SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES

SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE SECOND QUARTER AND HALF YEAR ENDED
30 SEPTEMBER 2015

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CONSOLIDATED INCOME STATEMENT

For the second quarter and half year ended 30 September 2015

	Notes	Quarter 30 Sep 2015 S$ Mil (Unaudited)	Quarter 30 Sep 2014 S$ Mil (Unaudited)	Half Year 30 Sep 2015 S$ Mil (Unaudited)	Half Year 30 Sep 2014 S$ Mil (Unaudited)
Operating revenue		**4,184.4**	4,309.4	**8,392.9**	8,457.0
Operating expenses	2	**(2,934.1)**	(3,011.2)	**(5,942.0)**	(5,932.9)
Other income	3	**39.2**	35.5	**79.9**	64.0
		1,289.5	1,333.7	**2,530.8**	2,588.1
Depreciation and amortisation	4	**(531.2)**	(544.9)	**(1,066.6)**	(1,077.8)
		758.3	788.8	**1,464.2**	1,510.3
Exceptional items	5	**2.1**	62.2	**16.1**	27.0
Profit on operating activities		**760.4**	851.0	**1,480.3**	1,537.3
Associates and joint ventures					
- share of ordinary results		**684.2**	655.1	**1,349.5**	1,277.1
- share of tax of ordinary results		**(233.8)**	(226.1)	**(446.7)**	(431.6)
- share of exceptional items (post-tax)	6	**72.7**	(13.4)	**104.2**	(36.6)
		523.1	415.6	**1,007.0**	808.9
Profit before interest, investment income (net) and tax		**1,283.5**	1,266.6	**2,487.3**	2,346.2
Interest and investment income (net)	7	**35.9**	31.3	**58.4**	54.9
Finance costs	8	**(89.1)**	(75.0)	**(169.2)**	(150.2)
Profit before tax		**1,230.3**	1,222.9	**2,376.5**	2,250.9
Tax expense	9	**(203.2)**	(183.1)	**(408.2)**	(375.1)
Profit after tax		**1,027.1**	1,039.8	**1,968.3**	1,875.8
Attributable to:					
Shareholders of the Company		**1,029.7**	1,038.3	**1,971.3**	1,872.9
Non-controlling interests		**(2.6)**	1.5	**(3.0)**	2.9
		1,027.1	1,039.8	**1,968.3**	1,875.8
Earnings per share attributable to shareholders of the Company					
- basic	10	**6.46¢**	6.51¢	**12.37¢**	11.75¢
- diluted	10	**6.45¢**	6.50¢	**12.36¢**	11.72¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the second quarter and half year ended 30 September 2015

	Quarter 30 Sep		Half Year 30 Sep	
	2015 S$ Mil (Unaudited)	2014 S$ Mil (Unaudited)	2015 S$ Mil (Unaudited)	2014 S$ Mil (Unaudited)
Profit after tax	**1,027.1**	**1,039.8**	**1,968.3**	1,875.8
Other comprehensive (loss)/ income				
Items that may be reclassified subsequently to income statement:				
Exchange differences arising from translation of foreign operations and other currency translation differences for the period	**(127.5)**	(359.6)	**(577.6)**	(468.3)
Cash flow hedges				
- Fair value changes during the period	**380.0**	180.2	**421.6**	115.0
- Tax effects	**(58.4)**	(27.1)	**(66.5)**	(11.4)
	321.6	153.1	**355.1**	103.6
- Fair value changes transferred to income statement	**(345.2)**	(110.8)	**(295.3)**	(36.3)
- Tax effects	**54.6**	17.2	**60.3**	4.3
	(290.6)	(93.6)	**(235.0)**	(32.0)
	31.0	59.5	**120.1**	71.6
Fair value changes on available-for-sale investments during the period	**(9.3)**	33.9	**(25.6)**	69.7
Share of other comprehensive gain of associates and joint ventures	**0.2**	85.4	**24.9**	86.3
Other comprehensive loss, net of tax	**(105.6)**	(180.8)	**(458.2)**	(240.7)
Total comprehensive income	**921.5**	859.0	**1,510.1**	1,635.1
Attributable to:				
Shareholders of the Company	**924.1**	857.5	**1,512.8**	1,632.2
Non-controlling interests	**(2.6)**	1.5	**(2.7)**	2.9
	921.5	859.0	**1,510.1**	1,635.1

Note:
Trustwave Holdings, Inc. ("**Trustwave**"), acquired on 1 September 2015, is consolidated with effect from 30 September 2015 as its results, financial position and cash flows for the one month are not material to the Group.

STATEMENTS OF FINANCIAL POSITION
As at 30 September 2015

		Group		Company	
	Notes	As at 30 Sep 15 S$ Mil (Unaudited)	As at 31 Mar 15 S$ Mil (Audited)	As at 30 Sep 15 S$ Mil (Unaudited)	As at 31 Mar 15 S$ Mil (Audited)
Current assets					
Cash and cash equivalents		**732.8**	562.8	**122.8**	83.5
Trade and other receivables		**4,284.0**	3,885.2	**543.2**	534.2
Due from subsidiaries		**-**	-	**1,977.5**	1,908.2
Derivative financial instruments		**51.8**	29.8	**29.7**	29.9
Inventories		**322.2**	289.8	**22.2**	26.8
		5,390.8	4,767.6	**2,695.4**	2,582.6
Non-current assets					
Property, plant and equipment		**10,298.0**	10,683.2	**1,987.0**	2,047.2
Intangible assets		**13,168.3**	11,948.6	**0.5**	0.7
Subsidiaries		**-**	-	**13,918.4**	13,515.0
Joint ventures		**10,134.5**	10,571.0	**21.2**	22.1
Associates		**299.9**	275.2	**603.5**	603.5
Loan to an associate		**1,610.5**	1,610.5	**1,610.5**	1,610.5
Available-for-sale investments (**"AFS"**)		**221.0**	268.3	**37.1**	43.6
Derivative financial instruments		**982.7**	742.1	**520.1**	463.5
Deferred tax assets		**769.5**	803.8	**-**	-
Other non-current receivables		**491.0**	396.5	**186.8**	182.6
		37,975.4	37,299.2	**18,885.1**	18,488.7
Total assets		**43,366.2**	42,066.8	**21,580.5**	21,071.3
Current liabilities					
Trade and other payables		**4,048.3**	4,464.3	**848.6**	1,004.0
Due to subsidiaries		**-**	-	**762.6**	385.6
Advance billings		**769.3**	614.0	**68.1**	68.9
Current tax liabilities		**382.8**	419.4	**177.7**	140.2
Borrowings (unsecured)	12	**-**	150.0	**-**	-
Borrowings (secured)	12	**93.6**	24.4	**0.7**	1.5
Derivative financial instruments		**4.1**	16.8	**0.7**	1.9
Net deferred gain		**67.9**	67.9	**-**	-
		5,366.0	5,756.8	**1,858.4**	1,602.1
Non-current liabilities					
Borrowings (unsecured)	12	**10,460.1**	8,590.9	**803.2**	925.2
Borrowings (secured)	12	**248.4**	213.5	**160.3**	160.4
Derivative financial instruments		**237.6**	265.4	**528.4**	447.3
Advance billings		**281.9**	265.3	**146.1**	150.8
Net deferred gain		**1,324.4**	1,369.8	**-**	-
Deferred tax liabilities		**591.0**	521.7	**266.8**	248.9
Other non-current liabilities		**295.7**	315.5	**13.6**	30.0
		13,439.1	11,542.1	**1,918.4**	1,962.6
Total liabilities		**18,805.1**	17,298.9	**3,776.8**	3,564.7
Net assets		**24,561.1**	24,767.9	**17,803.7**	17,506.6
Share capital and reserves					
Share capital	13	**2,634.0**	2,634.0	**2,634.0**	2,634.0
Reserves		**21,907.6**	22,099.3	**15,169.7**	14,872.6
Equity attributable to shareholders of the Company		**24,541.6**	24,733.3	**17,803.7**	17,506.6
Non-controlling interests		**41.9**	34.6	**-**	-
Other reserve		**(22.4)**	-	**-**	-
Total equity		**24,561.1**	24,767.9	**17,803.7**	17,506.6

