

Financial results presentation

Q4 and Financial year ended 31 March 2009

14 May 2009



Forward looking statements - important note

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

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

"S\$" means Singapore dollars and "A\$" means Australian dollars unless otherwise indicated. Any discrepancies between individual amounts and totals are due to rounding.

Asia's Leading Communications Company

Chua Sock Koong

Group CEO



Group 4Q09: strong performance in Singapore & Australia

Group performance

Revenue
➤ **down 5%**

S\$3,566m

Underlying NPAT
➤ **down 1%**

S\$959m

Singapore

Revenue
➤ **up 13%**

S\$1,453m

EBITDA¹
➤ **up 20%**

S\$578m

Optus

Revenue²
➤ **up 9%**

A\$2,103m

EBITDA²
➤ **up 9%**

A\$584m

Regional Mobile

Customers³
➤ **up 35%**

249m

Earnings⁴
➤ **down 22%**

S\$489m

1. Excludes Group and International Business corporate costs
2. In A\$ terms
3. Group mobile subscribers, including SingTel, Optus and Regional Mobile associates
4. Based on the Group's share of Regional Mobile associates earnings before tax and exceptionals

Maintained dividend per share

Total cash distribution per share

12.5¢

10-year cumulative payout¹

• 79% of NPAT

\$24bn

Proposed final dividend

• payable Aug 09

6.9¢

Interim dividend

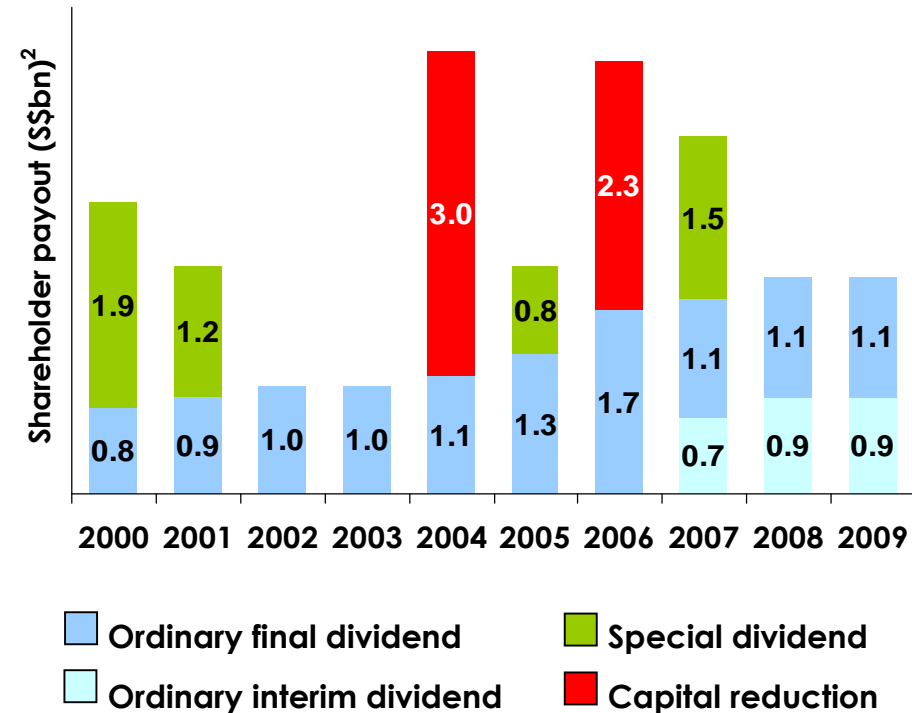
• paid Jan 09

5.6¢

Payout ratio

• within range of 45-60%

58%

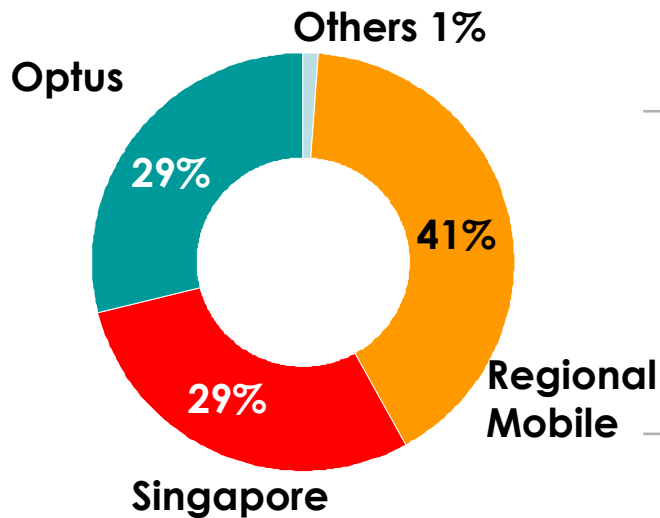


1. Cash distribution as % of NPAT

2. All dividends paid after the FY07 interim dividends are one-tier exempt dividends without tax credits

Group Q4 FY09 highlights

Proportionate EBITDA¹ outside Singapore **71%**



Singapore

strongest quarterly net adds for mioTV

19k

showcase 21 mbps mobile broadband speeds

Optus

strong growth in mobile subs

↑ 156k

clarity on government NBN plans

Regional Mobile

strong subscriber growth

↑ 17m

Bharti declares maiden dividend²

US\$76m

1. Based on 3 months to Mar 09
 2. Approximate amount based on Rs3.8bn at exchange rate of US\$1:Rs50.1

Q4 FY09: resilient performance & good cost management

S\$m	3 months to Mar 09	3 months to Mar 08	YoY % change	3 months to Dec 08	Sequential % change
Operating revenue	3,566	3,758	(5.1%)	3,701	(3.7%)
Operational EBITDA	1,150	1,155	(0.5%)	1,057	8.8%
- margin	32.2%	30.7%	NM	28.6%	NM
Associates (ex exceptionals)	514	646	(20.5%)	486	5.8%
EBITDA ¹	1,680	1,801	(6.7%)	1,542	8.9%
Net profit	903	1,093	(17.3%)	799	13.1%
Exclude: Exceptional items	122	(150)	NM	39	NM
Exceptional FX/tax items	(66)	25	NM	-	NM
Underlying net profit ²	959	968	(0.9%)	838	14.5%

1. Operational EBITDA+share of results of associates

2. Excludes exceptional items, exceptional tax items and currency translation gains








Group FY09: impacted by currency movements & lower associate earnings

S\$m	12 months to Mar 09	12 months to Mar 08	YoY % change
Operating revenue	14,934	14,844	0.6%
Operational EBITDA	4,431	4,530	(2.2%)
- margin	29.7%	30.5%	NM
Associates (ex exceptionals)	2,031	2,591	(21.6%)
EBITDA ¹	6,482	7,089	(8.6%)
Exceptional items	(139)	103	NM
