



Singapore Telecommunications Limited And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FOURTH QUARTER AND YEAR ENDED 31 MARCH 2017

The financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards, which are the same, in material respects, to International Financial Reporting Standards. The financial statements for the year ended, and as at, 31 March 2017 are audited.

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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SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS**FOR THE FOURTH QUARTER ENDED 31 MARCH 2017**

- **Operating revenue grew 5.2% and would have grown 2.1% in constant currency terms¹ on higher Data and Internet, Equipment sales and ICT services.**
- **EBITDA rose 3.7%. It would have been stable in constant currency terms¹.**
- **Weaker results at Airtel India on aggressive price competition resulted in stable associates' net profit contributions² and underlying net profit. Excluding Airtel, the associates' net profit contributions² rose 12% and underlying net profit increased 7.0%.**
- **With lower exceptional losses, net profit grew 1.8%. Excluding Airtel, net profit was up 9.1%.**
- **Free cash flow up 12% to S\$764 million due mainly to timing difference in Tekomsel's dividend payment partially offset by higher capital expenditure.**

FINANCIAL HIGHLIGHTS**FOR THE YEAR ENDED 31 MARCH 2017**

- **Operating revenue fell 1.5% impacted by the decline in mobile termination rates³ ("rates change") in Australia. Excluding the rates change³, operating revenue would have increased 2.0%.**
- **EBITDA was stable.**
- **The associates' net profit contributions² grew 8.4%, and underlying net profit was up 2.9%. Excluding Airtel, the associates' net profit contributions² rose 13% and underlying net profit grew 4.5%.**
- **Net profit was stable, with exceptional losses compared to exceptional gains last year. Excluding Airtel, net profit was up 2.3%.**
- **Free cash flow increased by 18% to S\$3.20 billion⁴ on working capital movements and higher dividends from associates partly offset by higher 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 period/year ended 31 March 2016.

² Exclude certain exceptional items of Airtel, AIS and SingPost classified under exceptional items of Singtel Group.

³ Effective from 1 January 2016, mobile termination rates in Australia declined and reduced the Group's operating revenue by S\$583 million (A\$566 million) for FY 2017, with minimal impact on profitability.

⁴ Before S\$142 million (A\$134 million) paid to the Australian Taxation Office ("ATO") for amended assessments in December 2016 quarter.

SECTION 1 : GROUP

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	4,308	4,094	5.2	16,711	16,961	-1.5
EBITDA	1,308	1,262	3.7	4,998	5,013	-0.3
Margin	30.4%	30.8%		29.9%	29.6%	
Share of associates' pre-tax profits	720	721	-0.1	2,942	2,791	5.4
EBITDA and share of associates' pre-tax profits	2,028	1,983	2.3	7,939	7,804	1.7
EBIT	1,444	1,437	0.4	5,701	5,655	0.8
(exclude share of associates' pre-tax profits)	724	717	1.0	2,759	2,864	-3.7
Underlying net profit	988	981	0.8	3,915	3,805	2.9
(exclude Airtel) ⁽¹⁾	952	890	7.0	3,645	3,489	4.5
Exceptional items (post-tax)	(25)	(35)	-28.4	(63)	66	nm
Net profit	963	946	1.8	3,853	3,871	-0.5
(exclude Airtel) ⁽¹⁾	933	855	9.1	3,571	3,490	2.3
Free cash flow ⁽²⁾	764	681	12.1	3,197	2,718	17.6
Underlying earnings per share (S cents)	6.06	6.15	-1.5	24.35	23.88	2.0
Basic earnings per share (S cents)	5.90	5.94	-0.7	23.96	24.29	-1.4

	As at		
	31 Mar 2017 S\$ m	31 Dec 2016 S\$ m	31 Mar 2016 S\$ m
	Total assets	48,294	47,738
Shareholders' funds	28,214	26,952	24,989
Net debt ⁽³⁾	10,384	9,813	9,142
Net debt gearing ratio ⁽⁴⁾	26.9%	26.7%	26.8%
Net debt to EBITDA and share of associates' pre-tax profits ⁽⁵⁾	1.31X	1.25X	1.17X
Interest cover: - EBITDA and share of associates' pre-tax profits/ net interest expense ⁽⁶⁾	23.6X	23.8X	25.3X

Notes:

- (1) The profits were adjusted to exclude results of Airtel.
- (2) Before S\$142 million (A\$134 million) paid to the ATO for amended assessments in December 2016 quarter.
- (3) Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.
- (4) Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.
- (5) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.
- (6) Net interest expense refers to interest expense less interest income.

SECTION 1 : GROUP

GROUP SUMMARY INCOME STATEMENTS
For The Fourth Quarter And Year Ended 31 March 2017

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	4,308	4,094	5.2	16,711	16,961	-1.5
Operating expenses	(3,061)	(2,865)	6.8	(11,929)	(12,097)	-1.4
	1,247	1,229	1.5	4,782	4,864	-1.7
Other income	61	33	87.7	215	148	45.2
EBITDA	1,308	1,262	3.7	4,998	5,013	-0.3
- EBITDA margin	30.4%	30.8%		29.9%	29.6%	
Share of associates' pre-tax profits	720	721	-0.1	2,942	2,791	5.4
EBITDA and share of associates' pre-tax profits	2,028	1,983	2.3	7,939	7,804	1.7
Depreciation	(513)	(476)	7.9	(1,960)	(1,892)	3.6
Amortisation of intangibles	(72)	(70)	2.9	(279)	(257)	8.7
	(585)	(545)	7.2	(2,239)	(2,149)	4.2
EBIT	1,444	1,437	0.4	5,701	5,655	0.8
Net finance expense						
- net interest expense	(89)	(85)	4.7	(337)	(309)	9.0
- other finance income/ (loss)	7	(7)	nm	77	44	75.5
	(82)	(91)	-10.0	(260)	(265)	-2.0
Profit before exceptional items and tax	1,362	1,346	1.2	5,441	5,390	0.9
Taxation	(381)	(371)	2.8	(1,548)	(1,597)	-3.1
Profit after tax	981	975	0.5	3,894	3,793	2.7
Minority interests	8	6	37.5	22	13	73.6
Underlying net profit	988	981	0.8	3,915	3,805	2.9
Exceptional items (post-tax)	(25)	(35)	-28.4	(63)	66	nm
Net profit	963	946	1.8	3,853	3,871	-0.5
Depreciation as % of revenue	12%	12%		12%	11%	

Unless otherwise stated, the presentation of income statements in this document is consistent with prior periods. For income statements presented in accordance with FRS 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, United States of America, 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 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 (Amobee), regional premium OTT video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), 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:

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue						
Group Consumer	2,457	2,295	7.1	9,572	10,110	-5.3
Group Enterprise	1,723	1,679	2.6	6,600	6,397	3.2
Core Business	4,181	3,974	5.2	16,172	16,507	-2.0
Group Digital Life	127	120	5.8	539	454	18.7
Group	4,308	4,094	5.2	16,711	16,961	-1.5
EBITDA						
Group Consumer	908	846	7.4	3,295	3,266	0.9
Group Enterprise	466	475	-1.9	1,913	1,959	-2.3
Core Business	1,374	1,321	4.0	5,208	5,225	-0.3
Group Digital Life	(36)	(39)	-7.5	(122)	(137)	-10.6
Corporate	(30)	(20)	47.0	(88)	(76)	16.8
Group	1,308	1,262	3.7	4,998	5,013	-0.3
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	513	481	6.5	1,771	1,811	-2.2
Group Enterprise	294	313	-5.9	1,268	1,337	-5.1
Core Business	807	794	1.7	3,039	3,148	-3.5
Group Digital Life	(53)	(57)	-6.7	(190)	(206)	-7.4
Corporate	(30)	(21)	47.3	(90)	(79)	14.2
Group	724	717	1.0	2,759	2,864	-3.7

SECTION 1 : GROUP

FINAL DIVIDEND

The Directors have proposed a final ordinary dividend of 10.7 cents per share (FY2016: 10.7 cents per share), totalling approximately S\$1.75 billion in respect of the current financial year ended 31 March 2017.

Together with the interim dividend of 6.8 cents per share amounting to S\$1.11 billion paid in the quarter, the total amount of ordinary dividends in respect of the current financial year ended 31 March 2017 would be 17.5 cents per share (FY2016: 17.5 cents per share), totalling approximately S\$2.86 billion. This represented a payout ratio of 73% of underlying net profit.

REVIEW OF GROUP OPERATING PERFORMANCE

For The Fourth Quarter Ended 31 March 2017

Intense competition with sustained aggressive pricing by the new market entrant in India had significantly impacted Airtel's and the Group's results. Consequently, underlying net profit was stable in the quarter. Excluding Airtel, however, underlying net profit grew a robust 7.0% underpinned by strong performances from consumer businesses in Singapore and Australia, as well as higher contribution from Telkomsel. In constant currency terms, underlying net profit was down 1.4% and excluding Airtel, underlying net profit was up 4.8%.

Operating revenue grew 5.2% on higher Data and Internet, Equipment sales and ICT services. EBITDA rose 3.7% on revenue growth and strong cost management, offsetting investments in content, ICT capabilities and network expansion. In constant currency terms, operating revenue grew 2.1% and EBITDA was stable.

Group Consumer contributed 57% (Q4 FY2016: 56%) and 69% (Q4 FY2016: 67%) to the Group's operating revenue and EBITDA respectively. EBITDA grew 7.4% on increase of 7.1% in operating revenue. In constant currency terms, operating revenue and EBITDA rose 2.5% and 2.6% respectively.

Singapore Consumer reported growth in EBITDA and EBIT of 4.9% and 9.4% respectively amid a highly competitive market. Operating revenue was stable as higher Equipment sales and Consumer Home Services were offset by lower voice services. Mobile Communications revenue was flat as strong data growth in both prepaid and postpaid was offset by declines in local and roaming voice. Other income increased significantly on various one-off gains and lower foreign exchange losses. In Australia, operating revenue grew 3.1% driven by higher NBN revenue and Equipment sales, partly offset by increased mobile service credits from device repayment plans. EBITDA was up 2.2% on higher revenue and miscellaneous income offsetting increased content costs.

Group Enterprise contributed 40% (Q4 FY2016: 41%) and 36% (Q4 FY2016: 38%) to the Group's operating revenue and EBITDA respectively. In Singapore Enterprise, operating revenue grew 3.0% on higher ICT revenue while EBITDA was stable with investments in cyber security and ICT capabilities. Optus Business reported declines in operating revenue and EBITDA of 4.3% and 14% respectively due to continued intense price competition in Australia as well as increased doubtful debts. Consequently, Group Enterprise's operating revenue increased 2.6% while EBITDA declined 1.9%.

SECTION 1 : GROUP

GDL contributed 3% (Q4 FY2016: 3%) to the Group's operating revenue. Operating revenue grew 5.8% driven by Amobee's social, video and display businesses. Excluding revenue from Amobee's low-margin publisher business which ceased operations in the preceding quarter, operating revenue grew 16%. Negative EBITDA fell 7.5% mainly due to lower losses at Amobee offset by higher investments in content and marketing spend as HOOQ ramped up its businesses. The acquisition of Turn in April 2017 has enhanced Amobee's scale as an integrated player with comprehensive media, technology and analytics capabilities.

Depreciation and amortisation charges rose 7.2% mainly on higher network investments and depreciation from DC West, a data centre commissioned in December 2016.

EBIT (before share of results of associates) was stable at S\$724 million.

As at 31 March 2017, the combined mobile customer base of the Group and its regional associates was 638 million.

Excluding Airtel which had posted steep decline in earnings, the net profit contributions from associates increased strongly by 12% mainly from Telkomsel, NetLink Trust and Intouch (acquired in November 2016) partly offset by declines at AIS and Globe.

Net finance expense fell 10% due mainly to lower net fair value losses on interest rate swaps.

Profit before exceptional items and tax grew 1.2%, while underlying net profit was stable with higher tax expense attributable mainly to recognition of withholding tax on Telkomsel's interim dividend this quarter.

The Group recorded net exceptional losses of S\$25 million in the quarter, down from S\$35 million in the last corresponding quarter.

Net profit grew 1.8% after including the exceptional losses. In constant currency terms, net profit was stable.

Free cash flow for the quarter increased 12% to S\$764 million mainly due to timing difference in Telkomsel's dividend payment partly offset by higher capital expenditure.

The Group continued to maintain a healthy capital structure. As at 31 March 2017, net debt gearing ratio was 26.9%, stable 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.

SECTION 1 : GROUP

For The Year Ended 31 March 2017

The Group generally performed in line with the guidance issued during the financial year.

Operating revenue for the Group fell 1.5% but would have increased 2.0% excluding the rates change, while EBITDA remained stable. In constant currency terms, operating revenue and EBITDA would have decreased by 2.6% and 1.5% respectively.

Operating revenue for Singapore Consumer declined 1.9% while EBITDA increased 2.4% on strong cost management. In Australia, operating revenue declined 8.4% (declined 1.0% excluding the rates change) while EBITDA fell 1.9% on heightened competition and investment in content.

Group Enterprise's operating revenue grew 3.2%. This was contributed by higher cyber security and other ICT services offsetting the decline in traditional carriage services. In constant currency terms, operating revenue grew 2.7% while EBITDA declined 2.6% reflecting the keen competition in core carriage business partly offset by a strong ICT performance.

Operating revenue for GDL increased 19% mainly contributed by strong performance from Amobee's social, video and display businesses. Negative EBITDA fell 11% with lower losses at Amobee partly offset by higher HOOQ's losses.

Despite weaker results at Airtel, the associates' post-tax profit contributions grew 8.4%, and underlying net profit increased 2.9%. Excluding Airtel, the associates' post-tax profit contributions increased 13% and underlying net profit grew 4.5%.

With an exceptional loss compared to an exceptional gain last year, net profit for the year was stable at S\$3.85 billion. Excluding Airtel, net profit was up 2.3% and would have increased 1.4% in constant currency terms.

The Group's free cash flow (before payment to ATO for amended tax assessments) grew 18% to S\$3.20 billion due to higher dividends from associates and working capital movements partly offset by higher capital expenditure.

SECTION 1 : GROUP**SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 31 December 2016 were as follows:

	Quarter		QOQ Chge %
	31 Mar 2017 S\$ m	31 Dec 2016 S\$ m	
Operating revenue	4,308	4,410	-2.3
EBITDA	1,308	1,221	7.2
- margin	30.4%	27.7%	
Share of associates' pre-tax profits	720	718	0.3
EBIT	1,444	1,376	4.9
Underlying net profit <i>(excluding Airtel)</i>	988 952	994 946	-0.6 0.6
Exceptional items (post-tax)	(25)	(22)	15.7
Net profit <i>(excluding Airtel)</i>	963 933	973 930	-1.0 0.3
Free cash flow ⁽¹⁾	764	559	36.5

Note:

(1) Before S\$142 million (A\$134 million) paid to the ATO for amended assessments in December 2016 quarter.

Compared to the preceding quarter, operating revenue declined reflecting seasonally lower Equipment sales and lower mobile service revenue in Australia. EBITDA, however, grew 7.2% from higher NBN revenue in Australia and lower selling costs. Underlying net profit was stable after including foreign exchange and fair value losses as compared to gains in the preceding quarter, as well as higher withholding taxes from associates' dividends.

The increase in free cash flow was mainly due to higher dividends received from associates, mainly from Telkomsel.

SECTION 1 : GROUP**OUTLOOK FOR THE FINANCIAL YEAR ENDING 31 MARCH 2018****Macro-economic environment and currency**

The guidance for FY2018 is based on the following economic growth projections, and average exchange rates for the financial year ended 31 March 2017:

GDP growth ⁵	2017
Singapore	1% to 3%
Australia	2.5% to 3%
United States	2%
India	8%
Indonesia	5%
Philippines	7%
Thailand	3%
Airtel's key countries in Africa	1% to 7%

Average exchange rates		FY 2017
Australian Dollar	AUD 1	SGD 1.0426
United States Dollar	USD 1	SGD 1.3841
Indonesian Rupiah	SGD 1	IDR 9,591
Indian Rupee	SGD 1	INR 48.7
Thailand Baht	SGD 1	THB 25.4
Philippine Peso	SGD 1	PHP 34.8

Strategic Focus

Singtel aims to drive sustainable growth from its core business in Singapore and Australia by capturing the rising demand for data services and accelerating growth in ICT services, including cyber security, cloud computing and smart cities solutions. It continues to invest in networks, spectrum, technology and content to enhance customer experience and drive differentiation in the market. With its scale and operating experience, the Group is well-placed to compete and win.

Group Digital Life will leverage global opportunities in digital marketing, data analytics and premium video services. Amobee is expected to grow strongly in video, mobile and social marketing, while HOOQ continues to enhance its content and distribution.

Singtel has given an undertaking to IMDA to divest its stake in NetLink Trust to less than 25% ownership by 22 April 2018. Singtel does not have effective control over NetLink Trust and equity accounts for NetLink Trust in the Group's results. For the financial year ended 31 March 2017, NetLink Trust contributed S\$130 million (including S\$57 million of amortised gain arising from deferred gain on disposal of assets and business) or 3% to the Group's underlying net profit. NetLink Trust does not contribute materially to the Group's earnings. The financial impact from divestment of NetLink Trust will be recorded as an exceptional item of the Group.

⁵ Singapore's GDP is based on Ministry of Trade and Industry (February 2017). Australia's GDP is based on Reserve Bank of Australia (May 2017) and the rest are based on World Bank (January 2017). The GDP growth for Australia is based on fiscal year ending June 2018 and for United States is based on fiscal year ending March 2018.