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
For the second quarter ended 30 September 2015

Group - 2015	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve [2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [3] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve [4] S$ Mil	Total Equity S$ Mil
Balance as at 1 July 2015	2,634.0	(18.1)	(139.1)	(4,663.7)	85.2	111.7	28,412.7	(1,103.3)	25,319.4	34.5	-	25,353.9
Changes in equity for the quarter												
Performance shares purchased by Trust [5]	-	(3.7)	-	-	-	-	-	-	(3.7)	-	-	(3.7)
Performance shares vested	-	0.8	(0.8)	-	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	8.5	-	-	-	-	-	8.5	-	-	8.5
Share of other reserves of associates and joint ventures	-	-	1.0	-	-	-	-	(3.4)	(2.4)	-	-	(2.4)
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	11.4	-	11.4
Final dividend paid	-	-	-	-	-	-	(1,705.4)	-	(1,705.4)	-	-	(1,705.4)
Acquisition of subsidiary [4]	-	-	-	-	-	-	-	-	-	(2.1)	(22.4)	(24.5)
Others	-	-	-	-	-	-	1.1	-	1.1	0.7	-	1.8
	-	(2.9)	8.7	-	-	-	(1,704.3)	(3.4)	(1,701.9)	10.0	(22.4)	(1,714.3)
Total comprehensive (loss)/ income for the quarter	-	-	-	(127.5)	31.0	(9.3)	1,029.7	0.2	924.1	(2.6)	-	921.5
Balance as at 30 September 2015	**2,634.0**	**(21.0)**	**(130.4)**	**(4,791.2)**	**116.2**	**102.4**	**27,738.1**	**(1,106.5)**	**24,541.6**	**41.9**	**(22.4)**	**24,561.1**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the second quarter ended 30 September 2015

	Attributable to shareholders of the Company										
Group - 2014	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve [2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [3] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Total Equity S$ Mil
Balance as at 1 July 2014	2,634.0	(7.1)	(128.2)	(3,801.7)	(126.7)	142.0	27,200.6	(1,267.9)	24,645.0	25.3	24,670.3
Changes in equity for the quarter											
Performance shares purchased by Trust [5]	-	(13.1)	-	-	-	-	-	-	(13.1)	-	(13.1)
Performance shares vested	-	0.2	(0.2)	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	6.3	-	-	-	-	-	6.3	-	6.3
Performance shares purchased by Optus and vested	-	-	(0.8)	-	-	-	-	-	(0.8)	-	(0.8)
Share of other reserves of associates and joint ventures	-	-	(0.8)	-	-	-	-	0.4	(0.4)	-	(0.4)
Final dividend paid	-	-	-	-	-	-	(1,593.8)	-	(1,593.8)	-	(1,593.8)
	-	(12.9)	4.5	-	-	-	(1,593.8)	0.4	(1,601.8)	-	(1,601.8)
Total comprehensive (loss)/ income for the quarter	-	-	-	(359.6)	59.5	33.9	1,038.3	85.4	857.5	1.5	859.0
Balance as at 30 September 2014	**2,634.0**	**(20.0)**	**(123.7)**	**(4,161.3)**	**(67.2)**	**175.9**	**26,645.1**	**(1,182.1)**	**23,900.7**	**26.8**	**23,927.5**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
For the second quarter ended 30 September 2015

Company - 2015	Share Capital S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 July 2015	2,634.0	(68.4)	94.4	30.2	15,123.2	17,813.4
Changes in equity for the quarter						
Equity-settled performance shares	-	2.6	-	-	-	2.6
Contribution to Trust [5]	-	(3.5)	-	-	-	(3.5)
Final dividend paid	-	-	-	-	(1,705.9)	(1,705.9)
	-	(0.9)	-	-	(1,705.9)	(1,706.8)
Total comprehensive income/ (loss) for the quarter	-	-	18.9	(2.8)	1,681.0	1,697.1
Balance as at 30 September 2015	**2,634.0**	**(69.3)**	**113.3**	**27.4**	**15,098.3**	**17,803.7**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the second quarter ended 30 September 2015

Company - 2014	Share Capital S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 July 2014	2,634.0	(54.4)	(80.7)	44.5	14,604.1	17,147.5
Changes in equity for the quarter						
Equity-settled performance shares	-	3.2	-	-	-	3.2
Contribution to Trust [5]	-	(12.1)	-	-	-	(12.1)
Final dividend paid	-	-	-	-	(1,594.3)	(1,594.3)
	-	(8.9)	-	-	(1,594.3)	(1,603.2)
Total comprehensive income/ (loss) for the quarter	-	-	22.7	(0.6)	1,096.5	1,118.6
Balance as at 30 September 2014	**2,634.0**	**(63.3)**	**(58.0)**	**43.9**	**14,106.3**	**16,662.9**

<u>Notes</u>:

(1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("**FRS**") 32, ***Financial Instruments: Disclosure and Presentation***.

(2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.

(3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.

(4) This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave. When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.

