

SINGAPORE TELECOMMUNICATIONS LTD

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2002

	2002 S\$ million	2001 S\$ million	Change %
Operating revenue	7,338.2	4,925.5	49.0
EBITDA			
- before exceptional items	3,634.5	3,290.2	10.5
Operational EBITDA margin	41.7%	52.9%	NM
Profit on ordinary activities after tax			
- before goodwill	1,984.4	2,006.3	-1.1
- after goodwill and exceptional items	1,631.3	2,006.3	-18.7
Earnings per share (cents)			
- before goodwill	11.87	13.00	-8.7
- after goodwill and exceptional items	9.76	13.00	-24.9
As at	31 Mar 2002 S\$ million	31 Mar 2001 S\$ million	Change %
Total assets	35,157.2	16,205.0	117.0
Net Debt/(Cash)	10,147.2	(3,095.4)	NM
Shareholders' funds	14,579.0	8,758.1	66.5
Net debt gearing ratio	40.3%	NM	NM

Notes:

- (1) On statutory basis, the financial results of Optus are consolidated from 30 September 2001. The prior year comparatives do not include the results of Optus.
- (2) See separate Optus' Management Discussion & Analysis for discussion of Optus results on a year-on-year comparable basis.

GLOSSARY

"**ARPU**" means average revenue per user.

"**ATM**" means Asynchronous Transfer Mode, a transfer mode in which voice, data and video signals are organised into cells for transmission.

"**Backhaul**" means transmission links connecting frontier stations (submarine cable stations or satellite earth stations) to the domestic network or between frontier stations.

"**C2C**" means C2C group of companies, of which SingTel has an effective equity interest of 59.5%.

"**Churn**" means the transfer of a customer's telecommunications service from one provider to another.

"**CPF**" means the Singapore Government-administered Central Provident Fund, which provides social security and financial protection benefits mainly to employees in Singapore.

"**EBITDA**" means earnings before interest, tax, depreciation and amortisation.

"**IDA**" means the Infocommunications Development Authority of Singapore.

"**Inmarsat**" means International Maritime Satellite Organisation.

"**NA**" means not applicable.

"**NM**" means not meaningful.

"**Optus**" means SingTel Optus Pty Limited, a SingTel wholly-owned subsidiary, and its subsidiary companies.

"**PDPN**" means Public Data and Private Network.

"**SMS**" means Short Message Service.

"**Singapore GAAP**" means accounting principles generally accepted in Singapore.

"**SingTel**" means SingTel Group excluding Optus.

"**YOY**" refers to YTD - March 2002 compared to YTD- March 2001.

"**YTD**" refers to financial year from 1 April.

CONSOLIDATED SUMMARY INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2001 Group S\$ million	Change % Group	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Operating revenue	7,338.2	4,925.5	49.0	4,922.7	4,925.5	-0.1
Operating expenses	(4,323.0)	(2,412.8)	79.2	(2,370.1)	(2,412.8)	-1.8
	3,015.2	2,512.7	20.0	2,552.6	2,512.7	1.6
Other income	41.8	91.6	-54.4	34.6	91.6	-62.2
Operational EBITDA	3,057.0	2,604.3	17.4	2,587.2	2,604.3	-0.7
Compensation from IDA	337.0	337.0	-	337.0	337.0	-
Share of results of associated and joint venture companies						
-ordinary operations	323.9	348.9	-7.2	366.9	348.9	5.2
-exceptional items	(83.4)	-	NM	(83.4)	-	NM
	240.5	348.9	-31.1	283.5	348.9	-18.7
EBITDA	3,634.5	3,290.2	10.5	3,207.7	3,290.2	-2.5
Amortisation of goodwill	(353.1)	-	NM	(351.2)	-	NM
Depreciation and other amortisation	(1,016.7)	(572.2)	77.7	(587.0)	(572.2)	2.6
EBIT	2,264.7	2,718.0	-16.7	2,269.5	2,718.0	-16.5
Net finance income	(81.3)	259.9	NM	27.6	259.9	-89.4
Profit before EI and tax	2,183.4	2,977.9	-26.7	2,297.1	2,977.9	-22.9
Exceptional items ("EI")	(60.9)	(243.6)	-75.0	(60.9)	(243.6)	-75.0
Profit before tax	2,122.5	2,734.3	-22.4	2,236.2	2,734.3	-18.2
Taxation	(498.0)	(715.1)	-30.4	(503.3)	(715.1)	-29.6
Profit after tax	1,624.5	2,019.2	-19.5	1,732.9	2,019.2	-14.2
Minority interests	6.8	(12.9)	NM	6.8	(12.9)	NM
Profit attributable to shareholders	1,631.3	2,006.3	-18.7	1,739.7	2,006.3	-13.3
Operational EBITDA margin	41.7%	52.9%	NM	52.6%	52.9%	NM
Earnings per share (cents)						
-before goodwill	11.87	13.00	-8.7			
-after goodwill and exceptional items	9.76	13.00	-24.9			
Weighted average no of shares (million)	16,720.0	15,429.6	8.4			

NOTES FOR FINANCIAL STATEMENTS PREPARED ON STATUTORY BASIS

1 ACQUISITION OF OPTUS

Under Singapore GAAP, the results and net assets of Optus are to be consolidated in the Group's financial statements with effect from the date in which the offer for Optus' shares becomes unconditional, which was 30 August 2001. The Group however completed compulsory acquisition of shares in Optus in October 2001.

The contribution of Optus' results for the month of September 2001 was deemed not material for inclusion in the Group's results, and Optus' results are only consolidated as of 30 September 2001.

Goodwill on acquisition of Optus is provisionally estimated at S\$11.4 billion, and is amortised over its expected useful life of 20 years from 31 August 2001.

The adjustments made on acquisition of Optus were as follows:

	Previous 30 September 2001 S\$million	Revised 30 September 2001 ⁽¹⁾ S\$million
Net identifiable assets	4,990.3	4,990.3
GAAP and fair value adjustments :		
Capacity sales and purchases	(512.0)	(512.0)
Customer acquisition costs	(636.8)	(636.8)
Capitalisation of overhead costs	(216.4)	(216.4)
Partial depreciation of network assets	(191.2)	(191.2)
Other policy differences	(41.5)	(41.5)
Fair value of network assets	(359.4)	(1,125.8)
Fair value of telecom licences	(644.0)	(662.2)
Fair value of other non-current assets	(132.1)	(132.1)
Deferred tax asset	-	365.3
Other fair value adjustments	(36.1)	(183.6)
Preliminary estimates of fair value	2,220.8	1,654.0
Purchase consideration ⁽²⁾	13,030.9	13,022.4
Provisional goodwill	10,810.1	11,368.4

Notes:

(1) The fair values of Optus assets were revised in March 2002.

