Singtel

Singapore Telecommunications Limited
And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 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 periods ended, and as at, 31 December 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 THIRD QUARTER ENDED 31 DECEMBER 2018

- **In constant currency terms[1], operating revenue was up 3.7% while EBITDA declined 7.9% on lower NBN migration and voice revenues as well as one-off dispute settlement in the corresponding quarter last year.**

- **The associates' post-tax profit contributions declined 31% mainly from Airtel on sustained pricing pressure.**

- **Underlying net profit fell 28%.**

- **Net profit fell 14% after including higher exceptional gains.**

- **Free cash flow fell 51% on weaker operational performance, and timing of ICT milestone receipts and dividend from Telkomsel.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

- **In constant currency terms[1], operating revenue was up 3.1% while EBITDA declined 4.9%, impacted by reductions in NBN migration and voice revenues.**

- **The associates' post-tax profit contributions declined 26% mainly from Airtel and Telkomsel on intense competition.**

- **Underlying net profit was down 23%.**

- **Exceptional items in the previous financial period was boosted by S$2.05 billion of gain on divestment of units in NetLink Trust. Consequently, net profit fell 51%.**

- **Free cash flow declined 9.9% on lower operational performance and timing of ICT milestone receipts partially offset by lower capital expenditure.**

[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 periods ended 31 December 2017.

SECTION 1 : GROUP

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Operating revenue	4,626	4,583	0.9	13,030	13,006	0.2
(exclude NBN migration revenues)	*4,583*	*4,503*	*1.8*	*12,939*	*12,824*	*0.9*
EBITDA	1,190	1,331	-10.6	3,526	3,820	-7.7
(exclude NBN migration revenues)	*1,147*	*1,251*	*-8.3*	*3,435*	*3,637*	*-5.6*
- EBITDA margin	***25.7%***	***29.0%***		***27.1%***	***29.4%***	
Share of associates' pre-tax profits	371	553	-32.9	1,117	1,941	-42.5
EBITDA and share of associates' pre-tax profits	1,561	1,884	-17.2	4,642	5,762	-19.4
EBIT	1,007	1,321	-23.7	2,981	4,073	-26.8
(exclude share of associates' pre-tax profits)	*637*	*768*	*-17.2*	*1,865*	*2,132*	*-12.5*
Underlying net profit	680	950	-28.4	2,128	2,773	-23.3
(exclude Airtel and BTL) (1)	*765*	*925*	*-17.2*	*2,201*	*2,682*	*-18.0*
Exceptional items (post-tax)	143	10	@	194	1,931	-90.0
Net profit	823	959	-14.2	2,322	4,703	-50.6
(exclude Airtel and BTL) (1)	*820*	*946*	*-13.4*	*2,289*	*4,625*	*-50.5*
Free cash flow	387	795	-51.3	2,530	2,806	-9.9
Underlying earnings per share (S cents)	4.16	5.82	-28.5	13.04	16.99	-23.2
Basic earnings per share (S cents)	5.04	5.88	-14.3	14.22	28.81	-50.6

	As at		
	31 Dec 2018 S$ m	30 Sep 2018 S$ m	31 Dec 2017 S$ m
Total assets	48,721	47,397	49,063
Shareholders' funds	28,920	28,887	29,541
Net debt (2)	9,754	9,777	8,606
Net debt gearing ratio (3)	*25.2%*	*25.3%*	*22.6%*
Net debt to EBITDA and share of associates' pre-tax profits (4)	*1.58X*	*1.59X*	*1.12X*
Interest cover:			
- EBITDA and share of associates' pre-tax profits/ net interest expense (5)	*16.2X*	*16.6X*	*20.5X*

Notes:

(1) The profits were adjusted to exclude the results of Airtel and its shareholder, Bharti Telecom Limited (“**BTL**”).
(2) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
(3) 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.
(4) Net debt to EBITDA and share of associates’ pre-tax profits is calculated on an annualised basis.
(5) Net interest expense refers to interest expense less interest income.

SECTION 1 : GROUP

GROUP SUMMARY INCOME STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 S$ m	2017 S$ m	Chge %	2018 S$ m	2017 S$ m	Chge %
Operating revenue	**4,626**	**4,583**	**0.9**	**13,030**	**13,006**	**0.2**
Operating expenses	(3,483)	(3,333)	4.5	(9,666)	(9,387)	3.0
	1,143	1,250	-8.6	3,363	3,620	-7.1
Other income	47	81	-41.7	162	201	-19.1
EBITDA	**1,190**	**1,331**	**-10.6**	**3,526**	**3,820**	**-7.7**
- EBITDA margin	***25.7%***	***29.0%***		***27.1%***	***29.4%***	
Share of associates' pre-tax profits	371	553	-32.9	1,117	1,941	-42.5
EBITDA and share of associates' pre-tax profits	**1,561**	**1,884**	**-17.2**	**4,642**	**5,762**	**-19.4**
Depreciation	(477)	(489)	-2.5	(1,435)	(1,462)	-1.9
Amortisation of intangibles	(76)	(74)	3.5	(226)	(226)	0.2
	(553)	(563)	-1.7	(1,661)	(1,688)	-1.6
EBIT	**1,007**	**1,321**	**-23.7**	**2,981**	**4,073**	**-26.8**
Net finance expense						
- net interest expense	(100)	(94)	6.9	(286)	(281)	1.8
- other finance income	2	13	-84.6	24	23	3.5
	(98)	(81)	21.7	(262)	(258)	1.7
Profit before exceptional items and tax	**909**	**1,240**	**-26.7**	**2,719**	**3,816**	**-28.7**
Taxation	(235)	(299)	-21.2	(609)	(1,062)	-42.7
Profit after tax	**674**	**942**	**-28.4**	**2,110**	**2,753**	**-23.4**
Minority interests	6	8	-26.3	17	19	-10.8
Underlying net profit	**680**	**950**	**-28.4**	**2,128**	**2,773**	**-23.3**
Exceptional items (post-tax)	143	10	@	194	1,931	-90.0
Net profit	**823**	**959**	**-14.2**	**2,322**	**4,703**	**-50.6**
Depreciation as % of operating revenue	***10%***	***11%***		***11%***	***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 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 S$ m	2017 S$ m	Chge %	2018 S$ m	2017 S$ m	Chge %
Operating revenue						
Group Consumer	2,642	2,667	-1.0	7,382	7,331	0.7
Group Enterprise	1,606	1,591	0.9	4,697	4,800	-2.1
Core Business	**4,247**	**4,259**	**-0.3**	**12,080**	**12,131**	**-0.4**
Group Digital Life	379	325	16.7	950	875	8.6
Group	**4,626**	**4,583**	**0.9**	**13,030**	**13,006**	**0.2**
EBITDA						
Group Consumer	795	891	-10.8	2,334	2,511	-7.0
Group Enterprise	428	471	-9.0	1,317	1,415	-6.9
Core Business	**1,223**	**1,362**	**-10.2**	**3,651**	**3,925**	**-7.0**
Group Digital Life	(16)	(14)	16.3	(74)	(51)	44.2
Corporate	(17)	(17)	2.4	(51)	(54)	-4.8
Group	**1,190**	**1,331**	**-10.6**	**3,526**	**3,820**	**-7.7**
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	410	497	-17.5	1,171	1,335	-12.3
Group Enterprise	276	317	-12.9	864	959	-9.8
Core Business	**686**	**814**	**-15.7**	**2,035**	**2,293**	**-11.3**
Group Digital Life	(32)	(28)	13.6	(117)	(107)	9.8
Corporate	(18)	(17)	2.3	(53)	(55)	-2.8
Group	**637**	**768**	**-17.2**	**1,865**	**2,132**	**-12.5**

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REVIEW OF GROUP OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2018

The Group's results for the quarter were adversely impacted by the weaker Australian Dollar, lower NBN migration and voice revenues as well as decline in associates' contributions mainly from Airtel. The results for December quarter last year were also boosted by a one-off dispute settlement in Australia.

Operating revenue was stable and would have grown 3.7% in constant currency terms with strong equipment sales and higher digital business revenue with a full quarter's contribution from Videology, Inc. ("**Videology**") acquired on 22 August 2018. EBITDA declined 11% but would have declined 7.9% in constant currency terms.

Group Consumer contributed 57% (Q3 FY2018: 58%) and 67% (Q3 FY2018: 67%) to the Group's operating revenue and EBITDA respectively. Operating revenue was stable while EBITDA declined 11%. In constant currency terms, operating revenue would have increased by 3.3% while EBITDA would have declined 7.1%.

In Singapore, operating conditions continued to be fiercely competitive. Singapore Consumer revenue fell 5.7% on declines in equipment sales and voice revenues. Consequently, EBITDA fell 3.2%. In Australia, operating revenue grew by 6.0% while EBITDA declined 8.3%. Excluding NBN migration revenue and one-off dispute settlement recognised in the last corresponding quarter, operating revenue rose 8.0% on strong postpaid customer growth and higher equipment sales while EBITDA increased 3.1% due to cost management. The postpaid handset customer base increased by 126,000 this quarter, with branded handset customer base increasing by 154,000.

Group Enterprise contributed 35% (Q3 FY2018: 35%) and 36% (Q3 FY2018: 35%) to the Group's operating revenue and EBITDA respectively. Operating revenue was stable but grew 2.0% in constant currency terms due to higher ICT sales, partly offset by continued declines in traditional legacy services, especially voice. EBITDA, however, fell 9.0% (8.4% in constant currency terms) with the change in revenue mix, margin erosion from increased competition and investments in cyber security business.

GDL contributed 8% (Q3 FY2018: 7%) to the Group's operating revenue. Operating revenue for the quarter grew 17% lifted by full quarter's contribution from Videology and growth in Amobee's programmatic platform business partially offset by lower media business. Negative EBITDA amounted to S$16 million after inclusion of Videology's losses.

Depreciation and amortisation charges declined 1.7% but would have increased 1.8% in constant currency terms due mainly to higher investments in mobile network infrastructure and spectrum.

EBIT (before share of results of associates) fell 17% to S$637 million.

The combined mobile customer base of the Group and its regional associates reached 677 million as at 31 December 2018, down by 40 million or 5.6% from a quarter ago mainly from decline in Airtel as it re-defined its customer base to include only revenue generating SIMs.

The associates' post-tax underlying profit contributions fell 31%. If the regional currencies had remained stable, the associates' post-tax underlying profit contributions would have declined by 29% mainly from Airtel. Airtel continued to record weaker earnings adversely impacted by sustained pricing pressures in India, partially mitigated by improved performance in Africa.

SECTION 1 : GROUP

Net finance expense increased 22% due mainly to dividend received from Southern Cross in the last corresponding quarter but not repeated this quarter.

The Group's tax expense fell 21% on both lower earnings and dividend withholding taxes.

Consequently, underlying net profit declined by 28% (27% in constant currency terms).

The net exceptional gains (post-tax) of S$143 million (Q3 FY2018: S$10 million of net gain) in the quarter comprised mainly of gain on sale and finance leaseback of certain assets and the Group's share of associates' net exceptional gains.

With higher exceptional gains, net profit declined 14%. In constant currency terms, the decline was 12%.

Free cash flow in the quarter fell to S$387 million mainly on lower operational performance, and timing of ICT milestone receipts and dividend from Telkomsel.

The Group continued to maintain a healthy capital structure. As at 31 December 2018, net debt gearing ratio was stable at 25.2% from a quarter ago.

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.

For The Nine Months Ended 31 December 2018

The results for the nine months were adversely impacted by currency movements. The strong Singapore Dollar reduced operating revenue, EBITDA and underlying net profit by 3 percentage points each.

Operating revenue was stable and EBITDA declined 7.7%. In constant currency terms, operating revenue was up 3.1% while EBITDA fell 4.9%.

With lower associates' underlying profit contributions of 26% mainly from Airtel and Telkomsel, underlying net profit fell 23% to S$2.13 billion. In constant currency terms, underlying net profit would have been down 21%.

Net profit fell 51% to S$2.32 billion on lower exceptional gains, as a significant gain on sale of units in NetLink Trust was recorded in the last corresponding period.

Free cash flow for the period declined 9.9% to S$2.53 billion due mainly to lower operational performance and timing of ICT milestone receipts partially offset by lower capital expenditure.

SECTION 1 : GROUP

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2018 were as follows:

	Quarter		
	31 Dec 2018 S$ m	30 Sep 2018 S$ m	QOQ Chge %
Operating revenue	**4,626**	**4,270**	**8.3**
EBITDA	**1,190**	**1,129**	**5.4**
- margin	***25.7%***	***26.4%***	
Share of associates' post-tax profits	**291**	**377**	**-22.7**
Underlying net profit	**680**	**715**	**-4.9**
Exceptional items (post-tax)	**143**	**(48)**	**nm**
Net profit	**823**	**667**	**23.3**
Free cash flow	**387**	**676**	**-42.7**

Operating revenue rose 8.3% from growth in equipment sales and Amobee’s higher seasonal revenue. EBITDA grew 5.4%, reflecting higher revenue and strong cost control.

The higher EBITDA was offset by lower associates’ earnings mainly from Airtel. Consequently, underlying net profit fell 4.9%.

Free cash flow declined on lower associates’ dividends and timing of ICT milestone receipts.

SECTION 1 : GROUP

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2019

The Group's overall performance has been affected by the global economic slowdown and weaker sentiment. The intense competition in India has also negatively impacted Airtel's earnings although there are early signs of market stabilisation. In Indonesia, with the completion of the SIM card registration exercise, Telkomsel's performance returned to growth on a sequential quarter basis.

In the mobile businesses in Singapore and Australia, with the continued shift from voice to data and competitive pressure on data pricing, data revenue growth is not expected to offset the decline in voice revenues. In Group Enterprise, the order book remains strong and ICT services will continue to grow albeit at lower margins. In Group Digital Life, Amobee's programmatic platform business continues to gain traction. The integration of Videology further strengthens Amobee's capabilities in TV and video advertising but is expected to dilute Amobee's EBITDA for the current financial year.

Taking into account the results for the nine months ended 31 December 2018, and updated for the impact of the acquisition of Videology[2], the Group expects the following for the current financial year:

- Mobile service revenue from Australia to be stable.
- Group ICT revenue (comprising Managed Services and Business Solutions) to increase by low single digit.
- With the consolidation of Videology, Amobee Group's operating revenue to grow by low teens and be slightly EBITDA negative.
- EBITDA[3] for the Group and Core Business to decline by low single digits.

Please refer to **Appendix 6** for the full guidance for the current financial year ending 31 March 2019.

[2] Videology was acquired on 22 August 2018.
[3] Excluding the impact of NBN migration revenues in Australia for both FY2018 and FY2019.

SECTION 1 : GROUP

OPERATING REVENUE

By Products and Services	Quarter 31 Dec 2018 S$ m	Quarter 31 Dec 2017 S$ m	YOY Chge %	Nine Months 31 Dec 2018 S$ m	Nine Months 31 Dec 2017 S$ m	YOY Chge %
Mobile service (includes international call revenue)	1,338	1,450	-7.7	4,084	4,339	-5.9
Sale of equipment	932	822	13.4	2,166	1,788	21.2
Leasing	54	8	@	96	13	@
Mobile	2,325	2,281	1.9	6,346	6,139	3.4
Data and Internet	828	889	-6.9	2,473	2,602	-5.0
Cyber security	*137*	*125*	9.7	*389*	*383*	1.5
Other services	*488*	*454*	7.6	*1,371*	*1,412*	-3.0
Managed services	626	579	8.0	1,760	1,796	-2.0
Business solutions	145	130	11.7	435	403	8.1
Infocomm Technology ("**ICT**")	771	709	8.7	2,195	2,198	-0.2
Digital businesses (1)	383	332	15.2	967	899	7.6
Fixed voice	219	262	-16.5	707	828	-14.6
Pay television	85	90	-6.0	292	281	3.9
Others	16	20	-19.9	50	59	-15.7
Total	**4,626**	**4,583**	**0.9**	**13,030**	**13,006**	**0.2**
Operating revenue	**4,626**	**4,583**	**0.9**	**13,030**	**13,006**	**0.2**
Associates' proportionate revenue (2)	3,345	3,413	-2.0	9,962	10,511	-5.2
Group's proportionate revenue	**7,971**	**7,996**	**-0.3**	**22,992**	**23,517**	**-2.2**

Notes:

(1) Include revenues from Amobee, HOOQ, and DataSpark.
(2) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by Singtel's effective ownership interest.

"@" denotes more than +/-500%.

