Q1FY19 Financial Results Presentation

For the quarter ended 30 June 2018

Chua Sock Koong, Group CEO

8 August 2018

Forward looking statement – Important note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

“S$” means Singapore dollars, "A$" means Australian dollars and “US$” means United States dollars unless otherwise indicated. Any discrepancies between individual amounts and totals are due to rounding.

Singtel

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Overview

Business Units

Supplementary Information

Q1FY19: Resilient results with strong growth in Australia

	Q1FY19		% change[1] (reported)	% change (constant currency)[1,2]
Resilient revenue and EBITDA (on constant currency) › Growth in Australia mobile customers › Enterprise revenue impacted by completion of a large infrastructure project & voice erosion	Revenue **S$4,134m**	↑	**Stable**	**2%**
	EBITDA **S$1,207m**	↓	**3%**	**1%**
	23%	Proportion of Group's revenue from ICT & digital businesses		
Market share gains despite intense competition in India and Indonesia	Regional associates' pre-tax earnings[3] **S$391m**	↓	**42%**	**39%**
› **Lower associates' contributions** › **Higher withholding taxes on dividend receipts**	Underlying net profit **S$733m**	↓	**19%**	**17%**
	Net profit **S$832m**	↓	**7%**	**4%**
Higher dividends from associates[4]	Free cashflow **S$1,466m**	↑	**13%**	**N.M.**

1. Prior period comparatives have been restated for adoption of Singapore Financial Reporting Standards (International) (SFRS(I)).
2. Constant currency – assuming constant exchange rates from corresponding quarter in FY2018.
3. Excludes exceptional items.
4. Due to timing difference of dividends from Telkomsel.

N.M. – not meaningful

Foreign Exchange Movements

Currency	Exchange rate[1]	Increase/ (decrease) against S$	
		YoY	QoQ
1 AUD[2]	1.0099	(3.4%)	(2.6%)
1 USD[3]	1.3346	(4.1%)	2.1%
IDR	10,417	(9.0%)	(1.0%)
INR	50.3	(8.4%)	(3.1%)
PHP	39.4	(10.1%)	(0.8%)
THB	23.9	2.8%	-

Quarter ended 30 June 2018

1. Average exchange rates for the quarter ended 30 June 2018.
2. Average A$ rate for translation of Optus' operating revenue.
3. Average US$ rate for translation of Trustwave, Amobee and HOOQ's operating revenue.

Group Q1FY19 Highlights

Group

› Advancing on 5G roadmap across the Group

› Launched Asia Pacific eSports League with regional associates & strategic partners

Group Consumer

› SG: Best Mobile Carrier[1] in Asia

› SG: Expanded music content with exclusive Apple Music partnership

› AU: Most digitalised telco in Australia and New Zealand[2]

› AU: Optus signed exclusive rights for European football[3] until 2022

Group Enterprise

› Best Enterprise Service and leading managed service provider in APAC[4]

› Launched FutureNow Innovation Centre to support enterprises' digital transformation

Group Digital Life

› Acquired Videology's assets

1. Telecom Asia Awards 2018.
2. Digital Experience Index (DXI) Report by Analysys Mason.
3. Include rights to Euro 2020, UEFA 2022 World Cup qualifiers, UEFA Champions League, Europa League and UEFA Nations League from 2018 to 2021.
4. Asia Communication Awards 2018 and IDC MarketScape Managed Security Services 2018 Vendor Assessment.

