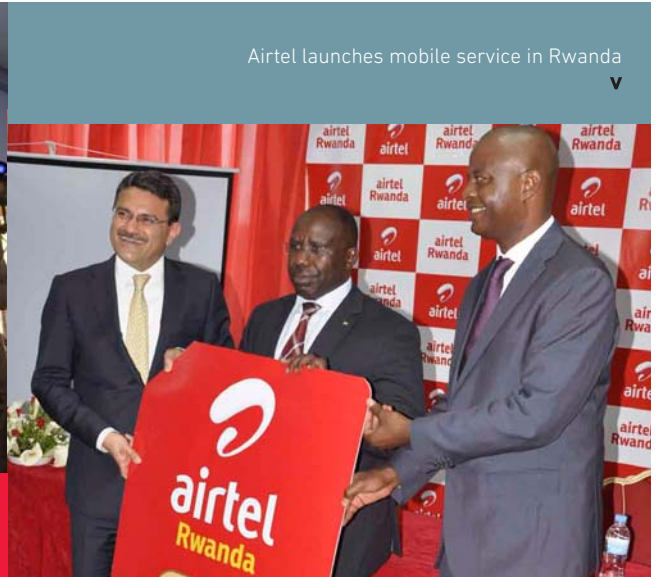




Optus celebrates its 20th anniversary



Airtel launches mobile service in Rwanda



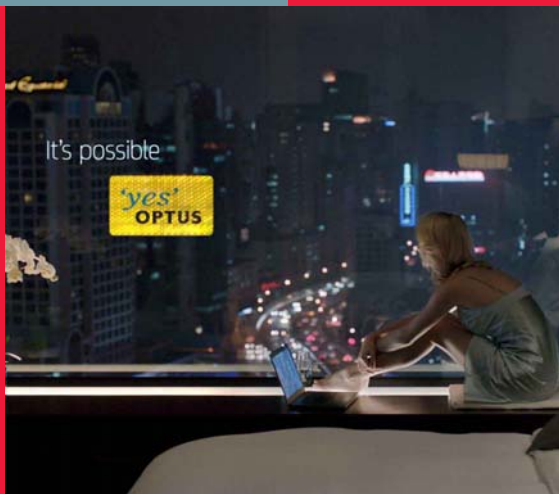
SingTel brings a wide range of exciting handsets to customers



2,000 employees stand together to form the new AIS logo

GROUP CONSUMER

Optus revitalises its brand to build stronger bonds with customers



Rewarding Lady Gaga look-alikes with tickets to the artist's showcase – exclusive to SingTel

OPERATING AND FINANCIAL REVIEW

GROUP CONSUMER

Group Consumer consolidates the Group's consumer-related functions, including those of the emerging markets, allowing us to fully leverage our scale of more than 400 million mobile customers.

The new unit focuses on driving more value from our core carriage business. Firstly, Group Consumer is realising scale synergies through the SingTel Group's cost and capital expenditure programmes. Secondly, we are sharpening our focus and driving critical scale in areas of new technology, product development and customer offerings which can then be offered to our associates. Finally, we are accelerating the evolution of our sales, marketing and customer support organisations to optimise selling and the provision of new digital life services to our customers.

To be an effective organisation that anticipates, responds to and influences customer behaviour, we continuously invest in our brands, networks and processes, setting new benchmarks in customer experience.

Forging closer connections with customers through our brands

SingTel, Optus, Airtel, AIS, Citycell, Globe, Telkomsel and Warid are established brands in their respective markets. To strengthen our connection with customers and develop a more intimate understanding of their needs, the Group's brands are rejuvenated from time to time to ensure their brands' attributes appeal to new and existing customers.

During the year, the AIS brand was refreshed with a new logo, fashioned after a green smile. The complementary tagline "Your World.Your Way." reflects AIS' promise to uphold service standards, as well as to deliver relevant products and services to customers.

In Australia, the Optus brand was revitalised with a new marketing campaign to build stronger bonds with customers by showing them we care, from connecting them with their loved ones to getting the hottest phone before anyone else. A new digital twist was also incorporated into the campaign to represent Optus innovation in the digital space.

In January 2012, Optus celebrated 20 years of providing value, choice, service and innovation to Australian consumers. Optus' name, derived from the Latin verb "optare" meaning "choice",

has become synonymous with choice over the last two decades. Today, Optus is one of Australia's most recognised and respected brands.

Delighting customers with superior service at all touch points

We are inspired to provide the best customer experience with our interactions through various channels and touch points.

During the year, we continued to refine our processes, improve products and train staff to better engage customers. In Australia, we made it easier for customers to interact with us by introducing more online self-service tools and providing incentives for them to utilise such tools. More than two million customers have registered to manage their accounts through the Optus MyAccount portal. Online channels were further enhanced with the Optus Community forum, a live chat feature for customers, a dedicated area for frequently asked questions and educational tutorials to help customers find out more about our products and services. In addition, we introduced usage alerts and a new MyOptus app that allows mobile customers to view, pay and recharge their accounts on the go.

In Singapore, our customers who make purchases via singtelshop.com enjoy the option of free home delivery as well as exclusive special offers and discounts. We upgraded our flagship retail store for a truly interactive retail experience. With touch screens embedded in its exterior glass walls, the store is effectively open 24/7, thus maximising consumer reach.

Valuing and rewarding our customers are also priorities. SingTel customers are now able to transfer and combine points with other customers to redeem rewards under our revamped Red Rewards loyalty programme, a market first. Optus customers also enjoy more value with the introduction of the Optus Rewards programme in partnership with Qantas Frequent Flyer.