Operating Revenue Mix	Quarter 31 Dec 2018 %	Quarter 31 Dec 2017 %	Nine Months 31 Dec 2018 %	Nine Months 31 Dec 2017 %
Mobile service (includes international call revenue)	28.9	31.6	31.3	33.4
Sale of equipment	20.2	17.9	16.6	13.7
Leasing	1.2	0.2	0.7	0.1
Mobile	50.3	49.8	48.7	47.2
Data and Internet	17.9	19.4	19.0	20.0
Cyber security	*3.0*	*2.7*	*3.0*	*2.9*
Other services	*10.6*	*9.9*	*10.5*	*10.9*
Managed services	13.5	12.6	13.5	13.8
Business solutions	3.1	2.8	3.3	3.1
ICT	16.7	15.5	16.8	16.9
Digital businesses	8.3	7.3	7.4	6.9
Fixed voice	4.7	5.7	5.4	6.4
Pay television	1.8	2.0	2.2	2.2
Others	0.3	0.4	0.4	0.5
Total	**100.0**	**100.0**	**100.0**	**100.0**

SECTION 1 : GROUP

Operating revenue was stable and would have increased 3.7% in constant currency terms.

ICT and digital businesses, and equipment sales, contributed 25% and 20% of the Group's revenue respectively, up 2 percentage points each.

With higher equipment sales revenue, total Mobile revenue grew 1.9% (5.9% in constant currency terms) from the same quarter last year. Mobile service revenue, however, declined 7.7% (4.2% in constant currency terms) reflecting lower voice usage, higher mix of SIM-only plans and price competition, partly offset by higher data revenue.

Data and Internet revenue fell 6.9% (4.2% in constant currency terms) due mainly to decline in NBN migration revenues from the temporary suspension of migrating customers to NBN's HFC access network in Australia, as well as price erosion and declines in legacy services as businesses migrated to lower cost IP-based solutions.

Revenue from ICT grew 8.7% (9.7% in constant currency terms) due to strong project related equipment sales this quarter. Cyber security revenue grew 9.7% supported by strong double-digit growth in Asia Pacific despite continued decline in payment card industry compliance business.

Revenue from Digital businesses grew 15% with full quarter's contribution from Videology and growth in Amobee's programmatic platform business, partially offset by lower media business.

SECTION 1 : GROUP

OPERATING EXPENSES (Before Depreciation and Amortisation)

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Cost of sales [1]	1,731	1,493	16.0	4,348	3,858	12.7
Staff costs	625	686	-8.9	1,976	2,081	-5.1
Selling & administrative	616	640	-3.7	1,871	1,934	-3.2
Traffic expenses	397	411	-3.6	1,187	1,210	-1.9
Repair & maintenance	105	97	8.6	287	284	1.1
Others	9	7	39.4	(2)	20	nm
Total	**3,483**	**3,333**	**4.5**	**9,666**	**9,387**	**3.0**
Direct costs [2]	2,280	2,050	11.2	6,010	5,550	8.3
Other operating expenses	1,204	1,283	-6.2	3,656	3,837	-4.7
Total	**3,483**	**3,333**	**4.5**	**9,666**	**9,387**	**3.0**

As a percentage of operating revenue	Quarter 31 Dec		Nine Months 31 Dec	
	2018 %	2017 %	2018 %	2017 %
Cost of sales [1]	37.4%	32.6%	33.4%	29.7%
Staff costs	13.5%	15.0%	15.2%	16.0%
Selling & administrative	13.3%	14.0%	14.4%	14.9%
Traffic expenses	8.6%	9.0%	9.1%	9.3%
Repair & maintenance	2.3%	2.1%	2.2%	2.2%
Others	0.2%	0.1%	0.0%	0.2%
Total	**75.3%**	**72.8%**	**74.3%**	**72.3%**
Direct costs [2]	49.3%	44.7%	46.1%	42.7%
Other operating expenses	26.0%	28.1%	28.2%	29.6%
Total	**75.3%**	**72.8%**	**74.3%**	**72.3%**

Notes:
(1) Cost of sales include cost of goods sold and service costs such as costs of content and programming.
(2) Comprise mainly cost of sales, traffic expenses, staff costs and selling & administrative expenses directly attributable to revenue earned from sale of equipment and services rendered.

Total operating expenses increased 4.5% and would have increased 7.3% in constant currency terms mainly attributable to higher direct costs. Other operating expenses, however, declined 6.2% on strong cost control.

The increase in Cost of Sales was mainly due to higher ICT, equipment sales and digital business revenues.

SECTION 1 : GROUP

STAFF COSTS

	Quarter 31 Dec 2018 S$ m	Quarter 31 Dec 2017 S$m	YOY Chge %	Nine Months 31 Dec 2018 S$ m	Nine Months 31 Dec 2017 S$m	YOY Chge %
Staff costs						
Optus	221	288	-23.4	748	849	-11.9
Singtel and other subsidiaries	348	350	-0.5	1,069	1,091	-2.0
	569	638	-10.9	1,817	1,940	-6.3
Amobee (including Videology)	56	48	17.5	159	141	12.3
Group	**625**	**686**	**-8.9**	**1,976**	**2,081**	**-5.1**

	Quarter 31 Dec 2018	Quarter 30 Sep 2018	Quarter 31 Dec 2017	YOY Chge %	Nine Months 31 Dec 2018	Nine Months 31 Dec 2017	YOY Chge %
Average number of staff							
Optus	7,338	7,666	8,414	-12.8	7,792	8,418	-7.4
Singtel and other subsidiaries	15,235	15,596	16,419	-7.2	15,577	16,401	-5.0
	22,573	23,262	24,833	-9.1	23,369	24,819	-5.8
Amobee (including Videology)	969	929	811	19.5	911	807	12.9
Group (1)	**23,542**	**24,191**	**25,644**	**-8.2**	**24,280**	**25,626**	**-5.3**
Headcount as at end of period							
Optus	7,322	7,441	8,591	-14.8	7,322	8,591	-14.8
Singtel and other subsidiaries	15,163	15,394	16,287	-6.9	15,163	16,287	-6.9
	22,485	22,835	24,878	-9.6	22,485	24,878	-9.6
Amobee (including Videology)	960	984	811	18.4	960	811	18.4
Group (1)	**23,445**	**23,819**	**25,689**	**-8.7**	**23,445**	**25,689**	**-8.7**

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 8.9% and would have declined 7.2% in constant currency terms due to lower headcount.

As at 31 December 2018, Group headcount was 23,445, down 8.7% from a year ago on staff restructurings.

SECTION 1 : GROUP

NET FINANCE EXPENSE

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Net interest expense						
- Interest expense	(101)	(94)	7.8	(289)	(288)	0.2
- Interest income	2	2	25.0	6	6	3.6
	(99)	**(92)**	**7.5**	**(283)**	**(282)**	**0.2**
- Net interest (expense)/ income NetLink Trust (1)	(1)	(1)	-30.8	(3)	2	nm
	(100)	**(94)**	**6.9**	**(286)**	**(281)**	**1.8**
Other finance income						
- Dividend income from Southern Cross	-	16	nm	13	27	-52.0
- Investment income (2)	*	*	nm	*	2	nm
- Other foreign exchange gain/ (loss)	1	(4)	nm	8	(8)	nm
- Net fair value gain (3)	1	*	nm	3	2	52.6
	2	**13**	**-84.6**	**24**	**23**	**3.5**
Net finance expense	**(98)**	**(81)**	**21.7**	**(262)**	**(258)**	**1.7**

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 increased 7.8% but would have increased 11% in constant currency terms on both higher borrowings and interest rates.

SECTION 1 : GROUP

EXCEPTIONAL ITEMS (POST-TAX) [1]

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 S$ m	2017 S$ m	Chge %	2018 S$ m	2017 S$ m	Chge %
Gain on sale and finance leaseback	42	-	nm	42	-	nm
Gain on sale of a subsidiary	17	-	nm	17	-	nm
Staff restructuring costs	(2)	(25)	-90.9	(85)	(52)	63.3
Disputes settlement	-	55	nm	-	55	nm
Gain on disposal of joint ventures	*	7	nm	*	7	nm
Provision for contingent claims and other charges	-	-	-	(10)	(57)	-82.7
Impairment of acquired intangibles	-	-	-	-	(77)	nm
Impairment of venture investments	-	-	-	-	(5)	nm
Gain on disposal of units in NetLink Trust	-	-	-	-	2,053	nm
Gain on sale of property	-	-	-	106	-	nm
Others	*	-	nm	(1)	-	nm
Group exceptional items	57	36	58.5	70	1,923	-96.4
Share of Airtel's one-off items	119	(18)	nm	129	(18)	nm
Share of SingPost's dilution gain and fair value loss on investments	4	-	nm	4	-	nm
Share of Intouch's impairment charges	(11)	(6)	90.9	(11)	(6)	90.9
Share of Globe's impairment charges	-	(4)	nm	-	(4)	nm
Share of associates' exceptional items	113	(27)	nm	123	(27)	nm
Group net exceptional gains (pre-tax)	**170**	**9**	**@**	**193**	**1,896**	**-89.8**
Exceptional tax						
Share of tax on associates' exceptional items	(26)	9	nm	(20)	9	nm
Other tax (expense)/ credit on exceptional items	*	(8)	nm	21	26	-19.2
	(26)	**1**	**nm**	**1**	**35**	**-96.2**
Group net exceptional gains (post-tax)	**143**	**10**	**@**	**194**	**1,931**	**-90.0**

Note:

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

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

The Group's net exceptional gains in the quarter comprised mainly gain on sale and finance leaseback of certain assets on reduction in lease term and gain on sale of a subsidiary partially offset by staff restructuring costs.

The Group also recognised share of Airtel's net exceptional gain of S$89 million (post-tax) which comprised mainly fair value gain on deconsolidation of a subsidiary and reversal of certain levy accruals, partially offset by network refarming and litigation related charges.

SECTION 1 : GROUP

TAX EXPENSE

	Quarter		YOY	Nine Months		YOY
	31 Dec		Chge	31 Dec		Chge
	2018	2017	%	2018	2017	%
	S$ m	S$ m		S$ m	S$ m	
Income tax expense						
Optus	69	90	-23.1	207	247	-16.4
Singtel and other subsidiaries	66	40	63.6	178	156	14.2
Total (a)	135	130	3.5	385	403	-4.5
Share of associates' tax expense (b)	80	133	-40.2	65	519	-87.5
Withholding and dividend distribution taxes on associates' dividend income (1)	21	35	-41.2	159	140	13.7
Total	**235**	**299**	**-21.2**	**609**	**1,062**	**-42.7**
Profit before exceptional items and tax	909	1,240	-26.7	2,719	3,816	-28.7
Exclude:						
Share of associates' pre-tax profits	(371)	(553)	-32.9	(1,117)	(1,941)	-42.5
Adjusted pre-tax profit (c)	**538**	**688**	**-21.7**	**1,603**	**1,874**	**-14.5**
Effective tax rate of Singtel and subsidiaries (a)/(c)	***25.1%***	***19.0%***		***24.0%***	***21.5%***	
Share of associates' pre-tax profits (d)	371	553	-32.9	1,117	1,941	-42.5
Effective tax rate of associates (b)/(d)	***21.5%***	***24.1%***		***5.8%***	***26.8%***	

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 both lower earnings and dividend withholding taxes.

In December quarter last year, a deferred tax credit was recorded as a result of the reduction in the US federal corporate tax rate from 35% to 21%.

SECTION 1 : GROUP

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Dec 2018 S$ m	30 Sep 2018 S$ m	31 Dec 2017 S$ m
Current assets (excluding cash)	6,725	6,078	6,772
Cash and bank balances	637	707	841
Non-current assets	41,359	40,613	41,450
Total assets	**48,721**	**47,397**	**49,063**
Current liabilities	9,250	7,774	9,892
Non-current liabilities	10,574	10,747	9,654
Total liabilities	**19,824**	**18,522**	**19,546**
Net assets	**28,897**	**28,876**	**29,517**
Share capital	4,127	4,127	4,127
Retained earnings	26,705	26,992	26,439
Currency translation reserve (loss)	(1,816)	(1,964)	(666)
Other reserves	(97)	(268)	(360)
Equity attributable to shareholders	**28,920**	**28,887**	**29,541**
Minority interests and other reserve	(22)	(11)	(24)
	28,897	**28,876**	**29,517**

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The Group continued to be in a strong financial position as at 31 December 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 decreased by S$148 million from a quarter ago. This was mainly due to translation gains for Airtel, Telkomsel and Globe partly offset by translation loss for Optus.

SECTION 1 : GROUP

LIQUIDITY AND GEARING

	As at		
	31 Dec 2018 S$ m	30 Sep 2018 S$ m	31 Dec 2017 S$ m
Gross debt			
Current debt	1,699	1,537	1,685
Non-current debt	8,941	9,129	7,842
Gross debt as reported in statement of financial position	**10,641**	**10,665**	**9,527**
Related net hedging asset (1)	(250)	(182)	(80)
Hedged gross debt	**10,391**	**10,484**	**9,447**
Less : Cash and bank balances	(637)	(707)	(841)
Net debt	**9,754**	**9,777**	**8,606**
Gross debt gearing ratio *(2)*	***26.4%***	***26.6%***	***24.2%***
Net debt gearing ratio	***25.2%***	***25.3%***	***22.6%***

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.

As at 31 December 2018, net debt and net debt gearing ratio remained stable from a quarter ago.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Nine Months		
	31 Dec 2018 S$ m	31 Dec 2017 S$ m	30 Sep 2018 S$ m	31 Dec 2018 S$ m	31 Dec 2017 S$ m	YOY Chge %
Net cash inflow from operating activities						
Profit before exceptional items and tax	**909**	**1,240**	**811**	**2,719**	**3,816**	**-28.7**
Non-cash items	289	131	268	740	33	@
Operating cash flow before working capital changes	1,198	1,371	1,079	3,459	3,849	-10.1
Changes in operating assets and liabilities	(340)	(244)	(31)	(630)	(334)	88.5
	859	1,127	1,048	2,829	3,514	-19.5
Cash paid to employees under performance share plans	-	-	-	*	(1)	nm
Tax paid on operating activities	(150)	(105)	(225)	(433)	(363)	19.2
Operating cash flow before dividends from associates	**709**	**1,022**	**823**	**2,397**	**3,151**	**-23.9**
Dividends/ Distributions received from associates	99	343	227	1,508	1,552	-2.8
Withholding tax paid on dividends received	(6)	(35)	(20)	(141)	(150)	-5.9
	802	**1,330**	**1,030**	**3,763**	**4,552**	**-17.3**
Net cash outflow from investing activities						
Accrued capital expenditure	*(448)*	*(560)*	*(410)*	*(1,233)*	*(1,485)*	*-17.0*
Changes in creditors' balances	*34*	*25*	*56*	*	*(261)*	*nm*
Cash capital expenditure	(414)	(535)	(354)	(1,233)	(1,746)	-29.4
Investment in associates	(1)	(1)	-	(1)	(1)	8.3
Deferred proceeds/ Proceeds from disposal of an associate	9	45	-	13	1,140	-98.9
Loan repaid by an associate	-	-	-	-	1,101	nm
Payment for purchase of spectrum	-	-	(3)	(37)	(937)	-96.0
Payment for purchase of other intangibles	(38)	(60)	(38)	(97)	(154)	-37.1
Payment for acquisition of intangibles and other assets	-	-	(123)	(123)	-	nm
Payment for purchase of subsidiaries, net of cash acquired	(6)	-	-	(6)	(337)	-98.3
Investment in venture investments	(356)	(11)	(15)	(380)	(51)	@
Proceeds from disposal of venture investments	7	38	4	14	39	-64.9
Proceeds from disposal of property, plant and equipment	*	40	20	138	142	-2.9
Withholding tax paid on interest received on inter-company loans	-	-	(12)	(12)	(14)	-15.3
Payment for acquisition of non-controlling interests	-	-	-	(16)	-	nm
Others	2	2	2	6	16	-63.9
	(797)	**(483)**	**(520)**	**(1,735)**	**(802)**	**116.5**
Net cash outflow from financing activities						
Net increase/ (decrease) in borrowings	81	(550)	1,389	150	(1,425)	nm
Settlement of swap for bonds repaid	(34)	-	17	(14)	61	nm
Net interest paid on borrowings and swaps	(110)	(97)	(81)	(287)	(297)	-3.4
Final dividend paid to shareholders	-	-	(1,747)	(1,747)	(1,747)	**
Purchase of performance shares	(6)	(4)	(8)	(20)	(19)	3.6
Others	(5)	(3)	1	(4)	(4)	16.2
	(74)	**(655)**	**(429)**	**(1,922)**	**(3,431)**	**-44.0**
Net (decrease)/ increase in cash and cash equivalents	**(69)**	**192**	**82**	**105**	**320**	**-67.0**
Exchange effects on cash and cash equivalents	(1)	(3)	*	7	(13)	nm
Group cash and cash equivalents at beginning	**707**	**651**	**625**	**525**	**534**	**-1.7**
Group cash and cash equivalents at end	**637**	**841**	**707**	**637**	**841**	**-24.2**
Group free cash flow						
Singapore	140	275	177	586	783	-25.2
Optus	154	211	292	578	622	-7.1
Group free cash flow (before associates' dividends/ distributions)	**294**	**487**	**469**	**1,163**	**1,405**	**-17.2**
Dividends/ Distributions received from associates (net of withholding tax)	93	308	207	1,366	1,401	-2.5
Group free cash flow	**387**	**795**	**676**	**2,530**	**2,806**	**-9.9**
Optus free cash flow (in A$)	*159*	*203*	*293*	*582*	*591*	*-1.4*
Cash capex to operating revenue	***9%***	***12%***	***8%***	***9%***	***13%***	

"" denotes less than +/- S$0.5 million, "**" denotes less than +/- 0.05% and "@" denotes more than +/- 500%.*

SECTION 1 : GROUP

Net cash inflow from operating activities (before associates' dividend receipts) for the quarter fell 31% to S$709 million due mainly to lower operational performance, timing of ICT milestone receipts and higher tax payments. Dividends from the associates decreased on timing of dividend from Telkomsel partly offset by dividends received from Airtel and NetLink NBN Trust. Consequently, total cash flow from operations declined 40% to S$802 million.

