SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES

SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE SECOND QUARTER AND HALF YEAR ENDED
30 SEPTEMBER 2017

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CONSOLIDATED INCOME STATEMENT

For the second quarter and half year ended 30 September 2017

	Notes	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half Year 30 Sep 2017 S$ Mil (Unaudited)	Half Year 30 Sep 2016 S$ Mil (Unaudited)
Operating revenue		**4,369.8**	4,086.3	**8,602.0**	7,994.2
Operating expenses	2	**(3,125.3)**	(2,900.6)	**(6,160.8)**	(5,633.0)
Other income	3	**47.1**	47.1	**119.8**	107.4
		1,291.6	1,232.8	**2,561.0**	2,468.6
Depreciation and amortisation	4	**(598.9)**	(548.6)	**(1,170.7)**	(1,092.0)
		692.7	684.2	**1,390.3**	1,376.6
Exceptional items	5	**1,933.3**	3.4	**1,907.9**	(27.1)
Profit on operating activities		**2,626.0**	687.6	**3,298.2**	1,349.5
Share of results of associates and joint ventures	6	**487.0**	511.8	**1,002.4**	1,063.3
Profit before interest, investment income (net) and tax		**3,113.0**	1,199.4	**4,300.6**	2,412.8
Interest and investment income (net)	7	**8.9**	20.0	**20.4**	45.0
Finance costs	8	**(100.0)**	(91.2)	**(199.3)**	(181.3)
Profit before tax		**3,021.9**	1,128.2	**4,121.7**	2,276.5
Tax expense	9	**(138.8)**	(160.1)	**(352.5)**	(367.9)
Profit after tax		**2,883.1**	968.1	**3,769.2**	1,908.6
Attributable to:					
Shareholders of the Company		**2,889.0**	972.3	**3,780.6**	1,916.6
Non-controlling interests		**(5.9)**	(4.2)	**(11.4)**	(8.0)
		2,883.1	968.1	**3,769.2**	1,908.6
Earnings per share attributable to shareholders of the Company					
- basic	10	**17.70¢**	6.10¢	**23.16¢**	12.03¢
- diluted	10	**17.67¢**	6.09¢	**23.13¢**	12.00¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the second quarter and half year ended 30 September 2017

	Quarter 30 Sep		Half Year 30 Sep	
	2017 S$ Mil (Unaudited)	2016 S$ Mil (Unaudited)	2017 S$ Mil (Unaudited)	2016 S$ Mil (Unaudited)
Profit after tax	**2,883.1**	968.1	**3,769.2**	1,908.6
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	**(193.1)**	363.2	**(420.4)**	(187.3)
Cash flow hedges				
- Fair value changes.	**(23.2)**	(8.9)	**(7.1)**	70.9
- Tax effects	**(1.2)**	16.1	**(21.8)**	3.0
	(24.4)	7.2	**(28.9)**	73.9
- Fair value changes transferred to income statement	**47.1**	5.9	**29.2**	(50.5)
- Tax effects	**(0.8)**	(12.6)	**17.3**	(0.7)
	46.3	(6.7)	**46.5**	(51.2)
	21.9	0.5	**17.6**	22.7
Fair value changes on available-for-sale investments during the period	**(2.4)**	4.1	**2.4**	9.5
Share of other comprehensive gain/ (loss) of associates and joint ventures	**144.8**	(13.0)	**135.6**	(14.3)
Other comprehensive (loss)/ income, net of tax	**(28.8)**	354.8	**(264.8)**	(169.4)
Total comprehensive income	**2,854.3**	1,322.9	**3,504.4**	1,739.2
Attributable to:				
Shareholders of the Company	**2,860.5**	1,327.0	**3,516.0**	1,747.0
Non-controlling interests	**(6.2)**	(4.1)	**(11.6)**	(7.8)
	2,854.3	1,322.9	**3,504.4**	1,739.2

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2017

	Notes	Group As at 30 Sep 17 S$ Mil (Unaudited)	Group As at 31 Mar 17 S$ Mil (Audited)	Company As at 30 Sep 17 S$ Mil (Unaudited)	Company As at 31 Mar 17 S$ Mil (Audited)
Current assets					
Cash and cash equivalents		**651.4**	533.8	**96.4**	89.2
Trade and other receivables		**5,126.4**	4,924.2	**538.7**	523.5
Due from subsidiaries		**-**	-	**2,240.3**	1,149.8
Derivative financial instruments		**26.2**	107.3	**26.6**	107.1
Inventories		**358.9**	352.2	**25.3**	23.8
		6,162.9	5,917.5	**2,927.3**	1,893.4
Non-current assets					
Property, plant and equipment		**11,740.0**	11,892.9	**2,211.7**	2,326.5
Intangible assets		**14,215.1**	13,072.8	**-**	-
Subsidiaries		**-**	-	**18,978.9**	17,441.0
Joint ventures		**12,042.3**	12,282.9	**23.0**	23.0
Associates		**1,957.7**	1,952.2	**24.7**	603.5
Loan to an associate (1)		**-**	1,100.5	**-**	1,100.5
Available-for-sale investments (**"AFS"**)		**232.2**	192.9	**41.3**	37.4
Derivative financial instruments		**432.6**	455.2	**229.0**	284.9
Deferred tax assets (1)		**448.1**	657.8	**-**	-
Trade and other receivables		**748.5**	769.5	**164.5**	155.1
		41,816.5	42,376.7	**21,673.1**	21,971.9
Total assets		**47,979.4**	48,294.2	**24,600.4**	23,865.3
Current liabilities					
Trade and other payables		**4,826.7**	4,922.4	**743.1**	880.0
Due to subsidiaries		**-**	-	**446.6**	722.0
Advance billings		**844.0**	835.4	**91.7**	74.8
Current tax liabilities		**318.0**	296.3	**111.1**	100.6
Borrowings (unsecured)	12	**864.5**	3,046.9	**-**	-
Borrowings (secured)	12	**68.2**	86.7	**3.4**	1.5
Derivative financial instruments		**24.1**	15.8	**35.9**	110.0
Net deferred gain (1)		**18.6**	68.8	**-**	-
		6,964.1	9,272.3	**1,431.8**	1,888.9
Non-current liabilities					
Borrowings (unsecured)	12	**9,101.1**	7,852.7	**726.6**	746.2
Borrowings (secured)	12	**135.1**	199.6	**76.2**	157.2
Derivative financial instruments		**303.3**	303.1	**322.1**	370.0
Advance billings		**236.6**	245.7	**136.3**	138.3
Net deferred gain (1)		**351.6**	1,282.7	**-**	282.2
Deferred tax liabilities		**558.6**	574.6	**301.5**	282.2
Other non-current liabilities		**350.5**	349.9	**33.3**	23.7
		11,036.8	10,808.3	**1,596.0**	1,717.6
Total liabilities		**18,000.9**	20,080.6	**3,027.8**	3,606.5
Net assets		**29,978.5**	28,213.6	**21,572.6**	20,258.8
Share capital and reserves					
Share capital	13	**4,127.3**	4,127.3	**4,127.3**	4,127.3
Reserves		**25,863.0**	24,086.3	**17,445.3**	16,131.5
Equity attributable to shareholders of the Company		**29,990.3**	28,213.6	**21,572.6**	20,258.8
Non-controlling interests		**10.6**	22.4	**-**	-
Other reserve		**(22.4)**	(22.4)	**-**	-
Total equity		**29,978.5**	28,213.6	**21,572.6**	20,258.8