AIS went one step further by offering Facebook as a new customer service channel, becoming the first operator in Thailand to do so. Telkomsel opened "GraPARI 24 Jam", a 24-hour service centre located in downtown Jakarta that caters to the needs of busy Telkomsel customers.

We have proactively addressed the issue of overseas data roaming charges, a concern for customers. As part of the Bridge

Alliance, SingTel, Optus and our associates, together with other Bridge Alliance member operators, offer overseas data roaming packages, including unlimited and capped data packages, at affordable rates using partners' networks. These plans are designed to help customers manage their data roaming charges and avoid bill shock.

Capturing growth from mobile data and a larger share of the customer's wallet

The fastest growing area in the global telecommunications market is mobile data, spurred by the proliferation of sophisticated mobile devices and the availability of richer applications and content.

We are transforming ourselves to capture value from this growth. We have a comprehensive strategy that encompasses apps, content, handsets, price plans and customer experience to win a bigger share of customers' spend, as they communicate, consume information and perform transactions.

Through our continuous network investments, customers enjoy a quality connection and seamless experience both indoors and on the go. In FY2012, we upgraded our network with Long Term Evolution (LTE) technology or 4G in Singapore. We were the first and remain the only consumer LTE service provider in Singapore. We are working towards nationwide coverage by early 2013. With our LTE service, we are setting the industry trend by moving away from "all-you-can-eat" plans. Together with Priority Pass, which offers tiered price plans for different access speeds, we aim to promote a sustainable level of network usage and improve customer experience.

Optus has started rolling out a 4G network and turned on services for customers in Newcastle, New South Wales in April 2012. From mid-2012, Optus' 4G services will also be delivered in the capital cities of Sydney, Melbourne and Perth. In February 2012, Optus announced plans to acquire Vividwireless, which will provide Optus with additional spectrum in the 2.3Ghz frequency.

In another ground-breaking initiative, Optus introduced a new offer providing 50GB of free home broadband on a range of competitively priced mobile and telephony plans. By deploying fixed-line capabilities to complement mobile offerings, Optus seeks to differentiate its services against our competitors.

SIGNIFICANT HIGHLIGHTS

2011

APRIL

- > Telkomsel crossed the 100 million customer mark

JUNE

- > SingTel was the first to publish true mobile speeds with the introduction of Priority Pass

JULY

- > SingTel rewarded customers with an exclusive showcase by Lady Gaga
- > Airtel announced a new organisation structure for the India and South Asia operations
- > Optus launched Australia's first femtocell service
- > Warid Glow celebrated its youth-centric brand turning two

SEPTEMBER

- > Optus and Qantas Frequent Flyer launched new alliance to reward Optus' consumer as well as small-medium business customers with Qantas Frequent Flyer points
- > AIS introduced a new logo and tagline, "Your World. Your Way."

OCTOBER

- > SingTel and partners announced plans to develop next generation near field communications solutions

SIGNIFICANT HIGHLIGHTS

2011

NOVEMBER

- > Optus launched commercial services on the NBN
- > Optus connected Australia's first LTE data call in the 700MHz "Digital Dividend" spectrum band
- > SingTel unveiled the next social media star on YouTube
- > Globe announced network and IT transformation plans
- > Citycell sponsored the 7th Citycell-Channel i Music Awards
- > Airtel passed the 50 million mobile customer mark in Africa

DECEMBER

- > LTE network lit up in Singapore

2012

JANUARY

- > Optus celebrated 20 years of operations and marked the beginning of competition in the Australia telecommunications market
- > Globe introduced GCASH mobile app for iPhone

FEBRUARY

- > Optus announced plans to acquire Vividwireless to build a new 4G network

Our regional associates are similarly undergoing network transformation in anticipation of the emerging opportunities in mobile data services. Globe commenced its Network and IT Transformation programme to support traffic growth and improve customer experience. AIS believes that a quality and extensive 3G network, which can support rich data services, is essential for Thailand's future. AIS plans to participate in the anticipated 3G auction by the Thai regulator in 2012.

Airtel expanded its 3G services and covered more than 300 cities as at end March 2012. 3G traffic has been expanding rapidly and is expected to grow even faster when handset prices reach mass market levels. Airtel has also launched 3G services in seven of 17 countries in Africa.

Building next generation fibre networks

The digital evolution will gain pace with the rollout of fibre networks in Australia and Singapore. In Singapore, the government-sponsored fibre network, known as the Next Generation Nationwide Broadband Network (Next Gen NBN), is already available in more than 90 per cent of homes.

With the Next Gen NBN, we are leveraging the speeds to strengthen our consumer business, by offering multimedia bundles that span customers' needs across entertainment, information and games. More customers are signing up for fibre services and as at end March 2012, we had 76,000 customers, making us the leader in the home fibre market.

In Australia, the arrival of the National Broadband Network (NBN) will present opportunities in health, education and entertainment applications. The NBN will also double Optus' addressable market from our current four million homes. We have begun to offer NBN services to consumers and small-medium business customers in areas where the NBN is available. Optus has also signed an interim satellite deal with NBN Co, as well as a significant deal to migrate customers from our Hybrid Fibre Co-axial (HFC) network to the NBN. Optus expects the initial migration of its HFC customers to the NBN will commence in 2014, once the deal is approved by the regulator, the Australian Competition and Consumer Commission.