amobee declined 3.1% in constant currency terms due mainly to the timing of marketing spend by certain Amobee's customers. Its Agency Trading Desk business doubled from the same quarter last year. The decline was partly offset by higher revenue from HOOQ on continued ramp up of its business. Despite lower revenue, negative EBITDA was stable at S$23 million.

After accounting for depreciation and amortisation of acquired intangibles for Amobee group, negative EBIT fell by 21% to S$36 million.

In July 2018, Amobee acquired the assets of Videology in a court-supervised auction. With the acquisition, Amobee will expand its omni-channel suite to include linear and advanced TV.

Amobee continued to showcase its marketing technology excellence in the quarter. It partnered with Oracle Data Cloud and launched the Amobee Sales Accelerator solution for the Consumer Packaged Goods (CPG) brands in the United States. This solution significantly reduces the waiting time for offline purchasing data and allows the brands to know the impact of their online advertising campaigns on in-store sales in ten weeks. Additionally, it helps customers to optimise campaigns in mid-flight by providing faster and more comprehensive data such as product preferences and store locations.

Amobee continued to gain industry recognition for its excellence in digital marketing. It received two award wins for its work with Southwest Airlines for 'Most Effective Online Brand Awareness Campaign' and 'Most Effective Use of Video' from the Dallas-Fort Worth Interactive Marketing Association. The campaign has helped Southwest Airlines to amplify their "Every Seat Has A Story" messaging by utilising Amobee's proprietary Brand Intelligence technology. This technology monitored daily topics such as flights, hotels and destinations and enabled Southwest Airlines to take advantage of the travel and competitive brand conversations to place ads across various social media platforms.

Amobee won two Internet Advertising Competition awards during the quarter - 'Best Advertising Rich Media Online Campaign, Best Computer: Hardware Rich Media Online Campaign' in partnership with Intel and Optimum Media Direction, and 'Best Advertising Website, Best Automobile Website' in partnership with Honda and Rubin Postaer and Associates.

SECTION 4 : GROUP DIGITAL LIFE

In the quarter, HOOQ launched its free-to-air LIVE TV offering to the Indonesian market. With this, mobile users across iOS and Android can access their favourite local TV shows from 9 free-to-air streaming channels on the HOOQ application or through their mobile web browsers.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 March 2018 were as follows:

	Quarter		
	30 Jun 2018 S$ m	31 Mar 2018 S$ m	QOQ Chge %
Operating revenue (before intercompany eliminations)	**277**	**227**	**22.1**
Intercompany eliminations	(18)	(22)	-15.9
Operating revenue	**259**	**205**	**26.1**
Operating expenses	(283)	(207)	36.5
EBITDA	**(23)**	*	**nm**
EBIT	**(36)**	**(14)**	**168.9**

"" denotes less than S$0.5 million.*

Operating revenue grew on higher revenue from Amobee. However, EBITDA losses were recorded this quarter as the results in the preceding quarter were lifted by content costs credits and government grants not repeated this quarter.

SECTION 5: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2018

- **The contributions from the associates were negatively impacted by currency movements.**
- **Pre-tax and post-tax underlying profit[10] contributions from associates fell 43% and 26% respectively on lower profits at Telkomsel and Airtel as well as lower contribution from NetLink NBN Trust on Singtel's reduction of economic interest.**
- **If the regional currencies had remained stable from last corresponding quarter, the pre-tax and post-tax underlying profit[10] contributions from associates would have declined by 40% and 21% respectively.**
- **The Group's combined mobile customer base[11] was up significantly by 29 million or 4.2% in the quarter to 735 million on growth in India.**

[10] Exclude one-off items of the associates classified as exceptional items of the Group.

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

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Pre-tax profit contribution [1]	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun 2017 S$ m	YOY Chge %
Regional associates			
Telkomsel			
- operating results	236	383	-38.4
- fair value gain	2	*	nm
	237	383	-38.0
AIS			
- operating results	93	82	13.1
- fair value gain	1	*	nm
	94	82	14.1
Bharti Telecom ("**BTL**")/ Bharti Airtel ("**Airtel**")			
Airtel [2]			
- operating results (India and South Asia) [3]	43	198	-78.3
- operating results (Africa) [3]	78	43	80.4
- operating results (Others)	(8)	(2)	387.5
- net finance costs	(164)	(141)	16.5
- fair value loss	(2)	(1)	128.6
	(52)	98	nm
BTL [4]	(11)	5	nm
	(63)	103	nm
Globe			
- operating results	94	80	16.9
- fair value gain	1	1	12.5
	95	81	16.8
Intouch [5]			
- operating results	35	30	15.8
- fair value gain	1	*	nm
- amortisation of acquired intangibles	(7)	(6)	11.3
	28	24	18.5
	391	**673**	**-42.0**
Other Singtel associates			
NetLink NBN Trust/ NetLink Trust ("**NLT**") [6]	13	45	-72.4
Other associates [7]	13	15	-15.7
Singtel share of ordinary results (pre-tax)	**416**	**734**	**-43.3**
Optus share of ordinary results (pre-tax)	*	*	nm
Group share of ordinary results (pre-tax)	**416**	**734**	**-43.3**
Exceptional items ("EI")			
Singtel share of one-off items	-	(4)	nm
Group share of EI	**-**	**(4)**	**nm**
Singtel share of pre-tax profit [2]	**416**	**730**	**-43.0**
Optus share of pre-tax profit	*	*	**nm**
Group share of pre-tax profit [2]	**416**	**730**	**-43.0**
(excluding Airtel and BTL)	*479*	*631*	*-24.0*
Group share of taxes [2]	**32**	**214**	**-85.0**
Effective tax rate	***7.7%***	***29.4%***	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution [1]	Quarter 30 Jun				YOY Chge
	2018		2017		
	S$ m	% [8]	S$ m	% [8]	%
Regional associates					
Telkomsel	177	24	286	31	-38.0
AIS	78	11	68	8	14.2
Airtel [2]					
- ordinary results (India and South Asia) [3]	(49)		59		nm
- ordinary results (Africa) [3]	35		(24)		nm
- ordinary results (Others)	(8)		(2)		387.5
	(22)		33		nm
- exceptional items	52		(3)		nm
	30		30		-1.0
BTL [4]	(11)		5		nm
	19	3	35	4	-46.5
Globe	65	9	57	6	15.0
Intouch [5]					
- ordinary results	29		24		18.4
- amortisation of acquired intangibles	(6)		(5)		12.2
	23	3	20	2	20.0
	363	**49**	**465**	**51**	**-22.1**
Other Singtel associates					
NLT [6]	12	2	38	4	-68.9
Other associates [7]	10	1	12	1	-23.4
Singtel share of post-tax profit [2]	**384**	**52**	**515**	**57**	**-25.5**
Optus share of post-tax profit	*	**	*	**	**nm**
Group share of post-tax profit [2]	**384**	**52**	**515**	**57**	**-25.5**
(excluding Airtel and BTL)	*365*		*480*		*-24.0*

Post-tax profit contribution (in constant currency) [9]	Quarter 30 Jun		YOY Chge
	2018	2017	
	S$ m	S$ m	%
Regional associates			
- operating results	418	679	-38.5
- fair value gain	2	*	nm
- amortisation of acquired intangibles	(7)	(6)	8.1
	413	673	-38.6
Other associates	25	61	-58.2
Group share of ordinary results	**439**	**734**	**-40.2**
Group share of exceptional items	-	(4)	nm
Group share of pre-tax profit	**439**	**730**	**-39.9**
Group share of tax expense	(34)	(214)	-84.4
Group share of post-tax profit	**405**	**515**	**-21.4**
Excluding Airtel and BTL			
Group share of pre-tax profit	**508**	**631**	**-19.5**
Group share of tax expense	(122)	(150)	-18.8
Group share of post-tax profit	**385**	**480**	**-19.7**

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Notes:

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

(2) Share of results excluded the Group's share of the associates' one-off items which have been classified as exceptional items of the Group.

(3) With effect from 1 April 2018, borrowings for acquisition of Africa operations and its associated finance costs previously included under 'India and South Asia' have been included under 'Africa'. Comparatives have accordingly been restated.

(4) As at 30 June 2018, Bharti Telecom Limited ("**BTL**") holds 50.1% equity interest in Airtel. In BTL's standalone books, the amount mainly comprised interest charges on higher debt arising from acquisition of additional equity interest in Airtel.

(5) Intouch, which Singtel acquired an equity interest of 21.0% in November 2016, has an equity interest of 40.5% in AIS.

(6) Singtel ceased to own units in NetLink Trust following the sale to NetLink NBN Trust in July 2017 but continues to have an interest of 24.79% in NetLink NBN Trust, the holding company of NetLink Trust. The share of results included Singtel's amortisation of deferred gain of S$5 million (Q1 FY2018: S$17 million) for the quarter on assets transferred to NetLink Trust in prior years, but excluded fair value adjustments recorded by NetLink NBN Trust in respect of its acquisition of units in NetLink Trust.

(7) Include the share of results of Singapore Post Limited.

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

(9) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2017.

"" denotes less than +/- S$0.5 million and "**" denotes less than +/- 0.05%.*

The regional associates continued to ride the growth in data as the leading operators in their respective markets. However, profit contributions from the associates in this quarter were negatively impacted by adverse currency movements and lower contributions from Telkomsel and Airtel in the key markets of Indonesia and India respectively. Contribution from NetLink Trust was also lower on Singtel's reduction of economic interest.