Q1FY19 Performance

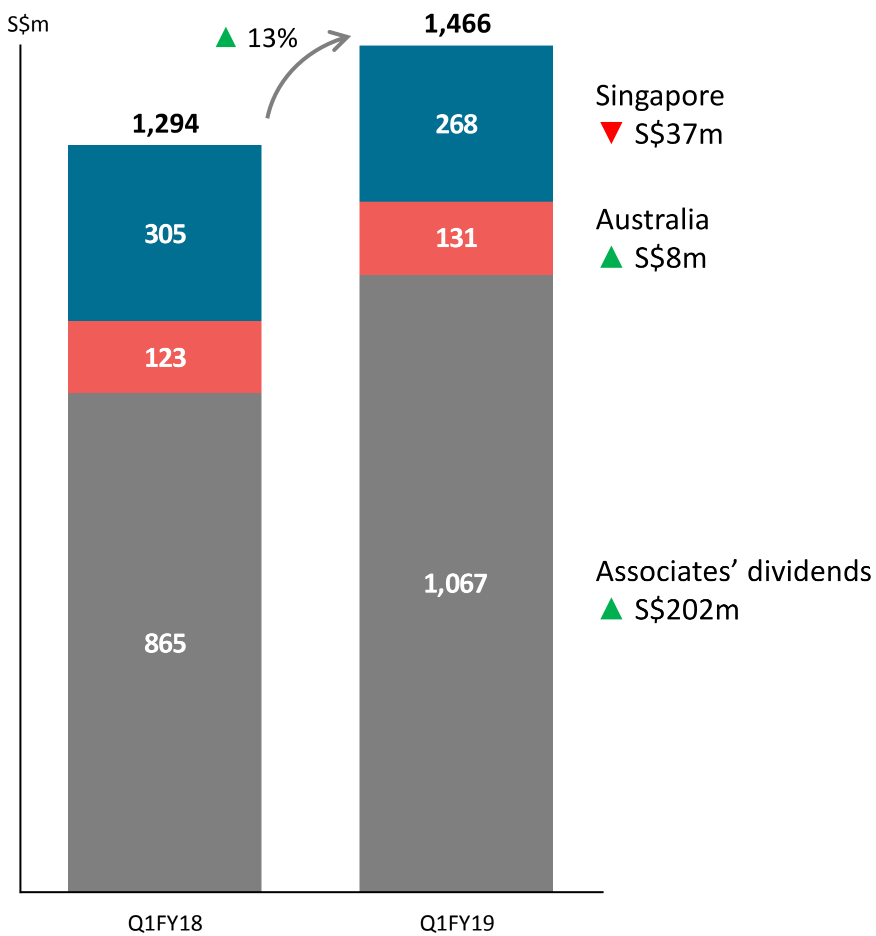
	3 months to				
	Jun 18	Jun 17[1]	Mar 18[1]	YoY %	QoQ %
Operating revenue	4,134	4,156	4,262	(0.5%)	(3.0%)
EBITDA	1,207	1,240	1,230	(2.7%)	(1.9%)
- margin	*29.2%*	*29.8%*	*28.9%*		
Associates pre-tax earnings[2]	391	673	488	(42.0%)	(20.0%)
EBITDA & share of associates' pre-tax earnings	1,623	1,970	1,750	(17.6%)	(7.3%)
Depreciation & amortisation	(554)	(549)	(562)	0.8%	(1.4%)
Net finance expense	(70)	(86)	(87)	(18.3%)	(19.3%)
Profit before EI and tax	999	1,335	1,101	(25.2%)	(9.3%)
Tax	(271)	(432)	(282)	(37.2%)	(3.9%)
Underlying net profit	733	909	821	(19.3%)	(10.7%)
Exceptional Items (post tax)	98	(19)	(51)	N.M.	N.M
Net profit	832	890	770	(6.6%)	8.0%

1. Restated for adoption of SFRS(I).
2. Excluding exceptional items.

N.M. – not meaningful.

Solid Financial Position

Free Cash Flow S$1,466m



Balance Sheet

Net debt[1]		**S$8.5b**
Net debt gearing[2]		**21.8%**
Net debt: EBITDA & share of associates' pre-tax profits		**1.31x**
Credit Ratings: One of the strongest among global telcos	**A+**	**S&P**
	A1	**Moody's**

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

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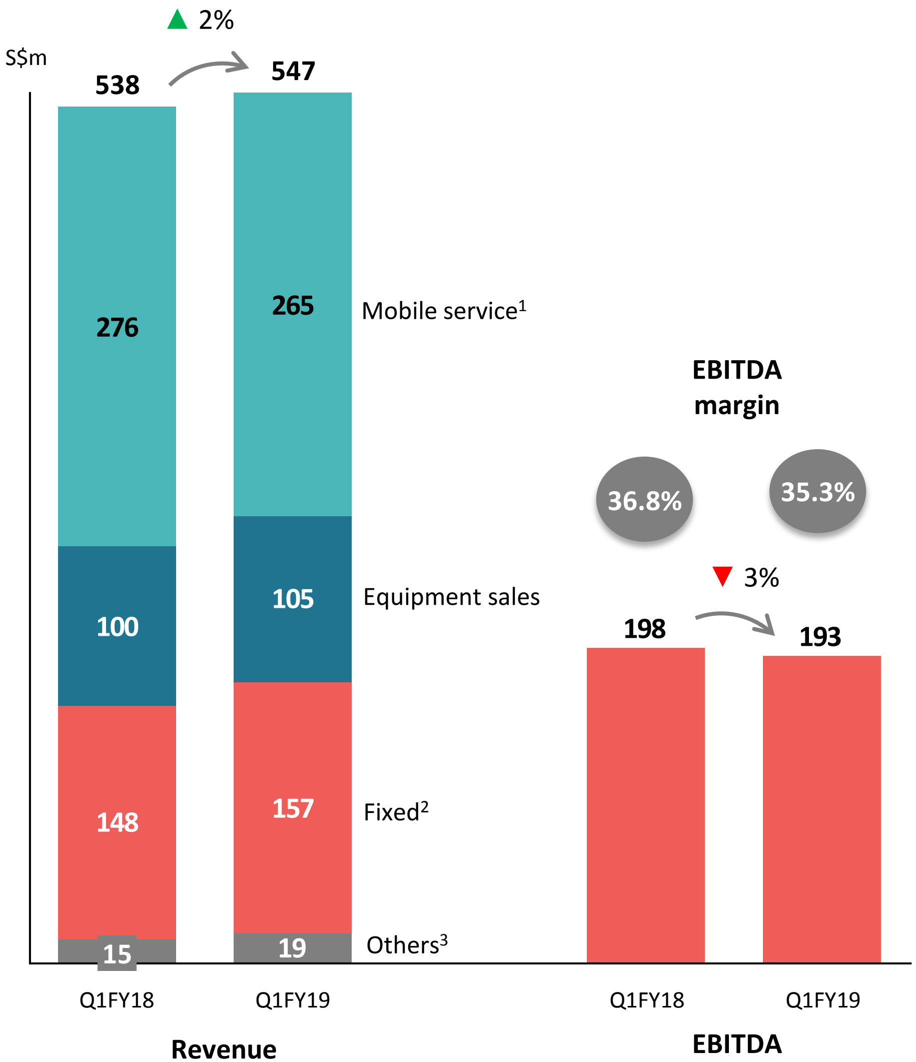
Singapore Consumer