(5) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended 30 September 2015

	Attributable to shareholders of the Company											
Group - 2015	Share Capital S$ Mil	Treasury Shares (1) S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve (2) S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves (3) S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve (4) S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2015	2,634.0	(39.2)	(114.9)	(4,213.3)	(3.9)	128.0	27,471.1	(1,128.5)	24,733.3	34.6	-	24,767.9
Changes in equity for the period												
Performance shares purchased by the Company	-	(3.8)	-	-	-	-	-	-	(3.8)	-	-	(3.8)
Performance shares purchased by Trust (5)	-	(14.9)	-	-	-	-	-	-	(14.9)	-	-	(14.9)
Performance shares vested	-	36.9	(36.9)	-	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	20.4	-	-	-	-	-	20.4	-	-	20.4
Transfer of liability to equity	-	-	16.4	-	-	-	-	-	16.4	-	-	16.4
Cash paid to employees under performance share plans	-	-	(0.5)	-	-	-	-	-	(0.5)	-	-	(0.5)
Performance shares purchased by Optus and vested	-	-	(16.1)	-	-	-	-	-	(16.1)	-	-	(16.1)
Share of other reserves of associates and joint ventures	-	-	1.2	-	-	-	-	(2.9)	(1.7)	-	-	(1.7)
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	11.4	-	11.4
Final dividend paid	-	-	-	-	-	-	(1,705.4)	-	(1,705.4)	-	-	(1,705.4)
Acquisition of subsidiary (4)	-	-	-	-	-	-	-	-	-	(2.1)	(22.4)	(24.5)
Others	-	-	-	-	-	-	1.1	-	1.1	0.7	-	1.8
	-	18.2	(15.5)	-	-	-	(1,704.3)	(2.9)	(1,704.5)	10.0	(22.4)	(1,716.9)
Total comprehensive (loss)/ income for the period	-	-	-	(577.9)	120.1	(25.6)	1,971.3	24.9	1,512.8	(2.7)	-	1,510.1
Balance as at 30 September 2015	**2,634.0**	**(21.0)**	**(130.4)**	**(4,791.2)**	**116.2**	**102.4**	**27,738.1**	**(1,106.5)**	**24,541.6**	**41.9**	**(22.4)**	**24,561.1**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
For the half year ended 30 September 2015

	Attributable to shareholders of the Company										
Group - 2014	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve [2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [3] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2014	2,634.0	(38.6)	(99.0)	(3,693.0)	(138.8)	106.2	26,366.5	(1,269.1)	23,868.2	24.4	23,892.6
Changes in equity for the period											
Performance shares purchased by the Company	-	(2.3)	-	-	-	-	-	-	(2.3)	-	(2.3)
Performance shares purchased by Trust [5]	-	(17.3)	-	-	-	-	-	-	(17.3)	-	(17.3)
Performance shares vested	-	38.2	(38.2)	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	15.2	-	-	-	-	-	15.2	-	15.2
Transfer of liability to equity	-	-	15.0	-	-	-	-	-	15.0	-	15.0
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	-	-	(0.2)	-	(0.2)
Performance shares purchased by Optus and vested	-	-	(15.7)	-	-	-	-	-	(15.7)	-	(15.7)
Share of other reserves of associates and joint ventures	-	-	(0.8)	-	-	-	-	0.7	(0.1)	-	(0.1)
Final dividend paid	-	-	-	-	-	-	(1,593.8)	-	(1,593.8)	-	(1,593.8)
Others	-	-	-	-	-	-	(0.5)	-	(0.5)	(0.5)	(1.0)
	-	18.6	(24.7)	-	-	-	(1,594.3)	0.7	(1,599.7)	(0.5)	(1,600.2)
Total comprehensive (loss)/ income for the period	-	-	-	(468.3)	71.6	69.7	1,872.9	86.3	1,632.2	2.9	1,635.1
Balance as at 30 September 2014	**2,634.0**	**(20.0)**	**(123.7)**	**(4,161.3)**	**(67.2)**	**175.9**	**26,645.1**	**(1,182.1)**	**23,900.7**	**26.8**	**23,927.5**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended 30 September 2015

Company - 2015	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2015	2,634.0	(3.9)	(70.8)	12.9	34.0	14,900.4	17,506.6
Changes in equity for the period							
Performance shares purchased by the Company	-	(3.6)	-	-	-	-	(3.6)
Performance shares vested	-	7.5	(7.5)	-	-	-	-
Equity-settled performance shares	-	-	6.4	-	-	-	6.4
Transfer of liability to equity	-	-	16.4	-	-	-	16.4
Cash paid to employees under performance share plans	-	-	(0.5)	-	-	-	(0.5)
Contribution to Trust [5]	-	-	(13.3)	-	-	-	(13.3)
Final dividend paid	-	-	-	-	-	(1,705.9)	(1,705.9)
	-	3.9	1.5	-	-	(1,705.9)	(1,700.5)
Total comprehensive income/ (loss) for the period	-	-	-	100.4	(6.6)	1,903.8	1,997.6
Balance as at 30 September 2015	**2,634.0**	**-**	**(69.3)**	**113.3**	**27.4**	**15,098.3**	**17,803.7**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended 30 September 2015

Company - 2014	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2014	2,634.0	(1.4)	(67.4)	(104.5)	45.3	14,393.3	16,899.3
Changes in equity for the period							
Performance shares purchased by the Company	-	(2.3)	-	-	-	-	(2.3)
Performance shares vested	-	3.7	(3.6)	-	-	-	0.1
Equity-settled performance shares	-	-	7.4	-	-	-	7.4
Transfer of liability to equity	-	-	15.0	-	-	-	15.0
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	(0.2)
Contribution to Trust [5]	-	-	(14.5)	-	-	-	(14.5)
Final dividend paid	-	-	-	-	-	(1,594.3)	(1,594.3)
	-	1.4	4.1	-	-	(1,594.3)	(1,588.8)
Total comprehensive income/ (loss) for the period	-	-	-	46.5	(1.4)	1,307.3	1,352.4
Balance as at 30 September 2014	**2,634.0**	**-**	**(63.3)**	**(58.0)**	**43.9**	**14,106.3**	**16,662.9**

Notes:

(1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("**FRS**") 32, ***Financial Instruments: Disclosure and Presentation***.

(2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.

(3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.

(4) This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave. When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.

(5) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the second quarter and half year ended 30 September 2015