SECTION 1 : GROUP

Group ⁶

Consolidated revenue for the Group is expected to grow by mid single digit and EBITDA to grow by low single digit.

Capital expenditure is expected to approximate S\$2.6 billion. This reflects the Group's multi-year investments in unified billing and customer care systems which incorporate advanced analytics to drive better customer experience as well as continued strategic investments in mobile network and ICT. In Australia, Optus continues to expand its regional 4G coverage and deepen its network for seamless delivery of videos and other bandwidth-intensive content.

Cash capital expenditure is expected to be around S\$2.4 billion, with A\$1.5 billion for Optus and S\$0.8 billion for the rest of Singtel Group.

Free cash flow, excluding spectrum payments and dividends from associates, is projected to be around S\$1.8 billion.

Spectrum payments in Singapore and Australia are expected to be approximately S\$1.0 billion.

Dividends from the regional associates are expected to be around S\$1.4 billion, with first time inclusion of dividends from Intouch and expected lower payout from AIS.

Key Business Units

Core Business (comprising Group Consumer and Group Enterprise)

- In the Core Business, both operating revenue and EBITDA are expected to grow by low single digit.
- Mobile service revenue from Australia is projected to grow by low single digit.
- Mobile Communications revenue from Singapore is expected to decline by low single digit.
- Group ICT revenue (comprising Managed Services and Business Solutions) is projected to increase by mid single digit. This includes cyber security revenue of S\$550 million to S\$650 million.

Group Digital Life ⁶

- Amobee Group is expected to contribute S\$1.2 billion to S\$1.3 billion in operating revenue ⁷ and targets breakeven in EBITDA.
- Negative EBITDA from Group Digital Life is expected to reduce to approximately S\$100 million.

⁶ Including contribution from Turn, Inc. from 1 April 2017 and excluding any other new acquisition.

⁷ Includes intragroup revenue.

SECTION 1 : GROUP

Dividend Policy

Singtel's dividend payout ratio is between 60% and 75% of underlying net profit. The dividend payout is influenced by the Group's cash flow generation, including dividends from associates.

The Group remains committed to an optimal capital structure and investment grade credit ratings, while maintaining financial flexibility to pursue growth.

OPERATING REVENUE

By Products and Services	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Mobile communications	1,507	1,492	1.0	5,931	6,714	-11.7
Data and Internet	893	794	12.5	3,321	3,138	5.8
<i>Cyber security</i>	121	107	13.9	473	258	83.7
<i>Other services</i>	511	476	7.3	1,809	1,756	3.0
Managed services	632	582	8.5	2,282	2,014	13.3
Business solutions	177	174	2.1	660	637	3.6
Infocomm Technology ("ICT")	810	756	7.1	2,942	2,651	11.0
Sale of equipment	464	394	17.6	1,904	1,802	5.7
National telephone	261	273	-4.3	1,062	1,128	-5.8
Digital businesses ⁽¹⁾	135	126	7.0	566	476	18.8
International telephone	112	123	-9.2	480	542	-11.5
Pay television	72	70	3.1	293	285	2.7
Others	54	66	-17.2	214	226	-5.4
Total	4,308	4,094	5.2	16,711	16,961	-1.5
Operating revenue	4,308	4,094	5.2	16,711	16,961	-1.5
Associates' proportionate revenue ⁽²⁾	3,544	3,430	3.3	13,817	13,286	4.0
Group's proportionate revenue	7,852	7,523	4.4	30,529	30,248	0.9

Notes:

- (1) Comprise revenues mainly from Amobee, HOOQ, DataSpark, AMPed, Dash, inSing.com, and Hungry-Go-Where.
- (2) Proportionate share of revenue of associates is based on operating revenue of the associate multiplied by Singtel's effective ownership interest.

SECTION 1 : GROUP

Operating Revenue Mix	Quarter		Year	
	31 Mar		31 Mar	
	2017 %	2016 %	2017 %	2016 %
Mobile communications	35.0	36.4	35.5	39.6
Data and Internet	20.7	19.4	19.9	18.5
<i>Cyber security</i>	2.8	2.6	2.8	1.5
<i>Other services</i>	11.9	11.6	10.8	10.4
Managed services	14.7	14.2	13.7	11.9
Business solutions	4.1	4.2	3.9	3.8
ICT	18.8	18.5	17.6	15.6
Sale of equipment	10.8	9.6	11.4	10.6
National telephone	6.1	6.7	6.4	6.7
Digital businesses	3.1	3.1	3.4	2.8
International telephone	2.6	3.0	2.9	3.0
Pay television	1.7	1.7	1.8	1.7
Others	1.3	1.6	1.3	1.3
Total	100.0	100.0	100.0	99.8

Operating revenue of the Group grew 5.2% and would have increased 2.1% in constant currency terms.

Mobile Communications was stable but would have declined 2.8% in constant currency terms. The decline reflected the impact of higher mobile service credits from device repayment plans in Australia and lower voice and SMS revenues not fully offset by higher data.

Data and Internet revenue increased 13% driven by higher NBN revenue in Australia on strong customer growth and timing of migration payments, as well as increased demand for international circuits and bandwidth in Singapore.

Revenue from ICT grew 7.1% with growth in cyber security and provision of government infrastructure services in Singapore, partially offset by some large one-off project revenues in Australia in the last corresponding quarter.

Equipment sales grew 18% due to higher volume of handset sales driven by continued demand for smartphones.

Including the proportionate share of operating revenue from the associates, the Group's enlarged revenue grew 4.4% to S\$7.85 billion with strong growth at Telkomsel.

SECTION 1 : GROUP**OPERATING EXPENSES (Before Depreciation and Amortisation)**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales ⁽¹⁾	1,189	1,049	13.3	4,511	4,020	12.2
Selling & administrative ⁽¹⁾	716	698	2.5	2,922	3,056	-4.4
Staff costs ⁽¹⁾	640	610	4.9	2,523	2,434	3.7
Traffic expenses	403	404	-0.2	1,576	2,212	-28.8
Repair & maintenance	104	102	1.4	377	359	5.0
Others	10	1	@	20	16	22.6
Total	3,061	2,865	6.8	11,929	12,097	-1.4

As a percentage of operating revenue	Quarter		Year	
	31 Mar		31 Mar	
	2017 %	2016 %	2017 %	2016 %
Cost of sales ⁽¹⁾	27.6%	25.6%	27.0%	23.7%
Selling & administrative ⁽¹⁾	16.6%	17.1%	17.5%	18.0%
Staff costs ⁽¹⁾	14.9%	14.9%	15.1%	14.4%
Traffic expenses	9.4%	9.9%	9.4%	13.0%
Repair & maintenance	2.4%	2.5%	2.3%	2.1%
Others	0.2%	**	0.1%	0.1%
Total	71.1%	70.0%	71.4%	71.3%

Note:

(1) Comparatives have been restated to be consistent with the current period/year.

“***” denotes less than 0.05%

Total operating expenses grew 6.8%, and would have increased 3.8% in constant currency terms.

The higher Cost of Sales was in line with higher ICT, equipment sales and digital services.

SECTION 1 : GROUP

STAFF COSTS

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Staff costs						
Optus ⁽¹⁾	263	244	7.6	1,075	1,076	-0.1
Singtel and other subsidiaries	343	334	2.8	1,308	1,294	1.1
	606	578	4.9	2,383	2,370	0.5
Trustwave	34	32	5.0	141	64	118.3
Group ⁽¹⁾	640	610	4.9	2,523	2,434	3.7

	Quarter			Year		YOY Chge %
	31 Mar	31 Dec	31 Mar	31 Mar		
	2017	2016	2016	2017	2016	
Average number of staff						
Optus ⁽¹⁾	8,766	8,801	9,353	8,884	9,418	-5.7
Singtel and other subsidiaries	15,119	15,261	15,070	15,216	14,865	2.4
	23,885	24,062	24,423	24,100	24,283	-0.8
Trustwave	1,596	1,529	1,344	1,490	1,327	12.3
Group ⁽¹⁾⁽²⁾	25,481	25,591	25,767	25,590	25,610	-0.1
Headcount as at end of period						
Optus ⁽¹⁾	8,738	8,791	9,348	8,738	9,348	-6.5
Singtel and other subsidiaries	15,071	15,194	15,085	15,071	15,085	-0.1
	23,809	23,985	24,433	23,809	24,433	-2.6
Trustwave	1,608	1,530	1,347	1,608	1,347	19.4
Group ⁽¹⁾⁽²⁾	25,417	25,515	25,780	25,417	25,780	-1.4

Notes:

(1) Comparatives have been restated to be consistent with the current period/year.

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

Staff costs grew 4.9% and would have increased by 2.3% in constant currency terms attributable mainly to increased investments in cyber security and ICT capabilities, lower wage credits in Singapore and write backs of certain staff accruals in Australia in March quarter last year.

As of 31 March 2017, Group headcount dropped 1.4% to 25,417 from a year ago. The lower headcount in Optus was partly offset by staff additions at Trustwave.

SECTION 1 : GROUP**NET FINANCE EXPENSE**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Net interest expense						
- Interest income	2	3	-22.2	10	10	-3.0
- Interest expense	(95)	(95)	0.1	(363)	(348)	4.2
	(93)	(92)	0.8	(353)	(338)	4.4
- Net interest income from NetLink Trust ⁽¹⁾	4	7	-45.8	16	29	-44.3
	(89)	(85)	4.7	(337)	(309)	9.0
Other finance income						
- Dividend income from Southern Cross/ PCHL	15	13	20.8	61	43	42.0
- Investment income ⁽²⁾	*	1	nm	1	2	-36.4
- Net foreign exchange (losses)/ gains (non-trade)	(6)	(7)	-8.6	8	2	285.7
- Net fair value (losses) / gains ⁽³⁾	(3)	(13)	-80.5	7	(3)	nm
	7	(7)	nm	77	44	75.5
Net finance expense	(82)	(91)	-10.0	(260)	(265)	-2.0

Notes:

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

(2) Comprise mainly dividend income from Available-For-Sale investments.

(3) Comprise mainly adjustments for hedging instruments measured at fair values under *FRS 39, Financial Instruments: Recognition and Measurement*.

*** denotes less than S\$0.5 million

Net interest income from NetLink Trust declined due to lower interest income as a result of partial repayment of unitholder's loan by NetLink Trust.

Net foreign exchange losses arose mainly from revaluation losses of fixed deposits on depreciation of the US Dollar.

Net fair value losses of S\$3 million was recorded from mark-to-market valuation of interest rate swaps, lower than S\$13 million of loss in the same quarter last year.

SECTION 1 : GROUP**EXCEPTIONAL ITEMS ⁽¹⁾**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Exceptional (losses)/ gains						
Share of SingPost's impairment charges and one-off items	(42)	-	nm	(42)	-	nm
Dilution gain on SingPost	32	-	nm	32	-	nm
Impairment of other non-current assets	(9)	-	nm	(9)	-	nm
Share of Airtel's one-off (losses)/ gains (net)	(6)	-	nm	12	65	-81.9
Share of AIS' handset subsidy costs	(6)	(25)	-77.9	(45)	(25)	79.5
Net gains on sale/ liquidation of venture investments	5	47	-89.0	11	96	-88.2
Singtel's staff restructuring costs	*	(1)	nm	(2)	(3)	-14.3
Optus' staff restructuring costs	-	(1)	nm	(25)	(5)	427.7
Impairment of venture investments	-	*	nm	(1)	(12)	-94.8
Reversal of impairment provision of venture investments	*	-	nm	5	-	nm
Share of SingPost's divestment gains on investments	-	25	nm	-	25	nm
Reclassification of cumulative translation losses from equity to income statement on loss of joint control	-	(56)	nm	-	(56)	nm
Net expense from Optus' legal disputes	-	(26)	nm	-	(26)	nm
Impairment of Pixable	-	-	-	-	(30)	nm
Reversal of impairment provision of APT Satellite	-	-	-	-	32	nm
Others	*	2	nm	1	4	-71.8
Group net exceptional (losses)/ gains (post-tax)	(25)	(35)	-28.4	(63)	66	nm

Note:

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

“*” denotes less than S\$0.5 million

In this quarter, the Group recorded share of SingPost's exceptional loss of S\$42 million mainly from impairment charges of its investments and other one-off items, and dilution gain of S\$32 million on reduction in equity interest of SingPost from 22.8% to 21.7%.

The Group's share of Airtel's net exceptional loss of S\$6 million included charges related to regulatory levies and litigation related assessment and costs incurred for its network re-farming and upgrading programme.

Other exceptional items in this quarter comprised impairment of other non-current assets, share of AIS' handset subsidy costs for migrating its 2G handset customers to 3G/4G and net gain on sale of venture investments.

SECTION 1 : GROUP**TAX EXPENSE**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Income tax expense						
Optus	116	107	7.8	361	396	-8.9
Singtel and other subsidiaries	20	47	-56.8	177	196	-9.9
Tax expense of Singtel and subsidiaries (a)	136	154	-11.9	537	592	-9.2
Share of associates' tax expense (b)	197	193	2.0	849	861	-1.4
Withholding and dividend distribution taxes on associates' dividend income ⁽¹⁾	48	24	105.1	161	145	11.6
Total	381	371	2.8	1,548	1,597	-3.1
Profit before exceptional items and tax	1,362	1,346	1.2	5,441	5,390	0.9
Exclude:						
Share of associates' pre-tax profits	(720)	(721)	-0.1	(2,942)	(2,791)	5.4
Adjusted pre-tax profit (c)	642	625	2.6	2,499	2,599	-3.8
Effective tax rate of Singtel and subsidiaries (a)/(c)	21.2%	24.7%		21.5%	22.8%	
Share of associates' pre-tax profits (d)	720	721	-0.1	2,942	2,791	5.4
Effective tax rate of associates (b)/(d)	27.4%	26.8%		28.9%	30.8%	

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 increased mainly due to recognition of withholding tax on Telkomsel's interim dividend this quarter. However, effective tax rate of Singtel and its subsidiaries was lower due mainly to write back of some tax expenses relating to prior periods in the quarter.

SECTION 1 : GROUP**SUMMARY STATEMENTS OF FINANCIAL POSITION**

	As at		
	31 Mar 2017 S\$ m	31 Dec 2016 S\$ m	31 Mar 2016 S\$ m
Current assets (excluding cash)	5,384	5,196	4,704
Cash and bank balances	534	848	462
Non-current assets	42,377	41,694	38,400
Total assets	48,294	47,738	43,566
Current liabilities	9,272	9,980	6,540
Non-current liabilities	10,808	10,798	12,023
Total liabilities	20,081	20,778	18,563
Net assets	28,214	26,960	25,003
Share capital	4,127	4,128	2,634
Retained earnings	29,494	28,529	28,457
Currency translation reserve (loss)	(4,508)	(4,596)	(4,940)
Other reserves	(900)	(1,109)	(1,161)
Equity attributable to shareholders	28,214	26,952	24,989
Minority interests and other reserve	*	8	13
	28,214	26,960	25,003

“*” denotes less than S\$0.5 million

The Group is in a strong financial position as at 31 March 2017. Singtel is rated Aa3 by Moody's and A+ by Standard & Poor's.

The currency translation reserve (loss) in equity fell by S\$89 million from a quarter ago on translation gains of net assets of Optus and Airtel, partly offset by translation losses of net investments in Telkomsel and Globe.

SECTION 1 : GROUP**LIQUIDITY AND GEARING**

	As at		
	31 Mar	31 Dec	31 Mar
	2017	2016	2016
	S\$ m	S\$ m	S\$ m
Gross debt			
Current debt	3,134	3,178	686
Non-current debt	8,052	8,091	9,255
Gross debt as reported in statement of financial position	11,186	11,269	9,941
Related net hedging asset ⁽¹⁾	(268)	(608)	(337)
Hedged gross debt	10,918	10,661	9,604
Less: Cash and bank balances	(534)	(848)	(462)
Net debt	10,384	9,813	9,142
Gross debt gearing ratio ⁽²⁾	27.9%	28.3%	27.8%
Net debt gearing ratio	26.9%	26.7%	26.8%

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.

Hedged gross debt increased by S\$256 million to S\$10.92 billion from a quarter ago, mainly due to net increase in borrowings of S\$97 million for general corporate purposes and mark-to-market movements. Net debt gearing ratio was stable at 26.9%.

As at 31 March 2017, net debt increased by S\$1.24 billion from a year ago on increased funding needs including partial financing for the acquisitions of equity interests in Intouch and Bharti Telecom Limited in November 2016.