Mobile service revenue down 4%

- Ongoing voice to data substitution
- Increased mix of SIM-only plans
- Mitigated by robust data growth from take-up of data add-on & data roaming plans

Equipment sales up 5%

- Higher value of premium handsets sold

Mobile Revenue (incl equipment sales) down 1%

Home service revenue[4] up 6%

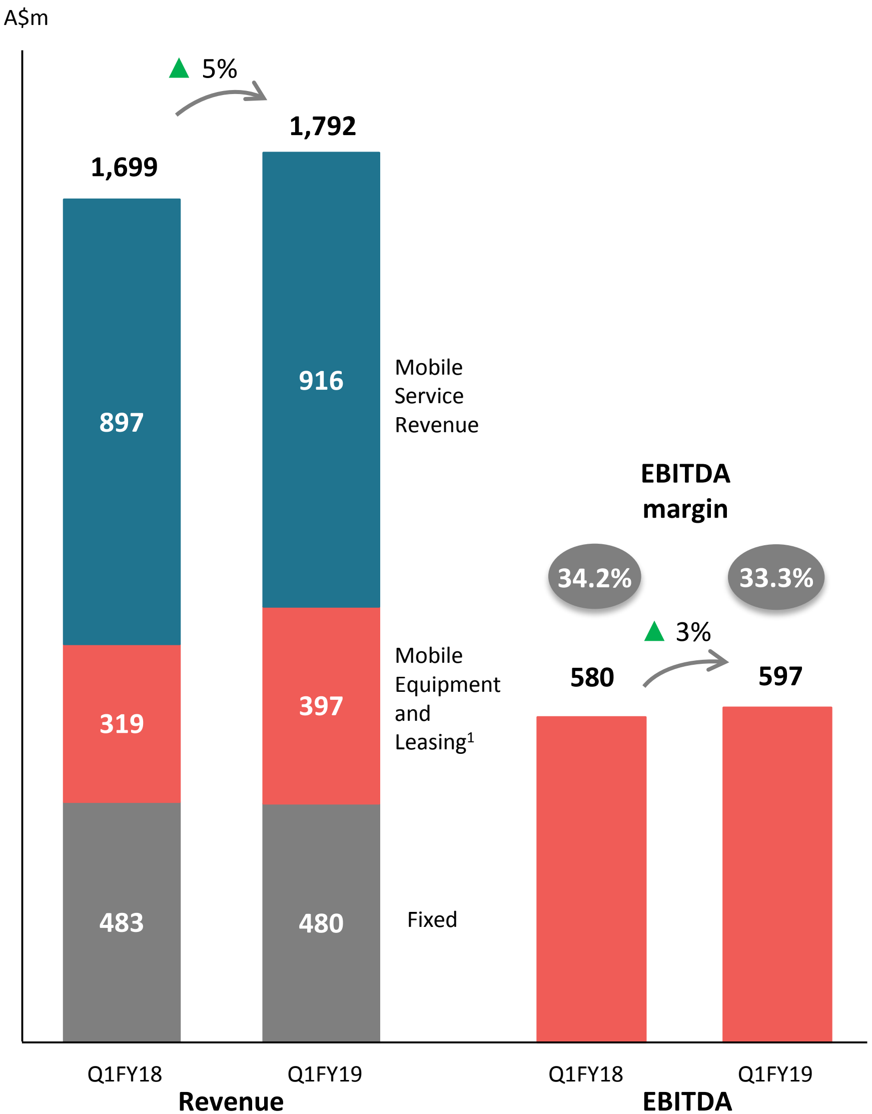
- Take-up of higher-tier broadband plans & value added services
- Includes S$15m of revenues from 2018 FIFA World Cup

EBITDA down 3%

- EBITDA stable excl cessation of Premier League sub-licensing

1. With effect from 1 April 2018, comprises mobile communications and mobile IDD revenues.
2. Comprises fixed broadband, residential Pay TV, payphone, international and local fixed line calls.
3. Other revenue includes digital services and revenue from mobile network cabling works and projects.
4. Comprises fixed broadband, fixed voice and Pay TV in the residential segment.

Australia Consumer



Mobile service revenue increased 2%

- Customer growth continues

Mobile customers grew 60k QoQ

- Postpaid handset up 30k QoQ[2]
- Prepaid handset up 19k QoQ
- Mobile Broadband up 11k QoQ