(2) Reduction due to adjustment for over-accrual of professional expenses.

2 PENDING LITIGATION - COMPENSATION FROM IDA (INFOCOMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE)

In 1997, SingTel was paid a sum of S\$1.5 billion by IDA constituting compensation for the damage caused by the modification of its licence.

The Inland Revenue Authority of Singapore had in October 2000 informed SingTel and IDA that the compensation amount would not attract any income tax liability. IDA has quantified the sum of S\$388 million as being the tax component that was allegedly factored into the compensation amount.

The IDA has commenced legal proceedings to recover S\$388 million of the compensation amount, plus interest and costs. SingTel disagrees with the IDA on its entitlement to the recovery of the sum and is defending the claim.

Pending resolution of the dispute, SingTel has not made any provision in its financial statements regarding the IDA's claim. The annual impact of this dispute on the income statement would be S\$55.4 million in profit after tax, excluding interest and costs. The cumulative effect as at 31 March 2002 would be S\$110.9 million in profit after tax.

3 EFFECT OF CHANGE IN SINGAPORE CORPORATE TAX RATE

The effect of the reduction in the corporate tax rate from 24.5% to 22% as announced by the Singapore Government on 3 May 2002 will apply from the year of assessment 2003, i.e. in relation to the Group, its financial year ended 31 March 2002. This will reduce the Group's tax charge by approximately S\$100 million, including the impact on the Group's current tax payable and deferred tax liability. However given that the announcement was made only after the Group's balance sheet date of 31 March 2002, in compliance with the reporting requirements of Statement of Accounting Standard 12, no adjustment has been made to the Group's 31 March 2002 financial statements to reflect the effect of the reduced corporate tax rate. This reduction in tax charge of S\$100 million will be booked in the financial year ending 31 March 2003.

REVIEW OF OPERATING PERFORMANCE

SINGTEL GROUP (INCLUDING OPTUS)

Following the inclusion of Optus from 1 October 2001, the Group's operating revenue for the year ended 31 March 2002 increased 49.0% to S\$7.34 billion. Optus contributed S\$2.42 billion.

The Group's largest revenue contributors were Mobile Communications (S\$2.04 billion) and Public Data and Private Network (S\$1.51 billion), representing 28% and 21% respectively of the Group's revenue mix.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by S\$344 million, or 10.5%, to S\$3.63 billion. The contribution from Optus to Group EBITDA was S\$427 million.

With the impact of higher depreciation, interest charges and goodwill amortisation, the Group's profit after tax declined 18.7% to S\$1.63 billion.

Excluding the effect of goodwill amortisation, the Group's profit after tax registered decline of 1.1% to S\$1.98 billion.

SINGTEL (EXCLUDING OPTUS)

For the year ended 31 March 2002, SingTel's core business in Singapore continued to be resilient despite an overall weaker economic environment. Operating revenue was little changed at S\$4.92 billion while operating expenses fell 1.8% to S\$2.37 billion. Operating profit increased 1.6% to S\$2.55 billion.

Revenue from Public Data and Private Network services increased 16.9% to S\$1.25 billion, or 25% of SingTel's operating revenue. This was offset by a 10.3% decline in revenue from International Telephone services to S\$1.08 billion.

Traffic expenses were maintained at S\$669 million while Selling and Administrative costs decreased significantly by 12.2% to S\$519 million. Staff costs rose 9.2% to S\$728 million due mainly to a four-percentage point increase in the employers' Central Provident Fund ("CPF") contribution rate in January 2001, the first time accrual for unconsumed staff leave of S\$20 million and staff restructuring costs of S\$13 million.

For the year, SingTel's operational EBITDA margin remained healthy at 52.6%.

Contributions from associated and joint venture companies amounted to S\$284 million, accounting for 12.7% of SingTel's pre-tax profit. The decline in contributions was due to exceptional charges for staff restructuring at Belgacom of S\$163 million and accelerated depreciation recorded by AIS of S\$17 million. This was partially offset by a S\$97 million gain on deemed disposal of a subsidiary by Belgacom. Excluding these one-off exceptional items, contributions of the associated and joint venture companies would have increased 5.2%, mainly from increases in the share of profits from AIS and Globe Telecom, as well as a first time contribution from Telkomsel.

Net finance income decreased by 89.4% due to higher financing costs from increased borrowings and lower finance income from a smaller fund size, with funds being applied for the acquisition of Optus and other investments.

SINGTEL (EXCLUDING OPTUS) (CONT'D)

The effective tax rate of SingTel ex-Optus decreased by 3.7% due mainly to tax rebates.

Profit after tax declined 13.3% to S\$ 1.74 billion. Excluding the effects of goodwill amortisation, mainly attributed to Optus' acquisition, profit after tax would have increased by 4.2%.

OPTUS

For the year ended 31 March 2002, operating revenue grew 7% over last year on a Sing GAAP basis. Improved cost management saw Operational EBITDA rose 14%, and Operational EBITDA margin improved by 1% to 18.4%. In the second half, Operational EBITDA grew 11% over the first half. EBITDA, which includes the share of results of joint venture companies such as Southern Cross, grew by 14% over last year.

Please refer to the separate Management Discussion And Analysis on Optus for more information.

OPERATING REVENUE BY PRODUCT AND SERVICE

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	Mix %	2002 SingTel S\$ million	Mix %	2001 SingTel S\$ million	Mix %	Change % SingTel
Mobile Communications	2,041.8	28	903.3	18	885.5	18	2.0
Public Data and Pte Network	1,512.2	21	1,245.0	25	1,065.0	22	16.9
International Telephone	1,304.6	18	1,079.1	22	1,203.1	24	-10.3
National Telephone	1,128.4	15	591.9	12	588.0	12	0.7
IT and Engineering	513.0	7	478.3	10	480.1	10	-0.4
Postal Services	354.5	5	354.5	7	341.0	7	4.0
Sale of Equipment	170.8	2	113.7	2	166.7	3	-31.8
Directory Advertising	77.7	1	77.7	2	107.2	2	-27.5
Satellite revenue	98.1	1	10.8	-	10.6	-	1.9
Cable Television	70.2	1	-	-	-	-	NM
Others	66.9	1	68.4	1	78.3	2	-12.6
	7,338.2	100	4,922.7	100	4,925.5	100	-0.1
Operating revenue	7,338.2				4,925.5		49.0
Proportionate share ⁽¹⁾	2,627.3				1,917.4		37.0
Enlarged revenue	9,965.5				6,842.9		45.6

Note:

(1) Proportionate share of revenue of associated and joint venture companies is based on operating revenue of an associated or joint venture company, multiplied by SingTel's effective ownership interest in the entities.

