

CHANGING THE WORLD OF COMMUNICATIONS



We're on a
mission

OUR CUSTOMERS ARE AT THE HEART OF WHAT WE DO



We're building **new and exciting services** to help customers live, work and play.

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WE HAVE RESHAPED OUR CORE OPERATIONS



We're raising productivity
and **profitability**.

We're also deepening
customer **engagement**.

WE HAVE THE SCALE AND THE ASSETS



Now we're
poised to capture
new growth
opportunities in
the **digital space.**





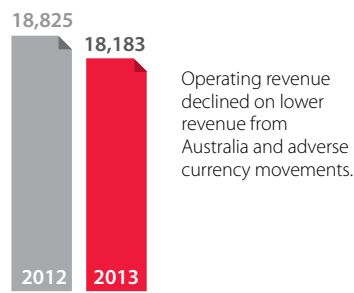
WE HAVE GREAT PEOPLE



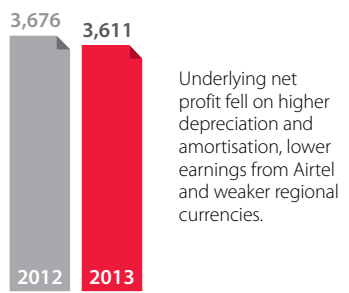
They're driving our
transformation and
delivering results.

KEY FIGURES

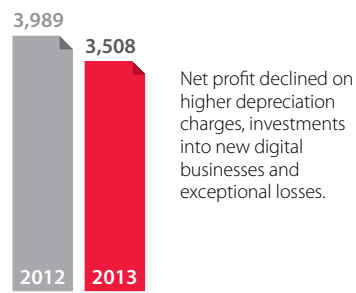
OPERATING REVENUE (\$\$ m)



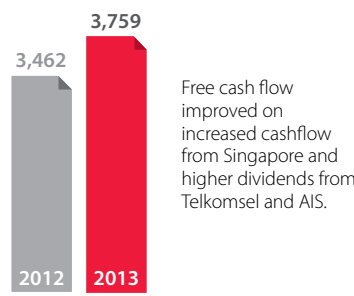
UNDERLYING NET PROFIT (\$\$ m)



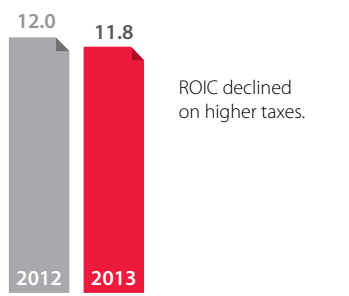
NET PROFIT (\$\$ m)



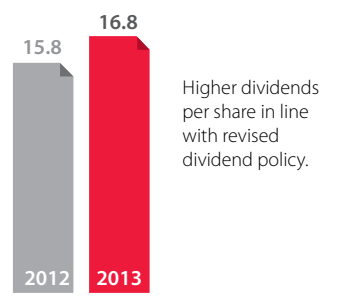
FREE CASH FLOW (\$\$ m)



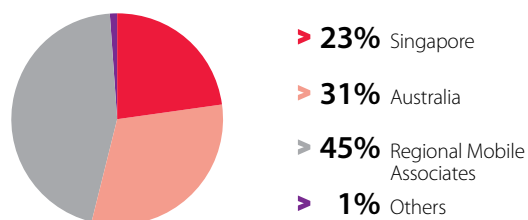
RETURN ON INVESTED CAPITAL (ROIC) ⁽¹⁾ (%)



DIVIDEND PER SHARE (\$c)



PROPORTIONATE EBITDA FOR FY2013



Through its investments in key markets overseas, the Group has diversified its earnings base. Overseas operations contributed 77% to proportionate EBITDA.

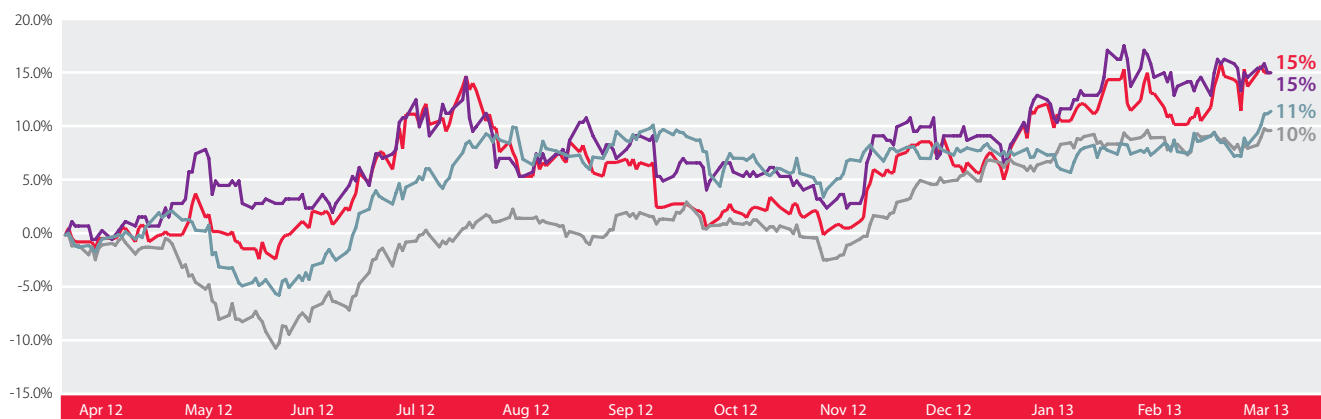
Note:

⁽¹⁾ ROIC is the ratio of EBIT (post-tax) to average capital (which is the aggregate of net debt, shareholders' funds and minority interests).

SHARE PRICE PERFORMANCE

Between April 2012 and March 2013, SingTel (SGX) and SingTel (ASX) were up 15%.

SINGTEL SHARE PRICE PERFORMANCE – 1 APRIL 2012 TO 31 MARCH 2013

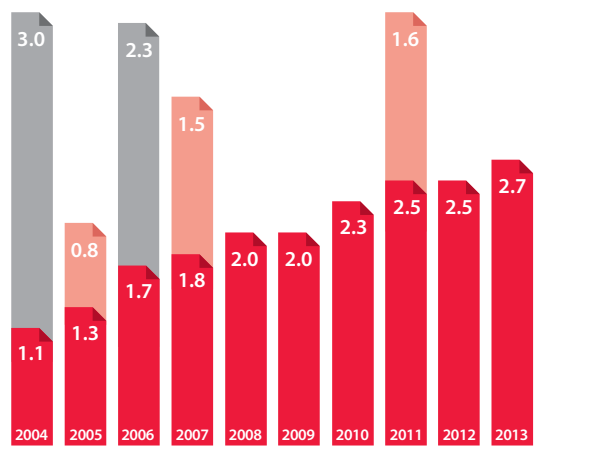


- SingTel (SGX), 15%
- SingTel (ASX), 15%
- Straits Times Index, 10%
- MSCI Asia Pacific Telecommunications Index, 11%

Source: Bloomberg

SHAREHOLDER PAYOUT

(\$S b)



- Ordinary Dividend
- Special Dividend
- Capital Reduction

SHAREHOLDER PAYOUT

SingTel has a track record of generous shareholder payout.

SingTel revised its policy to increase the dividend payout ratio to between 60% to 75% of underlying net profit, from the previous payout ratio of 55% to 70%.

The Board has recommended a final ordinary dividend of 10 Singapore cents a share. Together with the interim ordinary dividend of 6.8 Singapore cents a share, total ordinary dividend for FY2013 is 16.8 Singapore cents a share. This represents a payout ratio of 74% of underlying earnings for FY2013.

CHAIRMAN'S STATEMENT



We are deepening our customer engagement to compete in the merging telecoms and internet space, while maintaining our lead in the core telecoms business.

SIMON ISRAEL
Chairman

Dear Shareholders,

FY2013 was a pivotal year in SingTel's multi-year transformation journey. The industry trends I mentioned in last year's annual report continued to be the driving force behind our transformation to deliver sustained growth in shareholder value.

The convergence of the telecommunications and digital industries presents both challenges and opportunities for the Group. While we face non-traditional competition from the likes of over-the-top and internet players offering free services that ride on our networks, the Group is focused on strengthening its core business and leveraging our unique assets to boldly take on the digital space as well.

STABLE EARNINGS

Against these industry challenges, the SingTel Group continued to deliver stable earnings and the core business performed well. The Group also made significant investments to accelerate our growth in the digital space. These investments are essential for driving longer-term growth but the costs associated with these acquisitions will impact our earnings in the short term.

The Group's underlying net profit fell 2%, due to adverse currency movements, weaker performance of Airtel, higher depreciation and amortisation charges as well as startup losses of our digital investments. This is a credible performance in the context of our transformation. It also highlights the resilience of our core business as a strong foundation for continued profitability.

The Group regularly reviews its various operations to ensure optimum performance. With regards to India, it is your Board's view that the current industry consolidation will result in a more rational market. As a leading operator, Airtel will improve in the medium to long term. Conversely, in Pakistan, after an extensive review of the business, we made the decision to exit.

THE NEED TO TRANSFORM

Our transformation strategy is fundamentally focused on reshaping the business so it continually meets customers' needs in the future. We are deepening our customer engagement to compete in the merging telecoms and internet space, while maintaining our lead in the core telecoms business.

As part of our transformation, the Group introduced a new company structure comprising three business units aligned with our customer segments in April 2012. A year on, each of these business units have delivered on a number of transformative initiatives, including making inroads into global digital advertising and capturing growth from mobile data.


Our acquisition of Amobee catapulted us to the top ranks of global mobile advertising companies. It competes in the fast-growing digital mobile space and has a global customer base. In Singapore and Australia, we are steadily moving customers onto tiered data plans that are better aligned with data consumption. These investments and changes will help us develop new revenue streams and enhance the returns on our network investments.

OUR PEOPLE ARE DRIVING THE CHANGE

Our people are at the heart of our transformation. They are passionate about what we do and are dedicated to our transformation. To successfully transform, we are nurturing the necessary culture and global mindset. To broaden the diversity of talents within the Group, we are welcoming digital natives through acquisitions and hires, and adding people with strong track records to our core businesses. My appreciation goes to all employees in the Group who in their own way, are shaping the SingTel of the future.

In closing, let me express appreciation to my fellow Board members for their commitment and for giving their time generously over and beyond scheduled Board discussions. In 2012, the Board made a trip to two innovation hubs, New York and Boston, building on our 2011 trip to Silicon Valley.

On behalf of the Board, I thank Mr Ong Peng Tsin, who will be stepping down, for his contributions. We are also delighted to have Mr David Gonski AC, a well-respected businessman and one of Australia's leading corporate directors, join the Board.



SIMON ISRAEL

Chairman

IN DIALOGUE WITH GCEO

This transformation involves twin tracks of confident investments in new markets and the digital space, as well as a sharpened focus on increasing profitability of our core business.

CHUA SOCK KOONG
Group Chief Executive Officer



Q: SINGTEL IS IMPLEMENTING A TRANSFORMATION STRATEGY TO REMAIN AT THE FOREFRONT OF A RAPIDLY CHANGING MARKET. WHAT HAS BEEN THE PROGRESS?

A: FY2013 was a significant year for us, marking the beginning of a multi-year transformation of our business. Our transformation will help us tackle the challenges and seize new opportunities brought about by industry changes.

Let me recap the profound changes we are seeing in the industry. Massive improvements in mobile technology have led to dramatic changes in the way we use mobile devices. No longer just for phone calls and text messages, these devices have also become gateways to information, entertainment and transactions for our customers. Telcos that do nothing to address these changes will end up as just providers of “dumb pipes” or network connection, which is a low value-add and undifferentiated service.

On the other hand, global players, including device manufacturers, search engines, social media operators and companies with internet-based service models, continue to vie for customer attention and spend with a myriad of services and content that ride on telcos’ networks. For example, phone calls and text messages, the traditional bread and butter of telcos,

are increasingly being replaced by third party mobile applications. These applications allow customers to do the same things and even more, putting pressure on the telcos’ networks. This has led to higher capital intensity and lower returns for many operators of “dumb pipes”.

At the heart of our transformation, we are deepening our relationship with our customers, through new and exciting services to stay at the forefront of changes. This involves twin tracks of confident investments in new markets and the digital space, as well as a sharpened focus on increasing profitability of our core business. We have set ourselves progressive milestones, and in FY2013, met many of them.

In our core business, we have combined procurement, network and IT capabilities across Australia and Singapore to improve productivity and cost efficiencies. We have also reviewed our sales and distribution channels as well as centralised product, delivery and service capabilities. For our enterprise business, we integrated various businesses across Asia Pacific. In Australia, to provide better end-to-end customer experience, we started restructuring our sales and distribution channels by exiting non-branded distribution and investing in Optus-branded channels.

Group Digital Life, our newly created business unit, has assembled growth platforms with key strategic acquisitions including Amobee, Adjitsu, HungryGoWhere, Pixable and Eatability. These investments help us gain capabilities that complement our strengths, putting us in a better position to make a real difference in the digital space. At the same time, we have also grown our suite of digital services aimed at customers' everything-on-mobile lifestyle.

Q: DESCRIBE SINGTEL'S FINANCIAL PERFORMANCE IN FY2013.

A: We delivered resilient results across Singapore, Australia and the regional mobile associates in a year marked by significant industry changes, adverse currency movements and our investment in new services to transform to drive long-term growth.

Excluding exceptional and one-off items, underlying net profit declined 2% to S\$3.61 billion. In constant currency terms, underlying net profit would have been stable. Including the exceptional items, net profit declined 12% to S\$3.51 billion. This was largely due to a one-time loss of S\$225 million from the divestment of Warid Pakistan.

Our core business remains robust and provides a strong foundation for sustainable profitability. It also lends support to our ambitions to grow in the digital space. In FY2013, the Group continued to generate strong free cash flow, which increased 9% to S\$3.76 billion.

The Group's EBITDA was stable at S\$5.2 billion, reflecting the Group's strong cost management. Revenue fell 3% due to lower contribution from Australia. Earnings from our regional mobile associates grew 5%, mainly from strong performances by AIS and Telkomsel, which were partially offset by lower contributions from Airtel and the strength of the Singapore Dollar.

The Group and its regional mobile associates continued to grow its mobile customer base. At the end of 31 March 2013, the Group had 468 million mobile customers in Asia and Africa, an increase of 9%, or 36.5 million.

Q: HOW IS SINGTEL RESPONDING TO THE SURGE IN MOBILE DATA CONSUMPTION?

A: It is important for us to continue to invest in our networks, spectrum and new technologies such as Long Term Evolution

(LTE) or 4G to ensure we deliver a superior customer experience and capture growth from mobile data usage.

Our customers in Singapore already enjoy nationwide 4G coverage, and in Australia, we have rolled out 4G to the capital cities, and will extend it to cover 70% of Australia's metropolitan population by the middle of 2014.

At the same time, we introduced tiered mobile data plans in Singapore and Australia. These plans are gaining good traction among our customers. Tiered price plans go hand in hand with network investments; this combination helps ensure sustainable returns on our networks, while promoting better customer experience and usage growth. In the next financial year, we have allocated S\$2.5 billion for network investments.

With our experience in Singapore and Australia, we are well-positioned to work with our associates as their markets evolve from a voice-centric to a data-centric world. In the emerging markets of Indonesia, India, Thailand and the Philippines, voice revenue is already slowing. Our associates recognise the importance of building capabilities to succeed in this data-centric world.

We are sharing our insights on data network planning, marketing and other aspects of data services. Group Digital Life will also collaborate with the associates to create distinctive global digital products for their local markets that are differentiated from their competitors'. For example, Amobee is working with AIS, Globe and Telkomsel to gather insights from aggregate customer data. With these insights, the associates are able to offer more personalised and targeted mobile advertisements to their customers via Amobee's awarding-winning platform which helps them to maximise the returns on their inventory.

Q: LOOKING AHEAD, WHAT ARE SINGTEL'S KEY PRIORITIES?

A: To succeed and stay ahead of the competition, we are single-minded about building a high performance core business and creating next generation growth engines in the digital space.

Our transformation strategy comprises four key elements:

1. Raising business performance of the consumer and enterprise operations. This will be achieved by driving profitable revenue growth, operating efficiencies and creating a competitive cost structure.

IN DIALOGUE WITH GCEO

2. Lifting customer experience with simplified and compelling value propositions. These are supported by extensive and reliable networks.
3. Leveraging our assets to drive scale benefits. We are establishing deeper collaboration with our associates to bring about synergistic benefits in technology, product development and customer offerings.
4. Creating innovative and differentiated digital services to enhance the core business and deliver new revenue streams.

Transforming our core business remains equally important, if not more important than our digital initiatives. Now more than ever, we must strive for greater operational efficiencies and stronger cost management in our core business.

Meanwhile, our digital services will see our relationships with customers evolve. Our services will broaden beyond phone calls and text messages into areas like e-commerce transactions, advertisements, social interaction and other content. These services will leverage valuable assets we already possess, such as our extensive customer knowledge, touch points and intelligent networks. The scale of the Group's 468 million mobile customers will provide a critical mass for our digital services and a springboard for some of our digital investments to become global leaders.

To spur growth in the digital space, we will allocate up to S\$2 billion over the next three years to pursue strategic acquisitions. We remain financially disciplined in the evaluation of these opportunities. These investments may register losses in the short term, which reflect their investment phase, but we are confident of seeing results in the middle to long term. As such, we have in place appropriate performance measures, such as customer usage, number of active users, cash flow and other relevant market-based metrics. At the right time, we will selectively unlock and monetise the value of our digital investments.

Alongside our new investments in the digital space, we constantly review opportunities in the communications sector. This includes increasing our stakes in the associates and investing in large under-penetrated markets.

Q: WHAT CHANGES IS SINGTEL MAKING TO COMPLETE THE TRANSFORMATION?

A: We have completed the fundamental changes involving structure and reporting responsibilities to bring about a change in the culture of the company. We are a very different company today than we were a year ago, and much of this is due to our people. They are our key assets and the backbone of our transformation in both the core and digital businesses.

It is important to nurture and encourage the right mindset and equip our staff with the right tools and processes. Key to our success is our people's ability to embrace an innovative and global mindset as our business increasingly goes global. To speed up the flow of work, we are also re-tooling our processes. To us, innovation is not only about changing what we do, but also how we do it.

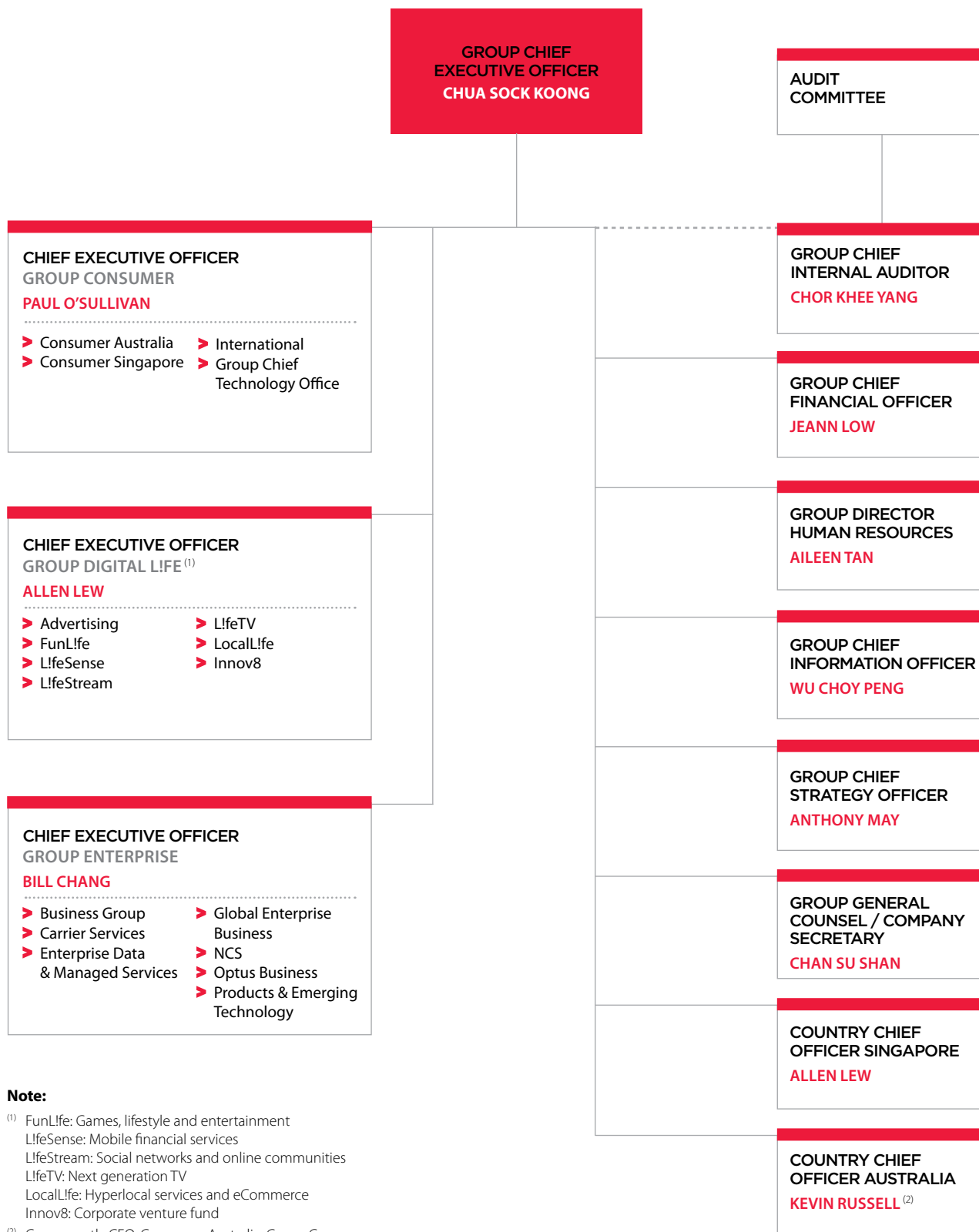
As we push for culture change deeper within the organisation, we are staying true to the SingTel DNA, represented by our core values of Customer Focus, Challenger Spirit, Teamwork, Integrity and Personal Excellence. These values have successfully guided us through many transformations, and I am sure they will continue to be relevant again.

With the strength of our people, our core values and long-term goals in place, my leadership team and I are confident and excited that SingTel will thrive and continue to lead the market into the future.



CHUA SOCK KOONG
Group Chief Executive Officer

ORGANISATION STRUCTURE



Note:

- ⁽¹⁾ FunL!fe: Games, lifestyle and entertainment
L!feSense: Mobile financial services
L!feStream: Social networks and online communities
L!feTV: Next generation TV
LocalL!fe: Hyperlocal services and eCommerce
Innov8: Corporate venture fund

- ⁽²⁾ Concurrently CEO, Consumer Australia, Group Consumer

BOARD OF DIRECTORS



SIMON ISRAEL



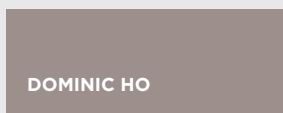
CHUA SOCK KOONG



BOBBY CHIN



FANG AI LIAN



DOMINIC HO



LOW CHECK KIAN



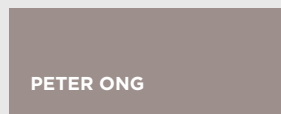
PETER MASON AM



DAVID GONSKI AC



KAIKHUSHRU
NARGOLWALA



PETER ONG



ONG PENG TSIN

SIMON ISRAEL

Non-executive and non-independent Director
Chairman, SingTel Board
Chairman, Finance and Investment Committee
Member, Corporate Governance and
Nominations Committee
Member, Executive Resource and Compensation
Committee
Member, Optus Advisory Committee
Date of Appointment: Director on 4 Jul 2003 and
Chairman on 29 Jul 2011
Last Re-elected: 30 Jul 2010

Mr Israel, 60, is a Director of CapitaLand Limited, Fonterra Co-operative Group Limited and Stewardship and Corporate Governance Centre Pte. Ltd. He is also a member of the Governing Board of Lee Kuan Yew School of Public Policy.

Mr Israel was an Executive Director and President of Temasek Holdings (Private) Limited before retiring on 1 July 2011. Prior to that, he was Chairman Asia Pacific of the Danone Group. Mr Israel also held various positions in Sara Lee Corporation before becoming President (Household & Personal Care), Asia Pacific.

Mr Israel was conferred the Knight in the Legion of Honour by the French government in 2007, and awarded the Public Service Medal at the Singapore National Day Awards 2011. He holds a Diploma in Business Studies from The University of the South Pacific.

CHUA SOCK KOONG

Executive and non-independent Director
Member, Optus Advisory Committee
Date of Appointment: Director on 12 Oct 2006
and Group Chief Executive Officer (CEO)
on 1 Apr 2007
Last Re-elected: 27 Jul 2012

Ms Chua, 55, was appointed Group CEO on 1 April 2007. She is responsible for SingTel's three key businesses – Group Consumer, Group Digital Life and Group Enterprise.

Ms Chua joined SingTel in June 1989 as Treasurer and was made CFO in April 1999. She held the positions of Group CFO and CEO, International from February 2006 to 12 October 2006, when she was appointed Deputy Group CEO.

Ms Chua sits on the Boards of Bharti Airtel Limited, Bharti Telecom Limited and key subsidiaries of the SingTel Group. She is also a member of the Singapore Management University Board of Trustees and the Public Service Commission.

Ms Chua holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Certified Public Accountants of Singapore and a CFA charterholder.

BOBBY CHIN

Non-executive and independent Director
Chairman, Risk Committee
Member, Audit Committee
Date of Appointment: 1 May 2012
Last Re-elected: 27 Jul 2012

Mr Chin, 61, is a member of the Council of Presidential Advisers and serves on the boards of the Singapore Labour Foundation, NTUC Enterprise Co-operative Limited and NTUC Fairprice Co-operative Limited. He is also a Director of several listed companies including Oversea-Chinese Banking Corporation Limited, Yeo Hiap Seng Limited, Ho Bee Investment Ltd, SembCorp Industries Ltd and AV Jennings Limited.

Mr Chin was the Managing Partner of KPMG Singapore from 1992 until his retirement in September 2005.

Mr Chin holds a Bachelor of Accountancy from the University of Singapore. He is a Fellow Member of the Institute of Certified Public Accountants of Singapore and an associate member of the Institute of Chartered Accountants in England and Wales.

FANG AI LIAN

Non-executive and independent Director
Chairman, Audit Committee
Member, Executive Resource and Compensation
Committee
Date of Appointment: 7 Aug 2008
Last Re-elected: 27 Jul 2012

Mrs Fang, 63, has been the Chairman of Great Eastern Holdings Ltd since April 2008, as well as Chairman of its insurance subsidiaries. Prior to that, she was with Ernst & Young for over 30 years, where she was appointed Managing Partner in 1996 and Chairman in 2005.

Mrs Fang is a Director of Banyan Tree Holdings Limited, MediaCorp Pte Ltd, Metro Holdings Limited and Oversea-Chinese Banking Corporation Limited and one of its subsidiaries. She is also the Chairman of the Charity Council and the Tax Academy of Singapore.

Mrs Fang qualified as a Chartered Accountant in London in 1973 and is a Fellow of the Institute of Chartered Accountants in England and Wales.

DAVID GONSKI AC ⁽¹⁾

Non-executive and independent Director
Member, Optus Advisory Committee
Member, Risk Committee
Date of Appointment: 1 Mar 2013

⁽¹⁾ Companion of the Order of Australia

Mr Gonski, 59, is the Chairman of Investec Bank (Australia) Limited, Coca-Cola Amatil Limited, Guardians of the Future Fund of Australia, Ingeus Ltd and Swiss Re Life & Health Australia Ltd. He is also the Chancellor of The University of New South Wales.

Mr Gonski is a lawyer by training and has been involved in the financial services industry in Australia for more than 20 years.

He was appointed a Companion of the Order of Australia in 2007 and received the Centenary Medal in 2003. Mr Gonski holds a Bachelor of Commerce and Bachelor of Laws from The University of New South Wales. He is a Life Fellow of the Australian Institute of Company Directors and a Fellow of the Certified Practicing Accountants in Australia.

DOMINIC HO

Non-executive and independent Director
Member, Audit Committee
Member, Corporate Governance and
Nominations Committee
Date of Appointment: 28 Nov 2007
Last Re-elected: 29 Jul 2011

Mr Ho, 62, is a non-executive Director of Underwriters Laboratories Inc., Hang Lung Properties Limited and DBS Bank (Hong Kong) Limited. He is also the non-executive Chairman of DBS Bank (China) Limited.

Mr Ho joined KPMG US in Houston in 1975 and became a partner in 1985. He was transferred to Beijing, China to set up KPMG's practice in 1984 and resided in China until 1989 when he was assigned to Hong Kong. Mr Ho became the China firm's Senior Partner based in Beijing in 2000, and was elected Chairman of KPMG in China and Hong Kong SAR in April 2003. He retired in April 2007.

Mr Ho holds a Bachelor of Business Administration and a Master of Science in Accountancy from the University of Houston, US. He is a member of the American Institute of Accountants and the Hong Kong Institute of Certified Public Accountants.

LOW CHECK KIAN

Non-executive and independent Director
Member, Corporate Governance and
Nominations Committee
Member, Finance and Investment Committee
Date of Appointment: 9 May 2011
Last Re-elected: 29 Jul 2011

Mr Low, 54, was one of the founding partners of NewSmith Capital Partners LLP, an independent partnership providing corporate finance advice and investment management services, with its headquarters in London. Prior to founding NewSmith, Mr Low was a Senior Vice-President and Member of the Executive Management Committee of Merrill Lynch & Co., as well as its Chairman for the Asia Pacific region.

Mr Low also sits on the Boards of Neptune Orient Lines Limited and the Fullerton Fund Management Company Ltd.

Mr Low holds Bachelor and Master degrees in Economics from the London School of Economics.

PETER MASON AM ⁽²⁾

Non-executive and independent Director
Chairman, Optus Advisory Committee
Member, Executive Resource and Compensation
Committee
Date of Appointment: 21 Sep 2010
Last Re-elected: 29 Jul 2011

Mr Mason, 67, is the Chairman of AMP Limited, David Jones Limited and a Senior Advisor to UBS Australia. He is a Trustee of the Sydney Opera House Trust and the Chairman of the Centre for International Finance and Regulation.

Mr Mason has 40 years' experience in investment banking. He was Chairman of JP Morgan Chase Bank in Australia from 2000 to 2005. Prior to this, he was Chairman and Chief Executive of Schroders Australia and Group Managing Director of Schroders' investment banking businesses in the Asia Pacific region.

Mr Mason holds a Bachelor of Commerce (First Class Honours), an MBA and an Honorary Doctorate from The University of New South Wales.

⁽²⁾ Member of the Order of Australia

KAIKHUSHRU NARGOLWALA

Non-executive and Lead Independent Director
Chairman, Corporate Governance and
Nominations Committee
Chairman, Executive Resource and
Compensation Committee
Member, Finance and Investment Committee
Date of Appointment: Director on 29 Sep 2006
and Lead Independent Director on 13 May 2009
Last Re-elected: 27 Jul 2012

Mr Nargolwala, 63, is an independent non-executive Director of Prudential plc., a non-executive Director of Credit Suisse Group AG, a member of the Board of the Casino Regulatory Authority of Singapore and the Chairman of the Governing Board of the Duke-NUS Graduate Medical School in Singapore. He is also the Chairman of Clifford Capital Pte. Ltd. and a Director of PSA International Pte Ltd.

Mr Nargolwala was the non-executive Chairman of Credit Suisse Asia Pacific from October 2010 to December 2011 and the CEO of Credit Suisse Asia Pacific and a member of the Executive Board of Credit Suisse AG from January 2008 to September 2010. He was a Group Executive Director of Standard Chartered PLC before joining Credit Suisse Asia Pacific. Prior to that, he was the Group Executive Vice President and Head of Asia Wholesale Banking Group for Bank of America, headquartered in Hong Kong.

Mr Nargolwala holds a Bachelor degree in Economics (First Class Honours) from the University of Delhi, India. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

PETER ONG

Non-executive and non-independent Director
Member, Audit Committee
Member, Risk Committee
Date of Appointment: 1 Sep 2010
Last Re-elected: 29 Jul 2011

Mr Ong, 51, is the Head of Singapore's Civil Service, Permanent Secretary of the Ministry of Finance of Singapore and Permanent Secretary (Special Duties) in the Prime Minister's Office. He previously held the positions of Permanent Secretary (National Security and Intelligence Co-ordination), Permanent Secretary (Ministry of Trade and Industry), Permanent Secretary (Ministry of Transport) and 2nd Permanent Secretary (Ministry of Defence). Prior to that, he was an Executive Vice President of Temasek Holdings (Private) Limited.

Mr Ong currently sits on the Boards of the Monetary Authority of Singapore, the National Research Foundation and the ASEAN+3 Macroeconomic Research Office. He is also the Chairman of the Inland Revenue Authority of Singapore and Calvary Community Care.

Mr Ong was conferred the Meritorious Service Medal (Pingat Jasa Gemilang) at the Singapore National Day Awards 2010. He was also conferred the (Honorary) Knight of the Most Distinguished Order of the Crown by the Yang di-Pertuan Agong Malaysia XIV in June 2012 (with the title of "Tan Sri").

Mr Ong holds a Bachelor of Economics (Honours) from The University of Adelaide, Australia and an MBA from Stanford University, US.

ONG PENG TSIN

Non-executive and independent Director
Member, Finance and Investment Committee
Member, Risk Committee
Date of Appointment: 1 Jun 2009
Last Re-elected: 27 Jul 2012

Mr Ong, 50, is the Chairman of Infocomm Investments Pte Ltd and an advisor to GSR Ventures. He is an independent Director of YY, Inc. He is also a member of the Board of the National Research Foundation and a member of the Board of Trustees of the Singapore University of Technology and Design.

Mr Ong was the founder and Chairman of Encentuate, Inc. (Encentuate), which was acquired by IBM, Inc. (IBM) in 2008. Prior to Encentuate, Mr Ong was the founder and Chairman of Interwoven, Inc. (Interwoven) (now Autonomy Corporation plc, part of Hewlett-Packard). Before Interwoven, Mr Ong was co-founder and chief architect of Match.com (now part of IAC/InterActiveCorp), and held various engineering and management roles at Illustra Information Technologies, Inc. (now Informix Corporation, part of IBM), Sybase Inc. (now SAP America, Inc.) and Gensym Corporation.

Mr Ong holds a Bachelor of Science in Electrical Engineering from the University of Texas at Austin, US and a Master of Science in Computer Science from the University of Illinois at Urbana-Champaign, US.

Note:

Please see the next page for a summary of the past chairmanships and directorships of the members of the SingTel Board.

PAST CHAIRMANSIPS AND DIRECTORSHIPS

The following is a summary of the past chairmanships and directorships of the members of the SingTel Board:

SIMON ISRAEL

- Danone Group (Chairman, Asia Pacific)
- Asia Pacific Breweries Limited (Chairman)
- Singapore Tourism Board (Chairman)
- Temasek Holdings (Private) Limited (Executive Director and President)
- Neptune Orient Lines Limited (Director)

DAVID GONSKI AC ⁽¹⁾

- Australian Securities Exchange Limited (Chairman)
- Singapore Airlines Ltd (Director)
- ANZ Banking Group Limited (Director)
- Westfield Group (Director)

KAIKHUSHRU NARGOLWALA

- Credit Suisse Asia Pacific (Chairman)
- Standard Chartered PLC (Group Executive Director)

CHUA SOCK KOONG

- JTC Corporation (Board member)
- Casino Regulatory Authority of Singapore (Board member)
- Corporate Governance Council established by the Monetary Authority of Singapore (Member)

DOMINIC HO

- KPMG (Chairman, China and Hong Kong SAR)
- Hong Kong Mercantile Exchange Limited (Director)

PETER ONG

- Accounting and Corporate Regulatory Authority (Chairman)
- MND Holdings Pte Ltd (Chairman)
- Maritime and Port Authority of Singapore (Chairman)
- DBS Group Holdings Limited (Director)
- DBS Bank Limited (Director)

BOBBY CHIN

- Singapore Totalisator Board (Chairman)
- Urban Redevelopment Authority (Chairman/Board member)
- Neptune Orient Lines Limited (Director)
- Competition Commission of Singapore (Board member)

LOW CHECK KIAN

- Merrill Lynch & Co. (Chairman, Asia Pacific Region)
- Singapore Exchange Limited (Lead Independent Director/Director)
- Fibrechem Technologies Limited (Board member)
- Infocomm Development Authority of Singapore (Board member)
- Singapore Workforce Development Agency (Board member)

ONG PENG TSIN

- Encentuate, Inc. (Founder and Chairman)
- Interwoven, Inc. (Founder and Chairman)
- Match.com (Co-founder and Chief Architect)
- Infocomm Development Authority of Singapore (Director)
- JTC Corporation (Board member)
- Singapore Examinations and Assessment Board (Board member)

FANG AI LIAN

- Ernst & Young (Chairman)
- Public Utilities Board (Board member)
- International Enterprise Singapore (Board member)

PETER MASON AM ⁽²⁾

- JP Morgan Chase Bank (Chairman, Australia)
- Schroders Australia (Chairman)

Notes:

⁽¹⁾ Companion of the Order of Australia

⁽²⁾ Member of the Order of Australia

MANAGEMENT COMMITTEE



CHUA SOCK KOONG



BILL CHANG



ALLEN LEW

CHUA SOCK KOONG

GROUP CHIEF EXECUTIVE OFFICER

Ms Chua, 55, was appointed Group CEO on 1 April 2007. She is responsible for SingTel's three key businesses – Group Consumer, Group Digital Life and Group Enterprise.

Ms Chua joined SingTel in June 1989 as Treasurer and was made CFO in April 1999. She held the positions of Group CFO and CEO, International from February 2006 to October 2006, when she was appointed Deputy Group CEO.

Ms Chua sits on the Boards of Bharti Airtel Limited, Bharti Telecom Limited and key subsidiaries of the SingTel Group. She is also a member of the Singapore Management University Board of Trustees and the Public Service Commission.

Ms Chua holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Certified Public Accountants of Singapore and a CFA charterholder.

BILL CHANG

CHIEF EXECUTIVE OFFICER, GROUP ENTERPRISE

Mr Chang, 46, was appointed CEO, Group Enterprise on 16 July 2012. He is responsible for providing ICT solutions to serve the Group's enterprise customers, offering innovative and comprehensive IT and telecommunications solutions across multiple geographies.

Mr Chang was previously Managing Director, Business Group, and joined SingTel in 2005 as Executive Vice President of Corporate Business. Before joining SingTel, he was the Managing Director of Cisco Systems' Advanced Services Group in Asia Pacific. His earlier career included roles at various multinational technology companies.

Mr Chang is the Chairman of the Singapore Polytechnic Board of Governors and a Board member of Singapore Post, serving in their Compensation and Technology Committees.

Mr Chang graduated with a Bachelor of Engineering (Honours) in Electrical and Computer Systems Engineering from Monash University, Australia.

ALLEN LEW

CHIEF EXECUTIVE OFFICER, GROUP DIGITAL LIFE
COUNTRY CHIEF OFFICER SINGAPORE

Mr Lew, 57, is CEO, Group Digital Life and responsible for transforming the Group into a leading player in the digital ecosystem, shaping how people connect and discover innovative and cutting-edge digital services. As Country Chief Officer Singapore, he is the principal liaison with local and regulatory bodies. He assumed these positions on 1 April 2012.

Mr Lew began his career with the SingTel Group in November 1980 and has served in various senior management positions, including Chief Operating Officer of Advanced Info Service Public Company Limited (AIS) – the Group's associate in Thailand, Chief Operating Officer of Singapore Telecom International Pte Ltd and Managing Director of Optus Consumer. He was CEO, Singapore from February 2006 to March 2012.

Mr Lew is the Chairman of the AIS Executive Committee and a Board member of the Sentosa Development Corporation.

He holds a Bachelor of Electrical Engineering from the University of Western Australia and a Master of Science (Management) from the Massachusetts Institute of Technology, US.

MANAGEMENT COMMITTEE



JEANN LOW



PAUL O'SULLIVAN

JEANN LOW

GROUP CHIEF FINANCIAL OFFICER

Ms Low, 52, was appointed Group CFO in September 2008. She oversees the Group's financial affairs, including corporate finance, treasury, risk management and capital management and investor relations.

Ms Low joined SingTel in 1998 as the Group Financial Controller. In 2004, she was promoted to Executive Vice President of Strategic Investments managing the Group's international investments and was appointed CFO of Optus in 2006. Prior to SingTel, Ms Low worked in the Singapore and London practices of an international accounting firm and thereafter at a public listed electronics company in Singapore.

Ms Low is a Director of Advanced Info Service Public Company Limited and a Council Member of the Singapore Institute of Certified Public Accountants. She is also a member of the Governing Board of the Lee Kong Chian School of Medicine.

She holds an Honours Degree in Accountancy from the National University of Singapore and is a Certified Public Accountant in Singapore.

PAUL O'SULLIVAN

CHIEF EXECUTIVE OFFICER, GROUP CONSUMER

Mr O'Sullivan, 52, was appointed CEO, Group Consumer on 1 April 2012. He is responsible for the Consumer businesses across the Group which include the wholly owned operations in Singapore and Australia as well as SingTel's investments in Advanced Info Service Public Company Limited, Bharti Airtel Limited, Globe Telecom, Inc., Pacific Bangladesh Telecom Limited and PT Telekomunikasi Selular (Telkomsel).

Mr O'Sullivan was CEO of Optus from September 2004 to March 2012. Prior to that, he held management positions within Optus including Chief Operating Officer and Managing Director of Optus Mobile. He has also worked in various international management roles at the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia and the United Kingdom.

Mr O'Sullivan serves on the Board of Commissioners of Telkomsel.