Equipment sales up 19%

- Higher takeup and value of premium handsets sold

Mass market fixed revenue stable

- Up 5% excl NBN migration revenues
- NBN customer up 30k QoQ

EBITDA up 3%

- Up 6% excl NBN migration revenues

1. Includes leasing revenue of A$17m in Q1FY19.
2. Branded postpaid handset net adds up 45k QoQ.

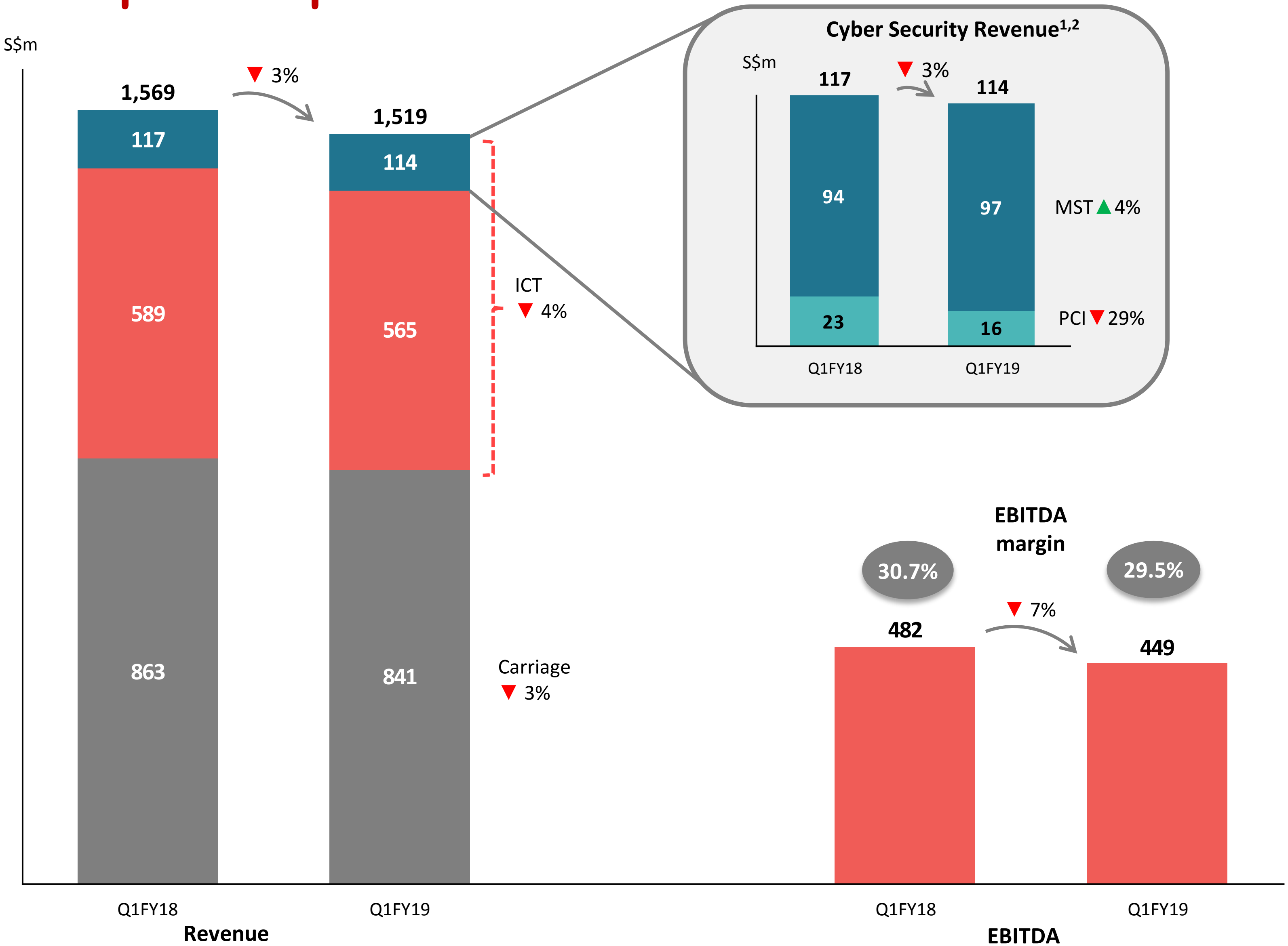
Regional Associates

Q1FY19	PBT[1] (S$m)	% Change (S$)	% Change (local ccy)	Business Highlights
Regional Associates	391	(42%)	N.M.	› Lower contribution from Airtel and Telkomsel
Telkomsel	237	(38%)	(32%)	› Price competition amid mandatory registration of prepaid SIM cards › Price recovery post-Lebaran (end June)
Airtel	(63)	N.M.	N.M.	› India: Mobile revenue decline YoY on competition mobile termination rate cuts but stable QoQ › Africa: Continued strong revenue growth and cost management
- India & South Asia	43	(78%)	(76%)	
- Africa	78	80%	96%	
- Others[2]	(8)	N.M.	N.M.	
- Net finance costs & fair value losses	(166)	17%	27%	
- BTL[3]	(11)	N.M.	N.M.	
AIS	94	14%	11%	› Robust earnings growth on revenue improvement & cost management
Intouch	28	19%	15%	› Lifted by AIS' strong performance
Globe	95	17%	28%	› Strong growth in data revenue & cost management

1. Excludes exceptional items.
2. Bharti's share of Associates / Joint Ventures' profits / (losses).
3. BTL, in its standalone books, recorded net losses due to higher interest charges arising from its upstake in Airtel.