With the inclusion of Optus' revenue contribution from 1 October 2001, total operating revenue for the Group grew to S\$7.34 billion. Mobile Communications rose to become the top revenue contributor at 28%, compared to 18% a year ago. Public Data And Private Network ("PDPN") and International Telephone were the next two largest segments, accounting for 21% and 18% respectively.

Including the proportionate share of operating revenue from its associated and joint venture companies, the Group's consolidated revenue for the year ended 31 March 2002 increased by 45.6% to S\$9.97 billion. The proportionate share of operating revenue of the associated and joint venture companies constituted 26% (YTD-Mar 2001: 28%) of the enlarged operating revenue.

OPERATING REVENUE BY PRODUCT AND SERVICE (CONT'D)

For SingTel (excluding Optus), the largest revenue contributor (25%) was PDPN services, which saw revenue increase of 16.9%, the largest growth among all revenue streams.

International Telephone contributed 22% to SingTel's total revenue from 24% in the previous year, a result of rate reductions and a higher proportion of lower- priced services used by customers.

The decline in Directory Advertising revenue was due to S\$20.4 million of additional revenue recognised last year arising from a change in revenue recognition accounting policy.

MOBILE COMMUNICATIONS

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Mobile Communications	2,041.8	903.3	885.5	2.0

In the year under review, the Group's mobile communications revenue increased to S\$2.04 billion, with Optus contributing S\$1.14 billion (55.8%) from six months of its mobile operations.

SingTel (Singapore Operations)	2002 S\$ million	2001 S\$ million	Change %
Cellular ⁽¹⁾	761.4	716.0	6.3
Paging service	66.4	111.0	-40.2
Aeronautical and maritime	82.5	69.8	18.2
Less: Intercompany eliminations	(7.0)	(11.3)	-38.1
	903.3	885.5	2.0

Key Drivers

Cellular

No. of Mobile subscribers ('000)

Prepaid ⁽²⁾

Postpaid

406.9	585.8	NM
1,085.7	951.1	14.2
1,492.6	1,536.9	NM

Mobile Penetration rate ⁽³⁾

74.5%	68.4%	NM
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Postpaid

Minutes of use per subscriber per mth

ARPU (S\$/mth) ⁽¹⁾

328.0	371.0	-11.6
74.0	83.0	-10.4

Total market share

Prepaid

Postpaid

49.9%	55.9%	NM
50.2%	71.5%	NM
48.6%	49.3%	NM

MOBILE COMMUNICATIONS (CONT'D)

SingTel (Singapore Operations)	2002 S\$ million	2001 S\$ million	Change %
Key Drivers			
Paging			
No. of subscribers ('000)	317.9	505.9	-37.2
Paging revenue per subscriber per mth (S\$)	13.2	13.4	-1.5
Paging penetration rate ⁽³⁾	10.7%	17.9%	NM
Total market share	74.1%	70.2%	NM

Notes:

- (1) Cellular revenue excludes revenue earned from international calls, which is classified under "International Telephone" revenue. ARPU includes revenue earned from international calls.
- (2) Included 25.8K of wholesale subscribers.
- (3) Penetration based on industry subscribers divided by total population of 4.017 million as published by IDA.
- (4) Subscriber acquisition costs (comprising commission and rebates) for postpaid subscribers was S\$162 in FY2002.

Mobile communications revenue from SingTel's Singapore operations was up 2.0% year-on-year to S\$903 million, due to a higher postpaid cellular subscriber base, increased SMS usage and higher demand for aeronautical and maritime services. These gains were offset by a lower cellular ARPU and a decline in revenue from paging services.

CELLULAR

Cellular revenue increased by an encouraging 6.3% from a year ago. SingTel Mobile maintained its market share at about 50%.

The number of postpaid subscribers increased significantly year-on-year by 14.2% to 1.09 million from a year ago. Reflecting SingTel emphasis on customer retention, the churn rate improved from an average of 2.5% per month in the previous year to an all-time low of 1.8% per month for the year under review. ARPU among postpaid subscribers, however, decreased by 10% to about S\$74 due mainly to lower minutes of use and lower tariffs for international services.

From September 2001 to November 2001, SingTel terminated 321,000 prepaid lines, which had no top-up activity for more than six months. With this mass termination of prepaid accounts, the base number of prepaid subscribers totalled 381,000 as at 31 March 2002 and the adjusted prepaid ARPU for the month of March 2002 stood at S\$17.

PAGING

SingTel Paging maintained its market leadership position with a share of 74%. ARPU remained constant at S\$13 per month. The number of paging subscribers fell 37% to 318,000. However, the net decline in subscribers was slower during the latter part of the financial year.

SingTel Paging has been rationalising its operations and network in view of the declining subscriber base. It has stopped offering the less popular value-added services such as two-way paging, PageConnect, PageFax and PageForward and scaled down its call centre operations. With the reduced costs, the Group has been able to maintain a healthy margin on this business.

AERONAUTICAL AND MARITIME

Revenue from aeronautical and maritime services grew 18.2% to S\$82.5 million. Inmarsat mobile satellite services had revenue growth of 18.0%, from increased traffic and higher collection rates. The success of new value added services, such as email and location tracking via Inmarsat phones, had stimulated demand and increased market share.

PUBLIC DATA AND PTE NETWORK ("PDPN")

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Public Data and Private Network	1,512.2	1,245.0	1,065.0	16.9

On a statutory basis, revenue from PDPN services grew by 42.0% to S\$1.51 billion, including a half-year contribution of S\$267 million from Optus.

