



# Chairman's Statement

Dear Shareholders,

I am pleased to report that Singtel has ended the financial year with another set of strong results, reflecting the resilience of our core business and our ability as a Group to capture growth in mobile data services.

## LEADING AND SHAPING THE DATA REVOLUTION

In my 2011 statement, I highlighted that the world was on the cusp of a mobile data revolution.

The ability to access the internet anytime and anywhere through a mobile device – whether a smartphone or tablet – created an insatiable consumer appetite for online information, pictures and videos. It also opened up a world of free apps from over-the-top (OTT) players that help consumers to communicate, access entertainment and perform a myriad of tasks.

The resulting demand for more data, bandwidth and higher speeds has grown unabated, fuelled by trends such as video on-the-go, rich communications and other entertainment.

For Singtel, we not only want to be a part of this revolution, but also to lead and shape it. In response, we have been pursuing a fundamental

transformation of our business model. We took steps to transform our core – investing in network, technology and spectrum as well as changing our pricing models to successfully manage the transition from a voice-centric to a data-centric world.

At the same time, by sharing our experience in transforming our business, we are helping our regional mobile associates navigate through the same industry challenges and changes that are taking place in their respective markets.

## MEETING COMPLEX DEMANDS ON ICT SERVICES

In the enterprise space, businesses and public agencies are similarly exploiting mobile capabilities as levers for growth. For greater efficiency, many are also outsourcing their IT infrastructure and technology needs to focus on their core businesses.

The shift to cloud services has created complex demands on infocomm technology (ICT) services. This is underlined by the need for greater connectivity, cyber security and advanced analytics, which Singtel is well-positioned to meet.

Cyber security, in particular, is a critical agenda item for all board and risk committees of enterprises

and organisations globally. Through our acquisitions and partnerships with best-in-class global security providers, Singtel is investing to build leading cyber security capabilities and a new global business, to help our customers stay ahead of the growing cyber risk.

## SHARPENING OUR DIGITAL PLAY

We continue to invest in other growth engines, especially in the digital space.

Our resources are now focused on three distinct digital businesses. We are scaling Amobee to become a global digital marketing business, while rolling out HOOQ, our regional premium OTT video service, and DataSpark, our advanced analytics initiative. Each of these businesses leverage our unique telco assets and customer knowledge.

We remain in an investment phase in each of these businesses and they operate within the risk appetite and framework established by the Group.

## DELIVERING STRONG FINANCIAL PERFORMANCE

For FY 2015, the Group delivered strong financial performance with growth contributions from our core businesses, despite the effects of a weaker Australian Dollar, Indonesian Rupiah and operating losses from

" Looking ahead, we see the mobile data revolution gaining further momentum. The need for people, businesses and objects to be interconnected will drive higher demand for connectivity and data services."



our new businesses. Net profit rose 4% and would have grown 6% in constant currency terms.

The Board has recommended a final dividend of 10.7 cents per share, bringing the total ordinary dividends for the financial year to 17.5 cents.

### **CONTINUING COMMITMENT TO CUSTOMERS AND SHAREHOLDERS**

Looking ahead, we see the mobile data revolution gaining further momentum. The need for people, businesses and objects to be interconnected will drive higher demand for connectivity and data services.

The challenge, and the opportunity, for Singtel is to continue to lead and shape this data-driven digital world with services that are important to our customers and create sustainable value for our shareholders.

Having the right team is key to the success of our business. I wish to thank the staff and management of Singtel who put forward their best at work every day, undeterred by the relentless pace of competition and industry shifts.

I also thank my fellow directors for their contributions, and especially to two of our longest-serving directors who will be stepping down following the Annual General Meeting – Kai Nargolwala, Lead Independent Director, and Fang Ai Lian, Chairman

of the Audit Committee. The Singtel Board and Management will miss their wise counsel.

At the same time, we welcome our new directors – Venky Ganesan, an experienced technology venture capitalist, and Teo Swee Lian, who was the Special Advisor in the Managing Director's Office at Monetary Authority of Singapore. Their appointments will add to the diversity of the Board and we look forward to their added experience and skills in helping steer the Group's ongoing transformation.

**SIMON ISRAEL**  
CHAIRMAN