Q3FY18 Financial Results Presentation

For the quarter ended 31 Dec 2017

Chua Sock Koong, Group CEO

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

Agenda

Overview

Business Units

Supplementary Information

Strong execution in Consumer Australia & Amobee

		Group Q3FY18	% change (reported)	% change (constant currency)[1]
Group Revenue & EBITDA growth › Record postpaid customer additions in Australia › Consecutive quarter of positive EBITDA at Amobee		**Revenue** S$4,603m	4%	6%
		EBITDA S$1,293m	6%	7%
		23%	Proportion of Group's revenue from ICT & digital businesses	
Intense competition in India; higher depreciation & amortisation charges for regional associates		**Regional associates' pre-tax earnings[2]** S$523m	18%	14%
Earnings impacted by declining voice revenues & increased infrastructure investments		**Underlying net profit** S$898m	8%	6%
		Ex-Airtel	*-6%*	*-4%*
		Net profit S$890m	9%	7%
Higher operating cash flow[3] & dividend receipts		**Free cash flow** S$795m		

1. Assuming constant exchange rates from corresponding quarter in FY2017. 2. Excludes exceptional items.
3. Q3FY17 cash flow includes payment of A$134m (S$142m) to the Australian Tax Office for amended assessments under dispute.

Foreign exchange movements

Currency	Quarter ended 31 December 2017			9 months ended 31 December 2017	
	Exchange rate[1]	Increase/ (decrease) against S$		Exchange rate[1]	Increase/ (decrease) against S$
		YoY	QoQ		YoY
1 AUD[2]	1.0403	(1.6%)	(3.2%)	1.0530	2.0%
1 USD[3]	1.3560	(3.8%)	(0.4%)	1.3690	(0.3%)
IDR	10,003	(6.4%)	(2.4%)	9,765	(1.2%)
INR	47.6	0.4%	(0.6%)	47.0	3.9%
PHP	37.6	(8.0%)	(0.8%)	36.7	(6.1%)
THB	24.3	3.2%	0.8%	24.5	4.7%

1. Average exchange rates for the quarter and 9 months ended 31 December 2017.
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 Q3FY18 highlights

Singtel

Group Consumer

- SG: First in Asia-Pacific to exceed 1Gbps in wireless trial
- SG: Exclusive handset launches with Google Pixel 2 XL & Razer phone
- AU: Optus' mobile network named Australia's "Best in Test" by P3[1] Connect
- AU: Enhanced spectrum holdings through acquisition of new licences
- Regional: Group-wide strategic partnership with Mobike to explore IoT[2], mobile payments & other collaboration

Group Enterprise

- Partnerships with A*STAR[3], NTU[4] & NRF[5] to accelerate innovation in artificial intelligence, data analytics, robotics & IoT[2]
- Investment in Cyber Security Cooperative Research Centre to advance development of Australia's cyber capabilities