He holds a Bachelor of Arts (Mod) Economics from Trinity College, University of Dublin and is a graduate of the Advanced Management Program of Harvard University, US.



AILEEN TAN



WU CHOY PENG

AILEEN TAN

GROUP DIRECTOR HUMAN RESOURCES

Ms Tan, 46, joined SingTel in June 2008 as Group Director Human Resources. She oversees the development of human resources across the SingTel Group, and also leads the Group's corporate sustainability function.

Prior to joining SingTel, Ms Tan was Group General Manager Human Resources at WBL Corporation Limited and Vice President, Centers of Excellence with Abacus International Pte Ltd. Her earlier career comprised human resources roles in multinational corporations and Singapore companies across various industries.

Ms Tan is a member of the Home Nursing Foundation Board and the Singapore Workforce Development Agency's Human Resource Workforce Skills Qualifications (WSQ) Manpower, Skills and Training Council.

She graduated with a Bachelor of Arts majoring in Statistics and Japanese Studies from the National University of Singapore. She also holds a Master of Science in Organisational Behaviour from the California School of Professional Psychology, Alliant International University, US.

WU CHOY PENG

GROUP CHIEF INFORMATION OFFICER

Ms Wu, 48, joined SingTel as Group CIO in August 2012 and is responsible for the development of the SingTel Group's IT vision and roadmap. She also drives synergies to establish excellence in technology management.

Before joining SingTel, Ms Wu was the Group CIO of Neptune Orient Lines Group from 2006. She served as the Singapore Government's Chief Information Officer from January 2000 to June 2006, after holding a range of IT management roles in the Singapore Civil Service where she started her career.

Ms Wu is the Deputy Chairman of IDA International Pte Ltd, a wholly owned subsidiary of the Infocomm Development Authority of Singapore. Ms Wu also serves on the Management Board of the Institute of Systems Science, National University of Singapore.

She holds a Bachelor of Science (Honours with Highest Distinction) in Computer/Communication Science and Mathematics, and a Master of Science in Computer Science/Engineering, both from the University of Michigan, US.

SENIOR MANAGEMENT



VICKI BRADY
Managing Director, Customer
Group Consumer



CHIA WEE BOON
Chief Executive Officer, NCS
Group Enterprise



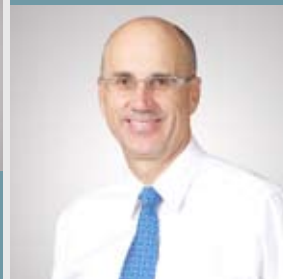
MARK CHONG
Chief Executive Officer, International
Group Consumer

TREVOR HEALY
Chief Executive Officer, Amobee
Group Digital Life



HUI WENG CHEONG
Chief Operating Officer
AIS

MURRAY KING
Chief Financial Officer
Group Consumer



JOHN PAITARIDIS
Managing Director, Optus Business
Group Enterprise



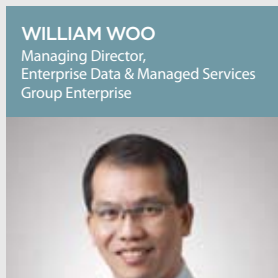
KEVIN RUSSELL
• Chief Executive Officer,
Consumer Australia
Group Consumer
• Country Chief Officer Australia



MICHAEL SMITH
Chief Commercial Officer
Group Digital Life



TAY SOO MENG
Group Chief Technology Officer
Group Consumer



WILLIAM WOO
Managing Director,
Enterprise Data & Managed Services
Group Enterprise



YUEN KUAN MOON
Chief Executive Officer,
Consumer Singapore
Group Consumer

KEY OPERATING COMPANIES



ICT

ALPHAWEST SERVICES PTY LTD ⁽¹⁾	100%
UECOMM OPERATIONS PTY LIMITED ⁽¹⁾	100%
NCS PTE. LTD.	100%



DIGITAL

SINGTEL IDEA FACTORY PTE. LTD.	100%
SINGTEL INNOV8 PTE. LTD.	100%
SINGTEL DIGITAL MEDIA PTE. LTD.	96%
AMOBEE, INC.	100%
PIXABLE INC.	100%



INTERNET

SINGNET PTE LTD	100%
OPTUS BROADBAND PTY LIMITED ⁽¹⁾	100%
OPTUS VISION PTY LIMITED ⁽¹⁾	100%
OPTUS INTERNET PTY LIMITED ⁽¹⁾	100%



MOBILE

SINGTEL MOBILE SINGAPORE PTE. LTD.	100%
OPTUS MOBILE PTY LIMITED ⁽¹⁾	100%
VIRGIN MOBILE (AUSTRALIA) PTY LIMITED ⁽¹⁾	100%
VIVIDWIRELESS GROUP LTD ⁽¹⁾	100%



REGIONAL MOBILE ASSOCIATES ⁽²⁾

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED	23%
BHARTI AIRTEL LIMITED	32%
GLOBE TELECOM, INC.	47%
PACIFIC BANGLADESH TELECOM LIMITED	45%
PT TELEKOMUNIKASI SELULAR	35%



NETWORKS AND OTHERS

OPTUS NETWORKS PTY LIMITED ⁽¹⁾	100%
SINGAPORE POST LIMITED	26%
SOUTHERN CROSS CABLES HOLDINGS LIMITED	40%

This chart is accurate as of 31 March 2013.

The list of significant subsidiaries, associates and joint ventures is disclosed on pages 183 to 192 in Note 47 to the Financial Statements.

Notes:

⁽¹⁾ These subsidiaries are held through SingTel Optus Pty Limited, an investment holding company.

⁽²⁾ Effective ownership

KEY AWARDS AND ACCOLADES

CORPORATE GOVERNANCE & TRANSPARENCY

ASIA'S BEST MANAGED COMPANIES 2012 BY FINANCE ASIA – SINGTEL

- Best Managed Company in Singapore
- Best Corporate Governance
- Best Investor Relations

ASIA PACIFIC ENTREPRENEURSHIP AWARDS 2012 – AIS

- Outstanding Entrepreneurship Award – Wichian Mektrakarn

ETHISPHERE INSTITUTE: 2013 WORLD'S MOST ETHICAL COMPANIES – SINGTEL

EUROMONEY 2013 POLL – SINGTEL

- Best Managed Company

GOVERNANCE AND TRANSPARENCY INDEX 2012 – SINGTEL

- Ranked 1st

IR MAGAZINE SOUTH EAST ASIA AWARDS 2012 – SINGTEL

- Grand Prix for Best Overall Investor Relations (Large Cap)
- Best IR in Sector-Technologies & Telecoms
- Best Corporate Governance
- Best Corporate Literature
- Best Use of Technology
- Topped IR Magazine's South East Asia's Top 25 list

MONEY AND BANKING MAGAZINE 2012 – AIS

- Best Public Company Registered with the Stock Market of Thailand

PSE BELL AWARDS 2012 – GLOBE

- PSE Bell Award for Corporate Governance

STOCK EXCHANGE OF THAILAND'S SET AWARDS 2012 – AIS

- Best Company Performance Award
- Best Investor Relations Award

BUSINESS EXCELLENCE

ASIA BUSINESS CONTINUITY AWARDS 2012 – SINGTEL

- Best Continuity Provider of the Year (BCM Services)

ALL INDIA MANAGEMENT ASSOCIATION AND DELHI MANAGEMENT ASSOCIATION – AIRTEL

- Excellence Award for Shared Service Centre Operations in India

AUSTRALIAN BUSINESS AWARDS 2012 – OPTUS

- Service Excellence – Social Media Response Team

AUSTRALIAN INSTITUTE OF PROJECT MANAGEMENT 2012 – SINGTEL

- Project Management Achievement Award: Telecommunications Technology

CCSL & BISNIS INDONESIA – TELKOMSEL

- Excellent Service Experience Award (ESEA) 2013

CHINA NETWORK WORLD ANNUAL PRODUCT & SOLUTION AWARDS 2012 – SINGTEL

- Best Innovative Managed ICT Services Provider

COMMUNICATIONS ALLIANCE AND COMMSDAY (ACOMMS) AWARDS 2012 – OPTUS

- Innovation in Large Company – Optus' 3G Home Zone
- Commitment to Customer Service – Optus Consumer Web Chat initiative

CONTACT CENTRE WORLD ASIA PACIFIC AWARDS 2012 – SINGTEL

- Customer Service Best Practices (In-house) – Gold
- Helpdesk Best Practices – Gold

CNET ASIA READERS' CHOICE AWARDS 2012/2013 – GLOBE

- Best Telco in the Philippines – Gold

CNET ASIA READERS' CHOICE AWARDS 2012/2013 – SINGTEL

- Best Telco in Singapore – Gold

CNET ASIA READERS' CHOICE AWARDS 2012/2013 – TELKOMSEL

- Best Telco in Indonesia – Gold

CUSTOMER SERVICE INSTITUTE OF AUSTRALIA AWARD 2012 – OPTUS

- Service Excellence in a Help Desk for Optus Customer Web Chat Team
- Customer Service Manager of the Year – Mylie Snow

EXCELLENT SERVICE AWARD 2012 – SINGTEL

- First in the Telco category

FROST & SULLIVAN ASIA PACIFIC ICT AWARDS 2012 – SINGTEL

- Telecom Cloud Service Provider of the Year

FROST & SULLIVAN PHILIPPINES EXCELLENCE AWARDS 2012 – GLOBE

- Philippines' Telecom Service Provider of the Year
- Philippines' Broadband Service Provider

GOING THE EXTRA MILE (GEMS) AWARD 2012 – SINGTEL

- Premium Award in the Telecommunications category

HARDWAREMAG AND HARDWARE.ZONE.COM TECH AWARDS 2013 – SINGTEL

Readers' Choice category:

- Best Mobile Operator
- Best Provider of Mobile and Fibre Broadband Service

ICT ASEAN AWARD 2012 – SINGTEL

- Gold Award, Public Sector

MARKETING INTERACTIVE – SINGTEL

- Digital Media of the Year (Lifestyle) – InSing

MARKETING & FRONTIER – TELKOMSEL

- Top Brand Award – kartuHalo
- Top Brand Award – simPATI
- Top Brand Award – TELKOMSELFlash
- Top Brand Award – Telkomsel

MARKETING & CCSL – TELKOMSEL

- Call Centre Award for Achieving Excellence Service Performance

MARKETEERS & MARKPLUS – INDONESIA SERVICE TO CARE AWARDS 2012 – TELKOMSEL

- Indonesia's Favourite Netizen Brand Award

ME AWARDS 2012, BY MOBILE ENTERTAINMENT – AMOBEE

- Best Rich Media Ad Platform for amobee PULSE Create

NETWORK WORLD ASIA INFORMATION MANAGEMENT AWARDS 2012 – SINGTEL

- Best Security-as-a-Service
- Best Managed Services and IP Infrastructure Services

PROCESS EXCELLENCE (PEX) AWARDS – SINGTEL

- Best Business Process Management Honorary Mention
- Winner of Deployment Leader of the Year – Yew Ker Ling

QUEST FORUM INDIA QUALITY AWARD – AIRTEL

- Top Telecom Service Provider 2012

READERS' CHOICE MAGAZINE 2012 – AIS

- Thailand's Most Admired Company

SEATRADE ASIA AWARDS 2012 – SINGTEL

- Technical Innovation Award

SELULAR MAGAZINE AWARD – TELKOMSEL

- Best GSM Operator of the Year

SING TAO DAILY IT SQUARE EDITORS' CHOICES HK 2012 – SINGTEL

- Best-of-Breed Solutions in IT industry – SingTel Managed Services

SPH IINK AWARDS

- Best Use of Radio (Gold) – BPL Campaign "It's a bro thing"

SURVEY OF MOBILE SERVICE PROVIDERS 2012 – AIS

- Most Powerful Brands of Thailand

SWA & ONBEE MARKETING RESEARCH – TELKOMSEL

- WOMM Award for simPATI – Most Recommended Prepaid GSM Card
- WOMM Award for kartuHalo – Most Recommended Postpaid GSM Card
- WOMM Award for Telkomsel – Most Recommended Blackberry Internet Service

TECHLIFE INNOVATIVE AWARDS 2012 – TELKOMSEL

- Best Innovative Operator of the Year

TELECOMS AWARDS – AIRTEL

- Industry's Most Innovative Telecom Company of the Year
- Telecom Brand of the Year
- Customer Friendly Operator of the Year

THAI DIRECT MARKETING ASSOCIATION – AIS

- Most Aspiring Call Centre

WORLD CONTACT CENTRE AWARDS 2012 – SINGTEL

- Best Helpdesk – Gold
- Best Contact Centre Design – Gold

CORPORATE CITIZENSHIP

AUSTRALIAN COMMUNICATIONS ALLIANCE AWARD 2012 – OPTUS

- Community Contribution – Kids Helpline "Make Cyber Space a Better Place"

AUSTRALIAN BUSINESS AWARD 2012 – OPTUS

- Community Contribution – Kids Helpline "Make Cyber Space a Better Place"

8th INDONESIA SUSTAINABILITY REPORTING AWARDS (ISRA) 2012 – GLOBE

- Best in Sustainability Reporting in the Philippines

AFRICACOM AWARDS – AIRTEL

- Best Cost Efficiency Initiative – Hybrid Power Solution

ASIA RESPONSIBLE ENTREPRENEURSHIP AWARDS 2012 – GLOBE

- Social Empowerment Category for "Sagot Ka ni Kap" Program

COMMUNITY CHEST AWARDS 2012 – SINGTEL

- Pinnacle Award
- 10-year Outstanding Special Events Award
- Special Events Platinum Award
- Corporate Platinum Award
- SHARE Corporate Gold Award

FINANCEASIA 12th ANNUAL SURVEY – SINGTEL

- Best Corporate Social Responsibility

NEWSWEEK GREEN RANKINGS 2012 – SINGTEL

SINGAPORE HR AWARDS 2012 – SINGTEL

- Leading HR Practices in CSR

PEOPLE

SINGAPORE HEALTH AWARD 2012 – SINGTEL

- Gold

SINGAPORE HR AWARDS 2012 – SINGTEL

- Leading HR Practices in Talent Management, Retention & Succession Planning

NTUC MAY DAY AWARDS 2012 – SINGTEL

- Plaque of Commendation (Gold)

YEAR IN REVIEW

The Experience Centres enable SingTel to study how people interact with technologies and applications



AIS becomes the first operator in Asia to provide advanced digital services with the launch of the AIS Smart Table, enabling customers to check out smart device functions, applications and promotion packages



Business leaders and partners learn about new technological trends as well as emerging technologies for the workplace at SingTel iLuminate events



SingTel opens the SingTel LifeLabs@Israel, which is part of a global initiative to foster innovation



The state-of-the-art Network Experience Centre allows Airtel to monitor its networks across India and South Africa from a single location

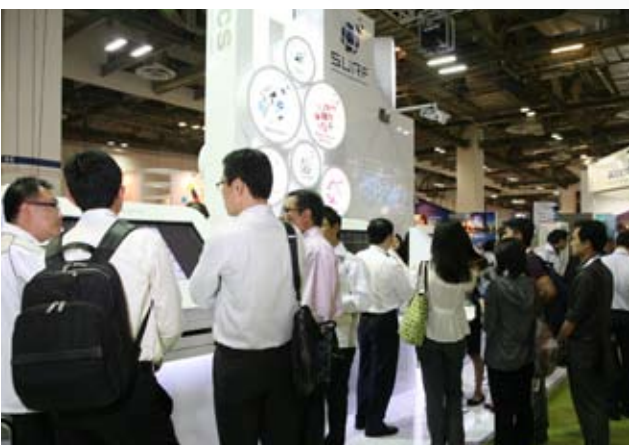
Optus launches its super fast 4G network



Amobee taps the Group's advanced geo-location capabilities and deep customer knowledge to create more targeted advertising solutions and greater mileage for advertisers

[a-mo-bee] brings Big Data to mobile advertising in Asia

[a-mo-bee] providing big data mobile ad serving platform to four major Asian operators



Solutions for an Urbanised Future provides integrated solutions to help individuals, governments and enterprises effectively engage and respond to their own customers



SingTel's 4G network is the first in Singapore to offer dual-band street-level coverage islandwide



YOUR ALL-IN-ONE DIGITAL MAGAZINE

NewsLoop delivers hyperlocal content to various markets, sourced from a large selection of local and international news, blogs and videos

Operating and Financial Review

We are Asia's leading communications group providing a wide spectrum of multimedia and infocomm technology (ICT) solutions, including voice, data and video services over fixed and wireless platforms.

Our main operations are in Singapore and Australia. SingTel has more than 130 years of operating experience and plays an integral part in Singapore's development as a major communications hub. Optus is an Australian leader in integrated telecommunications, driving competition and delivering innovative products and services to customers.

We are a major player in Asia and Africa through our strategic investments in AIS (Thailand), Globe (the Philippines), PBTL (Bangladesh) and Telkomsel (Indonesia). We also have an investment in Airtel (India), which has significant presence in Africa and South Asia. We work closely with our associates to grow the business by leveraging our scale. Together, we served 468 million mobile customers as at 31 March 2013.

In this section, we provide a strategic review of the SingTel Group's operations and discuss our financial performance for the financial year ended 31 March 2013.

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GROUP CONSUMER

REVENUE

S\$11.63 billion

Group Consumer is a leading provider of next generation communication, infotainment and technology services across Asia Pacific and Africa. The unit comprises the SingTel Group's consumer-related functions including its operations in Singapore (SingTel) and Australia (Optus), as well as investments in emerging markets across the Philippines, Thailand, Indonesia and India.

After more than a decade of growth, voice and SMS services are fast approaching maturity. Customers are increasingly substituting these traditional services with internet-based applications. The result is an inevitable slowdown in revenue growth for voice and SMS services, offset against a pick-up in data usage.

At the same time, consumer and technology trends are rapidly evolving, presenting us with new business opportunities. High-tech mobile devices are driving consumers' appetite for a broader range of digital, entertainment and communication products and services. Increasingly, these digital services will be delivered through mobile devices over high-speed data networks, such as Long Term Evolution (LTE) or 4G.

A different operating environment requires a different business model to ensure continual profitable growth. To thrive in this new digital environment, Group Consumer is transforming from a traditional carrier focused on providing voice and SMS services into a service-oriented company, shaping the way customers receive and use content.

This year, we took bold steps to reposition our core business. Firstly, we are driving breakthroughs in customers' experience to simplify their interactions with us and meet consumers' growing demand for digital services. Secondly, we are implementing cost and yield management programmes to improve profitability. Finally, we are creating a platform to drive scale and efficiencies across the Group.

Driving Breakthroughs in Customer Experience

Our brands revolve around providing the best possible experience for our customers through simple products, efficient service delivery and support, as well as delivering consistent service across a range of channels and touch points.

During the year, we made significant improvements to our sales and distribution channels. In many countries, we are improving the retail experience for our customers. In Australia, we are implementing a new retail strategy that involves rationalising several third-party distribution partnerships. This is a major change for the brand, allowing us to fully focus on core Optus-branded activity, giving us more direct control over the customer experience.

As part of our drive to be a leader in customer experience, we are making it easier for customers to interact with us via online or mobile applications. Our My Optus and MySingTel apps give customers fast and easy access to their accounts. Usage of the My Optus app has grown almost three times in 12 months and is now the preferred point of contact for half of Optus' online customers. Similarly in Singapore, customers can access data roaming, data usage and mobile internet filter services via the MySingTel mobile app.

OPERATING AND FINANCIAL REVIEW

GROUP CONSUMER

Our regional mobile associates have also introduced and enhanced a range of online customer service tools and applications. In September 2012, Airtel introduced the My Airtel app, which allows customers in India to check their outstanding bills, recharge accounts, make payments and raise customer assistance tickets using their mobile devices. Globe introduced a quick-access self-service phone menu for customers on the go, while Telkomsel revamped its website with a Plan Recommender, making it easier for customers to choose mobile plans that suit their lifestyles.

In Thailand, we expanded our retail footprint with additional stores and a redesigned in-store experience incorporating new branding, improved layouts and upgraded provisioning, billing and customer care systems.

As consumers incorporate smartphone technologies into their daily lives, helping them to manage their bills is an increasingly important part of our customer service support. Our brands have stepped up their after-sales service, helping customers manage their accounts, understand their plans and manage their spend more effectively. SingTel customers can set usage thresholds via the MySingTel app, while Optus introduced SMS alerts for customers once they have used 50%, 85% and 100% of their data allowance in a billing cycle.

Anticipating and responding to consumer behaviours is a priority. We have a comprehensive data analytics programme that helps us better understand our customers' behaviours. Over time, this will provide customers with a better network experience through more intuitive network optimisation. Enriched customer data will also enable our brands to deliver compelling new products and services that meet our customers' interests and expectations.

Building Networks for Digital Services

Continuous network improvements which enhance coverage, improve quality and increase network capacity are vitally important both in terms of delivering a great experience for our customers and ensuring our businesses are positioned to capture value from growth opportunities in the digital era.

In Singapore, we expanded the reach and capacity of our indoor 3G coverage in the country's top 20 shopping centres and across 55 key residential locations. In 2012, we rolled out Singapore's first commercial 4G service, and by April 2013, we completed the delivery of islandwide, ultra high-speed mobile internet access for SingTel customers.

Optus, too, upgraded more than 4,000 3G sites to deliver faster data speeds and more consistent in-building coverage for customers. Throughout the year, Optus also switched on 4G services in major population centres including the mainland state capital cities of Sydney, Melbourne, Brisbane, Perth and Adelaide.

Our associates are undergoing similar network transformations in anticipation of the opportunities that will emerge in mobile data services. Over the past 12 months, Globe has invested more than US\$700 million to modernise its network, rolling out over 10,000 km of fibre optic cable, increasing network capacity and accommodating the Philippines' growing demand for voice, SMS and data traffic.

SIGNIFICANT HIGHLIGHTS

- AIS opened eService Kiosk in Pitsanulok, enabling customers to transact 24 x 7
– April 2012
- Optus switched on its 1st 4G services
– April 2012
- Optus signed a joint venture Memorandum of Understanding with Vodafone Hutchinson Australia to expand its network
– May 2012
- Telkomsel celebrated its 17th anniversary
– May 2012
- SingTel launched Singapore's 1st commercial 4G service for smartphones
– June 2012
- Telkomsel introduced Seamless Mobile WiFi
– June 2012
- Globe completed the 1st phase of Cebu's Network Modernisation and Davao's Network Modernisation
– July 2012
- SingTel introduced Near Field Communication contactless payment services
– August 2012

-
- Airtel crossed the 200 million customer mark in India
– August 2012
-

- Globe completed the rollout of new infrastructure in Northern and Eastern Metro Manila
– August 2012
-

- AIS launched AIS Smart Table, becoming the 1st operator in Asia to provide advanced digital services
– September 2012
-

- Globe launched commercial LTE services for mobile
– September 2012
-

- Telkomsel opened its 24-hour Customer Care Control Centre
– October 2012
-

- Airtel crossed the 60 million customer mark in 17 African countries
– October 2012
-

- SingTel launched an accelerated 3G network upgrade programme
– October 2012
-

- Optus introduced 4G prepaid plans
– November 2012
-

- AIS subsidiary, Advanced Wireless Network Company Ltd, obtained a 3G licence for 2.1 GHz spectrum
– December 2012
-

Telkomsel's 100 Broadband Cities programme delivered fast and reliable internet access to 100 Indonesian cities through the deployment of high capacity broadband infrastructure.

AIS has focused its network investments on doubling the number of 3G base stations and expanding coverage in Bangkok and 17 surrounding provinces. In December 2012, AIS subsidiary, Advanced Wireless Network Company Limited, obtained a 3G licence for the country's 2.1 GHz spectrum. This acquisition and future investment will enable AIS to take its 3G network nationwide over the next three years.

In Africa, Airtel completed the continent's largest network transformation programme, ensuring that its networks are ready for the next generation of high-speed data services. In India, Airtel's network now covers more than 465,000 towns and villages and reaches 86.7% of the Indian population. The 3G network, which extends to key cities, supports a host of digital services including mobile TV and high-speed internet to more than 6.4 million 3G data customers.

Capturing Growth from Mobile Data

Our businesses are transforming from traditional carriers of voice services into modern digital businesses. To capture the revenue opportunities driven by the proliferation of mobile devices and customers' increasing usage of data, we have introduced simplified mobile data price plans.

In both Singapore and Australia, we have reviewed our handset subsidies, implemented simplified and tiered price plans as well as streamlined bundle offers to improve the yield and profitability of data services and sustain continual network investments.

Driving Group Efficiencies

Last year, SingTel went through a significant reorganisation. Twelve months on, the new structure is helping us leverage our global scale by establishing shared procurement services, as well as combining networks and IT functions, and offering digital initiatives. We continue to explore opportunities for additional savings by including our regional mobile associates in joint procurement arrangements for items including handsets and network infrastructure.

As a Group, we have made good progress in strengthening our overall position in the markets we operate. As our associates move from voice to data-centric businesses, we are helping them by drawing on the rich experience of our operations in Singapore and Australia which began this transition more than five years ago.

Within Group Consumer, we are actively preparing for the changes which will impact and shape our business over the next five years. It is important to future-proof our business as consumer behaviours in a data-centric market continue to evolve. Our goal is to understand, anticipate and prepare for the kinds of technologies and services our customers will expect, and we will need to deliver in order to maximise profitability over the next decade.

GROUP DIGITAL LIFE

The evolution of the industry has opened up infinite opportunities in the digital space. Consumers now look to their mobile devices for immersive content, entertainment and commerce. Group Digital Life is positioned to capture these opportunities by developing services that create an amazing experience for every customer.

We are focused on building next generation growth engines and key digital solutions that deliver relevant, personalised and timely content and services. As an established telco, the SingTel Group has distinctive assets and expertise in the mobile business, such as our customer base of 468 million across Asia and Africa, deep customer knowledge, extensive customer touch points and payment mechanisms. Group Digital Life's strategy is to pursue target areas in the digital space where our assets give us an advantage over the competition and where we can deliver better value propositions.

To take full advantage of the SingTel Group's scale, we have also developed our strategy alongside our regional mobile associates, and are working closely with them to grow in the digital space.

Leading the Global Digital Advertising Industry

One area where our assets can help us win is in digital advertising and marketing. Mobile advertising and marketing is a fast-growing industry. As people become increasingly inseparable from their mobile devices, brands and advertisers are shifting their advertising spend into this space. According to eMarketer, the worldwide digital advertising spend surpassed US\$100 billion in 2012.

In addition to television advertising on mio TV, SingTel offers online advertising on our web properties like inSing, HungryGoWhere and mio Stadium. We also offer digital agency services including search marketing to hundreds of small-medium enterprises (SMEs).

Through Amobee, we offer comprehensive mobile advertising solutions to brands around the globe. Leveraging the Group's advanced geo-location capabilities and data-rich inventory, Amobee delivers premium and targeted hyperlocal advertising opportunities across our extensive regional mobile footprint and is well positioned to lead and shape a global digital advertising revolution.

By acquiring Adjitsu, a US company specialising in 3D visualisation, Amobee strengthened its capabilities to produce interactive 3D mobile ads, to transform existing 2D advertisements into immersive campaigns.

Amobee is also tapping the scale of the SingTel Group and extending its reach in Asia. For example, it is partnering Globe, Optus, SingTel and Telkomsel to lead and shape mobile advertising in the region with its PULSE for Publishers platform. With targetable user data, advertisers and brands can achieve better results by reaching the right consumers at the right time in the right place with the right offer through these operators.

REVENUE

\$111 million

SIGNIFICANT HIGHLIGHTS

- Completed the acquisition of Amobee, the premium provider of mobile advertising solutions
– April 2012

-
- SingTel acquired HungryGoWhere, Singapore's leading food review portal
– May 2012

-
- Amobee acquired Adjitsu, a leading 3D mobile advertising business
– May 2012

-
- SingTel launched NewsLoop, a groundbreaking e-Reader app
– July 2012
-

-
- Optus acquired Eatability, Australia's leading restaurant directory and review website
– July 2012
-

- mio TV celebrated its 5th birthday, signing a landmark deal with Fox International Channels
– September 2012
-

- SingTel acquired social photo aggregation service, Pixable
– September 2012
-

- Amobee launched PULSE Create, a game changer in mobile advertising
– September 2012
-

- mio TV secured broadcast rights to Barclays Premier League until 2016
– October 2012
-

- Pixable made available on feature phones and in 10 new languages
– December 2012
-

- Amobee joined forces with SingTel, Optus, Globe and Telkomsel to bring big data to mobile advertising
– February 2013
-

- SingTel opened LifeLabs @ Israel
– March 2013
-

- mio TV added four award-winning channels, Nickelodeon, Nick Jr., Comedy Central Asia and MTV
– March 2013
-

Enhancing Lifestyles through Digital Solutions

Another cornerstone of Group Digital Life's growth strategy is to build digital solutions that help consumers in their daily lives as they live, work and play. We have deep local knowledge and hyperlocal content that differentiate and enable us to compete effectively in these areas.

We focus our efforts on local verticals with high user engagement. One such vertical is food. Customers now have access to the largest food and lifestyle information portal with our acquisition of HungryGoWhere, Singapore's most popular food website.

HungryGoWhere introduced an online reservations service where users can make bookings at over 300 restaurants. Together with more than 100,000 restaurant reviews, HungryGoWhere is the one-stop solution for customers' food needs, from restaurant reviews and discovery to promotions and reservations.

As the leading digital destination for food and culinary establishments in Singapore, we plan to extend this model to other markets. During the year, we expanded into Australia with the acquisition of Eatability, one of Australia's leading restaurant review sites.

Another key vertical is news. We introduced NewsLoop, a comprehensive e-Reader app for iOS devices. NewsLoop features the largest selection of Singapore news, blogs, lifestyle articles, photographs and videos from more than 230 local and international media sources. It is the first app catering specifically to the needs and interests of local readers and consistently ranks as one of the top five news apps in Singapore. Since its launch, NewsLoop has also expanded into the Australian and Indonesian markets.

Gaming is also an important and attractive segment. We have made investments in this space through strategic partnerships with expert industry players, including TheMobileGamer, a Singapore-based mobile social gaming platform targeted at feature phone users in the region.

Engaging Consumers through a Tailor-made Content Experience

Group Digital Life is committed to engaging our customers with immersive and relevant content. Through innovations in our TV platform and mobile applications, we deliver a unique experience with content that is increasingly personal, social and mobile.

We continue to broaden the content suite for mio TV, our pay TV service in Singapore, delighting customers with new channels such as Fox International Channels, Nickelodeon, MTV and CCTV. In addition, our viewers enjoy a personalised and innovative audio-visual experience with mio TV Go, the mobile companion app for mio TV where viewers can effortlessly access the channel guide, read programme highlights and connect with Facebook friends on their favourite movies and TV series directly from their mobile devices.

OPERATING AND FINANCIAL REVIEW

GROUP DIGITAL LIFE

We acquired Pixable in September 2012 to tap the rapidly growing sphere of social and digital interactions. Pixable enables users to interact with their photos in an intuitive, personal, social and mobile manner through predictive analytics and artificial intelligence. This intelligent photo aggregator application regularly appears on various best apps lists.

Enabling and Accelerating Innovation

As the digital space evolves at a relentless pace, it is important to stay ahead of the competition through continuous innovation and by tapping emerging opportunities quickly. Working with incubators, the angel investor community, start-ups and research institutes, we are constantly looking for interesting ideas and innovations.

LfeLabs is a global initiative set up to foster innovation through collaboration with strategic partners, renowned research institutes, developers and innovators. Headquartered in Singapore, LfeLabs has innovation and development centres in Silicon Valley, Boston and Tel Aviv. We support a comprehensive scope of activities, from incubation to commercialisation. One of LfeLabs' anchor projects is the development of an indoor positioning system, which is a network of devices used to wirelessly locate objects or people inside a building.

Via our corporate venture fund, SingTel Innov8 (Innov8), we invest in companies that strengthen our ability to differentiate and offer improved market execution. Innov8 works closely with innovators, developers, government agencies, research companies and capital providers to nurture the innovation ecosystem in Singapore and the region. It is also part of an alliance of early stage incubation programmes operated by SingTel Group members. Innov8 provides thought leadership, access to ideas and markets, and facilitates information exchange to start-ups and entrepreneurs. Through the Optus Innov8 Seed Program, we foster early stage Australian start-ups and provide support in the form of funding, mentoring and logistics.

Harnessing Customer Insights from Big Data

Analytics and big data are a pivotal part of Group Digital Lfe's strategy for future growth, as people and companies look for more targeted and relevant service offerings. Our continued investment in big data will enable us to provide our customers with customised and differentiated experiences, through deeper insights into their behaviours and preferences.

To help us achieve this, we have set up a L!ving Analytics team and are working with universities and research institutes to analyse personalisation, social data and user interaction. In line with this, we have set up Experience Centres in Singapore and Thailand to better understand the field of human-media interaction. The data collected will be used for the exploration, development and potential commercialisation of applications and services.

GROUP ENTERPRISE

REVENUE

\$6.44 billion

As Asia's infocomm technology (ICT) powerhouse with an extensive presence spanning 40 cities in 22 countries, Group Enterprise offers companies comprehensive and integrated ICT solutions, covering mobile, voice and data infrastructure, managed services, cloud computing, and IT services and professional consulting. By offering businesses with one-stop ICT services, we are freeing up their time to focus on their core operations.

With deep domain expertise in various industries, our global delivery model and extensive scale and reach, Group Enterprise is the preferred partner of SMEs, MNCs and governments. By working closely with industry practitioners and thought leaders, such as through our Customer Advisory Councils, we deliver tailor-made ICT solutions to meet our customers' needs. Our in-depth industry knowledge and strong working relationships also provide the platform for us to partner organisations for the transformation of industries, communities and cities.

Our Capabilities

Infrastructure	Managed Services	Cloud	IT
<ul style="list-style-type: none">> Market Leader for International Dedicated Point-to-Point Services (IPLC + E-Line) in Asia Pacific (excluding Japan)¹> Market leader for International MPLS IP VPN Services in Asia Pacific (excluding Japan)²	<ul style="list-style-type: none">> More than 4,000 Group Enterprise employees with ICT professional certification> Won awards such as the IT Outsourcing & Managed Services award at the 2012 Computerworld Hong Kong Awards and Best Security-as-a-Service & Best Managed Services and IP Infrastructure Services at the inaugural Network World Asia Information Management Awards 2012	<ul style="list-style-type: none">> Achieved a significant win to deploy and maintain G-Cloud, a private cloud infrastructure for the whole Singapore government, redefining the delivery of eServices within the government and to the public> Over 300,000 cloud users in Singapore> Our SME online community, myBusiness, is largest in Singapore with 500,000 visits per month	<ul style="list-style-type: none">> Helping more than 30 cities with eGovernment consulting and implementation> Deployed more than 100,000 sensing devices for surveillance and seamless response across Asia Pacific> Generated more than 3 million analytics reports annually

Source:

¹ IDC Topline: The Business Platform Choice: Delivering IT-Business Integration with IP VPN, sponsored by SingTel, April 2012

² IDC Topline: The Business Relevance of Dedicated Point-to-Point Services, Supporting the Competitive Enterprise, Sponsored by SingTel, April 2012

Improving the Foundation of Our Services – Our Infrastructure

Our market leadership in Asia Pacific is backed by an extensive data infrastructure with 140 points of presence (POPs) worldwide, with more than 100 POPs in 60 Asian cities, giving our customers seamless end-to-end connectivity across continents and within the Asian region. It is thus important for us to continually deepen our coverage in developing countries and upgrade our networks and technologies to serve our customers better.

In the year, we introduced Automatically Switched Optical Network (ASON) and the Multi-Protocol Label Switching – Transport Profile (MPLS-TP) to improve our ConnectPlus suite of global connectivity services. Delivered over SingTel's network assets, these technologies enable customers to scale their global connections up to 10Gbps and ensure continuous uninterrupted data flow in the event of cable faults.

OPERATING AND FINANCIAL REVIEW

GROUP ENTERPRISE

For our cloud services, we expanded our footprint across Asia Pacific with the introduction of our award-winning service, PowerON Compute, in Hong Kong. Our data centres in Singapore, Australia and Hong Kong provide customers with a greater choice of locations and the convenience of dealing with a single cloud provider for a range of services across different geographies.

Boosting Our Mobility Offerings

With an increasingly mobile workforce where workers use their own devices for work, businesses face the challenge of ensuring their employees stay connected and productive, while keeping corporate data secure. To help address these challenges, SingTel's suite of managed mobility services allows companies to secure data, manage apps, contain mobile costs and control their smart devices.

During the year, we introduced OneTouch, a mobile collaboration solution that integrates with enterprise backend databases, such as customer relationship management and marketing systems. With the necessary resources available anytime, anywhere, this solution allows sales staff to meet their customers on-site and engage in the entire sales process, leading to improved collaboration, agility and higher productivity.

With cross-border business travel becoming more common, SingTel also launched the Telecom Spend Manager (TSM), a one-stop service to help companies monitor, manage and control their mobile voice and data expenditure across multiple operators and countries. By providing companies with an overview of their regional mobile expenses, TSM helps companies plan and manage their communications budget more efficiently.

In Australia, we improved our mobility line-up with Optus Mobile Device Security (MDS), which provides organisations with round-the-clock protection and allows IT managers to deploy security policies onto mobile devices via a centrally managed portal. We also introduced mobile consultancy services, to help customers optimise their mobile presence.

In the Machine-to-Machine (M2M) space, we joined an alliance of the global operators to create a seamless platform which will allow MNCs to incorporate M2M technology cost efficiently in the retail, healthcare, consumer electronics, transportation, automobile and energy industries.

Transforming Businesses in a Complex World

The explosive growth in ICT has changed the business world. To navigate today's volatile, and complex business environment, our customers are facing increasing pressure to enhance productivity, lower cost and drive greater agility in response to market movements.

We provide a seamless, consistent delivery experience to businesses, with our world-class delivery centres and award-winning delivery framework and methodologies. Our state-of-the-art infrastructure, sales and delivery presence in key business hubs around the world provide in-country support for businesses.

Our comprehensive suite of managed services, managed mobility services, cloud and IT services help enterprises be leaner and more efficient. By relying on SingTel, enterprises can better focus on their core competencies, while staying at the forefront of technology.

One initiative is the Solutions for an Urbanised Future (SURF), introduced in June 2012. SURF was created as part of our vision to transform and connect individuals, enterprises

SIGNIFICANT HIGHLIGHTS

- SingTel launched regional Electronic Bandwidth On-Demand to enable customers to scale up their bandwidth requirement conveniently at affordable rates
– April 2012
- Optus launched Mobile Device Security and mobility consultancy services
– May 2012
- SingTel launched Solutions for an Urbanised Future, which provides integrated solutions for governments and enterprises
– June 2012
- SingTel and six mobile operators formed an alliance to collaborate on M2M initiatives
– July 2012
- SingTel enhanced leased circuit and global connectivity services with launch of Automatically Switched Optical Network and Multi-Protocol Label Switching – Transport Profile respectively
– August 2012
- SingTel showcased 200 innovations and ICT capabilities at iLuminate 2012 to more than 3,000 delegates
– November 2012

-
- Optus introduced The Thinking Space to showcase latest research and innovations
– December 2012
-
- SingTel and members of M2M alliance announced single worldwide SIM card trials on a web-based platform
– February 2013
-
- Optus expanded M2M solutions portfolio for business and enterprise customers through collaboration with Jasper Wireless
– February 2013
-
- Optus introduced Expan NEXTDC Hosting Services
– February 2013
-
- SingTel won the contract for a pilot programme to form a consortium helping companies offer home-based work using ICT solutions
– March 2013
-

and government services to build a sustainable city. SURF seamlessly integrates seven emerging technologies to help build integrated solutions for enterprises and smart cities, namely big data and analytics, security, identification and access, M2M, sensing technology, mobility, enterprise social networks, and cloud computing. These solutions, together with our deep domain experiences, will help our customers effectively increase engagement and better respond to their own constituents and customers, as we advance in today's highly connected world.

One of the initiatives is Singapore's Ministry of Education's Schools Standard ICT Operating Environment (SSOE) project, designed to enable a secured and efficient learning environment for students. We rolled out more than 120,000 computing devices to some 40,000 principals, teachers and education administrative staff, promoting greater and more effective use of ICT in teaching and learning. With SSOE, schools can look forward to faster internet access, enhanced security and full on-site support to meet the computing needs of teachers and students. We also piloted and developed iMTL, a web-based interactive portal to help students improve their mother tongue language skills. The pilot programme with 90 schools was completed successfully in March 2013, and we are rolling out the portal to all schools from upper primary to junior college level from 1 April 2013.

Our combined capabilities of infrastructure and managed services were also used to develop the MyTransport.SG mobile app and portal. It is a content-rich service that empowers commuters, motorists and cyclists in Singapore to make informed choices about their journey plans. The app was awarded the Visionary Award at the international Summit Emerging Media Awards 2012, the first in Asia Pacific, for its navigation features and the public value it provides, as well as the W3 Awards, for creative web and mobile excellence.

Leveraging the capabilities of our infrastructure and managed services, we provide the systems and connectivity necessary to synchronise and manage real-time content for digital displays in a multitude of industries. In the transportation industry, over 50 million commuters per year benefit from real-time digital displays managed by us. For an international financial institution, we implemented this end-to-end solution for their digital displays across their operations in Singapore, Hong Kong, Thailand, Malaysia and China.

Championing Thought Leadership

Beyond providing one-stop ICT solutions, Group Enterprise leads forums and platforms to share insights on new technologies and trends. In Australia, Vision 2012 in May presented research findings on how changes in economic and social trends will affect the future of businesses. At the forum, we also launched The Future of Business Report, which revealed the industries in Australia that are best prepared to embrace digital technology and strategies to respond to consumer expectations, boost productivity and drive revenue.