Pre-tax and post-tax underlying profit contributions from the associates fell 43% and 26% respectively. If the regional currencies had remained stable from last corresponding quarter, the associates' pre-tax and post-tax underlying profit contributions would have declined by 40% and 21% respectively.

Consequently, the associates' underlying profit contributed 52% to the Group's underlying net profit, down 5 percentage points from the same quarter last year.

Telkomsel reported lower revenue due to the steep decline in voice and SMS revenues and slower data growth from intense data pricing competition coupled with higher operating costs. The depreciation of the Indonesian Rupiah by 9% further reduced its profit contribution. Its market share, however, continued to grow despite stiff competition. Airtel recorded weaker revenue and earnings adversely impacted by the lower domestic and international mobile termination rates and continued disruptive price competition in India, partially mitigated by improved performance in Africa. AIS recorded double-digit earnings growth driven by higher revenue and reduction in marketing spend and regulatory fees. Globe reported double-digit earnings growth on the back of higher revenue and lower interconnect usage, partly offset by higher marketing expenses and increased depreciation charges and finance costs. Its profit contribution to the Group was, however, impacted by the 10% depreciation of the Philippine Peso.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 175,700 radio base stations (of which 71% are 3G/4G base transceiver stations) providing nationwide coverage. Telkomsel continued to expand its network with a focus on growing data and digital services. In the quarter, Telkomsel added approximately 8,000 4G radio base stations.

Operating revenue for the quarter declined 12% year-on-year due mainly to the sharp 23% decline in voice and SMS revenues on increased popularity of OTT applications and higher smartphone penetration. While growth in data continued to be robust, revenue increase for data and digital services has slowed to 11% from intense data pricing competition amid the mandatory exercise to register prepaid SIM cards.

EBITDA declined 27% on lower revenue, higher operation and maintenance costs from accelerated deployment of 4G network, increased frequency fees for 2300 MHz spectrum acquired in October 2017 and higher cost of services.

Telkomsel's pre-tax profit declined 32% in Indonesian Rupiah terms. The Group's share of Telkomsel's pre-tax profit fell 38% after accounting for a 9% depreciation of the Indonesian Rupiah against the Singapore Dollar.

On a post-tax basis, Telkomsel's profit contribution for the quarter declined a steep 38% and constituted 24% of the Group's underlying net profit, down from 31% in the same corresponding quarter.

Compared to the preceding quarter, operating revenue fell 5% due to the accelerated decline in legacy revenue partially offset by data revenue growth. Consequently, EBITDA declined 14% after accounting for increases in both operation and maintenance costs, and general and administrative expenses on seasonality.

Telkomsel's total mobile customer base fell 15 million in the quarter due to terminations of non-registered SIMs on completion of the registration exercise. In the preceding quarter, the net decline was 3.6 million. Its market share, however, continued to improve. The total mobile customer base as at 30 June 2018 was stable from a year ago at 178 million, including 135 million of data customers.

Advanced Info Service ("AIS")

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand. It provides mobile services on 2G, 3G and 4G networks. AIS continues to maintain its mobile market leadership position and is the largest network coverage operator in Thailand.

AIS registered double-digit growth in both EBITDA and net profit this quarter led by higher operating revenue and cost management.

In the current quarter, AIS' service revenue (excluding interconnect and equipment rental) rose 4% on increases in both data revenue (mainly from mobile postpaid segment) and fixed broadband revenue, as well as inclusion of full quarter results of CS Loxinfo acquired in January 2018.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

EBITDA grew strongly by 11% on the back of service revenue growth and lower operating expenses on reduction in both regulatory costs and marketing spend with reduced subsidies.

Despite higher depreciation charges from network investments, AIS' pre-tax profit grew 11% in Thai Baht terms. The Group's share of AIS' pre-tax profit, however, grew by 14% to S$94 million, lifted by 3% appreciation of the Thai Baht against the Singapore Dollar.

On a post-tax basis, AIS' profit contribution for the quarter rose 14% to S$78 million and contributed 11% to the Group's underlying net profit, up 3 percentage points from the last corresponding quarter.

Against the preceding quarter, EBITDA was stable as growth in service revenue (excluding interconnect and equipment rental) was offset by higher network costs.

AIS continued to focus on the acquisition and retention of quality customers in its postpaid segment. As at 30 June 2018, its mobile customer base remained stable at 40 million from a quarter ago, as well as a year ago. The number of postpaid customers, however, increased by 0.8 million or 12% from a year ago as AIS pushed for migration from prepaid to postpaid.

As announced recently, the 900 MHz and 1800 MHz license auctions are scheduled to be held in August 2018.

Airtel Group

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 16 countries across Asia and Africa, offering telecom services under wireless and fixed line technology, national and international long distance connectivity, digital TV and integrated telecom solutions to its enterprise customers. Airtel also owns telecom tower infrastructure through its subsidiary and joint venture companies.

Airtel has voluntarily reported consolidated financial statements based on IFRS in the Indian Stock Exchanges since April 2010. With effect from 1 April 2016, Airtel adopted Indian Accounting Standards as required by the local authorities. Consequently, Airtel ceased to report consolidated financial statements based on IFRS in the Indian Stock Exchanges. The consolidated financial statements of Airtel used for equity accounting by Singtel continued to be based on IFRS.

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

In India, Airtel completed the acquisition of Telenor following all regulatory and statutory approvals on 14 May 2018. Airtel has integrated Telenor's operations across circles and added 43.4 MHz spectrum to its portfolio.

During the quarter, Airtel continued to be adversely impacted by the mandatory reduction in domestic mobile termination rates from October 2017 and international mobile termination rates from February 2018. Its performance was further aggravated by competitive pricing in the industry led by a new operator intent on aggressive market share expansion.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Operating revenue in India, including the contribution of Telenor, fell 13% primarily led by a drop of 19% in mobile revenue partly mitigated by growth in other segments. With continued rise in penetration of bundled offers which offered unlimited voice calls and more generous data allowance, voice usage grew a robust 62% while data volume rose steeply by more than 4 times. The higher usage, however, could not offset the impact of the reduction in mobile termination rates and severe price erosion. Hence, mobile ARPU declined by a steep 32% to Rs.105 this quarter.

With lower operating revenue, EBITDA correspondingly declined 24%.

After accounting for higher depreciation and amortisation charges, the Group's share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia fell 76% in Indian Rupee terms. Pre-tax operating profit contribution fell 78% to S$43 million as the Indian Rupee depreciated 8% against the Singapore Dollar.

Compared to the preceding quarter, Airtel's revenue from its India and South Asia operations was stable while EBITDA declined 6% on margin pressures.

Despite a fierce competitive market, mobile churn remained low and Airtel's mobile customer base continued to grow. It added a record 40.4 million of mobile customers in India after acquiring 28 million of customers from Telenor India, compared to 14.1 million added in the preceding quarter. As at 30 June 2018, Airtel continued to be the leading telco operator in India with 345 million of mobile customers, an increase of 64 million or 23% from a year ago. The number of data customers increased by 8.7 million this quarter, bringing the total number of data customers to 95 million as at 30 June 2018, up 52% from a year ago. The data customer base represented 28% of Airtel's total mobile customer base in India, up from 22% a year ago.

The proposed merger of Bharti Infratel Limited and Indus Towers Limited has been approved by the Competition Commission of India (CCI) and SEBI. The completion is still subject to other regulatory approvals and closing conditions.

Africa

As at 30 June 2018, 'Airtel Money' and 3G services were available across all the 14 African countries[12] that Airtel has presence in, while 4G services were available in 9 African countries.

Airtel Africa continued to report strong growth momentum this quarter.

In constant US Dollar terms, Africa's operating revenue grew 9% and EBITDA was up 43%.

Excluding the divested operations, operating revenue in the 14 African countries[12] grew double-digit at 14% due to continued strong growth in data and increased penetration of Airtel Money. EBITDA was up a significant 45% on continued strong cost control initiatives and efficiency gains. Its margin rose to another record high of 36.4% this quarter.

In reported US Dollar terms, operating revenue and EBITDA grew 4% and 36% respectively.

Compared to the preceding quarter and excluding the divested operations, Airtel Africa's revenue and EBITDA grew 3% and 4% respectively in constant currency terms.

[12] Namely Nigeria, Chad, Congo B, DRC, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

With lower depreciation charges, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) grew 80% to S$78 million.

Airtel Africa added 1.9 million mobile customers in the quarter. This was lower than 5.1 million added in the preceding quarter due to the acquisition of Tigo Rwanda in January 2018. As at 30 June 2018, the mobile customer base stood at 91 million, an increase of 11.2 million[13] or 14% from a year ago. The number of data customers was 26 million, representing 29% of total mobile customer base, up from 24% a year ago.

Airtel Group excluding Bharti Telecom Ltd ("BTL")'s standalone results

At the consolidated level, Airtel's operating revenue, EBITDA and EBIT declined 9%, 13% and 44% respectively. With higher net finance costs (mainly on lower investment income and higher interest and finance charges), the Group's share of pre-tax ordinary loss from Airtel was S$52 million compared to a pre-tax ordinary profit of S$98 million in the same quarter last year. With lower income tax from decline in profits and recognition of deferred tax credits in Nigeria, the Group's share of Airtel's results turned positive at S$30 million, stable from the comparative quarter.