Net cash outflow for investing activities was S$797 million. In the quarter, Singtel paid S$344 million (US$250 million) to acquire 5.7% equity interest in Airtel Africa Limited, a subsidiary of Bharti Airtel Limited. Capital expenditure comprised S$146 million for Singapore and S$268 million (A$271 million) for Australia. In Singapore, major capital investments in the quarter included S$59 million for fixed and data infrastructure, S$56 million for mobile network and S$11 million for ICT investments. In Australia, capital investments in mobile network, and fixed and other core infrastructure were A$159 million and A$112 million respectively.

The Group's free cash flow was lower at S$387 million on lower operating cash and associates' dividends, partially offset by lower capital expenditure.

Net cash financing outflow of S$74 million in the quarter mainly comprised interest payments of S$110 million and settlement of swap on repayment of bonds of S$34 million, partly offset by net increase in borrowings of S$81 million.

Overall cash balance decreased S$70 million from a quarter ago and the cash balance was S$637 million as at 31 December 2018.

OTHER INFORMATION

Code of Practice for Info-Communication Facilities In Buildings 2018 ("COPIF 2018")

Pursuant to two consultations in 2017 and 2018, IMDA issued Code of Practice for Info-Communication Facilities In Buildings 2018 on 28 November 2018. COPIF 2018 came into effect on 15 December 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 THIRD QUARTER ENDED 31 DECEMBER 2018

- **Operating revenue was stable while EBITDA and EBIT fell 11% and 18% respectively. Excluding NBN migrations and the dispute settlement recognised in the last corresponding quarter, EBITDA and EBIT would have declined by 2.5% and 2.6% respectively.**

- **In constant currency terms[4], operating revenue rose 3.3% while EBITDA and EBIT declined 7.1% and 15% respectively.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

- **Operating revenue was stable while EBITDA and EBIT fell 7.0% and 12% respectively. Excluding NBN migrations and one-off dispute settlement recognised in the last corresponding period, both EBITDA and EBIT would have declined 2.0% and 2.9% respectively.**

- **In constant currency terms[4], operating revenue rose 5.0% while EBITDA and EBIT declined 3.2% and 9.0% respectively.**

[4] Assuming constant exchange rates for the Australian Dollar from the corresponding periods ended 31 December 2017.

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER SUMMARY INCOME STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 S$ m	2017 S$ m	Chge %	2018 S$ m	2017 S$ m	Chge %
Operating revenue	**2,642**	**2,667**	**-1.0**	**7,382**	**7,331**	**0.7**
Operating expenses	(1,882)	(1,845)	2.0	(5,164)	(4,989)	3.5
	760	823	-7.6	2,218	2,342	-5.3
Other income	35	69	-48.4	116	169	-31.1
EBITDA	**795**	**891**	**-10.8**	**2,334**	**2,511**	**-7.0**
- margin	***30.1%***	***33.4%***		***31.6%***	***34.2%***	
Depreciation & amortisation	(385)	(394)	-2.3	(1,163)	(1,176)	-1.1
EBIT	**410**	**497**	**-17.5**	**1,171**	**1,335**	**-12.3**
NBN Migration revenues	44	81	-46.1	91	183	-50.5
Ex-NBN Migration revenues						
Operating revenue	2,598	2,587	0.4	7,292	7,148	2.0
EBITDA	752	811	-7.3	2,244	2,328	-3.6
EBIT	366	416	-11.9	1,080	1,152	-6.2

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 S$ m	2017 S$ m	Chge %	2018 S$ m	2017 S$ m	Chge %
Cost of sales (2)	914	811	12.7	2,210	1,887	17.1
Selling & administrative	428	450	-4.9	1,312	1,384	-5.2
Traffic expenses	271	278	-2.6	811	807	0.6
Staff costs	201	236	-14.6	663	710	-6.6
Repair & maintenance	58	56	2.0	152	164	-7.1
Others	10	13	-25.4	15	36	-59.5
Operating expenses	**1,882**	**1,845**	**2.0**	**5,164**	**4,989**	**3.5**

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 Third Quarter Ended 31 December 2018

Group Consumer recorded stable revenue while EBITDA and EBIT declined 11% and 18% respectively. The Australian Dollar depreciated 5% against the Singapore Dollar from the same quarter last year. In constant currency terms, operating revenue would have increased by 3.3% while EBITDA and EBIT would have decreased by 7.1% and 15% respectively. The strong increase in equipment sales was partly offset by 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. Excluding NBN migration revenues and the one-off dispute settlement recognised in the last corresponding quarter, Group Consumer's EBITDA would have declined by 2.5% (up 1.5% in constant currency terms) and EBIT would be down 2.6% (stable in constant currency terms).

For The Nine Months Ended 31 December 2018

Operating revenue was stable while EBITDA and EBIT declined 7.0% and 12% respectively. In constant currency terms, operating revenue rose 5.0%, EBITDA declined 3.2% and EBIT fell 9.0% after higher depreciation and amortisation charges.

Excluding NBN migration revenues and the dispute settlement recognised in the last corresponding period, Group Consumer's EBITDA would have declined 2.0% (up 2.1% in constant currency terms) and EBIT would have declined 2.9% (stable in constant currency terms).

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2018 were as follows:

	Quarter		
	31 Dec 2018 S$ m	**30 Sep 2018 S$ m**	**QOQ Chge %**
Operating revenue	**2,642**	**2,385**	**10.8**
Operating expenses	(1,882)	(1,680)	12.0
EBITDA	**795**	**745**	**6.8**
- margin	***30.1%***	***31.2%***	
EBIT	**410**	**357**	**14.9**

Compared to the preceding quarter, both EBITDA and EBIT improved due to higher operating revenues across Singapore and Australia.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER SUMMARY INCOME STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Operating revenue	**598**	**634**	**-5.7**	**1,699**	**1,701**	**-0.1**
Operating expenses	(412)	(435)	-5.4	(1,150)	(1,121)	2.7
	186	198	-6.2	549	580	-5.4
Other income [(1)]	8	2	252.2	19	13	42.3
EBITDA	**194**	**201**	**-3.2**	**567**	**593**	**-4.4**
- margin	***32.5%***	***31.7%***		***33.4%***	***34.9%***	
Depreciation & amortisation	(62)	(62)	0.5	(187)	(178)	5.2
EBIT	**132**	**139**	**-4.8**	**381**	**416**	**-8.4**

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Mobile service [(2)]	261	273	-4.2	785	821	-4.4
Sale of equipment	188	203	-7.4	427	396	7.9
Leasing revenue [(3)]	1	-	nm	1	-	nm
Mobile	450	476	-5.4	1,213	1,217	-0.3
Fixed broadband	58	58	0.7	175	172	1.7
Residential Pay TV	49	52	-5.0	180	168	7.1
Fixed voice	29	33	-10.4	94	100	-6.5
Others [(4)]	10	15	-29.7	37	43	-14.6
Operating revenue	**598**	**634**	**-5.7**	**1,699**	**1,701**	**-0.1**
Cost of sales	227	240	-5.3	584	531	10.0
Selling & administrative	76	81	-7.0	224	235	-4.5
Staff costs	55	54	2.0	173	174	-1.0
Traffic expenses	48	52	-7.1	151	157	-4.4
Repair & maintenance	13	14	-8.1	38	39	-3.1
Others	(6)	(5)	30.6	(19)	(16)	17.4
Operating expenses	**412**	**435**	**-5.4**	**1,150**	**1,121**	**2.7**
Direct costs [(5)]	219	235	-6.8	569	519	9.7
Other operating expenses	192	200	-3.9	582	602	-3.4
Operating expenses	**412**	**435**	**-5.4**	**1,150**	**1,121**	**2.7**

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$0.3 million (Q3 FY2018: S$4 million of loss) for the quarter and loss of S$1 million (YTD-December 2017: S$6 million of loss) for the nine months ended 31 December 2018.

(2) With effect from 1 July 2018, mobile digital services previously classified under "Others" have been classified under "Mobile service".

(3) Comprise revenue from lease of handsets to mobile customers under 2-year contracts.

(4) 'Other revenue' include revenues from mobile network cabling works and projects.

(5) Comprise mainly cost of sales and traffic expenses directly attributable to revenue earned from sale of equipment and services rendered.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2018

Operating revenue declined 5.7% on lower equipment sales due mainly to weaker demand for key handset models. With lower operating revenue, EBITDA fell 3.2%.

Mobile service revenue declined 4.2% due to declines in local and international voice and roaming call usage partly offset by higher data revenue. Mobile service revenue was also impacted by amortisation of higher handset subsidies driven by intense competition as well as higher mix of premium handset sales[5]. Consequently, total Mobile revenue decreased 5.4%.

The postpaid customer base grew by over 36,000[6] from a quarter ago, mainly from SIM-only and Mobile Share plans. With strategic partnership with the Centre for Domestic Employees (CDE) and other initiatives, prepaid mobile recorded positive net adds for the quarter despite intense competition in the market. This quarter, Singtel introduced Asia's first 2-in-1 tourist SIM and EZ-Link travel card to combine two key services for tourists in order to enhance their travel experience. The card functions as a prepaid SIM as well as a stored value travel card that can be used on public transport in Singapore.

Singtel also partnered Ericsson and Singapore Polytechnic to open the country's first live 5G facility, namely 5G Garage. The 5G Garage is connected to Singtel's latest pilot 5G network on the 3.5 GHz trial spectrum and serve as a training centre, test bed and ideation lab to develop Singapore's 5G ecosystem and drive the adoption of 5G by enterprises in their digital transformations.

Consumer Home Services which comprise fixed broadband, residential pay TV and voice revenues fell 1.2%. Broadband revenue grew with an increased take up of add-on services and higher speed fibre plans, offset by lower fixed voice and TV revenues.

Singtel TV continued to enhance the content suite by launching several new and exciting lifestyle channels as well as securing live sports channel to entrench itself as the premier entertainment provider. These include the Discovery lifestyle channels HGTV, Asian Food Channel and Food Network, and the new Asian entertainment channel e-Le. Singtel also secured the next three seasons of Premier League rights from 2019 to 2022 for soccer loving fans and recently added HBO channels, home of the global hit series Game of Thrones.

The number of customers who signed up for 'on-the-go' services, namely the Cast OTT and Singtel TV Go companion apps, grew by 2,000 in the quarter to 116,000 as at 31 December 2018.

In January 2019, Singtel announced its partnership with Geneco[7] to resell electricity as a convenient one-stop shop for its customers, offering greater value and flexibility.

Operating expenses fell 5.4% on lower revenue and strong cost management, particularly for selling and administrative expenses. EBIT declined 4.8% after including depreciation and amortisation charges which was stable for the quarter.

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[5] Under new revenue standard applied retrospectively to FY2018, handset subsidies are amortised against mobile service revenue over the term of the mobile customer contract.

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

[7] Geneco is Seraya Energy's retail energy brand.

SECTION 2 : GROUP CONSUMER

For The Nine Months Ended 31 December 2018

Operating revenue for the nine months was stable. Mobile service revenue fell 4.4% on declines in both local and roaming voice revenues partially offset by strong growth in mobile data. Including equipment sales which grew 7.9%, total mobile revenue was stable compared to the last corresponding period.

Consumer Home Services revenue grew 3.3% due to growth in fixed broadband and boosted by World Cup revenues.

With lower service revenue, EBITDA declined 4.4%. EBIT fell 8.4% after including higher depreciation and amortisation charges from increased network and spectrum investments, and the new billing system.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2018 were as follows:

	Quarter		
	31 Dec 2018 S$ m	30 Sep 2018 S$ m	QOQ Chge %
Operating revenue	**598**	**555**	**7.7**
Operating expenses	(412)	(379)	8.6
EBITDA	**194**	**180**	**7.7**
- margin	***32.5%***	***32.5%***	
EBIT	**132**	**118**	**12.5**

Earnings improved against the preceding quarter on higher operating revenue.

SECTION 2: GROUP CONSUMER

AUSTRALIA CONSUMER SUMMARY INCOME STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter 31 Dec 2018 A$ m	Quarter 31 Dec 2017 A$ m	YOY Chge %	Nine Months 31 Dec 2018 A$ m	Nine Months 31 Dec 2017 A$ m	YOY Chge %
Operating revenue	**2,072**	**1,955**	**6.0**	**5,694**	**5,349**	**6.5**
Operating expense	(1,484)	(1,349)	10.1	(4,003)	(3,660)	9.4
	588	607	-3.1	1,691	1,689	0.1
Other income	27	64	-57.4	95	146	-35.0
EBITDA	**615**	**671**	**-8.3**	**1,786**	**1,835**	**-2.7**
- margin	***29.7%***	***34.3%***		***31.4%***	***34.3%***	
Depreciation & amortisation	(327)	(319)	2.6	(977)	(946)	3.2
EBIT	**288**	**352**	**-18.1**	**809**	**889**	**-9.0**
NBN Migration revenues	44	78	-43.5	91	174	-47.8
Ex-NBN Migration revenues						
Operating revenue	2,028	1,878	8.0	5,604	5,175	8.3
EBITDA	571	593	-3.6	1,695	1,661	2.0
EBIT	244	274	-10.9	718	715	0.4

	Quarter 31 Dec 2018 A$ m	Quarter 31 Dec 2017 A$ m	YOY Chge %	Nine Months 31 Dec 2018 A$ m	Nine Months 31 Dec 2017 A$ m	YOY Chge %
Incoming	53	54	-2.4	160	156	2.1
Outgoing	844	875	-3.6	2,551	2,584	-1.3
Total Mobile Service	897	930	-3.5	2,711	2,741	-1.1
Equipment	634	484	31.1	1,447	1,072	35.0
Leasing Revenue (1)	54	8	@	95	12	@
Total Mobile Revenue	**1,585**	**1,421**	**11.6**	**4,253**	**3,825**	**11.2**
Voice	66	80	-18.0	218	254	-14.0
Broadband	87	100	-12.3	270	319	-15.2
Pay TV	29	30	-1.9	88	86	1.5
Mass Market Fixed On-net	182	209	-13.0	576	659	-12.6
Mass Market Fixed Off-net (2)	173	180	-3.6	455	434	4.6
Total Mass Market Fixed	**355**	**389**	**-8.7**	**1,030**	**1,093**	**-5.7**
Data & IP	54	60	-10.0	168	170	-1.0
Voice	22	25	-11.3	67	75	-10.7
Satellite	56	61	-8.1	176	186	-5.7
Total Wholesale Fixed	**132**	**145**	**-9.4**	**410**	**431**	**-4.7**
Operating revenue	**2,072**	**1,955**	**6.0**	**5,694**	**5,349**	**6.5**

"@" denotes more than +/- 500%.

SECTION 2 : GROUP CONSUMER

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$44 million (Q3 FY2018: A$78 million) for the quarter and A$91 million (YTD-December 2017: A$174 million) for the nine months ended 31 December 2018.