In Singapore, we showcased over 200 innovative ICT solutions for enterprises and governments at illuminate 2012 in November. More than 3,000 business leaders and partners from 25 countries attended the event to learn about new technological trends such as mobility solutions and big data, as well as, emerging technologies for the workplace. In May, we also organised TechConnect to deliver insights on technologies related to the Internet of Things to our customers. The event had thought leaders and speakers share their thoughts on how technologies such as M2M communications, big data and complex event processing can enhance business responsiveness and deepen customer engagement.

OPERATING AND FINANCIAL REVIEW

GROUP FIVE-YEAR FINANCIAL SUMMARY

	Financial Year Ended 31 March				
	2013	2012	2011	2010	2009
Income Statement (\$ million)					
Group operating revenue	18,183	18,825	18,071	16,871	14,934
SingTel	6,732	6,551	6,401	5,995	5,547
Optus	11,451	12,275	11,670	10,876	9,387
Optus (A\$ million)	8,934	9,368	9,284	8,949	8,321
Group EBITDA	5,200	5,219	5,119	4,847	4,431
SingTel	2,147	2,128	2,183	2,224	2,110
Optus	3,053	3,091	2,937	2,623	2,321
Optus (A\$ million)	2,381	2,357	2,334	2,153	2,067
Share of associates' pre-tax profits	2,106	2,005	2,141	2,410	2,051
Group EBITDA and share of associates' pre-tax profits	7,306	7,223	7,260	7,257	6,482
Group EBIT	5,178	5,222	5,291	5,379	4,750
Net profit after tax	3,508	3,989	3,825	3,907	3,448
Underlying net profit ⁽¹⁾	3,611	3,676	3,800	3,910	3,455
Cash Flow (\$ million)					
Group free cash flow ⁽²⁾	3,759	3,462	4,038	3,406	3,245
Singapore	1,491	1,170	1,436	1,290	1,231
Associates' dividends (net of withholding tax)	900	841	1,084	858	963
SingTel	2,392	2,011	2,520	2,148	2,194
Optus	1,367	1,451	1,519	1,258	1,050
Optus (A\$ million)	1,068	1,111	1,206	1,015	967
Capital expenditure	2,059	2,249	2,005	1,923	1,918
Balance Sheet (\$ million)					
Total assets	39,984	40,418	39,282	37,952	33,255
Shareholders' funds	23,965	23,428	24,328	23,493	20,476
Net debt	7,477	7,860	6,023	6,311	6,544
Key Ratios					
Proportionate EBITDA from outside Singapore (%)	77	78	76	74	72
Return on invested capital (%) ⁽³⁾	11.8	12.0	12.5	14.0	12.8
Return on equity (%)	14.8	16.7	16.0	17.8	16.6
Return on total assets (%)	8.7	10.0	9.9	11.0	10.2
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	1.0	1.1	0.8	0.9	1.0
EBITDA and share of associates' pre-tax profits to net interest expense (number of times)	24.5	20.7	21.8	23.5	19.9
Per Share Information (\$ cents)					
Earnings per share - basic	22.02	25.04	24.02	24.55	21.67
Earnings per share - underlying net profit ⁽¹⁾	22.66	23.07	23.86	24.56	21.71
Net assets per share	150.42	147.08	152.75	147.55	128.67
Dividend per share - ordinary	16.8	15.8	15.8	14.2	12.5
Dividend per share - special	-	-	10.0	-	-

"SingTel" refers to the SingTel Group excluding Optus.

Notes:

- ⁽¹⁾ Underlying net profit is defined as net profit before exceptional items and exchange differences on capital reductions of certain overseas subsidiaries, net of hedging, as well as significant exceptional items of associates.
- ⁽²⁾ Free cash flow refers to cash flow from operating activities, including dividends from associates, less cash capital expenditure.
- ⁽³⁾ Return on invested capital is defined as EBIT (post-tax) divided by average capital. Comparatives have been restated to be on a post-tax basis, consistent with the current year.

OPERATING AND FINANCIAL REVIEW

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP REVIEW

GROUP	Financial Year Ended 31 March		Change (%)
	2013 (\$ million)	2012 (\$ million)	
Operating revenue	18,183	18,825	-3.4
<i>(ex-digital business⁽¹⁾)</i>	18,072	18,767	-3.7
EBITDA	5,200	5,219	-0.4
<i>(ex-digital business)</i>	5,304	5,285	0.4
EBITDA margin	28.6%	27.7%	
<i>(ex-digital business)</i>	29.3%	28.2%	
Share of associates' pre-tax profits	2,106	2,005	5.0
EBITDA and share of associates' pre-tax profits	7,306	7,223	1.1
EBIT	5,178	5,222	-0.8
<i>(ex-digital business)</i>	5,324	5,302	0.4
Exceptional items (pre-tax)	(154)	86	nm
Taxation			
- ordinary tax expense	(1,267)	(1,205)	5.2
- exceptional tax credit	51	227	-77.4
Net profit	3,508	3,989	-12.0
<i>Basic earnings per share (\$ cents)</i>	22.0	25.0	-12.1
Underlying net profit ⁽²⁾	3,611	3,676	-1.8
<i>(ex-digital business)</i>	3,731	3,750	-0.5
<i>Underlying earnings per share (\$ cents)</i>	22.7	23.1	-1.8

"nm" denotes not meaningful.

In this section, "Optus" refers to SingTel Optus Pty Limited and its subsidiaries, and "Singapore" refers to the Group's operations excluding Optus and the associates. "Associate" refers to either an associate or a joint venture as defined under Singapore Financial Reporting Standards.

Notes:

⁽¹⁾ Digital business refers to all businesses under Group Digital Life segment and comprises mainly e-commerce, concierge and hyper-local services, and mobile advertising of Amobee Inc.

⁽²⁾ Underlying net profit refers to net profit before exceptional and other one-off items.

The Group delivered resilient earnings amid significant industry changes while it continued to invest in transformational initiatives to drive long-term growth. Overall EBITDA was stable at S\$5.20 billion. Operating revenue was S\$18.18 billion, down 3.4% due to lower revenue in Australia. In constant currency terms, operating revenue declined 2.1% but EBITDA grew 1.0% on strong cost management.

In Singapore, excluding fibre rollout revenue where mass rollout was completed in June 2012, operating revenue rose 3.8%. The increase was contributed by growth in mobile and infocomm technology (ICT) operations as well as digital services. Mobile Communications grew 2.9% on strong customer gains which offset the lower roaming and SMS interconnect revenues. Data and Internet revenue increased 2.5% underpinned by robust growth in Managed Services and fibre broadband. EBITDA was stable but would have increased 3.6% excluding the startup losses from digital businesses.

OPERATING AND FINANCIAL REVIEW

MANAGEMENT DISCUSSION AND ANALYSIS

In Australia, Optus continued to restructure its business to drive profitable growth as well as capitalise on mobile data opportunities. Though operating revenue declined 4.6%, EBITDA grew 1.0% reflecting Optus' yield focus. Mobile revenue declined 5.9% due to lower equipment sales, service credits associated with the device repayment plans introduced last year and further mandated reduction in mobile termination rates from 1 January 2013. Revenue from Business and Wholesale Fixed was stable as higher satellite and ICT and managed services revenues offset the lower voice and Data and IP revenues. In Consumer Fixed, lower on-net broadband average revenue per user (ARPU) has resulted in the on-net revenue declining by 4.8%. With the weaker Australian Dollar, Optus' translated revenue in Singapore Dollars decreased 6.7% from last year.

The associates' pre-tax contributions grew 5.0% to S\$2.11 billion. Excluding the currency translation impact, the associates' pre-tax contributions increased strongly by 12% from last year.

Telkomsel and AIS delivered increases in revenue and EBITDA underpinned by strong data growth. Globe's service revenue grew on sustained growth in mobile and broadband while EBITDA was stable on higher subsidy and service costs. Despite the highly competitive market in India and the economic headwinds in Africa, Airtel's operating revenue grew 12% and EBITDA increased 5%. Overall earnings, however, declined due to higher depreciation and spectrum amortisation charges on mobile network expansion, and increased financing costs.

With higher depreciation and amortisation charges from continued mobile network investments and higher intangibles from recent acquisitions, the Group's EBIT was stable at S\$5.18 billion.

The Group's exceptional items for the year included the divestment loss of Warid Pakistan of S\$225 million, Optus' ex-gratia costs on its workforce restructuring of S\$101 million, and the Group's share of Globe's accelerated depreciation of S\$114 million from its network and IT transformation. Together with the net dividend income from Southern Cross of S\$149 million and the divestment gain in Far EasTone Telecommunications Co., Ltd (FET) of S\$119 million, the net exceptional losses for the year amounted to S\$154 million. An exceptional tax credit of S\$270 million was recognised last year on the value of assets transferred to an associate.

Net profit after exceptional items declined 12% to S\$3.51 billion. Excluding exceptional items, underlying net profit decreased 1.8% to S\$3.61 billion. Excluding startup losses from the digital businesses and currency translation impact, underlying net profit would have increased 2.6%.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for 76% and 77% of the Group's proportionate revenue and proportionate EBITDA respectively.

SINGAPORE	Financial Year Ended 31 March		Change (%)
	2013 (S\$ million)	2012 (S\$ million)	
Operating revenue			
Mobile Communications ⁽¹⁾	1,946	1,890	2.9
Data and Internet	1,648	1,607	2.5
International Telephone	482	501	-4.0
Sale of Equipment	353	352	**
National Telephone	334	352	-5.1
mio TV	125	106	18.4
Others ⁽²⁾	229	211	8.8
Telco	5,117	5,020	1.9
Revenue from NCS	1,407	1,315	7.0
Fibre rollout	117	178	-34.2
Information Technology and Engineering (IT&E)	1,524	1,493	2.1
Digital business ⁽³⁾	92	38	142.3
Total Revenue	6,732	6,551	2.8
(excluding Fibre rollout)	6,615	6,372	3.8
EBITDA	2,147	2,128	0.9
(ex-digital business)	2,231	2,152	3.6
EBITDA margin	31.9%	32.5%	
(ex-digital business)	33.6%	33.0%	
EBIT	1,481	1,551	-4.5
(ex-digital business)	1,602	1,587	0.9

*** denotes less than 0.05%.

Numbers in above table may not exactly add due to rounding.

Notes:

⁽¹⁾ With effect from this financial year, revenues from mobile digital services are classified under "Digital business". The comparative figure has been reclassified to be consistent with the current financial year.

⁽²⁾ Comprise revenues from mobile satellite, lease of satellite transponders and other miscellaneous income.

⁽³⁾ Digital business refers to all businesses under Singapore Digital Life and comprises mainly e-commerce, concierge and hyper-local services, and mobile advertising of Amobee Inc.

SingTel's core operations delivered strong performance with 3.6% increase in EBITDA.

Operating revenue in Singapore was up 2.8% to S\$6.73 billion. Excluding fibre rollout revenue where mass rollout was completed in June 2012, operating revenue increased 3.8% underpinned by continued strength in mobile and ICT operations and growth from digital business. EBITDA was stable at S\$2.15 billion, reflecting the investments in digital businesses, higher mobile customer connection costs as well as lease payments to NetLink Trust which commenced from September 2011. With higher depreciation from mobile network expansion and NCS' equipment investments, as well as amortisation of intangibles from the acquisitions of digital businesses, EBIT declined 4.5%.

Mobile Communications, the largest revenue stream, grew 2.9% to S\$1.95 billion on strong customer growth which offset the lower postpaid ARPU. Total mobile customer base grew 6.3% or 226,000 to 3.81 million. SingTel registered strong market share gains, extending its lead by 1.3 percentage points with a mobile market share of 47.2% as at 31 March 2013.

Total postpaid customer base increased 7.6% or 148,000 from a year ago to 2.10 million as at 31 March 2013. Approximately 23% of the total postpaid base was on tiered data plans with 10% of these customers exceeding their data allowances. SingTel's 4G postpaid customer base reached 378,000 as at 31 March 2013. Postpaid ARPU fell S\$5 to S\$80 and, excluding "data only" SIMs,

OPERATING AND FINANCIAL REVIEW MANAGEMENT DISCUSSION AND ANALYSIS

declined S\$4 reflecting lower roaming and SMS interconnect revenues.

Mobile data services remained at 42% of blended ARPU. However, the proportion of non-SMS data grew to 22% of ARPU, up from 20%. Total number of customers on monthly mobile broadband data subscription plans grew strongly by 24% or 299,000 from a year ago to 1.55 million.

In the prepaid segment, ARPU increased 3.4% contributed by the strong demand for mobile data and 3G offerings. SingTel's prepaid customer base grew 4.8% or 78,000 from a year ago to 1.71 million.

Data and Internet revenue increased 2.5% to S\$1.65 billion. Growth in Managed Services mitigated the impact of price declines in Local Leased Circuits. Driven by strong demand for fibre services and higher-tier plans, Fixed Broadband revenue grew a healthy 8.7% in a highly competitive market. SingTel's fibre broadband customer base grew to 192,000, up significantly from 76,000 a year ago, with a leading market share of approximately 59% as at 31 March 2013.

International Telephone revenue declined 4.0% to S\$482 million on lower average collection rates partially offset by increased international call traffic.

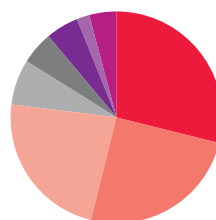
During the year, SingTel strengthened its content suite with the addition of FOX International Channels and Disney channels, and lifted mio TV revenue by a strong 18% to S\$125 million. Total mio TV customer base reached 404,000 as at end of March 2013, an increase of 9.8% or 36,000 from a year ago.

Revenue from Consumer Home, comprising residential fixed broadband, voice and mio TV, increased 5.1% underpinned by SingTel's successful bundling strategy. A total of 347,000 customers were on triple/quadruple bundled plans as at 31 March 2013, up 14% from 305,000 a year ago.

IT&E revenue grew 2.1% to S\$1.52 billion with NCS' growth of 7.0% partially offsetting the lower fibre rollout revenue.

With SingTel's strategic acquisitions in the digital space, including Amobee Inc., a premium provider of mobile advertising solutions, HungryGoWhere.com, a restaurant review portal, and Pixable Inc., a social photo aggregation service provider, revenue from Digital business grew significantly to S\$92 million from S\$38 million last year.

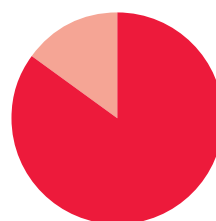
REVENUE BY PRODUCTS AND SERVICES



S\$6.73b
2013

- **29%** Mobile Communications
- **25%** Data and Internet
- **23%** IT and Engineering
- **7%** International Telephone
- **5%** National Telephone
- **5%** Sale of Equipment
- **2%** mio TV
- **4%** Others

EBITDA



S\$2.15b
2013

- **85%** Telco
- **15%** IT and Engineering

AUSTRALIA	Financial Year Ended 31 March		Change (%)
	2013 (A\$ million)	2012 (A\$ million)	
Operating revenue by division			
Mobile	5,711	6,072	-5.9
Fixed			
Business and Wholesale	2,013	2,029	-0.8
Consumer and Small-Medium Business (SMB)	1,210	1,275	-5.1
Inter-divisional	-	(7)	nm
Total Revenue	8,934	9,368	-4.6
EBITDA by division			
Mobile	1,584	1,578	0.3
Fixed			
Business and Wholesale	553	546	1.4
Consumer and Small-Medium Business (SMB)	244	233	4.5
Total EBITDA	2,381	2,357	1.0
<i>EBITDA margin</i>	26.7%	25.2%	
EBIT	1,241	1,271	-2.3

"nm" denotes not meaningful.

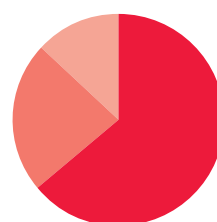
Numbers in above table may not exactly add due to rounding.

Optus, SingTel's largest subsidiary and Australia's number two telecommunications operator, was focused on sustainable profitability and improving customer experience while positioning itself to capitalise on mobile data revenue growth. EBITDA was up 1.0% and margin increased 1.5 percentage points despite operating revenue declining by 4.6%, reflecting Optus' focus on restructuring its cost base. With higher depreciation and amortisation charges from increased network investments and acquisition of Vividwireless and 2300MHz frequency spectrum in June 2012, EBIT declined 2.3%.

Optus Mobile contributed 64% to Optus' operating revenue and 67% to Optus' EBITDA. EBITDA was stable despite the decline of 5.9% in operating revenue. The lower operating revenue was due to decline in sales of equipment and lower service revenue as a result of the mandated reduction in mobile termination rates, lower breakage and roaming revenues as well as the service credits associated with the device repayment plans.

Optus continued its postpaid customer growth momentum with net additions of 306,000 in the year. Postpaid customers comprised 57% of the total base, up 2 percentage points from a year ago. Prepaid customer base reduced by 203,000 to 4.09 million, reflecting yield management initiatives. Optus grew the number of 4G mobile handsets on its network to 785,000 as at end of March 2013.

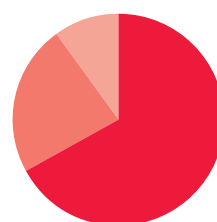
REVENUE BY DIVISION



A\$8.93b
2013

- > **64%** Mobile
- > **23%** Optus Business and Wholesale Fixed
- > **13%** Consumer and SMB Fixed

EBITDA BY DIVISION



A\$2.38b
2013

- > **67%** Mobile
- > **23%** Optus Business and Wholesale Fixed
- > **10%** Consumer and SMB Fixed

OPERATING AND FINANCIAL REVIEW MANAGEMENT DISCUSSION AND ANALYSIS

Blended ARPU was A\$42, down A\$3 year-on-year, and would have declined A\$1 if excluding the impact of the reduction in mobile termination rates and the service credits associated with the device repayment plans. SMS and other data revenue grew to 51% (FY2012: 46%) of ARPU while non-SMS data revenue increased to 27% (FY2012: 22%) of ARPU.

Business and Wholesale Fixed accounted for 23% of Optus' operating revenue and 23% of Optus' EBITDA. Revenue was stable at A\$2.01 billion as Optus continued to exit unprofitable off-net services. The higher satellite and ICT and managed services revenues were offset by the lower voice and Data and IP revenues. EBITDA increased 1.4% to A\$553 million.

Consumer and Small-Medium Business Fixed contributed 13% to Optus' operating revenue and 10% of Optus' EBITDA. Consumer fixed on-net revenue declined 4.8% due to lower ARPU from discounted bundled plans and increased broadband data allowances. As Optus continued to exit fixed resale services, Consumer fixed off-net revenue was down 33%, resulting in an overall decline in the Consumer fixed revenue of 5.1% to A\$1.21 billion. In the highly competitive broadband market, Optus' total on-net broadband customer base grew by 2.2% to approximately 1 million as at 31 March 2013. EBITDA increased 4.5% on lower operating expenses.

ASSOCIATES	Financial Year Ended 31 March		Change (%)
	2013 (\$ million)	2012 (\$ million)	
Share of ordinary pre-tax profits			
Regional mobile associates			
Telkomsel	1,004	898	11.7
AIS	438	350	25.0
Airtel			
- India, Bangladesh and Sri Lanka (South Asia)	495	628	-21.1
- Africa	(127)	(76)	66.5
	369	551	-33.2
Globe	210	187	12.5
Warid Pakistan	(18)	(56)	-67.5
Pacific Bangladesh Telecom	-	(28)	nm
	2,002	1,902	5.2
Other associates	104	110	-5.4
Group share of associates' ordinary pre-tax profits	2,106	2,013	4.6
Group share of associates' exceptional items	-	(8)	nm
Group share of associates' pre-tax profits	2,106	2,005	5.0
Share of post-tax profits			
Regional mobile associates			
Telkomsel	754	665	13.3
AIS	338	249	35.9
Airtel			
- India, Bangladesh and Sri Lanka (South Asia)	332	474	-29.8
- Africa	(164)	(117)	39.8
	169	356	-52.7
Globe	150	131	15.0
Warid Pakistan	(18)	(56)	-67.4
Pacific Bangladesh Telecom	-	(29)	nm
	1,393	1,316	5.8
Other associates	92	91	1.2
Group share of associates' post-tax profits	1,485	1,407	5.5

"nm" denotes not meaningful.

Numbers in above table may not exactly add due to rounding.

The Group's share of the associates' pre-tax and post-tax profits grew 5.0% and 5.5% respectively amid weaker regional currencies, as the Indian Rupee and Indonesian Rupiah declined sharply by 15% and 9% respectively from a year ago. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions of the associates would have increased by 12% each.

The regional mobile associates continued their strong customer growth momentum. Telkomsel registered 9.8% increase in its customer base to 121 million as at 31 March 2013. Airtel's total mobile customer base covering India, Bangladesh, Sri Lanka and across Africa, reached 260 million as at 31 March 2013, up 7.8% from a year ago. Excluding Warid Pakistan which was divested in March 2013, the Group's combined mobile customer base reached 468 million in 25 countries, a growth of 8.5% or 37 million from a year ago.

Telkomsel accounted for 51% of the Group's share of associates' post-tax profits, up from 47% last year. Operating revenue grew 13% and EBITDA increased 10% underpinned by growth across voice, SMS and data. With lower depreciation and higher interest income, the Group's share of Telkomsel's post-tax profit grew a strong 23% in Indonesian Rupiah terms. In Singapore Dollar terms, Telkomsel's post-tax contribution increased 13% to S\$754 million, reflecting the 9% decline in the Indonesian Rupiah against the Singapore Dollar. Telkomsel maintained its leading position in Indonesia with a market share of approximately 44% as at 31 March 2013.

AIS contributed 23% to the Group's share of associates' post-tax profits, 5 percentage points higher than last year. Post-tax contribution surged 36% to S\$338 million, driven by robust growth in both voice and non-voice revenues, lower depreciation and amortisation charges as well as lower taxes from the reduction in Thai corporate tax rates. AIS maintained its lead in the Thailand mobile market with approximately 43.6% market share.

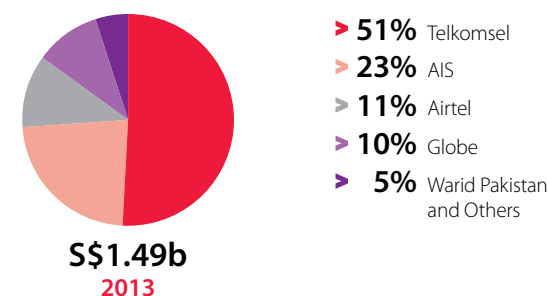
During the year, Airtel was impacted by adverse regulatory changes in India, as well as economic headwinds in Africa and increased market competition. Amid these challenges, Airtel's revenue grew 12% while EBITDA increased 5% on higher network costs and selling and administrative expenses. Net profit, however, declined 47% due to higher depreciation and spectrum amortisation charges on network investments, increased financing costs and higher income taxes. With the steep 15% depreciation of the Indian Rupee against the Singapore Dollar, overall post-tax contribution from Airtel declined 53% to S\$169 million. Airtel continued to lead the India mobile market with a market share of approximately 21.7%.

Globe, the second largest mobile phone operator in the Philippines, recorded service revenue growth of 6% on sustained growth across both mobile and broadband in a competitive market. EBITDA, however, was stable on higher subsidy and service costs. With lower net interest expense and a stronger Philippine Peso relative to the Singapore Dollar, Globe's post-tax contribution grew 15% to S\$150 million. This contribution excluded Globe's accelerated depreciation charges related to its network modernisation and IT transformation programmes. The Group's share of this exceptional charge has been classified as an exceptional item of the Group.

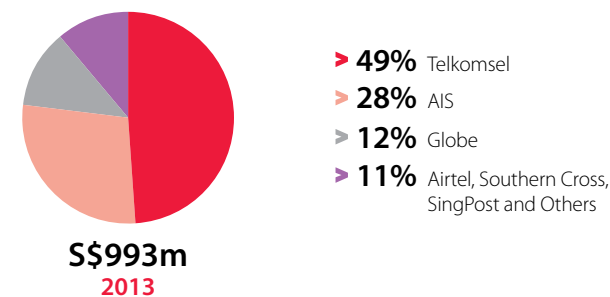
SingTel ceased to equity account for Warid Pakistan from 1 July 2012 upon its reclassification as an "Asset Held For Sale". Warid Pakistan was disposed in March 2013.

Pacific Bangladesh Telecom's carrying value was nil as at 31 March 2012 and SingTel ceased to equity account for its results from 1 April 2012.

SHARE OF ASSOCIATES' POST-TAX PROFITS



CASH DIVIDENDS RECEIVED FROM ASSOCIATES ⁽¹⁾



Note:

⁽¹⁾ Cash dividends received from overseas associates are before withholding and other related tax payments.

OPERATING AND FINANCIAL REVIEW

MANAGEMENT DISCUSSION AND ANALYSIS

CASH FLOW

GROUP	Financial Year Ended 31 March		Change (%)
	2013 (S\$ million)	2012 (S\$ million)	
Net cash inflow from operating activities	5,818	5,710	1.9
Net cash outflow for investing activities	(2,557)	(2,809)	-9.0
Net cash outflow for financing activities	(3,702)	(4,264)	-13.2
Net decrease in cash balance	(442)	(1,363)	-67.6
Exchange effects on cash balance	6	(29)	nm
Cash balance at beginning of year	1,346	2,738	-50.8
Cash balance at end of year	911	1,346	-32.3
Free cash flow			
Singapore	1,491	1,170	27.4
Australia	1,367	1,451	-5.8
Australia (in A\$)	1,068	1,111	-3.9
Associates (net dividends after withholding tax)	900	841	7.1
Group	3,759	3,462	8.6
Cash capital expenditure as a percentage of operating revenue	11%	12%	

"nm" denotes not meaningful.

Operating Activities

The Group's net cash inflow from operating activities for the year was S\$5.82 billion, up 1.9% or S\$107 million. Increased dividends from associates and lower tax payments partially offset the higher working capital in Australia.

Investing Activities

The investing cash outflow was S\$2.56 billion. During the year, payments of S\$698 million were made for acquisitions of subsidiaries, namely Amobee Inc., Vividwireless Group and Pixable Inc. This was partly offset by S\$337 million from the sale of a stake in FET and the initial sale proceeds of S\$87 million from the divestment of Warid Pakistan. Capital expenditure totalled S\$2.06 billion, and represented 11% of the Group's operating revenue, 1 percentage point lower than last year. Major capital expenditure for the year included investments in satellites as well as fixed and mobile networks including 4G deployment in Singapore and Australia.

Financing Activities

Net cash outflow of S\$3.70 billion for financing activities comprised mainly the payment of S\$1.43 billion for final dividends in respect of the previous financial year ended 31 March 2012, and S\$1.08 billion for interim dividends in respect of the current financial year. Other major financing cash outflows included S\$805 million for the net repayment of borrowings and S\$343 million for interest payments.

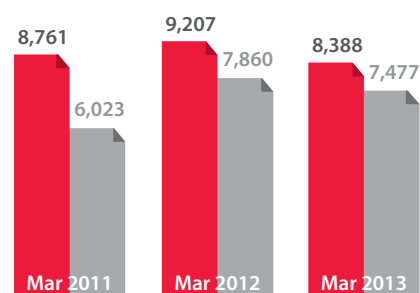
Free Cash Flow

The Group generated strong free cash flows at S\$3.76 billion, higher by 8.6% or S\$297 million from last year. Free cash flow from Singapore grew 27% due to higher operating cash flow from favourable movements in working capital and lower tax payments, as well as lower capital expenditure. Free cash flow from Australia declined 3.9% to A\$1.07 billion as a result of higher working capital reflecting higher receivables from increased accrued handset repayments, partly offset by lower tax payments and capital spend.

CAPITAL MANAGEMENT

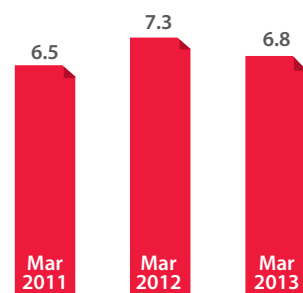
GROUP	Financial Year Ended 31 March		
	2013	2012	2011
Gross debt (\$ m)	8,388	9,207	8,761
Net debt ⁽¹⁾ (\$ m)	7,477	7,860	6,023
Net debt gearing ratio ⁽²⁾ (%)	23.8	25.1	19.8
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	1.0	1.1	0.8
Interest cover ⁽³⁾ (number of times)	24.5	20.7	21.8
Average maturity of borrowings (years)	6.8	7.3	6.5

GROUP DEBT (\$ m)



➤ Gross Debt ➤ Net Debt ⁽¹⁾

AVERAGE MATURITY OF BORROWINGS (Years)



➤ Average Maturity

During the year, the Group's gross debt decreased mainly due to net repayment of borrowings of S\$805 million. As at 31 March 2013, net debt gearing ratio was 23.8%.

The Group has one of the strongest credit ratings among telecommunications companies in Asia. SingTel is currently rated Aa3 by Moody's and A+ by Standard & Poor's. The Group continued to maintain a healthy capital structure.

SingTel revised its policy to increase the dividend payout ratio to between 60% to 75% of underlying net profit, from the previous payout ratio of 55% to 70%. The Group remains committed to an optimal capital structure and investment grade credit ratings, while maintaining financial flexibility to pursue growth.

Notes:

⁽¹⁾ Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.

⁽²⁾ Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.

⁽³⁾ Interest cover refers to the ratio of EBITDA and share of associates' pre-tax profits to net interest expense, where net interest expense is interest expense less interest income.

INVESTOR RELATIONS



1,2 Interacting and sharing business insights and strategies with the investment community at SingTel's Investor Day

PROACTIVE COMMUNICATION WITH THE INVESTMENT COMMUNITY

SingTel is committed to delivering high standards of disclosure and corporate transparency by:

- Disseminating accurate and relevant information to the marketplace in a timely manner, to help investors make informed investment decisions;
- Providing direct and regular access to our management through face-to-face meetings (including investor days), conferences, roadshows, conference calls and webcasts; and
- Balancing investors' expectations for open and transparent disclosure with the commercial sensitivities of SingTel's businesses.

SingTel's Investor Relations (IR) team promotes and facilitates communications with existing and potential institutional investors, financial analysts and retail shareholders. During the year, our management, together with the IR team, met more than 400 investors in over 200 meetings to share the Group's business strategy, operational and financial performance, and prospects. SingTel participated in investor conferences and roadshows in Singapore, Hong Kong, US and Europe. These facilitate access to potential new shareholders and help us deepen existing relationships with long-term shareholders. The IR team also arranged site visits to SingTel's business facilities to help investors better understand our key business objectives and expansion plans in the digital, mobile and enterprise space.

The IR team develops and maintains strong links with sell-side research analysts as they play an important role in educating the investment community. More than 20 sell-side analysts based in Singapore, Hong Kong, Malaysia, Australia and UK currently cover SingTel.

All new material announcements are posted on the IR website immediately following the release to the Singapore and Australian exchanges (SGX and ASX respectively), to ensure fair, equal and prompt dissemination of information.

For the quarterly financial results announcements, SingTel produces a comprehensive set of materials, including detailed financial statements, management discussion and analysis, and presentation slides. Analysts and investors have the opportunity to pose questions to our management during an investor conference call on the day of the results announcement. Recorded webcasts and transcripts of the event are posted on the IR website. The IR website is a key resource for corporate information, financial data and significant business developments. The IR website also houses SingTel's annual reports, a list of upcoming investor events, shares and dividend information, factsheets and investor presentation slides.

Since the announcement of the Group's transformation in March 2012, our senior management and the IR team have devoted significant efforts to help the investment community better understand the rationale behind our transformation, as well as the key strategic priorities for the three newly created business units: Group Consumer, Group Digital Life and Group Enterprise. SingTel has also provided additional disclosures and outlook on our three key business units, supplementing our traditional disclosures by geography – Singapore, Australia and the regional mobile associates.

In March 2013, at SingTel's Investor Day in Singapore, the CEOs of Group Consumer, Group Digital Life and Group Enterprise, as well as the senior management of Airtel, Telkomsel, AIS and Globe, gave detailed insights into their businesses and responded to questions.

The Investor Day attracted around 60 investors and analysts, who gave positive feedback on the event. They appreciated SingTel's sharing of operational insights and strategies to address business opportunities and challenges.

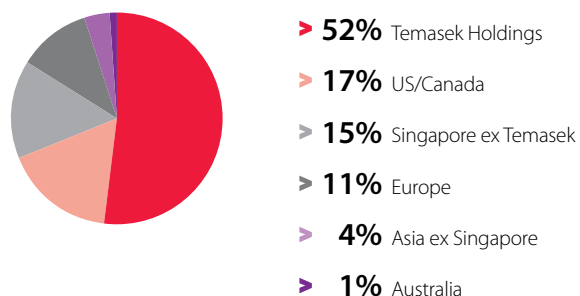
During the year, SingTel commissioned an investor perception study, which involved an independent report on the outcome of in-depth interviews with approximately 50 institutional investors and financial analysts. Investors generously shared their views on SingTel's strategic direction and other topical issues, such as mobile data growth and dividend policy. Interviewees also emphasised the need for clear messages about the newly created Group Digital Life business unit. Responding to that feedback, senior management gave deep insights into Group Digital Life's strategy at the Investor Day.

In a year marked by significant transformation of our businesses, SingTel won several awards in recognition of our corporate governance, transparency and IR efforts.

SHAREHOLDER INFORMATION

As at 30 April 2013, Temasek Holdings (Private) Limited remained the largest shareholder with 52% of issued share capital. Other Singapore shareholders held 15% of ownership interest. US/Canada and Europe held 17% and 11% of issued share capital respectively.

SHARE OWNERSHIP BY GEOGRAPHICAL DISTRIBUTION



Approximate figures based on share register analysis as at 30 Apr 2013.

IR CALENDAR EVENTS

Date	Activities
May 2012	Non-deal Equity Roadshows, US and Europe
Jul 2012	20 th Annual General Meeting and Extraordinary General Meeting, Singapore
Sep 2012	CLSA Investors Forum, Hong Kong
Nov 2012	Non-deal Equity Roadshows, Europe and Hong Kong
Mar 2013	SingTel Investor Day, Singapore

Corporate Sustainability

The Group takes a holistic approach towards sustainability, with a focus on four key areas: Marketplace, People, Environment and Community.

CORPORATE SUSTAINABILITY MILESTONES

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ○ Optus and The Smith Family kicked off mobile Student2Student programme with 650 students
– April 2012 | <ul style="list-style-type: none"> ○ Two hundred SingTel employees planted 100 trees at 4th Plant-A-Tree Day
– July 2012 | <ul style="list-style-type: none"> ○ SingTel and staff donated S\$200,000 to help children affected by cancer
– July 2012 |
| <ul style="list-style-type: none"> ○ Optus staff donated over 200 blankets to Mission Australia for the homeless
– July 2012 | <ul style="list-style-type: none"> ○ SingTel's business partners and associates raised S\$870,000 from annual Charity Golf event
– August 2012 | <ul style="list-style-type: none"> ○ 'yes' Optus Community Grants programme celebrated its 5th year, distributing grants to support local projects which reconnect disengaged youths and build social inclusion
– November 2012 |
| <ul style="list-style-type: none"> ○ Optus hosted Carols for a Cause pop-up events where celebrities busked for charity and helped raise funds for Kids Helpline and The Smith Family
– December 2012 | <ul style="list-style-type: none"> ○ Optus staff donated over A\$6,500 worth of toys to the Salvation Army for annual Christmas Appeal
– December 2012 | <ul style="list-style-type: none"> ○ SingTel and Optus supported Earth Hour 2013, switching off façade lights at key office premises
– March 2013 |
| <ul style="list-style-type: none"> ○ Sixteen volunteers built houses in a village in Compostela Valley, Philippines under SingTel's 3rd Overseas Volunteering Programme
– March 2013 | | |

CORPORATE SUSTAINABILITY

- 1 In another amazing fundraising year, SingTel, our staff, business partners and members of the public raised S\$2.7 million for children and youths with special needs in Singapore
- 2 Optus funds Augustinian Volunteers Australia in developing an electronic colloquial language guide which helps Redfern's indigenous community reconnect young people with their traditional languages
- 3 SingTel and Globe volunteers join forces to build houses for Compostela Valley residents affected by Typhoon Bopha in December 2012
- 4 SingTel supports Globe's relief operations during Typhoon Bopha



Corporate sustainability is core to the way the SingTel Group operates our business and the way we engage our stakeholders. We do this because we strongly believe we can make a difference by leveraging our resources and working together with our people as well as our business and community partners.

During the year, throughout all levels of the organisation across the Group, we put an added focus on two areas: People and Community. We believe that people and communities are at the heart of our sustainability programme. Thus, it is important to cultivate our staff's awareness and passion for sustainability and ensure that they understand their individual roles in the community. Broadening this advocacy is our focus for the next financial year.

TOUCHING LIVES, BRIDGING COMMUNITIES

We have an instrumental role to play in giving back to the community that has been behind our success. Across the region, our focus lies in four areas:

Making a Difference to Vulnerable and Disadvantaged Youths

Supporting vulnerable children and youths is a primary focus of our community efforts to ensure they thrive and become successful in tomorrow's society.

Into its 11th year, the SingTel Touching Lives Fund (STLF) was set up to raise funds for children and youths with special needs in Singapore. We raised a record S\$2.7 million in 2012 and a total of over S\$24 million since inception. In addition to our own donation, contributions also came from staff, business partners and members of the public. SingTel underwrites all fundraising costs, hence every dollar raised by the STLF goes directly to our six beneficiaries: APSN Chaoyang School, APSN Tanglin School, Eden School, MINDS Lee Kong Chian Gardens School, Singapore Cancer Society's "Help the Children and Youths Programme" and Spastic Children's Association School.

In Australia, our community focus is to give vulnerable youths a brighter future. We do this through our partnerships with The Smith Family, Kids Helpline and the Australian Business Community Network (ABCN). Through The Smith Family, a children's charity helping disadvantaged youths with education initiatives, Optus staff have donated through workplace giving and Back-to-School fundraising programmes as well as direct volunteer work with the beneficiaries. The number of school students engaged in the Student2Student mobile literacy programme has also increased 25% and 80% of participants improved their literacy levels.

We also offer community grants which support projects to reconnect disengaged youths and help build social inclusion. In 2012, Optus awarded 37 charity organisations with A\$250,000 worth of grants, bringing the total grants to over A\$880,000 since 2008.

Connecting Disadvantaged Communities with Technology

To help the disadvantaged, we often tap into what we do best – communications. In Singapore, we introduced Project Silverline in October 2012, to provide senior citizens with refurbished smartphones donated by our customers. The phones are installed with a suite of apps specially designed by SingTel and our partners to help the elderly take better care of their health (e.g. water intake and medication reminder), call for emergency help and connect with family and friends at a single touch.

We also sponsored data SIM cards for a technical trial to aid autistic children. Designed by a Singapore social enterprise, the phone app enables caregivers to send instructions to special vests that will tighten around the special child's shoulders and waist, thus creating a hug and therefore calming the child down.

Using our Broadband on Mobile service, we partner a start-up on a technical and service trial for an app that allows the physically disabled to book transportation offered by voluntary welfare

CORPORATE SUSTAINABILITY



- 5 Student benefiting from The Smith Family's Student2Student programme
- 6 Staff in Singapore contributed over 5,500 hours towards about 40 VolunTeaming activities with beneficiaries of the STLF and local charitable organisations
- 7 Optus' Customer Operations team contributes to the battle against HIV by volunteering with Youth Empowerment Against HIV (YEAH)

organisations such as the Handicapped Welfare Association or volunteers who use their own private cars. This real-time matching platform cuts down the minimum advance booking notice from days to as and when required.

Support for Cancer Research and Treatment

The Group has actively supported research into cancer cures and treatment. Over 500 staff, family and friends participated in the SingTel-Singapore Cancer Society Race Against Cancer run to raise funds for children affected by the illness. Together with SingTel's contributions, we raised a total of S\$200,000 for the event.

Similarly in Australia, our staff and senior leaders participated in an annual cycling tour organised by Tour de Cure, a not-for-profit organisation focused on creating awareness as well as research and treatment for cancer.

Lending Our Support to Disaster Relief

The Group actively works with our regional mobile associates to support their community and disaster relief efforts. In December 2012, we contributed 500,000 Philippine Pesos to help victims of Typhoon Bopha through Globe Bridging Communities, Globe's corporate social responsibility (CSR) programme. Our donation was used to buy relief items for affected families in the hardest hit areas by the typhoon. Globe also donated 800,000 Philippine Pesos to the efforts and set up stations to offer free phone calls and SMS services in affected areas.

In March 2013, a team of 16 SingTel staff volunteers from Singapore embarked on our 3rd Overseas Volunteering Programme, joining hands with 60 volunteers from Globe to build two houses in Compostela Valley for families displaced by the typhoon.

During the year, Australia experienced several major natural disasters, such as the Tasmania bushfires and Queensland floods. Field technicians, engineers and other staff worked round the clock to restore service and assist the affected communities such as

providing communication services to the residents and authorities. About A\$18,000 was also raised by employees and matched by Optus for the relief efforts.

POWERING UP OUR PEOPLE

Our community strategy is to encourage donations with active staff involvement and volunteering with the beneficiaries in our programme. We find this approach develops emotional engagement with our staff when they directly experience the challenges of our beneficiaries and the benefits we create. To encourage this, every employee in Singapore and Australia is given one day of paid volunteer leave, which may be used for the benefit of any charitable organisation.

Corporate sustainability also remains as one of the key drivers of our staff engagement across Singapore and Australia.

Through ABCN, our staff and leaders are actively involved in mentoring and coaching business leaders and students such as those from Intensive English Centres across Australia. These centres assist youths including asylum seekers, refugees and non-native English speaking students through an intensive English programme to help them integrate into society and the high school system.