	Quarter 30 Sep 2015 S$ Mil (Unaudited)	Quarter 30 Sep 2014 S$ Mil (Unaudited)	Half Year 30 Sep 2015 S$ Mil (Unaudited)	Half Year 30 Sep 2014 S$ Mil (Unaudited)
Cash Flows from Operating Activities				
Profit before tax	**1,230.3**	1,222.9	**2,376.5**	2,250.9
Adjustments for				
Depreciation and amortisation	**531.2**	544.9	**1,066.6**	1,077.8
Exceptional items	**(4.6)**	(62.5)	**(22.4)**	(67.5)
Interest and investment income (net)	**(35.9)**	(31.3)	**(58.4)**	(54.9)
Finance costs	**89.1**	75.0	**169.2**	150.2
Share of results of associates and joint ventures (post-tax)	**(523.1)**	(415.6)	**(1,007.0)**	(808.9)
Other non-cash items	**(0.2)**	8.1	**11.0**	23.9
	56.5	118.6	**159.0**	320.6
Operating cash flow before working capital changes	**1,286.8**	1,341.5	**2,535.5**	2,571.5
Changes in operating assets and liabilities				
Trade and other receivables	**(272.6)**	(174.1)	**(539.1)**	(318.0)
Trade and other payables	**(48.5)**	186.7	**(169.6)**	237.4
Inventories	**(51.0)**	(7.7)	**(38.8)**	(50.1)
Currency translation adjustments of subsidiaries	**7.5**	(0.3)	**5.6**	(0.7)
Cash generated from operations	**922.2**	1,346.1	**1,793.6**	2,440.1
Payment to employees in cash under performance share plans	**(2.7)**	(0.9)	**(3.1)**	(1.4)
Dividends received from associates and joint ventures	**297.3**	277.4	**1,058.4**	1,034.4
Income tax and withholding tax paid	**(267.1)**	(307.8)	**(416.3)**	(428.7)
Net cash inflow from operating activities	**949.7**	1,314.8	**2,432.6**	3,044.4
Cash Flows from Investing Activities				
Dividends received from AFS investments	**0.9**	1.7	**1.6**	2.9
Interest received	**3.6**	1.2	**24.3**	21.5
Payment for acquisition of subsidiaries, net of cash acquired **(Note 1)**	**(1,057.1)**	(432.9)	**(1,057.1)**	(443.0)
Contribution from non-controlling interests	**11.4**	-	**11.4**	-
Payment for acquisition of non-controlling interests	**-**	-	**-**	(2.7)
Investment in joint ventures	**-**	-	**-**	(0.5)
Deferred proceeds/ proceeds from disposal of associate and joint venture	**14.1**	-	**14.5**	-
Investment in AFS investments	**(8.5)**	(7.9)	**(24.2)**	(19.2)
Proceeds from sale of AFS investments	**32.7**	8.8	**51.8**	49.4
Balance carried forward	**(1,002.9)**	(429.1)	**(977.7)**	(391.6)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the second quarter and half year ended 30 September 2015

	Quarter 30 Sep		Half Year 30 Sep	
	2015 S$ Mil (Unaudited)	2014 S$ Mil (Unaudited)	2015 S$ Mil (Unaudited)	2014 S$ Mil (Unaudited)
Cash Flows from Investing Activities (continued)				
Balance brought forward	**(1,002.9)**	(429.1)	**(977.7)**	(391.6)
Proceeds from capital reduction of joint venture	**-**	-	**-**	2.0
Payment for purchase of property, plant and equipment	**(472.7)**	(582.4)	**(981.2)**	(1,128.1)
Proceeds from sale of property, plant and equipment	**4.8**	3.0	**4.9**	3.9
Purchase of intangible assets	**(57.7)**	(762.5)	**(120.8)**	(862.2)
Withholding tax paid on intra-group interest income	**(13.3)**	(16.4)	**(13.3)**	(16.4)
Net cash outflow for investing activities	**(1,541.8)**	(1,787.4)	**(2,088.1)**	(2,392.4)
Cash Flows from Financing Activities				
Proceeds from term loans	**3,064.2**	2,726.7	**3,624.9**	2,960.6
Repayment of term loans	**(1,537.5)**	(701.7)	**(3,049.3)**	(1,909.6)
Proceeds from bond issue	**148.6**	-	**1,071.1**	-
Proceeds from finance lease liabilities	**18.7**	6.6	**53.8**	11.0
Finance lease payments	**(10.7)**	(11.1)	**(23.1)**	(22.4)
Net proceeds from borrowings	**1,683.3**	2,020.5	**1,677.4**	1,039.6
Net interest paid on borrowings and swaps	**(69.1)**	(61.2)	**(153.0)**	(157.9)
Purchase of performance shares	**(19.3)**	(13.9)	**(34.3)**	(35.3)
Final dividend paid to shareholders of the Company	**(1,705.4)**	(1,593.8)	**(1,705.4)**	(1,593.8)
Others	**1.1**	-	**1.1**	-
Net cash (outflow)/ inflow for financing activities	**(109.4)**	351.6	**(214.2)**	(747.4)
Net change in cash and cash equivalents	**(701.5)**	(121.0)	**130.3**	(95.4)
Exchange effects on cash and cash equivalents	**44.6**	(4.2)	**39.7**	(3.3)
Cash and cash equivalents at beginning of period	**1,389.7**	649.0	**562.8**	622.5
Cash and cash equivalents at end of period	**732.8**	523.8	**732.8**	523.8

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

For the second quarter and half year ended 30 September 2015

Note (1): **Payments for acquisition of subsidiaries**

(a) During the current quarter, Singtel acquired 98% of the share capital of Trustwave for S$1.08 billion (US$770 million). The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows -

	30 Sep 2015 S$ Mil (Unaudited)
Identifiable intangible assets, net of tax (provisional)	155.0
Non-current assets	38.5
Cash and cash equivalents	28.7
Current assets (excluding cash and cash equivalents)	87.7
Total liabilities	(265.1)
Non controlling interests	2.2
Net assets acquired	47.0
Goodwill (provisional)	1,037.3
Total cash consideration	1,084.3
Less: Cash and cash equivalents acquired	(28.7)
Net outflow of cash	**1,055.6**

(b) During the current period, deferred payments of S$1.1 million and S$0.4 million were made in respect of the acquisitions of Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**") and Ensyst Pty Limited respectively.

(c) The payments in the half year ended 30 September 2014 included payments for the acquisition of Kontera Technologies, Inc. and Adconion of S$176 million and S$254 million respectively, and deferred payments of S$13 million in respect of the acquisitions of Amobee, Inc. and Pixable, Inc.

Note (2): For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprised:

	As at 30 Sep 2015 S$ Mil (Unaudited)	As at 30 Sep 2014 S$ Mil (Unaudited)
Fixed deposits	**202.4**	159.4
Cash and bank balances	**530.4**	364.4
	732.8	523.8

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

1. BASIS OF PREPARATION

The Group prepares its condensed consolidated interim financial statements in accordance with Singapore Financial Reporting Standard ("**FRS**") 34, ***Interim Financial Reporting***. The same accounting policies and methods of computation have been applied in the preparation of the financial statements for the current quarter as the most recent audited financial statements as at 31 March 2015. The adoption of the new or revised FRS, amendments to FRS and Interpretations to FRS which became mandatory from 1 April 2015 did not have a significant impact on the financial statements of the Group and the Company.

