

A young woman with long dark hair is smiling and talking on a mobile phone. She is wearing a silver watch. The background is a blurred night scene with warm lights. A dark teal rectangular area is overlaid on the right side of the image, containing the text.

Your Life & SingTel

Business Review

Group Consumer



MARKET TRENDS

Customers' relationships with their telcos have been redefined by the proliferation of mobile devices, richer content and apps by over-the-top (OTT) players. Telcos are seeking new ways to maintain their relevance with customers who are less reliant on traditional call and text services. Yet, the role of telcos in providing access to the internet puts them at the centre of this digital revolution.

We are transforming ourselves to ensure our services allow customers to do more with advances in technology, particularly over the mobile internet. This goal is supported by significant investments in networks to ensure quality coverage, speeds and capabilities as well as simplified price plans, customer touchpoints and processes, geared to maximise customer experience as they make use of mobile internet services.

Worldwide, the industry recognises that traditional pricing models for mobile services need to evolve to better match mobile data revenue with the corresponding use of mobile networks and spectrum. This will help to promote the necessary infrastructural investments.

In FY2014, we invested S\$2.1 billion in our networks in Singapore and Australia, and this amount will increase to S\$2.3 billion as we make further network enhancements for FY2015. Payments for spectrum costs will also rise to S\$900 million in FY2015.

STRATEGIC PRIORITIES

Our priorities are to create a more efficient and productive business with scale, and drive value from our core telecommunications operations by providing a differentiated and outstanding customer experience that deepens relationships with our customers and builds brand loyalty.

We continue to invest in superior networks and solutions to help customers stay connected in more places, all the time. We will also intelligently analyse our rich sources of data to create innovative and compelling products and services for customers.

We will work closely with our regional mobile associates to further unlock value and drive growth in their markets.

OUR ASSETS/STRENGTHS

Group Consumer comprises a number of consumer-related brands in both developed and emerging markets:

- As a Group, we serve over half a billion mobile customers across Asia and Africa
- In Singapore, SingTel is the leading mobile and fixed operator, with a share of more than half of the revenue in the country's telco sector
- In Australia, Optus is the number two mobile operator with a market share of 30%, as at 31 December 2013
- Our regional mobile associates remain the leading mobile operators in Thailand (AIS), India (Airtel) and Indonesia (Telkomsel), and number two in the Philippines (Globe). Through Airtel, we also have presence in 17 African countries
- Our regional mobile associates have been rolling out 3G networks and advanced 4G networks as more of their customers become mobile data users



OPERATIONS IN
SINGAPORE

SingTel

MOBILE MARKET POSITION
1ST

MOBILE CUSTOMER BASE
3.98 MILLION

MOBILE MARKET SHARE
47%

¹ These figures include both enterprise and consumer mobile customers.

We are the market leader in Singapore. Our business continues to grow even as our industry becomes more challenging. We are facing intensifying competition and, at the same time, customers are constantly wanting more and seeking better value.

Our strategy is to differentiate ourselves with superior networks, customer experience and home bundling plans. We are also using data analytics to better understand our customers' preferences to develop customised experiences for them.

In FY2014, we improved all areas of our business from network coverage, speeds and price plans to customer service, and reported a 4% increase in revenue.

INVESTING IN SUPERIOR NETWORKS

We are the leader with a 47% share of the Singapore mobile market. It is our goal to give our customers the best, seamless internet experience by continuing to invest in our networks.

In mobile networks, we were the first to roll out nationwide dual-band long-term evolution (LTE) or 4G coverage with speeds of up to 150Mbps. Today, our coverage is 97%, with almost 1 million SingTel users enjoying fast speeds.

The superiority of our speeds has been recognised in blind speed tests, where eight out of ten Singaporeans surveyed cited our 4G speeds as being the fastest, as well as in independent tests by HardwareZone and Straits Times Digital Life. Starting from June 2014, we will ramp up 4G speeds to 300Mbps.

We are also enhancing our mobile networks with state-of-the-art Self Organising Networks technology. It automatically detects areas of congestion and immediately reassigns capacity from neighbouring cells that are underused. This way, customers enjoy optimal network performance at all times.

We set in motion an industry shift by introducing new data price plans aimed at encouraging fair use of our networks. Our tiered data mobile plans allow us to keep prices of our services competitive despite rising network and spectrum costs. Our customers have responded positively with more than 50% of our postpaid customers now on tiered plans, and 16% have exceeded their data caps.

In the fibre broadband market, we are undisputedly the leader. We delivered the fastest broadband internet speeds 12 months in a row according to an Infocomm Development Authority of Singapore report, helped by

significant investments into overseas bandwidth capacity.

DELIGHTING CUSTOMERS

We are lifting customer experience by ensuring every interaction customers have with us is truly satisfying as well as delivering innovative products and services.

As smartphones become more central to our lives, our customers want ready internet access even while travelling abroad, without fear of bill shock. We recognised this need early and launched our DataRoam Saver plan. We have gone one step further with our enhanced Easy DataRoam plan. This automatically registers customers onto roaming data plans and locks their mobile devices onto our partners' network. This way, we deliver a truly worry-free roaming experience.

Customers who connect with us online are supported with more options including web chat and social networking that promise an enhanced interactive experience. We also extended self-service options with the My SingTel app, which allows customers to track their use of mobile data and check their account balances. In SingTel shops, we have also streamlined our



processes to shorten transaction time for customers.

Our various initiatives have been recognised. In the 2013 Customer Satisfaction Index of Singapore, SingTel registered significant improvements and was ranked the number one mobile and internet service provider. We have also improved our Net Promoter Score (NPS), which is an indication of customer loyalty as well as their willingness to recommend our services to others.

DELIVERING TO HOMES

Our pay TV service, mio TV, is a significant part of our overall consumer strategy, allowing us to offer a full suite of products, including entertainment, on all screens – mobile devices, TVs and computers.