N.M. – Not Meaningful

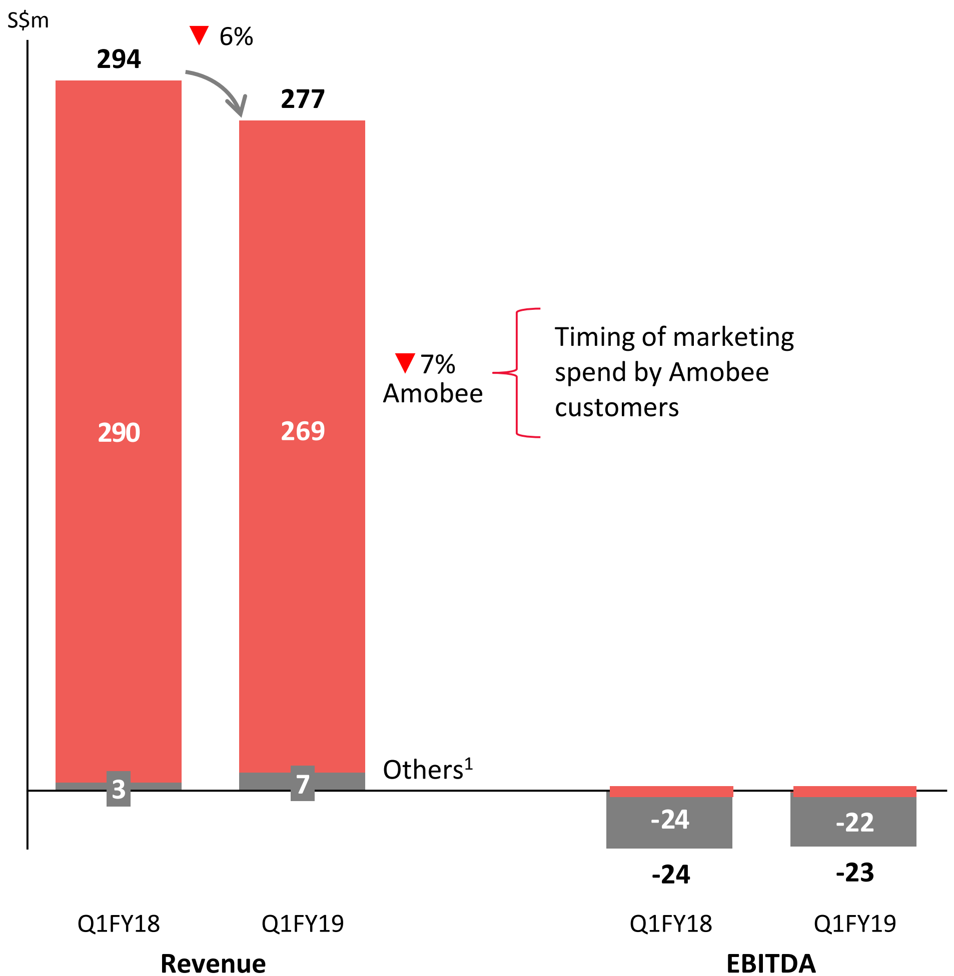
Group Enterprise



1. Cyber security revenue stable in constant currency terms.
2. Comprises Managed Security & Technology services (MST) and Payment Card Industry (PCI) compliance revenues.

Group Digital Life

Group Digital Life



1. Includes revenues from HOOQ and DataSpark.

Amobee

- Doubled Agency Trading Desk business
- Acquired Videology's assets to expand Amobee's omni-channel suite to include TV
- Multiple award wins for excellence in digital marketing

HOOQ

- Launched Free to Air Live TV in Indonesia

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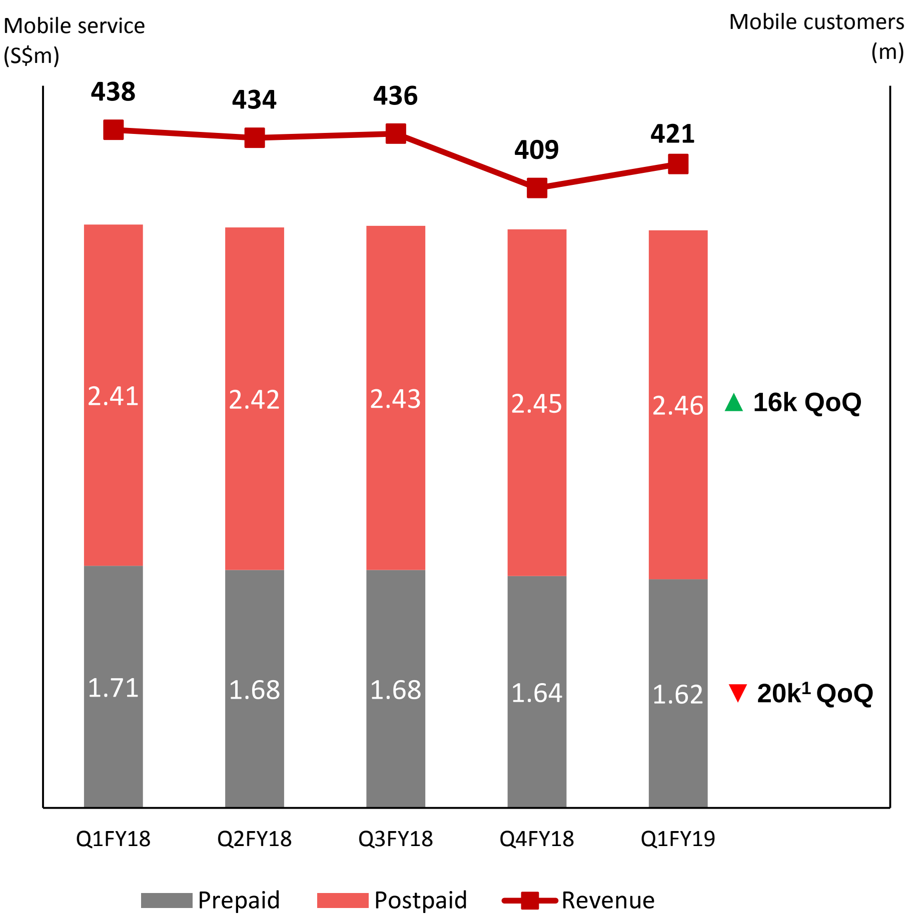
Singapore Mobile