Airtel recorded some one-off items this quarter which have been classified as exceptional items of the Group (see page 12). The exceptional items comprised mainly recognition of a negative goodwill[14] arising from business combinations as well as network re-farming and upgrading costs in the quarter.

Including the mobile customers across operations in 16 countries covering India, Sri Lanka and Africa, Airtel's total mobile customer base across all geographies grew 75 million or 21% from a year ago to 438 million as at 30 June 2018.

Airtel Group combined with BTL

The Group's share of BTL's net loss of S$11 million comprised mainly net finance expense. When combined, the Group's share of post-tax profit of Airtel Group and BTL amounted to S$19 million, compared to a post-tax profit contribution of S$35 million in the same quarter last year.

[13] Adjusting for the divestment of operations in Ghana and acquisition of Tigo Rwanda, the number of mobile subscribers grew 14.3 million from a year ago.

[14] Under Singapore Financial Reporting Standards (International), negative goodwill or bargain purchase gain is required to be recognised in income statement. Under Indian Accounting Standards, Airtel has recognised this gain in equity.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Globe Telecom, Inc ("Globe")

Globe is listed on the Philippine Stock Exchange.

Globe's service revenue grew by 9% mainly driven by strong growth in mobile data related services as demand for internet and data connectivity continued to grow. Operating expenses remained stable as higher marketing expenses were offset by lower interconnect traffic usage. Consequently, Globe registered a double-digit growth in EBITDA of 20%.

After including higher depreciation charges and finance costs from its network infrastructure investments, Globe's pre-tax profit grew 25% in Philippine Peso terms. However, the Group's share of Globe's pre-tax profit contribution increased 17% to S$95 million due to a steep 10% depreciation of the Philippine Peso from the last corresponding quarter.

On a post-tax basis, Globe contributed S$65 million or 9% of the Group's underlying net profit, up 3 percentage points from the comparative quarter.

Against the preceding quarter, Globe's EBITDA grew 7% on service revenue growth of 3% while operating expenses were stable.

As at 30 June 2018, Globe's total mobile customer base expanded by 1.9 million to 65 million, as compared to 2.6 million added in the preceding quarter. Compared to a year ago, its mobile customer base grew 5.4 million or 9.1%.

Intouch Holdings ("Intouch")

Intouch is listed on the Stock Exchange of Thailand, and has investments in telecommunications via its 40.5% equity interest in AIS, as well as in satellite, internet, and media and advertising businesses.

The Group's share of Intouch's net profit for the quarter grew 18% to S$29 million on higher contribution from AIS. After including amortisation of acquired intangibles of S$6 million (Q1 FY2018: S$5 million), Intouch's post-tax contribution rose 20% to S$23 million which constituted 3% (Q1 FY2018: 2%) of the Group's underlying net profit.

Against the preceding quarter, net profit was lower despite improved earnings at the satellite business as the net profit in the March quarter was boosted by a disposal gain on sale of an investment.

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 Financial Reporting Standards (International) ("**SFRS(I)**") and is not intended to replace the financial statements prepared in accordance with SFRS(I). 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 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Group operating revenue			
Optus	2,200	2,155	2.1
Singapore	1,553	1,582	-1.8
Other overseas subsidiaries (incl. Amobee & Trustwave)	382	419	-8.9
	4,134	**4,156**	**-0.5**
Proportionate share of operating revenue of associates			
Regional associates	3,142	3,428	-8.4
Singapore associates (1)	130	192	-32.4
Other overseas associates	11	12	-10.0
	3,282	**3,632**	**-9.6**
Enlarged revenue	**7,416**	**7,788**	**-4.8**
% of overseas revenue to enlarged revenue	***77%***	***77%***	

Note:
(1) Contribution impacted by the reduction in Singtel's economic interest in NetLink NBN Trust.

Overseas revenue contributed 77% (Q1 FY2018: 77%) to the Group's enlarged revenue, with lower contributions mainly from Airtel, Telkomsel and NetLink NBN Trust.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter 30 Jun 2018 S$ m	Quarter 30 Jun Restated 2017 S$ m	YOY Chge %
Group EBITDA			
Optus	663	675	-1.8
Singapore	615	641	-4.0
Other overseas subsidiaries (incl. Amobee & Trustwave)	(71)	(75)	-5.8
	1,207	**1,240**	**-2.7**
Proportionate share of associates' EBITDA (1)			
Regional associates	1,319	1,524	-13.5
Singapore associates (2)	29	80	-64.1
Other overseas associates	13	10	31.7
	1,361	**1,614**	**-15.7**
Total proportionate EBITDA (1)	**2,568**	**2,855**	**-10.1**
Overseas proportionate EBITDA as a % to total proportionate EBITDA	***75%***	***75%***	
Contributions to total proportionate EBITDA			
Regional associates	51%	53%	
Australia	26%	24%	
Singapore	25%	25%	
Others	-2%	-2%	
	100%	**100%**	

Notes:

(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.

(2) Contribution impacted by the reduction in Singtel's economic interest in NetLink NBN Trust.

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 75% (Q1 FY2018: 75%) to the Group's total proportionate EBITDA.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share [1]		
	30 Jun 2018	31 Mar 2018	30 Jun 2017	30 Jun 2018	31 Mar 2018	30 Jun 2017
Singtel	4,081	4,085	4,128	4,081	4,085	4,128
Optus	10,172	10,106	9,765	10,172	10,106	9,765
	14,253	**14,191**	**13,893**	**14,253**	**14,191**	**13,893**
Regional Associates						
Airtel						
- India	344,564	304,192	280,647	136,137	120,186	102,324
- Africa	91,193	89,262	80,039	36,030	35,267	29,182
- South Asia	2,283	2,268	1,990	903	897	726
	438,040	395,722	362,676	173,070	156,350	132,232
Telkomsel	177,888	192,752	178,001	62,261	67,463	62,300
AIS	40,095	40,050	40,474	9,350	9,340	9,438
Intouch's share of AIS	NM	NM	NM	3,406	3,400	3,438
Globe	65,142	63,263	59,722	30,675	29,816	28,147
	721,165	**691,787**	**640,873**	**278,762**	**266,369**	**235,555**
Group	**735,418**	**705,978**	**654,766**	**293,015**	**280,560**	**249,448**

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.

"NM" denotes not meaningful.

The Group's combined mobile customer base was 735 million as at 30 June 2018, up significantly by 29 million or 4.2% from a quarter ago on strong growth in India. Compared to a year ago, the combined mobile customer base rose 81 million or 12%.

OTHER INFORMATION

Asia Pacific is the world's fastest growing region in terms of eSports audience with number expected to climb to 290 million by 2021 from 167 million in 2017[15]. eSports is becoming mainstream and is included in 2018 Asian Games as a demonstration sport. It is also being considered as a potential medal event in the 2024 Olympics.

On 10 July 2018, Singtel Group announced its entrance into eSports with the launch of its inaugural PVP eSports Championship, a multi-title and regional league to be held in Singapore in October 2018. The league will be set up with leading eSports industry players such as Razer, Blizzard, Garena and the Mineski Group through MET.

The PVP eSports Championship signals Singtel's ambition to foster a vibrant eSports ecosystem and community together with Optus and the regional associates by leveraging on the Group's combined mobile customer base, telco assets and partnerships.

[15] Source: Newzoo 2018

SECTION 5 : ASSOCIATES/ JOINT VENTURES

CASH DIVIDENDS/ DISTRIBUTIONS FROM ASSOCIATES/ JOINT VENTURES [(1)]

	Quarter 30 Jun		YOY Chge
	2018 S$ m	2017 S$ m	%
Telkomsel [(2)]			
- final dividend FY 2017 / 2016	954	724	31.8
AIS [(3)]			
- final dividend FY 2017 / 2016	102	119	-13.8
Globe [(4)]			
- quarterly dividend FY 2017/ FY 2016	36	40	-10.0
Intouch [(5)]			
- interim dividend FY 2018	5	-	nm
- final dividend FY 2017/ FY 2016	35	44	-19.0
	41	44	-6.9
Regional associates	**1,133**	**926**	**22.3**
Other associates			
NetLink NBN Trust/ NetLink Trust [(6)]	31	25	25.2
Southern Cross [(7)]	10	6	89.1
Others	7	5	64.4
	49	35	40.3
Total	**1,182**	**961**	**23.0**

Notes:

(1) The cash dividends/distributions received from overseas associates and joint ventures as stated here are before related tax payments.

(2) Telkomsel declared a full year ordinary dividend of 95% on net profit for FY2017 (FY2016: 95%).

(3) For FY2017, AIS revised its dividend policy to payment of dividend at a minimum of 70% on net profit. AIS declared a full year dividend of 70% on net profit for FY2017 (FY2016: 98%). Dividends are paid twice a year, with an interim dividend distributed from its first half year results and a final dividend distributed from its second half year results. The Group received its share of final dividend for FY2017 of S$102 million in April 2018. AIS will pay its interim dividend for FY2018 of THB 3.78 per share in August 2018. The Group's share of this dividend is approximately S$109 million.

(4) Globe paid its second quarterly dividend of PHP 22.75 per common share for FY2017 in June 2018. The Group's share of this dividend was S$36 million. Globe will pay its next quarterly dividend of PHP 22.75 per common share in September 2018, the Group's share of this dividend is approximately S$36 million.

(5) Intouch's policy is to pass through dividends received from its associates and subsidiaries after the deduction of operating expenses, subject to its financial needs or unless the payment of dividends would materially affect its operations. The Group received its share of final dividend for FY2017 and interim dividend for FY2018 in April 2018. Intouch will pay its next interim dividend of THB 1.35 per share for FY2018 in August 2018. The Group's share of this dividend is approximately S$38 million.