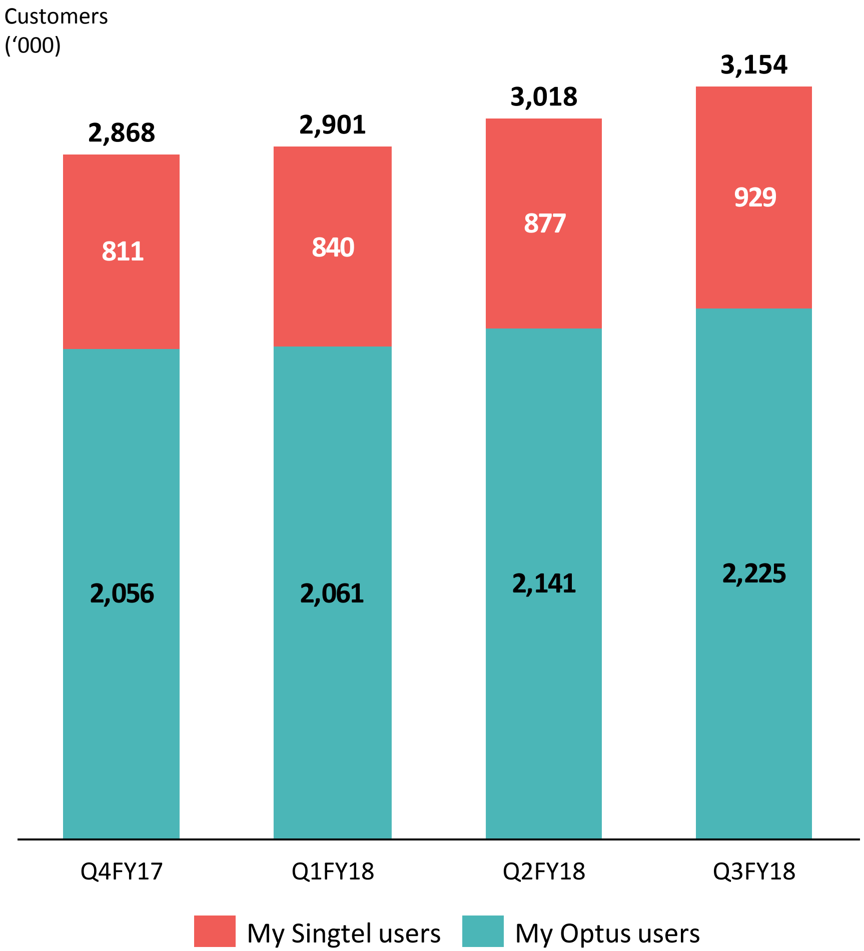
Group Digital Life

- Key customer wins as Amobee realises Turn synergies

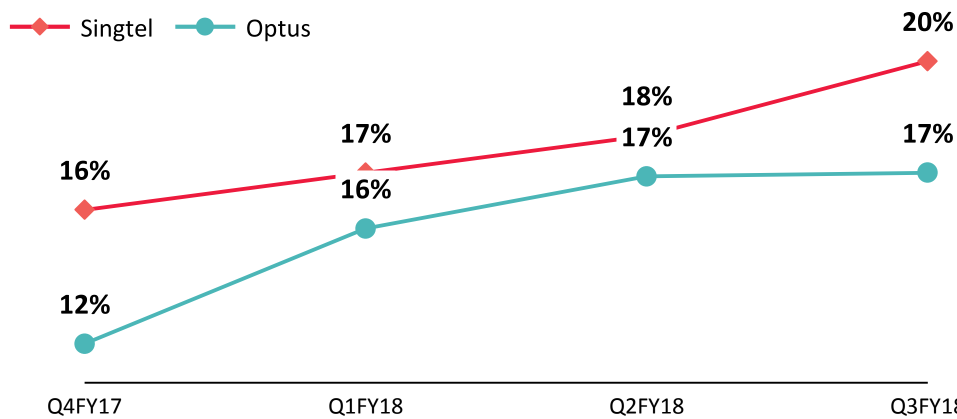
1. P3 is a global company which performs independent measurement of mobile network performance. 2. Internet of things.
3. Agency for Science, Technology and Research. 4. Nanyang Technological University. 5. National Research Foundation Singapore.

Digitalisation to drive productivity & improve customer experience

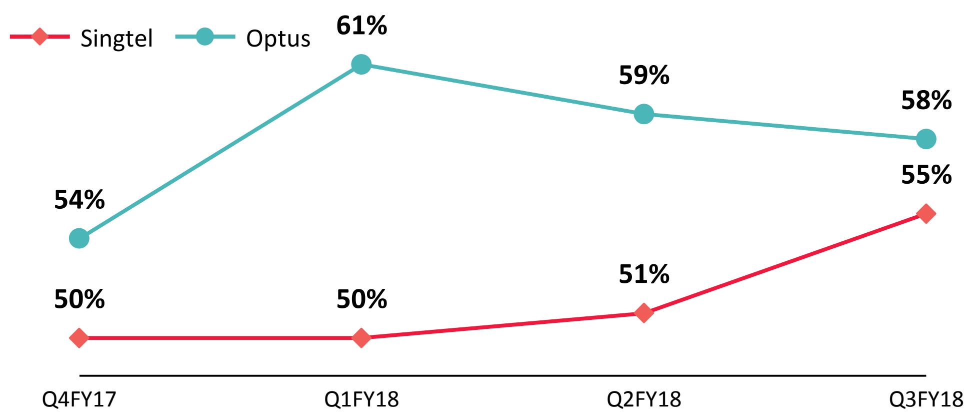
Monthly active app users[1]



% of online sales transactions[2]



% of self-help transactions[2,3]



1. Customers who access the My Singtel or My Optus app at least once a month
2. Includes mobile, broadband and Pay TV services.
3. Self-help transactions include activation, recharge, payments, usage & billing enquiries.

9MFY18: Included exceptional gains from NetLink Trust

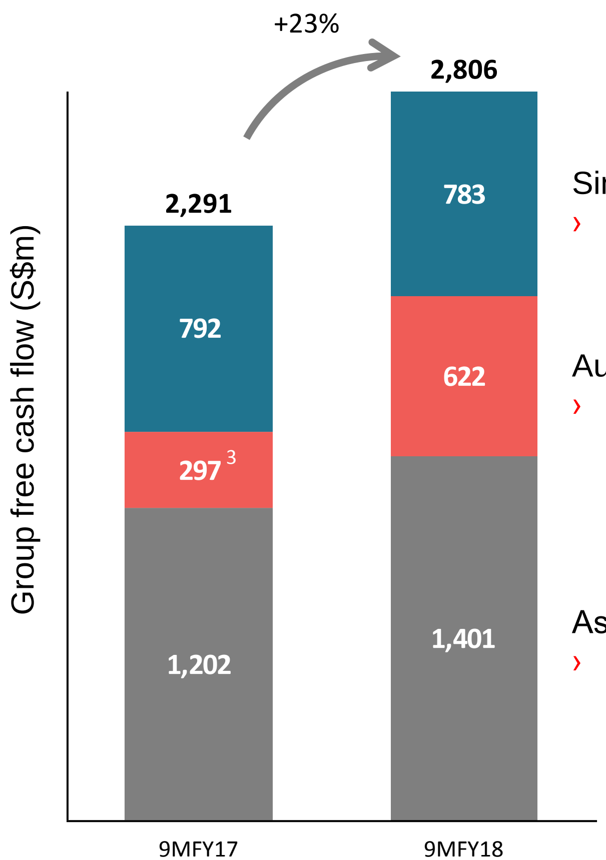
	3 months to			9 months to		
	Dec 17	Dec 16[1]	YoY %	Dec 17	Dec 16[1]	YoY %
Operating revenue	4,603	4,410	4.4%	13,205	12,404	6.5%
EBITDA	1,293	1,221	6.0%	3,854	3,689	4.5%
- margin	*28.1%*	*27.7%*		*29.2%*	*29.7%*	
Associates pre-tax earnings[2]	553	694	(20.4%)	1,934	2,173	(11.0%)
EBITDA & share of associates' pre-tax earnings	1,846	1,915	(3.6%)	5,796	5,862	(1.1%)
Depreciation & amortisation	(585)	(562)	4.1%	(1,756)	(1,654)	6.2%
Net finance expense	(80)	(41)	95.4%	(259)	(177)	46.1%
Profit before EI and tax	1,180	1,312	(10.0%)	3,781	4,030	(6.2%)
Tax	(290)	(342)	(15.2%)	(1,063)	(1,157)	(8.1%)
Underlying net profit	898	976	(8.0%)	2,737	2,888	(5.2%)
Exceptional Items (post tax)	(8)	(3)	161.3%	1,934	2	@
Net profit	890	973	(8.5%)	4,671	2,889	61.7%

1. Restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results to be consistent with the current periods.
2. Excluding exceptional items.