2. OPERATING EXPENSES

The income statement included the following items -

Group	Quarter 30 Sep 2015 S$ Mil (Unaudited)	Quarter 30 Sep 2014 S$ Mil (Unaudited)	Half year 30 Sep 2015 S$ Mil (Unaudited)	Half year 30 Sep 2014 S$ Mil (Unaudited)
Impairment of trade receivables	**27.2**	15.1	**61.6**	51.3
Allowance for inventory obsolescence	**4.4**	0.8	**13.3**	0.8
Inventory written off	**-**	1.3	**0.6**	1.7

3. OTHER INCOME

Other income included the following items -

Group	Quarter 30 Sep 2015 S$ Mil (Unaudited)	Quarter 30 Sep 2014 S$ Mil (Unaudited)	Half year 30 Sep 2015 S$ Mil (Unaudited)	Half year 30 Sep 2014 S$ Mil (Unaudited)
Rental income	**0.8**	1.0	**1.8**	2.0
Bad trade debts recovered	**0.9**	0.8	**2.1**	1.7
Net exchange gain/ (loss) - trade related	**6.9**	(4.6)	**8.6**	(5.0)
Net (loss)/ gain on disposal of property, plant and equipment	**(1.1)**	0.5	**(1.7)**	0.6

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

4. DEPRECIATION AND AMORTISATION

Group	Quarter 30 Sep 2015 S$ Mil (Unaudited)	Quarter 30 Sep 2014 S$ Mil (Unaudited)	Half year 30 Sep 2015 S$ Mil (Unaudited)	Half year 30 Sep 2014 S$ Mil (Unaudited)
Depreciation of property, plant and equipment	**472.3**	490.7	**949.5**	980.2
Amortisation of intangibles	**59.6**	54.9	**118.6**	99.1
Amortisation of deferred gain on sale of a joint venture	**(0.7)**	(0.7)	**(1.5)**	(1.5)
	531.2	544.9	**1,066.6**	1,077.8

5. EXCEPTIONAL ITEMS

Group	Quarter 30 Sep 2015 S$ Mil (Unaudited)	Quarter 30 Sep 2014 S$ Mil (Unaudited)	Half year 30 Sep 2015 S$ Mil (Unaudited)	Half year 30 Sep 2014 S$ Mil (Unaudited)
Exceptional gains				
Gain on dilution of interest in SingPost	**-**	65.4	**-**	65.4
Gain on dilution of interest in other associates and joint ventures	**0.7**	0.8	**0.7**	1.7
Gain on sale of AFS investments	**7.4**	4.9	**30.5**	9.0
Gain on disposal of a joint venture	**1.7**	-	**1.7**	-
	9.8	71.1	32.9	76.1
Exceptional losses				
Staff restructuring costs	**(2.5)**	(0.3)	**(6.3)**	(40.5)
Loss on sale of AFS investments	**-**	(8.6)	**-**	(8.6)
Impairment of AFS investments	**(5.2)**	-	**(10.5)**	-
	(7.7)	(8.9)	**(16.8)**	(49.1)
	2.1	62.2	**16.1**	27.0

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

6. SHARE OF EXCEPTIONAL ITEMS OF ASSOCIATES AND JOINT VENTURES (POST-TAX)

Group	Quarter 30 Sep 2015 S$ Mil (Unaudited)	Quarter 30 Sep 2014 S$ Mil (Unaudited)	Half year 30 Sep 2015 S$ Mil (Unaudited)	Half year 30 Sep 2014 S$ Mil (Unaudited)
Share of Airtel's exceptional items [1]	**52.5**	(10.6)	**84.0**	(27.6)
Share of Globe's one-off gains [2]	**20.2**	-	**20.2**	-
Share of Globe's accelerated depreciation	**-**	(2.8)	**-**	(9.0)
	72.7	(13.4)	**104.2**	(36.6)

Notes:

(1) The exceptional items comprised mainly of net gains on disposal of telecom tower assets in Africa partly offset by various provisions and charges.

(2) The one-off gains arose from Globe's disposal/ deemed disposal of certain investments.

7. INTEREST AND INVESTMENT INCOME (NET)

Group	Quarter 30 Sep 2015 S$ Mil (Unaudited)	Quarter 30 Sep 2014 S$ Mil (Unaudited)	Half year 30 Sep 2015 S$ Mil (Unaudited)	Half year 30 Sep 2014 S$ Mil (Unaudited)
Interest income from				
- bank deposits	**1.6**	3.8	**3.0**	7.8
- others	**11.0**	8.5	**22.3**	17.0
	12.6	12.3	**25.3**	24.8
Dividends from joint ventures	**10.1**	17.2	**21.2**	27.2
Gross dividends from AFS investments	**0.9**	1.7	**1.2**	3.4
Fair value (losses)/ gains on fair value hedges				
- hedged item	**(95.0)**	49.0	**118.7**	5.9
- hedging instrument	**93.1**	(52.7)	**(120.6)**	(14.4)
	(1.9)	(3.7)	**(1.9)**	(8.5)
Fair value (losses)/ gains on cash flow hedges transferred from other comprehensive income				
- hedged item	**(345.2)**	(110.8)	**(295.3)**	(36.3)
- hedging instrument	**345.2**	110.8	**295.3**	36.3
	-	-	**-**	-
Other fair value gains	**0.5**	3.0	**3.6**	8.2
Net foreign exchange gains/ (losses) - non-trade related	**13.7**	0.8	**9.0**	(0.2)
	35.9	31.3	**58.4**	54.9

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

8. FINANCE COSTS

	Quarter 30 Sep		Half year 30 Sep	
	2015	2014	2015	2014
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Group	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest expense on				
- bonds	**72.2**	64.2	**135.6**	127.7
- bank loans	**10.2**	3.5	**19.7**	8.0
- others	**7.2**	6.9	**14.3**	14.7
	89.6	74.6	**169.6**	150.4
Less : Amounts capitalised	**(0.1)**	(0.8)	**(0.7)**	(5.5)
	89.5	73.8	**168.9**	144.9
Effects of hedging using interest rate swaps	**(1.5)**	*	**(1.8)**	2.9
Unwinding of discounts (including adjustments)	**1.1**	1.2	**2.1**	2.4
	89.1	75.0	**169.2**	150.2

"" denotes less than +/- S$50,000*.

9. TAX EXPENSE

	Quarter 30 Sep		Half year 30 Sep	
	2015	2014	2015	2014
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Group	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current and deferred tax expense attributable to current period's profits	**203.1**	183.3	**408.8**	373.7
Current and deferred tax adjustments in respect of prior years	**0.1**	(0.2)	**(0.6)**	1.4
	203.2	183.1	**408.2**	375.1

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

10. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

Group	Quarter 30 Sep 2015 '000 (Unaudited)	Quarter 30 Sep 2014 '000 (Unaudited)	Half year 30 Sep 2015 '000 (Unaudited)	Half year 30 Sep 2014 '000 (Unaudited)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	**15,938,993**	15,939,464	**15,936,511**	15,936,842
Adjustment for dilutive effect of performance share plan	**13,894**	39,862	**13,894**	39,862
Weighted average number of ordinary shares for calculation of diluted earnings per share	**15,952,887**	15,979,326	**15,950,405**	15,976,704

The weighted average number of ordinary shares in issue had been adjusted to exclude the number of performance shares held by the Trust.