Our strategy has been successful, delivering a 6% increase in household revenue, which bucked the declining industry trend. The number of households on triple and quadruple bundles grew by 21,000 to 368,000.

mio TV's revenue and customer base continued to grow. This was in spite of having to share our Barclays Premier League (BPL) content under the government's cross carriage measures.

These measures require pay TV operators to make content deemed to be exclusive available on rival platforms.

To reach a wider group of customers, we introduced new channels on mio TV, including a suite of Disney channels. We also secured the rights to the 2014 World Cup, adding to our extensive sports coverage, which includes the BPL. Our mio TV Go app, a unique differentiator, allows our customers to watch popular channels including BPL on-the-go and use their mobile device as a remote control.

In the fibre broadband market, we are encouraging customers on ADSL to migrate onto fibre to experience faster speeds and better customer experience. Our initiatives are succeeding. We now have more customers on fibre and are the market leader with a 58% market share even as new entrants emerge as a result of the government-initiated Next Generation Nationwide Broadband Network, which has lowered the barriers of entry.

CASE STUDY: CREATING STRONGER CUSTOMER BONDS WITH HAWKER HEROES

Recognising Singapore's food obsession, we invited celebrity chef Gordon Ramsay to pit his culinary skills against the best food hawkers in the country for the SingTel Hawker Heroes Challenge.

The competition started with a bang as the nation cast their votes online for the top three food hawkers – from a group of 12 – who would take on Chef Ramsay. More than 2.5 million votes were cast over eight days, with the three chosen hawkers garnering approximately 320,000 votes each.

The campaign generated enormous buzz on mainstream and social media, including the nation's most popular blogs. Over 400,000 Singaporeans visited the campaign website over a 17-day period, with over half of them new to SingTel.

On the day of the finals, over 1,000 Singaporeans turned up for a chance to taste Chef Ramsay's take on chicken rice, laksa and chilli crab. Diners were then asked to vote for their preferred version of each dish.

The Singapore hawker heroes narrowly edged out Chef Ramsay by 6% of the total votes in the closely contested battle. In each dish category, Tian Tian Chicken Rice won by 6%, 328 Katong Laksa by 19% while Chef Ramsay's version of chilli crab triumphed by 5% of the votes.

The campaign was a huge success and helped us connect with customers and grow brand affinity. It created warmth and an interaction that complemented our traditional strengths as a trusted and respected brand.



OPERATIONS IN AUSTRALIA

OPTUS *Yes*¹

MOBILE MARKET POSITION
2ND

MOBILE CUSTOMER BASE
9.43 MILLION

MOBILE MARKET SHARE
30%²

¹ These figures include both enterprise and consumer mobile customers.

² As at 31 December 2013.

Optus is Australia's second-largest telecommunications group. Two years ago, Optus embarked on a complete business transformation to clearly differentiate its brand to lead in superior customer experience and to reshape the business to deliver future profit growth.

Over the last 12 months, Optus has made significant progress as it aspired to become Australia's most loved and recommended service brand. Optus kicked off the financial year with a public pledge to focus on addressing the issues that matter most to customers: offering simple products, delivering brilliant customer service and continuing to build a great network.

OFFERING SIMPLE PRODUCTS

Nothing upsets customers more than hidden charges or receiving a large, unexpected bill as a result of exceeding their voice or data caps. Optus acknowledged this frustration and led the market with the introduction of My Plan on 1 July 2013.

My Plan helps to protect customers from bill shock if they exceed their monthly voice or data plan inclusions by automatically giving them a block of

extra minutes or data to use in that billing month at a cost of between A\$5 to A\$10.

The removal of large excess usage fees for voice and data has been critical in eliminating bill shock and providing Optus mobile customers with the certainty they need to use their mobile phones the way they want. My Plan also contributed to increased data revenues, with 31% of the My Plan customer base temporarily moving to a higher data tier each month as at 31 March 2014.

Optus also took action to reduce bill shock from high international data and voice roaming charges with a range of simple products with flat rates for customers travelling overseas. For example, the Optus Travel Pack offers customers an affordable A\$10 per day plan, on top of their normal mobile plan charges, so that they can connect overseas without worry.

Optus also streamlined its products for its broadband customers with My Home and My Office Plans in November 2013. These plans target common broadband customer pain points by removing hidden fees and charges, eliminating compulsory contracts and making it easier for customers to increase their data when the need arises.

DELIVERING BRILLIANT SERVICE

Over the past 12 months, Optus has made significant progress by improving the way customers shop and interact with us through two critical channels: in-store and online.

Since July 2013, Optus has rebranded more than 100 stores by creating open and friendly spaces where customers can easily interact with products and service staff. Optus also took back control of the customer experience from third-party providers, distributors and stores. In the last year, Optus ended retail distribution arrangements with many third-party providers.

An increasing number of Optus customers are choosing to engage online, prompting a redesign of Optus' website. The new site incorporates artificial intelligence technology to answer customers' questions using instant messaging. The feature is proving popular with customers, and received 3 million questions in the site's first six months of operation.

Optus is on track to become Australia's most loved and recommended service brand. Customers are responding positively to the changes. This is



reflected by an industry-leading decline in the number of new complaints to the Telecommunications Industry Ombudsman over the last 12 months. Optus has also seen significant improvements in its NPS.

BUILDING A GREAT NETWORK

Optus is committed to building a strong and diverse network that meets customers' needs. Throughout the year, Optus made improvements to its mobile network including completing the largest upgrade of its 3G network and the rapid rollout of its multi-band 4G network over both the LTE 1800 MHz spectrum and the LTE 2300 MHz spectrum. As at 31 March 2014, the Optus mobile network reached 98.5% of the population, while our 4G network reached 75% of the metro population.

Bringing 4G to more Australians is the number one network priority for Optus. With a multi-band 4G strategy that combines low-band 700 MHz 4G frequency for strong coverage with high band 2300 MHz spectrum for increased network capacity, Optus is positioning itself to meet customers' demand for superfast 4G in more places. The upcoming availability of 2600 MHz and

700 MHz spectrum bands means we are preparing our network to provide 4G services on those frequencies to more customers, including those in regional areas in early 2015.

