



WE OPERATE IN A WORLD WHERE THE SERVICES OF TELECOMMUNICATIONS COMPANIES AND INTERNET PLAYERS ARE RAPIDLY MERGING ONTO THE MOBILE INTERNET PLATFORM.

Dear Shareholders,

The SingTel Group has delivered another year of resilient financial performance while repositioning ourselves for transformation.

We operate in a world where the services of telecommunications companies and internet players are rapidly merging onto the mobile internet platform. In this digital age, consumers are increasingly turning to the mobile internet for information, entertainment and to transact, as smartphones and tablets become more prevalent.

Our industry is changing and subject to many forces. We are facing new competitors in the form of over-the-top players offering free services that ride on our networks, intensifying price competition, growing policy risks and regulatory intervention across the countries the Group operates in.

TRANSFORMATION IS AN IMPERATIVE

The Board and Management have put in place a compelling strategy and restructured the Group to capitalise on the opportunities this new digital world presents. We have valuable assets in our subscriber base, customer relationships and extensive networks, which form the foundation for us to develop new products and services. Underlying our ambition is a fundamental promise to our customers: to shape communications that will enhance their lives and empower their businesses into the future.



Today, the fastest growing area in global telecommunications is mobile data. This gives us the opportunity to disrupt adjacent markets as well as extend our customer relationships and grow our share of their wallets. Our recent acquisition of US-based Amobee, which we will develop to become a global advertising platform, is an example of this.

We remain committed to enhancing our infrastructure to deliver the best customer experience. However, the exponential growth in mobile data requires significant investments in spectrum and network capacity. To justify continued investments, the industry needs to shift away from offering unlimited data plans and deliver sustainable returns for operators.

A COMMITTED BOARD

The Board and Management are focused on the Group's transformation. This agenda also drives the Board's talent management and succession planning efforts. We are mindful that our transformation is a journey which will require time before meaningful results can be seen.

We have devoted considerable time to understanding the new digital space and I am particularly appreciative that my fellow Directors made the time to spend a week in a structured Silicon Valley immersion programme.

The Board views strong governance as the foundation for the long-term success of the Group. We firmly believe that integrity and upholding the highest standards of corporate governance are essential to delivering the Group's strategy.

This year, we placed a higher priority on risk and established a separate Risk Committee in May. Every year, following the conclusion of our annual strategic planning exercise, we review the skill sets required to support our strategic agenda and maintain the necessary diversity in the composition of the Board. This forms the basis of Board renewal and recruitment. In addition, an independent external consultant is appointed to help evaluate the effectiveness of the Board, the Board Committees and the contribution of each Director. The Board, led by the Lead Independent Director, also assesses the effectiveness of the Chairman.

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PEOPLE AND THE COMMUNITY

People are our key assets. Our transformation is the top priority and this is the common goal that will guide the Group's 23,000 employees. Their commitment and passion will build the future for SingTel.

In addition to financial performance, we are mindful of our commitment to our employees, the environment and the communities where we operate. Last year, we responded as a Group by making donations and providing assistance to help relief efforts following natural disasters in Thailand and the Philippines.

In conclusion, I would like to thank my fellow Directors, Management and all employees of the Group for their dedication and commitment to SingTel.



Simon Israel
Chairman