11. FAIR VALUE MEASUREMENTS

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);

(b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and

(c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the second quarter and half year ended 30 September 2015

11. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the assets and liabilities measured at fair value as at 30 September 2015:

Group 30 September 2015 (Unaudited)	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1]				
- Quoted investments	66.9	-	-	**66.9**
- Unquoted investments	-	-	97.7	**97.7**
	66.9	-	97.7	**164.6**
Derivative financial instruments	-	1,034.5	-	**1,034.5**
	66.9	1,034.5	97.7	**1,199.1**
Financial liabilities				
Derivative financial instruments	-	241.7	-	**241.7**

Group 31 Mar 2015 (Audited)	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1]				
- Quoted investments	100.8	-	-	**100.8**
- Unquoted investments	-	-	100.5	**100.5**
	100.8	-	100.5	**201.3**
Derivative financial instruments	-	771.9	-	**771.9**
	100.8	771.9	100.5	**973.2**
Financial liabilities				
Derivative financial instruments	-	282.2	-	**282.2**

Note:
(1) Excluded AFS investments stated at cost of S$56.4 million (31 March 2015: S$67.0 million).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

11. FAIR VALUE MEASUREMENTS (Continued)

Company 30 September 2015 (Unaudited)	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments				
- Quoted investments	28.6	-	-	**28.6**
- Unquoted investments	-	-	8.5	**8.5**
	28.6	-	8.5	**37.1**
Derivative financial instruments	-	549.8	-	**549.8**
	28.6	549.8	8.5	**586.9**
Financial liabilities				
Derivative financial instruments	-	529.1	-	**529.1**

Company 31 Mar 2015 (Audited)	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments				
- Quoted investments	34.1	-	-	**34.1**
- Unquoted investments	-	-	9.5	**9.5**
	34.1	-	9.5	**43.6**
Derivative financial instruments	-	493.4	-	**493.4**
	34.1	493.4	9.5	**537.0**
Financial liabilities				
Derivative financial instruments	-	449.2	-	**449.2**

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the second quarter and half year ended 30 September 2015

11. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the liabilities not measured at fair value (but with fair value disclosed) as at 30 September 2015:

30 Sep 2015 (Unaudited)	Carrying Value S$ Mil	Fair value Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial liabilities					
Group					
Bonds	**8,419.4**	6,290.5	2,522.2	-	**8,812.7**
Company					
Bonds	**803.2**	995.2	-	-	**995.2**

31 Mar 2015 (Audited)	Carrying Value S$ Mil	Fair value Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial liabilities					
Group					
Bonds	7,240.7	5,478.3	2,101.8	-	7,580.1
Company					
Bonds	925.2	1,015.7	-	-	1,015.7

Except as disclosed in the above tables, the carrying values of financial assets and other financial liabilities approximate their fair values.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

11. FAIR VALUE MEASUREMENTS (Continued)

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

The following table presents the reconciliation for the unquoted AFS investments measured at fair value based on unobservable inputs (**Level 3**) -

	Group		Company	
	30 Sep 15 S$ Mil (Unaudited)	30 Sep 14 S$ Mil (Unaudited)	30 Sep 15 S$ Mil (Unaudited)	30 Sep 14 S$ Mil (Unaudited)
AFS investments - unquoted				
Balance as at 1 April	**100.5**	108.2	**9.5**	10.5
Total gains/ (losses) included in 'Fair Value Reserve'	**0.4**	(1.5)	**(1.0)**	-
Additions	**0.9**	-	**-**	-
Provision for impairment	**(5.2)**	-	**-**	-
Disposals	**(0.8)**	(15.3)	**-**	-
Transfer from Level 3	**-**	(5.8)	**-**	-
Transfer to Level 3	**1.9**	8.9	**-**	-
	97.7	94.5	**8.5**	10.5

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

12. GROUP'S BORROWINGS AND DEBT SECURITIES

	Group		Company	
	30 Sep 15 S$ Mil (Unaudited)	31 Mar 15 S$ Mil (Audited)	30 Sep 15 S$ Mil (Unaudited)	31 Mar 15 S$ Mil (Audited)
Unsecured borrowings				
Repayable within one year	**-**	150.0	**-**	-
Repayable after one year	**10,460.1**	8,590.9	**803.2**	925.2
	10,460.1	8,740.9	**803.2**	925.2
Secured borrowings				
Repayable within one year	**93.6**	24.4	**0.7**	1.5
Repayable after one year	**248.4**	213.5	**160.3**	160.4
	342.0	237.9	**161.0**	161.9
	10,802.1	8,978.8	**964.2**	1,087.1

Unsecured borrowings of the Group comprise bonds and bank loans. The unsecured borrowings of the Company comprise bonds.

Secured borrowings of the Group and the Company comprise finance lease liabilities including lease liabilities in respect of certain assets leased from NetLink Trust.

In addition, the Group's secured borrowings as at 30 September 2015 included:

(a) certain bank loans of Adconion, secured on the assets and shares in Adconion Media, Inc. and its subsidiary, Adconion Direct, Inc., and a fixed and floating charge on the assets in Adconion Pty Ltd; and

(b) certain bank loans of Trustwave, secured on the assets of Trustwave and shares in certain of its subsidiaries.

13. SHARE CAPITAL AND OTHER EQUITY INFORMATION

	Quarter and Half year 30 Sep 15	
Group and Company	Number of shares Mil (Unaudited)	Share capital S$ Mil (Unaudited)
Balance as at beginning and end of period	**15,943.5**	**2,634.0**

As at 30 September 2015, the number of outstanding performance shares under Singtel's performance share plans was 37,794,955 (31 March 2015: 37,543,025).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

14. DIVIDENDS

On 11 November 2015, the Directors approved an interim one-tier exempt ordinary dividend of 6.8 cents (FY 2015: 6.8 cents) per share totalling approximately S$1.08 billion in respect of the current financial year ending 31 March 2016.

The financial statements for the half year ended, and as at, 30 September 2015 do not reflect this interim dividend. The dividend will be accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the next quarter ending 31 December 2015.

During the half year ended 30 September 2015, a final one-tier exempt ordinary dividend of 10.7 cents per share totalling S$1.71 billion was paid in respect of the previous financial year ended 31 March 2015.

15. NET ASSET VALUE

	Group As at		Company As at	
	30 Sep 15 S$ (Unaudited)	31 Mar 15 S$ (Audited)	30 Sep 15 S$ (Unaudited)	31 Mar 15 S$ (Audited)
Net asset value per share	**1.54**	1.55	1.12	1.10

As at the end of the reporting period, the number of ordinary shares of the Group used for the above calculation had been adjusted to exclude the number of performance shares held by the Trust.

16. CONTINGENT LIABILITIES

(a) Guarantees

(i) As at 30 September 2015, the Group and Company provided bankers' and other guarantees, and insurance bonds of S$384.6 million and S$168.0 million (31 March 2015: S$413.8 million and S$225.4 million) respectively.