In 2013, our staff also contributed their time with the Optus RockCorps initiative. About 80 staff members gave four hours of their time each to refurbish an Asylum Seeker Centre in Sydney, and as a result were able to attend an exclusive Optus RockCorps concert featuring popular music artistes.

Optus employees have collectively volunteered more than 60,000 hours since 2007 with beneficiaries such as ABCN and The Smith Family.

Our Workplace Giving programme also encourages employees to pledge a portion of their salary towards 13 charity partners in Australia,

with the company matching the contributions. Since 2005, the programme has seen contributions of over A\$2 million.

In Singapore, our employees regularly volunteer in teams for community projects. During the year, our people contributed over 5,500 hours towards about 40 VolunTeaming activities.

In one project, SingTel partnered APSN Tanglin School's "Reach Up to Reach Out, Reach Out to Reach Up" project, a week-long initiative held in July 2012. The programme was designed to enable the over-300 special students to participate in a range of activities to bring out their potential, as well as strengthen their understanding of the reciprocal relationship between self and society. About 90 staff volunteers served as facilitators, chaperons, speakers and even as instructors for balloon twisting and Latin dance.

LEADING THE MARKET WITH SUSTAINABLE BUSINESS PRACTICES

Managing risks that have an impact on our environment, customers, workforce (including vendors and contractors) and talent are a key component of our sustainability strategy, which is also actively monitored as part of a comprehensive Enterprise Risk Management framework (see Risk Management on page 78).

Besides these risk management approaches, the company actively promotes staff awareness and involvement in these areas.

Environment

We proactively manage our environmental footprint through resource conservation, pollution prevention and promoting awareness among employees and customers.

In Australia and Singapore, our continuous mobile network upgrade and new network rollout saw the commissioning of the latest generation of green base stations that are more energy efficient while supporting higher traffic capacity and multiple technologies like 2G, 3G and Long Term Evolution or 4G.

During the year, a new initiative to provide a more comprehensive overview of our carbon footprint was the inclusion of emissions from staff travel to and from work in Singapore.

As part of our annual Project LESS (Little Eco StepS) environmental campaign, we introduced Eco-Expressions, which highlighted the impact of consumerism and demonstrated how waste can be recycled and even transformed into works of art. Students from Temasek Polytechnic's School of Design crafted sculptures entirely from recyclable materials, which were displayed at our premises in Singapore.

SingTel also took an official stand to say "no" to shark fin products. The practice is applied to all business lunches and dinners as well as gift hampers.

In addition to observing Earth Hour 2013, SingTel created a challenge for staff based on Earth Hour's global theme "I Will If You Will". Participating employees made a pledge to adopt a more environment-friendly habit and challenge their colleagues to do something green in return.

As an extension of the concept, SingTel and the other two local telecommunication operators joined hands to challenge customers to decline shopping bags with their purchases at our respective retail outlets in March 2013. In return, staff from the three companies participated in a clean-up of East Coast Park, a popular beach in Singapore.

Promoting Product Safety and Respecting Customer Data Privacy

As part of our marketplace sustainability strategy, we are committed to the safety and protection of our customers. An Optus research revealed that cyber safety still has a relatively low level of awareness among Australian parents. This is despite the fact that children spend an average of 95 minutes a day on the internet. We addressed the growing issue of cyber safety with a proactive campaign with our partner Kids Helpline, Australia's only free and confidential counselling service for young people. In Singapore, SingTel introduced a Family Protection application for computers and a mobile internet filter for smartphones and tablets. Parents can install the app on the devices to protect their children from inappropriate content and other online threats.

SingTel respects customer data privacy and has stringent processes to ensure that data is accessed for authorised use and by authorised employees only. Customer data is protected via security measures such as encryption, verification and audits. Promotional messages are labelled as advertisements in compliance with the Spam Control Act and customers can easily unsubscribe from our mailing lists.

Ensuring Sustainability

Since 2007, SingTel has been a signatory of the United Nations Global Compact. We are committed to upholding its 10 principles that cover the realms of human rights, labour, environment and anti-corruption.

Our regional CSR working group members from SingTel, Optus and the regional mobile associates regularly share best practices and identify joint programmes to promote the sustainability cause. We meet once a year at our annual Regional CSR Workshop.

As a Group, we constantly engage our stakeholders via a variety of communication channels to identify sustainability issues that are of concern to them and roll out appropriate responses and measures accordingly. A review of these issues is underway to ensure that we maintain a good balance of internal and external views.

Our People

**“Engaging and energising our people
is a key building block in our vision”**

– Chua Sock Koong,
Group CEO

OUR PEOPLE

- 1 New graduates beginning their dynamic careers at Optus
- 2 Embracing our core value of Integrity



The environment the SingTel Group operates in is changing rapidly. To ensure our long-term sustainability, the Group restructured itself to be better aligned with our customers. We recognise that to successfully transform, we need to ensure our people are future-ready. Thus, maintaining a highly engaged workforce as well as one that is fully committed across our businesses globally is critical.

Our core values of Customer Focus, Challenger Spirit, Teamwork, Integrity and Personal Excellence have proven more important than ever, serving as the common foundation for over 21,000 of our people across geographies and businesses, including newly acquired companies.

Connect and Grow

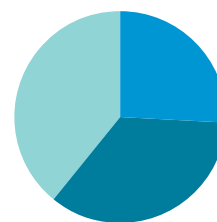
We are committed to helping our employees “Connect and Grow” by building strong relationships among our people, and developing talent across the company. We deliver avenues for employees to “connect” with their passions, hone their talents and improve productivity and innovation – thereby empowering them to “grow” as individuals and as professionals.

We connect with them even before they join the Group. Besides offering various local scholarships, internships and attachments across the Group, we partner our regional mobile associates to provide full tertiary scholarships at top local universities to students in Indonesia, the Philippines, Singapore and Thailand, under the SingTel Group Undergraduate Scholarship Programme.

Our approach to learning and development takes into account the diverse nature of our workforce – an increasingly global pool of talent across multiple generations and organisational levels. We appreciate that, beyond building critical domain capabilities, our people should be able to operate effectively across different geographies, cultures and businesses.

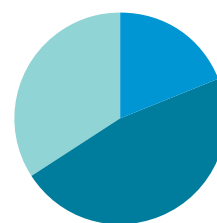
We harness technology in our efforts to accelerate knowledge transfer and promote a culture of continuous learning and sharing. An example of this is SingTel ESPRESSO, our enterprise social network which allows staff to share ideas and documents across the SingTel Group.

AGE DISTRIBUTION



Singapore

- > **26%** Boomers (Pre-1965)
- > **35%** Gen X (1965-1977)
- > **39%** Gen Y (1978 onward)



Australia

- > **19%** Boomers (Pre-1965)
- > **47%** Gen X (1965-1977)
- > **34%** Gen Y (1978 onward)

OUR PEOPLE



- 3 SingTel flag flying high at the Singapore Corporate Community Games
- 4 Optus staff learning the ropes at the Sales Induction Programme

Our annual employee engagement survey guides ongoing actions to ensure our people remain engaged and feel enabled and energised to take on the challenges ahead.

Grooming Talent and Leaders

The Group's transformation hinges on having a strong pipeline of talent.

Talent management at SingTel is an integrated and continuous process, from attracting the right talent to developing and retaining them. We focus on developing competencies that support our business agenda by identifying talent at all levels of the organisation, in both general management and functional leadership tracks. We adopt the approach that an individual is responsible for his or her own personal development, while business leaders are responsible for developing talent for their team and the organisation as a whole.

Our Group-wide executive development programmes and other leadership programmes, along with targeted development interventions and a rigorous succession planning process, ensure a robust pipeline for critical roles across the organisation. As we continue to expand into new areas of business and geographies, the ability to operate effectively across diverse cultures is a vital leadership attribute. Experience outside their home country is essential for our key talent.

Aligning Performance

In SingTel's high-performance culture, the success of our business and people are directly related. Employees understand the company's strategic direction and the part they play in contributing to our vision and mission. Corporate strategies are translated into actionable objectives and cascaded throughout the organisation.

We adopt a meritocratic approach, where employees are rewarded according to both team and individual performance and their embodiment of our core values. Managers are measured on and rewarded for not only the achievement of business results, but also how well they engage, lead and develop their teams. Incentives are designed to motivate continued excellence while ensuring ongoing relevance to evolving business and market contexts.

Employee Relations and Wellbeing

We remain uncompromising on ensuring a safe, healthy work environment and fostering solid employee relations.

Supporting health and wellbeing – physical, mental and social – is a key component of our people management strategy. We actively promote employee wellness through a series of activities, such as talks, health screenings and professional counselling services. We also encourage employees to take control of their own health.

Health clubs and gymnasiums are available onsite across various locations, while healthy food options are made available at all staff cafeterias. Family-friendly policies, including flexible work and leave arrangements, are also offered, as are onsite childcare facilities at some locations.

We foster a proactive and collaborative partnership with employees directly, as well as through the Union of Telecoms Employees of Singapore. Our Employment Partnership Agreement in Australia, a collective agreement made directly between Optus and employees since 1994, was renewed in late 2012 for another three years.

- 5 Leadership programme participants from SingTel and the regional mobile associates strengthen competencies and build peer networks
- 6 Celebrating the lunar new year at SingTel



Commitment to Workforce Diversity

We believe that workforce diversity is essential to building and sustaining our competitive advantage. Such diversity fosters innovative thinking and creative solutions to business challenges, beyond any single individual employee or department's experience and capabilities.

Diversity at the Group refers to the ways in which we differ, including gender, age, ethnicity, language, cultural background, physical ability and lifestyle choice. We accept and respect these differences, and leverage the richness of our varied backgrounds, ideas and perspectives to support the Group in realising our potential in a global market.

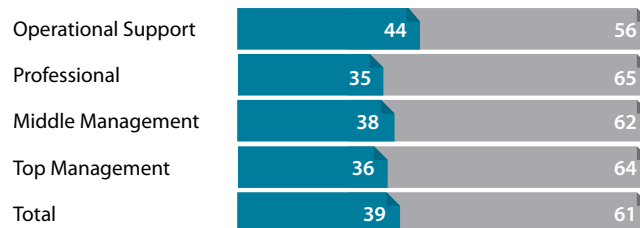
As a leading employer, we are committed to developing and maintaining an inclusive and collaborative workplace and culture. Through our values, policies and behaviours, we aim to promote an environment where individual differences are recognised and valued. All employees have the opportunity to realise their potential and contribute to our overall success.

This commitment includes establishing measurable diversity objectives, beginning with gender diversity in our main employee populations in Australia and Singapore. We will continuously improve the proportion of women across all levels of our workforce, ensuring that females are well represented across the Group throughout our pipeline of talent.

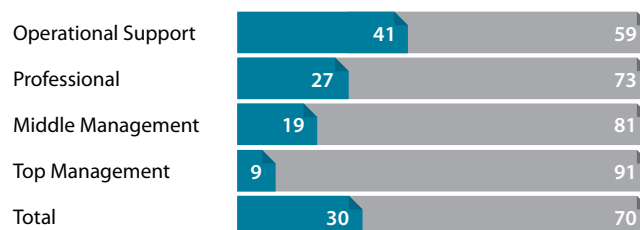
GENDER DISTRIBUTION

(%)

Singapore



Australia



► Female ► Male

CORPORATE GOVERNANCE

INTRODUCTION

SingTel aspires to the highest standards of corporate governance and, to this end, has in place a set of well-defined policies and processes to enhance corporate performance and accountability, as well as protect the interests of key stakeholders.

As SingTel shares are listed on both the Singapore Exchange Securities Trading Limited (SGX) and Australian Securities Exchange (ASX), SingTel seeks to comply with two sets of listing rules and is guided in its corporate governance practices by the Singapore Code of Corporate Governance 2012 (Singapore Code) as well as the ASX Corporate Governance Principles and Recommendations with 2010 Amendments (ASX Code). Where one Exchange has more stringent requirements, SingTel will strive to observe the stricter criteria. SingTel complies with the Singapore Code and the ASX Code. This report sets out SingTel's main corporate governance practices with reference to the Singapore Code and the ASX Code. Unless otherwise stated, these practices were in place for the entire financial year.

In line with corporate governance best practices, various enhancements to the SingTel Group's corporate governance regime have been made, including the following:

- With the increasing emphasis on risk governance and heightened risks as well as greater complexity in the business and economic environment, the Risk Committee, a Board committee created in May 2012 to assist the Board in overseeing the governance of risk in the Group's business, has established a Risk Appetite Statement and Risk Tolerance Framework to provide guidance to the Management on key risk parameters.
- In line with SingTel's continued commitment towards corporate sustainability, a member of top management was appointed to focus on the development and oversee the execution of the Group's sustainability strategy.

Directors' Attendance at Board Meetings during the Financial Year Ended 31 March 2013⁽¹⁾

Name of Director	Scheduled Board Meetings		Ad Hoc Board Meetings	
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Simon Israel	7	7	1	1
Chua Sock Koong	7	7	1	1
Bobby Chin ⁽²⁾	6	6	1	1
Fang Ai Lian	7	7	1	1
David Gonski AC ^{(3) (4)}	-	-	-	-
Dominic Ho	7	6	1	1
Low Check Kian	7	7	1	1
Peter Mason AM ⁽⁵⁾	7	6	1	1
Kaikhushru Nargolwala	7	7	1	-
Peter Ong	7	7	1	1
Ong Peng Tsin	7	7	1	1

Notes:

⁽¹⁾ Refers to meetings held/attended while each Director was in office.

⁽²⁾ Mr Bobby Chin was appointed to the Board on 1 May 2012.

⁽³⁾ Companion of the Order of Australia.

⁽⁴⁾ Mr David Gonski AC was appointed to the Board on 1 March 2013.

⁽⁵⁾ Member of the Order of Australia.

The Board of Directors is responsible for SingTel's corporate governance standards and policies, and stresses their importance across the Group. SingTel has received accolades from the investment community for excellence in corporate governance. More details are included in the "Key Awards and Accolades" section on pages 26 to 27.

BOARD MATTERS

Role of the Board and Conduct of its Affairs

The Board aims to create value for shareholders and ensure the long-term success of the Group by focusing on the development of the right strategy, business model, risk appetite, management, succession plan and compensation framework. It also seeks to align the interests of the Board and Management with that of shareholders, and balance the interests of all stakeholders. In addition, the Board sets the tone for the entire organisation where ethics and values are concerned.

The Board oversees the business affairs of the SingTel Group. It assumes responsibility for the Group's overall strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, compliance and accountability systems, and corporate governance practices. The Board also appoints the Group CEO, approves policies and guidelines on remuneration, as well as the remuneration for Board and Senior Management, and approves the appointment of Directors. In line with best practices in corporate governance, the Board also oversees long-term succession planning for Senior Management.

SingTel has established financial authorisation and approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. Apart from matters that specifically require the Board's approval, such as the issue of shares, dividend distributions and other returns to shareholders, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board Committees and the Management Committee to optimise operational efficiency.

The Board meets regularly, and sets aside time at each scheduled meeting to meet without the presence of Management. Board meetings generally last a full day and include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas, as well as presentations by the Group's associates during the course of the year, to allow the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's partners and key executives. Typically, at least one Board meeting a year is held overseas, in a country where the Group has a significant investment, has an interest in investing, or where Board members can be exposed to new technology relevant to the Group's growth strategy.

On such occasions, the Board may meet with local business leaders and government officials, so as to help Board members gain greater insight into such countries. The Board also meets SingTel's partners and key customers in those countries to develop stronger relationships with such partners and customers. SingTel also arranges for the Board to meet with renowned experts in the technology/digital space to enhance their knowledge in new growth areas and enable the Board to make more informed decisions. In addition to approximately seven scheduled meetings each year, the Board meets as and when warranted by particular circumstances. Eight Board meetings were held in the financial year ended 31 March 2013. Meetings via telephone or video conference are permitted by SingTel's Articles of Association.

A record of the Directors' attendance at Board meetings during the financial year ended 31 March 2013 is set out on page 60.

Directors are required to act in good faith and in the interests of SingTel. All new Directors appointed to the Board are briefed on the Group's business activities, strategic direction and policies, key business risks, and the regulatory environment in which the Group operates, as well as their statutory and other duties and responsibilities as Directors. In line with best practices in corporate governance, the Singapore Code and the ASX Code, new Directors also sign a letter of appointment from the Company stating clearly the role of the Board and non-executive Directors, the time commitment that the Director would be expected to allocate, and other relevant matters.

Board Composition, Diversity and Balance

The size and composition of the Board are reviewed from time to time by the Corporate Governance and Nominations Committee (CGNC), which seeks to ensure that the size of the Board is conducive to effective discussion and decision making, and that the Board has an appropriate number of independent Directors. The CGNC also seeks to maintain a diversity of expertise, skills and attributes among the Directors, including relevant core competencies in areas such as accounting and finance, business and management, industry knowledge, strategic planning, customer-based experience and knowledge, and regional business expertise, as well as taking into account broader diversity considerations, such as gender, age and nationality/ethnicity, in making appointments. When a Board position becomes vacant or additional Directors are required, the CGNC will select and recommend candidates on the basis of their skills, experience, knowledge and diversity. Any potential conflicts of interest are taken into consideration.

Reflecting the focus of the Group's business in the region, five of SingTel's 11 Directors originate from countries outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs David Gonski AC, Dominic Ho, Peter Mason AM and Kaikhushru Nargolwala. In relation to gender diversity, SingTel

CORPORATE GOVERNANCE

currently has two female Directors, namely Ms Chua Sock Koong and Mrs Fang Ai Lian. However, SingTel is of the view that gender is only one aspect of diversity and SingTel Directors will continue to be selected on the basis of their experience, skills, knowledge, insight and relevance to the Board.

In order to help attract high calibre international directors to the SingTel Board, especially in the case of candidates who come from jurisdictions where it is common practice for companies to grant Deeds of Indemnity to their directors, SingTel has adopted a policy on the award of Deeds of Indemnity to Directors, to ensure that they are adequately covered against personal liability incurred in the course of performing their professional duties.

The Board, taking into account the views of the CGNC, assesses the independence of each Director in accordance with the guidance in the Singapore Code and the ASX Code for assessing independence. A Director who has no relationship with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of SingTel, is considered to be independent. In line with the guidance in the Singapore Code and the ASX Code, the Board takes into account the existence of relationships or circumstances which are relevant in its determination, including the employment of a Director by the Company or any of its related corporations during the financial year in question or any of the previous three financial years; the acceptance by a Director of any significant compensation from the Company or any of its related corporations for the provision of services during the financial year in question or the previous financial year, other than compensation for board service; and a Director being related to any organisation from which SingTel or any of its subsidiaries received significant payments or material services during the financial year in question or the previous financial year. On this basis, Ms Chua Sock Koong, SingTel's Group CEO, Mr Simon Israel, Chairman of the SingTel Board and Mr Peter Ong, Permanent Secretary of the Ministry of Finance, Singapore are the only non-independent Directors. All other members of the Board are considered to be independent Directors.

In assessing the independence of the Directors, the Board has examined the different relationships identified by the Singapore Code and the ASX Code that might impair the Directors' independence and objectivity, and is satisfied that the Directors are able to act with independent judgement.

The profile of each Director and other relevant information are set out under "Board of Directors" from pages 16 to 20.

The Chairman and the Group CEO

The Chairman of the Board is a non-executive appointment and is separate from the office of the Group CEO. The Chairman leads the

Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the Group CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business. The Chairman and the Group CEO are not related.

Role of the Chairman

The Chairman is responsible for leadership of the Board and is pivotal in creating the conditions for overall Board, Committee and individual Director effectiveness, both inside and outside the boardroom. This includes setting the agenda of the Board in consultation with the Directors and inputs from Management, and promoting active engagement and an open dialogue among the Directors, as well as between the Board and the Group CEO. The Chairman also provides support and advice to, and acts as a sounding board for the Group CEO, while respecting executive responsibility. He also engages with other members of the senior leadership team regularly. In addition, the Chairman ensures that the performance of the Board is evaluated regularly, and takes the lead in addressing the development needs of the Board. The Chairman plays a key role in the performance appraisal exercise for the Group CEO, as well as in overseeing talent management, and works with the Group CEO to ensure that robust succession plans are in place for the senior leadership team. In addition, the Chairman works with the Board, the relevant Board Committees and Management to establish the boundaries of risk undertaken by the Group and ensure that governance systems and processes are in place and are regularly evaluated.

The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the Group CEO and Management in the drive to transform SingTel's businesses. This involves developing a keen understanding of the Group's diverse and complex businesses, the industry, partners, regulators and competitors. The Chairman also maintains effective communications with major shareholders and supports the Group CEO in engaging with a wide range of other stakeholders such as partners, governments and regulators. In this connection, he takes the time to travel overseas to visit the Group's key associates in the region and in the process, fosters strong relationships with the Group's partners and gathers valuable feedback for Management to consider and follow up on.

The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to the increased focus on risk management and corporate governance, and enhanced regulatory requirements in the aftermath of the global financial crises. Given the increased demands on the Board and the Chairman, the Chairman has been spending, and is expected to spend, more time on and be more hands-on in, the affairs of the Group. In this regard, the Board has agreed with the Chairman that he will commit a significant proportion of his time to his role and will manage his other time commitments accordingly.

Role of the Lead Independent Director

The Lead Independent Director is appointed by the Board to serve in a lead capacity to coordinate the activities of the non-executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity, and to assist the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

The Lead Independent Director serves as chairman of the CGNC. The role of the Lead Independent Director includes meeting with the non-executive Directors without the Chairman present at least annually to appraise the Chairman's performance and on such other occasions as are deemed appropriate. He will also be available to shareholders if they have concerns relating to matters which contact through the normal channels of the Chairman, Group CEO or Group CFO has failed to resolve, or where such contact is inappropriate.

Board Membership

The CGNC establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the CGNC reviews the range of expertise, skills and attributes of the Board and the composition of the Board. The CGNC then identifies SingTel's needs and prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the CGNC may seek advice from external search consultants.

The CGNC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director for recommendation to the Board. However, the re-nomination or replacement of a Director does not necessarily reflect the Director's performance or contributions to the Board. The CGNC may have to consider the need to position and shape the Board in line with the evolving needs of SingTel and the business. In order to ensure Board renewal, the Board has in place guidelines on the tenure of the Chairman and Directors.

Directors must ensure that they are able to give sufficient time and attention to the affairs of SingTel and, as part of its review process, the CGNC decides whether or not a Director is able to do so and whether he has been adequately carrying out his duties as a Director of SingTel. The Board has also adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline provides that, as a general rule, each Director should hold no more than six principal board appointments. The guideline includes the following: (1) in support of their candidature for directorship or re-election, Directors are to provide the CGNC

with details of other commitments and an indication of the time involved; and (2) non-executive Directors should consult the Chairman or chairman of the CGNC before accepting any new appointments as Directors.

A Director must retire from office at the third Annual General Meeting (AGM) after the Director was elected or last re-elected. A retiring Director is eligible for re-election by SingTel shareholders at the AGM. In addition, a Director appointed by the Board to fill a casual vacancy or appointed as an additional Director may only hold office until the next AGM, at which time he will be eligible for re-election by shareholders. If at any AGM, fewer than three Directors would retire pursuant to the requirements set out above, the additional Directors to retire at that AGM shall be those who have been longest in office since their last re-election or appointment. The Group CEO, as a Director, is subject to the same retirement by rotation, resignation and removal provisions as the other Directors and such provisions will not be subject to any contractual terms that may have been entered into with the Company. Shareholders are provided with relevant information on the candidates for election or re-election.

Board Performance

The Board and the CGNC strive to ensure that Directors on the Board possess the experience, knowledge and skills critical to the Group's business so as to enable the Board to make sound and well-considered decisions.

Directors also participate in an annual offsite workshop with Senior Management to strategise and plan the Group's longer term strategy. Training and development programmes for Directors include talks and presentations by renowned experts and professionals in various fields, such as telecommunications, technology, regulatory matters and the economic/business environment in relevant markets. The Directors may also attend other appropriate courses, conferences and seminars. In addition, Board meetings may be held in overseas locations where Board members can be exposed to new technology relevant to the Group's growth strategy, such as the Board's visit to Silicon Valley in 2011 and thriving innovation hubs in New York and Boston in 2012. The Board may also hold meetings in conjunction with key industry events where relevant experts would be invited to speak on issues relevant to the Group's businesses.

Each year, the CGNC undertakes a process to assess the effectiveness of the Board as a whole and the Board Committees, as well as the contributions by each Director. The Board, led by the Lead Independent Director, also assesses the effectiveness of the Chairman. This year the Board took a more rigorous approach to the evaluation process by engaging an independent governance specialist. The methodology for the evaluation was based on widely accepted international best practice in corporate

CORPORATE GOVERNANCE

governance, and included the review of publicly available company and governance materials, case studies of Board decisions, tailored interviews with all Directors and key senior management, and detailed questionnaires completed by all Directors and key senior management. The questionnaires invited feedback on a number of key areas including the composition of the Board, the skills and experience of the Directors, Director training and development, group/meeting dynamics, attributes and behaviour of Directors, information management, decision processes, monitoring and evaluation of performance by the Board, and an assessment of where the Board has added value.

In addition to the appraisal exercise, the contributions and performance of each Director were assessed by the CGNC as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the CGNC was able to identify areas for improving the effectiveness of the Board and its Committees. The Board was also able to assess the Board Committees through their regular reports to the Board on their activities.

Access to Information

Prior to each Board meeting, SingTel's Management provides the Board with information relevant to matters on the agenda for the meeting. The Board also receives regular reports pertaining to the operational and financial performance of the Group, as well as weekly updates which include information on the Group's competitors, and industry and technological developments. In addition, Directors receive analysts' reports on SingTel and other telecommunications and digital companies on a quarterly basis. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group. In line with SingTel's commitment to conservation of the environment, as well as technology advancement, SingTel has done away with hard copy Board papers and Directors are instead provided with tablet devices to enable them to access and read Board and Board Committee papers prior to and at meetings.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. The Company Secretary attends all Board meetings and is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. Procedures are in place for Directors and Board Committees, where necessary, to seek independent professional advice, paid for by SingTel.

Board and Management Committees

The following Board Committees assist the Board in executing its duties:

- Finance and Investment Committee (FIC)
- Audit Committee (AC)
- Risk Committee (RC)
- Executive Resource and Compensation Committee (ERCC)
- Corporate Governance and Nominations Committee (CGNC)
- Optus Advisory Committee (OAC).

Each Board Committee may make decisions on matters within its terms of reference and applicable limits of authority. The terms of reference of each Committee are reviewed from time to time, as are the Committee structure and membership.

The selection of Board Committee members requires careful management to ensure that each Committee comprises Directors with appropriate qualifications and skills, and that there is an equitable distribution of responsibilities among Board members. The need to maximise the effectiveness of the Board, and encourage active participation and contribution from Board members, is also taken into consideration.

A record of each Director's Board Committee memberships and attendance at Board Committee meetings during the financial year ended 31 March 2013 is set out on page 65.

Finance and Investment Committee

The FIC comprises at least three Directors, the majority of whom shall be independent Directors. Membership of the AC and the FIC is mutually exclusive.

The main responsibilities of the FIC include the provision of advisory support on the development of the SingTel Group's overall strategy, review of strategic issues, approval of investments and divestments, review of the Group's Investment and Treasury Policies, evaluation and approval of any financial offers and banking facilities and management of the Group's liabilities in accordance with the policies and directives of the Board. In addition, the FIC reviews and approves guarantees, letters of comfort and letters of awareness, and approves consultancy fees, capital expenditure and write-off of irrecoverable debts in accordance with the SingTel Board's policies and directives.

The FIC also oversees any on-market share repurchases pursuant to SingTel's share purchase mandate.

Directors' Board Committee Memberships and Attendance at Board Committee Meetings during the Financial Year Ended 31 March 2013 ^{(1) (2)}

Name of Director	Finance and Investment Committee		Audit Committee		Risk Committee		Executive Resource and Compensation Committee		Corporate Governance and Nominations Committee		Optus Advisory Committee	
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Simon Israel	5	5					4	4	2	2	3	3
Chua Sock Koong ⁽³⁾	5	5	4	4	3	3	4	4	2	2	3	3
Bobby Chin ⁽⁴⁾			1	1	3	3						
Fang Ai Lian			4	4			4	3				
Dominic Ho			4	4					2	2		
David Gonski AC ⁽⁵⁾					1	1					1	1
Low Check Kian	5	5							2	2		
Peter Mason AM							4	4			3	3
Kaikhushru Nargolwala ⁽⁶⁾	1	1	3	3			4	4	2	2		
Peter Ong ⁽⁷⁾			4	4	3	3			1	1		
Ong Peng Tsin ⁽⁸⁾	5	5			3	3					-	-

Notes:

⁽¹⁾ Refers to meetings held/attended while each Director was in office.

⁽²⁾ The Risk Committee was established, and the Finance, Investment and Risk Committee was renamed the Finance and Investment Committee, in May 2012.

⁽³⁾ Ms Chua Sock Koong is not a member of the Committees other than the Optus Advisory Committee although she was in attendance at meetings of those Committees as appropriate.

⁽⁴⁾ Mr Bobby Chin was appointed to the Board on 1 May 2012, the Risk Committee on 9 May 2012 and the Audit Committee on 1 January 2013.

⁽⁵⁾ Mr David Gonski AC was appointed to the Board, the Optus Advisory Committee and the Risk Committee on 1 March 2013.

⁽⁶⁾ Mr Kaikhushru Nargolwala was appointed to the Finance and Investment Committee and ceased to be a member of the Audit Committee on 1 January 2013.

⁽⁷⁾ Mr Peter Ong was appointed to the Risk Committee and ceased to be a member of the Corporate Governance and Nominations Committee on 9 May 2012.

⁽⁸⁾ Mr Ong Peng Tsin was appointed to the Risk Committee and ceased to be a member of the Optus Advisory Committee on 9 May 2012.

Audit Committee

The AC comprises at least three Directors, all of whom shall be non-executive Directors and the majority of whom, including the chairman, shall be independent Directors. At least two members of the AC, including the AC chairman, must have recent and relevant accounting or related financial management expertise or experience. As required by the terms of reference of the AC, the chairman of the AC is a Director other than the Chairman of the Board. The AC members are all non-executive Directors, and the majority of the members, including the chairman, are independent.

The AC has explicit authority to investigate any matter within its terms of reference, and has the full cooperation of and access to Management. It has direct access to the internal and external auditors, and full discretion to invite any Director or executive officer to attend its meetings.

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management.

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The AC reports to the Board on the results of the audits undertaken by the internal and external auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of risk management and internal controls. It reviews the quarterly and annual financial statements with Management and the external auditors, reviews and approves the annual audit plans for the internal and external auditors, and reviews the internal and external auditors' evaluation of the Group's system of internal controls.

The AC is responsible for evaluating the cost-effectiveness of audits, the independence and objectivity of the external auditors, and the nature and extent of the non-audit services provided by the external auditors to ensure that the independence of the external auditors is not compromised. It also makes recommendations to the Board on the appointment or re-appointment of the external auditors. In addition, the AC reviews and approves the SingTel Internal Audit Charter to ensure the independence and effectiveness of the internal audit function. At the same time, it ensures that the internal audit function is adequately resourced and has appropriate standing within SingTel. The AC also reviews the performance of Internal Audit, including the performance and compensation of the Group Chief Internal Auditor.

During the financial year, the AC reviewed the Management's and SingTel Internal Audit's assessment of fraud risk and held discussions with the external auditors to obtain reasonable assurance that adequate measures were put in place to mitigate fraud risk exposure in the Group. The AC also reviewed the adequacy of the whistle-blower arrangements instituted by the Group through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. All whistle-blower complaints were reviewed by the AC at its quarterly meetings to ensure independent and thorough investigation and adequate follow-up.

The AC met four times during the financial year. At these meetings, the Group CEO, Group CFO, Vice President (Group Finance), Group Chief Internal Auditor and the respective CEOs and CFOs of the businesses were also in attendance. During the financial year, the AC reviewed the quarterly financial statements prior to approving or recommending to the Board, as applicable, that such statements be released. It reviewed the results of audits performed by SingTel Internal Audit based on the approved audit plan, significant litigation and fraud investigations, SingTel's register of interested person transactions and non-audit services rendered by the external auditors. The AC also met with the internal and external auditors, without the presence of Management, during the financial year.

The external auditors provided regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Risk Committee

The role of the RC is to assist the Board in fulfilling its responsibilities in relation to governance of material risks in the Group's business. These responsibilities include ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determining the nature and extent of the material risks which the Board is willing to take in achieving the Group's strategic objectives.

The RC comprises at least three members, the majority of whom, including the chairman, shall be independent. Members of the RC shall be appointed by the Board, on the recommendation of the CGNC. There shall be at least one common member between the RC and the AC.

The RC shall review the Group's strategy, policies, framework, processes and procedures for the identification, measurement, reporting and mitigation of material risks in the Group's business and shall report any significant matters, findings and recommendations in this regard to the Board.

The RC shall meet at least three times a year, with additional meetings to be convened as deemed necessary by the chairman of the RC.

Executive Resource and Compensation Committee

The ERCC plays an important role in helping to ensure that the Group is able to attract, recruit, motivate and retain the best talents through competitive remuneration and progressive and robust policies so as to achieve the Group's goals and deliver sustainable shareholder value.

The ERCC comprises at least three Directors, all of whom shall be non-executive and the majority of whom shall be independent. The ERCC is chaired by an independent non-executive Director.

The main responsibilities of the ERCC, as delegated by the Board, are to oversee the remuneration of the Board and Senior Management. It sets appropriate remuneration framework and policies, including long-term incentive schemes, to deliver annual and long-term performance of the Group.

The ERCC has been tasked by the Board to approve or recommend to the Board the appointment, promotion and remuneration of Senior Management. The ERCC also recommends the Directors' compensation for the Board's endorsement. Directors' compensation is subject to the approval of shareholders at the AGM. The ERCC's recommendations covers all aspects of remuneration for Directors and Senior Management, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives, management awards, and benefits-in-kind.

The ERCC seeks expert advice and views on remuneration and governance matters from both within and outside the Group as appropriate. The ERCC draws on a pool of independent consultants for diversified views and specific expertise. The ERCC will ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The ERCC approves or recommends termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to Senior Management. The ERCC ensures that contracts of service for Senior Management contain fair and reasonable termination clauses which are not overly generous.

The ERCC also ensures that appropriate recruitment, development and succession planning programmes are in place for key executive roles with the objective of building strong and sound leadership bench strength for long-term sustainability of the business. The ERCC conducts, on an annual basis, a succession planning review of Senior Management.

The Group CEO, who is not a member of the ERCC, may attend meetings of the ERCC but does not attend discussions relating to her own performance and remuneration.

SingTel's remuneration policy and remuneration for Directors and Senior Management are discussed in this report from pages 71 to 77.

Corporate Governance and Nominations Committee

The CGNC comprises at least three Directors, the majority of whom, including the chairman, shall be independent.

The main functions of the CGNC are outlined in the commentaries on "Board Composition, Diversity and Balance", "Board Membership" and "Board Performance" from pages 61 to 64. The CGNC is also responsible for the development and review of SingTel's corporate governance principles and practices, taking into account relevant local and international developments in the area of corporate governance.

Optus Advisory Committee

The OAC comprises at least three Directors, the majority of whom shall be non-executive Directors. The Committee reviews strategic business issues relating to the Australian business.

Management Committee

In addition to the six Board Committees, SingTel has a Management Committee that comprises the Group CEO, CEO Group Consumer, CEO Group Digital Life, CEO Group Enterprise, Group CFO, Group Chief Information Officer and Group Director Human Resources.

The Management Committee meets every week to review and direct Management on operational policies and activities.

ACCOUNTABILITY AND AUDIT

Accountability

SingTel recognises the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive monthly financial and business reports from SingTel's Management. Such reports compare SingTel's actual performance against the budget, and highlight key business drivers/indicators and major issues that are relevant to SingTel's performance, position and prospects.

For the financial year ended 31 March 2013, SingTel's Group CEO and Group CFO have provided written confirmation to the Board on the integrity of SingTel's financial statements and on the efficiency and effectiveness of SingTel's risk management and internal control systems, addressing financial, operational and compliance risks. This certification covers SingTel and the subsidiaries which are under SingTel's management control.

Internal Audit

SingTel Internal Audit comprises a team of 53 staff members, including the Group Chief Internal Auditor who reports to the AC functionally and to the Group CEO administratively. SingTel Internal Audit is a member of the Singapore chapter of the Institute of Internal Auditors (IIA) and adopts the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. SingTel Internal Audit successfully completed its external Quality Assurance Review in 2010 and continues to meet or exceed the IIA Standards in all key aspects.

SingTel Internal Audit adopts a risk-based approach in formulating the annual audit plan which aligns its activities to the key strategies and risks across the Group's business. This plan is reviewed and approved by the AC. The reviews performed by SingTel Internal Audit are aimed at assisting the Board in promoting sound risk management,

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robust internal controls and good corporate governance, through assessing the design and operating effectiveness of controls that govern key business processes and risks identified in the overall risk framework of the Group. SingTel Internal Audit's reviews also focus on compliance with SingTel's policies, procedures and regulatory responsibilities, performed in the context of financial and operational, revenue assurance and information systems reviews. SingTel Internal Audit works closely with Management in its internal consulting and control advisory role to promote effective risk management, internal control and governance practices in the development of new products/services, and implementation of new/enhanced systems and processes. SingTel Internal Audit also collaborates with the internal audit functions of SingTel's associates to promote joint reviews and the sharing of knowledge and/or best practices.

To ensure that the internal audits are performed effectively, SingTel Internal Audit recruits and employs suitably qualified professional staff with the requisite skillsets and experience. SingTel Internal Audit provides training and development opportunities for its staff to ensure their technical knowledge and skillsets remain current and relevant.

External Auditors

The Board is responsible for the initial appointment of external auditors. Shareholders then approve the appointment at SingTel's AGM. The external auditors hold office until their removal or resignation. The AC assesses the external auditors based on factors such as the performance and quality of their audit and the independence of the auditors, and recommends their appointment to the Board. Pursuant to the requirements of the SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. Deloitte & Touche LLP has met this requirement and the current Deloitte & Touche LLP audit partner for SingTel took over from the previous audit partner with effect from 1 April 2011. SingTel has complied with Rules 712 and 715 of the Listing Manual issued by SGX in relation to its auditors.

In order to maintain the independence of the external auditors, SingTel has developed policies regarding the types of non-audit services that the external auditors can provide to the SingTel Group and the related approval processes. The AC has also reviewed the non-audit services provided by the external auditors during the financial year and the fees paid for such services. The AC is satisfied that the independence of the external auditors has not been impaired by the provision of those services. The external auditors have also provided a confirmation of their independence to the AC.

Risk Management and Internal Controls

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. During the financial year ended 31 March 2013, the RC assisted the Board in the oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management system including the identification and management of significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management. The AC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems.

The Board has approved a Group Risk Framework for the identification of key risks within the business. This Framework defines 28 categories of risks ranging from environmental to operational and management decision-making risks. The Group's risk management and internal control framework is aligned with the ISO 31000:2009 Risk Management framework and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Controls Integrated Framework. Major incidents and violations, if any, are also reported to the Board to facilitate the Board's oversight of the effectiveness of crisis management and the adequacy of mitigating measures taken by Management to address the underlying risks.

The identification and management of risks are delegated to Management who assumes ownership and day-to-day management of these risks. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis.

The Risk Management Committee, comprising relevant members from the Senior Management team, is responsible for setting the direction of corporate risk management and monitoring the implementation of risk management policies and procedures including the adequacy of the Group's insurance programme. The Risk Management Committee reports to the RC on a regular basis.

During the financial year, the RC established a Risk Appetite Statement and Risk Tolerance Framework to provide guidance to the Management on key risk parameters. The significant risks in the Group's business, including mitigating measures, were also reviewed by the RC on a regular basis and reported to the Board. Risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and the internal controls in place to manage those risks.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the Group addressing financial, operational and compliance risks. Any material non-compliance or lapses in internal controls together with remedial measures recommended by internal and external auditors are reported to the AC. The AC also reviews the adequacy and timeliness of the actions taken by Management in response to the recommendations made by the internal and external auditors. Control self-assessments in key areas of the Group's operations are conducted by Management on a periodic basis to evaluate the adequacy and effectiveness of the risk management and internal control systems, including quarterly and annual certifications by Management to the AC and the Board respectively on the integrity of financial reporting and the adequacy and effectiveness of the risk management, internal control and compliance systems.

Based on the framework established and the reviews conducted by Management and the internal and external auditors, the Board opines, with the concurrence of the AC, that there were adequate controls in place within the Group addressing material financial, operational and compliance risks to meet the needs of SingTel in its current business environment as at 31 March 2013.

The system of internal control and risk management established by Management provides reasonable, but not absolute, assurance that SingTel will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

Further details of the Group's Risk Management Philosophy and Approach can be found on pages 78 to 83.

Communication with Shareholders

SingTel remains committed to maintaining high standards of corporate disclosure and transparency. SingTel's communications with shareholders, the investment community and media take an open and non-discriminatory approach. SingTel provides regular and relevant information regarding the Group's performance, progress and prospects, to assist shareholders and investors in their investment decisions.

SingTel makes timely disclosures of any new material information to the SGX and ASX. These filings are also posted on SingTel's Investor Relations (IR) website, allowing investors to be kept abreast of business and strategic developments.

SingTel reports financial results on a quarterly basis: within 45 days after the end of each financial quarter for its first three quarters, and within 60 days after the end of the financial year. The results

announcements contain detailed financial disclosures and in-depth analyses of key value-drivers and metrics for the Group's businesses. SingTel also provides outlook guidance for its businesses at the start of each financial year, and either affirms or updates the guidance every quarter to accurately reflect prevailing market conditions.