Optus constantly invests in technology and data analytics capacity to enhance the customer experience. By crowdsourcing data on black spots, call drop out locations, signal strength and in-building coverage, Optus continues to tailor its network improvements to cater to customers' needs and real-time experiences.

Optus is proactive in working closely with the Australian Government to ensure it can offer customers the best possible experience on the National Broadband Network (NBN). The NBN will provide Optus with a great opportunity in the coming year and will be a core focus for Optus' fixed product offerings.

CASE STUDY: THE PROMOTER RESPONSE TEAM

An important part of our vision to make Optus the most loved and recommended service brand in Australia is to value and act on customer feedback.

We set up our Promoter Response Team in 2013 to contact customers who had a poor experience and rated us six or less out of ten in their Touch-point NPS survey. The team members were asked to call our detractors and try to improve their NPS rating by resolving any outstanding issues, and more importantly, gain insight into the issues that led to their poor experiences.

Since May 2013, the team has successfully contacted 63% of the customers referred to them. It has resolved over 90% of customer issues and achieved an average NPS of +30. Churn currently sits at less than half of the rate for the rest of the business.

The success of the Promoter Response Team has resonated across the organisation. We are currently looking at opportunities to expand this incredibly successful model across our business.

We continue to focus on driving advocacy and using our NPS data to make meaningful changes to the way we deliver customer experience and create long-term, sustainable profitability for our business.

REGIONAL MOBILE ASSOCIATES



MOBILE MARKET POSITION
1ST IN INDIA¹

MOBILE CUSTOMER BASE
205.52 MILLION¹

MOBILE MARKET SHARE
23% IN INDIA¹

SINGTEL'S EFFECTIVE
SHAREHOLDING:
32.4%

OPERATIONS IN
17 COUNTRIES
IN AFRICA, BANGLADESH,
SRI LANKA

MOBILE CUSTOMER BASE
78.06 MILLION¹

MOBILE MARKET POSITION
1ST OR 2ND
IN 14 OF THE 17
AFRICAN MARKETS¹



MOBILE MARKET POSITION
1ST IN THAILAND¹

MOBILE CUSTOMER BASE
42.36 MILLION¹

MOBILE MARKET SHARE
45%¹

SINGTEL'S EFFECTIVE
SHAREHOLDING:
23.3%



MOBILE MARKET POSITION
2ND IN PHILIPPINES¹

MOBILE CUSTOMER BASE
40.75 MILLION¹

MOBILE MARKET SHARE
37%¹

SINGTEL'S EFFECTIVE
SHAREHOLDING:
47.2%



MOBILE MARKET POSITION
1ST IN INDONESIA¹

MOBILE CUSTOMER BASE
132.65 MILLION¹

MOBILE MARKET SHARE
44%¹

SINGTEL'S EFFECTIVE
SHAREHOLDING:
35.0%

¹ These figures include both enterprise and consumer mobile customers.

We are a long-term strategic investor in our regional mobile associates, and have played a significant role in developing the telecommunications industry of their respective countries.

In the last two decades, our associates have made massive investments in mobile infrastructure, boosted mobile penetration levels and, in the process, created employment and contributed to their countries' economic development. As our associates have grown, they have become major contributors to their respective countries' economies, and are also a major component of SingTel's growth.

Our associates are now transitioning from traditionally voice- and text-heavy businesses to expand into data-centric services. By drawing on the rich experience of our operations in Singapore and Australia in mobile data as well as the collective expertise of the group, we are now helping our associates embark on the next phase of growth. We are achieving this with closer engagement with our associates and deriving greater synergistic benefits from technology, product development and customer offerings.

TRANSFORMING INTO DATA-CENTRIC OPERATORS

The current average internet penetration in the associate countries is between

12% and 36%, significantly below the level of more developed countries such as Singapore or Australia, where internet penetration levels have reached about 78%, according to statistics from The World Bank.

In these emerging markets, the majority of the population will be experiencing the internet for the first time via their mobile phones, due to the lack of fixed-line infrastructure. There is huge potential for our associates to grow as the mobile internet penetration rate is set to rise in these markets. To capture these opportunities, our associates are transforming their businesses.

They are investing heavily to acquire additional spectrum, roll out high-speed mobile data networks, drive smartphone adoption and offer new products and services to serve the needs of their customers, thus transforming the way people live, work and play.

Next year, our associates will collectively invest S\$7 billion in capital expenditure, of which a large percentage will be used to install mobile data networks to serve more people.

AIS, our associate in Thailand, launched 3G services in May 2013 after acquiring the necessary spectrum in late 2012. As at 31 March 2014, its network covered 90% of the population. AIS will achieve 95% coverage of the population by end 2014.

Currently, 62% of its customers are on 3G. AIS will continue to strengthen its network quality and expand network capacity in dense areas by adding small cells and accelerating fibre optic expansion. Its fibre transmission will support growing mobile data demand, as well as new potential wired-broadband services.

In February 2014, Airtel acquired 115 MHz of mobile spectrum for US\$3 billion to ensure business continuity as well as additional network capacity to support the phenomenal mobile data growth into the next 20 years. Airtel has launched commercial LTE in four major cities to serve the increasing data demand from customers. By March 2014, Airtel Africa had grown its mobile data customer base to 22.3 million, accounting for 32% of its total customer base. In its African markets, Airtel offers 3G services in 15 countries across the continent.

Similarly, Globe's network has significantly expanded in terms of capacity, coverage and capabilities since it started its network transformation programme in 2011. Over the last two years, Globe has invested over US\$790 million in its network and completed the change out of its legacy network with more than 22,000 base stations nationwide. Its 3G footprint now covers 90% of the population. Globe is the first operator to launch LTE in the Philippines and has since completed the pilot deployment of LTE in key commercial business districts and tourist destinations.