Net profit	3,448	3,960	(12.9%)
Underlying net profit ²	3,455	3,681	(6.1%)

1. Operational EBITDA+share of results of associates

2. Excludes exceptional items, exceptional tax items and currency translation gains

Foreign exchange movements

Currency	Exchange rate ¹		Currency appreciation / (depreciation) against S\$	
	S\$ 1.00		YoY	QoQ
1 AUD ² 	S\$ 1.0047		(21.3%)	1.0%
INR 	33.0		(17.0%)	(0.6%)
IDR 	7,692		(16.9%)	(5.9%)
PHP 	31.6		(9.0%)	3.1%
THB 	23.4		(6.4%)	no chg
BDT 	45.5		6.2%	1.7%
PKR 	52.6		(18.5%)	2.2%

1. Average exchange rates for the quarter ended 31 Mar 09
2. Average A\$ rate for translation of Optus' underlying net profit

Trends in constant currency terms¹

3 months to Mar 09	4Q FY09 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	3,566	(5.1%)	10.1%
Group underlying NPAT	959	(0.9%)	10.5%
Optus revenue	2,113	(14.4%)	8.7%
Associates earnings ²	514	(20.5%)	(9.6%)

12 months to Mar 09	FY09 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	14,934	0.6%	9.2%
Group underlying NPAT	3,455	(6.1%)	2.8%
Optus revenue	9,387	(5.6%)	7.2%
Associates earnings ²	2,031	(21.6%)	(11.1%)











1. Assuming constant exchange rates from corresponding periods in FY08

2. Based on the Group's share of associates earnings before tax and exceptionals

Singapore



Singapore FY09: in line with guidance

FY09 guidance ¹	FY09 outcome ¹		
<ul style="list-style-type: none"> Revenue to grow at mid single-digit level 	Revenue S\$5,290m		
<ul style="list-style-type: none"> EBITDA will continue to grow 	S\$2,130m		
<ul style="list-style-type: none"> EBITDA margin at approximately 40% 	SG biz margin		
<ul style="list-style-type: none"> Capex as % of revenue at mid-teens level 	Capex S\$710m ➤ up S\$278m		
<ul style="list-style-type: none"> Free cash flow (ex associates dividend) will be lower 	Down S\$212m ➤ with higher capex		

1. Excluding SCS

Singapore: record EBITDA growth

	Q4 FY09	YoY change (incl SCS) ¹	YoY change (ex SCS)	Highlights
Revenue	S\$1,453m	13%	6%	continued growth from Data & Internet, and Mobile segments
Operating expenses ²	S\$888m	9%	1%pt	reflects cost-cutting initiatives
EBITDA ³	S\$578m	20%	18%	strong revenue growth with lower expenses
Singapore margins	39.8%	2.4%pt	4.2%pt	Singapore margins ex-SCS: 41.6%

1. Acquisition of SCS was completed in Dec 2008
2. Excludes Group and International Business corporate costs
3. Includes other income of S\$14 m

Singapore: continued revenue momentum

Q4 FY09	Revenue (\$\$ m)	YoY Change	Highlights
Total revenue	1,453	13%	<ul style="list-style-type: none"> • strong outperformance against market
Data & Internet	393	10%	<ul style="list-style-type: none"> • contract wins during the year
Mobile	370	9%	<ul style="list-style-type: none"> • strong growth in customer base offsets lower roaming & postpaid MOUs
IT & Engineering (NCS & SCS)	333	53%	<ul style="list-style-type: none"> • includes contribution from SCS • excluding SCS, up 14%
International telephone	146	6%	<ul style="list-style-type: none"> • lower call rates offset volume increase
Others	212	4%	<ul style="list-style-type: none"> • lower equipment sales