SingTel (Singapore Operations)	2002 S\$ million	2001 S\$ million	Change %
International leased circuits	436.2	378.7	15.2
Local leased circuits	370.6	295.9	25.2
Frame relay	54.9	73.5	-25.3
ATM	57.5	40.6	41.6
ISDN	66.0	63.7	3.6
Others	117.6	107.2	9.7
Data services revenue	1,102.8	959.6	14.9
SingTel Internet Exchange	66.9	62.0	7.9
Narrowband	150.3	136.8	9.9
Broadband ⁽¹⁾	50.8	37.8	34.4
Internet related revenue	268.0	236.6	13.3
Capacity sales revenue	18.6	-	NM
Less: Intercompany eliminations	(144.4)	(131.2)	10.1
Total	1,245.0	1,065.0	16.9
Key Drivers			
No. of broadband customers ('000) ⁽²⁾	73.0	36.0	102.8
No. of paying Internet dial up customers ('000)	264.0	292.0	-9.6

Notes:

(1) SingTel's broadband services comprise SingTel B-access (wholesale service), SingNet Broadband and Magix.

(2) Includes both retail and wholesale broadband subscribers.

Excluding contributions from Optus, revenue from PDPN services grew by S\$180 million or 16.9% year-on-year. Data service revenue contributed 79% to total PDPN revenue. It grew 14.9% during the year.

For the year, revenue from international and local leased circuits increased by 15.2% and 25.2% respectively. This was largely the result of customers migrating from lower to higher bandwidth circuits and switching from analogue to digital circuits. A growing wholesale sector also contributed to the increase in revenue.

SingTel's revenue from its three major Internet-related services are grouped under the Public Data and Private Network segment. Revenue from SingTel Internet Exchange (STiX), SingNet and Magix increased 13.3% during the year to S\$268 million.

PUBLIC DATA AND PTE NETWORK ("PDPN") (CONT'D)

STiX operates one of the largest Internet exchanges in the Asia Pacific region, excluding Japan. It provides a high quality IP transit service through its extensive network for both local and overseas ISPs. While demand for Internet bandwidth was strong, significant price decreases resulted in revenue from STiX growing by a slower 7.9%, compared to 40% a year ago.

Revenue from narrowband services increased by 9.9% mainly from higher ARPU, which rose 10.0% as traffic increased. Revenue from broadband services grew 34.4% during the year with increased revenue from SingNet Broadband and wholesale broadband.

Capacity sales revenue represents the amortised income of capacity sold on C2C network. C2C started to recognise revenue from January 2002, when traffic was activated on the network.

INTERNATIONAL TELEPHONE REVENUE FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
International Telephone ⁽¹⁾	1,304.6	1,079.1	1,203.1	-10.3

The Group's International Telephone revenue increased by 8.4% to S\$1.31 billion, with Optus contributing S\$226 million from six months of operations.

SingTel (Singapore Operations)	2002 S\$ million	2001 S\$ million	Change %
International (including Malaysia) call revenue	819.0	900.7	-9.1
Inpayments and net transit	260.1	302.4	-14.0
	1,079.1	1,203.1	-10.3

Key Drivers

IDD outgoing traffic minutes (M min)	1,095.3	1,030.7	6.3
Average IDD call collection rate - net basis (S\$/min) (exclude Malaysia)	0.580	0.701	-17.3
Market share ⁽²⁾	87%	95%	NM

Notes :

- (1) International telephone services include international calling cards, IDD calls and facsimile services into and out of Singapore, other international call services, corporate voice, video and audio conferencing and wholesale voice services. It also includes international telephone revenue earned from calls made from mobile phones.
- (2) Market share is computed based on SingTel's total outgoing international (including Malaysia) and transit minutes over the industry minutes as published by IDA from Jan 2001.

For the year ended 31 March 2002, International Telephone revenue from SingTel's Singapore operations declined by S\$124 million, or 10.3%, compared to a decline of 26.8% in the last financial year. It declined 6.8% in the fourth quarter compared to the third quarter.

The economic slowdown in Singapore and the region had caused the number of international outgoing minutes (excluding Malaysia) to show slower growth of 6.3% (YTD Mar 2002: +16.5%) year-on-year. SingTel recorded a total of 1.1 billion outgoing minutes during the year.

INTERNATIONAL TELEPHONE REVENUE (CONT'D)

The average net collection rate for International Telephone calls (excluding Malaysia) declined by 17.3% to S\$0.58 per minute, a result of changes in the product mix and a larger wholesale business. For the year, lower priced services like BudgetCall 013 and v019 accounted for about 32% of total international telephone traffic, compared to about 30% a year ago. Wholesale minutes accounted for 11%, compared to 9% a year ago, of total traffic minutes.

Incoming minutes increased by 5% during the year. However, a 24.8% decline in inpayment rates resulted in overall inpayment revenue decreasing by 21.1%.

NATIONAL TELEPHONE

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Domestic long distance voice	309.3	-	-	-
DEL ⁽¹⁾ , interconnect, payphone etc	819.1	591.9	588.0	0.7
Total	1,128.4	591.9	588.0	0.7

Note:

(1) DEL : Direct Exchange Line

National Telephone revenue comprises revenue derived from national telephone services (including domestic long distance), settlement of domestic telephone calls originated by competing fixed line and wireless service providers, enhanced telephone services and revenue from payphones.

The Group's revenue from National Telephone services was S\$ 1.13 billion, with six months' contribution from Optus amounting to S\$537 million.

SingTel (Singapore Operations) Key Drivers	2002	2001	Change %
DEL working lines ('000)			
Residential	1,159	1,158	0.1
Business	786	787	-0.2
	1,944	1,944	0.0
DEL market share	99.9%	99.9%	NM
DEL penetration rate ⁽¹⁾	48.5%	48.4%	NM

Note:

(1) Penetration based on industry lines divided by total population of 4.017 million as published by IDA.

SingTel remains the leading provider of National Telephone services in Singapore with negligible market share loss despite market liberalisation in April 2000. For the year, National Telephone revenue from Singapore operations amounted to S\$592 million, little changed from the previous year.

DEL revenue was flat while revenue from enhanced network services edged up 4.8%. Revenue from payphone services increased 34.3% due to recognition of an additional S\$12.4 million of deferred revenue relating to unutilised phone card balances (for which provision was no longer required) and the implementation of an access charge during the year.

NATIONAL TELEPHONE (CONT'D)

SingTel's telephone network size was maintained at 1.94 million lines as at 31 March 2002.

The number of payphones was further reduced as SingTel progressively resized its payphone network to achieve optimum returns on payphones.

IT AND ENGINEERING SERVICES

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
IT and Engineering Services	513.0	478.3	480.1	-0.4

The Group's IT and Engineering Services are provided primarily through subsidiaries, National Computer Systems ("NCS") and SingTel Aeradio.

Excluding Optus, revenue in this segment was maintained at S\$478 million. Compared to the third quarter, revenue was up 41.4% in the fourth quarter, due largely to seasonal factors.