The SingTel IR website is the key resource of information for the investment community. In addition to the quarterly financial results materials, it contains a wealth of investor-related information on SingTel, including investor presentations, webcasts of earnings presentations, transcripts of earnings conference calls, annual reports, upcoming events, shares and dividend information and factsheets.

SingTel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. In FY2013, SingTel met with more than 400 investors in over 200 meetings and conference calls in Singapore, Australia and other global financial centres to share the Group's business strategy, operational and financial performance and business prospects. While these meetings are largely undertaken by SingTel's Senior Management, the Chairman and certain Board members also meet with investors every year.

To ensure a two-way flow of information, SingTel commissions an annual survey of investors' perceptions, to solicit feedback from the investment community, including shareholders, on a range of strategic and topical issues. The survey provides invaluable insights to the Board and Management on investors' views. It also helps us identify areas of improvement for investor communication.

SingTel strongly encourages and supports shareholder participation at AGMs. SingTel delivers the Notice of AGM and related information a month ahead, providing ample time for shareholders to review the Notice of AGM and appoint proxies to attend the AGM if they wish. The Notice of AGM is also advertised in key Singapore media for the benefit of shareholders. SingTel holds its AGM at a central location in Singapore with convenient access to public transportation. A registered shareholder who is unable to attend may choose to appoint up to two proxies to attend and vote on his behalf. Under SingTel's Articles of Association, the Central Provident Fund Board and CHESS Depositary Nominees Pty Ltd may each appoint more than two proxies.

At each AGM, the Group CEO delivers a presentation to update shareholders on SingTel's progress over the past year. The Directors and Senior Management are in attendance to address queries and concerns about SingTel. SingTel's external auditors also attend to help address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditors' reports. All resolutions at SingTel's AGM and Extraordinary General Meeting are voted on by electronic poll so as to better reflect shareholders'

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shareholding interests and ensure greater transparency. The poll voting results, in addition to the proxy voting results, are presented to the audience and subsequently filed with the stock exchanges. Voting in absentia by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent.

SingTel has won recognition from leading business journals and investor associations for its strong emphasis and proactive approach to shareholder communication and engagement.

Securities Transactions

SingTel's Securities Transactions Policy states that Directors and officers of the Group should not deal in SingTel shares during the period commencing two weeks before the announcement of SingTel's financial statements for each of the first three quarters of the financial year, and during the period commencing one month before the announcement of the financial statements for the full financial year and ending on the date of the announcement of the relevant results. The policy also discourages trading on short-term considerations and reminds Directors and officers of their obligations under insider trading laws. Directors and officers of the Group wishing to deal in SingTel shares during a closed period must secure prior written approval of the Chairman (in the case of Directors of SingTel), the Lead Independent Director (in the case of the Chairman) or the Group CEO (in the case of directors of SingTel subsidiaries, top management members and persons who are in attendance at Board and top management meetings). Requests for written approval must contain a full explanation of the exceptional circumstances and proposed dealing. If approval is granted, trading must be undertaken in accordance with the limits set out in the written approval. Directors are to consult with the Company Secretary/Group CEO before trading in SingTel shares to ensure compliance with securities laws. The Board is kept informed when a Director trades in SingTel securities. A summary of SingTel's Securities Transactions Policy is available in the Corporate Governance section of the SingTel corporate website.

In relation to shares of other companies, Directors are to refrain from trading in shares of SingTel's listed associates when in possession of material price-sensitive information relating to such associates. Directors are also to refrain from having any direct or indirect financial interest in SingTel's competitors that might or might appear to create a conflict of interest or affect the decisions Directors make on behalf of SingTel.

Continuous Disclosure

There are formal policies and procedures to ensure that SingTel complies with its disclosure obligations under the listing rules of the SGX and ASX. A Market Disclosure Committee is responsible for SingTel's Market Disclosure Policy. The policy contains guidelines and

procedures for internal reporting and decision making with regard to the disclosure of material information.

Material Contracts

There are no material contracts entered into by SingTel or any of its subsidiaries that involve the interests of the Group CEO, any Director, or the controlling shareholder, Temasek Holdings (Private) Limited.

Codes of Conduct and Practice

SingTel has a code of internal corporate governance practices, policy statements and standards as described in this report, and makes this code available to Board members as well as employees of the Group. The processes and standards in the code are intended to enhance investor confidence and rapport, and to ensure that decision-making is properly carried out in the best interests of the Group. The code is reviewed from time to time and updated to reflect changes to the existing systems or the environment in which the Group operates.

SingTel also has a code of conduct that applies to all employees. The code sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with SingTel, its competitors, customers, suppliers and the community. The code of conduct covers areas such as workplace health and safety, conduct in the workplace, business conduct, protection of SingTel's assets, proprietary information and intellectual property, confidentiality, conflict of interest, and non-solicitation of customers and employees. The code is posted on SingTel's internal website and a summarised version is accessible from the SingTel corporate website. Policies and standards are clearly stipulated to guide employees in carrying out their daily tasks.

SingTel has established an escalation process so that the Board of Directors, Senior Management, and internal and external auditors are kept informed of corporate crises in a timely manner, according to their severity. Such crises may include violations of the code of conduct and/or applicable laws and regulations, as well as loss events which have or are expected to have a significant impact, financial or otherwise, on the Group's business and operations.

Whistle-Blower Policy

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. SingTel undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blower policy and procedures which provide employees and other external parties with well-defined and accessible channels within the Group, including a direct channel to SingTel Internal Audit and a whistle-blower hotline service independently managed by an external service provider, for reporting suspected fraud, corruption,

dishonest practices or other similar matters. The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, protected from reprisal. On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all staff as part of the Group's efforts to promote awareness of fraud control. All whistle-blower complaints are investigated independently by SingTel Internal Audit or an independent investigation committee as appropriate; and the outcome of each investigation is reported to the AC for review.

REMUNERATION

The broad principles that guide the ERCC in its administration of fees, benefits, remuneration and incentives for the Board of Directors and Senior Management are set out below.

Directors' Fees and Incentives

SingTel's Group CEO is an Executive Director and is therefore remunerated as part of Senior Management. She does not receive Directors' fees.

For the financial year ended 31 March 2013, the fees for non-executive Directors comprised a basic retainer fee, additional fees for appointment to Board Committees, attendance fees for ad hoc Board meetings and a travel allowance for Directors who were required to travel out of their country or city of residence to attend Board meetings and Board Committee meetings which did not coincide with Board meetings. The framework for determining non-executive Directors' fees was as follows:

Basic Retainer Fee

Board Chairman	S\$220,000 per annum
Director	S\$110,000 per annum

Fee for appointment to Audit Committee and Finance and Investment Committee

Committee chairman	S\$50,000 per annum
Committee member	S\$35,000 per annum

Fee for appointment to any other Board Committee

Committee chairman	S\$35,000 per annum
Committee member	S\$25,000 per annum

Attendance Fee per Ad Hoc Board meeting

S\$2,000

Travel allowance for Board Meetings and Board Committee Meetings which do not coincide with Board meetings (per day of travel required to attend meeting)

S\$3,000

The proposed framework for Directors' fees for the financial year ending 31 March 2014 is the same as that for the financial year ended 31 March 2013 except that the fee for each of the chairmen of the AC and the FIC will be increased from S\$50,000 to S\$60,000 per annum and the fee for the chairman of the ERCC will be increased from S\$35,000 to S\$45,000 per annum to align fees with comparable benchmarks. As SingTel has diverse and complex operations and investments internationally and is not just a Singapore-based company, the fees are benchmarked against fees paid by other comparable companies in Singapore and Australia.

Remuneration of Non-Executive Directors

The aggregate compensation paid to SingTel non-executive Directors for services in all capacities for the financial year ended 31 March 2013 is set out in the table below. The aggregate compensation paid to or accrued to the SingTel Executive Director for the financial year ended 31 March 2013 is set out on page 75:

Name of Director	Director's Fees ⁽¹⁾ (S\$)
Simon Israel ⁽²⁾	378,048
Bobby Chin ⁽³⁾	154,914
Fang Ai Lian	199,000
David Gonski AC ⁽⁴⁾	13,333
Dominic Ho	217,000
Low Check Kian	184,000
Peter Mason AM	212,952
Kaikhushru Nargolwala	227,000
Peter Ong ⁽⁵⁾	184,000
Ong Peng Tsin ⁽⁶⁾	250,000

Notes:

⁽¹⁾ Directors' fees are paid on a half-yearly basis in arrears.

⁽²⁾ In addition to his fees, Mr Simon Israel also received car-related benefits with a taxable value of S\$16,430.

⁽³⁾ Appointed to the Board on 1 May 2012.

⁽⁴⁾ Appointed to the Board on 1 March 2013.

⁽⁵⁾ Fees for Singapore public sector Director are processed in accordance with the framework of the Singapore Directorship and Consultancy Appointments Council.

⁽⁶⁾ Fees included travel allowance for attending Board Committee meetings which did not coincide with Board meetings.

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No employee of the Group who is an immediate family member of a Director was paid remuneration that exceeded S\$50,000 during the financial year ended 31 March 2013.

Directors' fees are subject to the approval of shareholders at the AGM. SingTel seeks shareholders' approval for Directors' fees for the financial year ending 31 March 2014 so that Directors' fees can be paid on a half-yearly basis in arrears. No Director decides his own fees.

There are no retirement benefit schemes or share-based compensation schemes in place for non-executive Directors. To align Directors with shareholders' interests, Directors are encouraged to acquire SingTel shares each year from the open market to the extent of one-third of their fees until they hold the equivalent of one year's fees in shares, and to continue to hold the equivalent of one year's fees in shares while they remain on the Board.

Remuneration of Executive Director and Senior Management

The remuneration framework and policy is designed to support the implementation of the Group's strategy and enhance shareholder value. The ERCC adopts the following guiding principles when determining the remuneration arrangements for Senior Management:

Alignment with shareholders' interest

- Align interest between management and shareholders
- Select appropriate performance metrics for annual and long-term incentive plans to support business strategies and on-going enhancement of shareholder value
- Ensure targets are appropriately set for threshold, target and stretch performance levels
- Establish sound and structured funding to ensure affordability

Competitive remuneration

- Offer competitive packages to attract and retain highly experienced and talented individuals
- Link a significant proportion of remuneration to performance, both on an annual and long-term basis

Pay-for-Performance

- Measure performance based on a holistic balanced scorecard approach, comprising both financial and non-financial metrics
- Structure a significant but appropriate proportion of remuneration to be at risk, taking into account risk policies of the Group
- Build flexibility into remuneration package to allow for clawback if long-term performance targets are not met

Effective implementation

- Meet rigorous corporate governance requirements

The ERCC recognises that the Group operates in a multinational and multifaceted environment and reviews remuneration through

a process that considers Group, business unit and individual performance as well as relevant comparative remuneration in the market. The performance evaluations for Senior Management have been conducted for the financial year in accordance with the above considerations.

In 2012/2013, the ERCC engaged Aon Hewitt Singapore Pte Ltd (Aon Hewitt) to provide valuation and vesting computation for grants awarded under the SingTel Performance Share Plan and Carrots Consulting Pte Ltd (Carrots) to design the total remuneration framework. Both Aon Hewitt and Carrots and their respective consultants are independent and not related to SingTel or any of its Directors.

In line with market practice, SingTel may, under special circumstances, compensate Senior Management for their past contributions when their services are no longer needed; for example, due to redundancies arising from reorganisation or restructuring of the Group.

The ERCC has the discretion not to award incentives in any year if an executive is involved in misconduct or fraud resulting in financial loss to the company.

Remuneration Components

The remuneration structure for Senior Management comprises five components – fixed remuneration, variable bonus, provident/superannuation fund, benefits and long-term incentives. The structure is designed such that the percentage of the variable component of Senior Management's remuneration increases as they move up the organisation. On an annual basis, the ERCC proposes the compensation for the Group CEO, CEO Group Consumer, CEO Group Digital Life, CEO Group Enterprise and Group CFO (collectively defined as "Key Management") for the Board's approval and approves compensation for the other Senior Management.

• Fixed Remuneration

The fixed remuneration comprises base salary and reflects the market worth of the job but may vary with responsibilities, performance, qualifications and the experience that the individual brings to the role.

In Australia, consistent with local market practice, executives may opt for a portion of their salaries to be received in tax-effective benefits-in-kind, such as superannuation contributions and motor vehicles, while maintaining the same overall cost to the company.

• Variable Bonus

Variable bonus comprises the Performance Bonus and the Value Sharing Bonus. In determining the final variable bonus payments, the ERCC considers the overall Group, business unit and individual performance as well as relevant market remuneration benchmarks.

Performance Bonus

Performance bonus is designed to support the Group's business strategy and the on-going enhancement of shareholder value through the delivery of annual financial strategy and operational objectives. On an individual level, the performance bonus will vary according to the actual achievement against Group, business unit and individual performance objectives. While these objectives are different for each executive, they are assessed on the same principles across two broad categories of targets: Business and People. Business targets comprise financials, strategy, customer and business processes. People targets comprise leadership competencies, core values, people development and staff engagement. In addition, the executives are assessed on teamwork and collaboration across the Group.

Value Sharing Bonus (VSB)

A portion of Senior Management's annual remuneration is tied to the Economic Profit (EP) performance of the Group in the form of the Value Sharing Bonus (VSB) which is also extended to top management executives. VSB is used to defer their bonuses over a time horizon to ensure alignment with sustainable value creation for the shareholders over the longer term. A 'VSB bank' is created for each executive to hold the VSB allocated to him or her in any year. One-third of the 'bank' balance would be paid out in cash provided it is positive. The remaining balance will be carried forward and at risk as it is subject to clawback and could be reduced in the event of EP underperformance in the future years.

- **Provident/Superannuation Fund**

This is made up of SingTel's contributions towards the Singapore Central Provident Fund or the Optus Superannuation Fund or any other chosen fund, as applicable.

- **Benefits**

SingTel provides benefits consistent with local market practice, such as an in-company medical scheme, club membership, employee discounts and other benefits that may incur Australian Fringe Benefits Tax, where applicable. Participation in such benefits is dependent on the country in which the executive is located. For expatriates located away from home, additional benefits such as accommodation, children's education and tax equalisation may be provided.

- **Long-Term Incentives**

Long-term incentives, with a focus on encouraging the delivery of long-term growth and shareholder value, are delivered through equity plans, to drive an ownership culture and retain key talents. These are provisionally granted to Senior Management based on performance for the year ended 31 March 2013.

From 1 April 2012, SingTel ceased to grant General Awards (GA) and Senior Management Awards (SMA) under the SingTel Performance Share Plan (see description of GA and SMA in previous annual reports). The SingTel Performance Share Plan was terminated in July 2012 with the adoption of the SingTel Performance Share Plan 2012. The termination of the SingTel Performance Share Plan is without prejudice to the rights of holders of awards outstanding under the SingTel Performance Share Plan as at the date of termination of the plan.

Two new types of award were introduced in 2012 – the Performance Share Award (PSA) and the Restricted Share Award (RSA) – with grants made at the discretion of the ERCC. The PSA is granted to top management while a broader group of executives are eligible for the RSA. The number of performance shares awarded is determined using the valuation of the shares based on a Monte-Carlo simulation.

The share awards are conditional upon the achievement of predetermined performance targets over the performance period. These performance conditions and targets are approved by the ERCC at the beginning of the performance period. The final number of performance shares vested to the recipient will depend on the level of achievement of these targets over the performance period, subject to the approval of the ERCC.

A significant portion of the remuneration package for our Senior Management is delivered in SingTel shares to ensure that their interests are aligned with shareholders. This is further supported by significant shareholding requirements in which they are required to retain at least the equivalent of their annual base salary in shares.

The details of the vesting criteria for the two awards are as follows:

Restricted Share Award (RSA)

The Restricted Share Award (RSA) has a two-year performance period from 1 April 2013 to 31 March 2015. Shares are allocated according to the following performance conditions:

- 50 per cent based on SingTel Group's Net Profit After Tax (NPAT) – SingTel Group NPAT achieved against predetermined targets; and
- 50 per cent based on SingTel Group's Free Cash Flow (FCF) – SingTel Group FCF achieved against predetermined targets.

Details of the RSA vesting schedule are shown in Figure A on page 74.

CORPORATE GOVERNANCE

Performance Share Award (PSA)

The Performance Share Award (PSA) has a three-year performance period from 1 April 2013 to 31 March 2016. Shares are allocated according to the following performance conditions:

- 50 per cent based on SingTel Group's Relative Total Shareholder Return (Relative TSR) – TSR relative to the MSCI Asia Pacific Telecommunications Index; and
- 50 per cent based on SingTel Group's Absolute Total Shareholder Return (Absolute TSR) – Absolute TSR achieved against predetermined targets.

Details of the PSA vesting schedule are shown in Figure B below.

The above performance conditions were chosen as they are key drivers of shareholder value creation and aligned to the Group's business objectives.

Special provisions for vesting and lapsing of awards apply for events such as the termination of employment, misconduct, retirement and any other events approved by the ERCC. Upon occurrence of any of the events, the ERCC will consider, at its discretion, whether or not to release any award, and will take into account circumstances on a case-by-case basis, including (but not limited to) the contributions made by the employee.

SingTel employees are prohibited from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under SingTel's equity-based remuneration schemes.

Figure A: Restricted Share Award (RSA) Vesting Schedule

Group NPAT (50%)		Group FCF (50%)	
Performance	Vesting Level ^	Performance	Vesting Level ^
Stretch	130%	Stretch	130%
Target	100%	Target	100%
Threshold	50%	Threshold	50%
Below Threshold	0%	Below Threshold	0%

^ For achievement between these performance levels, the percentage of shares under this tranche that will vest would vary accordingly.

Figure B: Performance Share Award (PSA) Vesting Schedule

Relative TSR (50%)		Absolute TSR (50%)	
Performance *	Vesting Level ^	Performance	Vesting Level ^
-	-	Stretch	200%
≥ +7.00%	100%	Target	100%
+2.00%	50%	Threshold	30%
< +2.00%	0%	Below Threshold	0%

* Percentage outperformance against the MSCI Asia Pacific Telecommunications Index.

^ For achievement between these performance levels, the percentage of shares under this tranche that will vest would vary accordingly.

Remuneration of Key Management and Senior Management

For the financial year ended 31 March 2013, there were no termination, retirement and post-employment benefits granted to Directors and Key Management.

Remuneration of Executive Director

The aggregate compensation paid to or accrued to Group CEO (Chua Sock Koong) for the financial year ended 31 March 2013 is set out in the table below:

Name	Fixed Remuneration ⁽¹⁾ (\$)	Variable Bonus ⁽²⁾ (\$)	Provident Fund ⁽³⁾ (\$)	Benefits ⁽⁴⁾ (\$)	Total Cash & Benefits ⁽⁵⁾ (\$)	Restricted Share Award (RSA) ⁽⁶⁾ (no. of shares)	Performance Share Award (PSA) ⁽⁶⁾ (no. of shares)
Chua Sock Koong	S\$1,647,100	S\$2,880,000	S\$9,850	S\$74,045	S\$4,610,995	98,060	1,418,169

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2013 are as follows:

Performance Share Awards	Vesting Date	General Award (GA)			Senior Management Award (SMA)		
		Granted ('000)	Vested ('000)	Lapsed ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)
2010 Awards	1-Jun-13	934	526	408	630	558	72
2011 Awards	1-Jun-14	1,013	-	-	655	-	-

Performance Share Awards	Vesting Date	Restricted Share Award (RSA)			Performance Share Award (PSA)		
		Granted ('000)	Vested ('000)	Lapsed ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)
2012 Awards	1-Jun-15	119	-	-	1,273	-	-

Notes:

⁽¹⁾ Fixed Remuneration refers to base salary and Annual Wage Supplement earned for the year ended 31 March 2013.

⁽²⁾ Variable Bonus comprises both the Performance Bonus and the Value Sharing Bonus (VSB). Performance bonus varies according to the actual achievement against Group, business unit and individual performance objectives. The VSB is tied to the Economic Profit (EP) performance of the Group to ensure alignment with sustainable value creation for shareholders over the longer term. For more details, please refer to page 73.

⁽³⁾ Provident Fund in Singapore represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.

⁽⁴⁾ Benefits are stated on the basis of direct costs to the company and include car benefits, flexible benefits and other non-cash benefits such as medical cover and club membership.

⁽⁵⁾ Total Cash & Benefits is the sum of Fixed Remuneration, Variable Bonus, Provident Fund and Benefits for the year ended 31 March 2013.

⁽⁶⁾ Long Term Incentives are awarded in the form of performance shares. Grants of the Restricted Share Award (RSA) and Performance Share Award (PSA) under the SingTel Performance Share Plan were made in June 2013 for performance for the year ended 31 March 2013. The per unit fair values of the RSA and PSA are S\$3.246 and S\$2.020 respectively. The performance conditions for the awards are detailed on pages 73 to 74.

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Remuneration of Other Key Management and Senior Management

The aggregate compensation paid to or accrued to the other top five Key Management and Senior Management for the financial year ended 31 March 2013 is set out in the table below:

Name	Fixed Remuneration ⁽¹⁾ (\$)	Variable Bonus ⁽²⁾ (\$)	Provident/ Superannuation Fund ⁽³⁾ (\$)	Benefits ⁽⁴⁾ (\$)	Total Cash & Benefits ⁽⁵⁾ (\$)	Restricted Share Award (RSA) ⁽⁶⁾ (no. of shares)	Performance Share Award (PSA) ⁽⁶⁾ (no. of shares)
The following are in alphabetical order:							
Bill Chang CEO Group Enterprise	S\$760,600	S\$950,000	S\$13,600	S\$57,689	S\$1,781,889	29,267	423,268
Allen Lew CEO Group Digital Life/ Country Chief Officer Singapore	S\$1,152,900	S\$2,025,000	S\$8,175	S\$63,055	S\$3,249,130	59,335	858,119
Jeann Low ⁽⁸⁾ Group CFO	S\$910,000	S\$1,125,000	S\$10,900	S\$55,779	S\$2,101,679	30,808	445,545
Paul O'Sullivan ⁽⁷⁾⁽⁹⁾ CEO Group Consumer/ Country Chief Officer Australia	A\$1,170,023	A\$1,133,028	A\$211,775	A\$181,337	A\$2,696,163	84,509	1,221,881
Kevin Russell ⁽⁷⁾⁽⁹⁾ CEO Consumer Australia	A\$875,018	A\$720,193	A\$143,569	A\$9,586	A\$1,748,366	57,498	369,482
Total	S\$5,443,811	S\$6,474,531	S\$487,977	S\$421,153	S\$12,827,472	261,417	3,318,295

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2013 are as follows:

Performance Share Awards	Vesting Date	General Award (GA)			Senior Management Award (SMA)		
		Granted ('000)	Vested ('000)	Lapsed ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)
2010 Awards	1-Jun-13	1,957	1,101	856	1,320	1,169	151
2011 Awards	1-Jun-14	2,167	-	-	1,401	-	-

Performance Share Awards	Vesting Date	Restricted Share Award (RSA)			Performance Share Award (PSA)		
		Granted ('000)	Vested ('000)	Lapsed ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)
2012 Awards	1-Jun-15	276	-	-	2,634	-	-
	16-Jul-15	20			97		

Notes:

- ⁽¹⁾ Fixed Remuneration refers to base salary and Annual Wage Supplement (if applicable) earned for the year ended 31 March 2013.
- ⁽²⁾ Variable Bonus comprises both the Performance Bonus and the Value Sharing Bonus (VSB). Performance bonus varies according to the actual achievement against Group, business unit and individual performance objectives. The VSB is tied to the Economic Profit (EP) performance of the Group to ensure alignment with sustainable value creation for shareholders over the longer term. For more details, please refer to page 73.
- ⁽³⁾ Provident Fund in Singapore represents payments in respect of company statutory contributions to the Singapore Central Provident Fund. Superannuation Fund in Australia represents payments in respect of the superannuation guarantee levy to the superannuation scheme. Any contributions made by an individual may be salary sacrificed, and are part of fixed remuneration.
- ⁽⁴⁾ Benefits are stated on the basis of direct costs to the company and include overseas assignment benefits, tax equalisation, car benefits, flexible benefits and other non-cash benefits such as medical cover, club membership and Australian Fringe Benefits Tax, where applicable.
- ⁽⁵⁾ Total Cash & Benefits is the sum of Fixed Remuneration, Variable Bonus, Provident/Superannuation Fund and Benefits for the year ended 31 March 2013.
- ⁽⁶⁾ Long-Term Incentives are awarded in the form of performance shares. Grants of the Restricted Share Award (RSA) and Performance Share Award (PSA) under the SingTel Performance Share Plan were made in June 2013 for performance for the year ended 31 March 2013. The per unit fair values of the RSA and PSA S\$3.246 (A\$2.511) and S\$2.020 (A\$1.563) respectively. The performance conditions for the awards are detailed on pages 73 to 74.
- ⁽⁷⁾ With effect from 1 May 2013, Mr Kevin Russell has been appointed Country Chief Officer Australia.
- ⁽⁸⁾ Benefits for Ms Jeann Low include tax equalisation in relation to her past secondment to Optus, Australia.
- ⁽⁹⁾ Mr Paul O'Sullivan and Mr Kevin Russell are based in Australia and remunerated in Australian dollars.

RISK MANAGEMENT PHILOSOPHY AND APPROACH

RISK MANAGEMENT

The identification and management of risks reduce the uncertainty associated with the execution of our business strategies, and allows the Group to maximise opportunities that may arise. Risks take on many forms and can have material adverse impacts on the Group's ability to achieve our stated objectives, by potentially impacting our reputation, operations, human resources and financial performance.

The Board is overall responsible for determining the Group's risk appetite and tolerance, risk profile, overseeing the Group's risk management framework, reviewing the Group's key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. The Risk Committee (RC) and the Audit Committee (AC) review the management of these risks and effectiveness of mitigation strategies and controls.

The Board has approved the following risk appetite statement:

The Group is committed to delivering value to our shareholders achieved through sustained profitable growth. However, the Group shall not compromise our integrity, values and reputation by risking brand damage, service delivery standards, severe network disruption or regulatory non-compliance.

The Group will defend our market leadership position in Singapore, and strengthen our market position in Australia and in Asia Pacific through our associates. The Group will continue to pursue business expansion in the emerging markets, including acquiring controlling stakes in the associates, and actively manage the risks.

The Group is prepared to take measured risks to seek new growth in the digital space by providing global platforms and enablers, targeted at a global footprint, while leveraging our current scale and core strengths.

The Group targets an investment grade credit rating and dividend payout policy consistent with our stated dividend policy and guidance.

The Management has the primary responsibility of identifying, managing and reporting the key risks faced by the Group to the Board. The Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of the respective business units. In addition, specialised areas such as Regulatory, Legal, Environment, Insurance, Treasury and Credit support the Group in the management of these risks.

The Group's philosophy and approach towards effective risk management are underpinned by three key principles:

- **Culture**

We seek to build a strong risk management and control culture by setting the appropriate tone at the top, promoting awareness, ownership and proactive management of key risks, and promoting accountability. In short, we seek to promote a risk-conscious workforce across the Group.

- **Structure**

We seek to put in place an appropriate organisational structure that promotes good corporate governance, provides for proper segregation of duties, clearly defines risk-taking responsibility and authority, and promotes ownership and accountability for risk taking.

- **Process**

We seek to implement robust processes and systems for effective identification, quantification, monitoring, mitigation and management of risks. We seek to improve our risk management as well as internal control policies and procedures on an ongoing basis, to ensure that they remain sound and relevant by benchmarking against global best practices.

Based on the above principles, the Group undertakes a continuous process of risk identification, monitoring, management and reporting of risks throughout the organisation, to provide assurance to the Board and relevant stakeholders. The effectiveness of risk management policies and processes is reviewed on a regular basis and, where necessary, improved. Independent reviews are conducted by third party consultants regularly to ensure the appropriateness of the Group's risk management framework. The consultants also report key risks to the Board, as well as provide periodic support and input when undertaking specific risk assessments. Furthermore, the risk management processes facilitate alignment of the Group's strategy and annual operating plan with the management of key risks.

Risk assessment and mitigation strategy is an integral part of the Group's annual business planning and budgeting process. The key risk management activities include scenario planning, business continuity/disaster recovery management and crisis planning and management. Close monitoring and control processes, including the establishment of appropriate key risk indicators and key performance indicators, are put in place to ensure that risk profiles are managed within policy limits. The Group has in place a formal programme of

risk and control self-assessment whereby line personnel are involved in the ongoing assessment and improvement of risk management and controls. Additionally, independent specialist consultants are engaged from time to time to review the Group's risk management framework and processes.

SingTel Internal Audit carries out reviews and internal control advisory activities aligned to the key risks in the Group's business. This provides independent assurance to the AC on the adequacy and effectiveness of our risk management, financial reporting processes, and internal control and compliance systems. In order to provide assurance to the Board, the CEOs of the business groups submit a report on the key risks and mitigation strategies for their respective businesses to the RC on a semi-annual basis. Annually, the Group CEO and Group CFO provide a written certification to the Board confirming the integrity of financial reporting, and the efficiency and effectiveness of the risk management, internal control and compliance systems.

In the course of their statutory audit, SingTel's external auditors carry out a review of the Group's material internal controls to the extent of the scope as laid out in their audit plans. Any material non-compliance and internal control weaknesses, together with the external auditors' recommendations to address them, are reported to the AC. SingTel's Management, with the assistance of SingTel Internal Audit, follows up on the external auditors' recommendations as part of their role in reviewing the Group's system of internal controls.

The systems that are in place are intended to provide reasonable but not absolute assurance against material misstatements or loss, as well as to ensure the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with applicable legislation, regulations and best practices, and the identification and management of business risks.

RISK FACTORS

The Group's financial performance and operations are influenced by a vast range of risk factors. Many of these risk factors affect not just our businesses but also other businesses in and outside of the telecommunications industry. These risks vary widely and many are beyond the Group's control. There may also be risks that are either presently unknown or not currently assessed as significant, which may later prove to be material. However, we aim to mitigate the exposures through appropriate risk management strategies and internal controls.

The section below sets out the principal risk types.

ECONOMIC RISKS

Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for telecommunications, IT and related services, digital services, and hence, on the Group's financial performance and operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. These and other related events have had a significant impact on economic growth as a whole, and consequently, consumer and business demand for telecommunications, IT and related services, and digital services.

Our planning and management review processes involve the periodic monitoring of budgets and expenditures to minimise the risk of over-investment. Each of the business units in the Group has continuing cost management programmes to drive improvements in their cost structures.

POLITICAL RISKS

Some of the countries in which Group Consumer operates have experienced or continue to experience political instability. The continuation or re-emergence of such political instability in the future could have a material adverse effect on economic or social conditions in those countries, as well as the ownership, control and condition of our assets in those areas.

Group Consumer is geographically diversified with operations in Singapore, Australia and the emerging markets. We work closely with the management and our partners in the countries where we operate to leverage the local expertise, knowledge and ability. In this way, we ensure compliance with the laws and are able to implement risk mitigation measures.

As Group Digital Life and Group Enterprise expand their products and services across the region and around the world, exposure to similar political risks may increase in the future.

REGULATORY RISKS AND LITIGATION RISKS

Regulatory Risks

The Group's global operations are subject to extensive government regulations, which may impact or limit our flexibility to respond to market conditions, competition, new technologies or changes

RISK MANAGEMENT PHILOSOPHY AND APPROACH

in cost structures. Governments may alter their policies relating to the telecommunications, IT and related industries as well as the regulatory environment (including taxation) in which we operate. Such changes could have a material adverse effect on the Group's financial performance and operations.

Group Consumer is impacted by the implementation of national broadband networks in both Australia and Singapore. In Singapore, the Infocomm Development Authority of Singapore (IDA) has, in its implementation of the Next Generation Nationwide Broadband Network (Next Gen NBN), designed a structure aimed at levelling the playing field to allow the benefits of the Next Gen NBN to be available to all industry players. This has significantly altered the existing cost model of the industry and increased the level of competition in the market with new entrants.

In Australia, the government is currently undertaking a significant reform of the fixed-line telecommunications sector, including the rollout of a national broadband network to be operated on a wholesale-only open access basis. It is possible the Australian government's regulatory reforms, including legislation and the deployed national broadband network and commercial transactions relating to the national broadband network, could ultimately lead to a sub-optimal or negative outcome for Optus. Our businesses depend on statutory licences issued by governmental authorities. Failure to meet regulatory requirements could result in fines or other sanctions including, ultimately, the revocation of licences.

Another regulatory change in Singapore which impacts the Group is the Personal Data Protection Act 2012 (PDPA) which came into effect in January 2013. The PDPA regulates the collection, use, disclosure, transfer and security of personal data. The Act will be enforced in phases, with the provisions relating to the Do-Not-Call Registry coming into force in early 2014 and the provisions relating to the main data protection coming into force in mid 2014. Privacy and data security legislation in many of the countries in which we operate continues to be enhanced by regulators.

The Group has access to appropriate regulatory expertise and staffing resources in Singapore and Australia. We regularly participate in discussions and consultations with the respective regulatory authorities and the industry to propose changes and provide feedback on regulatory reforms and developments in the telecommunications and media industry.

Our overseas investments are subject to the risk of imposition of laws and regulations restricting the level, percentage and manner of foreign ownership and investment, as well as the risk of nationalisation, any of which could materially and adversely affect our overseas investments.

Access to Spectrum

Group Consumer may need to access additional spectrum to support both organic growth and the development of new services. Access to spectrum is of critical importance to us in order to support our business of providing mobile voice and broadband services. The use of spectrum in most countries that Group Consumer operates in is regulated by governmental authorities and requires licences. Failure to acquire access to spectrum or new or additional spectrum on reasonable terms or at all could have a material adverse effect on Group Consumer's business, financial performance and growth plans.

Litigation Risks

We are exposed to the risk of regulatory or litigation action by regulators or private parties. Such regulatory matters or litigation actions may have a material effect on our financial condition and results of operations. Examples of such actions which the Group is exposed to are disclosed in Notes to the Financial Statements under "Contingent Liabilities".

The Group has put in place standard master supply agreements with vendors and implemented contract policies to manage contractual arrangements with customers. The policies provide the necessary empowerment framework for the CEOs, the Management Committee and the Board Committees to approve any deviations from the standard policies.

COMPETITIVE RISKS

The Group faces competitive risks in all the markets and business segments in which we operate.

Group Consumer Business

The telecommunications market in Singapore is highly competitive. As new players enter the market and regulation requires SingTel Singapore to allow our competitors to have access to our networks, our market share in some segments and prices for certain products and services have declined. These trends may continue and intensify for SingTel Singapore.

In the Australian mobile market, in addition to the incumbent operator, a number of participants are subsidiaries of international groups and operators, and have made large investments which are now sunk costs. The Group is therefore exposed to the risk of irrational pricing being introduced by such competitors. The consumer fixed-line services market continues to be dominated by the incumbent provider which can leverage its scale and market position to restrict the development of competition. With the deployment of the Australian National Broadband Network, competition is expected to increase as new entrants enter the market.

The operations of our international associates businesses are also subject to highly competitive market conditions. The growth of our associates depends in part on increases in the mobile penetration rate in the markets where they operate. Some of these overseas markets, including Indonesia and India, have experienced and could continue to experience an increase in the number of competitors, leading to intense price competition and potential loss of market share for our associates. As these markets mature, the pace of subscriber growth may slow and new customers may not be as profitable as existing customers.

Our business models and profits are also challenged by disintermediation in the telecommunications industry by handset providers and non-traditional telecommunications service providers who provide multimedia content, applications and services directly on demand.

Group Consumer continues to work with Group Digital Life to invest in innovation, technologies, new products and services, transformational initiatives in processes, new business models and customer experience to meet evolving customer needs and strengthen customer loyalty.

Group Digital Life Business

The digital life products and services offered by the Group face competition from both traditional and non-traditional competitors globally. However it will enable the Group to tap any growth opportunities arising in this environment, drive innovation, strengthen the product and services portfolio and maximise the advantages afforded by the Group's customer base in an increasingly connected world.

Group Digital Life is focused on delivering services such as digital advertising, m-commerce and content that provide relevant, personalised, timely and better value propositions to our customers.

Group Enterprise Business

Business customers enjoy a wide range of choices for many of the services that we provide, particularly international voice and data communications. Competitors include multinational IT and telecommunications companies, while in Australia, the enterprise market is dominated by the incumbent. The quality and prices of these services can influence a potential business customer's decision. Prices for some of these services have declined significantly in recent years as a result of capacity additions and price competition. Such price declines are expected to continue.

Group Enterprise continues to focus on offering companies comprehensive and integrated infocomm technology (ICT) solutions and initiatives to strengthen customer engagement.

REGIONAL EXPANSION RISKS

Given the size of the Singapore and Australia markets, the future growth of the Group depends, to a large extent, on our ability to grow our overseas operations in both traditional and new digital services. This comes with considerable risks.

Partnership Relations

The success of our strategic investments depends, to a large extent, on our relationships with, and the strength of our investment partners. There is no assurance that the Group will be able to maintain these relationships or that our investment partners will remain committed to their partnerships with the Group.

Acquisition Risks

In acquisitions, the Group faces challenges arising from integrating newly acquired businesses with our own operations, managing these businesses in markets where we have limited experience, and financing these acquisitions. The Group risks not being able to generate synergies from these acquisitions and the acquisitions become a drain on the Group's management and capital resources.

We continually look for investment opportunities that can contribute to our regional expansion strategy and for the development of new revenue streams. Our efforts are challenged by the limited availability of opportunities, competition for the available opportunities from other potential investors, foreign ownership restrictions, government and regulatory policies, political considerations and the specific preferences of sellers.

In addition, the business strategy of some of our regional mobile associates involves the expansion of operations outside their home countries. These associates may enter into joint ventures and other arrangements with other parties. Such joint ventures and other arrangements involve risks, including but not limited to the possibility that the joint venture or investment partner may have economic or business interests or goals that are not consistent with those of the associates. There is no assurance that the regional mobile associates can fully generate synergies and successfully achieve their aims of regional competitiveness and building a competitive regional footprint.

Members of our management team are also represented as Board directors of our associates. In addition to the sharing of network and commercial experience, best practices in the areas of corporate governance and financial reporting are also shared across the Group.

The Group adopts a disciplined approach in our investment evaluation and decision-making process.

RISK MANAGEMENT PHILOSOPHY AND APPROACH

PROJECT RISKS

Group Consumer and Group Enterprise incur substantial capital expenditure in constructing and maintaining our networks and systems infrastructure. These projects are subject to risks associated with the construction, supply, installation and operation of equipment and systems.

Project Management

The projects Group Enterprise undertake as sub-contractors to roll out infrastructure are subject to the risks of increased project costs, disputes and unexpected implementation delays, any of which can result in an inability to meet projected completion dates.

Group Enterprise is also a major IT services provider to government and large enterprises in the region. We face potential project execution risks when projects are not accurately scoped or the quality of service performance is not up to customers' specifications, resulting in over-commitments to customers, as well as inadequate resource allocation and scheduling. These can lead to cost overruns, project delays and losses.

The Group has a project risk management framework in place, with processes for regular risk assessment, performance monitoring and reporting of key projects.

Satellite Business

The launch and operation of any satellite is subject to the risk of launch delays, cost overruns and the occurrence of other unforeseeable events, such as satellite launch failures, satellite failure to enter into designated orbital locations, in-orbit failure or any other events beyond the control of the Group. We maintain and regularly review our business continuity programme, including restoration plans, for implementation in the event of a catastrophic loss of all or part of a satellite.

NEW BUSINESS RISKS

From a traditional carriage business in Singapore and Australia, the Group is now venturing into new growth areas to create new revenue streams, including mobile applications and services, pay TV, managed services, cloud services, content, ICT, and new digital services such as digital advertising. There is no assurance that the Group will be successful in these ventures which may require substantial capital, new expertise, substantial process or systems changes, as well as organisational cultural and mindset changes. These businesses may also expose the Group to new areas of risks associated with the media and online industries, such as content rights, and customer data privacy and protection.

The Group's organisation structure, talent management and development programme seeks to respond to changing needs and new business strategies. We continue to update our policies, invest in processes and technologies to support the requirements of new businesses.

BREACH OF PRIVACY RISKS

The Group seeks to protect the privacy of voice and information on networks and systems infrastructure. Significant failure of encryption and security measures may result in customer confidence being undermined and materially impact our businesses. The Group may also be subject to the imposition of additional regulatory measures relating to the security and privacy of customer data.

The Group has in place security mechanisms such as firewalls and encryption algorithms, designed to minimise the risk of privacy breaches. We also implement and test antivirus or intrusion prevention systems, based on established security standards.

INFRASTRUCTURE AND TECHNOLOGY RISKS

Rapid and significant technological changes are typical in the telecommunications and ICT industry and these changes may materially affect Group Consumer and Group Enterprise's capital expenditure and operating costs, as well as the demand for the products and services offered by all of our business divisions.

We have invested substantial capital and other resources in the development and modernisation of our networks and systems. Technological changes continue to reduce costs and expand the capacities of new infrastructure able to deliver competing products and services. Moreover, our associates operate predominantly in emerging markets where the regulatory practices, including spectrum availability, may not synchronise with the technology progression path and the market demand for new technologies.

Such rapid advancements in technology may leave the Group stranded with investments that are technologically obsolete before the end of their expected useful life. These changes may require us to replace and upgrade our network infrastructure to remain competitive and as a result, incur additional capital expenditure.

Each of the business groups face the continuing risk of market entry by new operators and service providers (including non-telecommunications players) that, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants.

Group Enterprise may have to incur substantial development expenditure to gain access to related or enabling technologies, so that we may pursue new growth opportunities in the ICT industry. The challenge is to modify our network infrastructure in a timely and cost-effective manner to facilitate such implementation, failing which this could adversely affect our quality of service, financial condition and results of operations.

The Group continues to invest in upgrading, modernising and equipping our systems with new capabilities to ensure that we continue to deliver innovative and relevant services to our customers.