(6) NetLink NBN Trust's policy is to distribute 100% of its cash available for distribution (CAFD), which includes distributions from its wholly-owned subsidiary NetLink Trust ("**NLT**"). NLT's distribution policy is to distribute at least 90% of its distributable income to NetLink NBN Tust after setting aside reserves and provisions for, amongst others, future capital expenditure, debt repayment and working capital as may be required. Distributions by NetLink NBN Trust will be made on a semi-annual basis determined for the six month period ending September and March. The Group received its share of distribution of S$31 million in June 2018.

(7) Southern Cross Cables Holdings Limited, part of the Southern Cross consortium, does not have a fixed dividend policy.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

(8) Airtel does not have a fixed dividend policy. Airtel declared a final dividend of Rs 2.5 per share for FY2018. The Group will be receiving its share of the final dividend from its direct stake of 15.01% of approximately S$30 million in September 2018 quarter.

The total dividends from the associates increased 23% to S$1.18 billion due to timing of dividend received from Telkomsel partly offset by a 9% depreciation of the Indonesian Rupiah against the Singapore Dollar.

KEY OPERATIONAL DATA

	Airtel [1]	Telkomsel	AIS	Intouch	Globe
Singtel's investment:					
Year of initial investment	**2000**	**2001**	**1999**	**2016**	**1993**
Effective economic interest (%)	39.5%	35.0%	23.3% [2]	21.0%	47.1% [3]
Investment to date	S$4.33 bil	S$1.93 bil	S$1.20 bil	S$1.59 bil	S$1.02 bil
Closing market share price [4]	INR 381	NA	THB 185 [5]	THB 53 [5]	PHP 1,540
Market capitalisation					
- Total	S$30.40 bil	NA	S$22.63 bil	S$7.02 bil	S$5.23 bil
- Singtel holding	S$12.01 bil	NA	S$5.28 bil	S$1.47 bil	S$2.46 bil
Operational Performance :					
Mobile penetration rate [6]	87%	133%	135%	NM	116%
Market share, 30 June 2018 [6]	30.5%	50.1%	44.8%	NM	52.1%
Market share, 31 March 2018 [7]	25.7%	48.5%	44.8%	NM	52.1%
Market position [8]	#1	#1	#1	NM	#1
Mobile customers ('000)					
- Aggregate	438,040	177,888	40,095	NM	65,142
- Proportionate	173,070	62,261	9,350	3,404	30,675
Growth in mobile customers (%) [9]	21%	**	-0.9%	NM	9.1%
Credit ratings					
- Sovereign (Moody's/ S&P Global)	Baa2/BBB-	Baa2/BBB-	Baa1/BBB+	Baa1/BBB+	Baa2/BBB
- Company (Moody's/ S&P Global)	Baa3/BBB-	Baa1/BBB	NA/BBB+	NA	NA

Notes:
(1) The mobile penetration rate, market share and market position pertain to India market only.
(2) Based on direct equity interest only.
(3) Singtel has 21.5% interest in Globe's voting shares.
(4) Based on closing market price in local currency as of 30 June 2018.
(5) Based on local market price quoted on the Stock Exchange of Thailand.
(6) Based on actual data or latest data available as of 30 June 2018.
(7) Based on actual data.
(8) Based on number of mobile customers and based on actual data or latest data available as of 30 June 2018.
(9) Compared against 30 June 2017 and based on aggregate number of mobile customers.

NA denotes not applicable, NM denotes not meaningful and "**" denotes less than +/- 0.05%.

Please refer to **Appendix 5** for the currency rate movements of the regional associates.

SECTION 6 : PRODUCT INFORMATION

SINGAPORE MOBILE (PRODUCT VIEW)

	Quarter			YOY Chge %
	30 Jun 2018	Restated 31 Mar 2018	Restated 30 Jun 2017	
Mobile service revenue (S$'M) (1)	**421**	**409**	**438**	**-3.8**
Number of mobile subscribers (000s)				
Prepaid	1,616	1,636	1,714	-5.7
Postpaid	2,465	2,449	2,414	2.1
Total	**4,081**	**4,085**	**4,128**	**-1.1**
Number of 4G mobile subscribers (000s)	**2,905**	**2,869**	**2,667**	**8.9**
Average revenue per subscriber per month (2)(3) **(S$ per month)**				
Prepaid	18	18	18	0.8
Postpaid	46	45	49	-5.3
Blended	**35**	**34**	**36**	**-2.4**
Postpaid (pre SFRS(I) 15 basis)	*62*	*61*	*65*	*-3.6*
Data services as % of ARPU				
- total data (4)	64%	62%	59%	
- non-SMS data	57%	55%	52%	
Postpaid external churn per month (5)	*0.9%*	*0.8%*	*0.8%*	
Singapore mobile penetration rate (6)	***149%***	***149%***	***151%***	
Market share (6)				
Prepaid	*51.7%*	*50.5%*	*50.5%*	
Postpaid	*47.6%*	*47.8%*	*47.7%*	
Overall	***49.2%***	***48.9%***	***48.8%***	

Notes:

(1) This is determined net of bill rebates and prepaid sales discount, and includes mobile revenue earned from international telephone calls and broadband bundles.

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

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

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

(5) 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.

(6) The market share data as at 30 June 2018 was based on Telco operators' published results. The other market statistics were based on IMDA's latest available published statistics as of 31 May 2018.

SECTION 6 : PRODUCT INFORMATION

AUSTRALIA MOBILE (PRODUCT VIEW)

	Quarter			
	30 Jun 2018	Restated 31 Mar 2018	Restated 30 Jun 2017	YOY Chge %
Optus' mobile revenue (A$'M) [1]	**1,386**	**1,383**	**1,282**	**8.1**
Optus' mobile service revenue (A$'M)	**963**	**959**	**944**	**2.0**
Optus' mobile outgoing service revenue (A$M)	**909**	**907**	**892**	**1.9**
Number of mobile subscribers (000s)				
Prepaid Handset	3,724	3,705	3,725	**
Postpaid Handset	5,335	5,304	5,001	6.7
Mobile Broadband [2]	1,113	1,097	1,039	7.2
Total	**10,172**	**10,106**	**9,765**	**4.2**
Number of 4G mobile subscribers (000s) [3]	**6,363**	**6,332**	**5,880**	**8.2**
Mobile penetration rate [4]	***ND***	***ND***	***ND***	
ARPU per month (A$) [5]				
Prepaid Handset	19	20	20	-6.2
Postpaid Handset	42	43	44	-2.6
Mobile Broadband [2]	22	21	21	3.9
Blended	**32**	**32**	**32**	**-2.0**
Postpaid Handset (pre SFRS(I) 15 basis)	*58*	*59*	*59*	*-1.0*
Data revenue as a % of service revenue				
- total data	79%	80%	80%	
- non-SMS data	71%	71%	71%	
Market share [4]	***ND***	***ND***	***ND***	
Retail postpaid churn rate per month [6]	***1.5%***	***1.5%***	***1.4%***	

Notes:

(1) This comprises mobile service revenue (both outgoing and incoming), sales of equipment and handset leasing in Optus.

(2) Defined as data-only SIMs and include customers on both prepaid and postpaid plans. Postpaid plans incur a monthly subscription fee.

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

(4) Penetration and revenue 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. Excludes equipment revenue.

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

"*ND" denotes not disclosed* and "**" denotes less than +/- 0.05%.

SECTION 6 : PRODUCT INFORMATION

Singtel TV (PRODUCT VIEW)

	Quarter			YOY
	30 Jun 2018	31 Mar 2018	30 Jun 2017	Chge %
Singtel TV revenue [1] (S$'M)	72	56	63	15.3
Average revenue per residential TV customer per month [1] (S$ per month)	44	41	41	6.8
Number of residential TV customers (000s)	387	395	404	-4.4

Note:

(1) Excluding 2018 FIFA World Cup revenue, Singtel TV revenue would be S$55 million and ARPU would be S$41 for the current quarter.

SINGAPORE CONSUMER HOME

	Quarter			YOY
	30 Jun 2018	31 Mar 2018	30 Jun 2017	Chge %
Singapore Consumer home revenue (S$'M) [1][2]	149	133	139	7.0
Number of households on triple/ quad play services (000s) [3]	507	509	504	0.6

Notes:

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

(2) Excluding 2018 FIFA World Cup revenue, Consumer home revenue would be S$135 million.

(3) 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 30 Jun 2018	Quarter 31 Mar 2018	Quarter 30 Jun 2017	YOY Chge %
Internet				
Number of fixed broadband lines (000s) [1]	621	619	613	1.4
Singapore fixed broadband penetration rate [2]	*95%*	*95%*	*94%*	
Fixed broadband market share [3][4]	*42.0%*	*42.0%*	*42.1%*	
Number of fibre broadband lines (000s)	606	599	570	6.2
Fibre broadband market share [4]	*46.8%*	*47.1%*	*47.5%*	
International Telephone (for both fixed and mobile calls)				
International telephone outgoing minutes (m mins) (excl Malaysia)	527	496	590	-10.6
Average collection rate - net basis (S$/ min) (excl Malaysia)	0.086	0.092	0.091	-5.5
National Telephone				
Fixed working lines (000s) [5]				
Residential	764	769	780	-2.1
Business	632	645	672	-6.0
Total	**1,396**	**1,414**	**1,452**	**-3.9**
Singapore fixed line penetration rate [6]	*35.5%*	*35.5%*	*35.6%*	
Singapore fixed working lines ('000s) [6]	*1,993*	*1,992*	*2,000*	
Fixed line market share [6]	*70.0%*	*71.0%*	*72.6%*	

Notes:

(1) Include ADSL and fibre lines.