Data & Mobile: reinforcing our lead

Mobile – Q4 net adds

34k

Data services revenue

➤ up 15%

S\$285m

Market share¹

46%

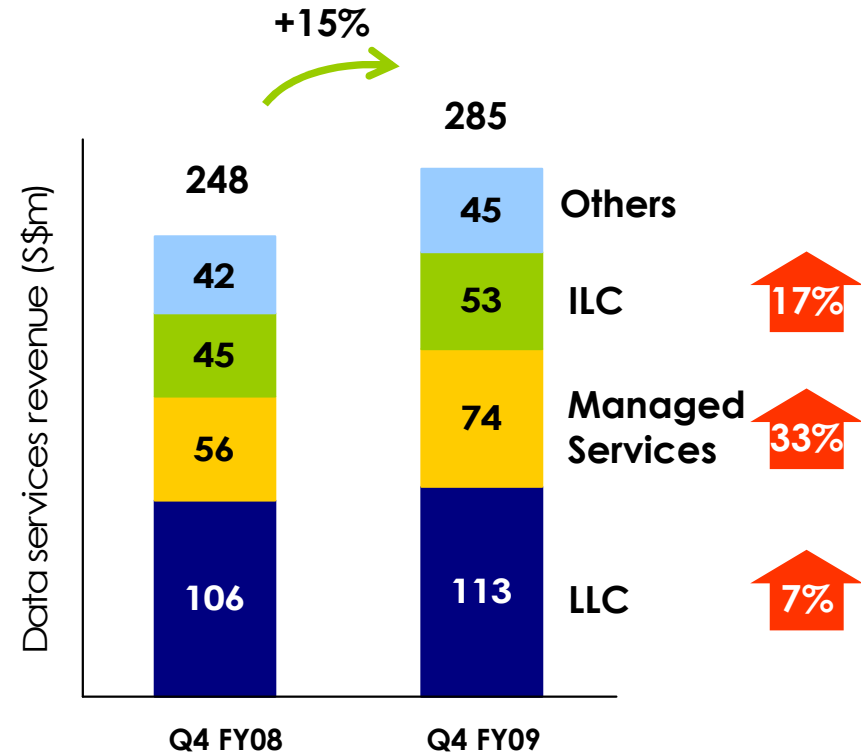
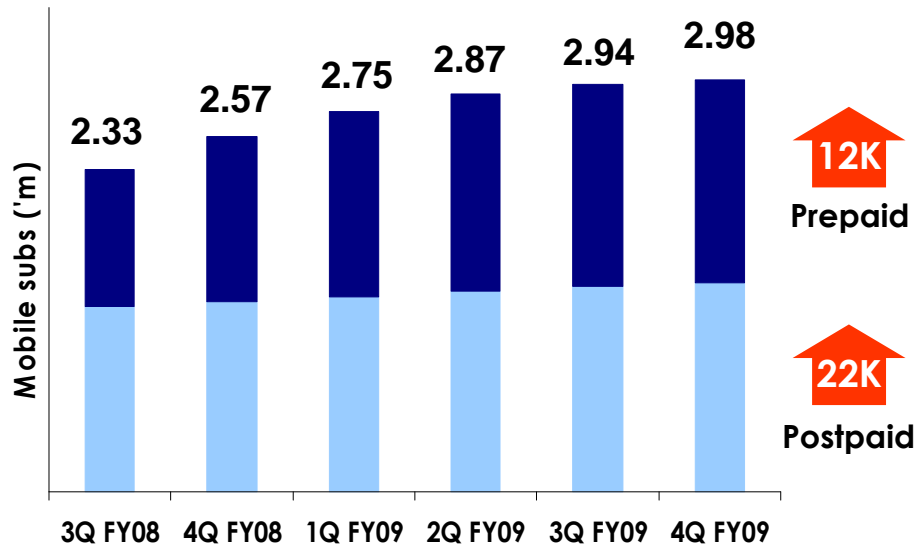
postpaid