SECTION 1 : GROUP

CASH FLOW AND CAPITAL EXPENDITURE

	Quarter			Year		YOY Chge %
	31 Mar	31 Mar	31 Dec	31 Mar		
	2017	2016	2016	2017	2016	
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax	1,362	1,346	1,335	5,441	5,390	0.9
Non-cash items	(41)	(108)	(118)	(456)	(390)	16.9
Operating cash flow before working capital changes	1,321	1,238	1,217	4,985	5,000	-0.3
Changes in operating assets and liabilities	(94)	12	47	(492)	(1,042)	-52.8
	1,227	1,250	1,263	4,493	3,958	13.5
Cash paid to employees under performance share plans	-	-	-	*	(3)	nm
Tax paid on operating activities ⁽¹⁾	(109)	(102)	(276)	(679)	(525)	29.2
Operating cash flow before dividends from associates	1,118	1,148	987	3,814	3,430	11.2
Dividends/ Distributions received from associates	331	66	59	1,656	1,351	22.6
Withholding tax paid on dividends received	(32)	(6)	(6)	(155)	(133)	16.8
	1,416	1,208	1,041	5,315	4,648	14.4
Net cash outflow for investing activities						
Accrued capital expenditure	(956)	(1,046)	(582)	(2,447)	(2,435)	0.5
Changes in creditors' balances	303	519	(42)	186	505	-63.1
Cash capital expenditure	(653)	(527)	(624)	(2,261)	(1,930)	17.1
Investment in associates	*	(215)	(2,470)	(2,472)	(215)	@
Deferred proceeds/ proceeds on disposal of associates	18	1	1	62	16	294.2
Unitholder loan repaid by NetLink Trust	-	510	-	-	510	nm
Purchase of spectrum	*	-	-	(126)	(72)	75.4
Purchase of other intangibles	(24)	(22)	(37)	(132)	(102)	29.9
Payment for purchase of subsidiaries, net of cash acquired	-	-	-	(5)	(1,059)	-99.5
Investment in venture investments	(7)	(13)	(6)	(35)	(39)	-10.4
Proceeds from disposal of venture investments	16	5	5	75	81	-7.7
Proceeds from disposal of property, plant and equipment	*	*	1	34	6	500.0
Withholding tax paid on interest received on inter-company loans	(13)	(14)	-	(27)	(27)	1.5
Others	18	30	15	54	91	-40.7
	(644)	(244)	(3,115)	(4,832)	(2,740)	76.4
Net cash (outflow)/ inflow for financing activities						
Net increase/ (decrease) in borrowings	97	(11)	832	1,158	1,129	2.6
Settlement of swap for bonds repaid	16	-	-	16	-	nm
Net interest paid on borrowings and swaps	(72)	(80)	(102)	(351)	(336)	4.7
Final dividend paid to shareholders	-	-	-	(1,706)	(1,705)	**
Interim dividend paid to shareholders	(1,110)	(1,084)	-	(1,110)	(1,084)	2.4
Proceeds from issue of shares	-	-	1,603	1,602	-	nm
Purchase of performance shares	(6)	(6)	(6)	(27)	(44)	-38.3
Others	*	1	(5)	(5)	(3)	42.4
	(1,075)	(1,181)	2,323	(422)	(2,044)	-79.3
Net (decrease)/ increase in cash and cash equivalents	(303)	(216)	248	60	(136)	nm
Exchange effects on cash and cash equivalents	(12)	(8)	14	12	35	-65.8
Group cash and cash equivalents at beginning	848	686	585	462	563	-17.9
Group cash and cash equivalents at end	534	462	848	534	462	15.6
Group free cash flow						
Singapore	248	253	387	1,040	869	19.7
Optus ⁽¹⁾	217	368	(23)	514	631	-18.5
Group free cash flow (before associates' dividends) ⁽¹⁾	465	621	364	1,554	1,500	3.6
Dividends received from associates (net of withholding tax)	299	60	53	1,500	1,218	23.2
Group free cash flow ⁽¹⁾	764	681	417	3,054	2,718	12.4
(exclude ATO tax payment)	764	681	559	3,197	2,718	17.6
Optus free cash flow (in A\$) ⁽¹⁾	202	358	(22)	500	617	-19.0
(exclude ATO tax payment)	202	358	112	634	617	2.7
Cash capex to operating revenue	15%	13%	14%	14%	11%	

“**” denotes less than S\$0.5 million, “***” denotes less than 0.05%, and “@” denotes more than 500%

Note:

(1) After S\$142 million (A\$134 million) paid to the ATO for amended assessments in December 2016 quarter.

SECTION 1 : GROUP

Net cash inflow from operating activities (before associates' dividends) for the quarter fell 2.6% mainly due to working capital movements. Gross dividends from the associates rose mainly due to receipt of Telkomsel's interim dividend for its 2016 financial year in the quarter. Consequently, total cash flow from operations increased 17% to S\$1.42 billion.

Net cash outflow for investing activities was S\$644 million. Cash capital expenditure grew 24% to S\$653 million. Capital expenditure comprised S\$251 million for Singapore and S\$402 million (A\$375 million) for Australia. In Singapore, major capital investments in the quarter included S\$87 million for fixed and data infrastructure, S\$48 million for mobile networks, S\$43 million for information systems and S\$24 million for ICT investments. In Australia, capital investments in mobile networks, and fixed and other core infrastructure amounted to A\$205 million and A\$169 million respectively.

With higher dividends from associates partly offset by higher capital expenditure, the Group's free cash flow grew 12% to S\$764 million.

Net cash financing outflow of S\$1.08 billion mainly comprised interim dividend payment of S\$1.11 billion in respect of the current financial year and interest payments of S\$72 million, partly offset by net increase in borrowings of S\$97 million.

Overall cash balance decreased S\$314 million from a quarter ago, and the cash balance was S\$534 million as at 31 March 2017.

OTHER INFORMATION

Update on results of General Spectrum Auction ("GSA") in Singapore

On 4 April 2017, Singtel Mobile Singapore Pte. Ltd., a wholly owned subsidiary of Singtel, successfully acquired the maximum allowable spectrum across the 700 MHz, 900 MHz and 2.5 GHz bands for S\$564 million at the first stage of the GSA. The next stage is the assignment stage, which will determine the specific spectrum bands to be allocated to the winning bidders.

Change in trustee-manager for NetLink Trust

Singtel has undertaken to the IMDA to reduce its stake in NetLink Trust to less than 25% before April 2018. As part of the divestment process, NetLink Management Pte. Ltd., a new independent trustee-manager, has replaced CityNet Infrastructure Management Pte. Ltd. as the trustee-manager of NetLink Trust with effect from 13 April 2017.

The change does not affect NetLink Trust's services and the management and staff of NetLink Trust continue to manage its business and operations.

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 FOURTH QUARTER ENDED 31 MARCH 2017**

- **Operating revenue at S\$2.46 billion – up 7.1%.**
- **EBITDA at S\$908 million – up 7.4%.**
- **EBIT at S\$513 million – up 6.5%.**

FOR THE YEAR ENDED 31 MARCH 2017

- **Operating revenue at S\$9.57 billion – down 5.3% (stable excluding the rates change).**
- **EBITDA stable at S\$3.30 billion.**
- **EBIT at S\$1.77 billion – down 2.2%.**

SECTION 2 : GROUP CONSUMER**GROUP CONSUMER SUMMARY INCOME STATEMENTS**

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	2,457	2,295	7.1	9,572	10,110	-5.3
Operating expenses	(1,594)	(1,475)	8.1	(6,453)	(6,970)	-7.4
	863	820	5.3	3,119	3,141	-0.7
Other income	45	26	70.5	176	126	40.1
EBITDA	908	846	7.4	3,295	3,266	0.9
- margin	37.0%	36.9%		34.4%	32.3%	
Depreciation & amortisation	(396)	(365)	8.5	(1,524)	(1,455)	4.7
EBIT	513	481	6.5	1,771	1,811	-2.2

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales ^{(2) (3)}	565	508	11.2	2,289	2,130	7.5
Selling & administrative ⁽²⁾	467	469	-0.3	2,004	2,157	-7.1
Traffic expenses	257	231	11.3	987	1,528	-35.4
Staff costs ⁽²⁾	231	204	13.2	914	913	0.1
Repair & maintenance	58	57	2.3	212	204	4.2
Others	16	7	131.3	48	39	23.5
Operating expenses	1,594	1,475	8.1	6,453	6,970	-7.4

Notes:

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

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

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

SECTION 2 : GROUP CONSUMER

GROUP CONSUMER OPERATING HIGHLIGHTS

For The Fourth Quarter Ended 31 March 2017

Group Consumer recorded strong operating performance across Singapore and Australia in this quarter.

Australia Consumer contributed 76% (Q4 FY2016: 75%) and 80% (Q4 FY2016: 79%) to the Group Consumer's operating revenue and EBITDA respectively. The Australian Dollar strengthened 6% against the Singapore Dollar from the same quarter last year.

Operating revenue and EBITDA grew strongly by 7.1% and 7.4% respectively while EBIT increased 6.5% after including higher depreciation and amortisation charges. In constant currency terms, operating revenue and EBITDA increased 2.5% and 2.6% respectively while EBIT grew 2.0%.

For The Year Ended 31 March 2017

The Australian Dollar appreciated 2% against the Singapore Dollar from last year. For the year ended 31 March 2017, operating revenue declined by 5.3% (stable excluding the rates change) while EBITDA was stable and EBIT declined 2.2% on higher depreciation and amortisation charges with increased investments in mobile network and spectrum.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 December 2016 were as follows:

	Quarter		QOQ Chge %
	31 Mar 2017 S\$ m	31 Dec 2016 S\$ m	
Operating revenue	2,457	2,578	-4.7
Operating expenses	(1,594)	(1,805)	-11.7
EBITDA	908	809	12.3
- margin	37.0%	31.4%	
EBIT	513	421	21.8

Operating revenue decreased mainly due to seasonally higher Equipment sales across Singapore and Australia in the preceding December quarter. Both EBITDA and EBIT improved mainly from higher NBN revenue in Australia and lower selling costs.

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER SUMMARY INCOME STATEMENTS

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	589	584	0.8	2,380	2,426	-1.9
Operating expenses	(407)	(405)	0.4	(1,614)	(1,684)	-4.1
	182	179	1.6	766	743	3.2
Other income ⁽¹⁾	9	3	244.0	26	32	-17.7
EBITDA	190	181	4.9	792	774	2.4
- margin	32.3%	31.1%		33.3%	31.9%	
Depreciation & amortisation	(73)	(74)	-1.6	(284)	(271)	5.1
EBIT	118	108	9.4	508	504	0.9

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Mobile communications	320	323	-0.8	1,298	1,308	-0.7
Sale of equipment	80	66	22.6	314	321	-2.2
Residential Pay TV	56	52	7.1	223	206	8.3
Fixed broadband	54	53	1.5	221	212	4.2
International telephone	37	44	-15.3	160	193	-16.8
National telephone	28	30	-6.1	114	121	-6.0
Others ⁽²⁾	13	17	-22.8	50	66	-24.0
Operating revenue	589	584	0.8	2,380	2,426	-1.9
Selling & administrative ⁽³⁾	148	146	1.4	593	609	-2.6
Cost of sales ⁽³⁾	137	125	9.7	549	553	-0.7
Staff costs	56	56	**	219	221	-1.1
Traffic expenses	55	67	-17.7	217	267	-18.9
Repair & maintenance	18	16	12.8	58	54	7.6
Others	(8)	(5)	58.3	(21)	(20)	4.5
Operating expenses	407	405	0.4	1,614	1,684	-4.1

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 difference amounted to S\$0.5 million loss (Q4 FY2016: S\$2 million loss) for the quarter and S\$0.5 million gain (FY2016: S\$11 million gain) for the year ended 31 March 2017.
- (2) Other revenue include digital services, inter-operator tariff discounts, and revenues from mobile network cabling works and projects.
- (3) Comparatives have been restated to be consistent with the current quarter/year.

**** denotes less than 0.05%

SECTION 2 : GROUP CONSUMER

SINGAPORE CONSUMER OPERATING PERFORMANCE

For The Fourth Quarter Ended 31 March 2017

In this quarter, Singapore Consumer reported growth in EBITDA and EBIT of 4.9% and 9.4% respectively amid a highly competitive market.

Operating revenue was stable as higher Equipment sales and Consumer Home Services were offset by lower voice services.

Equipment sales grew a strong 23% on higher sales volume as well as increased mix of higher tier handsets.

Mobile Communications revenue was stable as strong data growth in both prepaid and postpaid was offset by declines in local and roaming voice. The postpaid customer base grew 42,000⁸ during the quarter boosted by successful promotions. The prepaid customer base rebounded positively this quarter with net additions of 7,000 on launch of new product.

At the recent spectrum auction, Singtel successfully acquired the maximum allowable spectrum in the 700 MHz, 900 MHz and 2.5 GHz bands for S\$564 million. As the 700 MHz spectrum band is the most efficient and versatile spectrum band for LTE networks, the investment puts Singtel in a strong position to support IoT and 5G initiatives in the future.

Consumer Home Services which comprise fixed broadband, residential pay TV and voice revenue was up 3.3%. Excluding one-off customer bill rebates for service outage, fixed broadband revenue grew 6% driven mainly by more customer upgrades to higher speed fibre plans and increased subscriptions of value-added services. Singtel TV's operating revenue grew by a strong 7.1% due to contributions from the sub-license of content rights for the Premier League 2016/2017 season (Q4 FY2016: Nil). The number of customers who have signed up for 'on-the-go' services, namely the Cast OTT and Singtel TV Go companion apps, grew by 14,000 in the quarter to 47,000 as at end of March 2017.

International Telephone revenue declined significantly by 15% on popularity of OTT apps. The impact of the decline was partially mitigated by lower outpayment costs.

Overall operating expenses remained flat on strong cost management. Cost of sales increased in line with higher smartphones sales while traffic expenses fell due to lower data roaming rates.

Other income increased significantly on various one-off gains and lower foreign exchange loss on revaluation of trade balances.

⁸ Based on total product view (i.e. included Enterprise mobile).

SECTION 2 : GROUP CONSUMER

For The Year Ended 31 March 2017

Operating revenue for the year ended 31 March 2017 declined 1.9% on lower voice services (local, international and roaming) and Equipment sales.

Mobile Communications revenue was stable with strong growth in mobile data offsetting the decline in local and roaming voice revenues.

Consumer Home Services revenue increased by 4.4% on strong growth in fixed broadband, and residential TV services with contributions from the sub-license of content rights for the Premier League 2016/2017 season (FY2016: Nil).

With strong cost management, EBITDA increased 2.4% while EBIT remained stable on higher depreciation charges from increased network investments.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 December 2016 were as follows:

	Quarter		QOQ Chge %
	31 Mar 2017 S\$ m	31 Dec 2016 S\$ m	
Operating revenue	589	657	-10.4
Operating expenses	(407)	(480)	-15.3
EBITDA	190	185	3.1
- margin	32.3%	28.1%	
EBIT	118	115	2.6

Operating revenue declined 10% due to seasonally higher Equipment sales in the preceding December quarter. EBITDA, however, grew 3.1% on lower selling costs due to lower connections.

SECTION 2 : GROUP CONSUMER**AUSTRALIA CONSUMER SUMMARY INCOME STATEMENTS**

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Operating revenue	1,741	1,689	3.1	6,897	7,532	-8.4
Operating expense	(1,099)	(1,050)	4.6	(4,623)	(5,161)	-10.4
	642	639	0.6	2,274	2,372	-4.1
Other income	34	22	50.7	142	90	57.8
EBITDA	676	661	2.2	2,416	2,462	-1.9
- margin	38.8%	39.2%		35.0%	32.7%	
Depreciation & amortisation	300	287	4.6	1,187	1,160	2.3
EBIT	376	374	0.4	1,229	1,301	-5.6

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Incoming	47	50	-4.7	194	772	-74.9
Outgoing	873	901	-3.1	3,473	3,664	-5.2
Total Mobile Service	920	950	-3.2	3,667	4,436	-17.3
Equipment	314	287	9.7	1,339	1,272	5.2
Total Mobile Revenue	1,235	1,237	-0.2	5,006	5,708	-12.3
Voice	91	102	-10.8	380	415	-8.5
Broadband	112	120	-6.7	460	502	-8.2
PayTV	25	25	-0.2	103	95	8.4
Mass Market Fixed Onnet	228	247	-7.7	944	1,012	-6.8
Mass Market Fixed Offnet ⁽¹⁾	126	51	145.7	327	164	99.7
Total Mass Market Fixed	354	298	18.6	1,270	1,176	8.0
Data & IP	58	55	5.0	231	236	-2.2
Voice	26	27	-3.8	108	129	-16.6
Satellite	68	71	-4.0	281	283	-0.5
Total Wholesale Fixed	153	154	-0.7	620	649	-4.4
Operating revenue	1,741	1,689	3.1	6,897	7,532	-8.4

Note:

(1) Included NBN migration and site preparation revenues of A\$66 million for the quarter (Q4 FY2016: A\$20 million) and A\$124 million (FY2016: A\$73 million) for the year ended 31 March 2017.

SECTION 2 : GROUP CONSUMER

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Cost of sales ⁽¹⁾	399	379	5.2	1,666	1,545	7.8
Selling & administrative ⁽¹⁾	296	316	-6.4	1,350	1,511	-10.7
Traffic expenses	188	162	15.9	739	1,235	-40.2
Staff costs ⁽¹⁾	158	141	11.7	655	665	-1.6
Repair & maintenance	37	40	-8.5	147	146	0.3
Other	22	12	87.5	67	58	14.9
Operating expenses	1,099	1,050	4.6	4,623	5,161	-10.4

Note:

(1) Comparatives have been restated to be consistent with the current quarter/year.

AUSTRALIA CONSUMER OPERATING PERFORMANCE**For The Fourth Quarter Ended 31 March 2017**

Australia Consumer reported an increase in operating revenue of 3.1% despite continued intense competition. The increase was driven by higher NBN revenue and Equipment sales partially offset by increased mobile service credits from device repayment plans.

Outgoing mobile service revenue fell 3.1% and would be up 3.7% excluding the impact of device repayment plan credits. Australia Consumer reported the highest quarterly mobile customer net additions in the last five years. The postpaid handset customer base continued to grow strongly by 78,000⁹ this quarter, with the branded handset customer base increasing by 70,000. The prepaid handset customer base grew 64,000 from a quarter ago.