Note (1): The loan to NetLink Trust was fully repaid and deferred gains (after tax) of S$1.10 billion were released to the income statement following the disposal of 75.2% effective interest in NetLink Trust in July 2017.

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the second quarter ended 30 September 2017

	Attributable to shareholders of the Company											
Group - 2017	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 2017	4,127.3	(18.3)	(119.1)	(4,734.9)	6.8	61.8	30,385.5	(836.9)	28,872.2	17.1	(22.4)	28,866.9
Changes in equity for the quarter												
Performance shares purchased by Trust [5]	-	(4.7)	-	-	-	-	-	-	(4.7)	-	-	(4.7)
Equity-settled share based payment	-	-	9.0	-	-	-	-	-	9.0	-	-	9.0
Performance shares purchased by Singtel Optus Pty Limited ("**Optus**") and vested	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	(0.1)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.3)	-	(0.3)
Final dividend paid	-	-	-	-	-	-	(1,746.6)	-	(1,746.6)	-	-	(1,746.6)
	-	(4.7)	8.9	-	-	-	(1,746.6)	-	(1,742.4)	(0.3)	-	(1,742.7)
Total comprehensive (loss)/ income for the quarter	-	-	-	(192.8)	21.9	(2.4)	2,889.0	144.8	2,860.5	(6.2)	-	2,854.3
Balance as at 30 September 2017	**4,127.3**	**(23.0)**	**(110.2)**	**(4,927.7)**	**28.7**	**59.4**	**31,527.9**	**(692.1)**	**29,990.3**	**10.6**	**(22.4)**	**29,978.5**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the second quarter ended 30 September 2017

	Attributable to shareholders of the Company											
Group - 2016	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 2016	2,634.0	(15.9)	(126.4)	(5,490.9)	17.2	45.9	29,401.2	(1,051.7)	25,413.4	32.5	(22.4)	25,423.5
Changes in equity for the quarter												
Performance shares purchased by Trust [5]	-	(4.7)	-	-	-	-	-	-	(4.7)	-	-	(4.7)
Equity-settled share based payment	-	-	6.5	-	-	-	-	-	6.5	0.1	-	6.6
Transfer of liability to equity	-	-	0.1	-	-	-	-	-	0.1	-	-	0.1
Cash paid to employees under performance share plans	-	-	0.2	-	-	-	-	-	0.2	-	-	0.2
Share of other reserves of associates and joint ventures	-	-	2.2	-	-	-	-	(2.2)	-	-	-	-
Final dividend paid	-	-	-	-	-	-	(1,705.5)	-	(1,705.5)	-	-	(1,705.5)
Others	-	-	-	-	-	-	(1.5)	1.3	(0.2)	-	-	(0.2)
	-	(4.7)	9.0	-	-	-	(1,707.0)	(0.9)	(1,703.6)	0.1	-	(1,703.5)
Total comprehensive income/ (loss) for the quarter	-	-	-	363.1	0.5	4.1	972.3	(13.0)	1,327.0	(4.1)	-	1,322.9
Balance as at 30 September 2016	**2,634.0**	**(20.6)**	**(117.4)**	**(5,127.8)**	**17.7**	**50.0**	**28,666.5**	**(1,065.6)**	**25,036.8**	**28.5**	**(22.4)**	**25,042.9**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the second quarter ended 30 September 2017

Company - 2017	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 2017	4,127.3	44.1	56.4	27.0	16,622.2	20,877.0
Changes in equity for the quarter						
Equity-settled share based payment	-	2.1	-	-	-	2.1
Contribution to Trust [5]	-	(4.2)	-	-	-	(4.2)
Final dividend paid	-	-	-	-	(1,747.2)	(1,747.2)
	-	(2.1)	-	-	(1,747.2)	(1,749.3)
Total comprehensive income for the quarter	-	-	8.5	4.6	2,431.8	2,444.9
Balance as at 30 September 2017	**4,127.3**	**42.0**	**64.9**	**31.6**	**17,306.8**	**21,572.6**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the second quarter ended 30 September 2017

Company - 2016	Share Capital S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserve S$ Mil	Total Equity S$ Mil
Balance as at 1 July 2016	2,634.0	(65.7)	75.0	26.9	15,863.1	-	18,533.3
Changes in equity for the quarter							
Equity-settled share based payment	-	2.7	-	-	-	-	2.7
Cash paid to employees under performance share plans	-	0.2	-	-	-	-	0.2
Contribution to Trust [5]	-	(4.2)	-	-	-	-	(4.2)
Final dividend paid	-	-	-	-	(1,706.0)	-	(1,706.0)
Others	-	-	-	-	-	(0.2)	(0.2)
	-	(1.3)	-	-	(1,706.0)	(0.2)	(1,707.5)
Total comprehensive income/ (loss) for the quarter	-	-	5.0	(0.7)	1,655.0	-	1,659.3
Balance as at 30 September 2016	**2,634.0**	**(67.0)**	**80.0**	**26.2**	**15,812.1**	**(0.2)**	**18,485.1**