47%

prepaid

Wireless BB subs²

175k



1. As at 31 March 09

2. Mobile subscribers who registered for monthly wireless broadband data subscription plans

Reshaping the fixed line market

International telephone

➤ down 6%

S\$146m

Redefining home entertainment & communications

National telephone revenue

➤ down 2%

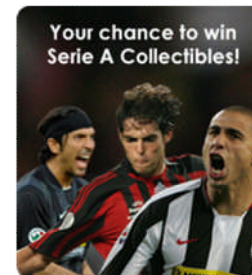
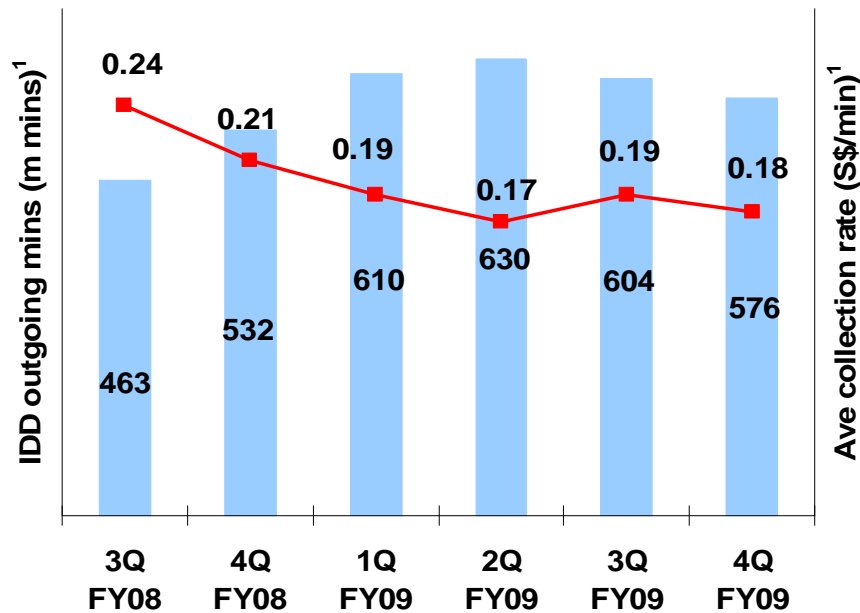
S\$101m

mio plan customers

98k

mio TV customers

78k



Italian Serie A

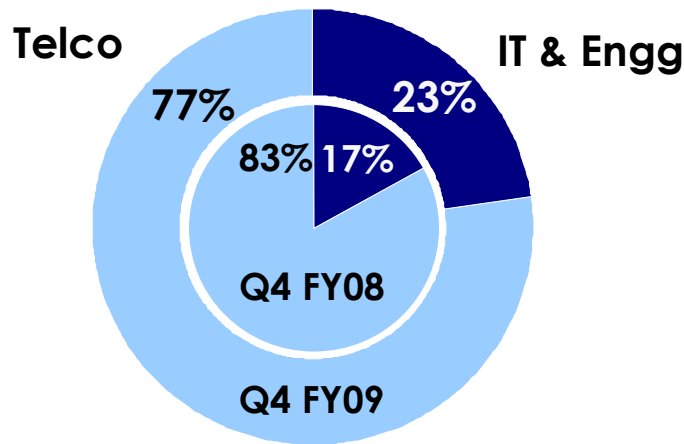


Season Pass: latest Hollywood dramas

1. Excludes Malaysia

Operating expenses: focus on cost management

Higher IT & Engineering mix with SCS acquisition



Higher IT contribution diluted margin:

Q4 Telco EBITDA margin 47.2%
 ➤ up 4.7% pts

Q4 SG Biz EBITDA margin 39.8%
 ➤ up 2.4% pts

Operating expenses¹

➤ vs 6% revenue growth

1%

Selling & Admin

- lower SAC and discretionary spend

3%

Traffic expenses

- in line with higher corporate data revenue

5%

Staff costs

- job credit & reduced PSP provision

3%

Cost of sales

- lower equipment sales

1%

1. Singapore Business excluding SCS

Optus



Optus FY09: in line with guidance

FY09 Guidance

FY09 Outcomes

- Revenue growth at single digit level

Revenue A\$ 8,321m



- EBITDA to grow

EBITDA A\$2,067m



- Capital expenditure at mid-teens level

Capex: revenue 13%



- Free cash flow to grow

Free cash flow up 7%



Optus: strong growth momentum

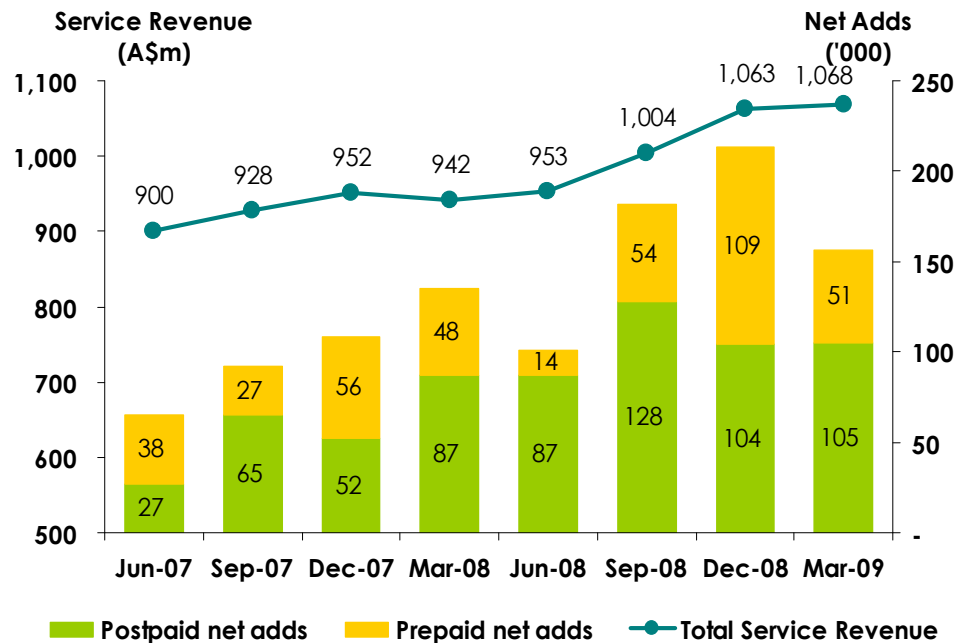
Q4 FY09	Revenue A\$m	YoY change	Highlights
Total revenue	2,103	9%	<ul style="list-style-type: none"> driven by robust performance in mobile
Mobile	1,269	17%	<ul style="list-style-type: none"> strong acquisition in wireless broadband and 'yes' Timeless plans higher blended ARPU
Business & Wholesale Fixed	488	2%	<ul style="list-style-type: none"> profitable growth in Data & IP decline in ICT & Managed services
Consumer & SMB Fixed	348	7%	<ul style="list-style-type: none"> consumer fixed on-net revenue growth exit of unprofitable resale

