

>
mio TV launches
Jia Le, a Hokkien
language channel



GROUP
DIGITAL LIFE



<
skoob has over 60,000 listings and accepts
payment in Singapore currency



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Optus ONE80 Project, a national competition
that gives aspiring filmmakers a chance at
TV production in partnership with MTV



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Demo Day marks the end of the first bootcamp
sponsored by SingTel Innov8



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Senator The Hon. Stephen Conroy presents the winners
of the "Unleash Your Apps" competition, organised by
Optus and National ICT Australia

OPERATING AND FINANCIAL REVIEW

GROUP DIGITAL LIFE

Group Digital Life focuses on creating new growth engines by delighting customers with innovative and cutting-edge digital services beyond traditional telephony, mobile, broadband and video offerings.

As customers spend more time on their mobile devices and the internet, this behaviour is creating immense opportunities for us to develop compelling products over the mobile and digital platforms.

Currently, our mobile apps and fibre services allow customers to purchase music, books, games and online storage. We also deliver information for shopping, dining, entertainment and related special promotions to customers.

To truly grow our share of the customer's wallet and bring in new revenue to the Group, we will increasingly be competing in new markets and adjacent industries, such as media, entertainment, retail and banking. As a challenger in these industries, we will be disruptive in our approach, supported by our strong and steady core communications business.

Winning with apps – focusing on hyperlocal apps that tap local and unique knowledge

We continued to lead the market with converged, innovative and differentiated digital services that enhance the way our customers live, work and play.

In Australia, Optus offered a consumer cloud service, Optus Smart Safe™, which enables customers to back up and store content from their mobile handsets or PCs for ready access anytime, anywhere. Similarly in Singapore, our SingTel Store & Share solution offers consumers online storage for their documents, photos, music, videos and other multimedia content. It automatically synchronises users' digital content across their mobile devices and PCs, and enables fast and reliable sharing of files and folders via SMS, social networks, instant messaging and email.

Our apps and multimedia services possess strong local context and are relevant to customers looking for local information, entertainment and deals. Aptly called "hyperlocal" apps, they are an example of how we are differentiating ourselves from global content providers, by offering services that specifically cater to the needs and tastes of Singaporeans and Australians.

Our growing suite of multimedia apps has been well received by customers. More importantly, we are able to boost usage of our content and apps by pre-installing them onto customers' devices, which are subsidised for postpaid mobile customers who sign up for a minimum contractual period. This gives us an invaluable advantage over other content providers.

In Singapore, our voice-activated deF!ND digital concierge app makes it easier for our customers to find important information and perform tasks, like booking movie tickets and making restaurant reservations on the move. With over 60,000 book titles, skoob, was the first ebook store to accept payments in Singapore Dollars, and customers enjoy the convenience of having purchases billed to their monthly SingTel bill.

inSing.com, our hyperlocal portal that offers the latest news, food reviews, movies and shopping deals, has become one of the top sites in Singapore. We also added new features to our AMPed™ 2.0 to allow for unlimited streaming of music on mobile devices and PCs on demand. We included Asian songs in our offering and AMPed™ has a library of more than three million songs.

In Australia, Optus Go Places makes dining out an easier and more convenient experience by providing restaurant listings, reviews, bookings, travel instructions and vouchers all in one easy-to-use app.

Some apps are exclusive to our customers to differentiate our services against competitors' and reduce churn. We have also begun to monetise some of these apps by charging for content via revenue share arrangements with the content owners we have partnered for the apps.

In FY2012, Optus announced partnerships with a few content providers, including Football Federation Australia, Channel 7 for their broadcast of the Australian Open tennis tournament and the Australian Recording Industry Awards which saw Optus develop unique content for mobile customers.

Moving into adjacent markets, competing from a position of strength

The mobile advertising and marketing industry is an important adjacent space that allows us to play to our strengths. By leveraging our unique assets and Amobee, a recently acquired

mobile advertising company, we will be able to realise the full potential of mobile marketing as a platform to change the way brands communicate with their customers.

Our customer data gives us the ability to help brands better target their customers, so they can be sent relevant, useful messages based on their location and preferences. This increases the effectiveness of the brands' advertising messages and also enhances customer satisfaction. Our extensive reach to over 400 million mobile customers also gives advertisers more scope to deepen their one-on-one engagement with different audiences across different countries.