Notes:

(1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("**FRS**") 32, ***Financial Instruments: 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 Holdings, Inc. ("**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 2017

	Attributable to shareholders of the Company											
Group - 2017	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 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6
Changes in equity for the period												
Performance shares purchased by the Company	-	(1.4)	-	-	-	-	-	-	(1.4)	-	-	(1.4)
Performance shares purchased by Trust [5]	-	(6.9)	-	-	-	-	-	-	(6.9)	-	-	(6.9)
Performance shares vested	-	17.8	(17.8)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	18.1	-	-	-	-	-	18.1	0.1	-	18.2
Transfer of liability to equity	-	-	4.2	-	-	-	-	-	4.2	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	(0.1)
Performance shares purchased by Optus and vested	-	-	(6.6)	-	-	-	-	-	(6.6)	-	-	(6.6)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.3)	-	(0.3)
Final dividend paid	-	-	-	-	-	-	(1,746.6)	-	(1,746.6)	-	-	(1,746.6)
	-	9.5	(2.2)	-	-	-	(1,746.6)	-	(1,739.3)	(0.2)	-	(1,739.5)
Total comprehensive (loss)/ income for the period	-	-	-	(420.2)	17.6	2.4	3,780.6	135.6	3,516.0	(11.6)	-	3,504.4
Balance as at 30 September 2017	**4,127.3**	**(23.0)**	**(110.2)**	**(4,927.7)**	**28.7**	**59.4**	**31,527.9**	**(692.1)**	**29,990.3**	**10.6**	**(22.4)**	**29,978.5**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended 30 September 2017

	Attributable to shareholders of the Company											
Group - 2016	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 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5
Changes in equity for the period												
Performance shares purchased by the Company	-	(1.0)	-	-	-	-	-	-	(1.0)	-	-	(1.0)
Performance shares purchased by Trust (5)	-	(7.1)	-	-	-	-	-	-	(7.1)	-	-	(7.1)
Performance shares vested	-	18.1	(18.1)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	17.1	-	-	-	-	-	17.1	0.6	-	17.7
Transfer of liability to equity	-	-	4.6	-	-	-	-	-	4.6	-	-	4.6
Cash paid to employees under									-			
performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	-	(0.3)
Performance shares purchased by									-			
Optus and vested	-	-	(7.0)	-	-	-	-	-	(7.0)	-	-	(7.0)
Share of other reserves of associates and joint ventures	-	-	2.7	-	-	-	-	(2.7)	-	-	-	-
Final dividend paid	-	-	-	-	-	-	(1,705.5)	-	(1,705.5)	-	-	(1,705.5)
Others	-	-	-	-	-	-	(1.5)	1.3	(0.2)	-	-	(0.2)
	-	10.0	(1.0)	-	-	-	(1,707.0)	(1.4)	(1,699.4)	0.6	-	(1,698.8)
Total comprehensive (loss)/ income for the period	-	-	-	(187.5)	22.7	9.5	1,916.6	(14.3)	1,747.0	(7.8)	-	1,739.2
Balance as at 30 September 2016	**2,634.0**	**(20.6)**	**(117.4)**	**(5,127.8)**	**17.7**	**50.0**	**28,666.5**	**(1,065.6)**	**25,036.8**	**28.5**	**(22.4)**	**25,042.9**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended 30 September 2017

Company - 2017	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 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8
Changes in equity for the period							
Performance shares purchased by the Company	-	(1.4)	-	-	-	-	(1.4)
Performance shares vested	-	2.3	(2.3)	-	-	-	-
Equity-settled share based payment	-	-	6.7	-	-	-	6.7
Transfer of liability to equity	-	-	4.2	-	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	(0.1)
Contribution to Trust [5]	-	-	(4.8)	-	-	-	(4.8)
Final dividend paid	-	-	-	-	-	(1,747.2)	(1,747.2)
	-	0.9	3.7	-	-	(1,747.2)	(1,742.6)
Total comprehensive income for the period	-	-	-	4.6	3.9	3,047.9	3,056.4
Balance as at 30 September 2017	**4,127.3**	-	**42.0**	**64.9**	**31.6**	**17,306.8**	**21,572.6**

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended 30 September 2017

Company - 2016	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	Other Reserve S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	-	18,233.8
Changes in equity for the period								
Performance shares purchased by the Company	-	(1.0)	-	-	-	-	-	(1.0)
Performance shares vested	-	2.2	(2.2)	-	-	-	-	-
Equity-settled share based payment	-	-	7.0	-	-	-	-	7.0
Transfer of liability to equity	-	-	4.8	-	-	-	-	4.8
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	(0.3)
Contribution to Trust [5]	-	-	(5.0)	-	-	-	-	(5.0)
Final dividend paid	-	-	-	-	-	(1,706.0)	-	(1,706.0)
Others	-	-	-	-	-	-	(0.2)	(0.2)
	-	1.2	4.3	-	-	(1,706.0)	(0.2)	(1,700.7)
Total comprehensive income for the period	-	-	-	33.3	0.7	1,918.0	-	1,952.0
Balance as at 30 September 2016	**2,634.0**	-	**(67.0)**	**80.0**	**26.2**	**15,812.1**	**(0.2)**	**18,485.1**

Notes:

(1) 'Treasury Shares' are accounted for in accordance **FRS 32, *Financial Instruments: 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 2017