Blended mobile ARPU was stable year-on-year excluding the impact of device repayment plan credits.

The number of 4G mobile customers increased by 254,000 this quarter, resulting in the total 4G customer base increasing to 5.72 million¹⁰ as at 31 March 2017.

Optus continued to invest in its mobile networks, reaching 96.1% of 4G population coverage with 5,872 sites upgraded to 4Gs, of which 4,893 have been upgraded to 700 MHz spectrum. This quarter, Optus has also taken a step towards 5G, switching on 4.5G network services across the suburb of Macquarie Park in NSW and achieving speeds of up to 1.03 Gbps during testing.

Optus has also launched native Voice over WiFi – or WiFi Calling – which allows customers to easily make and receive calls, SMS and MMS where there is an accessible WiFi service, such as home or public WiFi. With a compatible handset, WiFi Calling allows calls to switch between WiFi and mobile networks easily for optimal user experience.

⁹ Including Enterprise customers, Optus' total postpaid handset customer base grew 83,000.

¹⁰ Including Enterprise customers, Optus' total number of 4G customers increased from 5.54 million a quarter ago to 5.80 million.

SECTION 2 : GROUP CONSUMER

Demonstrating its commitment to relentless improvement across both the fixed and mobile networks, the ongoing network investment programme has resulted in Optus being ranked first in the monthly Netflix ISP Speed index for 19 consecutive months.

Continued focus on product innovation, network investment and customer advocacy have resulted in significant improvements in the Consumer market NPS¹¹ score, which increased from 8 to 11 in the quarter.

In Mass Market Fixed, operating revenue grew 19% mainly on higher NBN revenue driven by NBN customer growth of 115,000 from a year ago and timing of migration payments. Excluding NBN migration and preparation fees, Mass Market Fixed revenue grew 3.5%.

Wholesale fixed revenue was stable year-on-year mainly attributable to decline in satellite revenue offset by higher Data & IP revenues.

Total operating expenses increased 4.6% mainly from higher traffic expenses. Traffic expenses were up due to customer growth and NBN access fees. Cost of sales increased on higher equipment sales and increased content and programming costs. Staff costs in the same quarter last year included write backs of certain accruals not repeated this quarter.

Other income increased 51% on various one-off miscellaneous gains and recoveries.

Consequently, EBITDA increased 2.2% and EBITDA margin declined slightly to 38.8% in the quarter.

EBIT remained stable after including depreciation and amortisation expense which increased 4.6% on higher investments in mobile network and spectrum.

For The Year Ended 31 March 2017

For the year ended 31 March 2017, operating revenue declined 8.4% but increased 2.8% excluding the impacts of mobile service credits from device repayment plans and rate change which reduced revenue in the first three quarters. With lower operating revenue, EBITDA declined 1.9%.

On 12 April 2017, the Australian Communication and Media Authority completed the auction of the remaining unallocated portion of the 700 MHz 'digital dividend' spectrum. TPG Internet Pty Ltd, having successfully acquired 2x10 MHz of the spectrum, has indicated that it will enter the market as a fourth mobile operator.

¹¹ The Net Promoter Score ("**NPS**") 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.

SECTION 2 : GROUP CONSUMER**SEQUENTIAL QUARTERLY RESULTS**

Results for the current quarter compared to the preceding quarter ended 31 December 2016 were as follows:

	Quarter		QOQ Chge %
	31 Mar 2017 A\$ m	31 Dec 2016 A\$ m	
Operating revenue	1,741	1,818	-4.2
Operating expenses	(1,099)	(1,249)	-12.1
EBITDA	676	594	13.9
- margin	38.8%	32.7%	
EBIT	376	293	28.0

Against the preceding quarter, EBITDA and EBIT improved on higher NBN migration payments and other income.

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.

Trustwave, a cyber security company acquired on 1 September 2015, was consolidated with effect from 30 September 2015 under 'Singapore'¹² segment in this report. Its operating revenue was classified as "Managed Services" under ICT. Trustwave is a managed cyber security services provider that provides on-demand data security and payment card industry compliance management solutions to businesses and organisations worldwide

FINANCIAL HIGHLIGHTS**FOR THE FOURTH QUARTER ENDED 31 MARCH 2017**

- **Operating revenue at S\$1.72 billion – up 2.6%.**
- **EBITDA at S\$466 million – down 1.9%.**
- **EBIT at S\$294 million – down 5.9%.**
- **In constant currency, operating revenue increased 1.3% while EBITDA and EBIT declined 2.8% and 6.3% respectively.**

FOR THE YEAR ENDED 31 MARCH 2017

- **Operating revenue at S\$6.60 billion – up 3.2%.**
- **EBITDA at S\$1.91 billion – down 2.3%.**
- **EBIT at S\$1.27 billion – down 5.1%.**
- **In constant currency, operating revenue increased 2.7% while EBITDA and EBIT declined 2.6% and 5.2% respectively.**

¹² "Singapore" refers to all geographies other than Australia.

SECTION 3 : GROUP ENTERPRISE

GROUP ENTERPRISE SUMMARY INCOME STATEMENTS

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	1,723	1,679	2.6	6,600	6,397	3.2
Operating expenses	(1,269)	(1,210)	4.8	(4,732)	(4,467)	5.9
Other income ⁽¹⁾	455	469	-3.0	1,868	1,930	-3.2
	11	6	84.7	45	28	58.5
EBITDA	466	475	-1.9	1,913	1,959	-2.3
- margin	27.0%	28.3%		29.0%	30.6%	
Depreciation & amortisation	(171)	(162)	5.7	(645)	(622)	3.7
EBIT	294	313	-5.9	1,268	1,337	-5.1

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cyber security	121	107	13.9	473	258	83.6
Other services ⁽²⁾	511	476	7.3	1,809	1,756	3.0
Managed services	632	582	8.5	2,282	2,014	13.3
Business solutions ⁽³⁾	177	174	2.1	660	637	3.6
ICT	810	756	7.1	2,942	2,651	11.0
Data and Internet ⁽⁴⁾	445	436	2.1	1,733	1,701	1.9
Mobile communications	247	250	-1.1	997	1,039	-4.0
National telephone	116	121	-4.7	474	495	-4.2
International telephone	48	54	-12.7	209	234	-10.8
Sale of equipment	44	36	22.4	187	178	4.7
Others ⁽⁵⁾	15	26	-43.0	59	99	-40.1
Operating revenue	1,723	1,679	2.6	6,600	6,397	3.2

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\$1 million (Q4 FY2016: S\$3 million loss) for the quarter and S\$1 million (FY2016: S\$8 million loss) for the year ended 31 March 2017.
- (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 inter-operator discounts, TV and digital business revenues.

SECTION 3 : GROUP ENTERPRISE

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales ⁽¹⁾	512	439	16.8	1,776	1,544	15.1
Staff costs ⁽¹⁾	354	354	0.1	1,415	1,311	7.9
Selling & administrative ⁽¹⁾	222	208	6.4	835	811	2.9
Traffic expenses	146	172	-15.2	588	683	-13.9
Repairs, maintenance and other expenses	35	37	-6.4	119	117	1.2
Operating expenses	1,269	1,210	4.8	4,732	4,467	5.9

Note:

(1) Comparatives have been restated to be consistent with the current quarter/year.

GROUP ENTERPRISE OPERATING HIGHLIGHTS**For the Fourth Quarter Ended 31 March 2017**

Singapore contributed 77% (Q4 FY2016: 77%) and 85% (Q4 FY2016: 84%) to Group Enterprise's operating revenue and EBITDA respectively.

Operating revenue in Singapore grew 3.0% on higher ICT revenue while EBITDA was stable with investments in cyber security and ICT capabilities. Optus Business reported declines in operating revenue and EBITDA of 4.3% and 14% respectively due to continued intense price competition in Australia and increased doubtful debts. Consequently, Group Enterprise's operating revenue was up 2.6% while EBITDA was down 1.9%.

Operating expenses grew 4.8%. The increase in Cost of Sales was in line with related ICT business growth and increased scope of services. Staff costs were stable as increased investments in cyber security and ICT capabilities, and lower wage credits in Singapore were offset by lower incentive accrual. Selling and administrative expenses were up mainly due to higher mobile customer acquisition and retention costs on increased connections. Traffic expenses decreased due to lower international call and roaming traffic, as well as lower rates partly caused by a change in roaming rates from gross to net basis for major roaming partners.

For the current quarter, Trustwave recorded S\$4 million in negative EBITDA and S\$15 million in negative EBIT after including the amortisation of acquired intangibles.

EBITDA and EBIT declined 1.9% and 5.9% respectively. Excluding Trustwave, EBITDA was stable and EBIT declined 3.1% on higher depreciation from the new Data Centre, DC West, launched in December 2016 to meet the increased security and reliability demand by next-generation power-intensive deployments in Singapore.

During the quarter, Singtel together with Globe Telecom, Inc. ("**Globe**"), launched Trustwave Managed Security Services to help enterprises in the Philippines protect against cyber attacks. The services are delivered through Globe's Advanced Security Operations Centre ("**ASOC**") in Manila, a new facility operated by Trustwave. The launch of the services through the ASOC advances the Memorandum of Understanding which Singtel and Globe had signed in December 2015 to strengthen Globe's information security capabilities.

SECTION 3 : GROUP ENTERPRISE

Singtel also announced that it had entered into a consortium agreement to co-build a new international submarine cable system named INDIGO. The INDIGO cable system will span approximately 9,000 kilometres and connect Singapore and Perth, and onwards to Sydney. The construction of the INDIGO cable system is expected to be completed by mid-2019.

Singtel continued to be recognised as a leading next-generation telecom service provider in the Asia Pacific, enabling digital transformation with its extensive suite of cloud and cyber security services portfolio.¹³

For the Year Ended 31 March 2017

For the year ended 31 March 2017, Group Enterprise's operating revenue grew 3.2%. This was contributed by higher cyber security and other ICT services offsetting the decline in traditional carriage services.

Overall EBITDA declined 2.3% and EBIT declined by 5.1% after including the amortisation of acquired intangibles of Trustwave. Excluding Trustwave, EBITDA and EBIT would have declined by 1.2% and 1.8% respectively.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 December 2016 were as follows:

	Quarter		QOQ Chge %
	31 Mar 2017 S\$ m	31 Dec 2016 S\$ m	
Operating revenue	1,723	1,685	2.3
Operating expenses	(1,269)	(1,243)	2.1
EBITDA	466	455	2.2
- margin	27.0%	27.0%	
EBIT	294	299	-1.5

EBITDA grew 2.2% on higher operating revenue propelled by growth in ICT and Data and Internet revenues partially offset by decline in traditional carriage services.

EBIT declined 1.5% mainly due to higher depreciation from the new Data Centre launched in December 2016.

¹³ IDC ITMarketScape: Asia/Pacific Next-Generation Telcos: Telecom Services 2016-2017 Vendor Assessment

SECTION 3 : GROUP ENTERPRISE**SINGAPORE ENTERPRISE**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Managed services ⁽¹⁾	486	435	11.8	1,652	1,395	18.5
Business solutions ⁽²⁾	177	174	2.1	660	637	3.6
ICT	663	608	9.0	2,312	2,032	13.8
Data and Internet ⁽³⁾	357	349	2.1	1,396	1,361	2.6
Mobile communications	191	197	-3.1	784	809	-3.0
International telephone	40	47	-13.5	181	201	-10.1
National telephone	40	43	-7.8	165	176	-6.0
Sale of equipment	25	22	13.9	111	114	-2.5
Others ⁽⁴⁾	15	26	-42.7	60	99	-40.0
Operating revenue	1,331	1,292	3.0	5,008	4,791	4.5
EBITDA	395	398	-0.7	1,649	1,652	-0.2
- margin	29.7%	30.8%		32.9%	34.5%	

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 inter-operator discounts, TV and digital business revenues.

Operating revenue increased by 3.0% driven mainly by strong growth in ICT services and Data and Internet partially offset by decline in traditional carriage services. EBITDA was stable with investments in cyber security and ICT capabilities, lower mobile roaming and increased mobile customer acquisition and retention costs.

Overall ICT revenue was up 9.0% mainly from cyber security and provision of government infrastructure services.

NCS' order book increased by 26% from a year ago to S\$2.9 billion as at 31 March 2017 lifted by key wins in infrastructure projects and services involving both Managed services and Business solutions.

Data and Internet revenue grew 2.1% from increased demand for international circuits and bandwidth.

Mobile Communications revenue fell 3.1% due mainly to lower traffic for local and roaming voice and SMS partially offset by growth in data. Revenue was also impacted by a change in roaming rates from gross to net basis for major roaming partners.

International Telephone revenue fell significantly by 14% 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		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
ICT and Managed Services	136	146	-6.8	603	607	-0.6
Data and IP	82	85	-3.4	324	333	-2.8
Voice	77	85	-9.0	324	346	-6.3
Mobile ⁽¹⁾	70	66	6.0	277	289	-4.2
Operating revenue ⁽²⁾	365	382	-4.3	1,528	1,574	-2.9
EBITDA - margin	65 17.9%	76 19.9%	-13.9	253 16.6%	301 19.1%	-15.8

Notes:

(1) Include mobile service revenue and sale of equipment revenue.

(2) Exclude small and medium business segment which is reported under 'Australia Consumer'.

EBITDA fell 14% on decline in operating revenue of 4.3% and increased doubtful debts.

ICT and Managed Services revenue decreased 6.8% attributable mainly to some large one-off project revenues in the last corresponding quarter not repeated this quarter.

Voice revenue fell 9.0% in line with industry decline. The decrease was due to price erosion and declines in switched voice as businesses migrated to lower cost IP-based voice solutions.

With expanding network coverage, Optus Business continued to connect more enterprise mobile customers compared to the same quarter last year. Mobile revenue grew 6.0% from growth in enterprise mobility application and messaging services as well as equipment sales partially offset by declines in roaming rates.

During the quarter, Optus Business announced a A\$75 million five-year agreement with Flight Centre Travel Group Limited. This agreement will see Optus deliver a range of new collaboration and communication services, including global security, as well as unified communications and collaboration services to more than 1,150 stores and 9,000 staff throughout Australia.

Optus Business also announced a new expanded telecommunications and managed-services agreement with EnergyAustralia, one of Australia's leading energy retailers. Under this new five-year agreement, Optus Business will support the expansion of security, data centre, contact centre and mobile management services while continuing to provide EnergyAustralia with a range of voice, data and expanded managed services.

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 FOURTH QUARTER ENDED 31 MARCH 2017**

- **Operating revenue at S\$127 million – up 5.8%.**
- **Negative EBITDA of S\$36 million.**
- **Including amortisation of acquired intangibles, negative EBIT of S\$53 million.**

FOR THE YEAR ENDED 31 MARCH 2017

- **Operating revenue at S\$539 million – up 19%.**
- **Negative EBITDA of S\$122 million.**
- **Negative EBIT of S\$190 million.**

SECTION 4 : GROUP DIGITAL LIFE**GROUP DIGITAL LIFE SUMMARY INCOME STATEMENTS**

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Digital ⁽¹⁾	140	130	7.4	602	501	20.2
Others ⁽²⁾	7	5	51.8	24	10	135.6
Operating revenue	147	135	9.0	626	511	22.4
Intercompany eliminations	(20)	(15)	34.0	(86)	(57)	52.0
Operating revenue	127	120	5.8	539	454	18.7
Operating expenses	(162)	(157)	2.8	(653)	(588)	11.0
	(35)	(37)	-7.0	(114)	(134)	-15.0
Other losses	(1)	(2)	-20.0	(9)	(3)	180.6
EBITDA	(36)	(39)	-7.5	(122)	(137)	-10.6
Depreciation	(5)	(4)	21.6	(19)	(18)	7.4
Amortisation of intangibles	(13)	(14)	-11.8	(49)	(51)	-3.9
	(17)	(18)	-5.0	(68)	(69)	-1.0
EBIT	(53)	(57)	-6.7	(190)	(206)	-7.4
Amobee group						
Operating revenue	140	130	7.4	602	501	20.2
Intercompany eliminations	(17)	(14)	14.6	(80)	(55)	43.7
Operating revenue	123	116	6.5	522	446	17.2
EBITDA	(7)	(12)	-41.3	(32)	(45)	-29.5
EBIT	(17)	(22)	-22.5	(71)	(83)	-13.6

Notes:

(1) Mainly digital marketing (which includes digital advertising) revenue from Amobee group.

(2) Other revenues mainly comprise revenues from HOOQ and DataSpark.

*A negative sign for year-on-year change in EBITDA and EBIT denotes decrease in losses.

SECTION 4 : GROUP DIGITAL LIFE

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Cost of sales ⁽¹⁾	110	103	7.3	445	347	28.0
Staff costs	33	33	0.3	135	156	-13.6
Selling & administrative ⁽¹⁾	16	17	-8.3	60	68	-12.2
Others	3	5	-40.0	13	16	-16.4
Operating expenses	162	157	2.8	653	588	11.0

Note:

(1) Comparatives have been restated to be consistent with current quarter/year.

GROUP DIGITAL LIFE OPERATING HIGHLIGHTS**For The Fourth Quarter Ended 31 March 2017**

Operating revenue for the quarter grew 5.8% to S\$127 million, driven by higher advertising revenue mainly from Amobee's social, video and display businesses. Excluding revenue from low-margin Amobee's publisher business which ceased operations in the preceding quarter, operating revenue grew 16%.

Negative EBITDA decreased by 7.5% to S\$36 million mainly due to lower losses at Amobee, partly offset by higher investments in content and marketing spend as HOOQ ramped up its businesses. Negative EBIT was S\$53 million, after accounting for depreciation and amortisation of acquired intangibles for Amobee group.