(ii) As at 30 September 2015, the Company provided a guarantee for the loan of S$1.57 billion (31 March 2015: S$800 million) drawn down under a loan facility entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**") with maturity on May 2017.

(iii) As at 30 September 2015, the Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$4.38 billion (31 March 2015: S$3.70 billion) due between July 2016 and June 2025.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the second quarter and half year ended 30 September 2015

16. CONTINGENT LIABILITIES (Continued)

(b) Consistent with other large groups, Singapore Telecom Australia Investments Pty Limited ("**STAI**"), the head tax entity in Australia, has been subject to information requests from the Australian Taxation Office ("**ATO**"). In December 2013, STAI received a tax position paper from the ATO in connection with the acquisition financing of Optus and subsequently, on 22 October 2014, STAI received a Statement of Audit Position. STAI has received advice from external experts in relation to the matter and has responded to both the position paper and the Statement of Audit Position. Upon STAI's request, the final Statement of Audit Position received will be further subject to an Independent Review within the ATO. STAI intends to defend its position. Accordingly, no provision has been made as at 30 September 2015.

(c) Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

17. CONTINGENT LIABILITIES OF JOINT VENTURES

(a) Bharti Airtel Limited ("**Airtel**"), a 32.4% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (Singtel's share: S$365 million) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion (Singtel's share: S$64 million) for holding GSM spectrum beyond 6.2 Mhz for the period from 1 July 2008 to 31 December 2012 and also a prospective charge of Rs. 42.92 billion (Singtel's share: S$301 million) for GSM spectrum held beyond 4.4 Mhz for the period from 1 January 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licenses issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 30 September 2015, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 97.9 billion (Singtel's share: S$688 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Group has 79.05% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the second quarter and half year ended 30 September 2015

17. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)

Econet Wireless Limited ("**EWL**") has claimed for entitlement to a 5% stake in ANL in 2004 and a claim alleging breach of a shareholders' agreement between EWL and former shareholders of ANL in 2006. Airtel is appealing earlier court and arbitral decisions and is defending its positions vigorously. Under the terms of the acquisition by Airtel of these assets from Zain International B.V. in 2010, Airtel has the benefit of applicable seller's indemnities in respect of such matters.

(b) The Group holds an equity interest of 23.3% in Advanced Info Service Public Company Limited ("**AIS**").

<u>Revenue share disputes arising from abolishment of excise tax</u>

In January 2008, TOT Public Company Limited ("**TOT**") and CAT Telecom Public Company Limited ("**CAT**") submitted disputes to the Arbitration Institute, demanding AIS and its subsidiary, Digital Phone Company Limited ("**DPC**") to pay additional revenue shares amounting to THB 31,463 million (Singtel's share: S$288 million) and THB 3,410 million (Singtel's share: S$31 million) respectively.

On 1 March 2011, the Arbitral Tribunal dismissed CAT's claim against DPC for additional revenue share. On 28 July 2015, the Central Administrative Court dismissed CAT's appeal against the Arbitral Tribunal's award. On 3 September 2015, CAT appealed to the Supreme Administrative Court.

On 20 May 2011, the Arbitral Tribunal dismissed TOT's claim against AIS for the additional revenue share. On 22 September 2011, TOT appealed to the Central Administrative Court.

<u>TOT's demands for additional revenue share relating to gross interconnection income</u>

On 26 January 2011, AIS received a demand from TOT to pay additional revenue share based on gross interconnection income from 2007 to 2010 of THB 17,803 million (Singtel's share: S$163 million) plus interest.

On 29 July 2014, TOT submitted a dispute to the Arbitration Institute demanding for additional revenue share on the interconnection income from 2011 to 2012 amounting to THB 9,984 million (Singtel's share: S$91 million) plus interest.

The disputes are pending the arbitration procedures.

<u>TOT's demands for access charges</u>

On 9 May 2011, TOT submitted a case to the Central Administrative Court against CAT as first defendant and DPC as second defendant demanding access charges amounting to THB 2,954 million (Singtel's share: S$27 million) plus interest.

On 31 July 2014, TOT revised its demand to THB 5,454 million (Singtel's share: S$50 million) plus value-added tax and interest.

This case is pending the consideration of the Central Administrative Court.

17. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)

<u>TOT's demands for compensation from 900 MHz subscribers porting to 2100 MHz</u>

On 25 September 2014, TOT submitted a dispute to the Arbitration Institute demanding AIS to pay compensation for the porting of 900 MHz subscribers to 2100 MHz, amounting to THB 9,126 million (Singtel's share: S$83 million) plus interest.

This case is pending the arbitration procedures.

<u>CAT's demands for network equipment rental fees</u>

On 20 May 2015, CAT filed a case against DPC, National Broadcasting and Telecommunication Committee Office (NBTC Office), National Telecommunication Committee (NTC) and National Broadcasting and Telecommunication Committee (NBTC) to the Central Administrative Court, demanding network equipment rental fees from September 2013 to September 2014. Total demands amounted to THB 6,083 million (Singtel's share: S$56 million).

On 11 September 2015, CAT filed another case demanding additional network equipment rental fees from September 2014 to July 2015 amounting to THB 1,635 million (Singtel's share: S$15 million).

These cases are pending the consideration of the Central Administrative Court.

<u>TOT's demands for additional revenue share in respect of Amendment 6 and Amendment 7 of the Concession Agreement</u>

On 30 September 2015, AIS received a demand from TOT for additional revenue share of THB 72,036 million (Singtel's share: S$659 million). TOT claimed that Amendment 6 (regarding reduction in prepaid revenue share rate) in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) in 2002 of the Concession Agreement have resulted in lower revenue share.

This case is pending the arbitration procedures.

<u>TOT's demands for reimbursement of property leases and utility expenses</u>

On 30 September 2015, TOT submitted a dispute to the Arbitration Institute demanding AIS to pay property leases and utility expenses during the 2-year extension period after the end of 2G 900MHz concession. Total demands from TOT amounted to THB 1,911 million (Singtel's share: S$17 million).

The case is pending the arbitration procedures.

AIS believes that the above cases have no material impact to its financial statements and these disputes will be settled in favour of AIS.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

17. CONTINGENT LIABILITIES OF JOINT VENTURES (Continued)

(c) Globe Telecom, Inc. ("**Globe**"), a 47.2% joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe Group's financial position and results of operations.

(d) The Group holds an equity interest of 35% in PT Telekomunikasi Selular ("**Telkomsel**"). As at 30 September 2015, Telkomsel has filed appeals and cross-appeals amounting to approximately IDR 699 billion (Singtel's share: S$24 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2015

18. GROUP SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

Singtel Group is structured into three business segments, namely Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, namely AIS in Thailand, Airtel in India, Africa and South Asia, 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. From 1 April 2015, certain businesses which were previously within Group Digital Life were transferred to Group Consumer.