	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half Year 30 Sep 2017 S$ Mil (Unaudited)	Half Year 30 Sep 2016 S$ Mil (Unaudited)
Cash Flows from Operating Activities				
Profit before tax	**3,021.9**	1,128.2	**4,121.7**	2,276.5
Adjustments for				
Depreciation and amortisation	**598.9**	548.6	**1,170.7**	1,092.0
Exceptional items (non-cash)	**(1,933.6)**	(4.5)	**(1,934.3)**	(4.6)
Interest and investment income (net)	**(8.9)**	(20.0)	**(20.4)**	(45.0)
Finance costs	**100.0**	91.2	**199.3**	181.3
Share of results of associates and joint ventures (post-tax)	**(487.0)**	(511.8)	**(1,002.4)**	(1,063.3)
Other non-cash items	**8.8**	4.3	**15.3**	11.0
	(1,721.8)	107.8	**(1,571.8)**	171.4
Operating cash flow before working capital changes	**1,300.1**	1,236.0	**2,549.9**	2,447.9
Changes in operating assets and liabilities				
Trade and other receivables	**(136.5)**	(160.1)	**(205.9)**	(244.3)
Trade and other payables	**87.8**	17.7	**50.5**	(178.5)
Inventories	**44.0**	(43.5)	**(7.1)**	(22.0)
Cash generated from operations	**1,295.4**	1,050.1	**2,387.4**	2,003.1
Payment to employees in cash under performance share plans	**-**	-	**(0.8)**	(0.3)
Dividends received from associates and joint ventures	**246.9**	320.5	**1,208.2**	1,265.8
Income tax and withholding tax paid	**(206.3)**	(249.6)	**(373.1)**	(410.8)
Net cash from operating activities	**1,336.0**	1,121.0	**3,221.7**	2,857.8
Cash Flows from Investing Activities				
Dividends received from AFS investments	**0.7**	0.7	**1.5**	1.4
Interest received	**11.1**	15.9	**12.3**	20.1
(Adjustment)/ Payment for acquisition of subsidiaries, net of cash acquired **(Note 1)**	**3.9**	(4.9)	**(336.5)**	(4.9)
Investment in joint venture	**(0.5)**	-	**(0.5)**	(1.7)
Loan repaid by associate **(Note 2)**	**1,100.5**	-	**1,100.5**	-
Proceeds/ Deferred proceeds from disposal of associate and joint venture **(Note 2)**	**1,095.3**	0.3	**1,095.3**	42.6
Investment in AFS investments	**(14.8)**	(9.7)	**(40.1)**	(21.9)
Proceeds from sale of AFS investments	**0.2**	3.2	**1.5**	53.7
Balance carried forward	**2,196.4**	5.5	**1,834.0**	89.3

CONSOLIDATED STATEMENT OF CASH FLOWS

For the second quarter and half year ended 30 September 2017

	Quarter 30 Sep		Half Year 30 Sep	
	2017 S$ Mil (Unaudited)	2016 S$ Mil (Unaudited)	2017 S$ Mil (Unaudited)	2016 S$ Mil (Unaudited)
Cash Flows from Investing Activities (continued)				
Balance brought forward	**2,196.4**	5.5	**1,834.0**	89.3
Payment for purchase of property, plant and equipment	**(618.3)**	(479.7)	**(1,210.4)**	(984.2)
Proceeds from sale of property, plant and equipment	**98.8**	3.7	**102.7**	36.4
Purchase of intangible assets	**(54.5)**	(149.6)	**(1,031.4)**	(200.3)
Withholding tax paid on intra-group interest income	**(13.7)**	(14.3)	**(13.7)**	(14.3)
Net cash from/ (used in) investing activities	**1,608.7**	(634.4)	**(318.8)**	(1,073.1)
Cash Flows from Financing Activities				
Proceeds from term loans	**1,062.1**	2,443.1	**3,983.9**	3,098.3
Repayment of term loans	**(1,705.5)**	(1,276.7)	**(4,340.4)**	(2,606.3)
Proceeds from bond issue	**430.2**	-	**430.2**	-
Repayment of bonds	**(936.4)**	(250.0)	**(936.4)**	(250.0)
Proceeds from finance lease liabilities	**4.9**	2.2	**10.2**	3.9
Finance lease payments	**(10.2)**	(8.8)	**(22.0)**	(17.5)
Net (repayment of)/ proceeds from borrowings	**(1,154.9)**	909.8	**(874.5)**	228.4
Settlement of swap for bonds repaid	**61.4**	-	**61.4**	-
Net interest paid on borrowings and swaps	**(79.3)**	(75.9)	**(200.4)**	(178.2)
Purchase of performance shares	**(4.8)**	(4.7)	**(15.0)**	(15.2)
Final dividend paid to shareholders of the Company	**(1,746.6)**	(1,705.5)	**(1,746.6)**	(1,705.5)
Dividend paid to non-controlling interests	**(0.3)**	-	**(0.3)**	-
Net cash used in financing activities	**(2,924.5)**	(876.3)	**(2,775.4)**	(1,670.5)
Net change in cash and cash equivalents	**20.2**	(389.7)	**127.5**	114.2
Exchange effects on cash and cash equivalents	**(0.8)**	9.2	**(9.9)**	9.2
Cash and cash equivalents at beginning of period	**632.0**	965.7	**533.8**	461.8
Cash and cash equivalents at end of period	**651.4**	585.2	**651.4**	585.2

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
For the second quarter and half year ended 30 September 2017

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

(a) On 10 April 2017, Singtel's wholly-owned subsidiary, Amobee, Inc., acquired 100% of the share capital of Turn, Inc. ("**Turn**") for S$392 million (US$281 million). The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows –

	30 Sep 2017 S$ Mil (Unaudited)
Identifiable intangible assets	53.3
Non-current assets	11.8
Cash and cash equivalents	55.6
Current assets (excluding cash and cash equivalents)	103.6
Total liabilities	(179.7)
Net assets acquired	44.6
Goodwill	347.5
Total cash consideration	392.1
Less: Cash and cash equivalents acquired	(55.6)
Net outflow of cash	**336.5**

(b) The payments for the half year ended 30 September 2016 included deferred payments of S$3.4 million and S$1.5 million made in respect of the acquisitions of Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**") and Ensyst Pty Limited respectively.