In Indonesia, Telkomsel continued to allocate more capital expenditure to 3G mobile base stations. It will have more than 36,000 3G mobile base stations by the end of 2014, accounting for 41% of its total stations. Telkomsel is the first Indonesian operator to successfully complete an LTE trial. The trial, carried out during the 2013 Asia Pacific Economic Cooperation meeting in Bali, recorded download speeds of 61Mbps.

DELIVERING A COMPREHENSIVE MOBILE EXPERIENCE

Our associates have also introduced a range of innovative products and services to help customers fully experience the power of mobile data in the digital world. This has led to more customers using the faster networks and consuming more mobile data.

Thanks to the faster speeds of its 3G 2100 MHz network, AIS can now support a wider range of applications including video streaming. Its AIS Mobile Barclays Premier League app allows football fans to enjoy live broadcasts of matches through their smart devices. In addition, its mPay Rabbit enables customers to conveniently pay for their Bus Rapid Transit and Bangkok Mass Transit System fares, as well as food items, at well-known shops via Near Field Communication technology.

Globe initiated an industry breakthrough with a suite of mix-and-match postpaid

plans that allow customers to tailor their own combination of calls, texts and data allowance. GoSAKTO was introduced to prepaid customers, allowing them to customise their voice, SMS and mobile data usage to best suit their lifestyle. GoSAKTO has won the Global Mobile Awards 2014 for the Best Network-based Solution for Serving Customers.

Mobile commerce is another area with growth potential in the emerging markets. Airtel rolled out Airtel Money to all 17 African countries it operates in, to enable transactions for customers in rural areas where banking facilities are not widely available. As at 31 March 2014, Airtel Africa registered an increase of 800,000 Airtel Money active customers from a quarter ago to reach a total of 3.5 million active customers. This boosted the total quarterly value of transactions from US\$1.7 billion to US\$2.2 billion.

DERIVING GROUP BENEFITS

There are significant scale benefits we drive as a collective group. Together, we share business insights and experiences that help shorten the learning curves for our associates and lead them to compete more effectively in their respective markets.

At the end of 2013, we set up Centres of Excellence (COEs) to help our associates acquire capabilities in areas of customer loyalty, analytics, carriage of mobile

video, innovative products and data monetisation in their markets.

In April 2014, the COE on Innovative Products announced a partnership with Samsung to bring a seamless and richer data experience to the Group's customers. SingTel and its associates came together on 11 April 2014 to launch Samsung's flagship mobile device, the Galaxy S5.

In the near future, our associates' customers will be able to pay for their apps from Samsung's application store by deducting the amount from their prepaid credit balance or through their monthly postpaid bills. In the emerging markets, where credit card use is still low, this brings convenience to customers and provides a differentiating advantage over competitors.

Since 2013, we have been providing technical expertise and support to help Airtel Africa expedite 3G network implementation in several African countries. This has significantly lifted its network performance and data revenue.

For other examples of collaboration efforts, refer to pages 34 and 35.

Our associates are an important part of the Group, and we remain committed to working closely with them to deliver the best experience for our customers in the digital age.

A photograph of a business meeting in a conference room. Three people are gathered around a table, looking at a large screen displaying a video conference with a woman. A laptop and glasses of water are on the table in the foreground. The scene is lit with warm, indoor lighting.

Your Business & SingTel

Business Review

Group Enterprise



MARKET TRENDS

Revolutionary technologies continue to transform our world and the way enterprises operate. The convergence of mobile, fixed and cloud computing, together with emerging developments in social and analytics technologies, is driving change and creating new opportunities for businesses. With these breakthroughs, enterprises are establishing new markets, developing new products and realising new growth areas.

Enterprises are seeking ways to eliminate the complexities of working with multiple vendors. They are also looking to reduce significant upfront investments and the risk to their competitiveness from rapid changes in technology. Enterprises want their infocomm technology (ICT) providers to deliver secure, reliable and resilient solutions that help them meet their customers' needs.

STRATEGIC PRIORITIES

Group Enterprise is strengthening its position as Asia's leading ICT solutions provider. We are providing a seamless experience based on the quality of our people, products, networks, platforms, processes and operations.

We are focused on extending our leadership in enterprise mobility, connectivity and network services, as well as in managed and data centre services. We are also developing new opportunities in the areas of cloud computing, cyber security and solutions for smart cities.

Central to all our efforts in this space is the drive to continue enhancing customer experience for our enterprise customers.