Mobile: strengthened market position

Mobile service revenue

13%

Strong customer acquisition



Mobile net adds

- postpaid net adds 105k

156k

Wireless broadband subs¹

- net adds of 98k

486k

Total data % of ARPU

- 10% non-sms data

35%

Subscriber acquisition cost

- up 12% yoy but down 9% qoq

A\$163

EBITDA margin

- EBITDA growth of 6%

31%

ex - iPhone: 36%

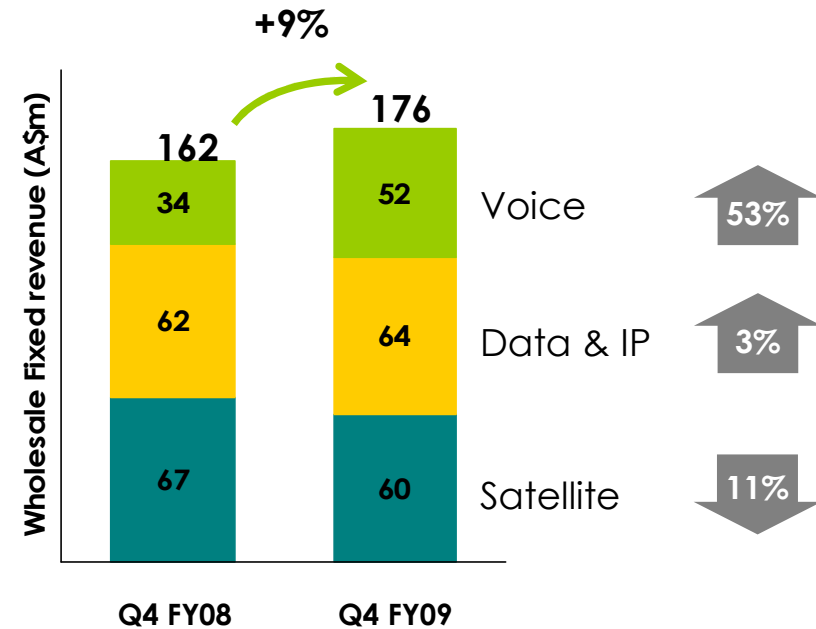
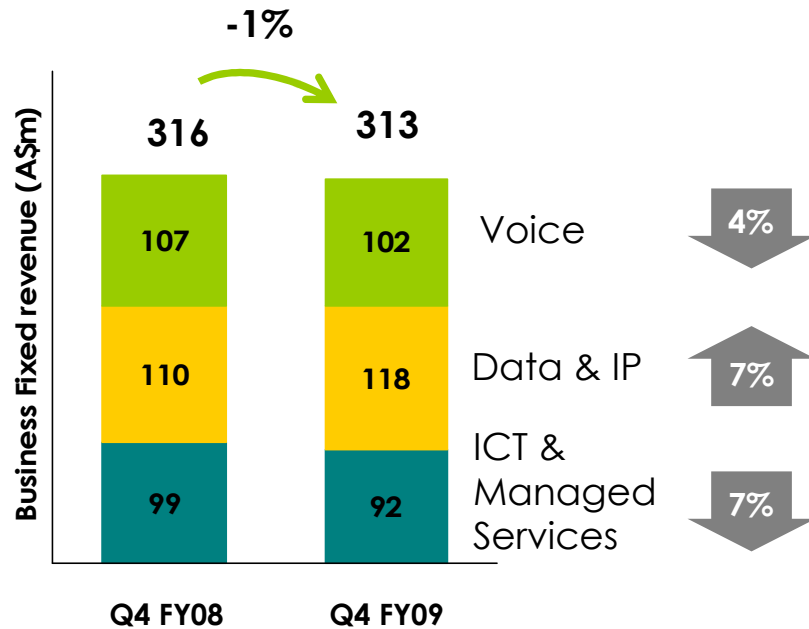