Note (2): On 19 July 2017, Singtel sold its 100% interest in NetLink Trust to NetLink NBN Trust for an aggregate consideration of S$1.89 billion comprising a cash consideration of S$1.11 billion and 24.79% interest in NetLink NBN Trust. Singtel has received net proceeds of S$1.10 billion in July 2017 and S$16 million in October 2017. In addition, a unitholder loan of S$1.10 billion was repaid by NetLink Trust to Singtel.

Note (3): For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprised:

	As at 30 Sep 2017 S$ Mil (Unaudited)	As at 30 Sep 2016 S$ Mil (Unaudited)
Fixed deposits	**200.1**	113.0
Cash and bank balances	**451.3**	472.2
	651.4	585.2

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

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 2017. The adoption of the new or revised FRS, amendments to FRS and Interpretations to FRS which became mandatory from 1 April 2017 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 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half year 30 Sep 2017 S$ Mil (Unaudited)	Half year 30 Sep 2016 S$ Mil (Unaudited)
Impairment of trade receivables	**39.5**	35.1	**82.2**	70.5
Allowance for/ (write-back of) inventory obsolescence (net)	**1.0**	0.2	**0.2**	(0.1)

3. OTHER INCOME

Other income included the following items -

Group	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half year 30 Sep 2017 S$ Mil (Unaudited)	Half year 30 Sep 2016 S$ Mil (Unaudited)
Rental income	**0.8**	0.8	**1.6**	1.7
Net exchange losses - trade related	**(4.4)**	(4.1)	**(5.8)**	(7.9)
Net gains on disposal of property, plant and equipment	**2.2**	2.6	**4.0**	8.0

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

4. DEPRECIATION AND AMORTISATION

Group	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half year 30 Sep 2017 S$ Mil (Unaudited)	Half year 30 Sep 2016 S$ Mil (Unaudited)
Depreciation of property, plant and equipment [(1)]	**519.7**	479.5	**1,018.5**	955.8
Amortisation of intangibles	**79.9**	69.8	**153.7**	137.7
Amortisation of deferred gain on sale of a joint venture	**(0.7)**	(0.7)	**(1.5)**	(1.5)
	598.9	548.6	**1,170.7**	1,092.0

Note:

(1) Optus has revised the useful lives of certain network assets from 1 April 2017 as part of its periodic review. The revision has resulted in lower depreciation of S$13 million (A$12 million) and S$25 million (A$24 million) in the current quarter and half year ended 30 September 2017.

5. EXCEPTIONAL ITEMS

Group	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half year 30 Sep 2017 S$ Mil (Unaudited)	Half year 30 Sep 2016 S$ Mil (Unaudited)
Exceptional gains				
Gain on disposal of an associate	**2,053.2**	-	**2,053.2**	-
Gain on sale of AFS investments	**19.8**	0.1	**20.3**	0.2
Gain on dilution of interest in associates and joint ventures	**-**	0.1	**-**	0.1
Reversal of AFS impairment	**-**	5.0	**0.2**	5.0
	2,073.0	5.2	**2,073.7**	5.3
Exceptional losses				
Impairment of acquired intangibles	**(77.3)**	-	**(77.3)**	-
Provision for contingent claims and other charges	**(57.1)**	-	**(57.1)**	-
Impairment of investments	**(5.0)**	(0.7)	**(5.0)**	(0.7)
Staff restructuring costs	**(0.3)**	(1.1)	**(26.4)**	(31.7)
	(139.7)	(1.8)	**(165.8)**	(32.4)
	1,933.3	3.4	**1,907.9**	(27.1)

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

6. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

Group	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half year 30 Sep 2017 S$ Mil (Unaudited)	Half year 30 Sep 2016 S$ Mil (Unaudited)
Share of ordinary results [1]	**648.1**	725.3	**1,381.7**	1,478.3
Share of tax of ordinary results [1]	**(173.4)**	(213.2)	**(388.5)**	(437.5)
Share of exceptional items (post-tax) [1][2]	**12.3**	(0.3)	**9.2**	22.5
	487.0	511.8	**1,002.4**	1,063.3

Notes:

(1) AIS' 3G/4G handset subsidy costs have been reclassified from share of exceptional items to share of ordinary results to be consistent with the current quarter and half year ended 30 September 2017.

(2) Comprise share of exceptional items from Globe and Airtel.

7. INTEREST AND INVESTMENT INCOME (NET)

Group	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half year 30 Sep 2017 S$ Mil (Unaudited)	Half year 30 Sep 2016 S$ Mil (Unaudited)
Interest income from				
- bank deposits	**2.2**	1.5	**3.8**	3.1
- others	**1.5**	7.6	**8.5**	16.6
	3.7	9.1	**12.3**	19.7
Dividends from joint ventures	**5.4**	6.4	**10.9**	24.2
Gross dividends from AFS investments	**1.1**	0.7	**2.1**	0.9
Fair value gains/ (losses) on fair value hedges				
- hedged item	**28.0**	(9.7)	**47.1**	(16.1)
- hedging instrument	**(28.3)**	12.7	**(47.1)**	20.2
	(0.3)	3.0	**-**	4.1
Fair value gains/ (losses) on cash flow hedges				
- hedged item	**47.1**	5.9	**29.2**	(50.5)
- hedging instrument	**(47.1)**	(5.9)	**(29.2)**	50.5
	-	-	**-**	-
Other fair value gains/ (losses)	**1.2**	(1.0)	**(0.3)**	(5.5)
Net foreign exchange (losses)/ gains				
- non-trade related	**(2.2)**	1.8	**(4.6)**	1.6
	8.9	20.0	**20.4**	45.0