@ – Denotes more than 500%

Solid financial position

Free Cash Flow S$2,806m



Singapore
› Down S$9m

Australia
› Up S$325m

Associates' dividends
› Up S$200m

Balance Sheet

Net debt[1]	**S$8.6b**
Net debt gearing[2]	**22.5%**
Net debt: EBITDA & share of associates' pre-tax profits	**1.1x**
EBITDA & share of associates' pre-tax profits: Net interest expense	**20.6x**

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.
3. After payment of A$134m (S$142m) to the Australian Tax Office for amended assessments under dispute.

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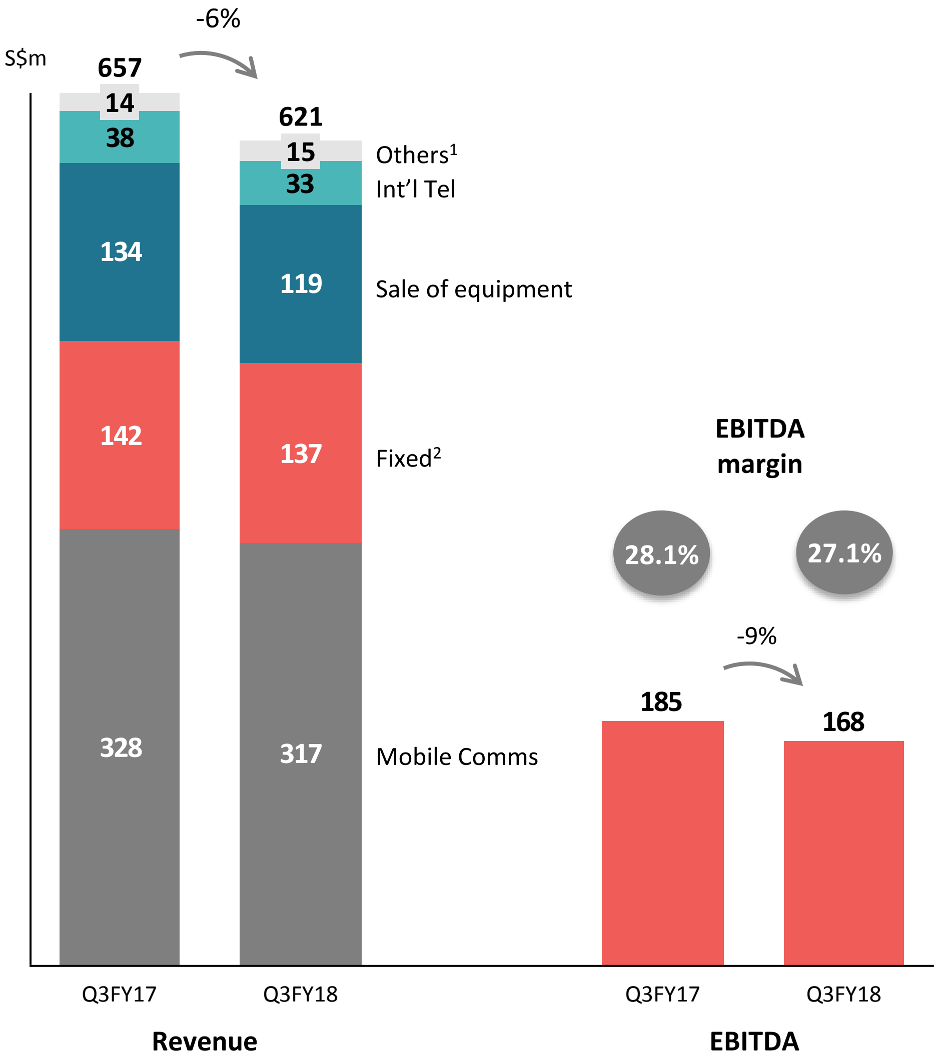
Singapore Consumer



Mobile communications revenue down 3%[3]

- Continued voice to data substitution
- Higher mix of SIM-only plans

Home service revenue[4] down 4%

- Cessation of Premier League sub-licensing
- Growth in broadband offset lower fixed voice services