VENDOR RISKS

The Group relies on third party vendors in many aspects of our business for various purposes, including but not limited to the construction of our network, the supply of handsets and equipment, systems and applications development and services, content provision and customer acquisition. Accordingly, our operations may be affected by third party vendors failing to perform their obligations. In addition, the industry is dominated by a few key vendors for such services and equipment, and any failure or refusal by a key vendor to provide such services or equipment, or any consolidation of the industry, may significantly affect our business and operations.

The Group monitors closely our relationships with strategic vendors and develops new relationships to mitigate supply risks.

FINANCIAL RISKS

The main risks arising from the Group's financial assets and liabilities are foreign exchange, interest rate, market, liquidity, access to financing sources and increased credit risks. Financial markets continue to be volatile and this may heighten execution risk for funding activities and credit risk premiums for market participants.

The Group is exposed to foreign exchange fluctuations from our operations and through subsidiaries as well as associated and joint venture companies operating in foreign countries. These relate to the translation of the foreign currency earnings and carrying values of the overseas operation. Additionally, a significant portion

of associated and joint venture company purchases and liabilities are denominated in foreign currencies, versus the local currency of the respective operations, thereby giving rise to changes in cost structures and fair value gains or losses when marked to market.

The Group has established policies, guidelines and control procedures to manage and report exposure to such risks. Our financial risk management is discussed in detail on page 172 in Note 38 to the Financial Statements.

ELECTROMAGNETIC ENERGY RISKS

Health concerns have been raised regarding the potential exposure to electromagnetic energy associated with the operation of mobile communications devices. While there is no substantiated evidence of public health risks from exposure to the levels of electromagnetic energy typically emitted from mobile communications devices, perceived health risks can result in reduced demand for mobile communications services or worse, litigation against Group Consumer. In addition, government environment controls may be introduced to address this perceived risk, restricting our ability to deploy our mobile communications networks.

The Group's policy is to comply with regulatory and international safety standards.

NETWORK FAILURE AND CATASTROPHIC RISKS

The provision of Group Consumer's and Group Enterprise's services depends on the quality, stability, resilience and robustness of our integrated networks. We face the risk of the malfunction of, loss of, or damage to network infrastructure from natural or man-made causes. Some of the countries in which we operate have experienced a number of major natural catastrophes over the years, including typhoons, droughts and earthquakes. Such losses or damage may significantly disrupt our operations, which may materially adversely affect our ability to deliver services to customers.

The Group has insurance policies as well as a defined crisis management and escalation process involving the CEOs and senior management to respond to emergencies and/or catastrophic events. However, our inability to operate our networks or customer support systems may have a material impact on our business.

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DIRECTORS' REPORT

For the financial year ended 31 March 2013

The Directors present their report to the members together with the audited financial statements of the Company ("**SingTel**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2013.

1. DIRECTORS

The Directors of the Company in office at the date of this report are -

Simon Claude Israel (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Bobby Chin Yoke Choong (appointed on 1 May 2012)
Fang Ai Lian
David Michael Gonski AC ⁽¹⁾ (appointed on 1 March 2013)
Dominic Chiu Fai Ho
Low Check Kian
Peter Edward Mason AM ⁽²⁾
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee
Ong Peng Tsin

⁽¹⁾ Companion of the Order of Australia

⁽²⁾ Member of the Order of Australia

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the SingTel Performance Share Plan (the "**SingTel PSP 2003**").

DIRECTORS' REPORT

For the financial year ended 31 March 2013

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations according to the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act were as follows -

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2013	At 1 April 2012 or date of appointment, if later	At 31 March 2013	At 1 April 2012 or date of appointment, if later
<u>Singapore Telecommunications Limited</u>				
(Ordinary shares)				
Simon Claude Israel	602,820 ⁽¹⁾	497,820	1,360 ⁽²⁾	1,360
Chua Sock Koong	4,390,513	4,390,513	4,652,675 ⁽³⁾	18,508,829
Bobby Chin Yoke Choong	-	-	-	-
Fang Ai Lian	91,930	91,930	-	-
David Michael Gonski AC	-	-	-	-
Dominic Chiu Fai Ho	15,000	15,000	-	-
Low Check Kian	1,490	1,490	-	-
Peter Edward Mason AM	100,000 ⁽⁴⁾	100,000	-	-
Kaikhushru Shiavax Nargolwala	400,000 ⁽⁵⁾	400,000	-	-
Peter Ong Boon Kwee	870	870	1,537 ⁽²⁾	1,537
Ong Peng Tsin	150,000	150,000	-	-
<u>Mapletree Commercial Trust Management Ltd.</u>				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	3,056,000 ⁽¹⁾	2,080,000	-	-
Bobby Chin Yoke Choong	-	-	100,000 ⁽²⁾	100,000
<u>Mapletree Greater China Commercial Trust Management Ltd.</u>				
(Unit holdings in Mapletree Greater China Commercial Trust)				
Simon Claude Israel	1,000,000 ⁽¹⁾	-	-	-
Peter Ong Boon Kwee	-	-	32,000 ⁽²⁾	-
Ong Peng Tsin	200,000	-	500,000 ⁽²⁾	-
<u>Mapletree Industrial Trust Management Ltd.</u>				
(Unit holdings in Mapletree Industrial Trust)				
Simon Claude Israel	990,160 ⁽¹⁾	990,160	-	-
Chua Sock Koong	11,000	11,000	-	-
Bobby Chin Yoke Choong	129,600	129,600	-	-
Kaikhushru Shiavax Nargolwala	-	101,520	-	-
<u>Mapletree Logistics Trust Management Ltd.</u>				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	648,000 ⁽¹⁾	648,000	-	-

DIRECTORS' REPORT

For the financial year ended 31 March 2013

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2013	At 1 April 2012 or date of appointment, if later	At 31 March 2013	At 1 April 2012 or date of appointment, if later
<u>Neptune Orient Lines Limited</u>				
(Ordinary shares)				
Bobby Chin Yoke Choong	-	-	29,489 ⁽²⁾	29,489
<u>Singapore Airlines Limited</u>				
(Ordinary shares)				
Simon Claude Israel	9,000 ⁽¹⁾	9,000	-	-
Chua Sock Koong	2,000	2,000	-	-
Bobby Chin Yoke Choong	-	-	2,000 ⁽²⁾	2,000
Low Check Kian	5,600	5,600	-	-
Ong Peng Tsin	-	-	17,000 ⁽²⁾	17,000
<u>Singapore Technologies Engineering Limited</u>				
(Ordinary shares)				
Fang Ai Lian	50,000	50,000	-	-
<u>SMRT Corporation Ltd</u>				
(Ordinary shares)				
Ong Peng Tsin	-	-	73,000 ⁽²⁾	73,000
<u>SP AusNet</u>				
(stapled securities comprising one share in each of SP Australia Networks (Transmission) Ltd and SP Australia Network (Distribution) Ltd and a unit in SP Australia Networks (Finance) Trust)				
Bobby Chin Yoke Choong	-	-	25,000 ⁽²⁾	25,000

Notes:

(1) Held in the name of Citibank Nominees Singapore Pte. Ltd.

(2) Held by spouse.

(3) Chua Sock Koong's deemed interest of 4,652,675 shares included -

(a) 28,137 ordinary shares held by Ms Chua's spouse; and

(b) an aggregate of up to 4,624,538 ordinary shares in SingTel awarded to Ms Chua pursuant to the SingTel PSP 2003, subject to certain performance criteria being met and other terms and conditions.

According to the register of Directors' shareholdings, as at 19 November 2012, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the performance share plans for the benefit of eligible employees of the Group. With effect from 19 November 2012, Ms Chua is exempted from reporting her interests, and changes in interests, in shares held by the trust under regulation 6 of the Securities and Futures (Disclosure of Interests) Regulations.

(4) Held by Burgoyne Investments Pty Ltd as trustee for Burgoyne Superannuation Fund. Both Peter Edward Mason AM and spouse are directors of Burgoyne Investments Pty Ltd and beneficiaries of Burgoyne Superannuation Fund.

(5) Held in the name of HSBC (Singapore) Nominees Pte. Ltd.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2013.

DIRECTORS' REPORT

For the financial year ended 31 March 2013

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the notes to the financial statements and in this report.

5. SHARE OPTIONS AND PERFORMANCE SHARES

The Executive Resource and Compensation Committee ("ERCC") is responsible for administering the SingTel performance share plans. At the date of this report, the members of the ERCC are Kaikhushru Shiavax Nargolwala (Chairman of the ERCC), Simon Claude Israel, Fang Ai Lian and Peter Edward Mason AM.

5.1 Share Options

Singapore Telecom Share Option Scheme 1999 ("1999 Scheme")

Options granted pursuant to the 1999 Scheme were in respect of ordinary shares in the Company. Such options did not entitle the option holders, by virtue of such holdings, to any right to participate in any share issue of any other company. The 1999 Scheme expired in May 2012 and there were no outstanding options as at 31 March 2013.

Options exercised and cancelled during the financial year were as follows -

Date of grant	Exercise period	Exercise price	Balance as at 1 April 2012 ('000)	Options exercised ('000)	Options cancelled ('000)	Balance as at 31 March 2013 ('000)
Market Price Share Options						
30.05.02	31.05.03 to 30.05.12	S\$1.31	1,499	(1,332)	(167)	-

From the commencement of the 1999 Scheme to 31 March 2013, options in respect of an aggregate of 273,767,350 ordinary shares in the Company have been granted to Directors and employees of the Company and its subsidiaries.

5.2 Performance Shares

The SingTel PSP 2003 was implemented with the approval of shareholders at the Extraordinary General Meeting held on 29 August 2003. The duration of the SingTel PSP 2003 was 10 years commencing 29 August 2003.

At the Extraordinary General Meeting held on 27 July 2012, the shareholders approved the adoption of the SingTel Performance Share Plan 2012 (the "SingTel PSP 2012"). The duration of the SingTel PSP 2012 is 10 years commencing 27 July 2012. This plan gives the flexibility to either allot and issue and deliver new SingTel shares or purchase and deliver existing SingTel shares upon the vesting of awards.

The termination of the SingTel PSP 2003 shall be without prejudice to the rights of holders of awards accepted and outstanding under the SingTel PSP 2003 as at the date of such termination.

The participants of the performance share plans will receive fully paid SingTel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period. The performance period for the awards granted is three years, except for Restricted Share Awards which have a performance period of two years. The number of SingTel shares to be allocated to each participant or category of participants will be determined at the end of the performance period based on the level of attainment of the performance targets.

DIRECTORS' REPORT

For the financial year ended 31 March 2013

5.2 Performance Shares (Cont'd)

From the commencement of the performance share plans to 31 March 2013, awards comprising an aggregate of 229,678,043 shares and 225,001 shares have been granted under the SingTel PSP 2003 and the SingTel PSP 2012 respectively.

Performance share awards granted, vested and cancelled during the financial year, and share awards outstanding at the end of the financial year, were as follows –

Date of grant	Balance as at 1 April 2012 (‘000)	Share awards granted (‘000)	Share awards vested (‘000)	Share awards cancelled (‘000)	Balance as at 31 March 2013 (‘000)
Performance shares (General Awards)					
For Group Chief Executive Officer (Chua Sock Koong)					
03.06.09	922	-	(576)	(346)	-
03.06.10	934	-	-	-	934
02.06.11	1,013	-	-	-	1,013
	2,869	-	(576)	(346)	1,947
For other staff					
03.06.09	17,666	-	(10,964)	(6,702)	-
02.09.09	177	-	(111)	(66)	-
03.06.10	16,835	-	-	(836)	15,999
01.09.10	53	-	-	(13)	40
02.12.10	213	-	-	(12)	201
02.03.11	350	-	-	(201)	149
02.06.11	19,488	-	-	(1,099)	18,389
01.09.11	92	-	-	-	92
10.01.12	65	-	-	-	65
15.03.12	72	-	-	-	72
	55,011	-	(11,075)	(8,929)	35,007
<i>Sub-total</i>	57,880	-	(11,651)	(9,275)	36,954
Performance shares (Senior Management Awards)					
For Group Chief Executive Officer (Chua Sock Koong)					
03.06.09	629	-	(409)	(220)	-
03.06.10	630	-	-	-	630
02.06.11	655	-	-	-	655
	1,914	-	(409)	(220)	1,285
For other staff					
03.06.09	2,290	-	(1,488)	(802)	-
03.06.10	2,538	-	-	(20)	2,518
02.06.11	2,267	-	-	-	2,267
	7,095	-	(1,488)	(822)	4,785
<i>Sub-total</i>	9,009	-	(1,897)	(1,042)	6,070

DIRECTORS' REPORT

For the financial year ended 31 March 2013

5.2 Performance Shares (Cont'd)

Date of grant	Balance as at 1 April 2012 (‘000)	Share awards granted (‘000)	Share awards vested (‘000)	Share awards cancelled (‘000)	Balance as at 31 March 2013 (‘000)
Performance shares					
(Restricted Share Awards)					
For Group Chief Executive Officer (Chua Sock Koong)					
26.06.12	-	119	-	-	119
For other staff					
26.06.12	-	5,442	-	(240)	5,202
05.10.12	-	30	-	-	30
25.03.13	-	39	-	-	39
	-	5,511	-	(240)	5,271
<i>Sub-total</i>	-	5,630	-	(240)	5,390
Performance shares					
(Performance Share Awards)					
For Group Chief Executive Officer (Chua Sock Koong)					
26.06.12	-	1,273	-	-	1,273
For other staff					
26.06.12	-	6,449	-	(252)	6,197
05.10.12	-	146	-	-	146
25.03.13	-	11	-	-	11
	-	6,606	-	(252)	6,354
<i>Sub-total</i>	-	7,879	-	(252)	7,627
<i>Total</i>	66,889	13,509	(13,548)	(10,809)	56,041

During the financial year, awards in respect of an aggregate of 13,548,520 shares granted under the SingTel PSP 2003 were vested. The awards under the SingTel PSP 2003 were satisfied in part by the delivery of existing shares purchased from the market and in part by the payment of cash in lieu of delivery of shares, as permitted under the SingTel PSP 2003.

As at 31 March 2013, no participant has been granted options under the 1999 Scheme and/or received shares pursuant to the vesting of awards granted under the SingTel PSP 2003 which, in aggregate, represents five per cent or more of the aggregate of -

- (i) the total number of new shares available under the SingTel PSP 2003 and the 1999 Scheme collectively; and
- (ii) the total number of existing shares purchased for delivery of awards released under the SingTel PSP 2003.

As at 31 March 2013, no awards granted under the SingTel PSP 2012 have vested.

Non-executive Directors are not eligible to participate in the SingTel performance share plans.

DIRECTORS' REPORT

For the financial year ended 31 March 2013

6. AUDIT COMMITTEE

At the date of this report, the Audit Committee comprises the following members, all of whom are non-executive and the majority of whom, including the chairman, are independent -

Fang Ai Lian (Chairman of the Audit Committee)
Bobby Chin Yoke Choong (appointed on 1 January 2013)
Dominic Chiu Fai Ho
Peter Ong Boon Kwee

The Audit Committee carried out its functions in accordance with Section 201B of the Singapore Companies Act, Chapter 50.

In performing its functions, the Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal auditors to discuss the results of the respective examinations and their evaluation of the Company's system of internal accounting controls. The Committee also held discussions with the internal and external auditors and is satisfied that the processes put in place by management provide reasonable assurance on mitigation of fraud risk exposure to the Group.

The Committee also reviewed the financial statements of the Company and the Group, as well as the Independent Auditors' Report thereon.

In addition, the Committee had, with the assistance of the internal auditors, reviewed the procedures set up by the Company and the Group to identify and report, and where necessary, sought appropriate approval for interested person transactions.

The Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Committee has nominated Deloitte & Touche LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

7. AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors



Simon Claude Israel
Chairman



Chua Sock Koong
Director

Singapore
14 May 2013

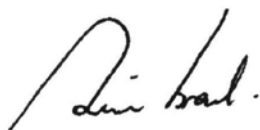
STATEMENT OF DIRECTORS

For the financial year ended 31 March 2013

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 94 to 192 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors



Simon Claude Israel
Chairman



Chua Sock Koong
Director

Singapore
14 May 2013

INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2013

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Singapore Telecommunications Limited (the "**Company**") and its subsidiaries (the "**Group**") which comprise the statements of financial position of the Group and the Company as at 31 March 2013, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 94 to 192.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "**Act**") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheets and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore, 14 May 2013

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2013

	Notes	2013 S\$ Mil	2012 S\$ Mil
Operating revenue	4	18,183.0	18,825.3
Operating expenses	5	(13,100.0)	(13,709.8)
Other income	6	116.8	103.2
		5,199.8	5,218.7
Depreciation and amortisation	7	(2,127.4)	(2,001.6)
Exceptional items	8	(40.1)	6.6
Profit on operating activities		3,032.3	3,223.7
Share of results of associates and joint ventures	9	1,397.2	1,431.4
Profit before interest, investment income (net) and tax		4,429.5	4,655.1
Interest and investment income (net)	10	46.9	54.0
Finance costs	11	(345.1)	(394.7)
Profit before tax		4,131.3	4,314.4
Tax expense	12	(620.7)	(324.9)
Profit after tax		3,510.6	3,989.5
Attributable to -			
Shareholders of the Company		3,508.3	3,988.7
Non-controlling interests		2.3	0.8
		3,510.6	3,989.5
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	22.02	25.04
- diluted (cents)	13	21.96	24.97

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
Independent Auditors' report – page 93

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

	2013 S\$ Mil	2012 S\$ Mil
Profit after tax	3,510.6	3,989.5
Other comprehensive (loss)/ income:		
Exchange differences arising from translation of foreign operations and other currency translation differences	(413.9)	(897.1)
Cash flow hedges		
- Fair value changes during the year	(108.4)	(5.3)
- Tax effects	24.1	5.1
	(84.3)	(0.2)
- Fair value changes transferred to income statement	112.7	42.9
- Tax effects	(16.7)	(18.2)
	96.0	24.7
	11.7	24.5
Available-for-sale investments		
- Fair value changes during the year	(67.9)	92.6
Share of other comprehensive income/ (loss) of associates and joint ventures	21.8	(19.8)
Other comprehensive loss, net of tax	(448.3)	(799.8)
Total comprehensive income	3,062.3	3,189.7
Attributable to -		
Shareholders of the Company	3,060.2	3,188.9
Non-controlling interests	2.1	0.8
	3,062.3	3,189.7

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
Independent Auditors' report – page 93

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2013

		Group		Company	
	Notes	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Current assets					
Cash and cash equivalents	15	911.0	1,346.4	167.8	254.4
Trade and other receivables	16	3,680.0	3,927.0	2,374.8	2,561.2
Asset held for sale	17	-	334.1	-	-
Derivative financial instruments	26	1.1	2.9	3.2	5.1
Inventories	18	213.7	208.1	27.7	31.1
		4,805.8	5,818.5	2,573.5	2,851.8
Non-current assets					
Property, plant and equipment	19	11,724.9	11,580.0	2,043.6	1,925.5
Intangible assets	20	10,709.4	10,174.1	1.3	1.7
Subsidiaries	21	-	-	12,971.1	6,768.2
Associates	22	195.5	212.4	592.1	592.1
Joint ventures	23	9,691.0	9,968.1	24.1	24.1
Available-for-sale ("AFS") investments	25	240.4	148.7	66.4	41.7
Derivative financial instruments	26	131.0	98.2	247.1	157.5
Deferred tax assets	12	945.2	963.0	-	-
Loan to an associate	27	1,330.5	1,325.0	1,330.5	1,325.0
Other non-current receivables	28	209.8	129.6	221.9	241.4
		35,177.7	34,599.1	17,498.1	11,077.2
Total assets		39,983.5	40,417.6	20,071.6	13,929.0
Current liabilities					
Trade and other payables	29	4,221.9	4,371.9	2,045.4	2,088.6
Advance billings		671.0	677.8	86.8	86.2
Provision	30	5.8	3.5	4.3	-
Current tax liabilities		429.0	298.9	139.3	197.8
Borrowings (unsecured)	31	350.0	105.8	-	-
Borrowings (secured)	32	41.8	25.3	0.2	0.2
Derivative financial instruments	26	14.8	23.0	5.2	9.8
Net deferred gain	27	57.5	29.2	-	-
		5,791.8	5,535.4	2,281.2	2,382.6

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
Independent Auditors' report – page 93

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2013

		Group		Company	
	Notes	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Non-current liabilities					
Borrowings (unsecured)	31	7,329.7	8,470.4	856.3	857.9
Borrowings (secured)	32	207.2	192.3	157.3	157.5
Advance billings		332.1	357.8	165.8	173.7
Deferred income	33	10.7	387.7	-	1.3
Net deferred gain	27	1,186.4	1,060.5	-	-
Derivative financial instruments	26	587.8	508.3	406.8	356.4
Deferred tax liabilities	12	299.4	243.8	114.0	135.2
Other non-current liabilities	34	249.2	213.5	25.0	17.5
		10,202.5	11,434.3	1,725.2	1,699.5
Total liabilities		15,994.3	16,969.7	4,006.4	4,082.1
Net assets		23,989.2	23,447.9	16,065.2	9,846.9
Share capital and reserves					
Share capital	35	2,634.0	2,632.2	2,634.0	2,632.2
Reserves		21,330.6	20,795.3	13,431.2	7,214.7
Equity attributable to shareholders of the Company		23,964.6	23,427.5	16,065.2	9,846.9
Non-controlling interests		24.6	20.4	-	-
Total equity		23,989.2	23,447.9	16,065.2	9,846.9

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
Independent Auditors' report – page 93

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2013

	Attributable to shareholders of the Company										Non-Controlling Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽²⁾⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil			
Group - 2013	2,632.2	(42.3)	(82.7)	(2,151.5)	(261.9)	148.7	24,434.4	(1,249.4)	23,427.5	20.4	23,447.9	
Balance as at 1 April 2012	1.8	-	-	-	-	-	-	-	1.8	-	1.8	
Changes in equity for the year	-	(3.4)	-	-	-	-	-	-	(3.4)	-	(3.4)	
Issue of new shares	-	(24.1)	-	-	-	-	-	-	(24.1)	-	(24.1)	
Performance shares purchased by the Company	-	30.3	(30.3)	-	-	-	-	-	-	-	-	
Performance shares purchased by Trust ⁽⁵⁾	-	-	24.2	-	-	-	-	-	24.2	-	24.2	
Performance shares vested	-	-	7.8	-	-	-	-	-	7.8	-	7.8	
Equity-settled performance shares	-	-	-	-	-	-	-	-	-	-	-	
Transfer of liability to equity	-	-	-	-	-	-	-	-	-	-	-	
Performance shares purchased by SingTel Optus Pty Limited ("Optus") and vested	-	-	(9.3)	-	-	-	-	-	(9.3)	-	(9.3)	
Share of other reserves of associates and joint ventures	-	(2.6)	0.4	-	-	-	-	-	(2.2)	-	(2.2)	
Contribution to subsidiary	-	-	-	-	-	-	-	-	-	2.8	2.8	
Final dividend paid (see Note 36)	-	-	-	-	-	-	(1,434.0)	-	(1,434.0)	-	(1,434.0)	
Interim dividend paid (see Note 36)	-	-	-	-	-	-	(1,083.7)	-	(1,083.7)	-	(1,083.7)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.7)	(0.7)	
Others	-	-	-	-	-	-	(0.2)	-	(0.2)	-	(0.2)	
	1.8	0.2	(7.2)	-	-	-	(2,517.9)	-	(2,523.1)	2.1	(2,521.0)	
Total comprehensive (loss)/ income for the year	-	-	-	(413.7)	11.7	(67.9)	3,508.3	21.8	3,060.2	2.1	3,062.3	
Balance as at 31 March 2013	2,634.0	(42.1)	(89.9)	(2,565.2)	(250.2)	80.8	25,424.8	(1,227.6)	23,964.6	24.6	23,989.2	

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
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STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2013

Attributable to shareholders of the Company											
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Currency Translation Reserve ⁽²⁾⁽³⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽⁴⁾ S\$ Mil	Total S\$ Mil	Non-Controlling Interests S\$ Mil	Total Equity S\$ Mil
Group - 2012											
Balance as at 1 April 2011	2,622.8	(27.1)	(102.9)	(1,254.4)	(286.4)	56.1	24,550.0	(1,229.8)	24,328.3	22.0	24,350.3
Changes in equity for the year											
Issue of new shares	9.4	-	-	-	-	-	-	-	9.4	-	9.4
Performance shares purchased by the Company	-	(0.5)	-	-	-	-	-	-	(0.5)	-	(0.5)
Performance shares purchased by Trust ⁽⁵⁾	-	(18.2)	-	-	-	-	-	-	(18.2)	-	(18.2)
Performance shares vested	-	3.5	(3.5)	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	25.8	-	-	-	-	-	25.8	-	25.8
Transfer of equity to liability	-	-	(0.2)	-	-	-	-	-	(0.2)	-	(0.2)
Cash paid to employees under performance share plans	-	-	(0.9)	-	-	-	-	-	(0.9)	-	(0.9)
Performance shares purchased by Optus and vested	-	-	(1.0)	-	-	-	-	-	(1.0)	-	(1.0)
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(0.2)	0.2	-	-	-
Final dividend paid (see Note 36)	-	-	-	-	-	-	(1,434.3)	-	(1,434.3)	-	(1,434.3)
Special dividend paid (see Note 36)	-	-	-	-	-	-	(1,593.6)	-	(1,593.6)	-	(1,593.6)
Interim dividend paid (see Note 36)	-	-	-	-	-	-	(1,083.5)	-	(1,083.5)	-	(1,083.5)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2.4)	(2.4)
Unclaimed dividends	-	-	-	-	-	-	7.3	-	7.3	-	7.3
	9.4	(15.2)	20.2	-	-	-	(4,104.3)	0.2	(4,089.7)	(2.4)	(4,092.1)
Total comprehensive (loss)/ income for the year	-	-	-	(897.1)	24.5	92.6	3,988.7	(19.8)	3,188.9	0.8	3,189.7
Balance as at 31 March 2012	2,632.2	(42.3)	(82.7)	(2,151.5)	(261.9)	148.7	24,434.4	(1,249.4)	23,427.5	20.4	23,447.9

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
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STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2013

Company - 2013	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2012	2,632.2	-	(67.9)	(164.9)	32.1	7,415.4	9,846.9
Changes in equity for the year							
Issue of new shares	1.8	-	-	-	-	-	1.8
Performance shares purchased by the Company	-	(3.1)	-	-	-	-	(3.1)
Performance shares vested	-	3.1	(3.1)	-	-	-	-
Equity-settled performance shares	-	-	10.4	-	-	-	10.4
Transfer of liability to equity	-	-	7.9	-	-	-	7.9
Contribution to Trust ⁽⁵⁾	-	-	(17.2)	-	-	-	(17.2)
Final dividend paid (see Note 36)	-	-	-	-	-	(1,434.9)	(1,434.9)
Interim dividend paid (see Note 36)	-	-	-	-	-	(1,084.4)	(1,084.4)
Others	-	-	-	-	-	1.1	1.1
	1.8	-	(2.0)	-	-	(2,518.2)	(2,518.4)
Total comprehensive income for the year	-	-	-	34.6	24.7	8,677.4	8,736.7
Balance as at 31 March 2013	2,634.0	-	(69.9)	(130.3)	56.8	13,574.6	16,065.2

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
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STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2013

Company - 2012	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve - Performance Shares S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2011	2,622.8	-	(64.6)	(197.3)	29.0	6,626.6	9,016.5
Changes in equity for the year							
Issue of new shares	9.4	-	-	-	-	-	9.4
Performance shares purchased by the Company	-	(0.4)	-	-	-	-	(0.4)
Performance shares vested	-	0.4	(0.4)	-	-	-	-
Equity-settled performance shares	-	-	10.8	-	-	-	10.8
Transfer of equity to liability	-	-	(0.2)	-	-	-	(0.2)
Cash paid to employees under performance share plans	-	-	(0.9)	-	-	-	(0.9)
Contribution to Trust ⁽⁵⁾	-	-	(12.6)	-	-	-	(12.6)
Final dividend paid (see Note 36)	-	-	-	-	-	(1,435.7)	(1,435.7)
Special dividend paid (see Note 36)	-	-	-	-	-	(1,594.0)	(1,594.0)
Interim dividend paid (see Note 36)	-	-	-	-	-	(1,084.3)	(1,084.3)
Unclaimed dividends	-	-	-	-	-	7.3	7.3
	9.4	-	(3.3)	-	-	(4,106.7)	(4,100.6)
Total comprehensive income for the year	-	-	-	32.4	3.1	4,895.5	4,931.0
Balance as at 31 March 2012	2,632.2	-	(67.9)	(164.9)	32.1	7,415.4	9,846.9

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) The currency translation losses of S\$366 million in respect of the translation of Warid Telecom (Private) Limited's ("**Warid Pakistan**") carrying value denominated in Pakistani Rupee (as at 31 March 2012: S\$363 million) has been transferred to the income statement upon the sale of Warid Pakistan in March 2013.
- (4) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive loss or income of the associates and joint ventures.
- (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 financial year ended 31 March 2013

	Note	2013 S\$ Mil	2012 S\$ Mil
Cash Flows From Operating Activities			
Profit before tax		4,131.3	4,314.4
Adjustments for -			
Depreciation and amortisation		2,127.4	2,001.6
Exceptional items (non-cash)		(30.5)	(30.1)
Interest and investment income (net)		(46.9)	(54.0)
Finance costs		345.1	394.7
Share of results of associates and joint ventures (post-tax)		(1,397.2)	(1,431.4)
Other non-cash items		42.8	36.8
		1,040.7	917.6
Operating cash flow before working capital changes		5,172.0	5,232.0
Changes in operating assets and liabilities			
Trade and other receivables		268.0	(478.9)
Trade and other payables		(350.2)	396.9
Inventories		(6.9)	91.5
Currency translation adjustments of subsidiaries		(2.7)	1.8
Cash generated from operations		5,080.2	5,243.3
Payment to employees in cash under performance share plans		(3.3)	(1.4)
Dividends received from associates and joint ventures		993.3	919.8
Income tax and withholding tax paid		(252.7)	(451.3)
Net cash inflow from operating activities		5,817.5	5,710.4
Cash Flows From Investing Activities			
Payment for purchase of property, plant and equipment		(2,058.6)	(2,248.7)
Purchase of intangible assets		(166.6)	(118.5)
Payment for acquisition of subsidiaries, net of cash acquired (Note 1)		(697.9)	-
Investment in AFS investments		(56.0)	(86.2)
Investment in an associate	27	-	(567.4)
Investment in other associates and joint ventures		(8.3)	(350.6)
Proceeds from sale of property, plant and equipment		10.0	14.6
Proceeds from sale of AFS investments		337.4	0.2
Proceeds from sale of associates and joint ventures		87.1	15.3
Dividends received from AFS investments (net of withholding tax paid)		3.0	15.2
Interest received		41.6	29.8
Contribution from non-controlling interests		2.8	-
Advance payment for purchase of submarine cable capacity		-	(9.7)
Drawdown of prepaid submarine cable capacity		-	18.4
Partial proceeds from sale of assets and business to an associate	27	-	567.4
Withholding tax paid on intra-group interest income		(51.3)	(88.8)
Net cash outflow from investing activities		(2,556.8)	(2,809.0)

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
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CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

	Note	2013 S\$ Mil	2012 S\$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		3,806.2	3,867.5
Repayment of term loans		(4,643.4)	(2,056.2)
Proceeds from bond issue		-	2,008.6
Repayment of bonds		-	(2,612.3)
Proceeds from finance lease liabilities		76.4	12.0
Finance lease payments		(44.6)	(30.8)
Net (repayment of)/ proceeds from borrowings		(805.4)	1,188.8
Settlement of swaps for bonds repaid		-	(922.0)
Final dividend paid to shareholders of the Company		(1,434.0)	(1,434.3)
Interim dividend paid to shareholders of the Company		(1,083.7)	(1,083.5)
Special dividend paid to shareholders of the Company		-	(1,593.6)
Proceeds from issue of shares		1.8	9.4
Net interest paid on borrowings and swaps		(343.5)	(413.9)
Dividend paid to non-controlling interests		(0.7)	(2.4)
Unclaimed dividends		-	7.3
Purchase of performance shares		(36.8)	(20.0)
Net cash outflow from financing activities		(3,702.3)	(4,264.2)
Net decrease in cash and cash equivalents		(441.6)	(1,362.8)
Exchange effects on cash and cash equivalents		6.2	(28.8)
Cash and cash equivalents at beginning of year		1,346.4	2,738.0
Cash and cash equivalents at end of year	15	911.0	1,346.4

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
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CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2013

Note (1): Acquisition of subsidiaries

(a) Amobee Inc., GTW Holdings Private Limited and Pixable Inc.

During the financial year ended 31 March 2013, Singapore Telecommunications Limited ("**SingTel**") acquired 100% of the share capital of Amobee Inc. ("**Amobee**"), a premium provider of mobile advertising solutions, GTW Holdings Private Limited, the owner of restaurant review portal HungryGoWhere, and Pixable Inc. ("**Pixable**"), a social photo aggregation service provider, for US\$321 million, S\$12 million and US\$27 million respectively. The fair values of the acquired identifiable net assets and the net cash outflow on the acquisitions were as follows –

	31 Mar 2013 S\$ Mil
Identifiable intangible assets	148.3
Non-current assets	2.7
Cash and cash equivalents	4.8
Current assets (excluding cash and cash equivalents)	13.0
Total liabilities	(22.7)
Net assets acquired	146.1
Goodwill on acquisition of Amobee	278.8
Provisional goodwill on acquisition of Pixable	23.3
Total cash consideration	448.2
Less: Consideration unpaid as at 31 March 2013	(36.2)
Less: Cash and cash equivalents acquired	(4.8)
Net cash outflow	407.2

(b) Vividwireless Group Limited and Eatability Pty Limited

During the financial year ended 31 March 2013, Optus Mobile Pty Limited, a wholly-owned subsidiary of the Group, acquired 100% of the share capital of Vividwireless Group Limited and Eatability Pty Limited for A\$230 million and A\$6 million respectively. The fair values of identifiable net assets and the net cash outflow on the acquisitions were as follows –

	31 Mar 2013 S\$ Mil
Identifiable intangible assets	263.9
Non-current assets	62.3
Cash and cash equivalents	8.1
Current assets (excluding cash and cash equivalents)	3.8
Total liabilities	(36.8)
Total cash consideration	301.3
Less: Consideration unpaid as at 31 March 2013	(2.5)
Less: Cash and cash equivalents acquired	(8.1)
Net cash outflow	290.7

Note (2): In October 2012, SingTel received a dividend distribution of S\$145 million from NetLink Trust, a 100%-owned associate of SingTel, which was offset against an amount due to NetLink Trust.

The accompanying notes on pages 105 to 192 form an integral part of these financial statements.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

SingTel is domiciled and incorporated in Singapore and is publicly traded on the Singapore Exchange and Australian Stock Exchange. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the subsidiaries are disclosed in **Note 47**.

Under a licence granted by the Info-communications Development Authority of Singapore ("IDA"), the Group had the exclusive rights to provide fixed national and international telecommunications services through 31 March 2000 (with limited exceptions) and public cellular mobile telephone services through 31 March 1997. From the expiry of the exclusive rights, the Group's licences for these telecommunications services continue on a non-exclusive basis to 31 March 2017.

In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights from IDA to install, operate and maintain 3G mobile communication systems and services respectively, as well as wireless broadband systems and services. The Group also holds licences from the Media Development Authority of Singapore for the purpose of providing subscription nationwide television services.

In Australia, Optus was granted telecommunication licences under the Telecommunications Act 1991. Pursuant to the Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997, the licences continued to have effect after the deregulation of telecommunications in Australia in 1997. The licences do not have a finite term, but are of continuing operation until cancelled under the Telecommunications Act 1997.

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 14 May 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") including related interpretations, and the provisions of the Singapore Companies Act. They have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. The adoption of the new or revised FRS and Interpretations to FRS ("**INT FRS**") which are mandatory from 1 April 2012 has no significant impact on the financial statements of the Group or the Company in the current financial year.

2.2 Group Accounting

The accounting policy for subsidiaries, associates and joint ventures in the Company's financial statements is stated in **Note 2.4**. The Group's accounting policy on goodwill is stated in **Note 2.15.1**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.2 Group Accounting (Cont'd)

2.2.1 Subsidiaries

Subsidiaries are entities (including special purpose entities) controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of the entity, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.2.2 Associates

Associates are entities over which the Group has significant influence, and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognising the Group's share of the post-acquisition results of associates in the consolidated income statement, and the Group's share of post-acquisition reserve movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the consolidated statement of financial position.

In the consolidated statement of financial position, investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including loans that are in fact extensions of the Group's investment, the Group does not recognise further losses, unless it has incurred or guaranteed obligations in respect of the associate.

Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Joint ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control with one or more parties, and none of the parties involved has unilateral control over the entities' economic activities.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

In the consolidated statement of financial position, investments in joint ventures include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in joint ventures.

The Group's interest in its unincorporated joint venture operations is accounted for by recognising the Group's assets and liabilities from the joint venture, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, in the consolidated financial statements.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.4 Dividends from associates and joint ventures

Dividends received from an associate or joint venture in excess of the Group's carrying value of the equity accounted investee are recognised as dividend income in the income statement where there is no legal or constructive obligation to refund the dividend nor is there any commitment to provide financial support to the investee. Equity accounting is then suspended until the investee has made sufficient profits to cover the income previously recognised for the excess cash distributions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.2 Group Accounting (Cont'd)

2.2.5 Special purpose entity

The Trust has been consolidated in the consolidated financial statements under INT FRS 12, *Consolidation – Special Purpose Entities*.

2.2.6 Business combinations

Business combinations are accounted for using the acquisition method on and after 1 April 2010. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred and equity interests issued by the Group and any contingent consideration arrangement at acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

For business combinations that are achieved in stages, any existing equity interests in the acquiree entity are re-measured to their fair values at acquisition date and any changes are taken to the income statement.

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date. Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, any interest retained in the former subsidiary is recorded at fair value with re-measurement gain or loss recognised in the income statement.

2.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as 'Treasury Shares' within equity. When the shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are included in 'Other Reserves' of the Company.

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under SingTel performance share plans. Such shares are designated as 'Treasury Shares'. In the consolidated financial statements, the cost of unvested shares, including directly attributable costs, is recognised as 'Treasury Shares' within equity.

Upon vesting of the performance shares, the weighted average costs of the shares delivered to employees, whether held by the Company or the Trust, are transferred to 'Capital Reserve – Performance Shares' within equity in the consolidated financial statements.

2.4 Investments in Subsidiaries, Associates and Joint Ventures

In the Company's statement of financial position, investments in subsidiaries, associates and joint ventures, including loans that meet the definition of equity instruments, are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value. On disposal of investments in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statement of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.5 Investments

Purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the investment.

2.5.1 AFS investments

AFS investments are initially recognised at fair value plus directly attributable transaction costs.

They are subsequently stated at fair value at the end of the reporting period, with all resulting gains and losses, including currency translation differences, taken to 'Fair Value Reserve' within equity. AFS investments for which fair values cannot be reliably determined are stated at cost less accumulated impairment losses.

When AFS investments are sold or impaired, the accumulated fair value adjustments in the 'Fair Value Reserve' are included in the income statement.

A significant or prolonged decline in fair value below the cost is objective evidence of impairment. Impairment loss is computed as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement until the equity investments are disposed.

2.6 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

Derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the income statement, unless they qualify for hedge accounting.

2.6.1 Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as its risk management objectives and strategy for undertaking the hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Fair value hedge

Designated derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of the designated derivative financial instruments that qualify as cash flow hedges are recognised in 'Other Comprehensive Income'. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the 'Hedging Reserve' are transferred to the income statement in the periods when the hedged items affect the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.6 Derivative Financial Instruments and Hedging Activities (Cont'd)

2.6.1 Hedge accounting (Cont'd)

Cash flow hedge (Cont'd)

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

Net investment hedge

Changes in the fair value of designated derivatives that qualify as net investment hedges, and which are highly effective, are recognised in 'Other Comprehensive Income' in the consolidated financial statements and the amount accumulated in 'Currency Translation Reserve' are transferred to the consolidated income statement in the period when the foreign operation is disposed.

In the Company's financial statements, the gain or loss on the financial instrument used to hedge a net investment in a foreign operation of the Group is recognised in the income statement.

The Group has entered into the following derivative financial instruments to hedge its risks, namely -

Cross currency swaps and interest rate swaps are fair value hedges for the interest rate risk and cash flow hedges for the currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Group's functional currency.

Certain cross currency swaps related to net investment hedges for the foreign currency exchange risk on its Australia operations.

Forward foreign exchange contracts are cash flow hedges for the Group's exposure to foreign currency exchange risks arising from forecasted or committed expenditure.

2.7 Fair Value Estimation of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in arm's length transaction, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument -

Bank balances, receivables and payables, current borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these instruments.

Quoted and unquoted investments

The fair value of investments traded in active markets is based on the market quoted mid-price (average of offer and bid price) or the mid-price quoted by the market maker at the close of business at the end of the reporting period.

The fair values of unquoted investments are determined by using valuation techniques. These include the use of recent arm's length transactions, reference to current market value of another instrument which is substantially the same or discounted cash flow analysis.

Cross currency and interest rate swaps

The fair value of a cross currency or an interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.7 Fair Value Estimation of Financial Instruments (Cont'd)

Forward foreign currency contracts

The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

Non-current borrowings

For disclosure purposes, the fair value of non-current borrowings which are traded in active markets is based on the market quoted ask price. For other non-current borrowings, the fair values are based on valuation provided by service providers or estimated by discounting the future contractual cash flows using a discount rate based on the borrowing rates which the Group expects would be available at the end of the reporting period.