NCS, which contributes about two thirds of IT and Engineering revenue, registered growth in operating revenue of 13.5% for the year, mainly from higher demand for applications, facility maintenance and IT outsourcing services.

SingTel Aeradio registered a decline in revenue of 17.5% due to lower corporate demand for system integration projects.

POSTAL SERVICES

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Postal services	354.5	354.5	341.0	4.0

SingTel Key Driver	2002	2001	Change %
Traffic volume ('000)	832.4	825.3	0.9

Postal services revenue increased by S\$13.5 million, or 4.0%, due to higher domestic postal rates implemented in November 2000. Mail volume recorded a slight growth of 0.9% during the year.

SALE OF EQUIPMENT

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Sale of equipment	170.8	113.7	166.7	-31.8

Revenue from this segment includes the sale of communications equipment to corporate and retail customers through direct marketing, retail outlets and the Internet. The contribution from Optus from six months of operations was S\$57 million.

Despite an increase in the number of handsets sold by subsidiary Telecom Equipment, equipment sales under SingTel (excluding Optus) recorded a decline of 31.8% compared to the previous year. The decline was 5.7% in the fourth quarter compared to third quarter.

The lower equipment sales revenue was due to more aggressive pricing in the bundling of handsets with cellular services. Sales of other products such as terminal equipment, pagers and accessories also decreased.

DIRECTORY ADVERTISING

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Directory advertising	77.7	77.7	86.8	-10.5
Revenue accounting change	-	-	20.4	NM
	77.7	77.7	107.2	-27.5

Revenue from Directory Advertising is derived from the operations of subsidiary SingTel Yellow Pages, which produces the Singapore Phone Book and Yellow Pages in print, Internet, WAP and telephone operator-assisted formats.

The 27.5% decline in revenue for the year was due largely to S\$20.4 million of additional revenue recognised in the last financial year as a result of a change in accounting policy then for recognition of advertising revenue.

Compared to the third quarter, revenue from Directory Advertising increased by 15.7% in the fourth quarter. This was due to the publication of an additional industry directory in January 2002.

OPERATING EXPENSES (BEFORE DEPRECIATION AND AMORTISATION)

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	Mix %	2002 SingTel S\$ million	Mix %	2001 SingTel S\$ million	Mix %	Change % SingTel
Traffic expenses	1,317.7	30	669.2	28	668.9	28	0.0
Selling & administrative	1,202.1	28	519.4	22	591.5	25	-12.2
Staff costs	976.5	23	727.6	31	666.6	28	9.2
Cost of sales	701.3	16	421.5	18	458.3	19	-8.0
Repairs & maintenance	181.5	4	89.4	4	83.9	3	6.6
Others ⁽¹⁾	(56.1)	(1)	(57.0)	(3)	(56.4)	(3)	1.1
	4,323.0	100	2,370.1	100	2,412.8	100	-1.8

Note:

(1) Others include government grants, recoveries of costs for damage claims, non-staff costs capitalised to assets and cost of new line plant diversion.

SingTel's operating expenses for the year (before depreciation and amortisation) declined 1.8% to S\$2.37 billion. The main increase was in Staff costs, an increase of 9.2%. Selling and Administrative expenses were well contained, falling 12.2% for the year. Optus' operating expenses from the second half contributed S\$1.95 billion to the Group's operating expenses.

STAFF COSTS

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Staff costs	976.5	727.6	666.6	9.2

Key Drivers	2002	2001	Change %
SingTel Average number of employees	13,458	13,335	0.9
Revenue per employee (S\$'000)	365.8	369.4	-1.0
Operational EBITDA per employee (S\$'000)	192.2	195.3	-1.6

Number of employees as at 31 March	2002	2001	Change %
SingPost Group	2,235	2,265	-1.3
NCS Group	2,351	2,282	3.0
SingTel and other subsidiaries	8,666	8,897	-2.6
Subtotal	13,252	13,444	-1.4
Optus	8,283	8,473	-2.2
Total Group	21,535	21,917	-1.7

STAFF COSTS (CONT'D)

The higher Staff costs were due mainly to the increase in the CPF employer contribution rate from 12% to 16% effective January 2001, first time accrual for unconsumed staff leave of S\$20 million as required under Singapore GAAP. In addition, staff gratuity totalling S\$13 million was paid out as part of the Group's staff restructuring schemes.

SingTel's staff strength had decreased slightly to 13,252 from 13,444 a year ago. In view of the poorer economic outlook, the Group, including Optus, has implemented a headcount freeze. NCS' headcount, however, increased slightly due to expansion in China and Hong Kong and to support revenue growth.

TRAFFIC EXPENSES

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Traffic expenses	1,317.7	669.2	668.9	0.0

Total Traffic expenses increased to S\$1.32 billion with the inclusion of Optus' traffic expenses from the second half of S\$649 million.

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Telecom - outpayments ⁽¹⁾	588.4	390.2	446.6	-12.6
Postal - outpayments	40.3	40.3	39.4	2.3
Interconnect	628.7	430.5	486.0	-11.4
Leases ⁽²⁾ & Mail Conveyance	375.9	39.0	11.0	254.5
	313.1	199.7	171.9	16.2
	1,317.7	669.2	668.9	0.0

Notes :

(1) The bulk of outpayments relate to the cost of carrying voice traffic.

(2) Leases comprise backhaul charges, Inmarsat satellite rental, cost of restoring cable breakages and lease circuit charges.

There was little change to SingTel's overall Traffic expenses. Higher interconnect and lease expenses were offset by lower outpayments.

Total outpayments declined as the average outpayment rate dropped 16.8%. SingTel continues to successfully manage the costs of delivering international call traffic, and maintain a healthy margin on international telephone services.

Outpayments for postal services increased by 2.3%, principally due to the introduction of new terminal charges for international registered and insured items from January 2001.

Higher interconnect charges arose as a result of higher Internet and SMS traffic from SingTel customers terminating on other operators' networks.

Lease expenses increased principally because of higher backhaul charges as more circuits were commissioned to support SingTel's own end-to-end managed data services, compared to bilateral arrangements previously.

COST OF SALES

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Cost of sales	701.3	421.5	458.3	-8.0

Optus' Cost Of Sales from the second half contributed S\$280 million to overall Cost of Sales.

The decline in Cost of Sales for SingTel's operations is attributable to the lower related operating revenue.

SELLING & ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Selling & administrative	1,202.1	519.4	591.5	-12.2

Excluding Optus, SingTel's Selling and Administrative expenses were reduced by S\$72.1 million or 12.2%. The savings were mainly from reduced expenditure in advertising, sales promotions and supplies and services.