1. Subscribers provisioned with HSPA broadband service on both postpaid and prepaid. Excludes data pack attached to voice services

Business & Wholesale Fixed: increased on-net business drives EBITDA growth

Business: growing on-net Data & IP

Wholesale: strong domestic voice growth



EBITDA¹ margin

- Up 5 ppt yoy
- EBITDA growth of 24%

27%

1. Excluding one-off adjustments underlying EBITDA grew 11% and margin increased 2 ppt to 26% year on year

Consumer & SMB Fixed: maximising on-net yield

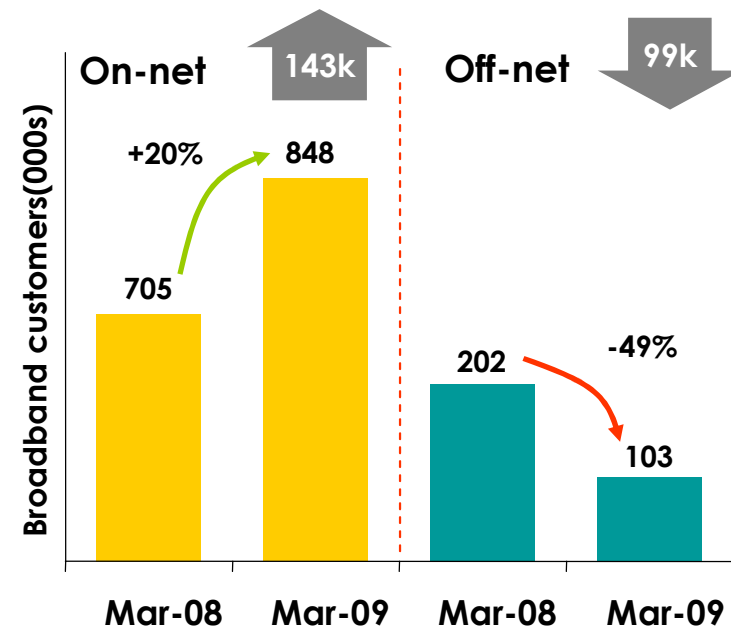
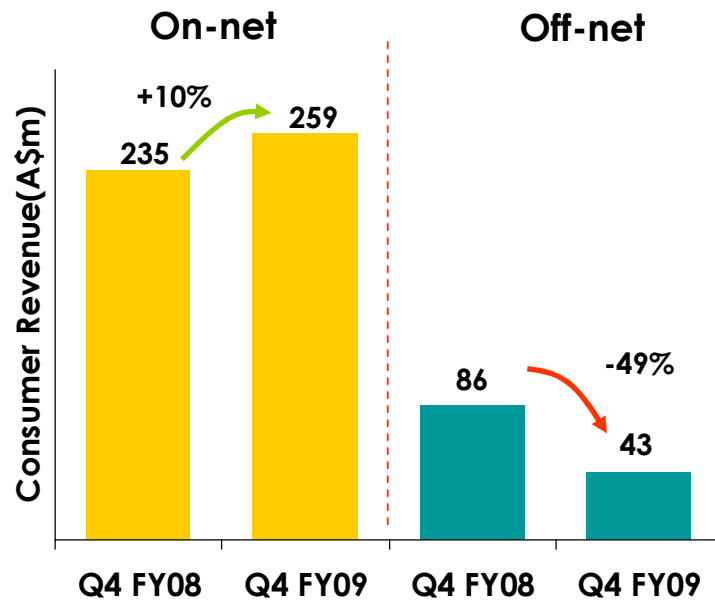
On-net telephony subscribers

• Up 13% yoy

961k

**On-net broadband
subscriber growth**

20%



EBITDA margin

• Stable yoy¹

15%

1. Excluding one-off adjustments underlying EBITDA margin up 1 percentage point year on year

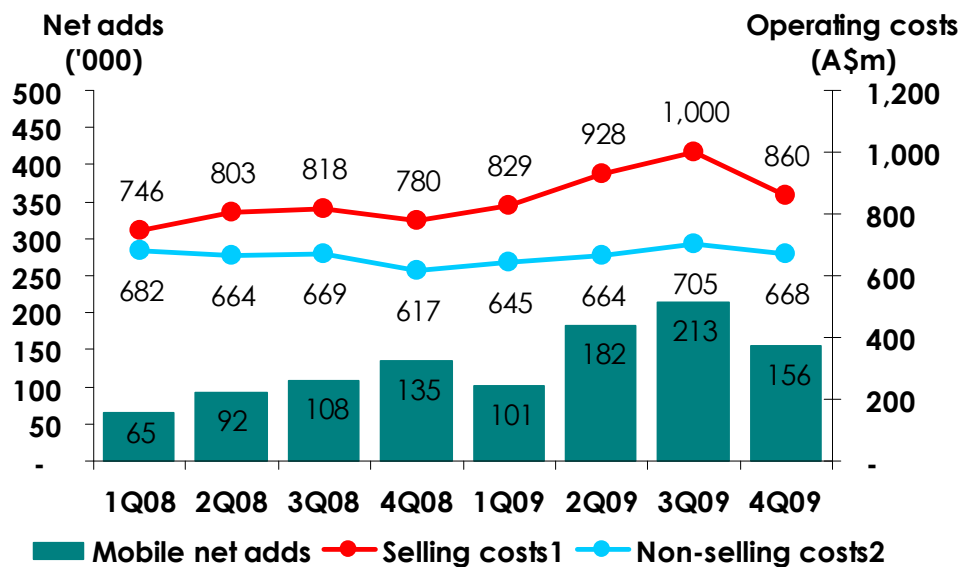
Operating costs: investing in mobile customer acquisition