Mobile service revenue S$421m



4G customers up 35k QoQ **2,905k**

› 71% penetration

Average quarterly smartphone data usage[2] **4.2Gb**

› Up from 3.4Gb in Jun 2017 quarter

› Up from 3.9Gb in Mar 2018 quarter

Postpaid ARPU down 5% **S$46**

› Pre-SFRS(I) ARPU down 4% to $62

› Decline in roaming & voice usage partly offset by take up of data add-on plans

› Dilution from increased mix of SIM-only

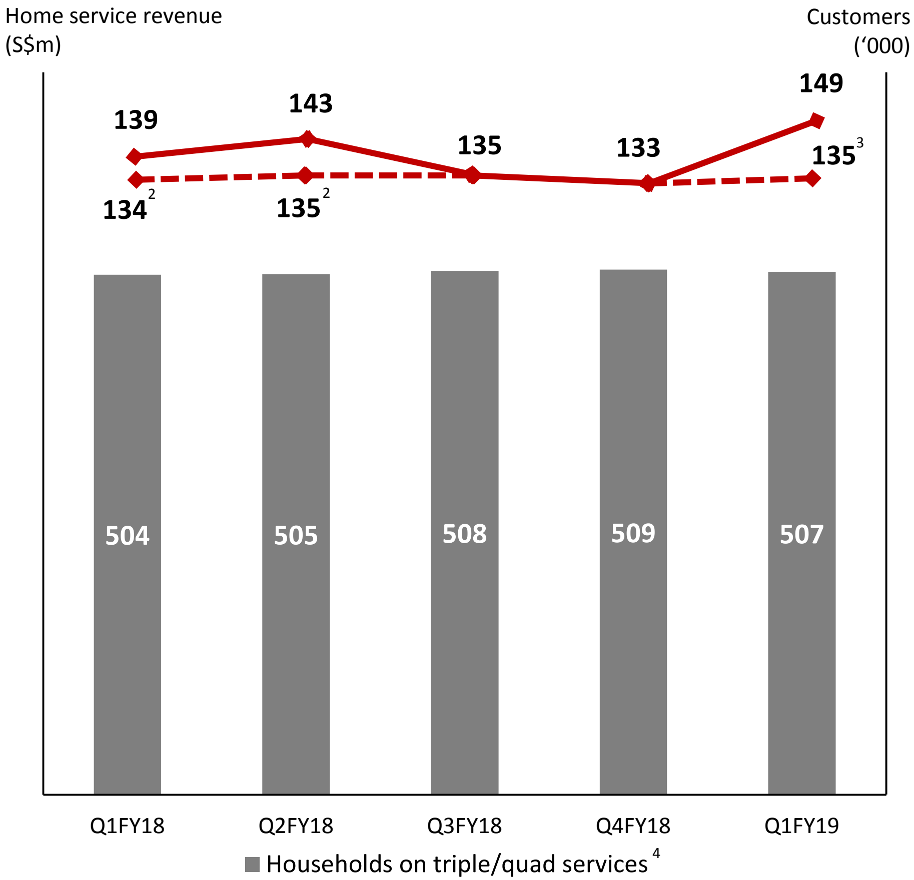
Prepaid ARPU stable **S$19**

› Higher data usage offset voice decline

1. Decline in prepaid customers due to lower foreign worker population.
2. Comparatives have been restated to be consistent with the current quarter.