OTHER INCOME, NET (EXCLUDING AMORTISATION)

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Other income, net	41.8	34.6	91.6	-62.2

Other income (net) comprises incidental income or expenses such as rental income, gain or loss on disposal of property, plant and machinery and trade foreign exchange differences. The reduction in other income of 62.2% was due to one-off gains from the sale of certain assets last year.

SHARE OF RESULTS OF ASSOCIATED AND JOINT VENTURE COMPANIES

FOR THE YEAR ENDED 31 MARCH 2002

	Effective Equity Interest %	2002 S\$ million	2001 S\$ million	Change %
Share of ordinary profits/(losses) of :				
Belgacom S.A. ⁽¹⁾	12.15	210.1	250.9	-16.3
AIS ⁽¹⁾	21.53	130.8	106.0	23.4
Globe Telecom ⁽¹⁾				
- share of results	29.07	62.8	42.0	49.5
- share of forex losses		(6.5)	(50.4)	-87.1
Telkomsel	22.28	33.3	-	NM
Bharti Telecom / Bharti Tele-Ventures ⁽³⁾		(0.4)	(3.6)	-88.9
Lycos Asia ⁽¹⁾	50	(19.7)	(18.8)	4.8
SESAMi Inc. ⁽⁴⁾	44.5	(18.0)	(3.1)	480.6
New Century Infocomm ⁽¹⁾ ("NCIC")	24.29	(12.6)	0.4	NM
Others		(12.9)	25.5	NM
		366.9	348.9	5.2
Share of exceptional profits/(losses) of :				
Belgacom -staff restructuring costs		(163.3)	-	NM
-deemed disposal of a subsidiary		97.2	-	NM
AIS - accelerated depreciation of analogue cellular system		(17.3)	-	NM
		(83.4)	-	NM
Total - SingTel		283.5	348.9	-18.7
Total - Optus		(43.0)	-	NM
Group		240.5	348.9	-31.1

Notes:

- (1) These companies have December financial year ends. SingTel equity accounted for share of results of these companies for the year to 31 December 2001.
- (2) The statutory accounts of the associated and joint venture companies are prepared based on local GAAP. Where necessary, the accounting policies of these investments have been restated to ensure consistency with the accounting policies adopted by the Group.
- (3) SingTel's interest in Bharti consists of a 26.96% equity interest in Bharti Telecom Ltd and a 15.95% equity interest in Bharti Tele-Ventures Ltd, a subsidiary of Bharti Telecom Ltd, resulting in effective interest in Bharti Tele-Ventures Ltd of 28.46%.
- (4) SESAMi was a subsidiary last year. It became a joint venture company and is equity accounted for only from February 2001.

For the year under review, contributions from associated and joint venture companies accounted for 11.3% of the Group's profit before tax, compared to 12.8% a year ago.

SingTel's share of results of associated and joint venture companies were lower by S\$65.4 million, or 18.7%, due mainly to lower contributions from Belgacom and an exceptional accelerated depreciation charge recorded by AIS. Excluding one-off items, SingTel's share of results increased S\$18.0 million, or 5.2%, on the back of higher earnings from AIS and Globe Telecom, as well as a first time contribution from Telkomsel, following the acquisition of a 22.3% stake in December 2001.

BELGACOM

Belgacom is the leading telecommunications company in Belgium, providing a full range of mobile, local, regional and international telephone services, leased-lines and data communications. Its mobile subsidiary, Proximus-Belgacom Mobile, is the market leader in Belgium.

SHARE OF RESULTS OF ASSOCIATED AND JOINT VENTURE COMPANIES (CONT'D)

BELGACOM (CONT'D)

Belgacom recorded lower operating profits even though operating revenue increased 4.8%. A fully liberalised market has eroded margins. Tariffs were reduced, a result of price rebalancing since October 2000. Its mobile business however continued to grow, with higher subscriber base and improved revenue.

Belgacom took a charge for staff restructuring costs in the last quarter of 2001 which will improve its cost structure. This, however, was partially mitigated by the gain on deemed disposal of a subsidiary. On a post-tax basis, these exceptional items have no net material impact to Belgacom's earnings contribution.

ADVANCED INFO SERVICE ("AIS")

AIS is the largest mobile communications operator in Thailand. It is listed on the Stock Exchange of Thailand.

SingTel's share of results from AIS increased S\$24.8 million, or 23.4%, due largely to very strong take-up rates. Reduced handset prices and tariffs, along with the increasing popularity of pre-paid services, stimulated demand.

The number of AIS mobile subscribers (including DPC) increased to 6.56 million as at March 2002, more than double the number of subscribers a year before. AIS had a market share of 67% while Thailand's mobile penetration rate stood at only 16%.

For the last quarter of 2001, AIS recorded an exceptional accelerated depreciation charge to its analogue cellular system in view of plans to migrate its customers to a digital system in June 2003. This one-time charge will reduce the depreciation charges of AIS going ahead. The Group's share of this charge amounted to S\$17.3 million.

GLOBE TELECOM, INC ("GLOBE")

Globe is an integrated provider of fixed line, cellular, international telephone, inter-exchange carrier, data communications and Internet services in the Philippines. It is the second largest mobile operator in the Philippines and is listed on the Philippines Stock Exchange.

For the year under review, SingTel's share of profit from Globe amounted to S\$56.3 million, compared to losses of S\$8.4 million recorded last year. Revenue grew 64% year-on-year, with strong growth in subscribers and traffic volumes in its carrier business. As at 31 March 2002, Globe had 5.0 million mobile subscribers, an increase of 65% from a year before.

BHARTI GROUP ("BHARTI")

The Bharti Group is one of the largest private telecom group offering mobile communications, fixed line services, VSAT, Internet and network solutions in India.

Bharti Tele-Ventures Ltd was listed on 18 February 2002 on the National Stock Exchange, Delhi Stock Exchange and The Stock Exchange, Mumbai. The company raised US\$174 million through the first 100 per cent book-building IPO in India. The IPO was oversubscribed by more than 2.5 times.

Bharti is currently ranked second in the cellular market with 21% market share. The company had approximately 1.6 million customers at 31 March 2002, consisting of approximately 1.4 million cellular customers. Bharti currently provides cellular services in seven of the 22 license areas in India (referred to as circles) and intend to expand its cellular services to cover eight additional circles by the middle of this year.