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transactions costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associates and joint ventures, are recognised initially at fair values and, other than those that meet the definition of equity instruments, are subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debts. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts. The impairment loss, measured as the difference between the debt's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognised in the income statement. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.10 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, unhedged borrowings are subsequently stated at amortised cost using the effective interest method. Hedged borrowings are accounted for in accordance with the accounting policies set out in **Note 2.6.1**.

2.12 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of mainly three months or less, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Bank overdrafts are included under borrowings in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.13 Foreign Currencies

2.13.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional and presentation currency of the Company and the presentation currency of the Group.

2.13.2 Transactions and balances

Transactions in a currency other than the functional currency (“**foreign currency**”) are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

2.13.3 Translation of foreign operations’ financial statements

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates ruling at the end of the reporting period except for share capital and reserves which are translated at historical rates of exchange (see **Note 2.13.4** for translation of goodwill and fair value adjustments).

Income and expenses in the income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to ‘Other Comprehensive Income’.

On loss of control of a subsidiary, loss of significant influence of an associate or loss of joint control of a joint venture, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associates or joint ventures, the accumulated translation differences relating to the disposal are taken to the consolidated income statement.

2.13.4 Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 April 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the end of the reporting period. However, for acquisitions of foreign entities completed prior to 1 April 2005, goodwill and fair value adjustments continue to be recorded at the exchange rates at the respective dates of the acquisitions.

2.13.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries, associates or joint ventures which form part of the Company’s net investment in the subsidiaries, associates or joint ventures are included in ‘Currency Translation Reserve’. On disposal of the foreign entity, the accumulated exchange differences deferred in the ‘Currency Translation Reserve’ are reclassified to the consolidated income statement in a similar manner as described in **Note 2.13.3**.

2.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of the obligation. No provision is recognised for future operating losses.

The provision for liquidated damages in respect of information technology contracts is made based on management’s best estimate of the anticipated liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to income statement when the entity is disposed of or when the goodwill is impaired.

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associates and joint ventures completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 financial years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.16**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

Bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of capitalised goodwill relating to the entity sold.

2.15.2 Other intangible assets

Expenditure on telecommunication and spectrum licences is capitalised and amortised using the straight-line method over their estimated useful lives of 12 to 25 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 5 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.16 Impairment of Non-financial Assets

Goodwill on acquisition of subsidiaries, which has an indefinite useful life, is subject to annual impairment test or more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.15.1**).

Other intangible assets of the Group, which have definite useful lives and are subject to amortisation, as well as property, plant and equipment and investments in subsidiaries, associates and joint ventures, are reviewed at the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.16 Impairment of Non-financial Assets (Cont'd)

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed in the subsequent period.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Work-in-progress is stated at costs less progress payments received and receivable on uncompleted information technology and engineering services, and fibre rollout. Costs include third party hardware and software costs, direct labour and other direct expenses attributable to the project activity and associated profits recognised on projects-in-progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Work-in-progress is presented in the consolidated statement of financial position as "Work-in-progress" (as a current asset) or "Excess of progress billings over work-in-progress" (as a current liability) as applicable.

2.18 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where applicable. The cost of self-constructed assets includes the cost of material, direct labour, capitalised borrowing costs and an appropriate proportion of production overheads.

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over their expected useful lives. Property, plant and equipment under finance leases are depreciated over the shorter of the lease term or useful life. The estimated useful lives are as follows -

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 10
Other plant and equipment	3 - 20

Other plant and equipment consist mainly of motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal installments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and held ready for use.

Costs to acquire computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.18 Property, Plant and Equipment (Cont'd)

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.19 Leases

2.19.1 Finance leases

Finance leases are those leasing agreements which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments and the corresponding leasing commitments are shown as obligations to the lessors.

Lease payments are treated as consisting of capital repayments and interest elements. Interest is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

2.19.2 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where -

- (i) the purchaser's right of use is exclusive and irrevocable;
- (ii) the asset is specific and separable;
- (iii) the terms of the contract are for the major part of the asset's economic useful life;
- (iv) the attributable costs or carrying value can be measured reliably; and
- (v) no significant risks are retained by the Group.

Sales of network capacity that do not meet the above criteria are accounted for as operating leases.

2.19.4 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

2.19.5 Capacity Swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.20 Revenue Recognition

Revenue for the Group is recognised based on fair value for sale of goods and services rendered, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged. For device repayment plans, the consideration is allocated to its separate revenue-generating activities based on the best estimate of the price of each activity in the arrangement. Handsets are accounted for in accordance with the sale of equipment accounting policy (see below) of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the provision of information technology and engineering services, and fibre rollout are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenue from information technology and engineering services where the services involve substantially the procurement of computer equipment and third party software for installation is recognised upon full completion of the project.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

2.21 Employees' Benefits

2.21.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

2.21.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.21.3 Share-based compensation

Performance shares

The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The performance share expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of performance shares that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.21 Employees' Benefits (Cont'd)

2.21.3 Share-based compensation (Cont'd)

Performance shares (Cont'd)

The dilutive effects of the SingTel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

Share options

As the share options were granted before 22 November 2002, FRS 102, *Share-based Payment*, is not applicable. No compensation expense is recognised for the outstanding share options under the share option schemes.

The proceeds received, net of any directly attributable transaction costs, from the exercise of share options are credited to 'Share Capital'.

The share options expired in May 2012.

2.22 Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred, except to the extent that they are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

2.23 Customer Acquisition Costs

Customer acquisition costs, including related sales and promotion expenses and activation commissions, are expensed as incurred.

2.24 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.25 Government Grants

Grants in recognition of specific expenses are recognised in the income statement over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in the income statement over the period in which such assets are depreciated and used in the projects subsidised by the grants.

2.26 Exceptional Items

Exceptional items refer to items of income or expense within the income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2.27 Deferred Taxation

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and laws) enacted or substantively enacted in countries where the Company and subsidiaries operate by, at the end of the reporting period.

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

At the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.28 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Segment Reporting

Operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.30 Non-current Assets (or Disposal Groups) Held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

FRS 1, *Presentation Of Financial Statements*, requires disclosure of the judgements management has made in the process of applying the accounting policies that have the most impact on the amounts recognised in the financial statements. It also requires disclosure about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following presents a summary of the critical accounting estimates and judgements -

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.16**.

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries, and carrying values of associates and joint ventures are stated in **Note 24**.

3.2 Impairment of Trade Receivables

The Group assesses at the end of each reporting period whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience.

3.3 Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Investment in NetLink Trust

Based on facts and circumstances as disclosed in **Note 27**, although the Company holds 100% of the units in NetLink Trust, the Company does not control but has significant influence in the trust in accordance with FRS 28, *Investments in Associates*. Therefore, NetLink Trust has been accounted for as an associate of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

3.5 Taxation

3.5.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.5.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.6 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The assumptions of the valuation model used to determine fair values are set out in **Note 5.3**.

3.7 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business.

As at 31 March 2013, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 42**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

4. OPERATING REVENUE

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Mobile communications	7,836.6	8,145.3
Data and Internet	3,506.1	3,577.2
Information technology and engineering		
- infrastructure services and business solutions	2,023.0	1,888.7
- fibre rollout	117.4	178.4
	2,140.4	2,067.1
National telephone	1,723.3	1,850.7
Sale of equipment	1,485.7	1,705.6
International telephone	759.5	818.1
Pay television	217.9	205.2
Digital business	111.2	58.7
Others	402.3	397.4
Operating revenue	18,183.0	18,825.3
Operating revenue	18,183.0	18,825.3
Other income (see Note 6)	116.8	103.2
Interest and investment income (see Note 10)	52.3	63.7
Total revenue	18,352.1	18,992.2

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5. OPERATING EXPENSES

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Selling and administrative costs ⁽¹⁾	4,580.1	4,824.9
Traffic expenses	2,848.0	3,092.4
Staff costs	2,346.6	2,312.6
Cost of equipment sold	2,053.3	2,200.8
Repairs and maintenance	332.3	328.8
Other cost of sales	939.7	950.3
	13,100.0	13,709.8

Note:

(1) Included mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rentals of properties and mobile base stations.

5.1 Staff Costs

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	215.2	233.2
Performance share expense		
- equity-settled arrangements	24.2	25.8
- cash-settled arrangements	20.7	9.9

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.2 Key Management Personnel Compensation

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Key management personnel compensation ⁽¹⁾		
Executive director ⁽²⁾	4.6	4.9
Other key management personnel ⁽³⁾	10.6	13.1
	15.2	18.0
Directors' fees	2.0	2.0
	17.2	20.0

Notes:

(1) Comprise base salary, annual wage supplement, bonus, contributions to defined contribution plans and other cash benefits, but exclude performance share expense disclosed below.

(2) The Group Chief Executive Officer, an executive director of SingTel, was awarded up to 1,392,008 (2012: 1,668,121) ordinary shares of SingTel pursuant to SingTel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S\$4.3 million (2012: S\$3.4 million).

(3) The other key management personnel of the Group comprise the Group Chief Financial Officer, and the Chief Executive Officers of Group Consumer, Group Enterprise and Group Digital Life. In the previous financial year ended 31 March 2012, the other key management personnel of the Group comprised members of SingTel's Management Committee.

The other key management personnel were awarded up to 3,026,460 (2012: 3,963,948) ordinary shares of SingTel pursuant to SingTel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S\$8.0 million (2012: S\$7.7 million).

5.3 Share-based Payments

5.3.1 Share options

The Singapore Telecom Share Option Scheme 1999 was suspended with the implementation of the SingTel Executives' Performance Share Plan. The share options granted continued to vest according to the terms and conditions of the scheme and the respective grants.

Group and Company	Number of share options		Weighted average exercise price per share	
	2013 '000	2012 '000	2013 S\$	2012 S\$
Outstanding as at 1 April	1,499	8,619	1.31	1.48
Cancelled	(167)	(598)	1.31	1.55
Exercised	(1,332)	(6,522)	1.31	1.45
Outstanding and exercisable as at 31 March	-	1,499	NA	1.31
			2013 '000	2012 '000

The outstanding share options have the following exercise prices -
S\$1.30 to S\$1.49

- 1,499

Weighted average remaining validity life

- 2.0 months

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans

Prior to 1 April 2012, two categories of awards – General Awards and Senior Management Awards – were given to selected employees of SingTel and its subsidiaries on an annual basis. The grants are conditional on the achievement of targets set for a three-year performance period. The performance shares will only be released to the recipients at the end of the qualifying performance period. The final number of performance shares will depend on the level of achievement of the targets over the three-year performance period.

The General Awards are generally settled by delivery of SingTel shares, while the Senior Management Awards are settled by SingTel shares or cash, at the option of the recipient.

With effect from 1 April 2012, the General Awards and Senior Management Awards are no longer given. Instead, Restricted Share Awards and Performance Share Awards are given to selected employees of SingTel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of SingTel shares, with the awards for certain senior employees to be settled by SingTel shares or cash, at the option of the recipient.

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by SingTel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

The fair value of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

General Awards

The movements of the number of performance shares for the General Awards during the financial year were as follows -

Group and Company 2013	Outstanding as at 1 April 2012 '000	Vested '000	Cancelled '000	Outstanding and unvested as at 31 March 2013 '000
Date of grant				
SingTel PSP 2003				
FY2010 ⁽¹⁾				
3 Jun 2009	18,588	(11,540)	(7,048)	-
Sep 2009 to Mar 2010	177	(111)	(66)	-
FY2011				
3 Jun 2010	17,769	-	(836)	16,933
Sep 2010 to Mar 2011	616	-	(226)	390
FY2012				
2 Jun 2011	20,501	-	(1,099)	19,402
Sep 2011 to Mar 2012	229	-	-	229
	57,880	(11,651)	(9,275)	36,954

Note:

(1) "FY2010" denotes financial year ended 31 March 2010.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

Group and Company 2012	Outstanding as at 1 April 2011 '000	Granted '000	Vested '000	Cancelled '000	Outstanding and unvested as at 31 March 2012 '000
Date of grant					
<u>FY2009</u>					
4 Jun 2008	12,097	-	(1,484)	(10,613)	-
Sep 2008 to Mar 2009	1,065	-	(133)	(932)	-
<u>FY2010</u>					
3 Jun 2009	19,599	-	-	(1,011)	18,588
Sep 2009 to Mar 2010	191	-	-	(14)	177
<u>FY2011</u>					
3 Jun 2010	18,910	-	-	(1,141)	17,769
Sep 2010 to Mar 2011	696	-	-	(80)	616
<u>FY2012</u>					
2 Jun 2011	-	21,662	(19)	(1,142)	20,501
Sep 2011 to Mar 2012	-	229	-	-	229
	52,558	21,891	(1,636)	(14,933)	57,880

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

The fair values of the significant General Awards at grant date and the assumptions of the fair value model for the equity-settled grants were as follows -

General Awards	Date of grant	
	SingTel PSP 2003	
	3 June 2010	2 June 2011
Fair value at grant date	S\$1.53	S\$1.81
Assumptions under Monte-Carlo Model		
Expected volatility		
SingTel	33.4%	30.3%
MSCI Asia Pacific Telco Index	22.7%	19.3%
MSCI Asia Pacific Telco Component Stocks		
Historical volatility period		
From	July 2001	July 2001
To	June 2010	June 2011
Risk free interest rates		
Yield of Singapore Government Securities on	3 June 2010	2 June 2011

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

Senior Management Awards - cash-settled arrangements

The movements of the number of performance shares under the Senior Management Awards, the fair value of the grants at the end of the reporting period and the assumptions of the fair value model for the relevant grants were as follows -

	Date of grant			Group And Company
	SingTel PSP 2003			
2013	3 June 2009	3 June 2010	2 June 2011	
Senior Management Awards				
Number of performance shares ('000)				
Outstanding as at 1 April 2012	2,919	3,168	2,922	9,009
Vested	(1,897)	-	-	(1,897)
Cancelled	(1,022)	(20)	-	(1,042)
Outstanding and unvested as at 31 March 2013	-	3,148	2,922	6,070
Fair value at 31 March 2013		S\$3.59	S\$3.40	
Assumptions under Monte-Carlo Model				
Expected volatility				
SingTel		17.9%	17.9%	
MSCI Asia Pacific Telco Index		11.2%	11.2%	
MSCI Asia Pacific Telco Component Stocks		800 days historical volatility preceding March 2013		
Risk free interest rates				
Yield of Singapore Government Securities on		31 March 2013	31 March 2013	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

	Date of grant				Group And Company
	SingTel PSP 2003				
2012	4 June 2008	3 June 2009	3 June 2010	2 June 2011	
Senior Management Awards					
Number of performance shares ('000)					
Outstanding as at 1 April 2011	1,990	2,919	3,168	-	8,077
Granted	-	-	-	2,922	2,922
Cancelled	(1,990)	-	-	-	(1,990)
Outstanding and unvested as at 31 March 2012	-	2,919	3,168	2,922	9,009
Fair value at 31 March 2012		S\$3.12	S\$2.45	S\$2.75	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			22.1%	22.1%	
MSCI Asia Pacific Telco Index			12.9%	12.9%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding March 2012		
Risk free interest rates					
Yield of Singapore Government Securities on			31 March 2012	31 March 2012	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

Restricted Share Awards

The movements of the number of performance shares for the Restricted Share Awards during the financial year were as follows -

Group and Company	Granted '000	Cancelled '000	Outstanding and unvested as at 31 March 2013 '000
Date of grant			
FY2013			
26 Jun 2012	5,561	(240)	5,321
Oct 2012 to Mar 2013	69	-	69
	5,630	(240)	5,390

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows -

	Date of grant	
	Equity-settled	Cash-settled
	26 June 2012	26 June 2012
Fair value at grant date	S\$2.61	
Fair value at 31 March 2013		S\$3.31
Assumptions under Monte-Carlo Model		
Expected volatility		
SingTel	16.6%	12.7%
MSCI Asia Pacific Telco Index	7.2%	7.7%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2012	36 months historical volatility preceding March 2013
Risk free interest rates		
Yield of Singapore Government Securities on	30 May 2012	31 March 2013

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.3.2 Performance share plans (Cont'd)

Performance Share Awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company	Granted '000	Cancelled '000	Outstanding and unvested as at 31 March 2013 '000
Date of grant			
FY2013			
26 Jun 2012	7,722	(252)	7,470
Oct 2012 to Mar 2013	157	-	157
	7,879	(252)	7,627

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

	Date of grant	
	Equity-settled	Cash-settled
	26 June 2012	26 June 2012
Fair value at grant date	S\$1.78	
Fair value at 31 March 2013		S\$3.14
Assumptions under Monte-Carlo Model		
Expected volatility		
SingTel	16.6%	12.7%
MSCI Asia Pacific Telco Index	7.2%	7.7%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2012	36 months historical volatility preceding March 2013
Risk free interest rates		
Yield of Singapore Government Securities on	30 May 2012	31 March 2013

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.4 Special Purpose Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the awards.

As at the end of the reporting period, the Trust held the following assets -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Cash at bank	0.7	0.8	0.6	0.6
Cost of SingTel shares, net of vesting	39.5	42.3	31.1	32.5
	40.2	43.1	31.7	33.1

The details of SingTel shares held by the Trust were as follows -

	Number of shares		Amount	
Group	2013 '000	2012 '000	2013 S\$ Mil	2012 S\$ Mil
Balance as at 1 April	13,696	8,887	42.3	27.1
Purchase of SingTel shares	7,332	5,798	24.1	18.2
Vesting of shares	(8,718)	(989)	(26.9)	(3.0)
Balance as at 31 March	12,310	13,696	39.5	42.3

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested SingTel shares is taken to 'Capital Reserve - Performance Shares' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5.5 Other Operating Expense Items

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	1.2	1.2
- Deloitte Touche Tohmatsu, Australia	1.2	1.2
- Other Deloitte & Touche offices	0.3	0.3
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore ⁽¹⁾	0.4	0.4
- Deloitte Touche Tohmatsu, Australia ⁽¹⁾	1.3	0.9
- Other Deloitte & Touche offices	-	0.5
Impairment of trade receivables	170.5	158.3
Allowance for inventory obsolescence	17.5	27.7
Inventory written off	2.9	2.8
Provision for liquidated damages and warranties	0.1	3.3
Research and development expenses written off	0.3	2.8
Operating lease payments for properties and mobile base stations	378.8	315.1

Note:

(1) The non-audit fees for the current financial year ended 31 March 2013 included S\$0.2 million (2012: S\$0.2 million) and S\$0.4 million (2012: S\$0.4 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services would not affect the independence of the auditors.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

6. OTHER INCOME

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Access fees from network facilities	51.5	53.4
Rental income	5.2	4.7
Bad trade receivables recovered	2.6	3.0
Net foreign exchange losses - trade related	(7.4)	(8.9)
Net gains/ (losses) on disposal of property, plant and equipment	2.1	(1.1)
Others	62.8	52.1
	116.8	103.2

7. DEPRECIATION AND AMORTISATION

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Depreciation of property, plant and equipment	1,971.3	1,875.4
Amortisation of intangible assets	162.8	131.4
Amortisation of sale and leaseback income	(3.7)	(2.1)
Amortisation of deferred gain on sale of a joint venture	(3.0)	(3.1)
	2,127.4	2,001.6

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

8. EXCEPTIONAL ITEMS

	2013 S\$ Mil	Group 2012 S\$ Mil
Exceptional gains		
Net dividend income from a joint venture	148.8	-
Gain on sale of AFS investment	119.2	-
Net income from legal disputes	35.8	-
Net foreign exchange gains on intra-group loans	-	28.2
Gain on disposal of a joint venture	-	4.7
Gain on dilution of interest in associates and joint ventures	0.8	2.7
	304.6	35.6
Exceptional losses		
Loss on disposal of an associate (Warid Telecom (Private) Limited)	(225.3)	-
Ex-gratia costs on staff restructuring	(106.4)	(23.5)
Impairment of AFS investments	(11.6)	(5.5)
Others	(1.4)	-
	(344.7)	(29.0)
	(40.1)	6.6

The net dividend income from a joint venture arose from the recognition of the excess of dividends received from Southern Cross Cables Holdings Limited ("**Southern Cross**"), a joint venture in which the Group has an equity interest of 39.99%, over the carrying value of Southern Cross which was equity accounted up to 31 March 2013. With effect from 1 April 2013, equity accounting of Southern Cross is suspended and dividend income from Southern Cross is recognised in the income statement when the right to dividend is established.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Share of ordinary profits/ (losses) of		
- joint ventures	2,066.4	2,017.1
- associates	39.4	(4.6)
	2,105.8	2,012.5
Share of exceptional (losses)/ gains of associates and joint ventures (post-tax) ⁽¹⁾	(82.9)	19.3
Share of tax of ordinary results		
- joint ventures	(617.5)	(590.6)
- associates	(8.2)	(9.8)
	(625.7)	(600.4)
	1,397.2	1,431.4

Note:

(1) Share of exceptional (losses)/ gains comprised -

Share of accelerated depreciation (post-tax)	(82.9)	-
Additional quarter of a joint venture's post-tax profit	-	54.6
Write-back of provisions made in prior years	-	7.2
Reduction of deferred tax asset	-	(25.1)
Recognition of additional depreciation and other adjustments	-	(5.3)
Others	-	(12.1)
	(82.9)	19.3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

10. INTEREST AND INVESTMENT INCOME (NET)

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Interest income from		
- bank deposits	14.9	28.4
- others	31.9	16.8
	46.8	45.2
Gross dividends from AFS investments	5.5	18.5
Other revenue	52.3	63.7
Net foreign exchange losses - non-trade related	(8.4)	(10.3)
Fair value gains on hedging instruments	3.0	0.6
Fair value gains/ (losses) on fair value hedges		
- hedged items	38.5	(132.4)
- hedging instruments	(38.5)	132.4
	-	-
	46.9	54.0

11. FINANCE COSTS

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Interest expense		
- bonds	264.8	367.8
- bank loans	49.5	36.0
- others	32.4	23.8
	346.7	427.6
Less: Amounts capitalised	(16.8)	(4.3)
	329.9	423.3
Effects of hedging using interest-rate swaps	9.2	(34.9)
Unwinding of discount (including adjustments)	6.0	6.3
	345.1	394.7

The interest rate applicable to the capitalised borrowings was 7.6 per cent as at 31 March 2013 (March 2012: 7.6 per cent).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12. TAXATION

12.1 Tax Expense

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Current tax		
- Singapore	244.9	313.1
- Overseas	499.7	501.2
	744.6	814.3
Deferred tax credit	(12.0)	(25.9)
Tax expense attributable to current year's profit	732.6	788.4
Recognition of deferred tax credit on other temporary differences ⁽¹⁾	(92.9)	(121.0)
Recognition of deferred tax credit ⁽²⁾	-	(294.0)
Adjustments in respect of prior year ⁽³⁾ -		
Current income tax		
- over provision	(16.5)	(46.0)
Deferred income tax		
- over provision	(2.5)	(2.5)
	620.7	324.9

Notes:

(1) This relates to deferred tax credit recognised on interest expense arising from inter-company loans.

(2) This relates to deferred tax credit recognised on the value of assets transferred to an associate.

(3) This included certain tax credits upon finalisation of earlier years' tax assessments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12.1 Tax Expense (Cont'd)

The tax expense on profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following -

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Profit before tax	4,131.3	4,314.4
Less: Share of results of associates and joint ventures	(1,397.2)	(1,431.4)
	2,734.1	2,883.0
Tax calculated at tax rate of 17 per cent (2012: 17 per cent)	464.8	490.1
Effects of -		
Different tax rates of other countries	258.0	277.2
Income not subject to tax	(60.1)	(20.9)
Expenses not deductible for tax purposes	78.3	41.4
Deferred tax asset not recognised	2.5	2.1
Deferred tax asset previously not recognised now recognised	(8.0)	(0.2)
Others	(2.9)	(1.3)
Tax expense attributable to current year's profit	732.6	788.4

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12.2 Deferred Taxes

The movements of the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows -

Group - 2013	Provisions	TWDDV ⁽¹⁾ in excess of NBV ⁽²⁾ of depreciable assets	Tax losses and unutilised capital allowances	Others	Total
Deferred tax assets	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Balance as at 1 April 2012	81.9	359.7	0.1	532.2	973.9
Acquisition of subsidiaries	-	-	20.1	2.7	22.8
Credited/ (Charged) to income statement	100.9	(29.7)	-	(3.9)	67.3
Credited to other comprehensive income	-	-	-	7.4	7.4
Transfer to current tax	(102.2)	(2.1)	-	(7.4)	(111.7)
Translation differences	0.8	(3.8)	0.3	(1.9)	(4.6)
Balance as at 31 March 2013	81.4	324.1	20.5	529.1	955.1

Group - 2013	Accelerated tax depreciation	Offshore interest and dividend not remitted	Others	Total
Deferred tax liabilities	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Balance as at 1 April 2012	(239.8)	(5.3)	(9.6)	(254.7)
Acquisition of subsidiaries	-	-	(68.3)	(68.3)
(Charged)/ Credited to income statement	(0.7)	-	28.2	27.5
Transfer from current tax	(15.0)	-	-	(15.0)
Translation differences	-	-	1.2	1.2
Balance as at 31 March 2013	(255.5)	(5.3)	(48.5)	(309.3)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12.2 Deferred Taxes (Cont'd)

Group - 2012					
Deferred tax assets	Provisions	TWDV ⁽¹⁾ in	Tax losses	Others	Total
	S\$ Mil	excess of	and	S\$ Mil	S\$ Mil
		NBV ⁽²⁾ of	unutilised		
		depreciable	capital		
		assets	allowances		
		S\$ Mil	S\$ Mil		
Balance as at 1 April 2011	134.2	420.3	2.3	218.3	775.1
Credited/ (Charged) to income statement	125.9	(62.6)	-	327.4	390.7
Charged to other comprehensive income	-	-	-	(13.1)	(13.1)
Transfer to current tax	(178.3)	-	(2.2)	(0.5)	(181.0)
Translation differences	0.1	2.0	-	0.1	2.2
Balance as at 31 March 2012	81.9	359.7	0.1	532.2	973.9

Group - 2012					
Deferred tax liabilities					
		Accelerated	Offshore	Others	Total
		tax	interest and	S\$ Mil	S\$ Mil
		depreciation	dividend not		
		S\$ Mil	remitted		
			S\$ Mil		
Balance as at 1 April 2011		(289.6)	(5.2)	(11.6)	(306.4)
Credited/ (Charged) to income statement		50.8	(0.1)	2.0	52.7
Transfer from current tax		(1.2)	-	-	(1.2)
Translation differences		0.2	-	-	0.2
Balance as at 31 March 2012		(239.8)	(5.3)	(9.6)	(254.7)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12.2 Deferred Taxes (Cont'd)

Company - 2013				
Deferred tax assets	Provisions	Deferred sale and leaseback income	Others	Total
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Balance as at 1 April 2012	0.6	0.2	1.6	2.4
Charged to income statement	(0.1)	(0.2)	-	(0.3)
Balance as at 31 March 2013	0.5	-	1.6	2.1

Company - 2013			
Deferred tax liabilities		Accelerated tax depreciation	Total
		S\$ Mil	S\$ Mil
Balance as at 1 April 2012		(137.6)	(137.6)
Credited to income statement		38.6	38.6
Transfer from current tax		(17.1)	(17.1)
Balance as at 31 March 2013		(116.1)	(116.1)

Company - 2012				
Deferred tax assets	Provisions	Deferred sale and leaseback income	Others	Total
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Balance as at 1 April 2011	0.6	0.5	2.0	3.1
Charged to income statement	-	(0.3)	(0.4)	(0.7)
Balance as at 31 March 2012	0.6	0.2	1.6	2.4

Company - 2012			
Deferred tax liabilities		Accelerated tax depreciation	Total
		S\$ Mil	S\$ Mil
Balance as at 1 April 2011		(180.9)	(180.9)
Credited to income statement		44.5	44.5
Transfer from current tax		(1.2)	(1.2)
Balance as at 31 March 2012		(137.6)	(137.6)

Notes:

- (1) TWDV – Tax written down value
- (2) NBV – Net book value

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12.2 Deferred Taxes (Cont'd)

The amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Deferred tax assets	945.2	963.0	-	-
Deferred tax liabilities	(299.4)	(243.8)	(114.0)	(135.2)
	645.8	719.2	(114.0)	(135.2)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2013, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S\$72 million (2012: S\$88 million), unutilised investment allowances of S\$54 million (2012: S\$57 million), unutilised capital tax losses of S\$114 million (2012: S\$138 million) and unabsorbed capital allowances of approximately S\$8.0 million (2012: S\$0.7 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability -

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	134.6	145.5
Unutilised capital tax losses	114.3	137.6

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

13. EARNINGS PER SHARE

	Group	
	2013 '000	2012 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ⁽¹⁾	15,932,143	15,928,847
Adjustment for dilutive effect of share options	-	2,324
Adjustment for dilutive effects of performance share plans	43,448	40,769
Weighted average number of ordinary shares for calculation of diluted earnings per share	15,975,591	15,971,940

Note:

(1) Adjusted to exclude the number of performance shares held by the Trust.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the share options and performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the associates and joint ventures' dilutive shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties –

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Revenue		
Subsidiaries of ultimate holding company		
Telecommunications	129.3	133.1
Rental and maintenance	29.8	29.9
Information technology and engineering	2.0	2.4
Associates and joint ventures		
Telecommunications	44.7	36.2
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	85.4	85.2
Utilities	116.9	101.7
Associates and joint ventures		
Telecommunications	48.5	56.6
Transmission capacity	19.2	31.6
Postal	9.4	10.0
Due from subsidiaries of ultimate holding company	18.0	24.5
Due to subsidiaries of ultimate holding company	4.3	17.3

All the above transactions were on normal commercial terms and conditions and market rates.

Please refer to **Note 5.2** for information on key management personnel compensation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Fixed deposits	526.5	640.3	67.0	165.0
Cash and bank balances	384.5	706.1	100.8	89.4
	911.0	1,346.4	167.8	254.4

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in the non-functional currencies of the Group were as follows –

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
USD	111.1	227.7	64.8	172.2
AUD	6.1	6.0	5.7	5.3
JPY	3.7	9.4	3.7	9.2

The maturities of the fixed deposits were as follows –

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Less than three months	460.7	637.9	62.0	165.0
Over three months	65.8	2.4	5.0	-
	526.5	640.3	67.0	165.0

As at 31 March 2013, the weighted average effective interest rates of the fixed deposits of the Group and Company were 1.6 per cent (2012: 1.1 per cent) and 0.4 per cent (2012: 1.5 per cent) respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 38.3**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Trade receivables	3,065.7	3,154.3	503.0	529.2
Less: Allowance for impairment of trade receivables	(318.3)	(288.8)	(75.6)	(83.2)
	2,747.4	2,865.5	427.4	446.0
Other receivables	234.4	262.2	15.2	23.4
Loans to subsidiaries	-	-	135.2	121.7
Less: Allowance for impairment of loans due	-	-	(12.9)	(12.9)
	-	-	122.3	108.8
Amount due from subsidiaries				
- trade	-	-	1,002.4	823.3
- non-trade	-	-	661.6	889.5
Less: Allowance for impairment of amount due	-	-	(45.7)	(45.7)
	-	-	1,618.3	1,667.1
Amount due from associates and joint ventures				
- trade	6.5	9.0	1.2	1.1
- non-trade	139.5	115.3	-	-
	146.0	124.3	1.2	1.1
Prepayments	343.4	373.5	30.6	63.7
Amount due from an associate for fibre rollout	120.3	206.5	120.3	206.5
Interest receivable	79.2	82.5	39.2	40.3
Staff loans	-	0.1	-	-
Others	9.3	12.4	0.3	4.3
	3,680.0	3,927.0	2,374.8	2,561.2

As at 31 March 2013, the effective interest rate of an amount due from a subsidiary of S\$501.9 million (2012: S\$752.1 million) was 0.01 per cent (2012: 0.01 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms, and certain balances in respect of information technology and engineering services are on 90-day terms.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

16. TRADE AND OTHER RECEIVABLES (Cont'd)

The maximum exposure to credit risk for trade receivables by type of customer is as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Individuals	922.8	697.8	157.3	147.6
Corporations and others	1,824.6	2,167.7	270.1	298.4
	2,747.4	2,865.5	427.4	446.0

The age analysis of trade receivables before allowance for impairment is as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Not past due or less than 60 days overdue	2,549.6	2,657.9	358.0	369.4
Past due				
- 61 to 120 days	223.9	256.7	38.1	89.3
- more than 120 days	292.2	239.7	106.9	70.5
	3,065.7	3,154.3	503.0	529.2

Based on historical collections experience, the Group believes that no allowance for impairment is necessary in respect of certain trade receivables which are not past due as well as certain trade receivables which are past due but not impaired.

The movement in the allowance for impairment of trade receivables is as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Balance as at 1 April	288.8	280.5	83.2	75.9
Allowance for impairment	203.9	197.4	33.0	33.6
Utilisation of allowance for impairment	(140.8)	(149.8)	(27.2)	(26.3)
Write-back	(33.4)	(39.1)	(13.4)	-
Translation differences	(0.2)	(0.2)	-	-
Balance as at 31 March	318.3	288.8	75.6	83.2

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

17. ASSET HELD FOR SALE

The 'Asset held for sale' as at 31 March 2012 comprised the Group's 3.98% equity interest in Far EasTone Telecommunications Co., Ltd in Taiwan, which was divested in April 2012.

18. INVENTORIES

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Equipment held for resale	187.7	178.3	2.0	1.7
Maintenance and capital works' inventories	20.7	27.0	20.4	26.6
Work-in-progress for fibre rollout	5.3	2.8	5.3	2.8
	213.7	208.1	27.7	31.1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

19. PROPERTY, PLANT AND EQUIPMENT

Group - 2013	Freehold land S\$ Mil	Leasehold land S\$ Mil	Buildings S\$ Mil	Transmission plant and equipment S\$ Mil	Switching equipment S\$ Mil	Other plant and equipment S\$ Mil	Capital work-in- progress S\$ Mil	Total S\$ Mil
Cost								
Balance as at 1 April 2012	27.5	248.5	791.6	19,110.0	3,174.1	6,843.2	948.0	31,142.9
Additions (net of rebates)	-	0.2	6.3	148.6	52.4	204.9	1,738.2	2,150.6
Disposals/ Write-offs	-	-	(57.3)	(1,397.8)	(306.8)	(1,602.8)	-	(3,364.7)
Acquisition of subsidiaries	-	0.2	-	59.2	-	1.7	-	61.1
Reclassifications/ Adjustments	-	-	60.7	832.1	67.2	551.1	(1,511.1)	-
Translation differences	(0.2)	(0.1)	(2.8)	(146.1)	(16.1)	(60.5)	(2.2)	(228.0)
Balance as at 31 March 2013	27.3	248.8	798.5	18,606.0	2,970.8	5,937.6	1,172.9	29,761.9
Accumulated depreciation								
Balance as at 1 April 2012	-	56.2	302.1	11,983.6	2,251.5	4,943.4	-	19,536.8
Depreciation charge for the year	-	4.0	18.7	1,144.2	186.5	617.9	-	1,971.3
Disposals/ Write-offs	-	-	(56.6)	(1,389.9)	(306.3)	(1,598.1)	-	(3,350.9)
Translation differences	-	(0.1)	(1.0)	(89.9)	(10.0)	(46.5)	-	(147.5)
Balance as at 31 March 2013	-	60.1	263.2	11,648.0	2,121.7	3,916.7	-	18,009.7
Accumulated impairment								
Balance as at 1 April 2012	-	2.0	7.3	8.4	5.2	3.2	-	26.1
Impairment charge for the year	-	-	-	-	-	1.4	-	1.4
Disposals	-	-	-	-	-	(0.2)	-	(0.2)
Balance as at 31 March 2013	-	2.0	7.3	8.4	5.2	4.4	-	27.3
Net Book Value as at 31 March 2013	27.3	186.7	528.0	6,949.6	843.9	2,016.5	1,172.9	11,724.9

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group - 2012	Freehold land S\$ Mil	Leasehold land S\$ Mil	Buildings S\$ Mil	Transmission plant and equipment S\$ Mil	Switching equipment S\$ Mil	Other plant and equipment S\$ Mil	Capital work-in- progress S\$ Mil	Total S\$ Mil
Cost								
Balance as at 1 April 2011	27.4	248.5	774.7	17,871.0	3,113.0	6,316.6	793.0	29,144.2
Additions (net of rebates)	-	-	0.1	238.4	44.4	180.5	1,933.5	2,396.9
Disposals/ Write-offs	-	-	(19.1)	(253.8)	(105.4)	(93.0)	-	(471.3)
Reclassifications/ Adjustments	-	-	34.6	1,198.7	117.6	418.8	(1,780.2)	(10.5)
Translation differences	0.1	-	1.3	55.7	4.5	20.3	1.7	83.6
Balance as at 31 March 2012	27.5	248.5	791.6	19,110.0	3,174.1	6,843.2	948.0	31,142.9
Accumulated depreciation								
Balance as at 1 April 2011	-	52.2	294.1	10,875.4	2,165.9	4,617.9	-	18,005.5
Depreciation charge for the year	-	4.0	19.7	1,270.4	187.8	393.5	-	1,875.4
Disposals/ Write-offs	-	-	(11.8)	(194.6)	(104.2)	(83.5)	-	(394.1)
Translation differences	-	-	0.1	32.4	2.0	15.5	-	50.0
Balance as at 31 March 2012	-	56.2	302.1	11,983.6	2,251.5	4,943.4	-	19,536.8
Accumulated impairment								
Balance as at 1 April 2011	-	2.0	7.3	8.5	5.2	3.2	-	26.2
Disposals	-	-	-	(0.1)	-	-	-	(0.1)
Balance as at 31 March 2012	-	2.0	7.3	8.4	5.2	3.2	-	26.1
Net Book Value as at 31 March 2012	27.5	190.3	482.2	7,118.0	917.4	1,896.6	948.0	11,580.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company - 2013	Freehold land S\$ Mil	Leasehold land S\$ Mil	Buildings S\$ Mil	Transmission plant and equipment S\$ Mil	Switching equipment S\$ Mil	Other plant and equipment S\$ Mil	Capital work-in- progress S\$ Mil	Total S\$ Mil
Cost								
Balance as at 1 April 2012	0.4	212.5	424.6	2,949.7	1,047.8	1,091.4	329.0	6,055.4
Additions (net of rebates)	-	-	7.0	136.6	50.3	217.0	18.7	429.6
Disposals/ Write-offs	-	-	-	(81.9)	(61.8)	(45.4)	-	(189.1)
Balance as at 31 March 2013	0.4	212.5	431.6	3,004.4	1,036.3	1,263.0	347.7	6,295.9
Accumulated depreciation								
Balance as at 1 April 2012	-	44.2	222.0	2,058.4	940.4	847.2	-	4,112.2
Depreciation charge for the year	-	2.1	11.9	157.8	48.0	86.4	-	306.2
Disposals/ Write-offs	-	-	-	(79.8)	(61.4)	(42.6)	-	(183.8)
Balance as at 31 March 2013	-	46.3	233.9	2,136.4	927.0	891.0	-	4,234.6
Accumulated impairment								
Balance as at 1 April 2012 and 31 March 2013	-	2.0	7.2	6.9	1.2	0.4	-	17.7
Net Book Value as at 31 March 2013	0.4	164.2	190.5	861.1	108.1	371.6	347.7	2,043.6

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company - 2012	Freehold land S\$ Mil	Leasehold land S\$ Mil	Buildings S\$ Mil	Transmission plant and equipment S\$ Mil	Switching equipment S\$ Mil	Other plant and equipment S\$ Mil	Capital work-in- progress S\$ Mil	Total S\$ Mil
Cost								
Balance as at 1 April 2011	0.4	212.5	424.7	2,923.4	1,093.7	1,025.4	298.4	5,978.5
Additions (net of rebates)	-	-	1.3	209.5	46.9	109.9	30.6	398.2
Disposals/ Write-offs	-	-	(1.4)	(183.2)	(92.8)	(43.9)	-	(321.3)
Balance as at 31 March 2012	0.4	212.5	424.6	2,949.7	1,047.8	1,091.4	329.0	6,055.4
Accumulated depreciation								
Balance as at 1 April 2011	-	42.0	210.4	2,018.2	984.7	814.6	-	4,069.9
Depreciation charge for the year	-	2.2	11.6	167.4	48.5	73.1	-	302.8
Disposals/ Write-offs	-	-	-	(127.2)	(92.8)	(40.5)	-	(260.5)
Balance as at 31 March 2012	-	44.2	222.0	2,058.4	940.4	847.2	-	4,112.2
Accumulated impairment								
Balance as at 1 April 2011	-	2.0	7.2	7.0	1.2	0.4	-	17.8
Disposals/ Write-offs	-	-	-	(0.1)	-	-	-	(0.1)
Balance as at 31 March 2012	-	2.0	7.2	6.9	1.2	0.4	-	17.7
Net Book Value as at 31 March 2012	0.4	166.3	195.4	884.4	106.2	243.8	329.0	1,925.5

Property, plant and equipment included the following -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Net book value of property, plant and equipment				
- Finance lease obligations	92.6	60.1	26.1	28.8
- Held for generating operating lease income	5.6	5.5	-	-
Interest charges capitalised during the year	16.8	4.3	-	-
Staff costs capitalised during the year	203.8	199.1	12.7	14.1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

20. INTANGIBLE ASSETS

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Goodwill on acquisition of subsidiaries	9,699.2	9,658.1	-	-
Telecommunications and spectrum licences	824.5	504.7	1.3	1.7
Technology and brand	182.6	-	-	-
Customer relationships and others	3.1	11.3	-	-
	10,709.4	10,174.1	1.3	1.7

20.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Balance as at 1 April	9,658.1	9,657.2
Movements during the year	41.1	0.9
Balance as at 31 March	9,699.2	9,658.1

20.2 Telecommunications and Spectrum Licences

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Balance as at 1 April	504.7	541.5	1.7	2.0
Acquisition of subsidiaries	257.3	-	-	-
Additions	193.2	84.4	-	-
Amortisation for the year	(131.1)	(123.1)	(0.4)	(0.3)
Disposals	(0.1)	-	-	-
Translation differences	0.5	1.9	-	-
Balance as at 31 March	824.5	504.7	1.3	1.7
Cost	1,600.4	1,156.8	8.4	8.4
Accumulated amortisation	(773.6)	(649.8)	(7.1)	(6.7)
Accumulated impairment	(2.3)	(2.3)	-	-
Net book value as at 31 March	824.5	504.7	1.3	1.7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

20.3 Technology and Brand

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Acquisition of subsidiaries	203.9	-
Additions	3.7	-
Amortisation for the year	(23.3)	-
Translation differences	(1.7)	-
Balance as at 31 March	182.6	-
Cost	205.9	-
Accumulated amortisation	(23.3)	-
Net book value as at 31 March	182.6	-

20.4 Customer Relationships and Others

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Balance as at 1 April	11.3	19.6
Additions	0.2	-
Amortisation for the year	(8.4)	(8.3)
Balance as at 31 March	3.1	11.3
Cost	53.0	53.0
Accumulated amortisation	(49.9)	(41.7)
Net book value as at 31 March	3.1	11.3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

21. SUBSIDIARIES

	Company	
	2013 S\$ Mil	2012 S\$ Mil
Unquoted equity shares, at cost	6,874.5	6,419.9
Shareholders' advances	6,423.3	678.3
Deemed investment in a subsidiary	32.5	32.5
	13,330.3	7,130.7
Less: Allowance for impairment losses	(359.2)	(362.5)
	12,971.1	6,768.2

The advances given to subsidiaries were interest-free except for an amount of S\$678.3 million (2012: S\$678.3 million) where the effective interest rate at the end of the reporting period was 0.7 per cent (2012: 0.7 per cent) per annum. The advances were unsecured with settlement neither planned nor likely to occur in the foreseeable future.