Mobile customer growth drives increase in selling costs

Operating expenses

- Opex excl selling up 8%

9%



Selling costs¹

- higher customer acquisition costs
- incremental impact from iPhone and higher volumes

10%

Traffic expenses

- increased traffic volume and depreciation of A\$

10%

Staff costs

- modest increase due to headcount management

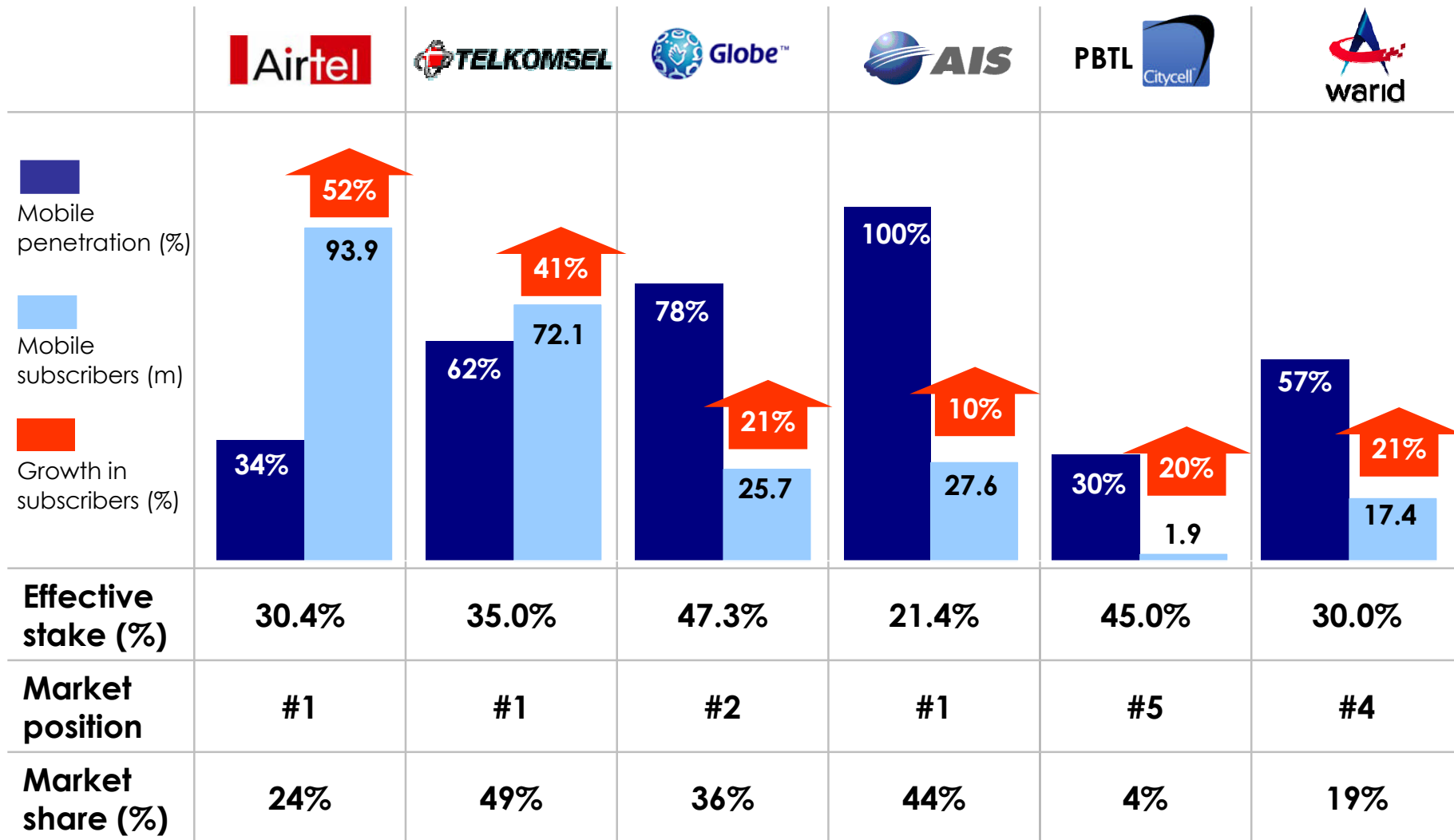
2%

1. Selling costs include: Selling & Admin and Cost of sales
 2. Non-selling costs include: traffic, staff costs, repair & maintenance and capitalised costs