(2) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IMDA). The market penetration rate as at 30 Jun 2018 was based on IMDA's latest available published statistics as of 31 May 2018.

(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 30 June 2018 was based on management's estimates.

(5) Fixed working lines refer to Direct Exchange Lines (DEL) and Home Digital Lines.

(6) The market share data as at 30 June 2018 was based on management's estimates. The other market statistics as at 30 June 2018 were based on IMDA's latest available published statistics as of 31 March 2018.

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter 30 Jun 2018	31 Mar 2018	30 Jun 2017	YOY Chge %
Enterprise Fixed				
Business voice minutes (m min)	1,275	1,287	1,250	2.0
Wholesale Fixed				
Wholesale domestic voice minutes (m min)	920	923	1,011	-9.1
Mass Market Fixed				
On-net ARPU (A$) (1)				
Voice (2)	30	30	33	-8.8
Broadband (2)(3)	56	56	56	0.4
Telephony customers ('000)				
HFC (4)	402	402	441	-8.9
ULL (5)	310	327	379	-18.1
On-net	**713**	**729**	**820**	**-13.1**
Resale	39	43	60	-34.9
NBN	488	456	277	75.8
Off-net	**527**	**499**	**338**	**56.1**
TV customers (000s)	**513**	**491**	**457**	**12.2**
HFC bundling rate (6)	100%	100%	98%	
HFC penetration	***29%***	***29%***	***32%***	
Broadband customers (000s)				
On-net				
HFC broadband	395	396	433	-8.7
ULL broadband (5)	322	339	396	-18.8
Business grade broadband	24	24	25	-4.4
	741	759	855	-13.3
Off-net				
Broadband	25	32	41	-38.3
NBN	483	453	279	73.2
Total Broadband customers	**1,249**	**1,245**	**1,174**	**6.4**

Notes:

(1) Per month, based on average number of HFC and ULL customers.

(2) Comparatives have been restated to be consistent with the current quarter.

(3) Includes Optus TV with Fetch.

(4) 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.

(5) Include wholesale ULL subscribers.

(6) 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 Standards (International).
"ATO"	Australian Taxation Office.
"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, and does not include the share of pre-tax results of associates.
"EBITDA margin"	Ratio of EBITDA over operating revenue.
"EPS"	Earnings per share.
"SFRS(I)"	Singapore Financial Reporting Standards (International).
"Free Cash Flow"	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
"ICT"	Infocomm Technology.
"IoT"	Internet of Things.
"IMDA"	Info-communications Media Development Authority of Singapore.
"IP VPN"	Internet Protocol Virtual Private Network.
"MOU"	Minutes of use per subscriber.
"NM"	Not meaningful.
"NPS"	Net Promoter Score. This is a widely used metric to measure customer experience by scoring the willingness of customers to recommend a brand following an interaction with the company.
"Optus"	Singtel Optus Pty Limited, Singtel's wholly-owned subsidiary, and its subsidiaries.
"OTT"	Over-the-top.
"Regional associates"	Comprises Airtel, AIS, Intouch, Telkomsel and Globe.
"SMS"	Short message service.
"SME"	Small and medium-sized enterprises.
"STAI"	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
"Singapore"	The term refers to the Group's operations excluding Optus and the associates and includes the overseas operations of Singtel including Amobee and Trustwave.
"Underlying net profit"	Defined as net profit before exceptional items.

GROUP SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2018

	Quarter							
	30 Jun							
	2018			2018		2018	2017	
	Singapore S$ m	Asso/JV S$ m	Corp S$ m	Singtel S$ m	Optus S$ m	Group S$ m	Restated Group S$ m	YOY Chge %
Operating revenue	**1,934**	**-**	**-**	**1,934**	**2,200**	**4,134**	**4,156**	**-0.5**
Operating expenses	(1,418)	-	-	(1,418)	(1,574)	(2,992)	(2,988)	0.1
	517	-	-	517	625	1,142	1,168	-2.2
Other income	28	-	-	28	38	65	73	-10.3
EBITDA	**544**	**-**	**-**	**544**	**663**	**1,207**	**1,240**	**-2.7**
- EBITDA margin	***28.1%***	**-**	**-**	***28.1%***	***30.1%***	***29.2%***	***29.8%***	
Share of associates' pre-tax profits								
Regional associates	-	*391*	-	*391*	-	*391*	*673*	*-42.0*
Other associates	-	*25*	-	*25*	*	*25*	*61*	*-58.2*
- ordinary operations	-	416	-	416	*	416	734	-43.3
- exceptional items	-	-	-	-	-	-	(4)	nm
	-	**416**	**-**	**416**	*****	**416**	**730**	**-43.0**
EBITDA and share of associates' pre-tax profits	**544**	**416**	**-**	**960**	**663**	**1,623**	**1,970**	**-17.6**
Depreciation & amortisation	(180)	-	-	(180)	(374)	(554)	(549)	0.8
EBIT	**364**	**416**	**-**	**780**	**289**	**1,069**	**1,421**	**-24.8**
Net finance expense								
- net interest expense	(41)	-	-	(41)	(49)	(90)	(91)	-0.3
- other finance income	7	-	13	20	1	20	5	320.8
	(35)	-	13	(22)	(49)	(70)	(86)	-18.3
Profit before EI and tax	**330**	**416**	**13**	**759**	**240**	**999**	**1,335**	**-25.2**
Taxation								
- current and deferred taxes	(64)	-	-	(64)	(73)	(137)	(139)	-1.2
- share of taxes of associates	-	(32)	-	(32)	-	(32)	(214)	-85.0
- withholding taxes (1)	-	-	(102)	(102)	-	(102)	(79)	29.1
	(64)	(32)	(102)	(198)	(73)	(271)	(432)	-37.2
Profit/ (Loss) after tax	**266**	**384**	**(89)**	**561**	**167**	**728**	**903**	**-19.4**
Minority interests	5	-	-	5	-	5	6	-3.6
Underlying net profit/ (loss)	**271**	**384**	**(89)**	**566**	**167**	**733**	**909**	**-19.3**
(exclude Airtel and BTL) (2)	*271*	*365*	*(89)*	*547*	*167*	*714*	*873*	*-18.2*
Exceptional items (post-tax)	93	17	-	110	(12)	98	(19)	nm
Net profit/ (loss)	**364**	**401**	**(89)**	**676**	**156**	**832**	**890**	**-6.6**
(exclude Airtel and BTL) (2)	*364*	*365*	*(89)*	*640*	*156*	*796*	*855*	*-6.9*

Notes:

(1) These are withholding and dividend distribution taxes deducted at source when dividends are remitted by the overseas associates. For accounting purpose, the dividend income and related withholding and dividend distribution 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**.

(2) The profits were adjusted to exclude results of Airtel and BTL.

"" denotes less than +/- S$0.5 million*

GROUP SUMMARY INCOME STATEMENTS
For The First Quarter Ended 30 June 2018

	Quarter 30 Jun 2018 S$ m	YOY Change %	YOY Change in constant currency [1] %
Operating revenue	**4,134**	**-0.5**	**1.7**
Operating expenses	(2,992)	0.1	2.5
	1,142	-2.2	-0.5
Other income	65	-10.3	-8.4
EBITDA	**1,207**	**-2.7**	**-0.9**
-EBITDA margin	***29.2%***		
Share of associates' pre-tax profits			
- Telkomsel	*237*	*-38.0*	*-32.0*
- Airtel	*(63)*	*nm*	*nm*
- AIS	*94*	*14.1*	*10.9*
- Globe	*95*	*16.8*	*28.3*
- Intouch	*28*	*18.5*	*14.8*
Regional associates	391	-42.0	-38.6
Other associates	25	-58.2	-58.2
- ordinary operations	416	-43.3	-40.2
- exceptional items	-	nm	*nm*
	416	**-43.0**	**-39.9**
EBITDA and share of associates' pre-tax profits	**1,623**	**-17.6**	**-15.4**
Depreciation & amortisation	(554)	0.8	3.5
EBIT	**1,069**	**-24.8**	**-22.6**
Net finance expense	(70)	-18.3	-16.1
Profit before EI and tax	**999**	**-25.2**	**-23.1**
Taxation	(271)	-37.2	-36.3
Profit after tax	**728**	**-19.4**	**-16.7**
Minority interests	5	-3.6	3.6
Underlying net profit	**733**	**-19.3**	**-16.6**
(exclude Airtel and BTL) [2]	*714*	*-18.2*	*-15.5*
EI (post-tax)	98	nm	nm
Net profit	**832**	**-6.6**	**-3.7**
(exclude Airtel and BTL) [2]	*796*	*-6.9*	*-4.2*

Notes:

(1) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2017.

(2) The profits were adjusted to exclude results of Airtel and BTL.