With the launch of its fixed lines services in Delhi, Tamil Nadu and Karnataka in the last quarter, Bharti has completed launching its fixed line service in all the new licensed areas that it won recently. Today, the company provides fixed line services in a total of five circles.

SHARE OF RESULTS OF ASSOCIATED AND JOINT VENTURE COMPANIES (CONT'D)

PT TELEKOMUNIKASI SELULAR ("TELKOMSEL")

SingTel acquired a 22.3% stake in Telkomsel, a cellular operator in Indonesia, from KPN of the Netherlands in December 2001. The Group is equity accounting results of Telkomsel for the first time, with a contribution of S\$33.3 million.

As at 31 March 2002, Telkomsel had a total subscriber base of 3.7 million subscribers. This represents approximately a 95% growth from a year ago. The company has maintained its leading position in the Indonesian cellular market with more than 50% market share.

The Indonesian cellular market is expected to continue to show healthy growth as the current penetration rate remains low at about 3.4%. In order to expand and capitalise on the growth potential, Telkomsel recently raised US\$150 million in a bond issue to partially finance its capital expenditure plans for the current year.

On 3 April 2002, SingTel signed a Conditional Sale and Purchase Agreement with PT Telkom, Telkomsel's other shareholder, to purchase an additional 12.7% stake and on completion, SingTel's stake in Telkomsel will increase to 35%.

EBITDA

FOR THE YEAR ENDED 31 MARCH 2002

	2002 S\$ million	2001 S\$ million	Change %
Operational EBITDA			
SingTel	2,587.2	2,604.3	-0.7
Optus	469.8	NA	
Total	3,057.0		
Operational EBITDA margin (%)			
SingTel	52.6	52.9	NM
Optus	19.4	NA	
Total	41.7		

Despite the weak economic climate, and tariff and price reductions in a more competitive environment, SingTel's Operational EBITDA and margin remained strong, reflecting its success in retaining market share and its effective management of costs.

DEPRECIATION AND AMORTISATION

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Depreciation ⁽¹⁾ of property, plant and equipment	998.4	587.4	573.8	2.4
Amortisation of goodwill	353.1	351.2	-	NM
Others	18.3	(0.4)	(1.6)	-75.0
	1,369.8	938.2	572.2	64.0
Depreciation over operating revenue	13.6%	11.9%	11.6%	NM

Note:

(1) This depreciation excludes accelerated depreciation which is classified under exceptional items.

Depreciation expenses from Optus for the half year contributed S\$411 million to the Group's total depreciation expenses. Excluding Optus, SingTel's depreciation expenses increased by S\$13.6 million, or 2.4% during the year.

In the last quarter of the year, the Group revised the expected useful lives of its property, plant and equipment so as to better align them with the future economic benefits embodied in the depreciable assets in the light of changing trends and technology and to align asset useful lives across its operations in Singapore and Australia. The change in accounting estimate resulted in a lower depreciation charge for the Group of about S\$49 million.

Goodwill amortisation included a goodwill charge of S\$331.6 million for the acquisition of Optus, for the seven months from 31 August 2001, and S\$12.0 million for Telkomsel.

NET FINANCE INCOME

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Investment income ⁽¹⁾	8.2	8.2	73.7	-88.9
Writeback/(Provision) for diminution in value of short term investment	27.3	27.3	(43.7)	NM
Related foreign exchange gain/(loss)	36.4	36.4	29.9	21.7
Interest income	116.5	112.2	209.1	-46.3
Interest expense	(269.7)	(156.5)	(9.1)	@
	(81.3)	27.6	259.9	-89.4

Notes:

@ > 1,000%

(1) Comprises mainly dividend income and realised gains or losses on disposals of short term investments.

The exchange gain resulted mainly from foreign currency denominated borrowings.

Net finance income declined sharply as a result of higher financing costs from borrowings as well as lower investment and interest income from a smaller fund size.

EXCEPTIONAL ITEMS

FOR THE YEAR ENDED 31 MARCH 2002

	2002 S\$ million	2001 S\$ million	Change %
Net provision for diminution in value of non-current investments	(72.9)	(391.9)	
Net gain on disposal of long term investments	37.1	23.3	
Accelerated depreciation of property, plant and equipment	-	(50.3)	
Gain on disposal of venture investments	-	124.6	
Recovery of investment in subsidiary company previously written off	7.6	22.0	
(Loss)/gain on deemed disposal of non-current investments	(32.7)	28.7	
SingTel	(60.9)	(243.6)	-75.0
Optus	-	-	
Group	(60.9)	(243.6)	-75.0

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

TAXATION

FOR THE YEAR ENDED 31 MARCH 2002

	2002 S\$ million	2001 S\$ million	Change %
SingTel			
Taxation			
Current and deferred taxes	454.2	537.0	
Tax rebates	(59.2)	-	
	395.0	537.0	-26.4
Share of taxes of associated and joint venture companies	108.3	178.1	-39.2
	503.3	715.1	-29.6
Effective tax rate	22.5%	26.2%	
Optus - tax credit			
	(5.3)	-	NM
	498.0	715.1	-30.4
Effective tax rate	23.5%	26.2%	

The effective tax rate for the Group was 23.5% and for SingTel was 22.5% (2001: 26.2%). The reduction in effective tax rate was due mainly to the tax rebates of about S\$59 million in respect of prior years arising from the off-budget measures earlier announced by the Singapore Government in October 2001. Refer also to earlier Note (3) on page 17 on "Effect Of Change In Singapore Corporate Tax Rate".

NET PROFIT

FOR THE YEAR ENDED 31 MARCH 2002

	2002 Group S\$ million	Change % Group	2002 SingTel S\$ million	2001 SingTel S\$ million	Change % SingTel
Profits attributable to shareholders	1,631.3	-18.7	1,739.7	2,006.3	-13.3
Exclude amortisation of goodwill	353.1	NM	351.2	-	NM
Profits attributable to shareholders ⁽¹⁾	1,984.4	-1.1	2,090.9	2,006.3	4.2

Note:

(1) Adjusted to reflect pre-goodwill as shown.

For the year, the Group's net profit before goodwill charges decreased by 1.1%.