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 A$ m	2017 A$ m	Chge %	2018 A$ m	2017 A$ m	Chge %
Cost of sales	697	550	26.7	1,632	1,291	26.4
Selling & administrative	355	352	1.0	1,080	1,085	-0.5
Traffic expenses	226	218	3.8	662	617	7.3
Staff costs	145	171	-15.4	482	500	-3.6
Repair & maintenance	45	41	11.3	114	118	-2.8
Others	16	17	-6.3	34	50	-32.1
Operating expenses	**1,484**	**1,349**	**10.1**	**4,003**	**3,660**	**9.4**
Direct costs (1)	982	823	19.3	2,472	2,085	18.6
Other operating expenses	502	525	-4.4	1,531	1,575	-2.8
Operating expenses	**1,484**	**1,349**	**10.1**	**4,003**	**3,660**	**9.4**

Note:
(1) Comprise mainly cost of sales, traffic expenses and selling expenses directly attributable to revenue earned from sale of equipment and services rendered.

AUSTRALIA CONSUMER OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2018

Australia Consumer reported operating revenue growth of A$117 million or 6.0%. The growth was driven by higher Mobile revenue. Fixed revenues declined 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 8.0%.

Total Mobile revenue grew 12% mainly from higher equipment sales. Mobile service revenue declined 3.5% impacted by lower ARPU partly mitigated by postpaid customer growth. Postpaid ARPU declined 7.3% due to the increased mix of SIM-only plans and data price competition while prepaid handset ARPU declined 9.6% from heightened competition.

Postpaid handset customer base grew by 126,000[8] in the quarter, with branded handset customer base increasing by 154,000.

[8] Including Enterprise customers, Optus' total postpaid handset customer base grew 129,000.

SECTION 2 : GROUP CONSUMER

As at 31 December 2018, Optus' 4G network consisted of 7,242 sites which covered 97.2% of the Australian population. During the quarter, Optus launched more than 140 new sites – with over 70 of these in regional Australia.

Optus continued its multi-year 5G build plan as it acquired regional 3.6 GHz spectrum[9]. These new regional spectrum licences complement Optus' existing extensive 3.5 GHz holdings in the metropolitan areas and will enable Optus to offer 5G services to customers across Australia. In the quarter, Optus announced details of its game changing 5G Home Broadband service which is underpinned by a plan to deliver 1,200 5G sites by March 2020.

In Mass Market Fixed, operating revenue declined 8.7% due mainly to lower NBN HFC migrations. With the lifting of the NBN HFC suspension, migrations are expected to gather pace. Optus has recently agreed with NBN Co to make migration payments based on agreed rollout plans. Excluding NBN migration revenues, Mass Market Fixed revenue was stable on higher off-net revenue driven by NBN customer growth of 124,000 from a year ago offset by lower on-net revenue. Wholesale Fixed revenue declined 9.4% due mainly to expiry of certain transmission contracts and price erosion on renewals of long term satellite contracts.

Total operating expenses were higher by 10% driven by a shift in revenue mix to equipment sales and off-net NBN product which have resulted in increases in equipment cost of sales and traffic expenses. However, operating expenses (excluding direct costs) fell 4.4% due to strong cost control.

Other income in December quarter last year was boosted by a one-off dispute settlement.

EBITDA declined by 8.3% while EBIT declined 18% on lower NBN migration revenues and other income. Excluding both, underlying EBITDA and EBIT grew 3.1% and 3.9% respectively.

For The Nine Months Ended 31 December 2018

For the nine months, operating revenue grew 6.5%, while EBITDA and EBIT declined 2.7% and 9.0% respectively. Excluding NBN migration revenues and the dispute settlement, underlying EBITDA and EBIT grew 4.5% and 6.2% respectively.

[9] In December 2018, Optus acquired new regional 3.6 GHz spectrum licences earmarked for 5G telecommunications services. Optus won 47 regional lots for a total amount of A$185 million.

SECTION 2 : GROUP CONSUMER

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2018 were as follows:

	Quarter		
	31 Dec 2018 A$ m	30 Sep 2018 A$ m	QOQ Chge %
Operating revenue	**2,072**	**1,830**	**13.2**
Operating expenses	(1,484)	(1,292)	14.8
EBITDA	**615**	**574**	**7.3**
- margin	***29.7%***	***31.3%***	
EBIT	**288**	**249**	**15.6**
NBN migration revenues	44	23	95.0
Exclude NBN migration revenues			
Operating revenue	2,028	1,808	12.2
EBITDA	571	551	3.7
EBIT	244	227	7.8

Against the preceding quarter, EBITDA and EBIT improved due to higher operating revenue and strong cost control.

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 THIRD QUARTER ENDED 31 DECEMBER 2018

- **Operating revenue was stable at $1.61 billion.**
- **EBITDA down 9.0% to S$428 million.**
- **EBIT fell 13% to S$276 million.**
- **In constant currency terms[10], operating revenue grew 2.0%, EBITDA and EBIT declined 8.4% and 13% respectively.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

- **Operating revenue down 2.1% to S$4.70 billion.**
- **EBITDA down 6.9% to S$1.32 billion.**
- **EBIT fell 9.8% to S$864 million.**
- **In constant currency terms[10], operating revenue was stable while EBITDA and EBIT declined 6.3% and 9.7% respectively.**

[10] Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 31 December 2017.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE SUMMARY INCOME STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Operating revenue	**1,606**	**1,591**	**0.9**	**4,697**	**4,800**	**-2.1**
Operating expenses	(1,188)	(1,131)	5.1	(3,426)	(3,414)	0.4
	418	461	-9.3	1,272	1,386	-8.3
Other income [(1)]	11	10	5.0	45	28	61.1
EBITDA	**428**	**471**	**-9.0**	**1,317**	**1,415**	**-6.9**
- margin	***26.7%***	***29.6%***		***28.0%***	***29.5%***	
Depreciation & amortisation	(152)	(154)	-1.2	(453)	(456)	-0.8
EBIT	**276**	**317**	**-12.9**	**864**	**959**	**-9.8**
Global Cyber Security business						
Managed Security & Tech Services	119	105	13.7	332	305	8.7
Payment Card Industry Compliance	18	21	-11.2	57	78	-26.6
Operating revenue	137	125	9.7	389	383	1.5
EBITDA	(14)	(6)	123.4	(39)	(16)	152.3

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Cyber security	137	125	9.7	389	383	1.5
Other services [(2)]	488	454	7.6	1,371	1,412	-3.0
Managed services	626	579	8.0	1,760	1,795	-2.0
Business solutions [(3)]	145	130	11.7	435	403	8.1
ICT	771	709	8.7	2,195	2,198	-0.2
Data and Internet [(4)]	398	413	-3.6	1,213	1,254	-3.3
Mobile service	192	209	-8.3	591	629	-6.1
Sale of equipment	119	115	3.0	297	263	12.6
Mobile	311	325	-4.3	888	893	-0.6
Fixed voice	112	127	-11.7	356	402	-11.5
Others [(5)]	14	18	-20.5	46	53	-13.3
Operating revenue	**1,606**	**1,591**	**0.9**	**4,697**	**4,800**	**-2.1**
ICT as % of total revenue	***48%***	***45%***		***47%***	***46%***	

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 losses amounted to S$2 million (Q3 FY2018: S$0.4 million of loss) for the quarter and S$2 million (YTD-December 2017: S$6 million of loss) for the nine months ended 31 December 2018.

(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.

SECTION 3 : GROUP ENTERPRISE

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 S$ m	2017 S$ m	Chge %	2018 S$ m	2017 S$ m	Chge %
Cost of sales	520	433	20.2	1,387	1,300	6.7
Staff costs	347	379	-8.3	1,089	1,157	-5.9
Selling & administrative	157	157	-0.1	468	459	2.0
Traffic expenses	125	133	-6.0	375	403	-6.8
Repair, maintenance and others	39	30	32.2	106	96	11.3
Operating expenses	**1,188**	**1,131**	**5.1**	**3,426**	**3,414**	**0.4**
Direct costs (1)	786	705	11.5	2,205	2,154	2.3
Other operating expenses	402	426	-5.6	1,221	1,259	-3.1
Operating expenses	**1,188**	**1,131**	**5.1**	**3,426**	**3,414**	**0.4**

Note:

(1) Comprise mainly cost of sales, traffic expenses, staff costs and selling & administrative expenses directly attributable to revenue earned from sale of equipment and services rendered.

GROUP ENTERPRISE OPERATING HIGHLIGHTS

For the Third Quarter Ended 31 December 2018

Singapore contributed 79% (Q3 FY2018: 76%) and 89% (Q3 FY2018: 88%) to Group Enterprise's operating revenue and EBITDA respectively.

Group Enterprise's operating revenue was stable but grew 2.0% in constant currency terms due mainly to higher ICT revenue partially offset by lower legacy services. The growth was mainly driven by Singapore Enterprise. Optus Business recorded lower operating revenue in the quarter.

Cyber security revenue grew 9.7% supported by strong double-digit growth that was above market growth[11] in Asia Pacific despite continued decline in payment card industry compliance business.

Operating expenses increased 5.1% attributable mainly to higher direct costs. Cost of Sales was up on higher ICT project related equipment sales. Staff costs fell from a reduction in staff headcount with cost management initiatives. Traffic expenses declined on lower call and roaming traffic, and unit cost.

EBITDA declined 9.0%, impacted by the change in sales mix with ICT contributing 48% of total Group Enterprise's revenue, up from 45% in the same quarter last year. EBITDA was also adversely impacted by price competition amid a cautious business environment and investments in cyber security business and digitalisation programmes.

EBIT was down 13% after including lower depreciation and amortisation charges.

EBITDA and EBIT would have declined 8.4% and 13% respectively in constant currency terms.

[11] Gartner Forecast: Information Security, Worldwide, 2016-2022, 2Q18 Update, 25 July 2018 (Mature Asia/Pacific YOY growth rate of Security Services FY16 to FY22: 8.62%).

SECTION 3 : GROUP ENTERPRISE

In this quarter, Singtel's global cyber security business was consolidated under the new Trustwave brand. This strategic move allows the Group to offer a more comprehensive suite of managed security services. Trustwave was named a leader by IDC MarketScape 2018 Vendor Assessment for Incident Readiness, Response, and Resiliency Services.

Optus Business has expanded its offerings for Optus GO to include contact centre, security and storage. It also launched Singtel's Liquid Infrastructure, a new generation platform to help enterprises configure their networks with ease, thus supporting business requirements with greater control and agility.

Singtel was awarded the Southeast Asia and Singapore Managed Security Provider of the Year as well as Singapore Data Center Competitive Strategy, Innovation & Leadership by Frost & Sullivan APAC Best Practices Awards recently. It received an award for the Best Managed Infrastructure Services at the NetworkWorldAsia Reader's Choice Product Excellence Awards 2018.

For The Nine Months Ended 31 December 2018

Group Enterprise's operating revenue declined 2.1% but was stable in constant currency terms, as growth in ICT was offset by decline in legacy services especially voice and payment card compliance business.

EBITDA and EBIT fell 6.9% and 9.8% respectively from margin pressures, increased ICT revenue mix as well as investments in cyber business and digitalisation programmes.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2018 were as follows:

	Quarter		
	31 Dec 2018 S$ m	30 Sep 2018 S$ m	QOQ Chge %
Operating revenue	**1,606**	**1,573**	**2.1**
Operating expenses	(1,188)	(1,143)	3.9
EBITDA	**428**	**440**	**-2.7**
- margin	***26.7%***	***28.0%***	
EBIT	**276**	**289**	**-4.6**

Despite higher operating revenue, EBITDA declined 2.7% due to higher ICT revenue mix and pricing pressures.

SECTION 3 : GROUP ENTERPRISE

SINGAPORE ENTERPRISE

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Managed services [(1)]	478	422	13.4	1,276	1,291	-1.2
Business solutions [(2)]	145	130	11.7	435	403	8.1
ICT	623	552	13.0	1,711	1,694	1.0
Data and Internet [(3)]	326	332	-2.1	986	1,009	-2.3
Mobile service	148	164	-9.2	457	487	-6.1
Sale of equipment	98	93	5.4	226	201	12.4
Mobile	246	256	-3.9	683	688	-0.7
Fixed voice	54	59	-7.8	170	182	-6.5
Others [(4)]	14	18	-20.5	46	53	-13.3
Operating revenue	**1,263**	**1,217**	**3.8**	**3,596**	**3,626**	**-0.8**
EBITDA	**380**	**412**	**-7.6**	**1,152**	**1,221**	**-5.7**
- margin	***30.1%***	***33.8%***		***32.0%***	***33.7%***	

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 increased by 3.8% driven by higher ICT revenue partly offset by decline in traditional carriage services. EBITDA, however, declined 7.6% on increased mix of lower-margin ICT business, pricing pressures in legacy services, lower fixed voice and mobile roaming usage as well as investments in cyber business and digitalisation programmes.

ICT revenue grew 13% due to strong project related equipment sales this quarter.

NCS' order book remained stable at S$2.9 billion as at 31 December 2018.

Data and Internet revenue declined 2.1% from price erosion.

Mobile service revenue fell 9.2% due to price competition, lower international voice and roaming usage. Including higher equipment sales, total Mobile revenue fell 3.9%.

Fixed voice revenue fell 7.8% 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 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 A$ m	2017 A$ m	%	2018 A$ m	2017 A$ m	%
ICT and Managed Services	149	151	-1.3	484	478	1.1
Data and IP	73	77	-4.9	228	233	-2.2
Mobile (1)	66	66	-0.2	205	195	5.3
Voice	59	66	-10.5	186	209	-11.0
Operating revenue (2)	**347**	**360**	**-3.5**	**1,102**	**1,114**	**-1.1**
EBITDA	**49**	**57**	**-14.6**	**165**	**184**	**-10.2**
- margin	***14.0%***	***15.8%***		***15.0%***	***16.5%***	

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 fell 3.5%, impacted by continued price competition and longer sales cycles in a cautious environment. EBITDA declined 15% on declines in both revenue and ICT margins, partly mitigated by lower operating costs.

Data and IP decreased 4.9% due to price erosion and decline in legacy services as businesses migrated to lower cost IP-based solutions.

Voice revenue fell 11% with structural shifts in the market with continued declines in traditional usage volumes.

Optus Business continued to connect more enterprise customers with an increase of 11% in customer base from a year ago. Mobile revenue was stable year-on-year due to increase in mobile service revenue being offset by lower equipment sales.

In November 2018, Optus Business announced a A$12 million strategic partnership with major industrial company CSR Limited. Under this agreement, Optus will provide voice, data and mobile services across 150 Australian sites. It will deliver the foundation for CSR's technology transformation to bring improvement to user and end customer experience in a digitally-enabled future.

Optus expanded its cyber security capabilities with the acquisition of Hivint Pty Limited, an award-winning cyber security consulting company in Australia. This acquisition will strengthen Optus Business' cyber security capabilities as Hivint's advisory services will be integrated with Trustwave's security offerings across Australia and the Asia Pacific.

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 THIRD QUARTER ENDED 31 DECEMBER 2018

- **Including full quarter's contribution from Videology, operating revenue grew 17% to S$379 million.**
- **Negative EBITDA at S$16 million.**
- **Negative EBIT at S$32 million.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

- **Operating revenue grew 8.6% to S$950 million. In constant currency terms[12], operating revenue increased 9.4%.**
- **Negative EBITDA at S$74 million.**
- **Negative EBIT at S$117 million after including depreciation and amortisation charges.**

[12] Assuming constant exchange rates for the United States Dollar from the corresponding period ended 31 December 2017.