Amobee continued to expand its suite of solutions for social. In the quarter, it provides customers the opportunity to augment their digital, video and mobile marketing campaigns by showcasing their brands on Instagram Stories in between user stories. Amobee also launched its Pinterest digital advertising solutions in Australia, helping brands to scale their presence on Pinterest to reach audiences. Burt's Bees, a US Unilever-owned organic beauty brand, is a new client added to Amobee Instagram Stories. Other new clients added in the quarter included Arby's, Valvoline and Georgia Pacific.

On 10 April 2017, Amobee completed the acquisition of Turn, Inc., ("**Turn**") a leading provider of a global technology platform for marketers and agencies. With this acquisition, Amobee is now one of the largest independent digital marketing technology company globally with a strong platform for growth. This acquisition also expanded Amobee's existing programmatic and data management capabilities and offered marketers an independent end-to-end advertising and data management platform across all channels, formats and devices, as well as advanced analytics and media planning capabilities.

HOOQ launched its transactional video-on-demand ("**TVOD**") service in the Philippines, India, Indonesia and Thailand in this quarter, and is the first player in Asia to introduce the Bonus TVOD service, enabling customers to enjoy watching a movie per month from the VOD rental store as part of their monthly subscription. Bonus TVOD is available in the Philippines, Indonesia and Thailand.

SECTION 4 : GROUP DIGITAL LIFE**For The Year Ended 31 March 2017**

Operating revenue for the year increased by 19% to S\$539 million mainly contributed by strong performance from Amobee's social, video and display businesses.

Negative EBITDA and EBIT were at S\$122 million and S\$190 million respectively.

SEQUENTIAL QUARTERLY RESULTS

Results for the current quarter compared to the preceding quarter ended 31 December 2016 were as follows:

	Quarter		QOQ Chge %
	31 Mar 2017 S\$ m	31 Dec 2016 S\$ m	
Operating revenue (before intercompany eliminations)	147	167	-11.6
<i>Intercompany eliminations</i>	(20)	(20)	-0.5
Operating revenue	127	146	-13.2
Operating expenses	(162)	(171)	-5.4
EBITDA	(36)	(23)	53.0
EBIT	(53)	(41)	29.6

The losses in the current quarter increased due to seasonally higher operating revenue and write-back of some staff incentive accruals in the preceding December quarter.

SECTION 5: ASSOCIATES / JOINT VENTURES

FINANCIAL HIGHLIGHTS FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

- With weaker profits at Airtel, the associates' pre-tax and post-tax underlying profit¹⁴ contributions were stable.
- Excluding Airtel, pre-tax and post-tax underlying profit¹⁴ contributions increased 13% and 12% respectively mainly from Telkomsel, NetLink Trust and Intouch (acquired in November 2016) partly offset by declines at AIS and Globe.
- If the regional currencies had remained stable from last corresponding quarter, the pre-tax and post-tax underlying profit¹⁴ contributions from the associates would have declined by 1.5% and 2.3% respectively.
- The Group's combined mobile customer base¹⁵ was 638 million, stable from a quarter ago.

FOR THE YEAR ENDED 31 MARCH 2017

- Associates' pre-tax and post-tax underlying profit¹⁴ contributions grew by 5.4% and 8.4% respectively. Excluding Airtel, pre-tax and post-tax underlying profit¹⁴ contributions would grow by 12% and 13% respectively mainly from Telkomsel, NetLink Trust and Intouch, partly offset by declines at AIS and Globe.
- If the regional currencies had remained stable from last year, the pre-tax and post-tax underlying profit¹⁴ contributions from the associates would have increased by 5.6% and 8.3% respectively.

¹⁴ Exclude certain exceptional items of Airtel, AIS and SingPost classified under exceptional items of Singtel 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		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Regional associates						
Telkomsel						
- operating results	372	316	17.6	1,420	1,140	24.5
- fair value (losses)/ gains	(1)	*	nm	2	(1)	nm
	371	316	17.4	1,422	1,140	24.8
Bharti Telecom/ Bharti Airtel ("Airtel") ⁽²⁾						
- operating results (India and South Asia)	200	289	-30.7	1,028	1,109	-7.3
- operating results (Africa)	37	10	267.3	98	60	62.1
- net finance costs	(147)	(103)	42.7	(502)	(347)	44.5
- fair value losses	*	(13)	nm	(44)	(125)	-64.4
	90	183	-51.0	580	698	-16.9
AIS ⁽²⁾						
- operating results	94	112	-16.3	386	452	-14.7
- fair value gains	1	*	nm	4	1	236.4
	95	112	-15.2	389	453	-14.1
Globe						
- operating results	74	86	-13.9	290	317	-8.4
- fair value gains/ (losses)	1	2	-66.7	(2)	(4)	-36.1
	74	88	-15.4	288	313	-8.0
Intouch ⁽³⁾						
- operating results	31	-	nm	39	-	nm
- fair value gains	1	-	nm	1	-	nm
- amortisation of acquired intangibles	(5)	-	nm	(8)	-	nm
	27	-	nm	31	-	nm
	658	699	-6.0	2,711	2,604	4.1
Other Singtel associates						
NetLink Trust ⁽⁴⁾						
- operating results	27	16	72.6	91	44	108.0
- amortisation of deferred gain	17	17	1.2	69	68	1.0
	44	33	35.5	159	112	42.8
Others ⁽²⁾	18	8	120.7	72	73	-1.2
Singtel share of ordinary results (pre-tax)	720	740	-2.7	2,942	2,788	5.5
Optus share of ordinary results (pre-tax)	*	*	nm	*	*	nm
Group share of ordinary results (pre-tax)	720	740	-2.7	2,942	2,788	5.5
Exceptional item ("EI")						
Globe - gains on disposal/ deemed disposal ⁽⁵⁾	-	-	-	-	22	nm
Airtel - one-off items	-	(19)	nm	-	(19)	nm
Group share of EI	-	(19)	nm	-	3	nm
Singtel share of pre-tax profit ⁽²⁾	720	721	-0.1	2,942	2,791	5.4
Optus share of pre-tax profit	*	*	nm	*	*	nm
Group share of pre-tax profit ⁽²⁾	720	721	-0.1	2,942	2,791	5.4
(excluding Airtel)	630	557	13.2	2,362	2,113	11.8
Group share of taxes	197	193	2.0	849	861	-1.4
Effective tax rate	27%	27%		29%	31%	

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution	Quarter				YOY Chge %	Year				YOY Chge %
	31 Mar					31 Mar				
	2017		2016			2017		2016		
	S\$ m	% ⁽⁶⁾	S\$ m	% ⁽⁶⁾		S\$ m	% ⁽⁶⁾	S\$ m	% ⁽⁶⁾	
Regional associates										
Telkomsel	281	28	239	24	17.5	1,071	27	857	23	24.9
Airtel ⁽²⁾										
- ordinary results (India and SA)	33		134		-75.4	371		527		-29.5
- ordinary results (Africa)	3		(28)		nm	(102)		(195)		-48.0
- exceptional items	36		106		-65.9	270		332		-18.6
	-		(15)		nm	-		(15)		nm
	36	4	91	9	-60.2	270	7	316	8	-14.7
AIS ⁽²⁾	78	8	99	10	-21.3	323	8	370	10	-12.8
Globe										
- ordinary results	50		61		-17.0	208		215		-3.3
- exceptional items ⁽⁵⁾	-		-		-	-		20		nm
	50	5	61	6	-17.0	208	5	235	6	-11.6
Intouch ⁽³⁾										
- operating results	26		-		nm	35		-		nm
- amortisation of acquired intangibles	(4)		-		nm	(7)		-		nm
	23	2	-	-	nm	28	1	-	-	nm
	468	47	490	50	-4.4	1,899	49	1,779	47	6.8
Other Singtel associates										
NetLink Trust ⁽⁴⁾										
- operating results	23		18		25.5	73		39		90.6
- amortisation of deferred gain	14		14		1.4	57		56		1.1
	37	4	32	3	15.1	130	3	95	2	37.6
Others ⁽²⁾	16	2	6	1	176.8	59	2	60	2	-1.3
Singtel share of post-tax profit ⁽²⁾	521	53	528	54	-1.3	2,088	53	1,933	51	8.0
Optus share of post-tax profit	2	**	*	**	nm	5	**	(3)	**	nm
Group share of post-tax profit ⁽²⁾	523	53	528	54	-0.9	2,093	53	1,930	51	8.4
(excluding Airtel)	487		437		11.5	1,823		1,614		13.0

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution (in constant currency) ⁽⁷⁾	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Regional associates						
- operating results	651	710	-8.2	2,767	2,732	1.3
- fair value losses	1	(10)	nm	(44)	(128)	-65.9
- amortisation of acquired intangibles	(5)	-	nm	(8)	-	nm
	648	699	-7.4	2,715	2,604	4.3
Other associates	63	41	52.8	231	184	25.4
Group share of ordinary results	710	740	-4.1	2,946	2,788	5.7
Group share of exceptional items	-	(19)	nm	-	3	nm
Group share of pre-tax profit	710	721	-1.5	2,946	2,791	5.6
Group share of tax expense	(195)	(193)	0.8	(856)	(861)	-0.6
Group share of post-tax profit	516	528	-2.3	2,091	1,930	8.3
Excluding Airtel:						
Group share of pre-tax profit	623	557	11.8	2,348	2,113	11.2
Group share of tax expense	(142)	(120)	17.9	(536)	(499)	7.4
Group share of post-tax profit	481	437	10.1	1,812	1,614	12.3

Notes:

- (1) The accounts of the associates are prepared based on local GAAP. Where applicable, 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 exceptional items of Airtel and SingPost as well as AIS' handset subsidy costs which have been classified as exceptional items of the Group.
- (3) Intouch, which Singtel acquired an equity interest of 21.0% in November 2016, has an equity interest of 40.5% in AIS.
- (4) NetLink Trust is 100% owned by Singtel and is equity accounted as an associate in the Group as Singtel does not control it. The deferred gain arose from Singtel's gain on disposal of assets and business to NetLink Trust in prior years, which was deferred in the Group's balance sheet and amortised over the useful lives of the transferred assets.
- (5) Gains on disposal/ deemed disposal in the last corresponding period relate to Globe's disposal of equity interest in Yondu, Inc. and fair valuation of its previously held equity interest in Bayan Telecommunications, Inc.
- (6) Shows the post-tax profit contribution of the associates to the Group's underlying net profit.
- (7) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 31 March 2016.

“*” denotes less than S\$0.5 million and “***” denotes less than 0.05%

With weaker Airtel's earnings due to aggressive price competition in India, the associates' pre-tax underlying profit contributions were stable. Excluding Airtel, the associates' pre-tax underlying profit contributions grew 13% mainly from Telkomsel, NetLink Trust and contribution from Intouch which was acquired in November 2016, partially offset by declines at Globe and AIS.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

The share of taxes of associates grew 2.0% mainly due to one-time deferred tax asset recognised by AIS in the last corresponding quarter.

On a post-tax basis, the associates' underlying profit contributions were stable at S\$523 million and contributed 53% to the Group's underlying net profit, down 1 percentage point from the same quarter last year. Excluding Airtel, the associates' post-tax underlying profit contributions were up 12%.

Telkomsel registered strong growth in earnings with double-digit growth in both operating revenue and EBITDA driven by voice, data and digital revenues. Airtel recorded weaker revenue and earnings from sustained aggressive pricing by the new market entrant in India, as well as higher depreciation, spectrum amortisation charges and related finance costs. AIS recorded higher operating revenue but earnings were lower due to increased spectrum amortisation charges and financing costs. Globe reported higher revenue and EBITDA but its earnings were lower due to higher depreciation charges as well as equity accounted losses and interest expense from its acquisition of Vega Telecom, Inc. NetLink Trust's operating revenue and earnings continued to grow at double-digit on increased fibre penetration in Singapore.

PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 136,000 radio base stations (of which 63% 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 7,600 3G/4G radio base stations.

Telkomsel continued to register double-digit growth in its revenue, EBITDA and net profit. Operating revenue was up 10% year-on-year boosted by growth across voice, data and digital businesses. Voice revenue grew 11% mainly driven by a higher customer base, improvement in network quality and migration of pay per use to voice packages. Data and digital services rose a robust 23% with higher data usage amid continued strong take-up of smartphones.

EBITDA rose 13% despite higher operation and maintenance costs from accelerated network deployment and increased marketing expenses. The Group's share of Telkomsel's pre-tax profit rose 15% in Indonesian Rupiah terms after including higher depreciation charges. With the 2% appreciation of the Indonesian Rupiah against the Singapore Dollar this quarter, the Group's share of Telkomsel's pre-tax profit grew 17% from the same quarter last year.

On a post-tax basis, Telkomsel's profit contribution for the quarter increased 18% to S\$281 million which constituted 28% of the Group's underlying net profit, up 4 percentage points from the last corresponding quarter.

Compared to the preceding quarter, Telkomsel's operating revenue declined 3% in Indonesian Rupiah terms due to seasonality while EBITDA grew 4% on lower marketing expenses and staff costs.

Telkomsel recorded a net decline of 4.6 million mobile customers in the quarter on increased churn following the cessation of festive promotions. The total mobile customer base grew 16 million or 10% from a year ago to 169 million, including 90 million of data customers at end of March 2017.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Bharti Telecom Group (“Airtel”)

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

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

On 28 March 2017, Airtel sold 10.3% of its equity shareholding in Bharti Infratel Limited (“**Infratel**”) to a consortium of funds advised by KKR and Canada Pension Plan Investment Board. Following the sale, Airtel’s effective equity shareholding in Infratel fell to 61.7%.

India and Sri Lanka (“India and South Asia”)

In the quarter, Airtel entered into a definitive agreement with Tikona Digital Networks to acquire Tikona’s 4G business in India, including its 100 MHz spectrum in 2300 MHz band as well as 350 sites in 5 telecom circles. Airtel also entered into a definitive agreement with Telenor South Asia Investments Pte Ltd to acquire its operations in 7 telecom circles and 43.4 MHz spectrum in the 1800 MHz band. The closing of the transactions are subject to regulatory approvals and other closing conditions. The transactions will augment Airtel’s overall customer base and 4G spectrum assets in India.

Airtel rolled out 4G services in the state of Jammu and Kashmir. With this, 4G services are now available in all 22 telecom circles across India.

In India, Airtel’s operating performance continued to be adversely affected by the entry of the new operator which offered free voice and data. Operating revenue fell 7% for the quarter with 11% decline in mobile revenue partly mitigated by growth in non-mobile segments. Traffic volume for voice grew a steep 24% with the introduction of bundled offers with unlimited voice. Consequently, voice realisation per minute fell 27%. Data traffic volume rose 53% but data realisation per MB fell 47% on competitive pressures. Despite lower operating revenue, Airtel India extended its revenue market share leadership with good execution of its strategy.

With a decline in operating revenue, EBITDA correspondingly declined 13%.

Results of ‘South Asia’ comprised operations in Sri Lanka and Bangladesh in the corresponding quarter last year. With the deconsolidation of Airtel Bangladesh in November 2016, operating revenue and net losses in South Asia declined significantly by 78% and 66% respectively.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

With incremental depreciation from network assets and higher spectrum amortisation charges in India, the Group's share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia declined 32% in Indian Rupee terms. Pre-tax operating profit contribution fell 31% to S\$200 million after accounting for the 2% appreciation of the Indian Rupee against the Singapore Dollar.

Compared to the preceding quarter, Airtel's revenue and EBITDA from its India and South Asia operations declined 6% and 8% respectively.

Airtel added 7.8 million mobile customers in India this quarter, up from 5.9 million added in the preceding quarter, with churn improving to 3.6% from 4.1% in the preceding quarter despite the tough environment. As at 31 March 2017, Airtel had 274 million mobile customers in India, an increase of 22 million or 8.9% from a year ago. The number of data customers increased 2.4 million this quarter, reversing the decline seen in the preceding quarter, but declined 1.5% from a year ago at 57 million, representing 21% of its total mobile customer base.

Africa

As at 31 March 2017, 'Airtel Money' and 3G services were available across all the 15 African countries that Airtel has presence in, while 4G services were available in 3 African countries.

In this quarter, Airtel gained market share in some key geographies.

In constant currency terms, Africa's operating revenue declined 6%. Excluding the disposed subsidiaries in Africa, operating revenue grew 2% with strong data revenue growth of 15% driven by higher data consumption and penetration. EBITDA improved 39% driven by strong cost control measures.

In reported US Dollar terms, however, operating revenue fell 21%. Excluding the disposed subsidiaries in Africa, operating revenue fell 14% impacted by the steep depreciation of the Nigerian's Naira while EBITDA improved 13%.

Compared to the preceding quarter, Airtel Africa's operating revenue declined 3% while EBITDA grew 6% in constant currency terms. In reported US Dollar terms, operating revenue declined 5% while EBITDA grew 3%.

With lower depreciation charges, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value losses) more than tripled to S\$37 million.

Airtel Africa recorded a net decline of 0.3 million mobile customers in the quarter due to disconnections as a result of regulatory compliances in certain African countries. As at 31 March 2017, the mobile customer base stood at 80 million¹⁶, stable from a year ago due to divestment of operations in Burkina Faso and Sierra Leone. The number of data customers was 18 million, representing 23% of total mobile customer base.

In the quarter, Airtel and Millicom International Cellular S.A. ("**Millicom**"), through their respective subsidiaries, signed an agreement to combine their operations in Ghana. Airtel and Millicom would have equal ownership and governance rights in the joint entity. The merger is subject to closing conditions and regulatory approvals.