OUR ASSETS/STRENGTHS

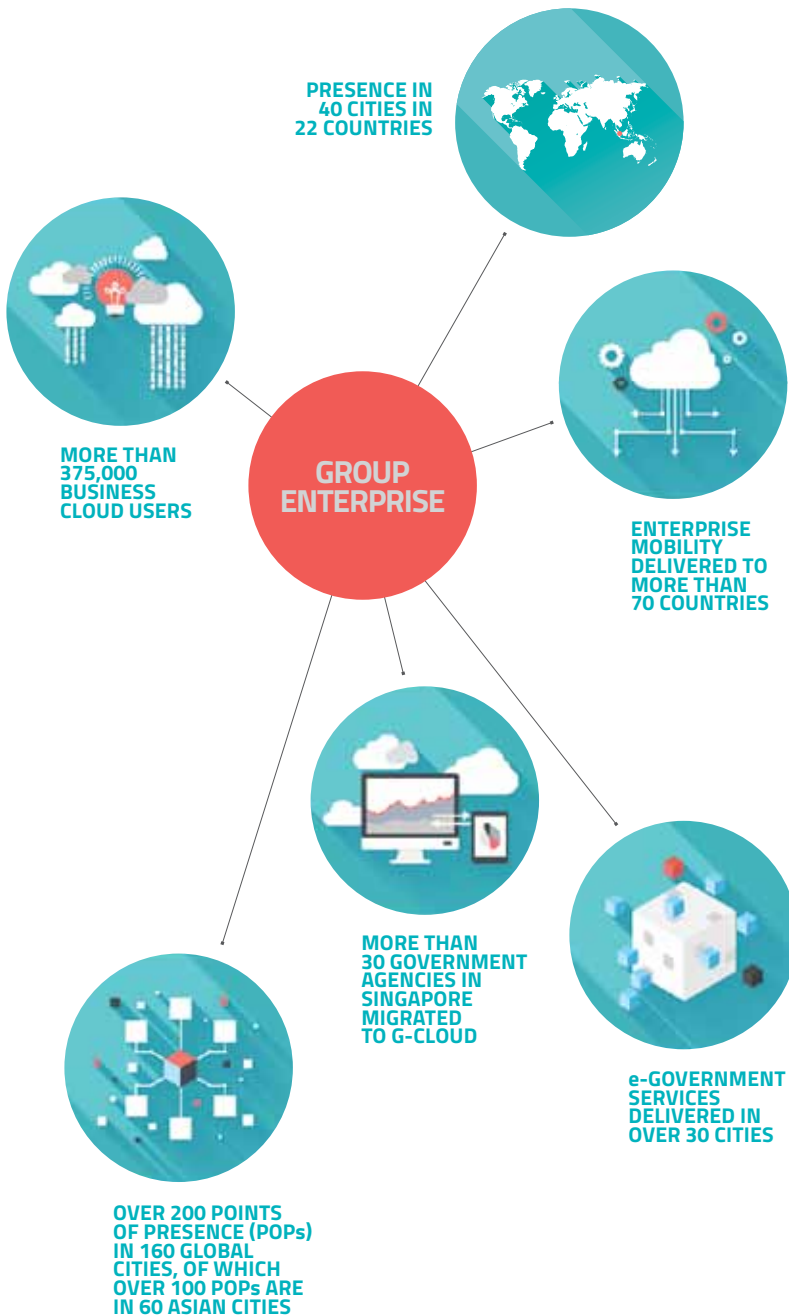
Our constant drive for innovation ensures that enterprises working with us have access to the latest technologies to keep their businesses ahead. Our partnerships are founded on growing together with our customers.

Group Enterprise provides fixed, mobile, cloud, managed services, IT services and consulting to a customer base that ranges from small and medium enterprises to large multinational corporations and governments.

As a market leader in Asia Pacific, our comprehensive suite of smart ICT solutions is backed by an extensive data network and infrastructure that span across key business cities and markets in the region. We also have offices in 40 cities in 22 countries worldwide.

Business Review

Group Enterprise



SHAPING THE ICT LANDSCAPE

Our extensive data infrastructure is the backbone of our solutions. To deliver unrivalled and end-to-end connectivity across the world, it is important for us to continually invest in and enhance our infrastructures.

Our global coverage was expanded during the year by deepening our presence in China, India and the US. We now have over 200 points of presence (POPs) in 160 cities. SingTel was also part of the consortium that launched the Southeast Asia Japan Cable system, which, together with the Unity cable system, offers the fastest available transmission speed to deliver the lowest latency connectivity between Asia and the US.

To enhance our infocomm technology (ICT) solutions, we introduced a comprehensive managed mobility service to deliver consistency in solutions, services and support for enterprises across Asia Pacific. Our one-stop service allows enterprises to simplify regional procurement, contract negotiation, policy and spend management, mobile application services and roaming.

We continued to be the leader for International Internet Protocol Virtual Private Network (IP VPN) and International Ethernet-Line in Asia Pacific, excluding Japan, from January to June 2013¹. We were also recognised as a leader for Datacenter and Hosted Cloud Services in Asia Pacific, scoring highest in capabilities according to the IDC 2013 MarketScape report.²

Notes:

¹ IDC Asia/Pacific (Excluding Japan) Telecom Service Tracker, Jan-Jun 2013.

² IDC MarketScape: Asia/Pacific Next-Generation Telcos — Datacenter and Hosted Cloud Services 2013–2014 Vendor Analysis, Dec 2013.

CUSTOMER CASE STUDY: AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED



Photo courtesy of ANZ

Australia and New Zealand Banking Group Limited (ANZ) was looking to expand its presence in Asia Pacific and needed an ICT provider to deliver end-to-end managed services. In 2009, ANZ signed a A\$500 million agreement with SingTel to deliver these services, leveraging our international network reach and capabilities. In 2013, ANZ renewed the contract, valued at A\$530 million, for another five years.

SingTel is transforming ANZ's infrastructure to support enhanced global communication, providing a single platform for the delivery of voice, data network services and services managed by a dedicated Global Enterprise Management Centre. The contract also includes the deployment of over 5,000 routers and switches, as well as 12,000 mobile services, among various other solutions.

" We are now entering our second services outsourcing partnership with SingTel. In this phase, SingTel is helping ANZ's progress in becoming a super-regional bank by enabling the connectivity of our business and the delivery of ICT services to our customers in Australia, Asia and the Pacific. This strategic partnership offers increased value in service quality, management control and increased capability to connect and support our accelerated business growth into the region."

MR ALISTAIR CURRIE
GROUP CHIEF OPERATING OFFICER OF ANZ

Business Review

Group Enterprise

INNOVATING TO CREATE BUSINESS ADVANTAGE

Innovation is a constant for Group Enterprise. It is key to ensuring that we deliver solutions that give our customers a competitive advantage. The aggregation of leading-edge technologies, including sensing, social, analytics, security, cloud and networks, is the foundation of our offering to small and medium enterprises (SMEs), large multinational corporations (MNCs) and governments.

Our strategy in the increasingly complex cyber security environment is based on next-generation predictive, responsive and recovery capabilities. Our ability to apply the best technologies is critical to scalable security services.

We also aim to become the preferred cloud computing partner in the region, with an expanded suite of multi-tenanted private cloud, hybrid cloud and cloud professional services capabilities.