SECTION 4 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE SUMMARY INCOME STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Digital [1]	385	339	13.6	976	923	5.7
Others [2]	9	5	102.2	24	12	100.0
Operating revenue	**394**	**344**	**14.8**	**1,000**	**935**	**6.9**
Intercompany eliminations	(16)	(19)	-17.6	(50)	(60)	-17.1
Operating revenue	**379**	**325**	**16.7**	**950**	**875**	**8.6**
Operating expenses	(394)	(338)	16.6	(1,024)	(926)	10.6
	(15)	(13)	13.4	(74)	(51)	45.5
Other income	(1)	(1)	71.4	*	(1)	nm
EBITDA	**(16)**	**(14)**	**16.3**	**(74)**	**(51)**	**44.2**
Depreciation	(8)	(7)	4.1	(21)	(23)	-4.9
Amortisation of intangibles	(8)	(7)	18.5	(22)	(33)	-33.6
	(15)	(14)	10.8	(43)	(56)	-22.0
EBIT	**(32)**	**(28)**	**13.6**	**(117)**	**(107)**	**9.8**
<u>Amobee group</u>						
Operating revenue	385	339	13.6	976	923	5.7
Intercompany eliminations	(15)	(18)	-15.7	(48)	(58)	-16.4
Operating revenue	370	321	15.3	928	866	7.2
EBITDA	8	20	-59.6	(2)	31	nm
EBIT	(3)	9	nm	(34)	(9)	274.4

<u>Notes:</u>
(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 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Cost of sales	298	249	19.6	751	671	11.9
Staff costs	64	57	13.2	184	167	10.4
Selling & administrative	25	29	-13.3	73	78	-6.5
Others	7	4	97.2	16	10	53.8
Operating expenses	**394**	**338**	**16.6**	**1,024**	**926**	**10.6**

GROUP DIGITAL LIFE OPERATING HIGHLIGHTS

For The Third Quarter Ended 31 December 2018

Videology was acquired on 22 August 2018.

Operating revenue increased strongly by 17% from growth in Amobee's programmatic platform business and a full quarter's contribution from Videology. Amobee continues to grow its programmatic platform business through direct engagements with major brands (e.g. Boeing) and working with many Agencies Trading Desks (ATD). Amobee's revenue from its traditional media business, however, fell due to customers shifting their spend from managed to self-served programmatic platforms.

HOOQ doubled its revenue from the same quarter last year as it continued to grow its paying subscriber base in Southeast Asia and ramp up its business through new distribution partnerships in India.

Negative EBITDA amounted to S$16 million after inclusion of Videology's losses.

Amobee continues to differentiate in the industry through innovation and collaboration. During the quarter, Amobee signed a global partnership with Mastercard to deliver digital advertising for Mastercard worldwide. The partnership has been launched in ten countries to date, including the United States, Canada, South Africa, Australia, Vietnam and Singapore. Additional countries are slated for activation in 2019. Amobee also partnered with Place Exchange to launch one of the first truly programmatic marketplaces for out-of-home[13] media, offering Amobee's clients an integrated workflow to real-time bidding capabilities as well as planning, execution, and attribution alongside other digital channels on a single platform.

Through collaboration with Oracle Data Cloud, Amobee is also one of the first to activate third-party data across programmatic and social media through its platform. This gives marketers deep insights, through analytics, into how consumers are interacting with online ads and the ability to optimise the ads across channels, devices and segments.

Recently, HOOQ struck a new distribution partnership with Grab which allows Grab users to enjoy HOOQ's video service directly on Grab's platform. The partnership was launched first in Indonesia, to be followed by Singapore, the Philippines and Thailand.

[13] Out-of-home media advertising focus on marketing to consumers when they are in public places, in transit, waiting and/or in commercial locations (such as shopping malls). Traditional and digital billboard are examples of Out-of-home media format.

SECTION 4 : GROUP DIGITAL LIFE

HOOQ also entered into a landmark partnership with OVO, Indonesia's most widely accepted payments platform. This partnership will see HOOQ being integrated with OVO as a seamless video service, and enables customers to pay for and watch HOOQ content within the OVO environment.

HOOQ Originals continue to win industry recognition, dominating the inaugural Asian Academy Creative Awards with 12 nominations and 3 wins. 'The Murderer in Four Acts' swept the 2018 Citra Awards in Indonesia with 10 wins.

For The Nine Months Ended 31 December 2018

Operating revenue for the period increased 8.6% to S$950 million (up 9.4% in constant currency terms) mainly contributed by Amobee and HOOQ. Amobee's revenue included contribution from Videology and growth in its programmatic platform business. The growth was moderated by lower media business.

Negative EBITDA was S$74 million and negative EBIT was S$117 million.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 30 September 2018 were as follows:

	Quarter		QOQ Chge
	31 Dec 2018 S$ m	30 Sep 2018 S$ m	%
Operating revenue (before intercompany eliminations)	**394**	**329**	**19.9**
Intercompany eliminations	(16)	(16)	-4.9
Operating revenue	**379**	**313**	**21.2**
Operating expenses	(394)	(347)	13.6
EBITDA	**(16)**	**(34)**	**-52.2**
EBIT	**(32)**	**(49)**	**-35.5**

EBITDA improved mainly due to Amobee's higher seasonal revenue as well as lower operating expenses as the preceding quarter had recorded an adjustment for accrual of stock options expenses.

SECTION 5: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

- **Pre-tax and post-tax underlying profit[14] contributions from associates fell 33% and 31% respectively, mainly from Airtel.**

- **If the regional currencies had remained stable from last corresponding quarter, both the pre-tax and post-tax underlying profit[14] contributions from associates would have declined by 32% and 29% respectively. Excluding Airtel, both pre-tax and post-tax underlying profit[14] contributions from associates would have been stable.**

- **The Group's combined mobile customer base[15] declined by 40 million or 5.6% in the quarter to 677 million mainly from Airtel.**

FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

- **Pre-tax and post-tax underlying profit[14] contributions from associates declined 43% and 26% respectively, mainly from Airtel and Telkomsel.**

- **If the regional currencies had remained stable from last corresponding period, the pre-tax and post-tax underlying profit[14] contributions from associates would have declined 40% and 23% respectively.**

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

[15] 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 31 Dec		YOY Chge	Nine Months 31 Dec		YOY Chge
	2018 S$ m	2017 S$ m	%	2018 S$ m	2017 S$ m	%
Regional associates						
Telkomsel						
- operating results	304	329	-7.6	829	1,083	-23.4
- fair value gain	*	*	nm	3	*	nm
	305	329	-7.4	833	1,083	-23.1
AIS						
- operating results	79	88	-10.8	250	252	-0.9
- fair value gain	1	*	nm	2	1	242.9
	80	88	-9.6	252	253	-0.2
Bharti Telecom ("**BTL**")/ Bharti Airtel ("**Airtel**")						
Airtel [2]						
- operating results (India and South Asia) [3]	(50)	134	nm	(42)	522	nm
- operating results (Africa) [3]	86	80	8.1	263	188	40.0
- operating results (Assoc & JV)	(12)	(3)	244.1	(18)	(3)	@
- net finance costs	(154)	(166)	-6.9	(509)	(453)	12.4
- fair value gain/ (loss)	10	2	458.8	(31)	(30)	4.3
	(120)	46	nm	(337)	224	nm
BTL [4]	(9)	(8)	8.5	(31)	(1)	@
	(129)	38	nm	(368)	224	nm
Globe [2]						
- operating results	65	43	51.3	245	184	33.4
- fair value gain	*	2	nm	3	*	nm
	65	44	47.1	248	184	34.6
Intouch [2][5]						
- operating results	28	30	-8.0	91	90	1.8
- fair value gain	*	*	nm	*	1	nm
- amortisation of acquired intangibles	(7)	(6)	11.3	(21)	(19)	10.8
	21	24	-13.3	71	72	-0.8
	342	**523**	**-34.7**	**1,035**	**1,816**	**-43.0**
Other Singtel associates						
NetLink NBN Trust/ NetLink Trust ("**NLT**") [6]	13	13	1.5	38	70	-45.6
Other associates [2][7]	16	16	-2.5	43	48	-10.8
Singtel share of ordinary results (pre-tax)	**371**	**552**	**-32.9**	**1,116**	**1,934**	**-42.3**
Optus share of ordinary results (pre-tax)	*****	*****	**nm**	*****	*****	**nm**
Group share of ordinary results (pre-tax)	**371**	**553**	**-32.9**	**1,117**	**1,934**	**-42.3**
Exceptional items ("EI")						
Globe's one off items	-	-	-	-	24	nm
Airtel's one off items	-	-	-	-	(16)	nm
Group share of EI	**-**	**-**	**-**	**-**	**7**	**nm**
Singtel share of pre-tax profit [2]	**371**	**552**	**-32.9**	**1,116**	**1,941**	**-42.5**
Optus share of pre-tax profit	*****	*****	**nm**	*****	*****	**nm**
Group share of pre-tax profit [2]	**371**	**553**	**-32.9**	**1,117**	**1,941**	**-42.5**
(excluding Airtel and BTL)	*499*	*515*	*-3.0*	*1,485*	*1,734*	*-14.4*
Group share of tax expense [2]	**80**	**133**	**-40.2**	**65**	**519**	**-87.5**
Effective tax rate	***21.5%***	***24.1%***		***5.8%***	***26.8%***	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution [1]	Quarter 31 Dec 2018 S$ m	2018 % [8]	Quarter 31 Dec 2017 S$ m	2017 % [8]	YOY Chge %	Nine Months 31 Dec 2018 S$ m	2018 % [8]	Nine Months 31 Dec 2017 S$ m	2017 % [8]	YOY Chge %
Regional associates										
Telkomsel	227	33	248	26	-8.4	619	29	812	29	-23.7
AIS	67	10	74	8	-9.5	211	10	213	8	-1.1
Airtel [2]										
- ordinary results (India and South Asia) [3]	(103)		25		nm	(257)		134		nm
- ordinary results (Africa) [3]	38		15		150.3	112		(24)		nm
- ordinary results (Assoc & JV)	(12)		(3)		244.1	(18)		(3)		@
	(77)		37		nm	(163)		107		nm
- exceptional items (deferred tax credits etc)	-	-	-		-	121		(13)		nm
	(77)		37		nm	(42)		94		nm
BTL [4]	(9)		(12)		-24.4	(31)		(3)		@
	(86)	(13)	25	3	nm	(73)	(3)	90	3	nm
Globe [2]										
- ordinary results	42		30		42.8	168		126		33.6
- exceptional items	-		-		-	-		22		nm
	42	6	30	3	42.8	168	8	148	5	13.4
Intouch [2][5]										
- ordinary results	23		25		-8.1	75		74		1.3
- amortisation of acquired intangibles	(5)		(5)		8.0	(16)		(15)		10.1
	17	3	20	2	-12.2	59	3	59	2	-0.8
	268	**39**	**396**	**42**	**-32.4**	**984**	**46**	**1,323**	**48**	**-25.6**
Other Singtel associates										
NLT [6]	12	2	12	1	0.8	36	2	61	2	-41.3
Other associates [2][7]	12	2	13	1	-8.0	32	2	39	1	-17.0
Singtel share of post-tax profit [2]	**291**	**43**	**420**	**44**	**-30.7**	**1,052**	**49**	**1,423**	**51**	**-26.1**
Optus share of post-tax profit	*****	******	**(1)**	******	**nm**	*****	******	**(1)**	******	**nm**
Group share of post-tax profit [2]	**291**	**43**	**420**	**44**	**-30.6**	**1,052**	**49**	**1,422**	**51**	**-26.1**
(excluding Airtel and BTL)	*377*		*395*		*-4.6*	*1,125*		*1,332*		*-15.6*

Post-tax profit contribution (in constant currency) [9]	Quarter 31 Dec 2018 S$ m	Quarter 31 Dec 2017 S$ m	YOY Chge %	Nine Months 31 Dec 2018 S$ m	Nine Months 31 Dec 2017 S$ m	YOY Chge %
Regional associates						
- operating results	343	526	-34.8	1,126	1,862	-39.5
- fair value gains/ (losses)	12	3	264.7	(25)	(28)	-10.0
- amortisation of acquired intangibles	(7)	(6)	9.7	(20)	(19)	8.6
	349	523	-33.4	1,081	1,816	-40.5
Other associates	29	29	-0.7	81	119	-31.5
Group share of ordinary results	**378**	**553**	**-31.7**	**1,162**	**1,934**	**-39.9**
Group share of exceptional items	-	-	-	-	7	nm
Group share of pre-tax profit	**378**	**553**	**-31.7**	**1,162**	**1,941**	**-40.2**
Group share of tax expense	(81)	(133)	-39.4	(59)	(519)	-88.6
Group share of post-tax profit	**297**	**420**	**-29.2**	**1,102**	**1,422**	**-22.5**
Excluding Airtel and BTL						
Group share of pre-tax profit	**521**	**515**	**1.1**	**1,564**	**1,734**	**-9.8**
Group share of tax expense	(128)	(120)	6.8	(382)	(402)	-5.0
Group share of post-tax profit	**392**	**395**	**-0.6**	**1,182**	**1,332**	**-11.3**

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 the associated finance costs previously included under 'India and South Asia' have been included under 'Africa'. Comparatives have accordingly been restated.

(4) As at 31 December 2018, Bharti Telecom Limited ("**BTL**") holds an equity interest of 50.1% in Airtel. In BTL's standalone books, its loss mainly comprised of interest charges on debt arising from acquisition of additional equity interest in Airtel in FY2018.

(5) Singtel holds an equity interest of 21.0% in Intouch which 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 (Q3 FY2018: S$5 million) for the current quarter and S$15 million (YTD-December 2017: S$27 million) for the nine months ended 31 December 2018 on assets previously transferred to NetLink Trust, but excluded the 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 periods ended 31 December 2017.

"" denotes less than +/- S$0.5 million, "**" denotes less than +/- 0.05% and "@" denotes more than +/- 500%.*

Pre-tax and post-tax underlying profit contributions from the associates fell 33% and 31% respectively. If the regional currencies had remained stable from the last corresponding quarter, the associates' pre-tax and post-tax underlying profit contributions would have declined by 32% and 29% respectively mainly due to Airtel.

The associates' underlying profit contributions contributed 43% to the Group's underlying net profit, down 1 percentage point from the same quarter last year.

Telkomsel's earnings were flat with stable revenue and EBITDA. Its profit contribution to the Group was however impacted by 8% depreciation of the Indonesian Rupiah. Airtel recorded weaker earnings adversely impacted by sustained pricing pressures in India, partially mitigated by improved performance in Africa. AIS recorded lower earnings as higher service revenue was offset by higher marketing spend and depreciation charges from network investments. Globe recorded another quarter of strong double-digit growth in earnings driven by higher revenue and EBITDA.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 189,100 radio base stations (of which 73% 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 5,900 4G radio base stations.

Operating revenue for the quarter was stable. The strong 20% growth in data and digital services was mitigated by 26% decline in voice and SMS revenues. EBITDA was stable with higher operation and maintenance costs from accelerated deployment of 4G network and increased administrative expenses offset by lower marketing expenses.

Compared to the preceding quarter, EBITDA increased 3% with 2% growth in operating revenue.

Year-on-year, Telkomsel's pre-tax profit was stable in Indonesian Rupiah terms. After accounting for the 8% depreciation of the Indonesian Rupiah, the Group's share of Telkomsel's pre-tax profit fell 7.4%.

On a post-tax basis, Telkomsel's profit contribution for the quarter declined 8.4% and constituted 33% of the Group's underlying net profit, up from 26% in the last corresponding quarter.

Telkomsel's total mobile customer base fell 4.8 million from a quarter ago, and 33 million from a year ago, to 163 million (including 107 million of data customers) as at 31 December 2018 on churns as a result of the mandatory SIM card registration exercise. The churns were mostly from the non-revenue generating base.

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.

In the current quarter, AIS' service revenue (excluding interconnect and equipment rental) rose 3% on increases in mobile services and fixed broadband revenues, as well as consolidation of CS Loxinfo acquired in January 2018.

EBITDA, however, declined 2% as service revenue growth was offset by higher handset subsidy and advertising spend.

Including higher depreciation charges from network investments, AIS' pre-tax profit declined 11% in Thai Baht terms. With 2% appreciation of the Thai Baht against the Singapore Dollar, the Group's share of AIS' pre-tax profit declined by 9.6% to S$80 million.

On a post-tax basis, AIS' profit contribution for the quarter fell 9.5% to S$67 million and contributed 10% to the Group's underlying net profit, up 2 percentage points from the last corresponding quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Against the preceding quarter, EBITDA grew 1% on service revenue growth partly offset by higher marketing spend.

AIS continued to focus on the acquisition and retention of quality customers in its postpaid segment. As at 31 December 2018, its mobile customer base grew by 0.5 million to 41 million, consistent to the 0.5 million added in the preceding quarter. Compared to a year ago, its mobile customer base expanded by 1.1 million. The number of postpaid customers increased by 0.8 million from a year ago as AIS pushed for migration from prepaid to postpaid.

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 18 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 Money extends its product portfolio to offer convenience of payments and money transfers on mobile phones. Airtel also owns telecom tower infrastructure through its subsidiary and joint venture company.

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”)

During the quarter, Airtel continued to be adversely impacted by the continued disruptive price competition from an operator intent on aggressive market share expansion.