Singapore Fixed

Home service revenue[1] **S$149m**

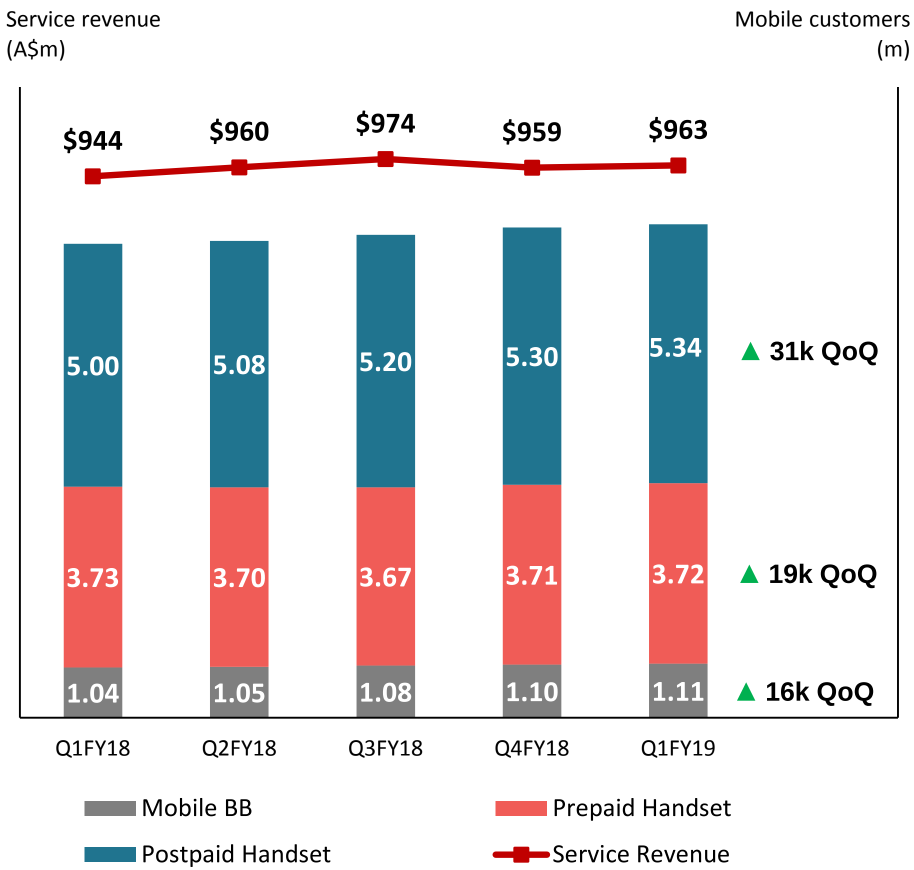


Singtel TV revenues	**S$72**
› Up 15%	
Singtel TV ARPU	**S$44**
› Up 7%	
Singtel TV churn	**1.8%**
› Up 0.5ppt	
Singtel Fibre broadband customers[5]	**606k**
› Up 7k QoQ	
› 98% of broadband customers[5] on fibre	
Singtel OTT services (CAST & Singtel TV GO)	**109k**
› Up 10k QoQ	

1. Comprises fixed broadband, fixed voice and Pay TV in the residential segment.
2. Excludes sub-licensing of 2016-17 Premier League content rights.
3. Excludes 2018 World Cup broadcast and advertising revenues.
4. Households who subscribed to 3 or 4 unique services comprising Fixed Broadband, Singtel TV, Fixed Voice and Mobile.
5. Residential and corporate subscriptions to broadband internet services using optical fibre networks.

Australia Mobile

Mobile service revenue **A$963m**



4G customers[1] up 31k QoQ **6,363k**

› 63% penetration

Postpaid

› Handset ARPU **A$42**

- down 3%
- Pre-SFRS(I) ARPU down 1% to A$58

› Churn **1.5%**

- up 0.1ppt YoY and stable QoQ

Prepaid

› Handset ARPU **A$19**

- down 6%

Mobile Broadband **A$22**

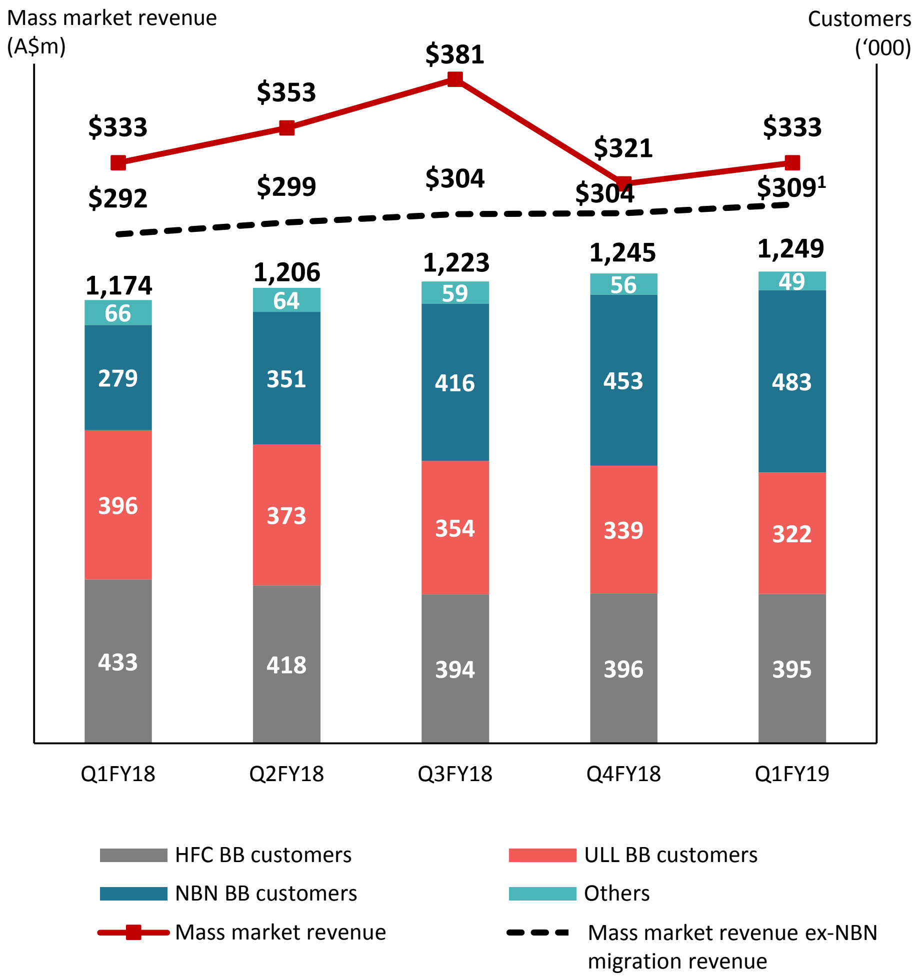
› ARPU

- up 4%

1. 4G handsets on the Optus network.