Equipment sales down 11%

- Timing of popular handset launches & higher SIM-only mix

IDD services down 13%

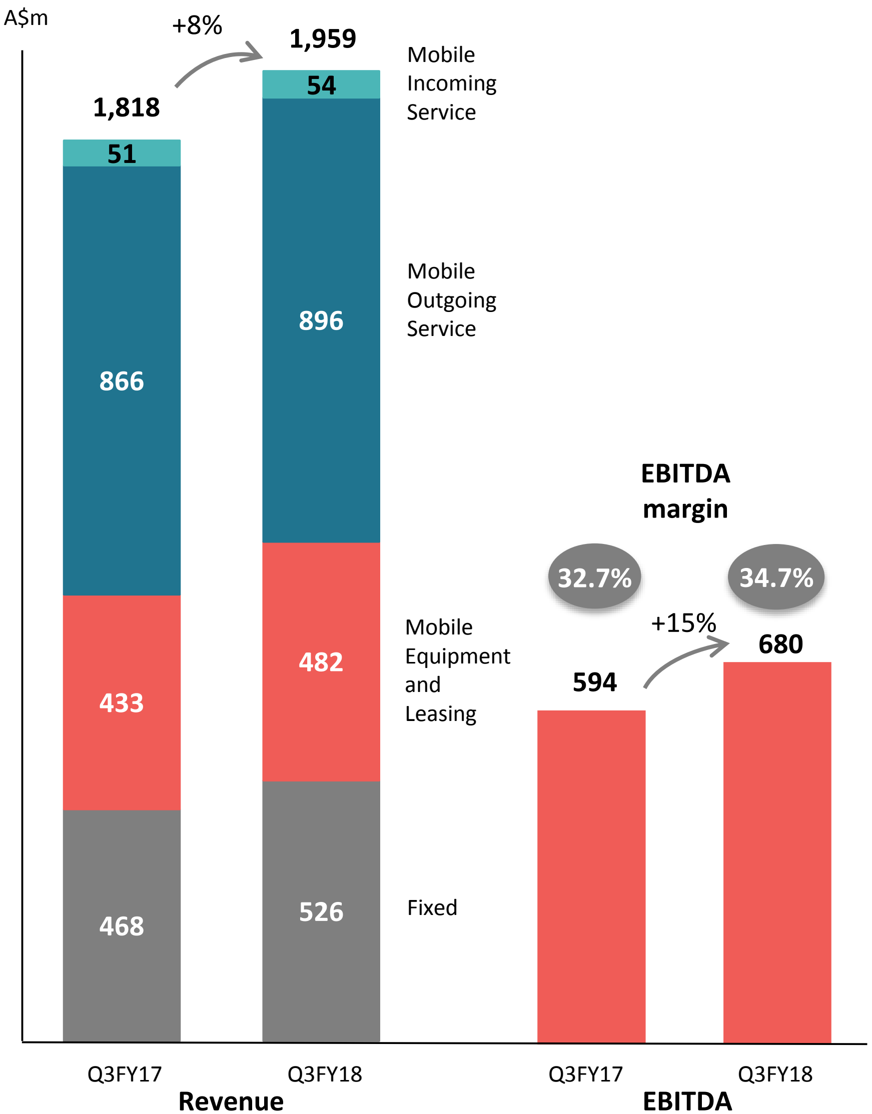
- Lower call traffic from data substitution

EBITDA down 9%

- Lower voice usage & cessation of sub-licensing revenues

1. Other revenue includes digital services and revenue from mobile network cabling works and projects.
2. Comprises fixed broadband, residential Pay TV, national telephone and payphone.
3. From Q1FY18, mobile communications revenue is net of inter-operator mobile tariff discounts previously classified under 'Other revenue'. Excluding this reclassification of S$6m in Q3FY18, mobile communications would have been 1.6% lower compared to the corresponding quarter in FY17.
4. Comprises fixed broadband, fixed voice and Pay TV in the residential segment.

Australia Consumer



Mobile service revenue up 6% ex-DRP[1]

- Highest ever quarterly postpaid customer growth
- Up 4% on reported basis

Mobile handset customers

- Postpaid up 125k
- Prepaid down 29k

Investment in networks

- 96.6% national population 4G coverage[2]

Mass market fixed revenue grew 21%

- NBN customer growth and higher migration payments

EBITDA up 15%

- Strong service revenue growth and disputes settlement

1.Device Repayment Plans. DRP credits increased A$34m YoY.
2. As at 31 December 2017.