Operating revenue in India fell 3% primarily led by a drop of 5% in mobile service revenue on ARPU contraction partly mitigated by growth in other segments. With continued rise in penetration of bundled offers which offered unlimited voice calls and generous data allowance, voice usage grew a robust 42% while data volume rose steeply by more than 2 times. The higher usage, however, could not offset the impact of the sustained pricing pressure. Consequently, mobile ARPU declined to Rs.104 this quarter from Rs.123 in the same quarter last year. Compared to the preceding quarter, however, mobile ARPU grew 4% after 9 quarters of consecutive decline following the introduction of minimum recharge plans.

With lower operating revenue, EBITDA correspondingly declined 29%.

After accounting for higher depreciation and amortisation charges on higher capex spend mainly on enhancing 4G capabilities, and the steep 10% depreciation of the Indian Rupee against the Singapore Dollar, the Group’s share of pre-tax operating results (before finance costs and fair value adjustments) from India and South Asia turned into a loss at S$50 million, compared to a profit of S$134 million in the same quarter last year.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Compared to the preceding quarter, Airtel's revenue from its India and South Asia operations was stable while EBITDA declined 3% on increase in network expenses from accelerated 4G rollout.

Airtel's mobile customer base declined by 49 million this quarter. Effective December 2018, prepaid customers are counted only if they generate revenue through recharge, billing or any outgoing activity. As at 31 December 2018, Airtel had 284 million of mobile customers, a decrease of 5.9 million from a year ago. The number of data customers increased by 9.8 million this quarter, bringing the total number of data customers to 108 million as at 31 December 2018. The data customer base represented 38% of Airtel's total mobile customer base in India, up from 24% a year ago.

Africa

Following US$1.25 billion of investments by six leading global investors in October 2018, Qatar Investment Authority, the sovereign wealth fund of the State of Qatar, invested US$200 million in Airtel Africa in January 2019.

As at 31 December 2018, 'Airtel Money' and 3G services were available across all the 14 African countries[16] that Airtel has presence in, while 4G services were available in 11 African countries.

Airtel Africa continued to report strong growth momentum this quarter.

In reported US Dollar terms, operating revenue and EBITDA grew 4% and 9% respectively.

In constant US Dollar terms, Africa's operating revenue grew 11% and EBITDA was up a robust 16% due to continued strong growth in data and increased penetration of Airtel Money. Its margin rose to another record high of 37.2% this quarter.

Compared to the preceding quarter, in constant currency terms, Airtel Africa's revenue and EBITDA both grew 4%.

Including higher depreciation and amortisation charges on investment in data capacities, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) grew 8.1% to S$86 million.

As at 31 December 2018, the mobile customer base was 98 million, up 3.8 million from a quarter ago and 14 million from a year ago. The number of data customers was 29 million, representing 30% of total mobile customer base, up from 28% a year ago.

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

SECTION 5 : ASSOCIATES/ JOINT VENTURES

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

On a consolidated basis, Airtel's operating revenue was stable while EBITDA and EBIT declined 17% and 70% respectively. Including higher investment income and fair value gains partially offset by higher borrowing costs, the Group's share of overall pre-tax operating results from Airtel was a loss of S$120 million compared to a profit of S$46 million in the same quarter last year. The Group's share of Airtel's post-tax loss was S$77 million (Q3 FY2018: post-tax profit of S$37 million).

Airtel recorded some one-off items this quarter which have been classified as exceptional items of the Group. The exceptional items comprised mainly fair value gain on deconsolidation of a subsidiary and reversal of certain levy accruals partially offset by network refarming and litigation related charges.

Airtel's total mobile customer base across all geographies in India, Sri Lanka and Africa fell 45 million in the quarter but grew 8.3 million from a year ago to 385 million as at 31 December 2018.

Airtel Group combined with BTL

The Group's share of BTL's net loss of S$9 million comprised mainly of net finance expense. When combined, the Group's share of post-tax loss of Airtel Group and BTL amounted to S$86 million, compared to a post-tax profit contribution of S$25 million in the same quarter last year.

Globe Telecom, Inc ("Globe")

Globe is listed on the Philippine Stock Exchange.

Globe continued to register strong growth this quarter. Service revenue was up 13%[17] year-on-year mainly driven by sustained growth in data revenue from increased demand for internet services and continued expansion of mobile networks. With higher operating revenue partly offset by higher staff costs, Globe registered double-digit growth of 24%[17] in EBITDA.

After including higher depreciation charges and finance costs from its network infrastructure investments, Globe's pre-tax profit (excluding impairment charges for investments classified under exceptional items of the Group in the last corresponding quarter) grew 51% in Philippine Peso terms. With 3% depreciation of the Philippine Peso, the Group's share of Globe's pre-tax profit contribution was up a robust 47% to S$65 million.

On a post-tax basis, Globe contributed S$42 million or 6% of the Group's underlying net profit, up 3 percentage points from the comparative quarter.

Against the preceding quarter, Globe's EBITDA declined 4%[17] mainly on higher staff costs and network expenses, partly offset by service revenue growth of 5%[17].

[17] Based on pre *SFRS(I) 9, Financial Instruments* and *SFRS(I)* 15, *Revenue from Contracts with Customers* basis.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

As at 31 December 2018, Globe's total mobile customer base expanded by 8.7 million this quarter, up from 0.2 million added in the preceding quarter. The increase was due partly to the extension of the prepaid load expiry from 3 months to 12 months. Compared to a year ago, its mobile customer base was up 13 million or 22%.

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, excluding net impairment charges for Thaicom's satellite business classified under exceptional items of the Group, declined 8.1% to S$23 million on lower contribution from AIS. After including amortisation of acquired intangibles of S$5 million (Q3 FY2018: S$5 million), Intouch's post-tax profit contribution fell 12% to S$17 million which constituted 3% (Q3 FY2018: 2%) of the Group's underlying net profit.

Against the preceding quarter, Intouch's net profit declined on lower contribution from Thaicom.

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 31 Dec 2018 S$ m	Quarter 31 Dec 2017 S$ m	YOY Chge %	Nine Months 31 Dec 2018 S$ m	Nine Months 31 Dec 2017 S$ m	YOY Chge %
Group operating revenue						
Optus	2,386	2,408	-0.9	6,784	6,805	-0.3
Singapore	1,733	1,719	0.8	4,911	4,899	0.2
Other overseas subsidiaries (incl. Amobee & Trustwave)	507	456	11.2	1,335	1,303	2.4
	4,626	**4,583**	**0.9**	**13,030**	**13,006**	**0.2**
Proportionate share of associates' revenue						
Regional associates	3,190	3,287	-3.0	9,537	10,056	-5.2
Singapore associates (1)	144	115	24.9	391	421	-7.2
Other overseas associates	12	11	7.5	35	34	3.0
	3,345	**3,413**	**-2.0**	**9,962**	**10,511**	**-5.2**
Enlarged revenue	**7,971**	**7,996**	**-0.3**	**22,992**	**23,517**	**-2.2**
% of overseas revenue to enlarged revenue	***77%***	***77%***		***77%***	***77%***	

Note:

(1) Contribution for the nine months was impacted by the reduction in Singtel's economic interest in NetLink NBN Trust in July 2017.

The strong Singapore Dollar has adversely impacted the translated revenue from Optus and the regional associates.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter 31 Dec 2018 S$ m	Quarter 31 Dec 2017 S$ m	YOY Chge %	Nine Months 31 Dec 2018 S$ m	Nine Months 31 Dec 2017 S$ m	YOY Chge %
Group EBITDA						
Optus	655	757	-13.4	1,948	2,125	-8.3
Singapore	595	631	-5.8	1,777	1,854	-4.1
Other overseas subsidiaries (incl. Amobee & Trustwave)	(59)	(56)	5.9	(200)	(159)	25.8
	1,190	**1,331**	**-10.6**	**3,526**	**3,820**	**-7.7**
Proportionate share of associates' EBITDA (1)						
Regional associates	1,283	1,430	-10.3	3,911	4,459	-12.3
Singapore associates (2)	33	32	5.4	91	144	-36.9
Other overseas associates	11	10	15.2	36	28	25.4
	1,328	**1,472**	**-9.8**	**4,037**	**4,631**	**-12.8**
Total proportionate EBITDA (1)	**2,518**	**2,803**	**-10.2**	**7,563**	**8,451**	**-10.5**
Overseas as a % to total proportionate EBITDA	***75%***	***76%***		***75%***	***76%***	
Contributions to total proportionate EBITDA						
Regional associates	51%	51%		52%	53%	
Australia	26%	27%		26%	25%	
Singapore	25%	24%		25%	24%	
Others	-2%	-2%		-2%	-2%	
	100%	**100%**		**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 for the nine months was impacted by the reduction in Singtel's economic interest in NetLink NBN Trust in July 2017.

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 75% (Q3 FY2018: 76%) to the Group's total proportionate EBITDA.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share [1]		
	31 Dec 2018	30 Sep 2018	31 Dec 2017	31 Dec 2018	30 Sep 2018	31 Dec 2017
Singtel	4,183	4,126	4,109	4,183	4,126	4,109
Optus	10,247	10,171	9,952	10,247	10,171	9,952
	14,430	**14,297**	**14,061**	**14,430**	**14,297**	**14,061**
Regional Associates						
Airtel						
- *India*	284,224	332,764	290,113	112,297	131,475	112,100
- *Africa*	97,922	94,096	84,130	33,225	37,177	32,508
- *South Asia*	2,510	2,427	2,150	992	959	831
	384,656	429,287	376,393	146,514	169,611	145,439
Telkomsel	162,988	167,809	196,322	57,046	58,733	68,713
AIS	41,169	40,647	40,056	9,601	9,479	9,341
Intouch's share of AIS	NM	NM	NM	3,495	3,451	3,401
Globe	74,094	65,360	60,686	34,883	30,771	28,601
	662,907	**703,103**	**673,457**	**251,539**	**272,045**	**255,495**
Group	**677,337**	**717,400**	**687,518**	**265,969**	**286,342**	**269,556**

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 677 million as at 31 December 2018, down by 40 million or 5.6% from a quarter ago mainly on decline in India. Compared to a year ago, the combined mobile customer base declined 10 million or 1.5%.

OTHER INFORMATION

In this quarter, Singtel Dash announced the expansion of its payment capabilities to allow mobile payments across the globe. Dash users can now use their Visa virtual accounts for online transactions and merchant points using their phones to make NFC payments worldwide at Visa's payWave terminals. On top of this, iPhone users can now also use Dash for online and offline purchases via Apple Pay.

In January 2019, Singtel Dash announced the expansion of its cross-border remittance services to Myanmar. From March 2019, Myanmar citizens in Singapore will have access to a quick and convenient mobile solution that allows them to transfer money safely and securely to banks, cash-pick up services and mobile wallets back home. Myanmar will be the sixth country to which Singtel Dash offers remittance services, joining the Philippines, Indonesia, India, Bangladesh, and China.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

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

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 S$ m	2017 S$ m	Chge %	2018 S$ m	2017 S$ m	Chge %
Telkomsel [2]						
- final dividend FY 2017 / 2016	-	-	-	954	724	31.8
- special dividend FY 2016	-	294	nm	-	294	nm
	-	294	nm	954	1,018	-6.2
AIS [3]						
- interim dividend FY 2018 / FY 2017	-	-	-	109	99	10.6
- final dividend FY 2017 / 2016	-	-	-	102	119	-13.8
	-	-	-	211	217	-2.7
Globe [4]						
- quarterly dividend FY 2017/ FY 2016	36	38	-3.7	108	116	-7.1
Intouch [5]						
- interim dividend FY 2018 / FY 2017	-	-	-	43	34	26.3
- final dividend FY 2017/ FY 2016	-	-	-	35	44	-19.0
	-	-	-	79	78	0.9
Airtel [6]						
- interim dividend FY 2019	29	-	nm	29	-	nm
- final dividend FY 2018/ FY 2017	-	-	-	30	13	137.0
	29	-	nm	59	13	362.2
Regional associates	**65**	**331**	**-80.5**	**1,411**	**1,442**	**-2.1**
Other associates						
NetLink NBN Trust/ NetLink Trust [7]	24	-	nm	55	76	-27.6
Southern Cross [8]	-	-	-	10	11	-4.6
Others	10	12	-17.1	32	23	36.4
	34	12	174.8	97	110	-11.8
Total	**99**	**343**	**-71.3**	**1,508**	**1,552**	**-2.8**

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) 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 interim dividend for FY2018 in August 2018.

(4) Globe paid its fourth quarterly dividend of PHP 22.75 per common share for FY2017 in December 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 for FY2018 in March 2019. The Group's share of this dividend is approximately S$37 million. In November 2018, Globe changed its dividend policy from 75%-90% to 60%-75% of prior year's core net profit for its dividend declaration for FY2018 onwards.

(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 interim dividend for FY2018 in August 2018.

(6) Airtel does not have a fixed dividend policy. The Group received its share of the final dividend from its direct stake of 15.01% in August 2018. Airtel declared an interim dividend of INR 2.5 per common share in respect of its net profit for FY2019. The Group received its share of the interim dividend of S$29 million in November 2018.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

(7) 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 Trust 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$24 million in November 2018.

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

The total dividends from the associates fell 71% to S$99 million due mainly to timing of dividend from Telkomsel, partly offset by dividends received from Airtel and NetLink NBN Trust.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

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$4.68 bil [4]	S$1.93 bil	S$1.20 bil	S$1.59 bil	S$1.02 bil
Closing market share price [5]	INR 313	NA	THB 173 [6]	THB 48 [6]	PHP 1,900
Market capitalisation					
- Total	S$24.39 bil	NA	S$21.52 bil	S$6.43 bil	S$6.57 bil
- Singtel holding	S$9.64 bil	NA	S$5.02 bil	S$1.35 bil	S$3.09 bil
Operational Performance :					
Mobile penetration rate [7]	91%	122%	137%	NM	118%
Market share, 31 December 2018 [7]	28.3%	50.0%	45.1%	NM	53.0%
Market share, 30 September 2018 [8]	29.0%	50.7%	44.8%	NM	53.0%
Market position [9]	#2	#1	#1	NM	#1
Mobile customers ('000)					
- Aggregate	384,656	162,988	41,169	NM	74,094
- Proportionate	146,514	57,046	9,601	3,495	34,883
Growth in mobile customers (%) [10]	2.2%	-17%	2.8%	NM	22%
Credit ratings					
- Sovereign (Moody's/ S&P Global)	Baa2/BBB-	Baa2/BBB-	Baa1/BBB+	Baa1/BBB+	Baa2/BBB
- Company (Moody's/ S&P Global)	Ba1/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) In October 2018, Singtel completed its subscription of 168.4 million shares in Airtel Africa Limited for a consideration of S$344 million (US$250 million). This represented 5.7% interest in Airtel Africa Limited which Singtel accounted as a 'Fair Value through Other Comprehensive Income' investment.
(5) Based on closing market price in local currency as of 31 December 2018.
(6) Based on local market price quoted on the Stock Exchange of Thailand.
(7) Based on actual data or latest data available as of 31 December 2018.
(8) Based on actual data.
(9) Based on number of mobile customers and based on actual data or latest data available as of 31 December 2018.
(10) Compared against 31 December 2017 and based on aggregate number of mobile customers.

NA denotes not applicable and NM denotes not meaningful.

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

SECTION 6 : PRODUCT INFORMATION

SINGAPORE MOBILE (PRODUCT VIEW)

	Quarter			Nine Months		YOY
	31 Dec 2018	30 Sep 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	Chge %
Mobile revenue (S$'M) [1]	**696**	**609**	**732**	**1,896**	**1,905**	**-0.5**
Mobile service revenue (S$'M) [2]	**410**	**411**	**436**	**1,242**	**1,308**	**-5.0**
Number of mobile subscribers (000s)						
Prepaid	1,641	1,620	1,679	1,641	1,679	-2.3
Postpaid	2,542	2,506	2,430	2,542	2,430	4.6
Total	**4,183**	**4,126**	**4,109**	**4,183**	**4,109**	**1.8**
Number of 4G mobile subscribers (000s)	**3,101**	**3,014**	**2,701**	**3,101**	**2,701**	**14.8**
Average revenue per subscriber per month [3][4] **(S$ per month)**						
Prepaid	18	18	18	18	18	-0.6
Postpaid	43	43	49	44	49	-9.7
Blended	**33**	**33**	**36**	**34**	**36**	**-6.4**
Postpaid (pre SFRS(I) 15 basis)	*60*	*60*	*64*	*60*	*65*	*-6.5*
Data services as % of ARPU [5]	***64%***	***62%***	***62%***	***63%***	***61%***	
Postpaid external churn per month [6]	*0.9%*	*0.8%*	*1.1%*	*0.9%*	*0.9%*	
Singapore mobile penetration rate [7]	***147.4%***	***147.7%***	***150.8%***	***147.4%***	***150.8%***	
Market share [7]						
Prepaid	*55.3%*	*53.3%*	*49.9%*	*55.3%*	*49.9%*	
Postpaid	*47.6%*	*47.7%*	*47.7%*	*47.6%*	*47.7%*	
Overall	***50.3%***	***49.8%***	***48.6%***	***50.3%***	***48.6%***	

Notes:

(1) This comprises mobile service revenue, sales of equipment and handset leasing.