BUSINESS SEGMENTS
For The First Quarter Ended 30 June 2018

	Quarter 30 Jun 2018 S$ m	YOY Change %	YOY Change in constant currency (1) %
Operating revenue			
Group Consumer	2,356	1.9	4.6
Group Enterprise	1,519	-3.2	-2.1
Core Business	3,875	-0.2	1.9
Group Digital Life	259	-5.4	-1.3
Group	**4,134**	**-0.5**	**1.7**
EBITDA			
Group Consumer	794	-1.2	1.5
Group Enterprise	449	-6.8	-6.6
Core Business	1,243	-3.3	-1.5
Group Digital Life	(23)	-0.4	3.4
Corporate	(13)	-40.7	-40.7
Group	**1,207**	**-2.7**	**-0.9**
EBIT (exclude share of associates' pre-tax profits)			
Group Consumer	404	-5.1	-2.8
Group Enterprise	299	-10.4	-10.7
Core Business	703	-7.4	-6.3
Group Digital Life	(36)	-21.3	-18.2
Corporate	(13)	-38.7	-38.7
Group	**653**	**-5.5**	**-4.4**
Group (exclude NBN migration revenues)			
Operating revenue	4,109	-0.1	2.1
EBITDA	1,182	-1.3	0.5
EBIT	629	-3.0	-2.0
Core Business (exclude NBN migration revenues)			
Operating revenue	3,851	0.3	2.4
EBITDA	1,219	-1.9	-0.2
EBIT	678	-5.3	-4.2
Group Consumer (exclude NBN migration revenues)			
Operating revenue	2,332	2.7	5.5
EBITDA	770	1.2	3.9
EBIT	380	-0.8	1.5

Note:
(1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding quarter ended 30 June 2017.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Jun 2018 S$ million	Restated 31 Mar 2018 S$ million	Restated 30 Jun 2017 S$ million
Current assets			
Cash and cash equivalents	625	525	632
Trade and other receivables	5,757	5,818	5,765
Inventories	403	397	401
Derivative financial instruments	48	23	101
Loan to an associate	-	-	1,101
	6,833	**6,763**	**7,999**
Non-current assets			
Property, plant and equipment	11,314	11,454	11,244
Intangible assets	14,048	13,969	14,334
Associates	1,990	2,001	1,962
Joint ventures	11,967	12,755	11,809
Fair value through other comprehensive income ("**FVOCI**") investments	218	198	222
Deferred tax assets	365	353	644
Derivative financial instruments	437	407	477
Other non-current receivables	602	588	632
	40,941	**41,724**	**41,325**
Total assets	**47,775**	**48,487**	**49,324**
Current liabilities			
Trade and other payables	5,086	5,371	4,832
Advance billings	786	794	873
Current tax liabilities	462	351	374
Borrowings (unsecured)	1,268	1,801	1,682
Borrowings (secured)	18	23	57
Derivative financial instruments	55	69	18
Net deferred gain (1)	20	20	69
	7,696	**8,429**	**7,905**
Non-current liabilities			
Borrowings (unsecured)	7,949	8,586	9,530
Borrowings (secured)	80	82	238
Derivative financial instruments	229	295	315
Advance billings	233	225	241
Net deferred gain (1)	376	358	1,323
Deferred tax liabilities	513	536	595
Other non-current liabilities	285	295	328
	9,664	**10,377**	**12,570**
Total liabilities	**17,360**	**18,806**	**20,475**
Net assets	**30,415**	**29,681**	**28,849**
Share capital and reserves			
Share capital	4,127	4,127	4,127
Reserves	26,293	25,579	24,727
Equity attributable to shareholders of the Company	30,420	29,706	28,855
Minority interests and other reserve	(5)	(26)	(5)
Total equity	**30,415**	**29,681**	**28,849**

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

SINGAPORE CASH FLOW STATEMENT
For The First Quarter Ended 30 June 2018

	Quarter			
	30 Jun 2018 S$ m	Restated 30 Jun 2017 S$ m	Restated 31 Mar 2018 S$ m	YOY Chge %
Net cash inflow from operating activities				
Profit before exceptional items and tax	**330**	**336**	**272**	**-1.9**
Non-cash items	204	232	207	-11.9
Operating cash flow before working capital changes	534	568	479	-6.0
Changes in operating assets and liabilities	(75)	(106)	137	-29.1
	459	**462**	**615**	**-0.7**
Cash paid to employees under performance share plans	*	(1)	*	nm
Tax paid on operating activities	(2)	(3)	(31)	-14.3
Operating cash flow	**456**	**459**	**584**	**-0.5**
Net cash outflow for investing activities				
Accrued capital expenditure	(101)	(60)	(380)	69.8
Changes in creditors' balances	(87)	(94)	138	-7.3
Cash capital expenditure	(188)	(153)	(242)	22.8
Net repayment of loan to Optus from STAI [1]	-	-	(137)	-
Dividend received by STAI from Optus [1]	-	-	633	-
Withholding tax paid on interest received on inter-company loans	-	-	(12)	-
Payment for purchase of subsidiaries, net of cash acquired	-	(340)	-	nm
Payment for acquisition of non-controlling interests	(16)	-	-	nm
Investment in associates	-	-	(539)	-
Investment in venture investments	(9)	(25)	(9)	-64.8
Proceeds from disposal of venture investments	3	1	38	115.4
Proceeds from disposal of property, plant and equipment	118	4	*	@
Deferred proceeds from disposal of an associate	4	-	7	nm
Payment for purchase of spectrum	-	(188)	-	nm
Payment for purchase of other intangibles	(8)	(14)	(18)	-44.8
Others	*	2	(9)	nm
	(96)	**(714)**	**(286)**	**-86.6**
Net cash outflow for financing activities				
Net (decrease)/ increase in borrowings	(1,279)	(403)	1,005	217.8
Net interest paid on borrowings and swaps	(46)	(65)	(41)	-28.9
Settlement of swap for bonds repaid	3	-	-	nm
Interim dividend paid to shareholders	-	-	(1,110)	-
Special dividend paid to shareholders	-	-	(490)	-
Purchase of performance shares	(2)	(4)	(6)	-54.1
	(1,324)	**(471)**	**(642)**	**181.0**
Net decrease in cash balance from Singapore	**(964)**	**(727)**	**(344)**	**32.5**
Net decrease in cash balance from Singapore	**(964)**	**(727)**	**(344)**	**32.5**
Dividends/ Distributions received from associates	1,182	961	96	23.0
Withholding tax paid	(116)	(96)	(6)	20.3
Net dividends/ distributions received from associates	**1,067**	**865**	**91**	**23.3**
Net increase/ (decrease) in cash and cash equivalents	**103**	**138**	**(253)**	**-25.5**
Singtel cash and cash equivalents at beginning	406	397	664	2.4
Exchange effects on cash and cash equivalents	7	(8)	(5)	nm
Singtel cash and cash equivalents at end	**516**	**527**	**406**	**-2.0**
Singapore free cash flow	**268**	**305**	**343**	**-12.1**
Free cash flow from associates' dividends/ distributions	**1,067**	**865**	**91**	**23.3**
Cash capex to operating revenue	***10%***	***8%***	***12%***	

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

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

OPTUS CASH FLOW STATEMENT
For The First Quarter Ended 30 June 2018

	Quarter			
	30 Jun 2018 A$ m	Restated 30 Jun 2017 A$ m	Restated 31 Mar 2018 A$ m	YOY Chge %
Net cash inflow from operating activities				
Profit before exceptional items and tax	**238**	**252**	**296**	**-5.8**
Non-cash items	404	372	406	8.7
Operating cashflow before working capital changes	642	624	702	2.9
Changes in operating assets and liabilities	(183)	(20)	60	@
Tax paid	(55)	(65)	(56)	-15.3
Operating cash flow	**404**	**539**	**706**	**-25.1**
Net cash outflow for investing activities				
Accrued capital expenditure	(271)	(271)	(555)	**
Changes in creditors' balances	(3)	(148)	206	-97.7
Cash capital expenditure	(274)	(419)	(349)	-34.6
Loan to STAI (1)	-	-	(121)	-
Repayment of loan by STAI (1)	-	-	250	-
Payment for purchase of spectrum	(34)	(712)	-	-95.2
Payment for purchase of other intangibles	(13)	(28)	(15)	-53.8
Others	1	*	1	nm
	(321)	**(1,158)**	**(233)**	**-72.3**
Net cash (outflow for)/ inflow from financing activities				
Net (decrease)/ increase in borrowings	(40)	650	110	nm
Dividend paid to STAI (1)	-	-	(600)	-
Net interest paid on borrowings and swaps	(49)	(54)	(44)	-7.7
Purchase of Singtel shares	(5)	(6)	-	-17.8
Others	1	-	10	nm
	(94)	**590**	**(524)**	**nm**
Net decrease in cash balance from Optus	**(10)**	**(29)**	**(52)**	**-64.3**
Net decrease in cash and cash equivalents	**(10)**	**(29)**	**(52)**	**-64.3**
Optus cash and cash equivalents at beginning	118	128	170	-8.1
Optus cash and cash equivalents at end	**108**	**100**	**118**	**8.1**
Optus free cash flow	**130**	**120**	**357**	**8.2**
Cash capex to operating revenue	***13%***	***20%***	***16%***	

<u>Note:</u>
(1) The intercompany amounts are eliminated at the Group level.