In the emerging markets where our regional mobile associates operate, mobile phones are possibly the most effective way for advertisers to reach the mass consumer market, as many people in these markets do not have PCs or TVs. For us to be successful in these markets, we will need to develop advertising solutions that suit phones with limited functionalities.

TV and video are another important part of our strategy to increase our customer wallet share. Our Singapore pay TV service, mio TV, increased its customers to 368,000 with the introduction of Jia Le channel, a Hokkien channel, as well as Malay channels. With a renewed focus on specific customer segments, we now have a market share of 40 per cent. We continued to grow our market share in TV by bringing additional content to our mio TV platform, such as top Taiwanese dialect dramas series and top movie titles available on the same day as their DVD release.

Optus MeTV with fetch is an internet TV service which is available on demand via customers' existing broadband connection. Optus MeTV with fetch brings together the best of digital free-to-air and subscription TV, plus access to the latest movies, entertainment, documentaries, music and more all at a very affordable price.

Taking digital knowledge to the region – making a difference to our associates

The digital products and services we are developing in Singapore and Australia have real relevance for our regional mobile associates, particularly in view of the rapid growth in mobile data. We are able to share our expertise and knowledge to give them a head start over their competitors.

SIGNIFICANT HIGHLIGHTS

2011

MAY

- > Optus Smart Safe™, a back-up and storage cloud service, was offered

JUNE

- > Optus announced digital partnership with Football Federation Australia

JULY

- > Optus TV Now™, a mobile free-to-air recording and playback service, was launched
- > MyAppsMall, the first regional service delivery platform, was launched in Singapore

AUGUST

- > mio TV introduced Jia Le, Singapore's first Hokkien channel

SEPTEMBER

- > National ICT Australia and Optus launched student competition to find "killer" Android mobile app

OCTOBER

- > Optus MeTV with fetch, an internet TV service available on demand, was introduced
- > First SingTel Innov8 Startup Weekend event was held in Singapore
- > Optus Go Places, a mobile app designed to make dining out easy and convenient, was introduced

SIGNIFICANT HIGHLIGHTS

2011

NOVEMBER

- > SingTel unveiled Singapore's first ebookstore, skoob
- > deF!ND, a SingTel digital concierge service, was introduced
- > SingTel introduced Store & Share solution to enable customers to store documents, photos, music, videos and other multimedia content
- > SingTel unveiled a brand-new, action-packed channel, KIX HD

2012

JANUARY

- > The first SingTel Innov8 regional bootcamp for start-ups kicked off in Singapore
- > Optus served up new digital apps and Wi-Fi at Australian Open

FEBRUARY

- > France24 joined the mio TV family

MARCH

- > SingTel announced plan to acquire US-based Amobee to expand its presence into the fast-growing mobile advertising and marketing industry
- > SingTel announced that all mio TV customers will enjoy free viewing of the London 2012 Olympic Games

The Group introduced the first regional service delivery platform across various mobile networks in the region. This gives us, developers and other partners the ability to distribute content and services across various markets easily. The platform also enables our partners to reach out to unbanked users in the prepaid markets through our operator billing relationships.

MyAppsMall, a multi-market applications store that allows users to access and personalise digital content via their smartphones or feature phones, was the first service launched over the platform. It is currently offered in four markets, namely the Philippines, Singapore, Indonesia and Thailand, with plans to bring the other Group operators on board.

Driving innovation internally and externally

Driving innovation is key for the development of new digital products and services. Even as we innovate internally, SingTel Innov8 (Innov8) and SingTel Idea Factory are charged with scouting and bringing cutting-edge external innovations to the Group.

We are nurturing the regional innovation ecosystem to make Asia an innovation hub. This ensures we stay abreast of the latest developments in technology and allows us to gain early access to these technologies.

In Australia, Optus partnered National ICT Australia to organise a competition for students to create a unique and innovative Android mobile application that makes lives easier.

Innov8, our independent corporate venture capital company, was a key partner in bringing Southeast Asia's first 100-day bootcamp for start-ups to Singapore. The bootcamp participants received intensive mentorship from industry experts and were given the opportunity to obtain funding from investors at the end of the programme.

Innov8 also worked with AIS, Airtel, Globe, Telkomsel, Optus and SingTel to tap into regional talent with six regional Startup Weekends. The events connected the SingTel Group with next generation entrepreneurs and demonstrated our commitment to supporting the various local start-up ecosystems. Winning teams were then invited to participate in the bootcamp.