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

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

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

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

(6) 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.

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

SECTION 6 : PRODUCT INFORMATION

AUSTRALIA MOBILE (PRODUCT VIEW)

	Quarter			Nine Months		YOY
	31 Dec 2018	30 Sep 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	Chge %
Optus' mobile revenue (A$'M) [1]	**1,652**	**1,422**	**1,487**	**4,460**	**4,022**	**10.9**
Optus' mobile service revenue (A$'M)	**942**	**943**	**974**	**2,848**	**2,879**	**-1.1**
Optus' mobile outgoing service revenue (A$M)	**888**	**888**	**918**	**2,684**	**2,718**	**-1.3**
Number of mobile subscribers (000s)						
Prepaid Handset	3,532	3,604	3,672	3,532	3,672	-3.8
Postpaid Handset	5,557	5,428	5,203	5,557	5,203	6.8
Mobile Broadband [2]	1,159	1,139	1,077	1,159	1,077	7.6
Total	**10,247**	**10,171**	**9,952**	**10,247**	**9,952**	**3.0**
Number of 4G mobile subscribers (000s) [3]	**6,557**	**6,483**	**6,193**	**6,557**	**6,193**	**5.9**
Mobile penetration rate	***ND***	***ND***	***ND***	***ND***	***ND***	
ARPU per month (A$) [4]						
Prepaid Handset	18	19	20	19	21	-8.5
Postpaid Handset	41	41	44	42	44	-5.6
Mobile Broadband [2]	20	21	21	21	21	0.2
Blended	**31**	**31**	**33**	**31**	**33**	**-4.8**
Postpaid Handset (pre SFRS(I) 15 & DRP service credit basis)	*56*	*57*	*60*	*57*	*59*	**-3.5**
Data revenue as a % of service revenue	***79%***	***79%***	***80%***	***79%***	***80%***	
Market share	***ND***	***ND***	***ND***	***ND***	***ND***	
Retail postpaid churn rate per month [5]	***1.4%***	***1.3%***	***1.5%***	***1.5%***	***1.5%***	

Notes:

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

(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) Based on average number of customers, calculated as the simple average of opening and closing number of customers. Excludes equipment revenue.

(5) Churn calculation excludes customers transferring from postpaid to prepaid.

"*ND" denotes not disclosed.*

SECTION 6 : PRODUCT INFORMATION

Singtel TV (PRODUCT VIEW)

	Quarter			Nine Months		YOY
	31 Dec 2018	30 Sep 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	Chge %
Singtel TV revenue [1] (S$'M)	54	72	58	198	185	7.4
Average revenue per residential TV customer per month [1] (S$ per month)	41	45	41	43	41	4.6
Number of residential TV customers (000s)	381	383	401	381	401	-5.1

Note:

(1) Excluding 2018 FIFA World Cup revenue, Singtel TV revenue would be S$165 million and ARPU would be S$41 for the nine months ended 31 December 2018.

SINGAPORE CONSUMER HOME

	Quarter			Nine Months		YOY
	31 Dec 2018	30 Sep 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	Chge %
Singapore Consumer home revenue (S$'M) [1][2]	133	148	135	431	417	3.3
Number of households on triple/ quad play services (000s) [3] [4]	515	513	510	515	510	1.0

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$403 million for the nine months ended 31 December 2018.

(3) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, Singtel TV, fixed voice and mobile.

(4) Comparatives have been restated to be consistent with the current quarter/ period.

SECTION 6 : PRODUCT INFORMATION

OTHER PRODUCTS

Singapore	Quarter 31 Dec 2018	Quarter 30 Sep 2018	Quarter 31 Dec 2017	Nine Months 31 Dec 2018	Nine Months 31 Dec 2017	YOY Chge %
Internet						
Number of fixed broadband lines (000s) (1)	628	624	617	628	617	1.8
Singapore fixed broadband penetration rate (2)	*93.2%*	*92.6%*	*94.5%*	*93.2%*	*94.5%*	
Fixed broadband market share (3)(4)	*42.5%*	*42.3%*	*42.1%*	*42.5%*	*42.1%*	
Fibre broadband market share (4)	*46.4%*	*46.6%*	*47.3%*	*46.4%*	*47.3%*	
International Telephone (for both fixed & mobile calls)						
International telephone outgoing minutes (m mins) (excl Malaysia)	429	483	526	1,440	1,679	-14.3
Average collection rate - net basis (S$/ min) (excl Malaysia)	0.088	0.087	0.093	0.087	0.092	-5.4
National Telephone						
Fixed working lines (000s) (5)						
Residential	751	758	771	751	771	-2.6
Business	609	621	654	609	654	-6.9
Total	1,360	1,379	1,425	1,360	1,425	-4.6
Singapore fixed line penetration rate (6)	*35.1%*	*35.1%*	*35.3%*	*35.1%*	*35.3%*	
Singapore fixed working lines ('000s) (6)	*1,969*	*1,978*	*1,983*	*1,969*	*1,983*	
Fixed line market share (6)	*69.1%*	*69.7%*	*71.9%*	*69.1%*	*71.9%*	

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 31 December 2018 was based on IMDA's latest available published statistics as of 30 November 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 31 December 2018 was based on IMDA's latest available published statistics as of 30 November 2018.

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

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

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter 31 Dec 2018	30 Sep 2018	31 Dec 2017	Nine Months 31 Dec 2018	31 Dec 2017	YOY Chge %
Mass Market Fixed						
On-net ARPU (A$) (1)						
Voice (2)	28	31	31	30	32	-7.2
Broadband (2)(3)	57	55	56	56	56	-0.2
Telephony customers ('000)						
HFC (4)	387	399	401	387	401	-3.6
ULL (5)	273	293	342	273	342	-20.1
On-net	**660**	**692**	**743**	**660**	**743**	**-11.2**
Resale	31	34	45	31	45	-31.2
NBN	560	520	415	560	415	35.0
Off-net	**591**	**555**	**460**	**591**	**460**	**28.4**
TV customers (000s)	**513**	**515**	**474**	**513**	**474**	**8.2**
Broadband customers (000s)						
On-net						
HFC broadband	381	391	394	381	394	-3.3
ULL broadband (5)	282	303	354	282	354	-20.5
Business grade broadband	24	24	25	24	25	-3.9
	686	719	773	686	773	-11.2
Off-net						
Broadband	21	23	34	21	34	-40.3
NBN	540	516	416	540	416	29.9
Total Broadband customers	**1,247**	**1,257**	**1,223**	**1,247**	**1,223**	**1.9**

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/ period.
(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.

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.
"DRP"	Device repayment plans.
"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.
"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.
"SFRS(I)"	Singapore Financial Reporting Standards (International).
"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 Third Quarter Ended 31 December 2018

	Quarter 31 Dec							YOY Chge
	2018			2018		2018	2017	
	Singapore S$ m	Asso/JV S$ m	Corp S$ m	Singtel S$ m	Optus S$ m	Group S$ m	Group S$ m	%
Operating revenue	**2,240**	**-**	**-**	**2,240**	**2,386**	**4,626**	**4,583**	**0.9**
Operating expenses	(1,722)	-	-	(1,722)	(1,761)	(3,483)	(3,333)	4.5
	518	-	-	518	625	1,143	1,250	-8.6
Other income	17	-	-	17	30	47	81	-41.7
EBITDA	**535**	**-**	**-**	**535**	**655**	**1,190**	**1,331**	**-10.6**
- EBITDA margin	***23.9%***	**-**	**-**	***23.9%***	***27.4%***	***25.7%***	***29.0%***	
Share of associates' pre-tax profits								
Regional associates	-	*342*	-	*342*	-	*342*	*523*	*-34.7*
Other associates	-	*29*	-	*29*	*	*29*	*29*	*-0.7*
	-	**371**	**-**	**371**	*****	**371**	**553**	**-32.9**
EBITDA and share of associates' pre-tax profits	**535**	**371**	**-**	**906**	**655**	**1,561**	**1,884**	**-17.2**
Depreciation & amortisation	(186)	-	-	(186)	(368)	(553)	(563)	-1.7
EBIT	**349**	**371**	**-**	**720**	**288**	**1,007**	**1,321**	**-23.7**
Net finance expense								
- net interest expense	(52)	-	-	(52)	(49)	(100)	(94)	6.9
- other finance income	1	-	-	1	1	2	13	-84.6
	(51)	-	-	(51)	(48)	(98)	(81)	21.7
Profit before EI and tax	**299**	**371**	**-**	**669**	**240**	**909**	**1,240**	**-26.7**
Taxation								
- current and deferred taxes	(66)	-	-	(66)	(69)	(135)	(130)	3.5
- share of taxes of associates	-	(79)	-	(79)	*	(80)	(133)	-40.2
- withholding taxes (1)	-	-	(21)	(21)	-	(21)	(35)	-41.2
	(66)	(79)	(21)	(166)	(70)	(235)	(299)	-21.2
Profit/ (Loss) after tax	**233**	**291**	**(21)**	**504**	**170**	**674**	**942**	**-28.4**
Minority interests	6	-	-	6	-	6	8	-26.3
Underlying net profit/ (loss)	**239**	**291**	**(21)**	**510**	**170**	**680**	**950**	**-28.4**
(exclude Airtel and BTL) (2)	*239*	*377*	*(21)*	*595*	*170*	*765*	*925*	*-17.2*
Exceptional items (post-tax)	57	86	*	143	*	143	10	@
Net profit/ (loss)	**296**	**378**	**(20)**	**653**	**170**	**823**	**959**	**-14.2**
(exclude Airtel and BTL) (2)	*296*	*374*	*(20)*	*650*	*170*	*820*	*946*	*-13.4*

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 and "@" denotes more than +/- 500%*

GROUP SUMMARY INCOME STATEMENTS
For The Nine Months Ended 31 December 2018

	Nine Months 31 Dec							YOY Chge
	2018			2018		2018	2017	
	Singapore S$ m	Asso/JV S$ m	Corp S$ m	Singtel S$ m	Optus S$ m	Group S$ m	Group S$ m	%
Operating revenue	**6,246**	**-**	**-**	**6,246**	**6,784**	**13,030**	**13,006**	**0.2**
Operating expenses	(4,724)	-	-	(4,724)	(4,942)	(9,666)	(9,387)	3.0
	1,521	-	-	1,521	1,842	3,363	3,620	-7.1
Other income	56	-	-	56	106	162	201	-19.1
EBITDA	**1,577**	**-**	**-**	**1,577**	**1,948**	**3,526**	**3,820**	**-7.7**
- EBITDA margin	***25.3%***	**-**	**-**	***25.3%***	***28.7%***	***27.1%***	***29.4%***	
Share of associates' pre-tax profits								
Regional associates	-	*1,035*	-	*1,035*	-	*1,035*	*1,816*	*-43.0*
Other associates	-	*81*	-	*81*	*	*81*	*119*	*-31.5*
- ordinary operations	-	1,116	-	1,116	*	1,117	1,934	-42.3
- exceptional items	-	-	-	-	-	-	7	nm
	-	**1,116**	**-**	**1,116**	*****	**1,117**	**1,941**	**-42.5**
EBITDA and share of associates' pre-tax profits	**1,577**	**1,116**	**-**	**2,694**	**1,948**	**4,642**	**5,762**	**-19.4**
Depreciation & amortisation	(552)	-	-	(552)	(1,109)	(1,661)	(1,688)	-1.6
EBIT	**1,026**	**1,116**	**-**	**2,142**	**839**	**2,981**	**4,073**	**-26.8**
Net finance expense								
- net interest expense	(139)	-	-	(139)	(147)	(286)	(281)	1.8
- other finance income	9	-	13	22	2	24	23	3.5
	(130)	-	13	(117)	(145)	(262)	(258)	1.7
Profit before EI and tax	**896**	**1,116**	**13**	**2,025**	**694**	**2,719**	**3,816**	**-28.7**
Taxation								
- current and deferred taxes	(178)	-	-	(178)	(207)	(385)	(403)	-4.5
- share of taxes of associates	-	(65)	-	(65)	*	(65)	(519)	-87.5
- withholding taxes [1]	-	-	(159)	(159)	-	(159)	(140)	13.7
	(178)	(65)	(159)	(402)	(207)	(609)	(1,062)	-42.7
Profit/ (Loss) after tax	**718**	**1,052**	**(146)**	**1,624**	**487**	**2,110**	**2,753**	**-23.4**
Minority interests	17	-	-	17	-	17	19	-10.8
Underlying net profit/ (loss)	**735**	**1,052**	**(146)**	**1,641**	**487**	**2,128**	**2,773**	**-23.3**
(exclude Airtel and BTL) [2]	*735*	*1,125*	*(146)*	*1,714*	*487*	*2,201*	*2,682*	*-18.0*
Exceptional items (post-tax)	146	103	2	251	(57)	194	1,931	-90.0
Net profit/ (loss)	**881**	**1,155**	**(144)**	**1,892**	**430**	**2,322**	**4,703**	**-50.6**
(exclude Airtel and BTL) [2]	*881*	*1,122*	*(144)*	*1,859*	*430*	*2,289*	*4,625*	*-50.5*

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 Third Quarter And Nine Months Ended 31 December 2018

	Quarter	YOY		Nine Months	YOY	
	31 Dec 2018	Change	Change in constant currency [1]	31 Dec 2018	Change	Change in constant currency [1]
	S$ m	%	%	S$ m	%	%
Operating revenue	**4,626**	**0.9**	**3.7**	**13,030**	**0.2**	**3.1**
Operating expenses	(3,483)	4.5	7.3	(9,666)	3.0	6.0
	1,143	-8.6	-5.8	3,363	-7.1	-4.3
Other income	47	-41.7	-39.5	162	-19.1	-16.1
EBITDA	**1,190**	**-10.6**	**-7.9**	**3,526**	**-7.7**	**-4.9**
-EBITDA margin	***25.7%***			***27.1%***		
Share of associates' pre-tax profits						
- Telkomsel	*305*	*-7.4*	*-1.0*	*833*	*-23.1*	*-16.3*
- Airtel	*(129)*	*nm*	*nm*	*(368)*	*nm*	*nm*
- AIS	*80*	*-9.6*	*-11.4*	*252*	*-0.2*	*-2.4*
- Globe	*65*	*47.1*	*51.4*	*248*	*34.6*	*43.3*
- Intouch	*21*	*-13.3*	*-15.2*	*71*	*-0.8*	*-3.2*
Regional associates	342	-34.7	-33.4	1,035	-43.0	-40.5
Other associates	29	-0.7	-0.7	81	-31.5	-31.5
	371	**-32.9**	**-31.7**	**1,117**	**-42.5**	**-40.2**
EBITDA and share of associates' pre-tax profits	**1,561**	**-17.2**	**-14.9**	**4,642**	**-19.4**	**-16.8**
Depreciation & amortisation	(553)	-1.7	1.8	(1,661)	-1.6	2.0
EBIT	**1,007**	**-23.7**	**-22.0**	**2,981**	**-26.8**	**-24.6**
Net finance expense	(98)	21.7	24.8	(262)	1.7	4.7
Profit before EI and tax	**909**	**-26.7**	**-25.0**	**2,719**	**-28.7**	**-26.6**
Taxation	(235)	-21.2	-19.1	(609)	-42.7	-41.9
Profit after tax	**674**	**-28.4**	**-26.9**	**2,110**	**-23.4**	**-20.7**
Minority interests	6	-26.3	-28.8	17	-10.8	-9.9
Underlying net profit	**680**	**-28.4**	**-26.9**	**2,128**	**-23.3**	**-20.6**
(exclude Airtel and BTL) [2]	*765*	*-17.2*	*-14.6*	*2,201*	*-18.0*	*-15.0*
EI (post-tax)	143	@	@	194	-90.0	-89.7
Net profit	**823**	**-14.2**	**-11.9**	**2,322**	**-50.6**	**-49.0**
(exclude Airtel and BTL) [2]	*820*	*-13.4*	*-10.8*	*2,289*	*-50.5*	*-48.9*

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 periods ended 31 December 2017.