CASHFLOW & CAPITAL EXPENDITURE (INCLUDING OPTUS)

FOR THE YEAR ENDED 31 MARCH 2002

	2002 S\$ million	2001 S\$ million	Change %
Net cash inflow from operating activities	3,088.1	3,539.4	-12.8
Net cash outflow from investing activities	(9,792.5)	(3,058.0)	220.2
Net cash inflow/(outflow) from financing activities	4,337.9	(716.7)	NM
Net change in cash and cash equivalents	(2,366.5)	(235.3)	905.7
Cash and cash equivalents at beginning	4,095.4	4,330.7	-5.4
Cash and cash equivalents at end	1,728.9	4,095.4	-57.8
Capital expenditure			
C2C	2,302	916	151.3
SingTel and other subsidiaries (exclude Optus)	677	817	-17.2
	2,979	1,733	71.9
Optus	559	-	NM
	3,538	1,733	104.2

For the year ended 31 March 2002, operating cash inflow for the Group was S\$3.09 billion, down 12.8% because of the one-off receipt of S\$859 million in compensation payment from the IDA last year.

The net cash outflow for investing activities was S\$9.79 billion, compared to S\$3.06 billion a year ago. Of this amount, S\$7.16 billion was for net payment in acquiring Optus, and S\$1.91 billion was for investment in associated and joint venture companies.

Capital expenditure incurred for the year on an accrual basis amounted to S\$3.54 billion, of which S\$2.30 billion was for construction of the C2C submarine cable network and S\$559 million spent by Optus in the last half year. The cash outflow for capital expenditure for the year was S\$3.00 billion.

Net cash inflow from financing activities was S\$4.34 billion, with S\$5.26 billion from borrowings. An amount of S\$697.4 million was also paid in respect of final dividends for financial year ended 31 March 2001.

The net decrease for the year is S\$2.37 billion, resulting in ending cash and cash equivalents' balance of S\$1.73 billion as at 31 March 2002.

BALANCE SHEET (INCLUDING OPTUS)

AS AT 31 MARCH 2002

	Group 2002 S\$ million	Group 2001 S\$ million	SingTel 2002 S\$ million	Optus 2002 S\$ million
Gross debt	11,876.1	1,000.0	7,376.5	4,499.6
Less: cash and bank balances	(1,728.9)	(4,095.4)	(1,651.9)	(77.0)
Net debt/(cash)	10,147.2	(3,095.4)	5,724.6	4,422.6
Gross debt gearing ratio (%) ⁽¹⁾	44.1	9.8		
Net debt gearing ratio (%) ⁽²⁾	40.3	NM		
Property, plant & equipment	13,437.8	5,475.8		
Net assets	15,032.0	9,208.4		

Notes:

- (1) Gross debt gearing is defined as the ratio of gross debt to gross capitalisation. Gross capitalisation comprises aggregate of gross debt, shareholders' equity and minority interest.
- (2) Net debt gearing is defined as the ratio of net debt (gross debt less cash and bank balances) to net capitalisation. Net capitalisation comprises aggregate of net debt, shareholders' equity and minority interests.

Gross borrowings increased by S\$10.9 billion during the year, accounted for by SingTel whose borrowings rose S\$6.4 billion and Optus whose borrowings totalled S\$4.5 billion.

During the year, SingTel successfully raised US\$2.3 billion in its debut global bond offering. The proceeds were used for repayment of short term borrowings, including the A\$3 billion bridge loan facility incurred in respect of the Optus acquisition, and for general corporate purposes.

SingTel's bonds are rated as "AA-" from Standard & Poor's Ratings Group and "A1" from Moody's Investors Service, Inc. and ranked as one of the most highly rated telecommunications group in Asia.

In January 2002, C2C completed its financing agreements for USD650 million of secured financing facility. The facility has been used to fund the development and construction of C2C's pan-Asian submarine cable network and USD485 million has been drawn down as at year end.

DIVIDEND

The directors have proposed a final dividend of 5.5 cents per share, net of tax at 22%, amounting to S\$764.7 million in respect of the financial year ended 31 March 2002 for approval at the Annual General Meeting on 30 August 2002.

PROFORMA PROPORTIONATE FINANCIAL INFORMATION (UNAUDITED)

The following tables show unaudited proforma proportionate financial information for the year ended 31 March 2002. This information has been derived from the Consolidated Income Statement of the SingTel Group prepared on a statutory basis and the proportionate share of operating revenue and EBITDA of its associated and joint venture companies.

Proportionate presentation is not required by Singapore GAAP and is not intended to replace the consolidated financial statements prepared in accordance with Singapore GAAP. However, since associated and joint venture companies, in which the Group has an interest are not consolidated on a line by line basis, proportionate information is provided as supplemental data to facilitate a more detailed understanding and assessment of the consolidated financial statements prepared in accordance with Singapore GAAP.

PROFORMA PROPORTIONATE FINANCIAL INFORMATION (UNAUDITED) (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2002

	2002 S\$ million	2001 S\$ million	Change %
Proportionate operating revenue			
Group operating revenue	7,338.2	4,925.5	49.0
Proportionate share of operating revenue			
Pro-rata Europe	1,241.8	1,118.7	11.0
Pro-rata Asia	1,191.8	702.6	69.6
Pro-rata Singapore	143.5	96.1	49.3
Pro-rata others	50.2	-	NM
Total proportionate revenue	9,965.5	6,842.9	45.6

	2002 S\$ million	2001 S\$ million	Change %
Proportionate EBITDA ⁽¹⁾			
Operational EBITDA	3,057.0	2,604.3	17.4
Compensation from IDA	337.0	337.0	-
Proportionate share of EBITDA of associated and joint venture companies	692.8	709.3	-2.3
Proportionate EBITDA	4,086.8	3,650.6	11.9
EBITDA margin on proportionate revenue(%)	41.0%	53.3%	NM

Note:

(1) Proportionate EBITDA represents the Group's effective interests in the respective entities' EBITDA. As such, proportionate EBITDA does not represent EBITDA available to the Group.

	Total Number 2002	Proportionate Number 2002	Total Number 2001	Proportionate Number 2001
Proportionate share of mobile subscribers ⁽¹⁾ As at 31 March (or latest date available)	('000)	('000)	('000)	('000)
SingTel Mobile ⁽²⁾	1,493	1,493	1,537	1,537
Optus	4,160	4,160	3,682	3,682
Globe	4,999	1,453	3,021	869
AIS	6,559	1,412	2,431	510
Bharti Group	1,351	345	599	102
Telkomsel	3,733	832	1,934	431
Belgacom	3,435	417	3,662	445
	25,729	10,111	16,865	7,577

Notes:

(1) Proportionate share of mobile subscribers represents the number of mobile subscribers of an associated or joint venture company multiplied by SingTel's effective percentage ownership in the venture.

(2) Includes wholesale subscribers.