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

8. FINANCE COSTS

Group	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half year 30 Sep 2017 S$ Mil (Unaudited)	Half year 30 Sep 2016 S$ Mil (Unaudited)
Interest expense on				
- bonds	**77.8**	73.6	**155.0**	148.2
- bank loans	**12.0**	8.3	**24.8**	16.6
	89.8	81.9	**179.8**	164.8
Financing related costs	**7.7**	7.3	**16.0**	14.3
Effects of hedging using interest rate swaps	**1.6**	0.5	**1.5**	0.2
Unwinding of discounts (including adjustments)	**0.9**	1.5	**2.0**	2.0
	100.0	91.2	**199.3**	181.3

9. TAX EXPENSE

Group	Quarter 30 Sep 2017 S$ Mil (Unaudited)	Quarter 30 Sep 2016 S$ Mil (Unaudited)	Half year 30 Sep 2017 S$ Mil (Unaudited)	Half year 30 Sep 2016 S$ Mil (Unaudited)
Current and deferred tax expense attributable to current period's profits	**139.7**	131.6	**282.4**	273.1
Tax credit on exceptional items	**(26.3)**	(0.3)	**(33.7)**	(9.4)
Current and deferred tax adjustments in respect of prior years	**-**	-	**(0.6)**	(3.0)
Withholding and dividend distribution taxes on dividend income from associate and joint ventures	**25.4**	28.8	**104.4**	107.2
	138.8	160.1	**352.5**	367.9

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

10. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	Quarter 30 Sep		Half year 30 Sep	
Group	2017 '000 (Unaudited)	2016 '000 (Unaudited)	2017 '000 (Unaudited)	2016 '000 (Unaudited)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	**16,324,134**	15,939,204	**16,323,042**	15,938,004
Adjustment for dilutive effect of performance share plan	**22,729**	35,444	**22,729**	35,444
Weighted average number of ordinary shares for calculation of diluted earnings per share	**16,346,863**	15,974,648	**16,345,771**	15,973,448

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 2017

11. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the assets and liabilities measured at fair value as at 30 September 2017:

Group 30 Sep 2017 (Unaudited)	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1]				
- Quoted investments	35.8	-	-	**35.8**
- Unquoted investments	-	-	110.6	**110.6**
	35.8	-	110.6	**146.4**
Derivative financial instruments	-	458.8	-	**458.8**
	35.8	458.8	110.6	**605.2**
Financial liabilities				
Derivative financial instruments	-	327.4	-	**327.4**

Group 31 Mar 2017 (Audited)	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1]				
- Quoted investments	33.3	-	-	33.3
- Unquoted investments	-	-	90.3	90.3
	33.3	-	90.3	123.6
Derivative financial instruments	-	562.5	-	562.5
	33.3	562.5	90.3	686.1
Financial liabilities				
Derivative financial instruments	-	318.9	-	318.9

Note:
(1) Excluded AFS investments stated at cost of S$85.8 million (31 March 2017: S$69.3 million).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the second quarter and half year ended 30 September 2017

11. FAIR VALUE MEASUREMENTS (Continued)

Company 30 Sep 2017 (Unaudited)	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments				
- Quoted investments	32.3	-	-	**32.3**
- Unquoted investments	-	-	9.0	**9.0**
	32.3	-	9.0	**41.3**
Derivative financial instruments	-	255.6	-	**255.6**
	32.3	255.6	9.0	**296.9**
Financial liabilities				
Derivative financial instruments	-	358.0	-	**358.0**

Company 31 Mar 2017 (Audited)	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments				
- Quoted investments	29.1	-	-	29.1
- Unquoted investments	-	-	8.3	8.3
	29.1	-	8.3	37.4
Derivative financial instruments	-	392.0	-	392.0
	29.1	392.0	8.3	429.4
Financial liabilities				
Derivative financial instruments	-	480.0	-	480.0

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

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 2017:

30 Sep 2017 (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	**8,064.6**	5,706.9	2,783.2	-	**8,490.1**
Company					
Bonds	**726.6**	949.3	-	-	**949.3**

31 Mar 2017 (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	8,681.4	6,722.9	2,402.9	-	9,125.8
Company					
Bonds	746.2	957.0	-	-	957.0

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

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.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

11. FAIR VALUE MEASUREMENTS (Continued)

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 17 S$ Mil (Unaudited)	30 Sep 16 S$ Mil (Unaudited)	30 Sep 17 S$ Mil (Unaudited)	30 Sep 16 S$ Mil (Unaudited)
AFS investments - unquoted				
Balance as at 1 April	**90.3**	42.9	**8.3**	7.7
Total gains included in 'Fair Value Reserve'	**3.4**	5.9	**0.7**	0.5
Additions	**4.7**	2.5	**-**	-
Writeback for impairment	**-**	1.3	**-**	-
Disposals	**-**	(2.2)	**-**	-
Transfer from Level 3	**-**	(0.9)	**-**	-
Transfer to Level 3	**12.2**	2.9	**-**	-
	110.6	52.4	**9.0**	8.2

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

12. GROUP'S BORROWINGS AND DEBT SECURITIES

	Group		Company	
	30 Sep 17 S$ Mil (Unaudited)	31 Mar 17 S$ Mil (Audited)	30 Sep 17 S$ Mil (Unaudited)	31 Mar 17 S$ Mil (Audited)
Unsecured borrowings				
Repayable within one year	**864.5**	3,046.9	**-**	-
Repayable after one year	**9,101.1**	7,852.7	**726.6**	746.2
	9,965.6	10,899.6	**726.6**	746.2
Secured borrowings				
Repayable within one year	**68.2**	86.7	**3.4**	1.5
Repayable after one year	**135.1**	199.6	**76.2**	157.2
	203.3	286.3	**79.6**	158.7
	10,168.9	11,185.9	**806.2**	904.9

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

The 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 2017 included:

(a) certain bank loans of Trustwave secured on the assets of Trustwave, and the assets and shares of certain of its subsidiairies;

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

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the second quarter and half year ended 30 September 2017

13. SHARE CAPITAL AND OTHER EQUITY INFORMATION

Share Capital

	Quarter 30 Sep 17		Half year 30 Sep 17	
	Number of shares Mil (Unaudited)	Share capital S$ Mil (Unaudited)	Number of shares Mil (Unaudited)	Share capital S$ Mil (Unaudited)
Balance as at beginning and end of period	**16,329.1**	**4,127.3**	**16,329.1**	**4,127.3**

As at 30 September 2017, the issued and paid up capital excluding treasury shares comprised 16,323.9 million (30 September 2016: 15,939.0) ordinary shares.