¹⁶ Adjusting for the divestment of operations in Burkina Faso and Sierra Leone, the number of mobile subscribers grew 5.4 million or 7.2% from a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Overall

At the consolidated level, Airtel's operating revenue, EBITDA and EBIT declined 12%, 13% and 31% respectively. The Group's share of net finance costs increased sharply by 43% mainly on increased spectrum related finance costs in India. The share of fair value losses (mainly derivatives and forex losses) amounted to S\$0.4 million as the Indian Rupee appreciated against the US Dollar, down significantly from S\$13 million in the last corresponding quarter. Consequently, the Group's share of overall pre-tax profit from Airtel declined 51% to S\$90 million.

Post-tax underlying profit contribution, however, declined 60% to S\$36 million. Airtel's effective tax rate in India increased on account of reversal/ reduction of tax holiday benefits in certain telecom circles. Consequently, on a post-tax basis, Airtel's contribution to the Group's underlying net profit declined to 4% (Q4 FY2016: 9%).

Airtel also recorded some one-off exceptional losses this quarter which have been classified as exceptional items of the Group (see page 16). The exceptional items comprised mainly regulatory levies, litigation related charges and costs related to its network re-farming and upgrading programme.

Including mobile customers across operations in 17 countries covering India, Sri Lanka and Africa, Airtel's total mobile customer base across all geographies was 356 million as at 31 March 2017. This represented a growth of 14 million or 4.0%, or a growth of 22 million or 6.6% excluding operations in Bangladesh, from a year ago.

Advanced Info Service ("AIS")

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand. AIS provides mobile services on 2G, 3G and 4G networks.

In the current quarter, AIS' service revenue (excluding interconnect) increased 4% underpinned by higher data consumption driven by improved 4G network coverage and higher postpaid and fixed broadband revenues. AIS' EBITDA (before handset subsidy) grew 8%¹⁷ on lower universal service obligation and regulatory fees partially offset by higher network costs from network expansion and payments to TOT Public Company Limited for the lease of 2100 MHz spectrum, towers, equipment and facilities. With higher amortisation charges from 900 MHz and 1800 MHz spectrum, as well as higher spectrum financing costs, AIS' pre-tax profit declined by 17%¹⁷ in Thai Baht terms.

With the 2% appreciation of the Thai Baht against the Singapore Dollar, the Group's share of AIS' pre-tax profit declined 15% to S\$95 million.

On a post-tax basis, AIS' underlying profit contribution for the quarter declined 21% to S\$78 million on higher effective tax rate due to recognition of a deferred tax asset on past tax losses in the same quarter last year. AIS contributed 8% (Q4 FY2016: 10%) to the Group's underlying net profit. This contribution excluded AIS' handset subsidy costs relating to the migration of 2G handset customers to 3G/4G. The Group's share of this cost of S\$6 million has been classified as an exceptional item of the Group, consistent with prior periods (see Page 16).

¹⁷ Excluding 3G/4G handset subsidy costs classified as an exceptional item of Singtel Group. If such costs are not excluded, AIS' EBITDA and pre-tax profit would have increased by 29% and 6% respectively from the last corresponding quarter, and its EBITDA would have increased by 15% from the preceding quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Against the preceding quarter, service revenue (excluding interconnect) was stable while EBITDA increased 3% mainly due to lower staff costs, partly offset by higher mobile customer acquisition costs in the postpaid segment.

In this quarter, AIS focused on acquiring more quality customers and shifted its mix of prepaid customers to the more profitable postpaid. As at 31 March 2017, its mobile customer base decreased by 0.4 million from a quarter ago, but increased 1.7 million or 4.4% from a year ago to 41 million.

AIS continues to maintain its mobile market leadership position as well as being the largest network coverage operator in Thailand.

Globe Telecom, Inc (“Globe”)

Globe is listed on the Philippine Stock Exchange.

Globe’s service revenue grew 4% driven by growth in data related services across mobile, broadband and corporate businesses as demand for internet and data connectivity continued to grow. Notwithstanding higher network costs to support the growing subscriber base and network expansion, Globe’s EBITDA rose 2%.

Globe’s pre-tax profit declined 11% in Philippine Peso terms after including higher depreciation charges from its expanded asset base as well as the equity accounted losses and interest expense from the acquisition of Vega Telecom, Inc.

With 5% depreciation of the Philippine Peso against the Singapore Dollar this quarter, the Group’s share of Globe’s pre-tax profit contribution decreased 15% to S\$74 million.

On a post-tax basis, Globe contributed S\$50 million or 5% (Q4 FY2016: 6%) of the Group’s underlying net profit.

Against the preceding quarter, Globe’s service revenue remained stable while EBITDA increased 7% with lower marketing expenses.

As at 31 March 2017, Globe’s total mobile customer base was 59 million, 4.2 million lower than a quarter ago due to churn of prepaid subscribers who are inactive for more than 90 days compared to the previous 120 days. Compared to the same quarter a year ago, its mobile customer base was up 1.3 million or 2.3%.

On 17 February 2017, Ant Financial Services Group, one of the world’s leading digital financial services providers, and Ayala Corporation entered into a strategic partnership with Globe to accelerate financial inclusion and upgrade payment services in the Philippines.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Intouch Holdings (“Intouch”)

On 17 November 2016, Singtel acquired 21.0% equity interest in Intouch. Listed on the Stock Exchange of Thailand, Intouch 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 post-tax profit was S\$26 million. After including amortisation of acquired intangibles of S\$4 million, Intouch’s post-tax contribution was S\$23 million which constituted 2% of the Group’s underlying net profit.

NetLink Trust

NetLink Trust is a business trust in Singapore which designs, builds, owns and operates the passive infrastructure for Singapore’s Next Generation Nationwide Broadband Network (“**NextGen NBN**”) with Singtel as its sole unitholder. Under the IMDA’s structural separation requirements on the NextGen NBN, Singtel does not have effective control in NetLink Trust. Singtel equity accounts for NetLink Trust as an associate.

To fulfill Singtel’s undertaking to the IMDA to reduce its stake in NetLink Trust to less than 25% before April 2018, Singtel has commenced preparation for an initial public offering of NetLink Trust.

For the quarter ended 31 March 2017, NetLink Trust’s operating revenue and EBITDA rose 11% and 15% respectively. Consequently, net profit contribution from NetLink Trust (including S\$14 million of amortised gain arising from deferred gain on disposal of assets and business) grew 15% to S\$37 million. This was primarily driven by growth in the number of residential fibre end-user connections as end users migrated from older technology to fibre based services. NetLink Trust also saw higher number of non-residential end-user connections due to an increase in demand from SMEs. As at 31 March 2017, the residential and non-residential end user customer base increased 18% and 22% to 1.1 million and 38,000 respectively. As at 28 February 2017, fibre broadband penetration rate in Singapore was 81%¹⁸.

Additional financial information of NetLink Trust is provided in the following table:

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Operating revenue	78	70	11.2	300	258	16.3
EBITDA	60	52	14.8	221	183	20.3
<i>margin</i>	77.2%	74.8%		73.5%	71.0%	

¹⁸ Based on NetLink Trust’s residential fibre broadband connections as a percentage of total residential wired broadband lines in Singapore (IMDA’s statistics).

SECTION 5 : ASSOCIATES/ JOINT VENTURES**GROUP'S 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 ("FRS") and is not intended to replace the financial statements prepared in accordance with Singapore FRS. 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		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Group operating revenue						
Optus	2,261	2,100	7.7	8,784	9,298	-5.5
Singapore subsidiaries	1,750	1,714	2.1	6,721	6,721	**
Other overseas subsidiaries (incl. Amobee & Trustwave)	297	280	6.1	1,206	942	28.0
	4,308	4,094	5.2	16,711	16,961	-1.5
Proportionate share of operating revenue of associates						
Regional associates	3,351	3,183	5.3	13,132	12,567	4.5
Singapore associates	181	227	-20.4	636	642	-0.9
Other overseas associates	13	20	-34.7	50	78	-36.3
	3,544	3,430	3.3	13,817	13,286	4.0
Enlarged revenue	7,852	7,523	4.4	30,529	30,248	0.9
% of overseas revenue to enlarged revenue	75%	74%		76%	76%	

*** denotes less than 0.05%

Overseas revenue contributed 75% to the Group's enlarged revenue, up 1 percentage point from the last corresponding quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Proportionate EBITDA	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m		2017 S\$ m	2016 S\$ m	
Group EBITDA						
Optus	796	749	6.2	2,784	2,825	-1.4
Singapore subsidiaries	587	605	-2.9	2,525	2,520	0.2
Other overseas subsidiaries (including Amobee & Trustwave)	(74)	(92)	-19.2	(312)	(332)	-6.1
	1,308	1,262	3.7	4,998	5,013	-0.3
Proportionate share of associates' EBITDA ⁽¹⁾						
Regional associates	1,508	1,403	7.5	5,821	5,348	8.9
Singapore associates	76	63	21.8	289	254	13.7
Other overseas associates	10	13	-20.3	38	59	-35.5
	1,594	1,479	7.8	6,148	5,660	8.6
Total proportionate EBITDA	2,903	2,740	5.9	11,145	10,673	4.4
Overseas proportionate EBITDA as a % to total proportionate EBITDA	77%	76%		75%	74%	
Contributions to total proportionate EBITDA						
Regional associates	52%	51%		52%	50%	
Australia	27%	27%		25%	26%	
Singapore	23%	24%		25%	26%	
Others	-2%	-3%		-2%	-3%	
	100%	100%		100%	100%	

Note:

(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.

Through its investments in key market overseas, the Group has diversified its earnings base. Overseas operations contributed 77% to proportionate EBITDA against 76% in the last corresponding quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

Number of mobile customers (000s)	Total Number			Proportionate Share ⁽¹⁾		
	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2017	31 Dec 2016	31 Mar 2016
Singtel	4,137	4,088	4,101	4,137	4,088	4,101
Optus	9,722	9,573	9,337	9,722	9,573	9,337
	13,859	13,661	13,438	13,859	13,661	13,438
Regional associates						
Airtel						
- India	273,648	265,853	251,237	99,772	96,930	81,626
- Africa	80,061	80,356	80,564	29,190	29,298	26,175
- South Asia	1,964	1,938	10,238	716	706	3,326
	355,673	348,147	342,039	129,678	126,934	111,127
Telkomsel	169,367	173,919	153,613	59,278	60,872	53,764
AIS	40,648	41,031	38,928	9,479	9,568	9,078
Intouch's share of AIS	NM	NM	NM	3,451	3,484	NM
Globe	58,580	62,799	57,266	27,615	29,635	27,024
	624,268	625,896	591,846	229,501	230,493	200,993
Group	638,127	639,557	605,284	243,360	244,154	214,431

NM denotes not meaningful.

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.

The Group's combined mobile customer base was 638 million as at 31 March 2017, stable from a quarter ago, and up 33 million or 5.4% from a year ago.

SECTION 5 : ASSOCIATES/ JOINT VENTURES**CASH DIVIDENDS/ DISTRIBUTIONS RECEIVED FROM ASSOCIATES/ JOINT VENTURES ⁽¹⁾**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 S\$ m	2016 S\$ m	2017 S\$ m	2016 S\$ m		
Telkomsel ⁽²⁾						
- interim dividend FY 2016	257	-	nm	257	-	nm
- final dividend FY 2015 / FY 2014	-	-	-	715	557	28.4
- special dividend FY 2014	-	-	-	-	165	nm
	257	-	nm	971	722	34.6
AIS ⁽³⁾						
- interim dividend FY 2016 / FY 2015	-	-	-	155	181	-14.4
- final dividend FY 2015 / FY 2014	-	-	-	176	165	6.2
	-	-	-	330	346	-4.6
Globe ⁽⁴⁾						
- quarterly dividend FY 2016/ FY 2015 / FY 2014	41	40	0.5	160	157	2.1
Airtel ⁽⁵⁾						
- final dividend FY 2016 / FY 2015	-	-	-	17	28	-41.1
Regional associates	297	40	@	1,478	1,252	18.0
Other associates						
Southern Cross/ PCHL ⁽⁶⁾	29	13	134.4	61	43	43.2
SingPost	3	7	-66.2	27	38	-29.0
NetLink Trust ⁽⁷⁾	-	-	-	80	-	nm
Others	2	6	-73.8	9	17	-46.0
	33	26	28.5	178	98	80.7
Total	331	66	397.7	1,656	1,351	22.6

"@" denotes more than 500% and "nm" denotes not meaningful

Notes:

- (1) The cash dividends received from overseas associates and joint ventures as stated in the table above are before related tax payments.
- (2) Telkomsel declared a full year dividend of 95% on net profit for its 2016 financial year (2015: 90%). The Group's share of the dividend is approximately S\$980 million, of which S\$257 million and S\$724 million have been received in March 2017 and May 2017 respectively.
- (3) AIS declared a full year dividend of 98% on net profit for its 2016 financial year (2015: 99%). 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. On 3 February 2017, AIS declared a final dividend of THB 4.29 per share for its 2016 financial year. The Group received its share of final dividend of S\$119 million in April 2017.
- (4) Globe paid its first quarterly dividend of PHP 22.75 per common share for its 2016 financial year in March 2017. The Group's share of this dividend was S\$41 million. Globe will pay its next quarterly dividend of PHP 22.75 per common share in June 2017. The Group's share of this dividend is approximately S\$40 million.
- (5) Airtel does not have a fixed dividend policy. The Group received its share of the final dividend for 2016 financial year from its direct stake of 15.0% in August 2016. Airtel declared a final dividend of Rs 1.00 per share for its 2017 financial year, subject to shareholders' approval. The Group's share of this dividend is Rs 600 million (approximately S\$13 million) which will be received in September 2017 quarter.

SECTION 5 : ASSOCIATES/ JOINT VENTURES

- (6) Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited (PCHL), part of the Southern Cross consortium, do not have fixed dividend policies.
- (7) NetLink Trust does not have a fixed distribution policy.
- (8) Intouch's dividend 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. Dividends are paid twice a year, with Intouch declaring the first interim dividend of THB 1.61 per share for its 2017 financial year on 6 February 2017. The Group received its share of interim dividend of S\$44 million in April 2017.

The gross dividends from the associates for the quarter increased due mainly to the receipt of Telkomsel's interim dividend for FY2016.

KEY OPERATIONAL DATA

	Airtel ⁽¹⁾	Telkomsel	AIS	Intouch	Globe
Singtel's investment:					
Year of initial investment	2000	2001	1999	2016	1993
Effective economic interest (%)	36.5%	35.0%	23.3% ⁽²⁾	21.0%	47.1% ⁽³⁾
Investment to date	S\$3.79 bil	S\$1.93 bil	S\$1.20 bil	S\$1.59 bil	S\$1.02 bil
Closing market share price ⁽⁴⁾	INR 350	NA	THB 178 ⁽⁵⁾	THB 56 ⁽⁵⁾	PHP 2,032
Market capitalisation					
- Total	S\$30.15 bil	NA	S\$21.50 bil	S\$7.26 bil	S\$7.52 bil
- Singtel holding	S\$10.99 bil	NA	S\$5.01 bil	S\$1.53 bil	S\$3.54 bil
Operational Performance :					
Mobile penetration rate ⁽⁶⁾	91%	137%	135%	NM	118%
Market share, 31 Mar 2017 ⁽⁶⁾	23.3%	48.0%	44.8%	NM	48.1%
Market share, 31 Dec 2016 ⁽⁷⁾	23.6%	48.0%	45.6%	NM	50.0%
Market position ⁽⁸⁾	#1	#1	#1	NM	#2
Mobile customers ('000)					
- Aggregate	355,673	169,367	40,648	NM	58,580
- Proportionate	129,678	59,278	9,479	3,451	27,615
Growth in mobile customers (%) ⁽⁹⁾	4.0%	10%	4.4%	NM	2.3%
Credit ratings					
- Sovereign (Moody's/ S&P's)	Baa3/BBB-	Baa3/BB+	Baa1/BBB+	Baa1/BBB+	Baa2/BBB
- Company (Moody's/ S&P's)	Baa3/BBB-	Baa1/BBB-	NA/BBB+	NA	NA

Notes:

- (1) The mobile penetration rate, market share and market position pertain to India market only.
- (2) Based on direct equity interest only.
- (3) Singtel has 21.5% interest in Globe's voting shares.
- (4) Based on closing market price in local currency as of 31 March 2017.
- (5) Based on local market price quoted on the Stock Exchange of Thailand.
- (6) Based on actual data or latest data available as of 31 March 2017.
- (7) Based on actual data.
- (8) Based on number of mobile customers.
- (9) Compared against 31 March 2016 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			Year		YOY Chge %
	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2017	31 Mar 2016	
Mobile Communications revenue (\$\$'M)⁽¹⁾	511	526	520	2,082	2,116	-1.6
Number of mobile subscribers (000s)						
Prepaid	1,745	1,738	1,773	1,745	1,773	-1.6
Postpaid	2,392	2,350	2,328	2,392	2,328	2.7
Total	4,137	4,088	4,101	4,137	4,101	0.9
Number of 4G mobile subscribers (000s)	2,644	2,562	2,290	2,644	2,290	15.5
MOUs per subscriber per month⁽²⁾						
Prepaid	212	231	264	236	281	-16.0
Postpaid ⁽³⁾	229	233	246	236	251	-5.9
Average revenue per subscriber per month⁽²⁾⁽⁴⁾ (\$\$ per month)						
Prepaid	18	18	18	18	18	1.7
Postpaid	67	69	70	68	72	-5.5
Blended	46	48	47	47	48	-3.1
Data services as % of ARPU						
- total data ⁽⁵⁾	57%	56%	52%	55%	50%	
- non-SMS data	49%	47%	43%	46%	40%	
Tiered data plans						
- postpaid base on tiered data plans ⁽⁶⁾	63%	65%	66%	63%	66%	
- tiered data plan customers exceeding data bundles	40%	37%	29%	40%	29%	
Acquisition cost per postpaid subscriber (\$\$)⁽⁷⁾	378	495	411	431	425	1.6
Postpaid external churn per month ⁽⁸⁾	0.8%	0.9%	0.8%	1.0%	0.9%	
Singapore mobile penetration rate⁽⁹⁾	150%	150%	149%	150%	149%	
Market share⁽⁹⁾						
Prepaid	50.5%	50.7%	52.7%	50.5%	52.7%	
Postpaid	47.2%	47.2%	47.7%	47.2%	47.7%	
Overall	48.6%	48.6%	49.8%	48.6%	49.8%	

Notes:

- (1) This comprises cellular service revenue in Singapore only and is determined net of bill rebates and prepaid sales discount, and includes revenue earned from broadband bundles. It excludes revenue earned from international calls classified under "International Telephone" revenue.
- (2) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (3) MOU of postpaid base excludes customers that have data-only SIM plans.
- (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) Postpaid base on tiered data plans comprise of customers on smartphone plans.
- (7) This relates to blended acquisition and retention cost per postpaid customer.
- (8) 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.
- (9) The market share data as at 31 March 2017 was based on Telco operators' published results. The other market statistics were based on IMDA's latest available published statistics as of 28 February 2017.