"" denotes less than +/- A$0.5 million and "**" denotes less than +/- 0.05%.*

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter 30 Jun 2018 A$ m	Quarter 30 Jun Restated 2017 A$ m	YOY Chge %
Operating revenue	**2,178**	**2,062**	**5.7**
Operating expenses	(1,559)	(1,471)	6.0
Other income	37	55	-33.0
EBITDA	**656**	**646**	**1.6**
- margin	***30.1%***	***31.3%***	
Share of results of joint ventures	*	*	nm
EBITDA and share of results of joint ventures	**656**	**646**	**1.6**
Depreciation & amortisation	(370)	(349)	6.3
EBIT	**286**	**297**	**-3.8**
Net finance expense	(48)	(45)	7.3
Profit before exceptional items and tax	**238**	**252**	**-5.8**
Taxation	(72)	(76)	-5.4
Underlying net profit	**166**	**176**	**-5.9**
Exceptional items (post-tax)	(12)	(16)	-29.4
Net profit	**154**	**160**	**-3.5**

"" denotes less than +/- A$0.5 million.*

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

	As at 30 Jun 2018 A$ m	As at Restated 31 Mar 2018 A$ m	As at Restated 30 Jun 2017 A$ m
Property, plant and equipment (net)	**7,793**	**7,876**	**7,486**
Gross debt			
Current debt	575	925	550
Non-current debt	3,767	3,449	3,745
Gross debt as reported in the statement of financial position	4,342	4,374	4,295
Related net hedging assets	(275)	(251)	(159)
	4,067	4,123	4,135
Less: Cash and bank balances	(108)	(118)	(100)
Net debt	**3,959**	**4,005**	**4,036**

CURRENCY RISK MANAGEMENT & OTHER MATTERS

The Group maintains a policy to substantially hedge 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 approved by the Finance and Investment Committee.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

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.

CREDIT RATINGS

	Singtel	**Optus**
S&P Global Ratings	A+ (stable)	A (stable)
Moody's Investors Service	A1 (stable)	A2 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	Full Year
Derived weighted average exchange rate (1) for:					
Operating revenue					
SGD					
FY2019	1.0099				
FY2018	1.0455	1.0744	1.0403	1.0364	1.0489
Change (last corresponding period)	***-3.4%***				
Underlying net profit					
SGD					
FY2019	1.0103				
FY2018	1.0453	1.0736	1.0386	1.0346	1.0466
Change (last corresponding period)	***-3.3%***				

1 United States Dollar buys:	Q1	Q2	Q3	Q4	Full Year
Derived weighted average exchange rate (2) for:					
Operating revenue					
SGD					
FY2019	1.3346				
FY2018	1.3919	1.3615	1.3560	1.3070	1.3565
Change (last corresponding period)	***-4.1%***				

Notes:

(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.

(2) The income statements of Trustwave, Amobee and HOOQ are translated from United States Dollar to Singapore Dollar based on these derived weighted average exchanges rates for the period to date.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	Full Year
Rupiah					
FY2019	10,417				
FY2018	9,554	9,770	10,003	10,309	9,901
Change (last corresponding period)	***9.0%***				
Indian Rupee					
FY2019	50.3				
FY2018	46.4	47.3	47.6	48.8	47.6
Change (last corresponding period)	***8.4%***				
Baht					
FY2019	23.9				
FY2018	24.6	24.5	24.3	23.9	24.3
Change (last corresponding period)	***-2.8%***				
Peso					
FY2019	39.4				
FY2018	35.8	37.3	37.6	39.1	37.5
Change (last corresponding period)	***10.1%***				

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2019

- **Consolidated results and cash flow may be impacted by material exchange rate movements in the Australian Dollar, United States Dollar and regional currencies.** The Group's outlook for the current financial year is based on the following average exchange rates during FY2018:

Australian Dollar	AUD 1	SGD 1.0489
United States Dollar	USD 1	SGD 1.3565
Indonesian Rupiah	SGD 1	IDR 9,901
Indian Rupee	SGD 1	INR 47.6
Thailand Baht	SGD 1	THB 24.3
Philippine Peso	SGD 1	PHP 37.5

- **Operating revenue[1] from the Core Business (comprising Group Consumer and Group Enterprise) to grow by low single digit and EBITDA[1] to be stable.**

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

- **Mobile service revenue from Singapore to decline by mid single digit.**

- **Group ICT revenue (comprising Managed Services and Business Solutions) to increase by mid single digit. This includes Cyber security revenue, which is expected to grow by low teens.**

- **Operating revenue (including intragroup revenue) at Amobee Group to grow by mid-teens and its EBITDA is expected to increase.**

- **Excluding acquisitions, consolidated revenue[1] for the Group to grow by low single digit and EBITDA[1] to be stable.**

- **Cash capital expenditure and accrued capital expenditure for the Group are expected to approximate S$2.2 billion each, with A$1.4 billion for Optus and S$0.8 billion for the rest of Singtel Group.**

- **Group free cash flow (excluding spectrum payments and dividends from associates) to be approximately S$1.9 billion.**

- **Dividends from the regional associates are expected to be around S$1.4 billion.**

[1] Excluding the impact of NBN migration revenues in Australia for both FY2018 and FY2019.

RESTATEMENT OF FY 2018 COMPARATIVES

For this quarter, the Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which became effective from 1 April 2018. SFRS(I) are identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The new accounting framework and standards have been retrospectively applied to the financial statements for the previous financial year ended 31 March 2018 and the opening statement of financial position as at 1 April 2017. The application of the new and revised standards has no material effect on the financial statements, except as described below:

<u>SFRS(I) 1, *First-time Adoption of SFRS(I)*</u>

The Group has made the following adjustments to the opening statement of financial position as at 1 April 2017 arising from the transition options:

(a) The cumulative currency translation loss of the Group has been transferred to retained earnings.

(b) Fair value has been used as the 'deemed cost' for certain property, plant and equipment.

<u>SFRS(I) 15, *Revenue from Contracts with Customers*</u>

SFRS(I) 15 establishes a single comprehensive model of accounting for revenue arising from contracts with customers. The standard requires companies to apportion revenue earned from contracts to performance obligations based on a five-step model on a relative standalone selling price basis. It also introduces new contract cost guidance and requires certain additional disclosures.

The adoption of SFRS(I) 15 resulted in the following key effects at the consolidated level:

(a) An increase in revenue allocated to sales of equipment, which are fair valued at standalone selling price, and a reduction in mobile service revenue over the customer contract period.

(b) An increase in cost of sales and a reduction in mobile customer acquisition costs.

(c) Commission paid to dealers and own sales force are capitalised and amortised as operating expenses over the customer contract term in the income statement. Capitalised contract costs are classified under non-currrent assets as the economic benefits from these assets are expected to be longer than 12 months.

(d) An increase in contract assets, comprising mainly unbilled equipment receivables arising from upfront recognition of revenue from sales of equipment. Contract assets are classified in 'Trade and other receivables' under current assets as they are expected to be realised in the normal operating cycle.

(e) An increase in contract liabilities, comprising mainly deferred revenue in respect of mobile price plan discount vouchers given. Contract liabilities are classified in 'Trade and other payables' under current liabilities.

<u>SFRS(I) 9, *Financial Instruments*</u>

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets. Equity investments previously accounted as 'Available-For-Sale' (AFS) investments are accounted as 'Fair Value through Other Comprehensive Income' (FVOCI) investments. Lifetime expected credit losses are recognised for receivables and contract assets.

Following the adoption of the new accounting framework and standards, the quarterly income statements for FY 2018 have been restated as follow -

GROUP

	Quarter				Year
	30 Jun 2017 S$ m	**30 Sep 2017 S$ m**	**31 Dec 2017 S$ m**	**31 Mar 2018 S$ m**	**31 Mar 2018 S$ m**
Operating revenue	**4,156**	**4,268**	**4,583**	**4,262**	**17,268**
Operating expenses	(2,988)	(3,066)	(3,333)	(3,089)	(12,476)
Other income	73	47	81	58	259
EBITDA	**1,240**	**1,249**	**1,331**	**1,230**	**5,051**
- margin	***29.8%***	***29.3%***	***29.0%***	***28.9%***	***29.2%***
Share of associates' pre-tax profits	730	659	553	519	2,461
EBITDA and share of associates' pre-tax profits	**1,970**	**1,908**	**1,884**	**1,750**	**7,511**
Depreciation & amortisation	(549)	(576)	(563)	(562)	(2,250)
EBIT	**1,421**	**1,331**	**1,321**	**1,188**	**5,261**
Net finance expense	(86)	(91)	(81)	(87)	(345)
Profit before exceptional items and tax	**1,335**	**1,240**	**1,240**	**1,101**	**4,917**
Taxation	(432)	(332)	(299)	(282)	(1,344)
Profit after tax	**903**	**909**	**942**	**819**	**3,572**
Minority interests	6	6	8	2	21
Underlying net profit	**909**	**915**	**950**	**821**	**3,593**
Exceptional items (post-tax)	(19)	1,940	10	(51)	1,880
Net profit	**890**	**2,854**	**959**	**770**	**5,473**

OPERATING REVENUE	Quarter				Year
	30 Jun 2017 S$ m	**30 Sep 2017 S$ m**	**31 Dec 2017 S$ m**	**31 Mar 2018 S$ m**	**31 Mar 2018 S$ m**
Mobile service	1,424	1,465	1,450	1,398	5,737
Data and Internet	837	876	889	834	3,436
ICT	706	784	709	810	3,008
Sale of equipment	511	454	822	627	2,415
Digital businesses	282	285	332	214	1,113
Fixed voice	283	283	262	256	1,084
Pay television	93	98	90	88	369
Others	20	24	28	34	106
Total	**4,156**	**4,268**	**4,583**	**4,262**	**17,268**