Treasury Shares

	Quarter 30 Sep		Half year 30 Sep	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Balance at beginning of period	**4,012,534**	3,453,728	**7,636,301**	7,237,285
Shares transferred to employees under the Singtel Performance Share Plan 2012	**(24,125)**	(14,313)	**(4,617,206)**	(4,721,019)
Purchase of treasury shares	**1,226,060**	1,115,140	**2,195,374**	2,038,289
Balance at end of period	**5,214,469**	4,554,555	**5,214,469**	4,554,555

As at 30 September 2017, the number of treasury shares represented 0.03% (30 September 2016: 0.03%) of the total number of issued shares.

During the current quarter, 24,125 (30 September 2016: 14,313) treasury shares were transferred to employees upon vesting of shares released under the Singtel Performance Share Plan 2012 and 1,226,060 (30 September 2016: 1,115,140) treasury shares were purchased.

During the half year ended 30 September 2017, 4,617,206 (30 September 2016: 4,721,019) treasury shares were transferred to employees upon vesting of shares released under the Singtel Performance Share Plan 2012 and 2,195,374 (30 September 2016: 2,038,289) treasury shares were purchased.

Except for the transfers, there was no other sale, disposal, cancellation and/or other use of treasury shares for the quarter and half year ended 30 September 2017.

The Company's subsidiaries do not hold shares in the Company as at 30 September 2017 and 30 September 2016.

Performance Shares

As at 30 September 2017, the number of outstanding performance shares granted under the Singtel Performance Share Plan 2012 was 37,540,800 (30 September 2016: 38,518,386).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

14. DIVIDENDS

On 8 November 2017, the Directors approved an interim one-tier exempt ordinary dividend of 6.8 cents (FY 2017: 6.8 cents) per share and a special one-tier exempt dividend of 3.0 cents (FY 2017: Nil) per share, in respect of the current financial year ending 31 March 2018.

The financial statements for the half year ended, and as at, 30 September 2017 have not reflected these dividends. The dividends will be accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the next quarter ending 31 December 2017.

During the half year ended 30 September 2017, a final one-tier exempt ordinary dividend of 10.7 cents per share totalling S$1.75 billion was paid in respect of the previous financial year ended 31 March 2017.

15. NET ASSET VALUE

	Group As at		Company As at	
	30 Sep 17 S$ (Unaudited)	31 Mar 17 S$ (Audited)	30 Sep 17 S$ (Unaudited)	31 Mar 17 S$ (Audited)
Net asset value per ordinary share	**1.84**	1.73	**1.32**	1.24

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 treasury shares.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

16. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) **Guarantees**

As at 30 September 2017,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$547.6 million and S$257.9 million (31 March 2017: S$437.5 million and S$268.1 million) respectively.

(ii) The Company provided guarantees for loans of S$620 million (31 March 2017: S$1.16 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**") with maturities between December 2018 and May 2020.

(iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$4.04 billion (31 March 2017: S$4.92 billion) due between April 2018 and October 2026.

(b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised of primary tax of A$268 million, interest of A$58 million and penalties of A$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A$89 million.

STAI has objected to the amended assessments.

In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continues to be recognised as a receivable as at 30 September 2017.

On 2 November 2017, STAI received a tax position paper from the ATO in relation to the subsequent re-financing of the above loan.

STAI has received advice from external experts in relation to the matters and will vigorously defend its position. Accordingly, no provision has been made as at 30 September 2017.

(c) The Group is contingently liable for claims arising in the ordinary course of business and certain tax assessments which are being contested, the outcome of which are not presently determinable. The Group is vigorously defending all these claims.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

17. CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES

(a) Bharti Airtel Limited ("**Airtel**"), a 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 (S$1.08 billion) towards levy of one time spectrum charge.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licences 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 2017, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 133 billion (S$2.76 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

(b) Advanced Info Service Public Company Limited ("**AIS**"), a joint venture of the Group, has various commercial disputes and significant litigations.

In 2008, CAT Telecom Public Company Limited ("**CAT**") demanded that AIS' subsidiary, Digital Phone Company Limited ("**DPC**") pay additional revenue share of THB 3.4 billion (S$139 million) arising from the abolishment of excise tax. CAT's claim is still pending appeal before the Supreme Administrative Court.

In 2015, TOT demanded that AIS pays additional revenue share of THB 62.8 billion (S$2.56 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S$1.47 billion) plus interest. The claims are pending arbitration.

Between 2014 to 2016, TOT demanded that AIS pays THB 41.1 billion (S$1.67 billion) plus interest for the porting of subscribers from 900MHz to 2100MHz network. This case is pending arbitration.

As at 30 September 2017, there are a number of other claims filed by third parties against AIS and its subsidiaries amounting to THB 27.2 billion (S$1.11 billion) which are pending adjudication.

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

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

17. CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES (Continued)

(c) In October 2017, Intouch Holdings Public Company Limited ("**Intouch**") and its subsidiary, Thaicom Public Company Limited ("**Thaicom**") received letters from the Ministry of Digital Economy and Society (the "**Ministry**") stating that Thaicom 7 and Thaicom 8 satellites (the "**Satellites**") are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the Agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.

(d) Globe Telecom, Inc. ("**Globe**"), a 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's financial position and results of operations.

In June 2016, the Philippine Competition Commission ("**PCC**") claimed that the Joint Notice of Acquisition filed by Globe, PLDT and San Miguel Corporation ("**SMC**") on the acquisition of SMC's telecommunications business was deficient and cannot be claimed to be deemed approved. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines ("**CA**") to stop the PCC from reviewing the acquisition. In October 2017, the CA ruled in favour of Globe and PLDT, and declared the acquisition as valid and deemed approved.