Group Enterprise comprises the business groups across Singapore and Australia 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's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. From 1 April 2015, GDL had sharpened its strategy to focus on three key businesses - digital marketing (Amobee), regional premium video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8. Certain businesses which were previously within GDL were transferred to Group Consumer.

Corporate comprises the costs of Group functions not allocated to the three business segments.

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

The costs of shared and common infrastructure are allocated to business segments using established methodologies.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the half year ended 30 September 2015

18. GROUP SEGMENT INFORMATION (Continued)

Group 30 Sep 2015 (Unaudited)	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	5,138.0	3,041.1	213.8	-	**8,392.9**
Operating expenses	(3,567.6)	(2,064.0)	(278.5)	(31.9)	**(5,942.0)**
Other income/ (expense)	64.9	17.6	(0.3)	(2.3)	**79.9**
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	1,635.3	994.7	(65.0)	(34.2)	**2,530.8**
Share of pre-tax results of associates and joint ventures					
- Airtel	320.7	-	-	-	**320.7**
- Telkomsel	547.8	-	-	-	**547.8**
- Globe	191.9	-	-	-	**191.9**
- AIS	218.8	-	-	-	**218.8**
- Others	0.2	-	-	92.3	**92.5**
	1,279.4	-	-	92.3	**1,371.7**
EBITDA and share of pre-tax results of associates and joint ventures	2,914.7	994.7	(65.0)	58.1	**3,902.5**
Depreciation and amortisation	(733.5)	(298.3)	(33.0)	(1.8)	**(1,066.6)**
Earnings before interest and tax ("EBIT")	**2,181.2**	**696.4**	**(98.0)**	**56.3**	**2,835.9**
Segment assets					
Investment in associates and joint ventures					
- Airtel	5,346.2	-	-	-	**5,346.2**
- Telkomsel	2,959.0	-	-	-	**2,959.0**
- Globe	1,099.6	-	-	-	**1,099.6**
- AIS	629.2	-	-	-	**629.2**
- Others	24.4	-	-	376.0	**400.4**
	10,058.4	-	-	376.0	**10,434.4**
Goodwill on acquisition of subsidiaries	9,189.3	1,218.2	774.9	-	**11,182.4**
Other assets	11,003.8	5,184.3	743.4	4,817.9	**21,749.4**
	30,251.5	**6,402.5**	**1,518.3**	**5,193.9**	**43,366.2**

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the half year ended 30 September 2015

18. GROUP SEGMENT INFORMATION (Continued)

Group 30 Sep 2014 (Unaudited)	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	5,174.8	3,154.7	127.5	-	**8,457.0**
Operating expenses	(3,570.1)	(2,103.3)	(223.1)	(36.4)	**(5,932.9)**
Other income/ (expense)	50.7	11.7	0.5	1.1	**64.0**
EBITDA	1,655.4	1,063.1	(95.1)	(35.3)	**2,588.1**
Share of pre-tax results of associates and joint ventures					
- Airtel	382.8	-	-	-	**382.8**
- Telkomsel	469.2	-	-	-	**469.2**
- Globe	161.1	-	-	-	**161.1**
- AIS	198.8	-	-	-	**198.8**
- Others	0.3	-	-	53.9	**54.2**
	1,212.2	-	-	53.9	**1,266.1**
EBITDA and share of pre-tax results of associates and joint ventures	2,867.6	1,063.1	(95.1)	18.6	**3,854.2**
Depreciation and amortisation	(735.8)	(302.2)	(39.5)	(0.3)	**(1,077.8)**
EBIT	**2,131.8**	**760.9**	**(134.6)**	**18.3**	**2,776.4**

Group 31 Mar 2015 (Audited)	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Segment assets					
Investment in associates and joint ventures					
- Airtel	5,323.3	-	-	-	**5,323.3**
- Telkomsel	3,410.1	-	-	-	**3,410.1**
- Globe	1,049.8	-	-	-	**1,049.8**
- AIS	686.3	-	-	-	**686.3**
- Others	24.1	-	-	352.6	**376.7**
	10,493.6	-	-	352.6	**10,846.2**
Goodwill on acquisition of subsidiaries	9,191.9	175.1	756.0	-	**10,123.0**
Other assets	10,869.2	4,897.9	781.8	4,548.7	**21,097.6**
	30,554.7	**5,073.0**	**1,537.8**	**4,901.3**	**42,066.8**

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the half year ended 30 September 2015

18. GROUP SEGMENT INFORMATION (Continued)

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax is as follows -

Group	30 Sep 15 S$ Mil (Unaudited)	30 Sep 14 S$ Mil (Unaudited)
EBIT	**2,835.9**	**2,776.4**
Exceptional items	16.1	27.0
Share of exceptional items of associates and joint ventures (post-tax)	82.0	(25.6)
Share of tax of associates and joint ventures	(446.7)	(431.6)
Profit before interest, investment income (net) and tax	**2,487.3**	**2,346.2**
Interest and investment income (net)	58.4	54.9
Finance costs	(169.2)	(150.2)
Profit before tax	**2,376.5**	**2,250.9**

OTHER INFORMATION

19. The financial position as at 30 September 2015 and the results, statements of changes in equity and cash flows for the second quarter and half year ended 30 September 2015 presented in this announcement have not been audited, but have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (see review report on page 35 of this announcement).

20. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2015.

21. WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.

Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2015.

22. A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT OPERATING PERIOD AND THE NEXT 12 MONTHS.

Please refer to the Management Discussion and Analysis of the Group for the second quarter and half year ended 30 September 2015.

23. INTERESTED PERSON TRANSACTIONS

The Group has not obtained a general mandate from the shareholders of the Company for Interested Person Transactions.

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter and half year ended 30 September 2015 to be false or misleading.

On behalf of the Board of Directors

Bobby Chin Yoke Choong	**Chua Sock Koong**
Chairman of Audit Committee	Director

Singapore
11 November 2015

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors
Singapore Telecommunications Limited
31 Exeter Road
Comcentre
Singapore 239732

Dear Sirs

SINGAPORE TELECOMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION AS OF AND FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2015

Introduction

We have reviewed the accompanying statement of financial position of Singapore Telecommunications Limited ("Singtel" or the "Company") as of 30 September 2015 and statement of changes in equity of the Company for the Second Quarter and Half Year then ended, the statement of financial position of Singapore Telecommunications Limited and its subsidiary companies (the "Group") as of 30 September 2015 and related income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the Second Quarter and Half Year then ended, selected notes and other explanatory information ("interim financial information").

The Management of Singtel are responsible for the preparation and presentation of the interim financial information in accordance with Financial Reporting Standard 34 *Interim Financial Reporting* ("FRS 34"). Such interim financial information has been prepared by Management of Singtel for announcement on the Singapore Exchange. Our responsibility is to express a conclusion to this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FRS 34.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
11 November 2015