In FY2013, we introduced Unified Communications-as-a-Service in Asia Pacific to deliver seamless communications and collaboration services. The pay-per-user solution is cost-effective for enterprises, and its rich media collaboration tools allow for faster decision making, leading to greater productivity.

We joined the Bridge Machine-to-Machine (M2M) alliance, and can now provide MNCs with quick worldwide deployment of connected devices and machines. This delivers an uninterrupted platform, allowing MNCs in the retail, electronics, transportation, health, energy and manufacturing sectors to

connect and exchange information more cost effectively.

For MNCs in the shipping industry, we introduced VoiceLink, an award-winning innovation that allows crew members to connect with loved ones through Facebook and e-greetings, and gain access to the latest news. For enterprises in the retail industry, our Video Analytics-as-a-Service solution converts videos into real-time data. This helps retailers better understand shopper behaviour and manage their storefronts.

For SMEs, we introduced our new cloud-based Fibre Broadband Security Suite, which protects the IT networks of SMEs from online threats. This suite is unique as it intercepts and eliminates security threats in the internet cloud before they even have the chance to reach a company's IT network. We are also working with the Infocomm Development Authority of Singapore to help SMEs manage their home-based workforce and increase their productivity through technology solutions and services.

Our award-winning myBusiness portal for SMEs in Singapore has expanded its capabilities. With the new group buy function, SMEs gain economies of scale and enjoy deeper discounts. The portal was also improved with an experts online section, where SMEs can gain business insights from industry practitioners.

For governments, we led efforts to establish Singapore as a regional computing hub. We worked with the Singapore government to offer G-Cloud, bringing an entire nation onto the cloud

with one of the most efficient and secure public service systems worldwide.

We are also working with Singapore's Ministry of Education to deliver a web-based interactive mother tongue language portal that uses cloud-based voice analytics technologies to help students from primary to junior college levels improve their mother tongue language skills.

CREATING SAFER, SMARTER CITIES

As the world becomes more connected, enterprises and government agencies are incorporating new technologies into a complete service delivery network for their customers. At Group Enterprise, we help shape future urban cities that respond to the needs of customers, citizens and city administrators.

Our Solutions for an Urbanised Future (SURF) initiative was developed for that purpose. Utilising new technologies such as big data and analytics, M2M communications, sensing technology, social networking and mobility technologies, SURF aims to enhance services in education, healthcare, transport and other key industry sectors. These new technologies complement and enhance our solution offerings to customers. Since introducing SURF in 2012, we have made good progress towards this vision.

In Singapore, we participated in various Call-for-Collaboration projects with the government, significantly enhancing operational efficiency and effectiveness through our intelligent platform of automated sensors and aggregated information, which allow analytical insights and complex event processing in real time.

In China, we are providing e-government solutions across various provinces and cities. We have also identified potential development areas in smart education campuses, digital hospitals and intelligent transport systems.

To further develop our data analytics capability, we collaborated with the Institute for Infocomm Research, a member of the Agency for Science, Technology and Research of Singapore, to build our business intelligence capabilities for harnessing enterprise data for actionable, timely and predictive insights.

ENHANCING CUSTOMER EXPERIENCE

Enterprise customers require their operations across different locations to be interconnected. They also prefer to have a single point of contact regardless of where they are or which office they are from. To enhance our global customer service delivery commitment, we introduced the one-stop Technical Assistance Centre. The centre is a single point of contact for our customers' IT and communications support across the region for faster post-sale support. We also introduced a web-based portal for customers to manage and track the status of reported incidents.

Our customer-centric culture and absolute focus on an enhanced customer experience are pursued relentlessly, and we are inspired to always do better.

CUSTOMER CASE STUDY: RESORTS WORLD SENTOSA

Resorts World Sentosa (RWS) is an award-winning, family-centric destination resort in Asia.

RWS requires a robust network for high-speed internet access and strong mobile coverage as it operates 24/7. Today, RWS uses SingTel's wireless solutions with secured access, which provides round-the-clock monitoring via the SingTel Network Operation Centre. In addition, a Network Access Controller system is deployed to provide RWS with an authentication process for its guests to access the internet.

Visitors to RWS can stay connected, and hotel guests get to enjoy the wide variety of in-room entertainment with SingTel IPTV and mio TV content.

" SingTel's tailored suite of services and solutions for RWS gives us peace-of-mind, enabling smooth operations and ensuring that our teams stay connected across multiple locations. This means we can now focus on what we do best – creating and delivering exceptional experiences for all our guests. "

MR YAP CHEE YUEN
EXECUTIVE VICE PRESIDENT,
CORPORATE SERVICES,
GENTING SINGAPORE PLC,
WHICH OWNS RWS





SingTel
innov8

LifeLabs



[a.mo.bee]

Your Digital World & SingTel

Business Review

Group Digital Life



MARKET TRENDS

Rapid advances in technology, the proliferation of smartphones and a surge in demand for mobile internet services are changing customer behaviour and expectations. With the convergence of technology and communications industries, digital companies are competing with us in the telco space.

SingTel's response to these trends led to the establishment of Group Digital Life in 2012, marking our evolution from a traditional telco into a digital communications provider.

The mobile internet is a game changer; it has altered how people live, work and play in developed markets. Similar trends are playing out in the emerging markets, where limited fixed-line infrastructure means that many users' first contact with the internet is through their mobile devices. This opens the door to a new world of media consumption, shopping and TV experiences for users in these markets.

STRATEGIC PRIORITIES

Group Digital Life's focus is to create new growth opportunities and revenue platforms in mobile-led internet usage.

By doing so, we are deepening SingTel's relationships with customers through new products and services to inspire, delight and engage our customers in the digital space. Our solutions are developed through an understanding and anticipation of our customers' behaviour and expectations.

We are making investments directly and through partnerships to gain access to new technology and talent. In our investments, we balance implementation risks with opportunity. We are confident that we have in place the right structures, capabilities and initiatives to succeed.