Australia Fixed

Mass market revenue **$333m[1]**



On-net BB ARPU **A$56**

› Stable

NBN BB Customers **483k**

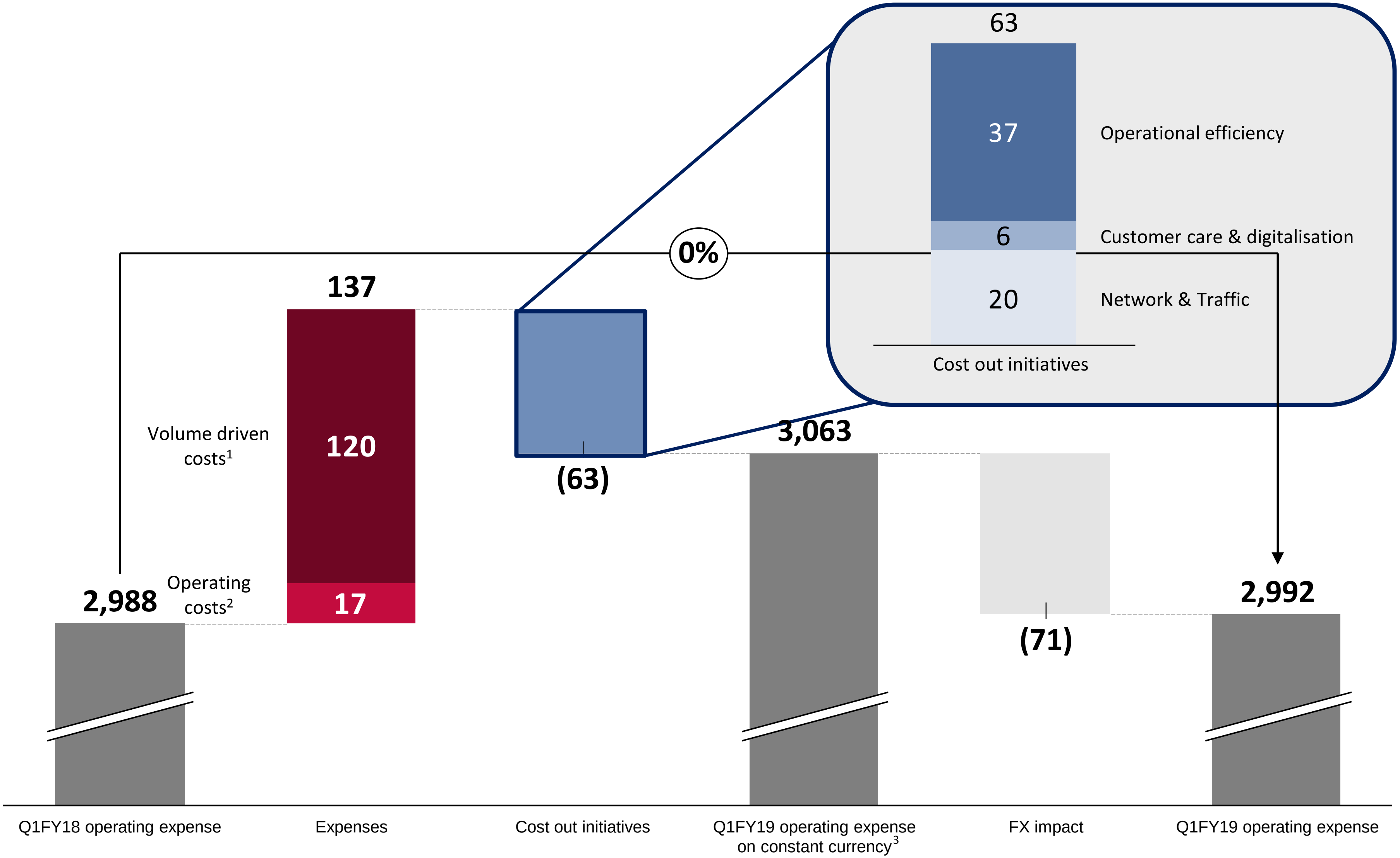
› Up 30k QoQ

TV Customers **513k**

› Up 22k QoQ

1. Ex-NBN payments, revenue up 5%.

Stable cost base with S$63m cost savings



1. Comprises cost of sales and traffic expenses.
2. Comprises staff, selling & admin, repair & maintenance and other expenses.
3. Constant currency – assuming constant exchange rates from corresponding quarter in FY2018.

Trends In Constant Currency Terms[1]

3 months ended June 2018	Q1FY19 (reported S$m)	YoY % change (reported S$)	YoY % change (at constant FX)[1]
Group revenue	4,134	(0.5%)	1.7%
Group reported NPAT	832	(6.6%)	(3.7%)
Group underlying NPAT	733	(19.3%)	(16.6%)
Optus revenue	2,200	2.1%	5.7%
Regional Associates pre-tax earnings[2]	391	(42.0%)	(38.6%)

1. Assuming constant exchange rates from corresponding periods in FY2018.
2. The Group's share of associates' earnings before exceptionals.