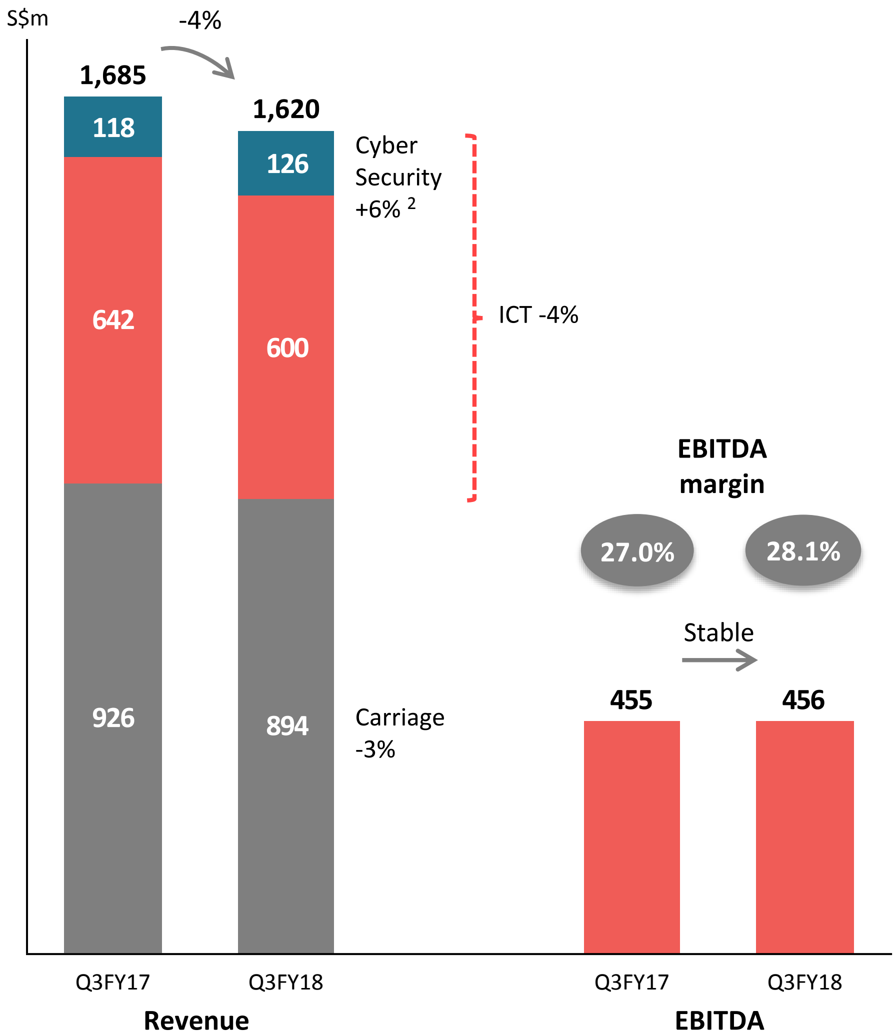
Regional Associates

Q3FY18	PBT[1] (S$m)	% Change (S$)	% Change (local ccy)	Business Highlights
Regional Associates	523	-18%	N.A.	› Group's customer base up 3% QoQ to 688m › Continued competitive intensity in India › Higher depreciation & amortisation charges due to increased infrastructure investments
Ex-Airtel	*486*	*-2%*		
Telkomsel	329	-9%	-3%	› Heightened competition in data & decline in voice
Airtel	38	-73%	-73%	› India: Cut in domestic IUC[2] & continued competition
- *India & South Asia*	135	-46%	-46%	› India: Divestment of 4.5% equity stake in Bharti Infratel
- *Africa*	77	+153%	+155%	› Africa: Revenue growth momentum & margin expansion
- *Net finance costs & fair value losses*	(174)	+26%	+26%	› Africa: Continued portfolio rationalisation
AIS	88	+35%	+30%	› Revenue growth & strong cost management
Intouch	24	+485%	+463%	› Acquisition completed in November 2016
Globe	44	-32%	-27%	› Higher depreciation & finance costs on network investments

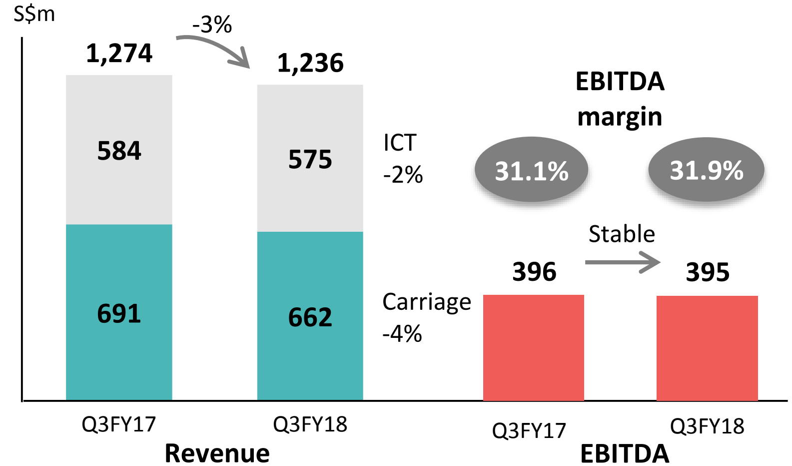
1. Excludes exceptional items. 2. Interconnect Usage Charge
N.M. – Not Meaningful

Group Enterprise

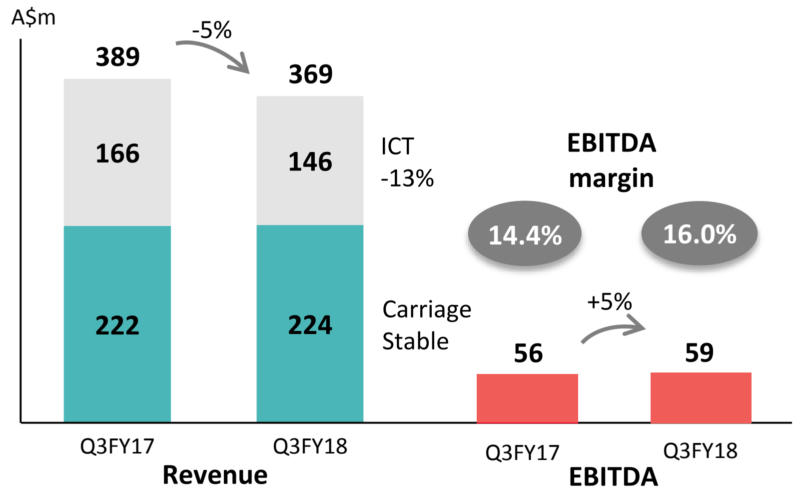
Group Enterprise



Singapore & International[1]