OUR ASSETS/STRENGTHS

Our most valuable asset is the half a billion mobile customers whose lives are touched by SingTel every day in the developed and emerging markets. These relationships are the foundation of our future growth as we broaden our services.

In the emerging markets, where credit card adoption is still low, our billing relationships are especially important in bringing people into the digital world. These billing relationships give us significant opportunities to build long-term customer loyalty.

Group Digital Life's strength also comes from our network of partnerships around the world. These allow us to accelerate service adoption as we team up with specialised vendors and research institutes, and work with start-ups through our corporate venture capital arm, SingTel Innov8.

Business Review

Group Digital L!fe

Group Digital L!fe is a key driver in the ongoing dual transformation across the SingTel Group. To create value for the Group, we are executing on two strategic priorities.

Firstly, we are focused on creating new growth avenues and revenue platforms for the Group. We have already identified growth areas such as digital advertising and big data, where our telco assets give us a competitive advantage. We will continue to explore other opportunities.

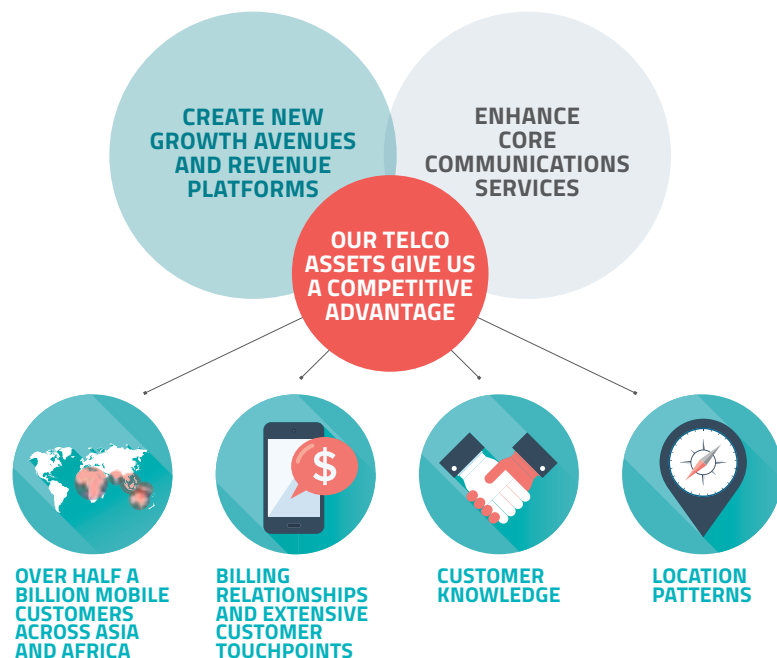
Secondly, Group Digital L!fe is responsible for enhancing SingTel's core communications offerings with products and services that are not only essential to our customers' daily lives, but also inspire and delight them.

Instead of trying to out-innovate the many entrepreneurs in the digital space, our approach is to collaborate with other telcos, specialised vendors and research institutes, and to invest in start-ups that have the potential to disrupt adjacent industries and their traditional operating models.

Group Digital L!fe's activities in Singapore and Australia are also crucial in helping our regional mobile associates continue to be successful in the digital era. The average smartphone penetration rate for our associates' markets is low at 15% as they transition from a voice-centric market to a data-centric one. Our expertise and knowledge in the digital space is a real asset to them and their customers as they drive this transition.

We understand that to innovate in the digital space, we must try many things and that there will be successes and failures along the way. While we have been making good progress, our attitude

Group Digital L!fe Creates Value in Two Ways



towards failure is also guided by an important principle – “fail fast and fail cheap”.

EXPANDING OUR Foothold IN DIGITAL ADVERTISING

The exponential growth in smartphone users and mobile data usage has changed the dynamics of marketing, with advertising expenditure shifting from traditional to digital media.

The acquisition of Amobee – our digital advertising arm – in 2012, equips us with the necessary tools to capture this new and growing revenue stream. Just two years on, revenue at Amobee has grown by four times. Amobee has also expanded to Australia, China, India, Indonesia, the Philippines, Singapore and Thailand.

Amobee recently invested in a data centre in Singapore to support its regional growth. This was made possible through the close relationship between SingTel and its partners in the common adoption of the Amobee platform. Amobee's client list has expanded to include premier global brands such as Ford, H&M, Lexus, McDonald's, the Wall Street Journal and many others.

Amobee is strengthening its capabilities through acquisitions, notably the purchase of Gradient X, the developer of a real-time bidding platform for mobile advertising. The platform now offers advanced real-time bidding that includes support for multiple advertising channels and formats such as video and HTML5.

CASE STUDY: AMOBBEE BRINGING THE FORD F-150 TO LIFE WITH AN INNOVATIVE 3D MOBILE AD EXPERIENCE

To build on 36 years of success, Ford tapped Amobee to develop a best-of-breed creative execution on mobile devices to drive brand awareness and user engagement for its latest vehicle, the Ford F-150.

By using Amobee's ground-breaking mobile 3D technology Amobee 3D, Ford was able to bring the F-150 brand to life in new ways by pushing the creative boundaries with the most realistic virtual showroom experience ever.

Customer engagement achieved by the Amobee 3D F-150 mobile ad campaign far exceeded Ford's expectations, achieving up to two times the industry average of time-spent per ad. Across all measured categories, the 3D F-150 mobile campaign delivered significant increases in brand metrics.

Key findings included:

- BRAND FAVOURABILITY:

20% ▲
(2 times higher than industry average)

- PURCHASE CONSIDERATION:

40.4% ▲
(2.5 times higher than industry average)

- "WE OWN WORK" MESSAGE ASSOCIATION:

71.1% ▲
(4 times higher than industry average)

- AIDED BRAND AWARENESS:

11.4% ▲
(higher than industry average)

"A majority of mobile campaigns are focused on targeting and big data, which are important. However, the difference between a good mobile campaign and a great one is delivering an amazing interactive and creative experience.