SECTION 6 : PRODUCT INFORMATION

AUSTRALIA MOBILE (PRODUCT VIEW)

	Quarter			Year		YOY Chge %
	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2017	31 Mar 2016	
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,305	1,417	1,306	5,283	6,005	-12.0
Optus' mobile service revenue (A\$'M)	973	966	1,005	3,872	4,670	-17.1
Optus' mobile outgoing service revenue (A\$'M)	925	914	954	3,674	3,885	-5.4
Number of mobile subscribers (000s)						
Prepaid Handset	3,743	3,679	3,681	3,743	3,681	1.7
Postpaid Handset	4,947	4,864	4,664	4,947	4,664	6.1
Mobile Broadband ⁽²⁾	1,032	1,030	993	1,032	993	4.0
Total	9,722	9,573	9,337	9,722	9,337	4.1
Number of 4G mobile subscribers (000s) ⁽³⁾	5,795	5,539	4,676	5,795	4,676	23.9
Mobile penetration rate ⁽⁴⁾	ND	138%	ND	ND	ND	
MOUs per subscriber per month ⁽⁵⁾						
Prepaid	140	147	134	141	130	8.6
Postpaid	296	289	257	290	249	16.5
ARPU per month (A\$) ⁽⁶⁾						
Prepaid Handset	22	21	21	21	26	-18.6
Postpaid Handset	46	46	50	47	58	-19.6
Mobile Broadband ⁽²⁾	19	20	23	20	23	-13.1
Blended	34	34	36	34	41	-18.4
Postpaid Handset excluding DRP impact	59	59	59	58	65	-10.1
Data revenue as a % of service revenue						
- total data	78%	78%	70%	76%	69%	
- non-SMS data	69%	68%	61%	67%	51%	
Tiered data plans						
- postpaid base on tiered data plans ⁽⁷⁾	95%	94%	92%	95%	92%	
- tiered data plan customers exceeding data bundles	21%	23%	23%	22%	27%	
Market share ⁽⁴⁾	ND	27.2%	ND	ND	ND	
Market share - excluding the rate change ⁽⁴⁾	ND	28.4%	ND	ND	ND	
Retail postpaid churn rate per month ⁽⁸⁾	1.3%	1.3%	1.3%	1.3%	1.4%	

"ND" denotes not disclosed

Notes:

- (1) This comprises mobile service revenue (both outgoing and incoming) and sales of equipment in Australia, covering Australia Consumer as well as Australia Enterprise.
- (2) Defined as data-only SIMs and include customers on both prepaid and postpaid plans. Postpaid plans incur a monthly subscription fee.
- (3) Defined as 4G handsets on the Optus network.
- (4) Penetration and revenue market share are estimated by Optus based on published data. Optus' market share has reduced by 0.6% based on half year ended 31 December 2016 as compared to half year ended 30 June 2016.
- (5) Based on average number of customers, calculated as the simple average of opening and closing number of customers. MOU includes outgoing minutes only. This calculation is based on customers with voice plan only – i.e. it excludes customers with only mobile broadband.
- (6) Based on average number of customers, calculated as the simple average of opening and closing number of customers. Excludes equipment revenue. Full year ARPU impacted by mobile termination rates decline from 1 January 2016.
- (7) Defined as a percentage of Consumer Branded customers which excludes Virgin Mobile (which does not offer tiered data plans) and wholesale customers.
- (8) Churn calculation includes subscriber churn from Optus, Virgin Mobile and other Optus subsidiaries' subscribers but excludes customers transferring from postpaid to prepaid.

SECTION 6 : PRODUCT INFORMATION**Singtel TV (PRODUCT VIEW)**

	Quarter			Year		YOY Chge %
	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2017	31 Mar 2016	
Singtel TV revenue (S\$'M)	61	63	58	246	232	6.0
Average revenue per residential TV customer per month (S\$ per month)	41	41	39	41	39	4.8
Number of residential TV customers (000s)	408	409	423	408	423	-3.6

SINGAPORE CONSUMER HOME

	Quarter			Year		YOY Chge %
	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2017	31 Mar 2016	
Singapore Consumer home revenue (S\$'M) ⁽¹⁾	135	140	131	549	526	4.4
Number of households on triple/ quad play services (000s) ⁽²⁾	503	500	500	503	500	0.6

Notes:

- (1) This comprises fixed broadband, fixed voice and Singtel TV in the residential segment only and does not include mobile.
- (2) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, Singtel TV, fixed voice and mobile.

SECTION 6 : PRODUCT INFORMATION**OTHER PRODUCTS**

Singapore	Quarter			Year		YOY Chge %
	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2017	31 Mar 2016	
Internet						
Number of fixed broadband lines (000s) ⁽¹⁾	609	605	599	609	599	1.7
Singapore fixed broadband penetration rate ⁽²⁾	98%	98%	103%	98%	103%	
Fixed broadband market share ^{(3) (4)}	42.1%	41.9%	42.6%	42.1%	42.6%	
Number of fibre broadband lines (000s)	559	546	501	559	501	11.6
Fibre broadband market share ⁽⁴⁾	47.7%	48.0%	50.5%	47.7%	50.5%	
International Telephone						
International telephone outgoing minutes (m mins) (excl Malaysia)	626	658	712	2,681	3,050	-12.1
Average collection rate - net basis (S\$/ min) (excl Malaysia)	0.090	0.092	0.095	0.092	0.094	-2.1
National Telephone						
Fixed working lines (000s) ⁽⁵⁾						
Residential	786	789	816	786	816	-3.7
Business	681	691	716	681	716	-4.9
Total	1,467	1,480	1,532	1,467	1,532	-4.2
Singapore fixed line penetration rate ⁽⁶⁾	35.7%	35.7%	36.4%	35.7%	36.4%	
Singapore fixed working lines ('000s) ⁽⁶⁾	2,003	2,003	2,016	2,003	2,016	
Fixed line market share ⁽⁶⁾	73.2%	73.9%	76.0%	73.2%	76.0%	

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 March 2017 was based on IMDA's latest available published statistics as of 28 February 2017.
- (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 March 2017 was based on management's estimates.
- (5) Fixed working lines refer to Direct Exchange Lines (DEL) and Home Digital Lines.
- (6) The market share data as at 31 March 2017 was based on management's estimates. The other market statistics as at 31 March 2017 were based on IMDA's latest available published statistics as of 31 December 2016.

SECTION 6 : PRODUCT INFORMATION

Australia	Quarter			Year		YOY Chge %
	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2017	31 Mar 2016	
Enterprise Fixed						
Business voice minutes (m min)	1,237	1,237	1,353	5,159	5,302	-2.7
Wholesale Fixed						
Wholesale domestic voice minutes (m min)	1,026	1,065	916	3,937	4,003	-1.7
Mass Market Fixed						
On-net ARPU (A\$) ⁽¹⁾						
Voice	32	33	36	34	36	-6.6
Broadband ⁽²⁾	53	54	53	53	53	0.2
Telephony customers (000s)						
HFC ⁽³⁾	447	451	454	447	454	-1.7
ULL ⁽⁴⁾	394	411	448	394	448	-11.9
On-net	841	862	902	841	902	-6.7
Resale	57	55	19	57	19	202.1
NBN	225	190	110	225	110	104.6
Off-net	282	245	129	282	129	118.9
TV customers (000s)	456	433	345	456	345	32.2
<i>HFC bundling rate ⁽⁵⁾</i>	98%	98%	98%	98%	98%	
HFC penetration	32%	32%	32%	32%	32%	
Internet customers (000s)						
On-net						
HFC broadband	438	440	433	438	433	1.1
ULL broadband ⁽⁴⁾	413	429	475	413	475	-13.0
Business grade broadband	26	25	24	26	24	4.6
	877	894	933	877	933	-6.0
Off-net						
Resale	42	40	22	42	22	90.0
NBN	228	192	113	228	113	101.9
Broadband subtotal	1,147	1,125	1,068	1,147	1,068	7.4
Dial-up	3	3	3	3	3	-4.3
Total Internet customers	1,150	1,129	1,071	1,150	1,071	7.4

Notes:

- (1) Per month, based on average number of HFC and ULL customers. Comparatives have been restated to be consistent with the current quarter.
- (2) Includes Optus TV with Fetch.
- (3) 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.
- (4) Include wholesale ULL subscribers.
- (5) Based on customers who are receiving a 'bundled benefit' from taking a package of products (local telephony plus at least one of broadband, dial-up internet or pay TV).

SECTION 7 : GLOSSARY

“ACCC”	Australian Competition And Consumer Commission.
“ADSL”	Asymmetric digital subscriber line.
“ARPU”	Average revenue per user.
“Associate”	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standard.
“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.
“FRS”	Financial Reporting Standard.
“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.
“MMS”	Multimedia messaging service.
“MTAS”	Mobile terminating access services.
“MOU”	Minutes of use per subscriber.
“NetLink Trust”	NetLink Trust, a business trust established as part of IMDA's effective open access requirements under Singapore's NextGen NBN, is currently 100% owned by Singtel. NetLink Trust is equity accounted as an associate in the Group as Singtel does not control it. NetLink Trust owns 100% of OpenNet Pte. Ltd.
“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. Formerly known as regional mobile associates.
“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. Therefore, this 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 Fourth Quarter Ended 31 March 2017

	Quarter							YOY Chge %
	31 Mar							
	2017			2017		2017	2016	
Singapore S\$ m	Asso/JV S\$ m	Corp S\$ m	Singtel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m		
Operating revenue	2,047	-	-	2,047	2,261	4,308	4,094	5.2
Operating expenses	(1,557)	-	-	(1,557)	(1,503)	(3,061)	(2,865)	6.8
Other income	489	-	-	489	758	1,247	1,229	1.5
	23	-	-	23	38	61	33	87.7
EBITDA	513	-	-	513	796	1,308	1,262	3.7
- <i>EBITDA margin</i>	25.0%	-	-	25.0%	35.2%	30.4%	30.8%	
Share of associates' pre-tax profits								
Regional associates	-	658	-	658	-	658	699	-6.0
Other associates	-	62	-	62	*	63	41	52.8
- ordinary operations	-	720	-	720	*	720	740	-2.7
- exceptional items	-	-	-	-	-	-	(19)	nm
	-	720	-	720	*	720	721	-0.1
EBITDA and share of associates' pre-tax profits	513	720	-	1,232	796	2,028	1,983	2.3
Depreciation & amortisation	(215)	-	-	(215)	(370)	(585)	(545)	7.2
EBIT	298	720	-	1,017	426	1,444	1,437	0.4
Net finance expense								
- net interest expense	(44)	-	-	(44)	(45)	(89)	(85)	4.7
- other finance (expense)/ income	(9)	-	15	6	*	7	(7)	nm
	(53)	-	15	(38)	(44)	(82)	(91)	-10.0
Profit before EI and tax	245	720	15	980	382	1,362	1,346	1.2
Taxation								
- current and deferred taxes	(20)	-	-	(20)	(116)	(136)	(154)	-11.9
- share of taxes of associates	-	(199)	-	(199)	2	(197)	(193)	2.0
- withholding taxes ⁽¹⁾	-	-	(48)	(48)	-	(48)	(24)	105.1
	(20)	(199)	(48)	(268)	(114)	(381)	(371)	2.8
Profit/ (Loss) after tax	224	521	(33)	712	269	981	975	0.5
Minority interests	8	-	-	8	-	8	6	37.5
Underlying net profit/ (loss)	232	521	(33)	720	269	988	981	0.8
(exclude Airtel) ⁽²⁾	232	485	(33)	684	269	952	890	7.0
Exceptional items ("EI") (post-tax)	(4)	(54)	32	(25)	-	(25)	(35)	-28.4
Net profit/ (loss)	228	467	(1)	695	269	963	946	1.8
(exclude Airtel) ⁽²⁾	228	437	(1)	664	269	933	855	9.1

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.

GROUP SUMMARY INCOME STATEMENTS
For The Year Ended 31 March 2017

	Year							YOY Chge %
	31 Mar							
	2017			2017		2017	2016	
	Singapore S\$ m	Asso/JV S\$ m	Corp S\$ m	Singtel S\$ m	Optus S\$ m	Group S\$ m	Group S\$ m	
Operating revenue	7,928	-	-	7,928	8,784	16,711	16,961	-1.5
Operating expenses	(5,776)	-	-	(5,776)	(6,153)	(11,929)	(12,097)	-1.4
Other income	2,152	-	-	2,152	2,631	4,782	4,864	-1.7
	62	-	-	62	154	215	148	45.2
EBITDA	2,213	-	-	2,213	2,784	4,998	5,013	-0.3
- EBITDA margin	27.9%	-	-	27.9%	31.7%	29.9%	29.6%	
Share of associates' pre-tax profits								
Regional associates	-	2,711	-	2,711	-	2,711	2,604	4.1
Other associates	-	231	-	231	*	231	184	25.4
- ordinary operations	-	2,942	-	2,942	*	2,942	2,788	5.5
- exceptional items	-	-	-	-	-	-	3	nm
	-	2,942	-	2,942	*	2,942	2,791	5.4
EBITDA and share of associates' pre-tax profits	2,213	2,942	-	5,155	2,785	7,939	7,804	1.7
Depreciation & amortisation	(823)	-	-	(823)	(1,416)	(2,239)	(2,149)	4.2
EBIT	1,390	2,942	-	4,331	1,369	5,701	5,655	0.8
Net finance expense								
- net interest expense	(162)	-	-	(162)	(175)	(337)	(309)	9.0
- other finance income	13	-	48	61	17	77	44	75.5
	(149)	-	48	(101)	(158)	(260)	(265)	-2.0
Profit before EI and tax	1,241	2,942	48	4,230	1,211	5,441	5,390	0.9
Taxation								
- current and deferred taxes	(177)	-	-	(177)	(361)	(537)	(592)	-9.2
- share of taxes of associates	-	(853)	-	(853)	4	(849)	(861)	-1.4
- withholding taxes ⁽¹⁾	-	-	(161)	(161)	-	(161)	(145)	11.6
	(177)	(853)	(161)	(1,191)	(356)	(1,548)	(1,597)	-3.1
Profit/ (Loss) after tax	1,064	2,088	(113)	3,039	855	3,894	3,793	2.7
Minority interests	22	-	-	22	-	22	13	73.6
Underlying net profit/ (loss)	1,086	2,088	(113)	3,061	855	3,915	3,805	2.9
(exclude Airtel) ⁽²⁾	1,086	1,818	(113)	2,791	855	3,645	3,489	4.5
EI (post-tax)	4	(75)	33	(38)	(25)	(63)	66	nm
Net profit/ (loss)	1,090	2,013	(80)	3,023	830	3,853	3,871	-0.5
(exclude Airtel) ⁽²⁾	1,090	1,731	(80)	2,741	830	3,571	3,490	2.3

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.