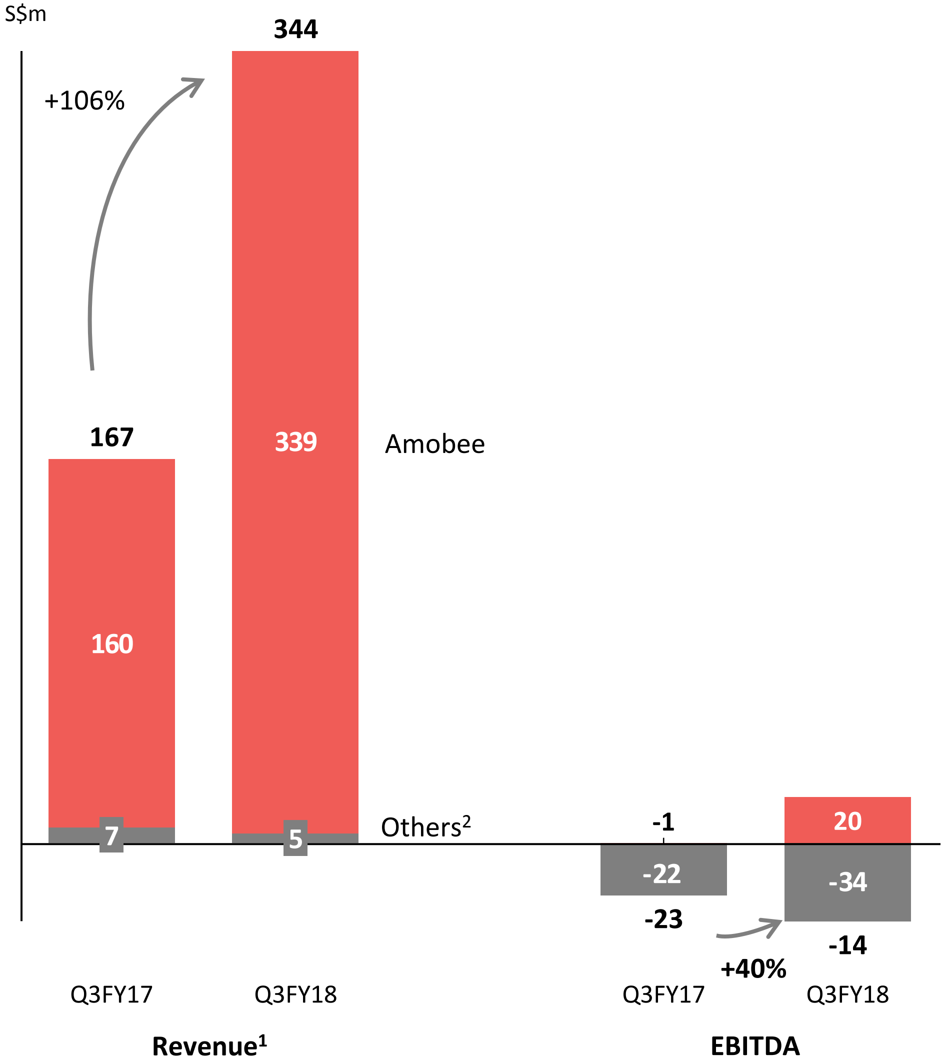
Australia



1. Excluding Australia.
2. Cyber security revenue up 9% in constant currency terms

Group Digital Life

Group Digital Life



Digital Marketing AMOBEE

- One of the world's strongest demand-side platforms
- Industry recognition for excellence in mobile marketing campaigns

Premium OTT Video HOOQ

- Exclusive Hollywood and local content

1. Includes intra-group revenue.
2. Includes revenues from HOOQ and DataSpark.

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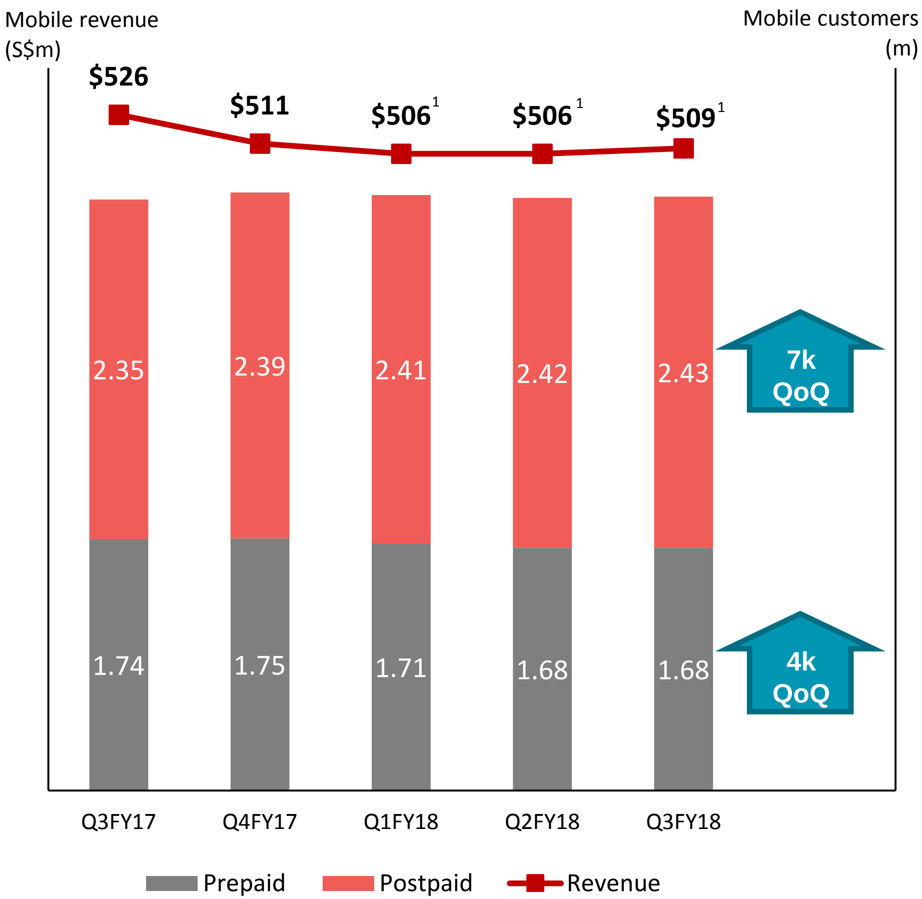
Singapore Mobile