(e) As at 30 September 2017, PT Telekomunikasi Selular ("**Telkomsel**"), a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 179 billion (S$18 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 2017

18. GROUP SEGMENT INFORMATION

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

The Group is organised by three business segments, 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, mainly AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore, Australia, United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT and professional consulting.

Group Digital Life ("**GDL**") focuses on using the latest internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

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

The 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 the business segments using established methodologies.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the second quarter and half year ended 30 September 2017

18. GROUP SEGMENT INFORMATION (Continued)

For the half year ended 30 September 2017

Group 30 Sep 2017 (Unaudited)	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	4,753.4	3,298.1	550.5	-	**8,602.0**
Operating expenses	(3,176.7)	(2,356.5)	(587.9)	(39.7)	**(6,160.8)**
Other income	100.0	17.9	0.1	1.8	**119.8**
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	1,676.7	959.5	(37.3)	(37.9)	**2,561.0**
Share of pre-tax results of associates and joint ventures					
- Airtel	169.7	-	-	-	**169.7**
- Telkomsel	754.4	-	-	-	**754.4**
- Globe	163.4	-	-	-	**163.4**
- AIS	164.6	-	-	-	**164.6**
- Intouch	47.5	-	-	-	**47.5**
- Others	0.2	-	-	89.1	**89.3**
	1,299.8	-	-	89.1	**1,388.9**
EBITDA and share of pre-tax results of associates and joint ventures	2,976.5	959.5	(37.3)	51.2	**3,949.9**
Depreciation and amortisation	(812.5)	(316.5)	(41.6)	(0.1)	**(1,170.7)**
Earnings before interest and tax ("EBIT")	**2,164.0**	**643.0**	**(78.9)**	**51.1**	**2,779.2**
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,797.9	-	-	-	**6,797.9**
- Telkomsel	3,371.9	-	-	-	**3,371.9**
- Globe	1,089.0	-	-	-	**1,089.0**
- AIS	688.2	-	-	-	**688.2**
- Intouch	1,585.5	-	-	-	**1,585.5**
- Others	24.6	-	-	442.9	**467.5**
	13,557.1	-	-	442.9	**14,000.0**
Goodwill on acquisition of subsidiaries	9,193.1	1,211.1	1,048.0	-	**11,452.2**
Other assets	13,227.5	5,774.0	817.5	2,708.2	**22,527.2**
	35,977.7	**6,985.1**	**1,865.5**	**3,151.1**	**47,979.4**

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the second quarter and half year ended 30 September 2017

18. GROUP SEGMENT INFORMATION (Continued)
For the half year ended 30 September 2017

Group 30 Sep 2016 (Unaudited)	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	4,536.7	3,191.7	265.8	-	**7,994.2**
Operating expenses	(3,054.5)	(2,220.1)	(320.2)	(38.2)	**(5,633.0)**
Other income/ (expense)	95.7	20.9	(8.6)	(0.6)	**107.4**
EBITDA	1,577.9	992.5	(63.0)	(38.8)	**2,468.6**
Share of pre-tax results of associates and joint ventures					
- Airtel	348.6	-	-	-	**348.6**
- Telkomsel	690.7	-	-	-	**690.7**
- Globe	148.0	-	-	-	**148.0**
- AIS	179.8	-	-	-	**179.8**
- Others	0.3	-	-	110.9	**111.2**
	1,367.4	-	-	110.9	**1,478.3**
EBITDA and share of pre-tax results of associates and joint ventures	2,945.3	992.5	(63.0)	72.1	**3,946.9**
Depreciation and amortisation	(741.1)	(316.9)	(33.4)	(0.6)	**(1,092.0)**
EBIT	**2,204.2**	**675.6**	**(96.4)**	**71.5**	**2,854.9**

Group 31 Mar 2017 (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	6,847.0	-	-	-	**6,847.0**
- Telkomsel	3,606.2	-	-	-	**3,606.2**
- Globe	1,085.4	-	-	-	**1,085.4**
- AIS	646.4	-	-	-	**646.4**
- Intouch	1,577.2	-	-	-	**1,577.2**
- Others	25.2	-	-	447.7	**472.9**
	13,787.4	-	-	447.7	**14,235.1**
Goodwill on acquisition of subsidiaries	9,193.4	1,241.4	729.8	-	**11,164.6**
Other assets	12,590.8	5,637.4	602.5	4,063.8	**22,894.5**
	35,571.6	**6,878.8**	**1,332.3**	**4,511.5**	**48,294.2**

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the second quarter and half year ended 30 September 2017

18. GROUP SEGMENT INFORMATION (Continued)
For the half year ended 30 September 2017

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

Group	30 Sep 17 S$ Mil (Unaudited)	30 Sep 16 S$ Mil (Unaudited)
EBIT	**2,779.2**	**2,854.9**
Exceptional items	1,907.9	(27.1)
Share of exceptional items of associates and joint ventures (post-tax)	2.0	22.5
Share of tax of associates and joint ventures	(388.5)	(437.5)
Profit before interest, investment income (net) and tax	**4,300.6**	**2,412.8**
Interest and investment income (net)	20.4	45.0
Finance costs	(199.3)	(181.3)
Profit before tax	**4,121.7**	**2,276.5**

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 38% (30 September 2016: 40%) and 52% (30 September 2016: 52%) of the total revenue for the half year ended 30 September 2017, with the remaining 10% (30 September 2016: 8%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

OTHER INFORMATION

19. The statements of financial position as at 30 September 2017 and the income statement, statement of comprehensive income, changes in equity and cash flows for the second quarter and half year ended 30 September 2017 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 36 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 2017.

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 2017.

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 2017.

23. INTERESTED PERSON TRANSACTIONS

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

24. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

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 2017 to be false or misleading.

On behalf of the Board of Directors

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

Singapore
8 November 2017

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 2017

Introduction

We have reviewed the accompanying statement of financial position of Singapore Telecommunications Limited ("**Singtel**" or the "**Company**") as of 30 September 2017 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 2017 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
8 November 2017