GROUP SUMMARY INCOME STATEMENTS

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter	YOY		Year	YOY	
	31 Mar	Change	Change in constant currency ⁽¹⁾	31 Mar	Change	Change in constant currency ⁽¹⁾
	2017			2017		
	S\$ m	%	%	S\$ m	%	%
Operating revenue	4,308	5.2	2.1	16,711	-1.5	-2.6
Operating expenses	(3,061)	6.8	3.8	(11,929)	-1.4	-2.5
	1,247	1.5	-2.0	4,782	-1.7	-2.9
Other income	61	87.7	80.4	215	45.2	43.9
EBITDA	1,308	3.7	0.2	4,998	-0.3	-1.5
-EBITDA margin	30.4%			29.9%		
Share of associates' pre-tax profits						
- Telkomsel	371	17.4	15.2	1,422	24.8	22.1
- Airtel	90	-51.0	-51.9	580	-16.9	-14.4
- AIS	95	-15.2	-17.3	389	-14.1	-13.5
- Globe	74	-15.4	-11.2	288	-8.0	-4.1
- Intouch	27	nm	nm	31	nm	nm
Regional associates	658	-6.0	-7.4	2,711	4.1	4.3
Other associates	63	52.8	52.8	231	25.4	25.4
- ordinary operations	720	-2.7	-4.1	2,942	5.5	5.7
- exceptional items	-	nm	nm	-	nm	nm
	720	-0.1	-1.5	2,942	5.4	5.6
EBITDA and share of associates' pre-tax profits	2,028	2.3	-0.4	7,939	1.7	1.0
Depreciation & amortisation	(585)	7.2	3.3	(2,239)	4.2	2.8
EBIT	1,444	0.4	-1.8	5,701	0.8	0.3
Net finance expense	(82)	-10.0	-13.0	(260)	-2.0	-3.4
Profit before EI and tax	1,362	1.2	-1.1	5,441	0.9	0.5
Taxation	(381)	2.8	0.4	(1,548)	-3.1	-3.2
Profit after tax	981	0.5	-1.6	3,894	2.7	2.1
Minority interests	8	37.5	41.1	22	73.6	75.2
Underlying net profit	988	0.8	-1.4	3,915	2.9	2.3
(exclude Airtel) ⁽²⁾	952	7.0	4.8	3,645	4.5	3.6
EI (post-tax)	(25)	-28.4	-29.2	(63)	nm	nm
Net profit	963	1.8	-0.4	3,853	-0.5	-1.0
(exclude Airtel) ⁽²⁾	933	9.1	6.8	3,571	2.3	1.4

Notes:

(1) Assuming constant exchange rates for the Australian Dollar, US Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 31 March 2016.

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

BUSINESS SEGMENTS

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter	YOY		Year	YOY	
	31 Mar	Change	Change in constant currency ⁽¹⁾	31 Mar	Change	Change in constant currency ⁽¹⁾
	2017			2017		
	S\$ m	%	%	S\$ m	%	%
Operating revenue						
Group Consumer	2,457	7.1	2.5	9,572	-5.3	-6.9
Group Enterprise	1,723	2.6	1.3	6,600	3.2	2.7
Core Business	4,181	5.2	2.0	16,172	-2.0	-3.2
Group Digital Life	127	5.8	4.6	539	18.7	18.8
Group	4,308	5.2	2.1	16,711	-1.5	-2.6
EBITDA						
Group Consumer	908	7.4	2.6	3,295	0.9	-0.9
Group Enterprise	466	-1.9	-2.8	1,913	-2.3	-2.6
Core Business	1,374	4.0	0.7	5,208	-0.3	-1.5
Group Digital Life	(36)	-7.5	-7.5	(122)	-10.6	-10.5
Corporate	(30)	47.0	47.0	(88)	16.8	16.8
Group	1,308	3.7	0.2	4,998	-0.3	-1.5
EBIT (exclude share of associates' pre-tax profits)						
Group Consumer	513	6.5	2.0	1,771	-2.2	-3.9
Group Enterprise	294	-5.9	-6.3	1,268	-5.1	-5.2
Core Business	807	1.7	-1.3	3,039	-3.5	-4.5
Group Digital Life	(53)	-6.7	-7.0	(190)	-7.4	-7.3
Corporate	(30)	47.3	47.3	(90)	14.2	14.2
Group	724	1.0	-2.2	2,759	-3.7	-4.8

Note:

(1) Assuming constant exchange rates for the Australian Dollar and US Dollar from the corresponding periods ended 31 March 2016.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Mar 2017 (Audited) S\$ million	31 Dec 2016 (Unaudited) S\$ million	31 Mar 2016 (Audited) S\$ million
Current assets			
Cash and cash equivalents	534	848	462
Trade and other receivables	4,924	4,636	4,366
Inventories	352	382	320
Derivative financial instruments	107	178	18
	5,918	6,044	5,165
Non-current assets			
Property, plant and equipment	11,893	11,285	11,154
Intangible assets	13,073	13,135	12,968
Associates	1,952	1,959	356
Loan to an associate	1,101	1,101	1,101
Joint ventures	12,283	11,953	10,730
Available-for-sale investments	193	185	148
Deferred tax assets	658	641	692
Derivative financial instruments	455	666	623
Other non-current receivables	770	771	629
	42,377	41,694	38,400
Total assets	48,294	47,738	43,566
Current liabilities			
Trade and other payables	4,922	4,516	4,597
Advance billings	835	810	800
Current tax liabilities	296	294	364
Interim dividend payable	-	1,110	-
Borrowings (unsecured)	3,047	3,087	596
Borrowings (secured)	87	91	90
Derivative financial instruments	16	3	25
Net deferred gain ⁽¹⁾	69	69	68
	9,272	9,980	6,540
Non-current liabilities			
Borrowings (unsecured)	7,853	7,915	9,019
Borrowings (secured)	200	176	236
Derivative financial instruments	303	216	316
Advance billings	246	250	266
Net deferred gain ⁽¹⁾	1,283	1,321	1,323
Deferred tax liabilities	575	564	585
Other non-current liabilities	350	355	278
	10,808	10,798	12,023
Total liabilities	20,081	20,778	18,563
Net assets	28,214	26,960	25,003
Share capital and reserves			
Share capital	4,127	4,128	2,634
Reserves	24,086	22,824	22,355
Equity attributable to shareholders of the Company	28,214	26,952	24,989
Minority interests and other reserve	*	8	13
Total equity	28,214	26,960	25,003

Note:

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

SINGAPORE CASH FLOW STATEMENT

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter			Year		YOY Chge %
	31 Mar 2017 S\$ m	31 Mar 2016 S\$ m	31 Dec 2016 S\$ m	31 Mar 2017 S\$ m	2016 S\$ m	
	Net cash inflow from operating activities					
Profit before exceptional items and tax	245	241	312	1,241	1,251	-0.8
Non-cash items	278	281	221	991	953	4.0
Operating cash flow before working capital changes	523	522	533	2,232	2,204	1.2
Changes in operating assets and liabilities	17	74	128	(94)	(306)	-69.1
	540	596	661	2,137	1,899	12.6
Cash paid to employees under performance share plans	-	-	-	*	(3)	nm
Tax paid on operating activities	(41)	(38)	(87)	(247)	(203)	22.0
Operating cash flow	499	557	573	1,890	1,693	11.6
Net cash inflow/ (outflow) for investing activities						
Accrued capital expenditure	(362)	(417)	(188)	(834)	(806)	3.5
Changes in creditors' balances	112	113	1	(16)	(19)	-13.9
Cash capital expenditure	(251)	(305)	(187)	(851)	(825)	3.1
Net loan to STAI from Optus ⁽¹⁾	(136)	(123)	-	7	17	-56.0
Dividend received by STAI from Optus ⁽¹⁾	635	617	-	635	617	2.9
Withholding tax paid on interest received on inter-company loans	(13)	(14)	-	(27)	(27)	1.5
Payment for purchase of subsidiaries, net of cash acquired	-	(2)	-	(3)	(1,059)	-99.7
Contribution from minority interests	-	10	13	13	21	(39.2)
Investment in associates	*	(215)	(2,470)	(2,472)	(215)	@
Investment in venture investments	(7)	(13)	(6)	(35)	(39)	-10.4
Proceeds from disposal of venture investments	16	5	5	75	81	-7.7
Proceeds from disposal of property, plant and equipment	*	*	1	34	6	500.0
Loan repaid by an associate	-	510	-	-	510	nm
Deferred proceeds/ proceeds from disposal of associates	18	1	1	61	13	370.8
Purchase of spectrum	-	-	-	(96)	-	nm
Purchase of other intangibles	(4)	(2)	(9)	(15)	(13)	14.7
Others	17	21	1	38	66	-42.4
	275	492	(2,650)	(2,635)	(846)	211.4
Net cash (outflow)/ inflow for financing activities						
Net (decrease)/ increase in borrowings	(275)	(135)	726	645	888	-27.4
Net interest paid on borrowings and swaps	(35)	(44)	(53)	(181)	(172)	5.5
Settlement for swap for bonds repaid	16	-	-	16	-	nm
Interim dividend paid to shareholders	(1,110)	(1,084)	-	(1,110)	(1,084)	2.4
Final dividend paid to shareholders	-	-	-	(1,706)	(1,705)	**
Purchase of performance shares	(6)	(6)	(6)	(20)	(29)	-29.1
Proceeds from issue of shares	-	-	1,603	1,602	-	nm
Others	*	1	(6)	(5)	(3)	42.4
	(1,409)	(1,268)	2,265	(758)	(2,105)	-64.0
Net (decrease)/ increase in cash balance from Singapore	(635)	(219)	189	(1,503)	(1,258)	19.5
Net (decrease)/ increase in cash balance from Singapore	(635)	(219)	189	(1,503)	(1,258)	19.5
Dividends/ distributions received from associates	331	54	57	1,643	1,308	25.6
Withholding tax paid	(32)	(6)	(6)	(155)	(133)	16.8
Net dividends/ distributions received from associates	299	48	51	1,487	1,175	26.6
Net (decrease)/ increase in cash and cash equivalents	(336)	(171)	240	(16)	(83)	-80.9
Singtel cash and cash equivalents at beginning	743	581	489	403	453	-11.0
Exchange effects on cash and cash equivalents	(10)	(7)	14	9	33	-72.0
Singtel cash and cash equivalents at end	397	403	743	397	403	-1.6
Singapore free cash flow	248	253	387	1,040	869	19.7
Free cash flow from associates' dividends/ distributions	299	48	51	1,487	1,175	26.6
Cash capex to operating revenue	12%	15%	9%	11%	11%	

Note:

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

OPTUS CASH FLOW STATEMENT

For The Fourth Quarter And Year Ended 31 March 2017

	Quarter			Year		YOY Chge %
	31 Mar 2017 A\$ m	31 Mar 2016 A\$ m	31 Dec 2016 A\$ m	31 Mar 2017 2016 A\$ m		
Net cash inflow from operating activities						
Profit before exceptional items and tax	356	379	269	1,160	1,322	-12.3
Non-cash items	387	328	378	1,478	1,420	4.1
Operating cashflow before working capital changes	743	707	647	2,638	2,742	-3.8
Changes in operating assets and liabilities	(103)	(67)	(78)	(379)	(723)	-47.6
Tax paid ⁽¹⁾	(63)	(63)	(178)	(412)	(318)	29.4
Operating cash flow	576	578	392	1,847	1,700	8.6
Net cash outflow from investing activities						
Accrued capital expenditure	(553)	(617)	(373)	(1,541)	(1,598)	-3.6
Changes in creditors' balances	178	398	(41)	193	515	-62.5
Payment for purchase of property, plant and equipment	(375)	(219)	(414)	(1,348)	(1,083)	24.4
Payment for purchase of subsidiary, net of cash acquired	-	-	-	(2)	*	nm
Loan to STAI ⁽²⁾	(121)	(131)	-	(260)	(264)	-1.8
Repayment of loan by STAI ⁽²⁾	250	250	-	250	250	-
Purchase of spectrum	*	*	*	(29)	(70)	-58.0
Others	(18)	(19)	(27)	(109)	(81)	35.0
	(264)	(119)	(441)	(1,497)	(1,249)	19.9
Net cash (outflow) / inflow from financing activities						
Net increase in bank borrowings	350	120	100	480	236	103.3
Dividend paid to STAI ⁽²⁾	(600)	(600)	-	(600)	(600)	-
Purchase of Singtel shares	-	-	-	(7)	(15)	-54.8
Net interest paid on borrowings and swaps	(35)	(35)	(46)	(164)	(161)	2.0
Finance lease payments (exclude interest)	-	*	-	*	(2)	nm
	(285)	(516)	54	(291)	(542)	-46.3
Net increase/ (decrease) in cash balance from Optus	28	(57)	6	59	(90)	nm
Dividends received from associates	-	12	2	13	42	-69.6
Net increase/ (decrease) in cash and cash equivalents	28	(45)	8	72	(48)	nm
Optus cash and cash equivalents at beginning	101	102	93	57	105	-46.0
Optus cash and cash equivalents at end	128	57	101	128	57	126.6
Optus free cash flow ⁽¹⁾	202	358	(22)	500	617	-19.0
(exclude ATO tax payment)	202	358	112	634	617	2.7
Free cash flow from associates' dividends	-	12	2	13	42	-69.6
Cash capex to operating revenue	18%	11%	19%	16%	12%	

Notes:

(1) After tax payment of A\$134 million paid to the ATO for amended assessments in December 2016 quarter.

(2) The intercompany amounts are eliminated at the Group level.

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Operating revenue	2,106	2,073	1.6	8,425	9,115	-7.6
Operating expenses	(1,400)	(1,359)	3.1	(5,904)	(6,442)	-8.4
Other income	35	25	41.4	148	98	51.1
EBITDA	741	739	0.3	2,669	2,771	-3.7
- margin	35.2%	35.7%		31.7%	30.4%	
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA & share of results of joint ventures	741	739	0.3	2,669	2,771	-3.7
Depreciation & amortisation	(344)	(329)	4.5	(1,358)	(1,327)	2.3
EBIT	397	410	-3.1	1,312	1,444	-9.2
Net finance expense	(41)	(31)	34.0	(152)	(122)	24.6
Profit before exceptional items and tax	356	379	-6.1	1,160	1,322	-12.3
Taxation	(106)	(106)	-0.2	(341)	(392)	-12.9
Underlying net profit	250	273	-8.5	819	931	-12.0
Exceptional items (post-tax)	-	(26)	nm	(25)	(30)	-17.4
Net profit	250	247	1.1	794	901	-11.8

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

	As at		
	31 Mar 2017 A\$ m	31 Dec 2016 A\$ m	31 Mar 2016 A\$ m
	Property, plant and equipment (net)	7,521	7,271
Gross debt			
Current debt	990	640	*
Non-current debt	2,598	2,695	3,189
Gross debt as reported in the statement of financial position	3,588	3,335	3,189
Related net hedging assets	(109)	(218)	(202)
	3,479	3,117	2,987
Less: Cash and bank balances	(128)	(101)	(57)
Net debt	3,351	3,016	2,930

“*” denotes less than A\$0.5 million.

CURRENCY RISK MANAGEMENT & OTHER MATTERS

The Group maintains a policy of hedging 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 specifically approved by the Board.

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.

To minimise the adverse impact of foreign exchange movements on the Group's financial position, the Group determines the appropriate debt currency mix by matching it to the currency mix of the Group's underlying cash flows.

Debt Currency Mix	As at		
	31 Mar 2017	31 Dec 2016	31 Mar 2016
SGD	66%	69%	67%
AUD	34%	31%	33%
Total	100%	100%	100%

The debt currency mix is constantly being reviewed and aligned with the Group's cash flows.

CREDIT RATINGS

As at 31 Mar 2017	Singtel	Optus
Standard & Poor's	A+ (stable)	A (stable)
Moody's Investors Service	Aa3 (stable)	A1 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate ⁽¹⁾ for:							
Operating revenue							
<u>SGD</u>							
FY2017	1.0125	1.0256	1.0568	1.0735	1.0192	1.0649	1.0426
FY2016	1.0446	1.0089	1.0138	1.0129	1.0267	1.0134	1.0201
Change (last corresponding period)	-3.1%	1.7%	4.2%	6.0%	-0.7%	5.1%	2.2%
Underlying net profit							
<u>SGD</u>							
FY2017	1.0098	1.0250	1.0566	1.0731	1.0172	1.0660	1.0435
FY2016	1.0445	1.0086	1.0140	1.0154	1.0252	1.0148	1.0196
Change (last corresponding period)	-3.3%	1.6%	4.2%	5.7%	-0.8%	5.0%	2.3%

1 US Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate ⁽²⁾ for:							
Operating revenue							
<u>SGD</u>							
FY2017	1.3580	1.3532	1.4099	1.4177	1.3552	1.4136	1.3841
FY2016	1.3429	1.3911	1.4074	1.4018	1.3672	1.3962	1.3859
Change (last corresponding period)	1.1%	-2.7%	0.2%	1.1%	-0.9%	1.2%	-0.1%

Notes:

- (1) The monthly income statement of Optus is translated from Australian Dollar to Singapore Dollar based on the average exchange rate for the month. These rates represent the derived weighted average exchange rates for the Australian Dollar for the period to date.
- (2) The income statements of Trustwave, Amobee and HOOQ are translated from US 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	H1	H2	Full Year
Rupiah							
FY2017	9,837	9,713	9,405	9,435	9,771	9,420	9,591
FY2016	9,804	10,000	9,804	9,615	9,910	9,704	9,803
Change (last corresponding period)	0.3%	-2.9%	-4.1%	-1.9%	-1.4%	-2.9%	-2.2%
Indian Rupee							
FY2017	49.2	49.4	47.8	47.2	49.3	47.5	48.6
FY2016	47.2	46.7	46.7	48.1	47.0	47.4	47.2
Change (last corresponding period)	4.2%	5.8%	2.4%	-1.9%	4.9%	0.2%	3.0%
Baht							
FY2017	25.9	25.8	25.1	24.8	25.9	24.9	25.4
FY2016	24.8	25.3	25.4	25.4	25.0	25.5	25.2
Change (last corresponding period)	4.4%	2.0%	-1.2%	-2.4%	3.6%	-2.4%	0.8%
Peso							
FY2017	34.3	34.8	34.8	35.3	34.5	35.1	34.8
FY2016	33.2	33.1	33.3	33.7	33.2	33.6	33.4
Change (last corresponding period)	3.3%	5.1%	4.5%	4.7%	3.9%	4.5%	4.2%