Mobile communications Revenue S$509m



4G customers up 37k QoQ **2,693k**

› 65% penetration

Average smartphone data usage 3.8Gb

› Up from 3.2Gb in Dec 2016 quarter

› Up from 3.6Gb in Sep 2017 quarter

Postpaid ARPU down 7% **S$64**

› Increase in data usage offset by decline in roaming & voice traffic

› Dilution from increased mix of SIM-only plans

Prepaid ARPU stable **S$18**

› Higher data revenue offset voice decline

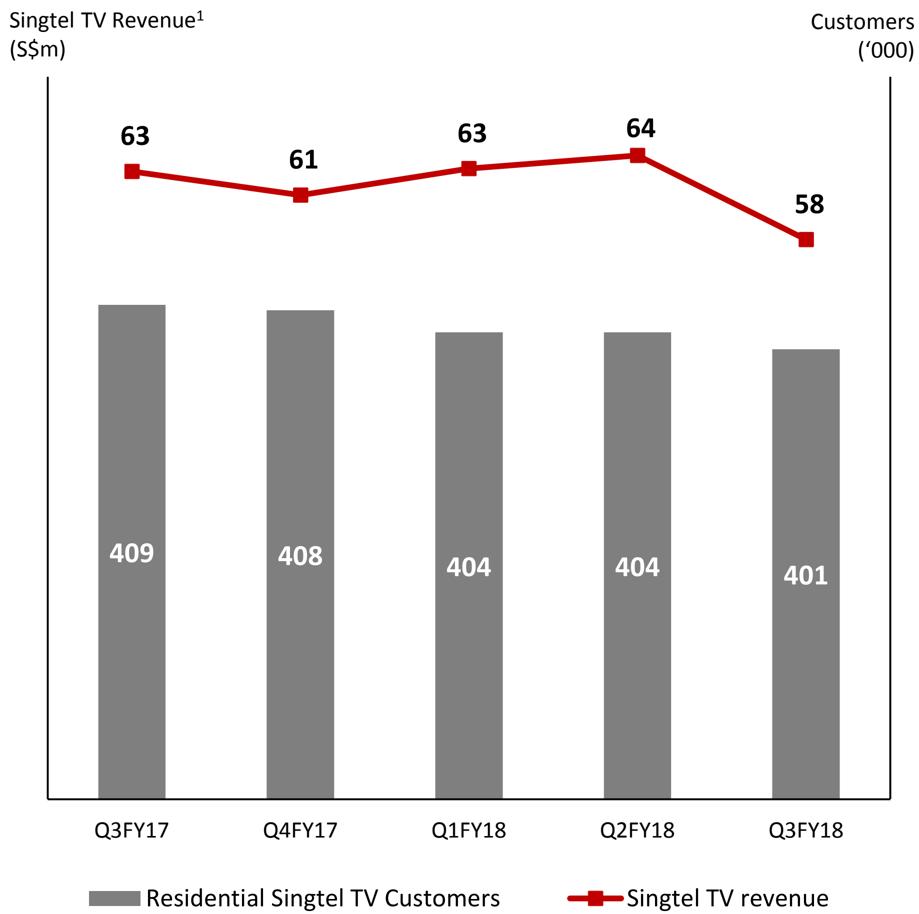
Postpaid SAC[2] up 8% **S$533**

› Take up of higher tier plans

1. From Q1FY18, mobile communications revenue is net of inter-operator mobile tariff discounts previously classified under 'Other revenue'. The discounts were S$11.6m, S$11.0m and S$13.5m for Q1FY18, Q2FY18 and Q3FY18 respectively.
2. Blended acquisition and retention cost per postpaid customer.

Singapore Fixed

Singtel TV revenue S$58m



Singtel TV ARPU **S$41**

› Up 1%

Singtel TV churn **1.4%**

› Up 0.1ppt

Singtel Households on Triple/quad services[2] **506k**

› Up 1k QoQ

Singtel Fibre broadband customers[3] **589k**

› Up 9k QoQ

› 96% of broadband customers[3] on fibre

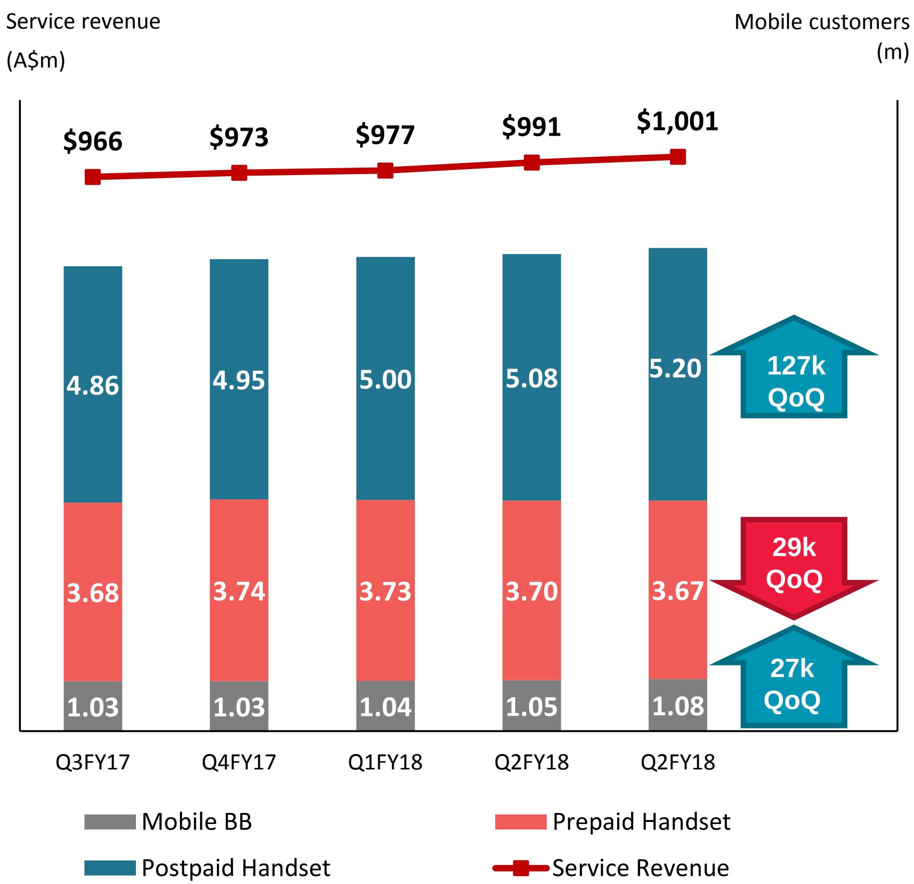
Singtel OTT services (CAST & Singtel TV GO) **93k**