OPERATING EXPENSES	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
Cost of sales	1,195	1,216	1,520	1,335	5,267
Staff costs	689	703	677	669	2,738
Selling & administrative	614	637	621	583	2,455
Traffic expenses	393	405	411	406	1,616
Repair & maintenance	93	94	97	84	368
Others	3	11	7	12	33
Total	**2,988**	**3,066**	**3,333**	**3,089**	**12,476**

SINGAPORE CONSUMER

	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
Operating revenue	**538**	**530**	**634**	**535**	**2,236**
Operating expenses	(346)	(339)	(435)	(379)	(1,499)
Other income	7	4	2	4	17
EBITDA	**198**	**195**	**201**	**160**	**753**
- margin	***36.8%***	***36.7%***	***31.7%***	***29.9%***	***33.7%***
Depreciation & amortisation	(57)	(59)	(62)	(63)	(241)
EBIT	**141**	**136**	**139**	**97**	**513**

OPERATING REVENUE	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
Mobile service	276	273	273	254	1,075
Sale of equipment	100	93	203	123	519
Fixed broadband	57	58	58	58	230
Residential Pay TV	58	59	52	51	219
Fixed voice	33	34	33	33	133
Others	15	14	15	16	60
Total	**538**	**530**	**634**	**535**	**2,236**

OPERATING EXPENSES	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
Cost of sales	150	142	240	174	705
Selling & administrative	75	79	81	87	322
Staff costs	60	61	54	58	233
Traffic expenses	55	51	52	51	208
Repair & maintenance	12	14	14	16	55
Others	(5)	(7)	(5)	(7)	(23)
Total	**346**	**339**	**435**	**379**	**1,499**

AUSTRALIA CONSUMER

	Quarter				Year
	30 Jun 2017 A$ m	30 Sep 2017 A$ m	31 Dec 2017 A$ m	31 Mar 2018 A$ m	31 Mar 2018 A$ m
Operating revenue	**1,699**	**1,694**	**1,955**	**1,780**	**7,128**
Operating expenses	(1,173)	(1,139)	(1,348)	(1,178)	(4,837)
Other income	54	28	64	33	179
EBITDA	**580**	**584**	**671**	**635**	**2,470**
- margin	***34.2%***	***34.5%***	***34.3%***	***35.7%***	***34.7%***
Depreciation & amortisation	(307)	(320)	(319)	(321)	(1,267)
EBIT	**273**	**264**	**351**	**315**	**1,203**

OPERATING REVENUE	Quarter				Year
	30 Jun 2017 A$ m	30 Sep 2017 A$ m	31 Dec 2017 A$ m	31 Mar 2018 A$ m	31 Mar 2018 A$ m
Incoming	51	52	54	50	207
Outgoing	847	862	875	859	3,444
Total Mobile Service	897	914	930	910	3,650
Equipment	319	270	484	389	1,462
Leasing revenue	-	4	8	12	24
Total Mobile Revenue	**1,216**	**1,187**	**1,421**	**1,311**	**5,136**
Voice	89	84	80	77	331
Broadband	112	107	100	95	414
Pay TV	28	29	30	29	116
Mass Market Fixed On-net	229	220	210	202	861
Mass Market Fixed Off-net	113	142	180	127	561
Total Mass Market Fixed	**342**	**362**	**389**	**329**	**1,422**
Data & IP	56	55	59	59	229
Voice	25	26	25	24	98
Satellite	61	65	61	58	244
Total Wholesale Fixed	**141**	**145**	**145**	**140**	**571**
Total	**1,699**	**1,694**	**1,955**	**1,780**	**7,128**

OPERATING EXPENSES	Quarter				Year
	30 Jun 2017 A$ m	30 Sep 2017 A$ m	31 Dec 2017 A$ m	31 Mar 2018 A$ m	31 Mar 2018 A$ m
Cost of sales	411	370	568	467	1,816
Selling & administrative	347	346	334	288	1,315
Traffic expenses	196	203	218	218	835
Staff costs	165	164	171	163	663
Repair & maintenance	37	39	41	26	144
Others	16	17	17	15	65
Total	**1,173**	**1,139**	**1,348**	**1,178**	**4,837**

GROUP ENTERPRISE

	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
Operating revenue	**1,569**	**1,640**	**1,591**	**1,677**	**6,477**
Operating expenses	(1,095)	(1,188)	(1,131)	(1,244)	(4,658)
Other income	7	11	10	17	45
EBITDA	**482**	**462**	**471**	**449**	**1,863**
- margin	***30.7%***	***28.2%***	***29.6%***	***26.8%***	***28.8%***
Depreciation & amortisation	(148)	(154)	(154)	(152)	(608)
EBIT	**333**	**308**	**317**	**297**	**1,256**

OPERATING REVENUE	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
ICT	706	784	709	810	3,008
Data & Internet	422	420	413	420	1,674
Mobile service	210	210	209	201	831
Fixed voice	137	139	127	128	530
Sale of equipment	78	70	115	99	362
Others	17	18	18	19	72
Total	**1,569**	**1,640**	**1,591**	**1,677**	**6,477**

OPERATING EXPENSES	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
Cost of sales	403	467	441	534	1,846
Staff costs	383	393	370	369	1,514
Selling & administrative	146	155	157	170	628
Traffic expenses	134	136	133	129	532
Repair, maintenance and others	29	37	30	42	138
Total	**1,095**	**1,188**	**1,131**	**1,244**	**4,658**

SINGAPORE ENTERPRISE

	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
ICT	552	590	552	651	2,345
Data and Internet	339	337	332	338	1,346
Mobile service	162	161	164	155	641
Fixed voice	62	62	59	56	239
Sale of equipment	58	50	93	75	276
Others	17	18	18	19	72
Total	**1,190**	**1,219**	**1,217**	**1,293**	**4,919**
EBITDA	**414**	**396**	**412**	**376**	**1,598**
- margin	***34.8%***	***32.5%***	***33.8%***	***29.1%***	***32.5%***

AUSTRALIA ENTERPRISE

	Quarter				Year
	30 Jun 2017 A$ m	30 Sep 2017 A$ m	31 Dec 2017 A$ m	31 Mar 2018 A$ m	31 Mar 2018 A$ m
ICT	147	180	151	153	631
Data and Internet	79	77	77	80	312
Mobile service	46	45	44	45	181
Fixed voice	72	72	66	69	278
Sale of equipment	19	18	22	23	82
Total	**362**	**392**	**360**	**370**	**1,484**
EBITDA	**65**	**62**	**57**	**70**	**254**
- margin	***18.0%***	***15.8%***	***15.8%***	***19.0%***	***17.1%***

SINGTEL

	Quarter				Year
	30 Jun 2017 S$ m	30 Sep 2017 S$ m	31 Dec 2017 S$ m	31 Mar 2018 S$ m	31 Mar 2018 S$ m
Operating revenue	**2,001**	**2,026**	**2,175**	**2,033**	**8,235**
Operating expenses	(1,450)	(1,486)	(1,613)	(1,556)	(6,105)
Other income	15	15	12	22	64
EBITDA	**566**	**555**	**575**	**499**	**2,194**
- margin	***28.3%***	***27.4%***	***26.4%***	***24.6%***	***26.6%***
Share of associates' pre-tax profits	730	659	552	519	2,461
EBITDA and share of associates' pre-tax profits	**1,295**	**1,214**	**1,127**	**1,019**	**4,655**
Depreciation & amortisation	(185)	(187)	(187)	(185)	(743)
EBIT	**1,110**	**1,027**	**941**	**834**	**3,912**
Net finance expense	(39)	(41)	(31)	(40)	(151)
Profit before exceptional items and tax	**1,071**	**986**	**910**	**794**	**3,761**
Taxation	(352)	(255)	(208)	(189)	(1,003)
Profit after tax	**719**	**732**	**702**	**605**	**2,758**
Minority interests	6	6	8	2	21
Underlying net profit	**725**	**738**	**710**	**607**	**2,779**
Exceptional items (post-tax)	(2)	1,940	(14)	(48)	1,876
Net profit	**723**	**2,677**	**696**	**559**	**4,655**

OPTUS

	Quarter				Year
	30 Jun 2017 A$ m	30 Sep 2017 A$ m	31 Dec 2017 A$ m	31 Mar 2018 A$ m	31 Mar 2018 A$ m
Operating revenue	**2,062**	**2,087**	**2,315**	**2,149**	**8,612**
Operating expenses	(1,471)	(1,471)	(1,654)	(1,479)	(6,075)
Other income	55	30	66	35	187
EBITDA	**646**	**646**	**727**	**705**	**2,724**
- margin	***31.3%***	***31.0%***	***31.4%***	***32.8%***	***31.6%***
Share of results of joint ventures	*	*	*	*	*
EBITDA and share of results of joint ventures	**646**	**646**	**728**	**705**	**2,724**
Depreciation & amortisation	(349)	(363)	(362)	(363)	(1,436)
EBIT	**297**	**284**	**366**	**342**	**1,288**
Net finance expense	(45)	(47)	(48)	(46)	(185)
Profit before exceptional items and tax	**252**	**237**	**318**	**296**	**1,103**
Taxation	(76)	(72)	(88)	(90)	(325)
Underlying net profit	**176**	**165**	**231**	**207**	**778**
Exceptional items (post-tax)	(16)	-	23	(3)	4
Net profit	**160**	**165**	**254**	**204**	**782**