Amobee 3D gives us a brand new creative palette to develop a more engaging ad experience and tell brand stories in ways that are different from what we can do through linear video and traditional expandable mobile-rich media ad units. It's by far the coolest thing I've seen in mobile advertising in the last three years."

MR BRIAN BOS
FORD'S SENIOR VICE PRESIDENT & GROUP DIRECTOR
OF EMERGING MEDIA FOR TEAM DETROIT



Business Review

Group Digital Life

BUILDING BIG DATA CAPABILITIES

Our rich database of customer information presents us with a valuable opportunity to provide customers with real-time data analytics and data visualisation solutions.

We have set up DataSpark to help businesses and governments make better informed decisions that drive strong business outcomes. The key elements to a great data analytics service are the ability to understand and predict lifestyle and behavioural patterns, and intuitive data visualisation. Together with our associates, our operations give us richness of data that cuts across different markets, while our combined customer reach provides ready scale for our data analytics solutions. We also have unique technology that allows real-time, continuous data collection, while ensuring all data provided remains anonymous and the privacy of individuals is respected at all times.

ENHANCING CORE COMMUNICATIONS OFFERINGS

To enhance the offerings from Group Consumer, Group Digital Life is developing a suite of next-generation digital products and services to create differentiation factors that inspire, delight and engage our customers.

Mobile devices have become our customers' constant companions. We have, therefore, been aggressively growing our suite of apps and services to meet customer expectations of access to products and services that touch various aspects of their lives.

We have identified five major areas of focus for our mobile internet businesses:

Hyperlocal Content

Hyperlocal content lets people know what is going on around them with the most up-to-date information. The content we provide is enhanced

by our extensive Asia experience in localising products and services that cater to our customers' needs. We gain a clear competitive advantage over global competitors by applying this in-depth, local knowledge.

inSing.com is a robust portal that connects users in Singapore to hyperlocal information. A large part of this portal is the HungryGoWhere site and app, which were also introduced in Malaysia this year. HungryGoWhere remembers customers' preferences and makes relevant recommendations on where and what to eat. With the food obsession in these two countries, the app has gained a tremendous amount of traction.

We are also sharpening NewsLoop to deliver the most relevant news updates to our customers. Users in Australia, Indonesia, Malaysia, the Philippines, Singapore and Thailand can already access localised content.

Video

One of the highlights of the year was our partnership with Vuclip, a SingTel Innov8 investment. Vuclip is a mobile video service provider, specialising in delivering videos to feature phones, as well as low-cost smartphones on constrained data networks.

Our mio TV Go app, introduced this year, differentiates our pay TV service in Singapore by offering our customers on-the-go convenience. In addition to live streaming of shows on the move, customers can use the app to discover new content and control their set-top box.

Creating Value with Analytics

ALWAYS ON, ALWAYS CONNECTED
Locating mobile customers

LIFESTYLE & BEHAVIOUR PATTERNS OVER TIME
Reliably analysing data relationships

INTERACTIVE VISUALISATION AT YOUR FINGERTIPS
Simplifying processes with an intuitive dashboard

PRIVACY & SECURITY
Anonymously aggregating data without violating individuals' privacy

Gaming

During the year, we boosted our gaming presence with the introduction of the WePlay app. WePlay is an alternative social gaming platform that recommends games based on customers' preferences. It also connects them to a gaming community where they have access to hundreds of free and paid games. All purchases can be billed directly to the customers' SingTel bill. We plan to roll out localised versions for India, Indonesia and the Philippines in FY2015.

WePlay followed our investment in TheMobileGamer (TMG). TMG provides a device-neutral gaming experience as its games can be played on any mobile browser with no downloads or installations required.

Music

We enhanced our music streaming service AMPed™ with a fresh new look for the best entertainment experience. AMPed carries the catalogues of all major international music labels, as well as a comprehensive range of music from local and regional artistes. It offers a repository of over 5 million songs in addition to money-can't-buy experiences such as exclusive showcases, autograph sessions and concerts by top artistes.

eCommerce

During the year, we partnered Shopify, a successful North American eCommerce company, to bring its solutions to India, Indonesia, Malaysia and Singapore. We worked with payment providers in each country to enable transactions in local currencies.

CASE STUDY: SINGTEL INNOV8 GENERATING VALUE THROUGH SINGTEL INNOV8

SingTel Innov8 (Innov8), our corporate venture capital fund, is a key facilitator for creating win-win partnerships between its investees and members of the SingTel Group.

It helps investees access the Group's scale and market insights and, through partnerships, it allows our regional mobile associates to tap cutting-edge technology with the opportunity to make it relevant in their respective markets. Vuclip, a US-based mobile video provider is, a prime example.

In April 2013, Airtel in India leveraged Vuclip's technology and introduced a revolutionary portal that serves curated videos at one Rupee each. The initiative was designed to encourage mobile data usage in a market where most users have yet to experience the power of the mobile internet. In less than 12 months, the portal gained 20 million users,

more than 40% of whom were first-time mobile internet users. This service single-handedly enabled more people to experience mobile data than any other campaign by a mobile carrier.

Following its success in India, Vuclip worked on a similar campaign with Telkomsel in Indonesia and introduced the Telkomsel Video 500 store in December 2013. In less than three months, it garnered over 1 million users.

Since Innov8's investment in August 2012, Vuclip has grown from 40 million monthly active users (MAUs) to 120 million MAUs. Vuclip has also expanded its product reach into Indonesia, Malaysia, Thailand and the United Arab Emirates, making it the world's largest independent mobile video and media company.

“Choosing SingTel Innov8 as an investor has been one of my best decisions since founding Vuclip. Their value-add has provided us with the best of both worlds: a comprehensive view of the operator and media worlds because of their close collaboration with the SingTel Group, as well as a top-tier institutional investor's view point when it comes to strategic and operational insights.”

MR NICKHIL JAKATDAR
CHIEF EXECUTIVE OFFICER, VUCLIP