› Up 7k QoQ

1. Singtel TV revenue includes sub-licensing of 2016-17 Premier League content rights from Q2FY17 to Q2FY18.
2. Households which subscribed to 3 or 4 unique services comprising Fixed Broadband, Singtel TV, Fixed Voice and Mobile.
3. Residential and corporate subscriptions to broadband internet services using optical fibre networks.

Australia Mobile

Service revenue **A$1,001m**



4G customers[1] up 137k QoQ **6,193k**

› 62% penetration

Postpaid

› Handset ARPU **A$46**
  - down 1%
  - up 1% ex-DRP

› Churn **1.5%**
  - up 0.2ppt YoY & 0.1ppt QoQ

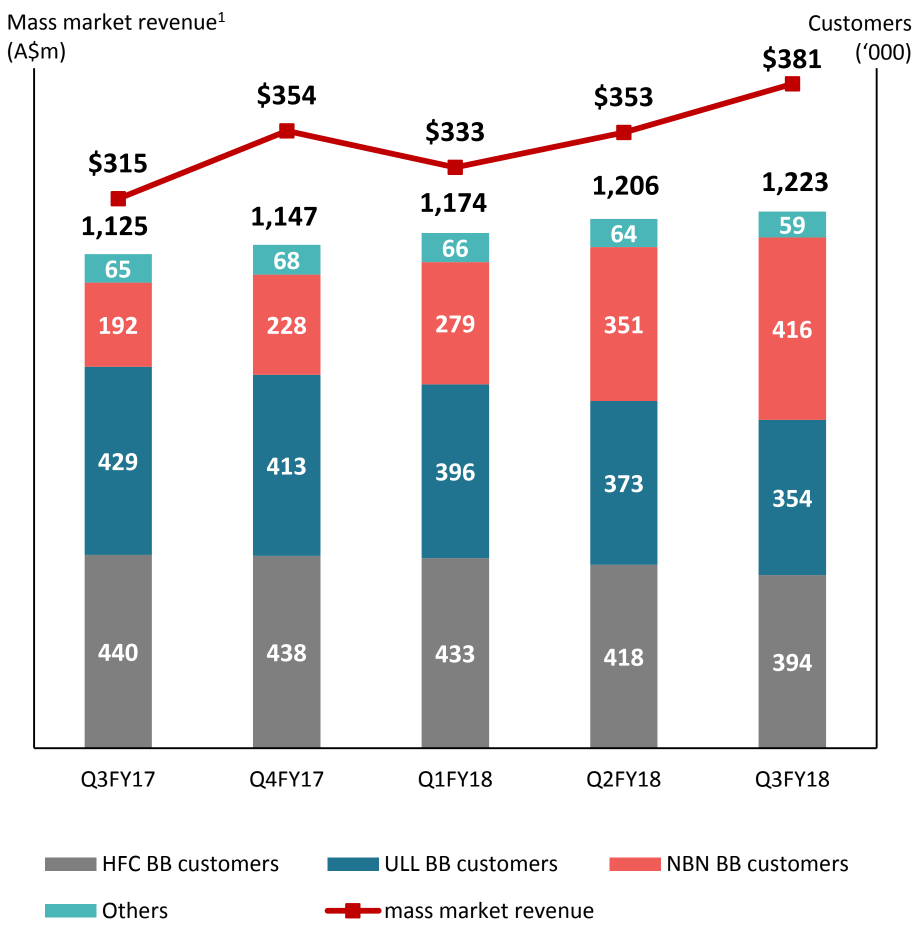
Prepaid

› Handset ARPU **A$20**
  - down 5%

1. 4G handsets on the Optus network.

Australia Fixed

Mass market revenue A$381m



On-net BB ARPU **A$54**

› Stable

NBN BB Customers **416k**

› Up 65k QoQ

Resale DSL BB Customers **34k**

› Down 5k QoQ

TV Customers **474k**

› Up 5k QoQ

1. Impacted by timing of NBN migration payments (Q3FY18: A$78m).

Trends In Constant Currency Terms[1]

Singtel

3 months ended December 2017	Q3FY18 (reported S$m)	YoY % change (reported S$)	YoY % change (at constant FX)[1]
Group revenue	4,603	4.4%	5.6%
Group reported NPAT	890	(8.5%)	(6.6%)
Group underlying NPAT	898	(8.0%)	(6.0%)
Optus revenue	2,422	3.8%	5.5%
Regional Associates pre-tax earnings[2]	523	(17.8%)	(14.4%)
9 months ended December 2017	**9MFY18 (reported S$m)**	**YoY % change (reported S$)**	**YoY % change (at constant FX)[1]**
Group revenue	13,205	6.5%	5.4%
Group reported NPAT	4,671	61.7%	61.4%
Group underlying NPAT	2,737	(5.2%)	(5.4%)
Optus revenue	6,887	5.6%	3.5%
Regional Associates pre-tax earnings[2]	1,816	(9.4%)	(9.4%)

1. Assuming constant exchange rates from corresponding periods in FY2017.
2. The Group's share of associates' earnings before exceptionals.

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