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

BUSINESS SEGMENTS
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter 31 Dec 2018	YOY		Nine Months 31 Dec 2018	YOY	
	S$ m	Change %	Change in constant currency (1) %	S$ m	Change %	Change in constant currency (1) %
Operating revenue						
Group Consumer	2,642	-1.0	3.3	7,382	0.7	5.0
Group Enterprise	1,606	0.9	2.0	4,697	-2.1	-0.9
Core Business	4,247	-0.3	2.8	12,080	-0.4	2.7
Group Digital Life	379	16.7	15.5	950	8.6	9.4
Group	**4,626**	**0.9**	**3.7**	**13,030**	**0.2**	**3.1**
EBITDA						
Group Consumer	795	-10.8	-7.1	2,334	-7.0	-3.2
Group Enterprise	428	-9.0	-8.4	1,317	-6.9	-6.3
Core Business	1,223	-10.2	-7.5	3,651	-7.0	-4.3
Group Digital Life	(16)	16.3	14.2	(74)	44.2	45.0
Corporate	(17)	2.4	2.4	(51)	-4.8	-4.8
Group	**1,190**	**-10.6**	**-7.9**	**3,526**	**-7.7**	**-4.9**
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	410	-17.5	-14.5	1,171	-12.3	-9.0
Group Enterprise	276	-12.9	-12.6	864	-9.8	-9.7
Core Business	686	-15.7	-13.7	2,035	-11.3	-9.3
Group Digital Life	(32)	13.6	11.4	(117)	9.8	10.5
Corporate	(18)	2.3	2.3	(53)	-2.8	-2.8
Group	**637**	**-17.2**	**-15.0**	**1,865**	**-12.5**	**-10.5**
Group (exclude NBN migration revenues)						
Operating revenue	4,583	1.8	4.6	12,939	0.9	3.9
EBITDA	1,147	-8.3	-5.6	3,435	-5.6	-2.8
EBIT	593	-13.8	-11.7	1,774	-9.0	-7.0
Core Business (exclude NBN migration revenues)						
Operating revenue	4,204	0.6	3.7	11,989	0.3	3.5
EBITDA	1,180	-7.9	-5.3	3,560	-4.9	-2.2
EBIT	642	-12.3	-10.5	1,944	-7.9	-6.0
Group Consumer (exclude NBN migration revenues)						
Operating revenue	2,598	0.4	4.8	7,292	2.0	6.4
EBITDA	752	-7.3	-3.5	2,244	-3.6	0.3
EBIT	366	-11.9	-8.8	1,080	-6.2	-2.9

Note:
(1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 31 December 2017.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Dec 2018 S$ million	**30 Sep 2018 S$ million**	**31 Dec 2017 S$ million**
Current assets			
Cash and cash equivalents	637	707	841
Trade and other receivables	6,068	5,699	6,163
Inventories	481	344	579
Derivative financial instruments	176	35	30
	7,362	**6,785**	**7,613**
Non-current assets			
Property, plant and equipment	10,910	11,120	11,238
Intangible assets	14,005	14,075	14,127
Associates	2,026	2,028	1,970
Joint ventures	12,508	11,736	12,467
Fair value through other comprehensive income ("**FVOCI**") investments	585	243	227
Deferred tax assets	346	345	408
Derivative financial instruments	329	452	393
Other non-current assets	649	614	619
	41,359	**40,613**	**41,450**
Total assets	**48,721**	**47,397**	**49,063**
Current liabilities			
Trade and other payables	5,364	5,142	5,349
Advance billings	740	720	819
Current tax liabilities	302	303	346
Interim dividend payable	1,110	-	1,600
Borrowings (unsecured)	1,669	1,516	1,665
Borrowings (secured)	30	21	20
Derivative financial instruments	13	53	73
Net deferred gain (1)	21	20	20
	9,250	**7,774**	**9,892**
Non-current liabilities			
Borrowings (unsecured)	8,892	9,040	7,755
Borrowings (secured)	49	89	88
Derivative financial instruments	226	244	297
Advance billings	209	225	247
Net deferred gain (1)	389	364	371
Deferred tax liabilities	517	511	550
Other non-current liabilities	292	275	348
	10,574	**10,747**	**9,654**
Total liabilities	**19,824**	**18,522**	**19,546**
Net assets	**28,897**	**28,876**	**29,517**
Share capital and reserves			
Share capital	4,127	4,127	4,127
Reserves	24,792	24,760	25,414
Equity attributable to shareholders of the Company	28,920	28,887	29,541
Minority interests and other reserve	(22)	(11)	(24)
Total equity	**28,897**	**28,876**	**29,517**

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

SINGAPORE CASH FLOW STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter			Nine Months		
	31 Dec 2018 S$ m	31 Dec 2017 S$ m	30 Sep 2018 S$ m	31 Dec 2018 S$ m	31 Dec 2017 S$ m	YOY Chge %
Net cash inflow from operating activities						
Profit before exceptional items and tax	**299**	**341**	**267**	**896**	**999**	**-10.3**
Non-cash items	244	238	237	685	709	-3.4
Operating cash flow before working capital changes	542	579	504	1,581	1,708	-7.5
Changes in operating assets and liabilities	(164)	(37)	(92)	(331)	(170)	94.5
	378	**543**	**412**	**1,249**	**1,538**	**-18.7**
Cash paid to employees under performance share plans	-	-	-	*	(1)	nm
Tax paid on operating activities	(92)	(93)	(119)	(214)	(213)	0.3
Operating cash flow	**286**	**450**	**293**	**1,036**	**1,324**	**-21.8**
Net cash (outflow)/ inflow from investing activities						
Accrued capital expenditure	(118)	(175)	(91)	(310)	(399)	-22.3
Changes in creditors' balances	(28)	*	(26)	(140)	(142)	-1.2
Cash capital expenditure	(146)	(175)	(116)	(450)	(541)	-16.7
Net repayment of loan to Optus from STAI [(1)]	-	-	118	118	138	-14.4
Withholding tax paid on interest received on inter-company loans	-	-	(12)	(12)	(14)	-15.3
Payment for acquisition of intangibles and other assets	-	-	(123)	(123)	-	nm
Payment for purchase of subsidiaries, net of cash acquired	(6)	-	-	(6)	(337)	-98.3
Payment for acquisition of non-controlling interests	-	-	-	(16)	-	nm
Investment in associates	(1)	-	-	(1)	-	nm
Investment in venture investments	(356)	(11)	(15)	(380)	(51)	@
Proceeds from disposal of venture investments	7	38	4	14	39	-64.9
Proceeds from disposal of subsidiaries	*	-	-	*	-	nm
Proceeds from disposal of property, plant and equipment	*	40	20	138	142	-2.9
Loan repaid by an associate	-	-	-	-	1,101	nm
Deferred proceeds/ Proceeds from disposal of associates	9	45	-	13	1,140	-98.9
Payment for purchase of spectrum	-	-	-	-	(188)	nm
Payment for purchase of other intangibles	(8)	(23)	(14)	(30)	(50)	-41.4
Others	(3)	1	7	5	13	-64.1
	(503)	**(86)**	**(131)**	**(730)**	**1,393**	**nm**
Net cash inflow/ (outflow) from financing activities						
Net increase/ (decrease) in borrowings	221	(508)	1,502	444	(1,989)	nm
Net interest paid on borrowings and swaps	(61)	(46)	(38)	(145)	(147)	-1.4
Settlement of swap for bonds repaid	(34)	-	17	(14)	61	nm
Final dividend paid to shareholders	-	-	(1,747)	(1,747)	(1,747)	**
Purchase of performance shares	(6)	(4)	(7)	(15)	(13)	13.3
Others	(5)	(3)	1	(4)	(4)	16.2
	116	**(562)**	**(273)**	**(1,480)**	**(3,838)**	**-61.4**
Net decrease in cash balance from Singapore	**(100)**	**(198)**	**(111)**	**(1,175)**	**(1,121)**	**4.8**
Net decrease in cash balance from Singapore	**(100)**	**(198)**	**(111)**	**(1,175)**	**(1,121)**	**4.8**
Dividends/ Distributions received from associates	99	343	227	1,508	1,552	-2.8
Withholding tax paid	(6)	(35)	(20)	(141)	(150)	-5.9
Net dividends/ distributions received from associates	**93**	**308**	**207**	**1,366**	**1,401**	**-2.5**
Net (decrease)/ increase in cash and cash equivalents	**(8)**	**111**	**96**	**192**	**280**	**-31.6**
Singtel cash and cash equivalents at beginning	612	555	516	406	397	2.4
Exchange effects on cash and cash equivalents	*	(2)	*	7	(13)	nm
Singtel cash and cash equivalents at end	**605**	**664**	**612**	**605**	**664**	**-8.9**
Singapore free cash flow	**140**	**275**	**177**	**586**	**783**	**-25.2**
Free cash flow from associates' dividends/ distributions	**93**	**308**	**207**	**1,366**	**1,401**	**-2.5**
Cash capex to operating revenue	***7%***	***8%***	***6%***	***7%***	***9%***	

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

"" denotes less than +/- S$0.5 million, "**" denotes less than +/- 0.05% and "@" denotes more than +/- 500%.*

OPTUS CASH FLOW STATEMENT
For The Third Quarter And Nine Months Ended 31 December 2018

	Quarter			Nine Months		YOY
	31 Dec 2018 A$ m	31 Dec 2017 A$ m	30 Sep 2018 A$ m	31 Dec 2018 A$ m	31 Dec 2017 A$ m	Chge %
Net cash inflow from operating activities						
Profit before exceptional items and tax	**243**	**318**	**214**	**695**	**807**	**-13.9**
Non-cash items	422	444	361	1,187	1,228	-3.3
Operating cashflow before working capital changes	665	762	575	1,882	2,035	-7.5
Changes in operating assets and liabilities	(176)	(203)	62	(297)	(161)	83.9
Tax paid	(59)	(11)	(105)	(219)	(141)	55.4
Operating cash flow	**430**	**548**	**531**	**1,365**	**1,732**	**-21.2**
Net cash outflow from investing activities						
Accrued capital expenditure	(334)	(370)	(319)	(925)	(1,031)	-10.3
Changes in creditors' balances	63	25	81	141	(110)	nm
Cash capital expenditure	(271)	(344)	(238)	(783)	(1,141)	-31.4
Loan to STAI (1)	-	-	(117)	(117)	(127)	-8.1
Payment for purchase of spectrum	-	-	(3)	(37)	(715)	-94.8
Payment for purchase of other intangibles	(31)	(35)	(24)	(68)	(99)	-31.1
Others	*	*	1	2	1	43.3
	(302)	**(380)**	**(381)**	**(1,004)**	**(2,080)**	**-51.8**
Net cash (outflow)/ inflow from financing activities						
Net (decrease)/ increase in borrowings	(145)	(40)	(111)	(296)	539	nm
Net interest paid on borrowings and swaps	(50)	(49)	(44)	(143)	(143)	-0.1
Purchase of Singtel shares	*	*	*	(5)	(6)	-12.9
Others	4	-	(6)	(1)	-	nm
	(191)	**(89)**	**(161)**	**(446)**	**390**	**nm**
Net (decrease)/ increase in cash balance from Optus	**(62)**	**79**	**(11)**	**(84)**	**42**	**nm**
Net (decrease)/ increase in cash and cash equivalents	**(62)**	**79**	**(11)**	**(84)**	**42**	**nm**
Optus cash and cash equivalents at beginning	96	91	108	118	128	-8.1
Optus cash and cash equivalents at end	**34**	**170**	**96**	**34**	**170**	**-80.1**
Optus free cash flow	**159**	**203**	**293**	**582**	**591**	**-1.4**
Cash capex to operating revenue	***11%***	***15%***	***11%***	***12%***	***18%***	

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

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

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter 31 Dec		YOY	Nine Months 31 Dec		YOY
	2018 A$ m	2017 A$ m	Chge %	2018 A$ m	2017 A$ m	Chge %
Operating revenue	**2,419**	**2,315**	**4.5**	**6,796**	**6,463**	**5.2**
Operating expenses	(1,786)	(1,654)	8.0	(4,952)	(4,596)	7.7
Other income	30	66	-54.4	106	151	-29.8
EBITDA	**664**	**727**	**-8.7**	**1,951**	**2,019**	**-3.4**
- margin	***27.4%***	***31.4%***		***28.7%***	***31.2%***	
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	**664**	**727**	**-8.7**	**1,951**	**2,019**	**-3.4**
Depreciation & amortisation	(372)	(362)	3.0	(1,111)	(1,073)	3.5
EBIT	**291**	**366**	**-20.3**	**840**	**946**	**-11.2**
Net finance expense	(48)	(48)	1.2	(145)	(139)	4.3
Profit before exceptional items and tax	**243**	**318**	**-23.6**	**695**	**807**	**-13.9**
Taxation	(71)	(87)	-19.0	(207)	(236)	-12.0
Underlying net profit	**172**	**231**	**-25.3**	**488**	**572**	**-14.7**
Exceptional items (post-tax)	*	23	nm	(57)	7	nm
Net profit	**172**	**254**	**-32.1**	**431**	**578**	**-25.5**

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

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

	As at 31 Dec 2018 A$ m	30 Sep 2018 A$ m	31 Dec 2017 A$ m
Property, plant and equipment (net)	**7,836**	**7,825**	**7,616**
Gross debt			
Current debt	1,160	825	925
Non-current debt	3,003	3,450	3,275
Gross debt as reported in the statement of financial position	4,163	4,275	4,200
Related net hedging assets	(348)	(295)	(182)
	3,816	3,980	4,018
Less: Cash and bank balances	(34)	(96)	(170)
Net debt	**3,782**	**3,884**	**3,848**

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	Nine Months	Full Year
Derived weighted average exchange rate [1] for:						
Operating revenue						
SGD						
FY2019	1.0099	0.9997	0.9864		0.9982	
FY2018	1.0455	1.0744	1.0403	1.0364	1.0530	1.0489
Change (last corresponding period)	***-3.4%***	***-7.0%***	***-5.2%***		***-5.2%***	
Underlying net profit						
SGD						
FY2019	1.0103	0.9980	0.9867		0.9982	
FY2018	1.0453	1.0736	1.0386	1.0346	1.0509	1.0466
Change (last corresponding period)	***-3.3%***	***-7.0%***	***-5.0%***		***-5.0%***	

1 United States Dollar buys:	Q1	Q2	Q3	Q4	Nine Months	Full Year
Derived weighted average exchange rate [2] for:						
Operating revenue						
SGD						
FY2019	1.3346	1.3644	1.3722		1.3590	
FY2018	1.3919	1.3615	1.3560	1.3070	1.3690	1.3565
Change (last corresponding period)	***-4.1%***	***0.2%***	***1.2%***		***-0.7%***	

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	Nine Months	Full Year
Rupiah						
FY2019	10,417	10,638	10,753		10,638	
FY2018	9,554	9,770	10,003	10,309	9,765	9,901
Change (last corresponding period)	***9.0%***	***8.9%***	***7.5%***		***8.9%***	
Indian Rupee						
FY2019	50.3	51.3	52.4		51.3	
FY2018	46.4	47.3	47.6	48.8	47.0	47.6
Change (last corresponding period)	***8.4%***	***8.5%***	***10.1%***		***9.1%***	
Baht						
FY2019	23.9	24.1	23.9		24.0	
FY2018	24.6	24.5	24.3	23.9	24.5	24.3
Change (last corresponding period)	***-2.8%***	***-1.6%***	***-1.6%***		***-2.0%***	
Peso						
FY2019	39.4	39.2	38.6		39.1	
FY2018	35.8	37.3	37.6	39.1	36.7	37.5
Change (last corresponding period)	***10.1%***	***5.1%***	***2.7%***		***6.5%***	

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 decline by low single digit.**

- **Mobile service revenue from Australia to be stable.**

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

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

- **Operating revenue[2] (including intragroup revenue) at Amobee Group to grow by low teens and its EBITDA[2] to be slightly negative.**

- **Consolidated revenue[3] for the Group to grow by low single digit and EBITDA[3] to decline by low single digit.**

- **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 NBN migration revenues in Australia for both FY2018 and FY2019.
[2] Including the impact of Videology.
[3] Including the impact of Videology, but excluding NBN migration revenues in Australia for both FY2018 and FY0219.