Associates and joint ventures



Regional Mobile: world's fastest growing mobile markets



Lower contributions from Telkomsel & AIS

Q4 FY09	PBT ¹ (S\$ m)	% Change (S\$)	% Change (local curr)	Highlights
Regional Mobile	489	↓ 22%	NA	<ul style="list-style-type: none"> • results impacted by strong S\$
Bharti	225	↑ 1%	↑ 18%	<ul style="list-style-type: none"> • strong revenue and record subscriber growth in spite of increased competition
Telkomsel	163	↓ 41%	↓ 31%	<ul style="list-style-type: none"> • higher MOUs and subscriber growth offset by lower tariffs • higher network related expenses
Globe	78	↓ 4%	↑ 5%	<ul style="list-style-type: none"> • weak macro-environment • higher costs to support broadband growth
AIS ²	50	↓ 34%	↓ 30%	<ul style="list-style-type: none"> • weak economy and airport closure • one-off interconnect revenue recognised last year
Warid	(25)	↓ 30%	↓ 58%	<ul style="list-style-type: none"> • higher network costs and fair value losses on USD liabilities

1. Excluding exceptional items – compared to 3 months to Mar 08

2. SingTel accounts for AIS Dec 08 quarter results in these results

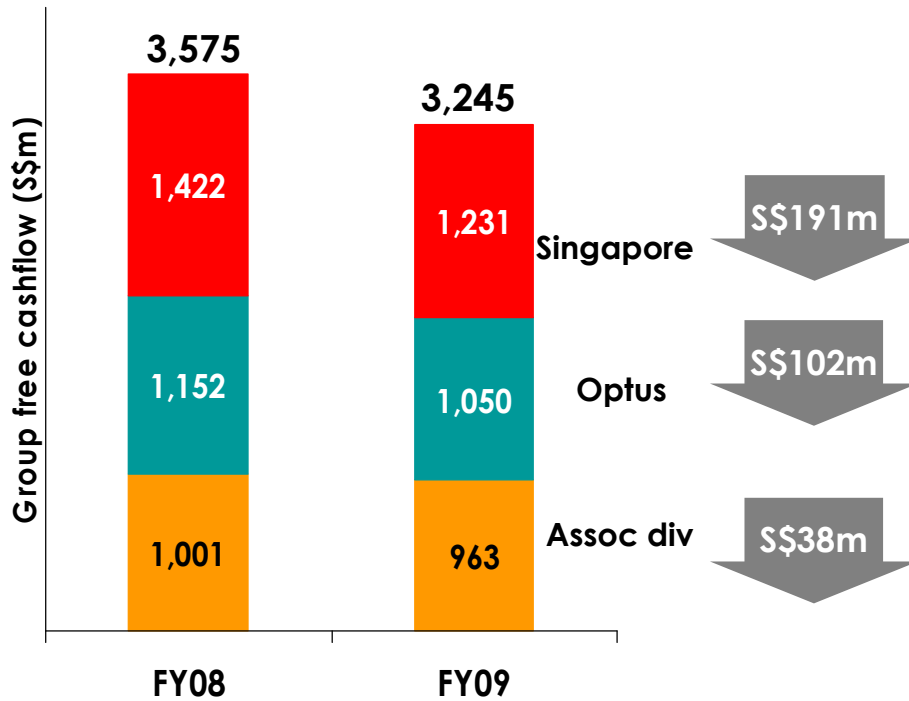
Financial position & Outlook



Strong financial position

Free cash flow¹ reflects higher capex & currency weakness

Strong balance sheet



Net debt

S\$6.5bn

Net gearing

24%

Net debt:EBITDA

1.0x

EBITDA:net interest expense

20x

S&P's rating

A+

Moody's rating

Aa2

1. Operating cash including associates dividends less cash capex

FY10 : Outlook and assumptions

Singapore

- 6 to 9% GDP contraction

Australia

- 1% GDP contraction

Regional mobile

- 2 to 5% GDP growth, except for Thailand where 2 to 3% GDP contraction is expected

Singapore: leading and shaping the market

FY10 Guidance

Revenue

Revenue to grow at single-digit level

- increased contribution from IT & Engineering
- first time revenue from fibre rollout under NGNBN

EBITDA

EBITDA to be stable

- EBITDA margin to decline to around 36 - 38%

Capex

Capex to be below S\$800 million

Free cash flow

Free cash flow¹ to decline slightly

- reflects higher capex

1. Excluding dividends from associates

Optus: driving customer growth & usage

FY10 Guidance

Revenue

Revenue to grow at low single-digit level

- driven by mobile and wireless broadband

EBITDA

EBITDA to grow at low single-digit level

Capex

Capex to be approximately A\$1.1 billion

Free cash flow

Free cash flow to be stable

Group outlook

FY10 Guidance

Associates

Bharti and Telkomsel earnings to grow in local currency terms

- Earnings contribution from regional mobile associates impacted by regional currencies movements

Ordinary dividends from regional mobile associates to be lower

- Telkomsel & Globe reported lower profits in 2008
-

Group

Consolidated operating revenue and operational EBITDA impacted by A\$ movements

Dividend policy

Payout ratio: 45-60% of underlying earnings



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