The deemed investment in a subsidiary, SingTel Group Treasury Pte. Ltd. ("SGT"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 47**.

22. ASSOCIATES

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Quoted equity shares, at cost	74.3	74.3	24.7	24.7
Unquoted equity shares, at cost	172.9	1,477.2	567.4	567.4
Shareholder's loan (unsecured)	1.7	1.7	-	-
	248.9	1,553.2	592.1	592.1
Goodwill on consolidation adjusted against shareholders' equity	(28.3)	(28.3)	-	-
Share of post acquisition reserves (net of dividends, and accumulated amortisation of goodwill and intangible)	34.4	(330.9)	-	-
Translation differences	(27.8)	(513.0)	-	-
	(21.7)	(872.2)	-	-
Less: Allowance for impairment losses	(31.7)	(468.6)	-	-
	195.5	212.4	592.1	592.1

As at 31 March 2013,

- (i) The market values of the quoted equity shares in associates held by the Group and Company were S\$644.6 million (2012: S\$516.2 million) and S\$615.0 million (2012: S\$503.9 million) respectively.
- (ii) The Group's proportionate interest in the capital commitments of the associates was S\$2.7 million (2012: S\$54.6 million).

The details of associates are set out in **Note 47.4**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

22. ASSOCIATES (Cont'd)

The summarised financial information of associates were as follows –

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Operating revenue	1,218.8	1,413.8
Net profit after tax	190.7	26.4
Total assets	3,674.5	5,088.8
Total liabilities	(2,217.7)	(3,735.2)

23. JOINT VENTURES

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Quoted equity shares, at cost	2,798.4	2,798.4	-	-
Unquoted equity shares, at cost	3,801.7	3,739.3	24.1	24.1
	6,600.1	6,537.7	24.1	24.1
Goodwill on consolidation adjusted against shareholders' equity	(1,225.9)	(1,225.9)	-	-
Share of post acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	6,948.0	6,882.2	-	-
Translation differences	(2,601.2)	(2,195.9)	-	-
	3,120.9	3,460.4	-	-
Less: Allowance for impairment losses	(30.0)	(30.0)	-	-
	9,691.0	9,968.1	24.1	24.1

As at 31 March 2013,

- (i) The market value of the quoted equity shares in joint ventures held by the Group was S\$13.39 billion (2012: S\$12.13 billion).
- (ii) The Group's proportionate interest in the capital commitments of joint ventures was S\$1.78 billion (2012: S\$1.73 billion).
- (iii) The Group's shares representing 24.8% (2012: 24.8%) equity interest in a joint venture are placed in an escrow account under a deed of undertaking whereby under certain events of default, the joint venture partner could be entitled to these shares.

The details of joint ventures are set out in **Note 47.5**.

Optus holds a 31.25% (2012: 31.25%) interest in an unincorporated joint venture to maintain an optical fibre submarine cable between Western Australia and Indonesia.

In addition, Optus has an interest in an unincorporated joint venture to share certain 3G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (2012: 50%) in the assets, with access to the shared network and shares 50% (2012: 50%) of the cost of building and operating the network.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

23. JOINT VENTURES (Cont'd)

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint ventures of S\$421.2 million (2012: S\$450.9 million).

The Group's share of certain items in the income statements and statements of financial position of the joint ventures were as follows –

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Operating revenue	11,235.6	11,019.9
Operating expenses	(6,824.8)	(6,524.6)
Net profit before tax	1,952.7	2,088.9
Net profit after tax	1,366.0	1,445.8
Non-current assets	15,248.4	15,929.8
Current assets	3,565.8	3,048.8
Current liabilities	(5,263.6)	(5,630.0)
Non-current liabilities	(6,417.7)	(6,181.3)
Net assets	7,132.9	7,167.3

24. IMPAIRMENT REVIEWS

24.1 Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2013 were assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit ("CGU").

From 1 April 2012, the Group is restructured into three business segments, Group Consumer, Group Enterprise and Group Digital Life. Accordingly, the goodwill of Optus was allocated to the new business segments. Based on the relative fair value approach, the goodwill of Optus was fully allocated to the Consumer Australia segment for the purpose of goodwill impairment test.

Group	2013 S\$ Mil	2012 S\$ Mil	Terminal growth rate ⁽¹⁾		Pre-tax discount rate	
			2013	2012	2013	2012
Carrying value of goodwill in –						
- Optus Group	9,318.2	9,575.9	3.0%	4.0%	10.1%	12.9%
- SCS Computer Systems Pte. Ltd.	82.2	82.2	2.0%	2.0%	7.2%	8.5%
- Amobee Inc. and Pixable Inc.	298.9	-	2.0% to 3.0%	-	16.3% to 16.5%	-

Note:

(1) Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

24.1 Goodwill arising on acquisition of subsidiaries (Cont'd)

The recoverable values of cash generating units including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering periods of five to fifteen years. The Group has used fifteen years cash flow projections for Amobee Inc. and Pixable Inc., given that they are at start-up phases of their businesses. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table above. Key assumptions used in the calculation of value-in-use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

As at 31 March 2013, no impairment charge was required for goodwill on acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

24.2 Carrying values (including goodwill) of associates and joint ventures

The Group divested its investment in Warid Telecom (Private) Limited ("**Warid Pakistan**") in March 2013 and the Group's carrying value of Pacific Bangladesh Telecom Limited ("**PBTL**") was nil since 31 March 2012.

25. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Balance as at 1 April	148.7	309.1	41.7	38.6
Additions	56.0	86.2	-	-
Disposals	(7.4)	(1.0)	-	-
Provision for impairment	(11.6)	(5.5)	-	-
Utilisation of provision for impairment	5.6	0.9	-	-
Net fair value gains included in 'Other Comprehensive Income'	49.1	92.6	24.7	3.1
Reclassified to 'Asset held for sale'	-	(334.1)	-	-
Translation	-	0.5	-	-
Balance as at 31 March	240.4	148.7	66.4	41.7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

25. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS (Cont'd)

AFS investments included the following –

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Quoted equity securities				
- Thailand	46.0	21.8	46.0	21.8
- Singapore and United States	43.9	9.5	10.3	9.4
	89.9	31.3	56.3	31.2
Unquoted				
Equity securities	105.1	82.7	10.1	10.5
Others	45.4	34.7	-	-
	150.5	117.4	10.1	10.5
	240.4	148.7	66.4	41.7

26. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Balance as at 1 April	(430.2)	(1,517.3)	(203.6)	(1,208.5)
Fair value (losses)/ gains				
- included in income statement	(36.1)	131.9	7.6	62.0
- included in 'Hedging Reserve'	(6.4)	39.7	34.3	20.9
- included in 'Currency Translation Reserve'	-	(5.1)	-	-
Settlement of swaps for bonds repaid	-	922.0	-	922.0
Translation differences	2.2	(1.4)	-	-
Balance as at 31 March	(470.5)	(430.2)	(161.7)	(203.6)
Disclosed as -				
Current asset	1.1	2.9	3.2	5.1
Non-current asset	131.0	98.2	247.1	157.5
Current liability	(14.8)	(23.0)	(5.2)	(9.8)
Non-current liability	(587.8)	(508.3)	(406.8)	(356.4)
	(470.5)	(430.2)	(161.7)	(203.6)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26.1 Fair Values

The fair values of the currency and interest rate swap contracts excluded the accrued interest of S\$19.0 million (2012: S\$18.6 million). The accrued interest is separately disclosed in **Note 16** and **Note 29**.

The fair value adjustments of the derivative financial instruments were as follows -

	Group		Company	
	Fair value adjustments Assets S\$ Mil	Liabilities S\$ Mil	Fair value adjustments Assets S\$ Mil	Liabilities S\$ Mil
2013				
Fair value and cash flow hedges				
Cross currency swaps	79.1	347.9	-	141.3
Interest rate swaps	51.9	226.6	-	9.5
Forward foreign exchange	1.1	12.7	0.6	2.5
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	140.6	140.6
Interest rate swaps	-	15.3	108.5	117.4
Forward foreign exchange	-	0.1	0.6	0.7
	132.1	602.6	250.3	412.0
Disclosed as -				
Current	1.1	14.8	3.2	5.2
Non-current	131.0	587.8	247.1	406.8
	132.1	602.6	250.3	412.0
	Group		Company	
	Fair value adjustments Assets S\$ Mil	Liabilities S\$ Mil	Fair value adjustments Assets S\$ Mil	Liabilities S\$ Mil
2012				
Fair value and cash flow hedges				
Cross currency swaps	50.6	355.5	-	179.1
Interest rate swaps	46.9	136.9	-	8.1
Forward foreign exchange	2.9	20.1	2.5	0.6
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	81.6	81.6
Interest rate swaps	0.7	18.8	78.1	90.5
Forward foreign exchange	-	-	0.4	6.3
	101.1	531.3	162.6	366.2
Disclosed as -				
Current	2.9	23.0	5.1	9.8
Non-current	98.2	508.3	157.5	356.4
	101.1	531.3	162.6	366.2

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26.1 Fair Values (Cont'd)

The cash flow hedges are designated for foreign currency commitments and repayments of principal and interest of the foreign currency denominated bonds.

The forecasted transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2014, while the forecasted transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 31**.

As at 31 March 2013, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	2013	2012	2013	2012
Interest rate swaps				
Notional principal (\$ million equivalent)	4,336.7	4,908.1	4,774.1	5,633.6
Fixed interest rates	0.5% to 6.2%	0.5% to 6.2%	0.5% to 4.5%	0.5% to 4.5%
Floating interest rates	1.4% to 3.1%	1.7% to 4.3%	0.4% to 1.4%	0.1% to 1.7%
Cross currency swaps				
Notional principal (\$ million equivalent)	5,244.6	5,323.7	5,520.0	5,628.9
Fixed interest rates	1.8% to 7.5%	1.8% to 7.5%	0.9% to 5.2%	0.9% to 5.2%
Floating interest rates	0.8% to 4.8%	0.5% to 6.2%	0.8% to 2.5%	0.5% to 2.4%
Forward foreign exchange				
Notional principal (\$ million equivalent)	705.5	887.3	365.0	462.3

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

26.2 Fair Value Measurements

The Group classifies fair value measurements 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 -

- quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- 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
- inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26.2 Fair Value Measurements (Cont'd)

The following table presents the assets and liabilities measured at fair value as at 31 March 2013 -

Group 2013	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾ (Note 25)				
- Quoted equity securities	89.9	-	-	89.9
- Unquoted investments	-	-	14.1	14.1
	89.9	-	14.1	104.0
Derivative financial instruments (Note 26.1)	-	132.1	-	132.1
	89.9	132.1	14.1	236.1
Financial liabilities				
Derivative financial instruments (Note 26.1)	-	602.6	-	602.6
	-	602.6	-	602.6
<hr/>				
Group 2012	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾ (Note 25)				
- Quoted equity securities	31.3	-	-	31.3
- Unquoted investments	-	-	16.6	16.6
	31.3	-	16.6	47.9
Derivative financial instruments (Note 26.1)	-	101.1	-	101.1
	31.3	101.1	16.6	149.0
Financial liabilities				
Derivative financial instruments (Note 26.1)	-	531.3	-	531.3
	-	531.3	-	531.3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26.2 Fair Value Measurements (Cont'd)

Company 2013	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments (Note 25)				
- Quoted equity securities	56.3	-	-	56.3
- Unquoted equity securities	-	-	10.1	10.1
	56.3	-	10.1	66.4
Derivative financial instruments (Note 26.1)	-	250.3	-	250.3
	56.3	250.3	10.1	316.7
Financial liabilities				
Derivative financial instruments (Note 26.1)	-	412.0	-	412.0
	-	412.0	-	412.0
Company 2012				
Financial assets				
AFS investments (Note 25)				
- Quoted equity securities	31.2	-	-	31.2
- Unquoted equity securities	-	-	10.5	10.5
	31.2	-	10.5	41.7
Derivative financial instruments (Note 26.1)	-	162.6	-	162.6
	31.2	162.6	10.5	204.3
Financial liabilities				
Derivative financial instruments (Note 26.1)	-	366.2	-	366.2
	-	366.2	-	366.2

Note:

(1) Excluded AFS investments stated at cost of S\$136.4 million (2012: S\$100.8 million).

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

26.2 Fair Value Measurements (Cont'd)

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

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
AFS investments - unquoted				
Balance as at 1 April	16.6	17.1	10.5	10.7
Total losses included in 'Other Comprehensive Income'	(0.8)	(0.5)	(0.4)	(0.2)
Additions	-	0.1	-	-
Provision for impairment	(0.1)	-	-	-
Utilisation of provision for impairment	-	0.9	-	-
Disposals	(1.6)	(1.0)	-	-
Balance as at 31 March	14.1	16.6	10.1	10.5

27. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Loan to an associate	1,330.5	1,325.0	1,330.5	1,325.0
Net deferred gain				
Classified as -				
Current	57.5	29.2	-	-
Non-current	1,186.4	1,060.5	-	-
	1,243.9	1,089.7	-	-

In July 2011, SingTel established a business trust, NetLink Trust, as part of the IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In September 2011, SingTel sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., a 29.9%-owned associate of SingTel, and 7 exchange buildings ("**Assets**"), and SingTel's business of providing duct and manhole services in relation to the Assets ("**Business**") to NetLink Trust, for an aggregate consideration of approximately S\$1.89 billion. SingTel also completed its subscription for a further 567,380,000 units at S\$1 each in NetLink Trust.

The aggregate consideration paid by NetLink Trust for the purchase of the Assets and Business was financed by the issue of units to SingTel of S\$567.4 million and loan from SingTel of S\$1.33 billion.

Although currently 100% owned by SingTel, NetLink Trust is managed and operated by CityNet Infrastructure Management Pte. Ltd. in its capacity as trustee-manager. SingTel does not have effective control in NetLink Trust, and hence it is equity accounted as an associate at the Group.

At the consolidated level, the gain on disposal of Assets and Business recorded by SingTel was deferred in the Group's statement of financial position and is being amortised over the useful lives of the Assets. The unamortised deferred gain in the Group's statement of financial position will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed. In addition, SingTel's lease expenses paid to NetLink Trust and interest income earned from NetLink Trust are not eliminated on a line-by-line basis in the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

27. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN (Cont'd)

The loan to NetLink Trust carries a fixed interest rate and is repayable on 22 April 2014, or extendable beyond 22 April 2014 subject to certain conditions. The loan is secured by a fixed and floating charge over NetLink Trust's assets and business undertakings. Under the loan agreement, unpaid interest are capitalised as part of the loan principal. As at 31 March 2013, the interest capitalised was S\$5.5 million (2012: Nil).

As at 31 March 2013, the unamortised gross deferred gain was S\$1.58 billion (2012: S\$1.66 billion), of which S\$336.6 million (2012: S\$567.4 million) was applied to the Group's carrying value of NetLink Trust and the remaining S\$1.24 billion (2012: S\$1.09 billion) was classified as 'Net deferred gain' in the Group's statement of financial position.

28. OTHER NON-CURRENT RECEIVABLES

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Prepayments	60.3	65.3	221.9	241.4
Other receivables	149.5	64.3	-	-
	209.8	129.6	221.9	241.4

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Trade payables	2,981.0	3,205.6	703.0	741.3
Accruals	772.3	669.8	116.3	110.6
Interest payable on borrowings	112.1	116.8	34.4	36.4
Due to subsidiaries				
- trade	-	-	226.0	205.4
- non-trade	-	-	667.3	687.7
	-	-	893.3	893.1
Due to associates and joint ventures				
- trade	61.6	64.8	54.5	59.0
- non-trade	152.6	161.3	151.7	160.0
	214.2	226.1	206.2	219.0
Deferred gain on sale of a joint venture (see Note 33)	3.1	3.1	-	-
Customers' deposits	27.3	25.4	16.0	14.3
Other deferred income	34.5	38.3	20.5	17.9
Other payables	77.4	86.8	55.7	56.0
	4,221.9	4,371.9	2,045.4	2,088.6

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

29. TRADE AND OTHER PAYABLES (Cont'd)

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms.

The interest payable on borrowings are generally settled on a half-year or annual basis except for interest payable on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

The amounts due to subsidiaries are repayable on demand and interest-free.

30. PROVISION

The provision mainly relates to provision for liquidated damages and warranties. The movements were as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Balance as at 1 Apr	3.5	0.3	-	-
Provision	4.4	3.3	4.3	-
Amount written off against provision	(2.1)	(0.1)	-	-
Balance as at 31 March	5.8	3.5	4.3	-

31. BORROWINGS (UNSECURED)

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Current				
Bank loans	350.0	105.8	-	-
	350.0	105.8	-	-
Non-current				
Bonds	6,243.7	6,300.8	856.3	857.9
Bank loans	1,086.0	2,169.6	-	-
	7,329.7	8,470.4	856.3	857.9
Total unsecured borrowings	7,679.7	8,576.2	856.3	857.9

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

31.1 Bonds

Principal amount	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
US\$500 million ⁽¹⁾⁽²⁾	655.9	657.3	-	-
US\$1,300 million ⁽²⁾	1,734.3	1,711.0	-	-
US\$500 million ⁽²⁾	856.3	857.9	856.3	857.9
US\$300 million	372.6	377.3	-	-
€700 million ^{(1) (2)}	1,135.7	1,185.0	-	-
A\$75 million ⁽¹⁾	96.9	97.9	-	-
S\$250 million	250.0	250.0	-	-
S\$600 million ⁽²⁾	600.0	600.0	-	-
¥10,000 million	134.3	153.0	-	-
HK\$1,450 million	247.9	249.7	-	-
HK\$1,000 million ⁽¹⁾	159.8	161.7	-	-
Non-current	6,243.7	6,300.8	856.3	857.9

Notes:

(1) The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

(2) The bonds are listed on Singapore Exchange.

31.2 Bank Loans

	Group	
	2013 S\$ Mil	2012 S\$ Mil
Current	350.0	105.8
Non-current	1,086.0	2,169.6
	1,436.0	2,275.4

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

31.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Between one and two years	1,086.0	350.0	-	-
Between two and five years	1,274.9	2,210.2	-	-
Over five years	4,968.8	5,910.2	856.3	857.9
	7,329.7	8,470.4	856.3	857.9

31.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows -

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Bonds (fixed rate)	3.9	3.9	7.4	7.4
Bonds (floating rate)	1.5	1.7	-	-
Bank loans (floating rate)	1.9	2.1	-	-

31.5 Fair Values

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Carrying value				
Bonds	6,243.7	6,300.8	856.3	857.9
Bank loans	1,436.0	2,275.4	-	-
Fair value				
Bonds	6,355.9	6,356.9	900.3	901.8
Bank loans	1,436.0	2,275.4	-	-

See **Note 2.7** on the basis of estimating the fair values and **Note 26** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

31.6 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S\$ Mil	Between 1 and 2 years S\$ Mil	Between 2 and 5 years S\$ Mil	Over 5 years S\$ Mil
As at 31 March 2013				
Net-settled interest rate swaps	62.3	48.0	94.2	56.9
Cross currency interest rate swaps (gross-settled)				
- Inflow	(175.9)	(175.8)	(514.0)	(918.7)
- Outflow	167.0	169.0	538.1	696.8
	53.4	41.2	118.3	(165.0)
Borrowings	592.5	1,309.4	1,896.1	6,182.7
	645.9	1,350.6	2,014.4	6,017.7

As at 31 March 2012

Net-settled interest rate swaps	48.5	45.9	75.1	48.0
Cross currency interest rate swaps (gross-settled)				
- Inflow	(182.2)	(182.2)	(546.2)	(1,109.3)
- Outflow	191.2	188.7	597.2	927.3
	57.5	52.4	126.1	(134.0)
Borrowings	373.4	614.8	2,884.1	7,302.2
	430.9	667.2	3,010.2	7,168.2

Company	Less than 1 year S\$ Mil	Between 1 and 2 years S\$ Mil	Between 2 and 5 years S\$ Mil	Over 5 years S\$ Mil
As at 31 March 2013				
Net-settled interest rate swaps	6.8	5.5	6.3	23.8
Cross currency interest rate swaps (gross-settled)				
- Inflow	(134.2)	(134.0)	(382.1)	(763.2)
- Outflow	113.5	113.3	320.4	474.8
	(13.9)	(15.2)	(55.4)	(264.6)
Borrowings	45.8	45.8	137.4	1,522.5
	31.9	30.6	82.0	1,257.9

As at 31 March 2012

Net-settled interest rate swaps	9.3	7.4	10.8	26.5
Cross currency interest rate swaps (gross-settled)				
- Inflow	(140.4)	(140.4)	(420.4)	(900.9)
- Outflow	118.4	118.1	353.9	568.6
	(12.7)	(14.9)	(55.7)	(305.8)
Borrowings	46.4	46.4	139.1	1,577.0
	33.7	31.5	83.4	1,271.2

NOTES TO THE FINANCIAL STATEMENTS

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32. BORROWINGS (SECURED)

32.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Not later than one year	58.7	39.9	11.6	11.6
Later than one but not later than five years	99.7	85.3	46.5	46.5
Later than five years	647.9	659.5	647.9	659.5
	806.3	784.7	706.0	717.6
Less: Future finance charges	(557.3)	(567.1)	(548.5)	(559.9)
	249.0	217.6	157.5	157.7
Classified as -				
Current	41.8	25.3	0.2	0.2
Non-current	207.2	192.3	157.3	157.5
	249.0	217.6	157.5	157.7

32.2 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows -

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Finance lease liabilities	7.1	7.3	7.3	7.3

32.3 Fair Values

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Carrying value				
Finance lease liabilities	249.0	217.6	157.5	157.7
Fair value				
Finance lease liabilities	249.0	217.6	157.5	157.7

The fair value of the finance lease obligations was estimated by discounting the expected future cash flows using current interest rates for liabilities with similar risk profiles.

NOTES TO THE FINANCIAL STATEMENTS

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33. DEFERRED INCOME

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Dividends from Southern Cross	-	370.3	-	-
Gain on sale and leaseback arrangements	-	3.8	-	1.3
Deferred gain on sale of a joint venture	13.8	16.7	-	-
	13.8	390.8	-	1.3
Classified as -				
Current (see Note 29)	3.1	3.1	-	-
Non-current	10.7	387.7	-	1.3
	13.8	390.8	-	1.3

Gain on sale and finance leaseback of certain telecommunications equipment is recognised as income over the lease period of 11 to 16 years.

Deferred gain on sale of a joint venture is recognised as income on a straight-line basis over the remaining useful life of the joint venture's cable system of approximately 10 years.

34. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Performance share liability	16.4	11.9	15.2	10.8
Other payables	232.8	201.6	9.8	6.7
	249.2	213.5	25.0	17.5

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For the financial year ended 31 March 2013

35. SHARE CAPITAL

Group and Company	2013		2012	
	Number of shares Mil	Share capital S\$ Mil	Number of shares Mil	Share capital S\$ Mil
Balance as at 1 April	15,942.2	2,632.2	15,935.7	2,622.8
Issue of shares under share options	1.3	1.8	6.5	9.4
Balance as at 31 March	15,943.5	2,634.0	15,942.2	2,632.2

All issued shares are fully paid and have no par value. The issued shares carry one vote per share and a right to dividends as and when declared by the Company.

During the year, the Company issued 1,332,000 (2012: 6,521,600) shares upon the exercise of 1,332,000 (2012: 6,521,600) share options under the 1999 Scheme at exercise price of S\$1.31 (2012: between S\$1.31 and S\$1.56) per share.

The newly issued shares rank pari passu in all respects with the previously issued shares.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 60% to 75% (2012: 55% to 70%) of underlying net profit. Underlying net profit is defined as net profit before exceptional and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under SingTel performance share plans. The Group can also cancel the shares which are re-purchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

The Company and its subsidiaries are not subject to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. DIVIDENDS

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Final ordinary dividend of 9.0 cents (2012: 9.0 cents) per share, paid	1,434.0	1,434.3	1,434.9	1,435.7
Special dividend of nil cent (2012: 10.0 cents) per share, paid	-	1,593.6	-	1,594.0
Interim dividend of 6.8 cents (2012: 6.8 cents) per share, paid	1,083.7	1,083.5	1,084.4	1,084.3
	2,517.7	4,111.4	2,519.3	4,114.0

During the financial year, a final one-tier tax exempt ordinary dividend of 9.0 cents per share was paid in respect of the previous financial year ended 31 March 2012, and an interim one-tier tax exempt ordinary dividend of 6.8 cents per share was paid in respect of the current financial year ended 31 March 2013.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.0 cents per share, totalling approximately S\$1.59 billion in respect of the current financial year ended 31 March 2013 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S\$1.59 billion, which will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2014.

37. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of AFS investments and borrowings are set out in **Note 26**, **Note 31.5** and **Note 32.3** respectively.

The carrying values of the other financial assets and liabilities approximate their fair values.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

38.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. For the financial year ended 31 March 2013, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

38.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, Bangladesh, India, Indonesia, Philippines and Thailand. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

38.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2013, after taking into account the effect of interest rate swaps, approximately 76% (2012: 75%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2013, assuming that the market interest rate is 50 basis points higher or lower than the market interest rate and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S\$12.6 million (2012: S\$12.8 million).

38.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents, marketable securities and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents and marketable securities with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

38.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

38.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

39. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by the chief operating decision maker for performance measurement and resource allocation.

From 1 April 2012, SingTel Group is restructured 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 Group's investments mainly in Advanced Info Service Public Company Limited ("**AIS**") in Thailand, Bharti Airtel Limited ("**Airtel**") in India, Globe Telecom, Inc. ("**Globe**") in the Philippines, PBTL in Bangladesh, PT Telekomunikasi Selular ("**Telkomsel**") in Indonesia, and Warid in Pakistan. It focuses on driving more value from the core carriage business including mobile, residential mio TV, fixed and satellite telecommunications as well as equipment sales.

Group Enterprise comprises the business groups across Singapore and Australia and focuses on growing the Group's position in the enterprise markets. Key services rendered included IT & Engineering, Managed Services, local and international leased circuits, mobile and business mio TV.

Group Digital Life focuses on developing new digital growth engines for existing customers and disrupting adjacent industries. It includes e-commerce, concierge and hyper-local services, and mobile advertising.

Corporate represents the costs of the Group function not allocated to the reportable operating segments.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purpose. The performance of each segment includes only transactions external to the Group.

The figures for the previous financial year ended 31 March 2012 were not disclosed as no such information was used by the chief operating decision maker.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

39. SEGMENT INFORMATION (Cont'd)

The Group's reportable segments by the three business segments for the financial year ended 31 March 2013 are as follows –

Group - 2013	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	11,629.7	6,442.1	111.2	-	18,183.0
Operating expenses	(8,389.1)	(4,407.2)	(216.4)	(87.3)	(13,100.0)
Other income	90.0	27.7	1.2	(2.1)	116.8
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,330.6	2,062.6	(104.0)	(89.4)	5,199.8
Share of pre-tax results of associates and joint ventures					
- Airtel	368.5	-	-	-	368.5
- Telkomsel	1,003.7	-	-	-	1,003.7
- Globe	210.0	-	-	-	210.0
- AIS	437.6	-	-	-	437.6
- Others	(16.6)	-	-	102.6	86.0
	2,003.2	-	-	102.6	2,105.8
EBITDA and share of pre-tax results of associates and joint ventures	5,333.8	2,062.6	(104.0)	13.2	7,305.6
Depreciation and amortisation	(1,423.9)	(665.7)	(41.3)	3.5	(2,127.4)
Earnings before interest and tax ("EBIT")	3,909.9	1,396.9	(145.3)	16.7	5,178.2
Segment assets					
Investment in associates and joint ventures					
- Airtel	4,382.7	-	-	-	4,382.7
- Telkomsel	3,540.7	-	-	-	3,540.7
- Globe	984.3	-	-	-	984.3
- AIS	683.3	-	-	-	683.3
- Others	26.3	-	-	269.2	295.5
	9,617.3	-	-	269.2	9,886.5
Goodwill on acquisition of subsidiaries	9,244.1	156.3	298.8	-	9,699.2
Other assets	10,587.2	5,478.7	479.6	3,852.3	20,397.8
	29,448.6	5,635.0	778.4	4,121.5	39,983.5

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

39. SEGMENT INFORMATION (Cont'd)

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

Group - 2013	S\$ Mil
EBIT	5,178.2
Exceptional items	(40.1)
Share of exceptional items of associates and joint ventures	(82.9)
Share of tax of associates and joint ventures	(625.7)
Profit before interest, investment income (net) and tax	4,429.5
Interest and investment income (net)	46.9
Finance costs	(345.1)
Profit before tax	4,131.3

The Group's revenue from its major products and services are disclosed in **Note 4**.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2013 and 31 March 2012.

As the business segment report for the previous financial year ended 31 March 2012 was not disclosed, the Group continued to disclose the geographical segments for the financial years ended 31 March 2013 and 31 March 2012.

The Group's geographical segments are as follows -

Singapore – represent the services and products provided by SingTel and its subsidiaries (excluding Optus).

Australia – represent the services and products provided by Optus, a wholly-owned subsidiary of the Group domiciled in Australia.

Associates & Joint Ventures ("Assoc & JV") – represent the Group's investments in associates and joint ventures which mainly comprise AIS in Thailand, Airtel in India, Globe in the Philippines, PBTL in Bangladesh, Telkomsel in Indonesia and Warid in Pakistan.

The main services and products provided in both Singapore and Australia are mobile communications, data and Internet, national telephone, information technology and engineering, sale of equipment, international telephone and pay television.

The accounting policies used to derive the segment results are consistent with those described in the "Significant Accounting Policies" note to the financial statements.

Segment results represent operating revenue less expenses. Corporate costs represent the costs of the Group function not allocated to the segments.

Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, and inventories. Assets managed at corporate level include cash and bank balances, fixed deposits and AFS investments.

Segment capital expenditure comprise additions to property, plant and equipment, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

39. SEGMENT INFORMATION (Cont'd)

Group - 2013	Singapore S\$ Mil	Australia S\$ Mil	Assoc & JV S\$ Mil	Corporate/ Elim S\$ Mil	Group Total S\$ Mil
Operating revenue	6,732.1	11,450.9	-	-	18,183.0
Segment results	1,435.2	1,520.4	-	-	2,955.6
Other income	45.3	71.5	-	-	116.8
Profit before exceptional items	1,480.5	1,591.9	-	-	3,072.4
Exceptional items	(18.9)	(64.7)	-	43.5	(40.1)
Profit on operating activities	1,461.6	1,527.2	-	43.5	3,032.3
Share of results of associates and joint ventures (post-tax)					
- Airtel	-	-	164.1	-	164.1
- Telkomsel	-	-	753.5	-	753.5
- Globe	-	-	67.5	-	67.5
- AIS	-	-	338.4	-	338.4
- Others	-	-	73.7	-	73.7
	-	-	1,397.2	-	1,397.2
Profit before interest, investment income (net) and tax	1,461.6	1,527.2	1,397.2	43.5	4,429.5
Interest and investment income (net)	35.0	11.9	-	-	46.9
Finance costs	(151.7)	(193.4)	-	-	(345.1)
Profit before tax	1,344.9	1,345.7	1,397.2	43.5	4,131.3
Segment assets					
Investment in associates and joint ventures					
- Airtel	-	-	4,382.7	-	4,382.7
- Telkomsel	-	-	3,540.7	-	3,540.7
- Globe	-	-	984.3	-	984.3
- AIS	-	-	683.3	-	683.3
- Others	-	-	295.5	-	295.5
	-	-	9,886.5	-	9,886.5
Goodwill on acquisition of subsidiaries	381.0	9,318.2	-	-	9,699.2
Other assets	8,379.8	16,692.9	-	(4,674.9)	20,397.8
	8,760.8	26,011.1	9,886.5	(4,674.9)	39,983.5
Capital expenditure	772.5	1,575.2	-	-	2,347.7
Depreciation and amortisation	(666.0)	(1,461.4)	-	-	(2,127.4)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

39. SEGMENT INFORMATION (Cont'd)

Group - 2012	Singapore S\$ Mil	Australia S\$ Mil	Assoc & JV S\$ Mil	Corporate/ Elim S\$ Mil	Group Total S\$ Mil
Operating revenue	6,550.8	12,274.5	-	-	18,825.3
Segment results	1,514.7	1,599.2	-	-	3,113.9
Other income	36.1	67.1	-	-	103.2
Profit before exceptional items	1,550.8	1,666.3	-	-	3,217.1
Exceptional items	(0.8)	(23.5)	-	30.9	6.6
Profit on operating activities	1,550.0	1,642.8	-	30.9	3,223.7
Share of results of associates and joint ventures (post-tax)					
- Airtel	-	-	351.0	-	351.0
- Telkomsel	-	-	665.1	-	665.1
- Globe	-	-	130.8	-	130.8
- AIS	-	-	278.5	-	278.5
- Others	-	-	6.0	-	6.0
	-	-	1,431.4	-	1,431.4
Profit before interest, investment income (net) and tax	1,550.0	1,642.8	1,431.4	30.9	4,655.1
Interest and investment income (net)	31.9	22.1	-	-	54.0
Finance costs	(196.1)	(198.6)	-	-	(394.7)
Profit before tax	1,385.8	1,466.3	1,431.4	30.9	4,314.4
Segment assets					
Investment in associates and joint ventures					
- Airtel	-	-	4,727.6	-	4,727.6
- Telkomsel	-	-	3,392.2	-	3,392.2
- Globe	-	-	1,028.1	-	1,028.1
- AIS	-	-	630.4	-	630.4
- Others	-	-	402.2	-	402.2
	-	-	10,180.5	-	10,180.5
Goodwill on acquisition of subsidiaries	81.9	9,576.2	-	-	9,658.1
Other assets	8,474.6	17,079.5	-	(4,975.1)	20,579.0
	8,556.5	26,655.7	10,180.5	(4,975.1)	40,417.6
Capital expenditure	882.2	1,599.1	-	-	2,481.3
Depreciation and amortisation	(577.3)	(1,424.3)	-	-	(2,001.6)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

40. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Not later than one year	486.7	496.4	72.5	102.2
Later than one but not later than five years	1,096.3	1,239.7	301.7	291.6
Later than five years	1,564.9	1,620.3	682.4	715.9
	3,147.9	3,356.4	1,056.6	1,109.7

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S\$40.9 million (2012: S\$39.5 million) per annum under those contracts. The operating lease payments under these contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

41. COMMITMENTS

- 41.1** The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 41.2**, were as follows -

	Group		Company	
	2013 S\$ Mil	2012 S\$ Mil	2013 S\$ Mil	2012 S\$ Mil
Authorised and contracted for	924.3	1,725.7	243.0	181.7

The above included commitments to purchase capacity in the cable network of a joint venture of S\$41 million (2012: S\$54 million) and equity funding commitments of nil (2012: S\$769 million).

- 41.2** As at 31 March 2013, the Group's commitments for the purchase of broadcasting program rights were S\$586 million (2012: S\$219 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and do not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

42. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) Guarantees

As at 31 March 2013,

- (i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S\$730.1 million and S\$473.1 million (2012: S\$572.8 million and S\$413.2 million) respectively.
- (ii) The Company provided guarantees for loans of S\$950 million (2012: S\$1.55 billion) drawn down under various loan facilities entered into by SGT with maturities between November 2013 and June 2014. The Company also provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$3.28 billion (2012: S\$3.28 billion) due between July 2016 and September 2021. The total guaranteed amount of \$4.23 billion (2012: \$4.83 billion) represents the maximum amount that the Company can be called on under the financial guarantee contracts.
- (b) SingTel is in dispute with OpenNet Pte Ltd, an associated company in which the Group has 30% equity interest, with respect to SingTel's contractual obligations as a key sub-contractor under various agreements between the parties. Parties are in discussions to manage the dispute matters through the resolution process under the agreements.
- (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.

43. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES

- (a) Airtel, a 32.3% 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\$384 million) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion (SingTel's share: S\$67 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\$317 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 alternation of financial terms of the licenses issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that the claim will materialise and therefore, pending outcome of this matter, no provision has been recognised.

As at 31 March 2013, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately INR 64.9 billion (SingTel's share: S\$480 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Nigeria B.V. ("**ANBV**"), a 100% owned indirect subsidiary of Airtel, has 79.05% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

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. ANL and ANBV have filed appeals in the Nigerian Court of Appeals on both matters.

Airtel 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 seller's indemnities in respect of such matters.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

43. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES (Cont'd)

- (b) The Group holds an equity interest of 23.3% in AIS.

Revenue share disputes arising from abolishment of excise tax

In January 2008, TOT Public Company Limited ("**TOT**") and CAT Telecom Public Company Limited ("**CAT**") demanded additional payments of revenue share from AIS and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively.

CAT had submitted its case against DPC to arbitration and the Arbitral Tribunal has dismissed CAT's case against DPC on 1 March 2011. On 3 June 2011, CAT began proceedings to appeal against the Arbitral Tribunal's decision in the Central Administrative Court.

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

TOT's demand for additional revenue share

On 26 January 2011, TOT sent a letter demanding AIS to pay additional revenue share based on gross interconnection income received from 2007 to 2010 of THB 17,803 million (SingTel's share: S\$176 million) plus interest at the rate of 1.25% per month. AIS sent a letter opposing the said claim to TOT on 21 February 2011. On 9 March 2011, AIS submitted the dispute to arbitration.

TOT's demand for access charge

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 charge amounting to THB 2,954 million (SingTel's share: S\$29 million) plus interest. This case is pending.

AIS' management believes that the case has no material impact to its financial statements because DPC has correctly and fully complied with the law and the relevant agreements in all respects.

- (c) Globe, a 47.3% 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 the Globe Group's financial position and results of operations.
- (d) The Group holds an equity interest of 35% in Telkomsel.

PT Prima Jaya Informatika's bankruptcy petition against Telkomsel

Following the dispute between Telkomsel and PT Prima Jaya Informatika ("**PT Prima**"), a Telkomsel's distributor of pulse reload vouchers under a distribution agreement by both parties, the Jakarta Commercial Court at the Central Jakarta District Court accepted the bankruptcy petition against Telkomsel filed by PT Prima based on its verdict on 14 September 2012. The bankruptcy petition was filed by PT Prima on the basis of:

- PT Prima's claim on overdue receivable from Telkomsel amounted to IDR 5.26 billion (SingTel's share: S\$0.2 million) which represents the value of undelivered pulse reload vouchers based on orders covered by purchase orders; and
- receivable of another company from Telkomsel

Telkomsel has contested PT Prima's claim and stated that Telkomsel's payable to the other company has been fully repaid. Besides, PT Prima has no right to claim receivable from Telkomsel, considering that PT Prima has not made any payment to Telkomsel on its orders. PT Prima has also breached the terms and conditions as stipulated in the above-mentioned agreement. Therefore, the requirement for a bankruptcy petition should have not been met.

The decision of the Jakarta Commercial Court at the Central Jakarta District Court was not in the favor of Telkomsel.

Telkomsel has taken necessary actions and legal remedy, and challenged the above court decision by filing an appeal to the Supreme Court on 21 September 2012.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

43. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES (Cont'd)

On 21 November 2012, the Supreme Court granted Telkomsel's appeal and refused the bankruptcy petition from PT Prima. Telkomsel has received the formal verdict from the District Court of Central Jakarta on 10 January 2013.

On 31 January 2013, Telkomsel was notified by the court that PT Prima has applied for civil review to the Supreme Court on 29 January 2013. Telkomsel filed its contra memorandum on 7 February 2013. The decision from the Supreme Court is pending.

Tax disputes

As at 31 March 2013, Telkomsel has filed appeals and cross-appeals amounting to approximately IDR 1,170 billion (SingTel's share: S\$52 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which are not presently determinable.

44. SALE OF WARID TELECOM (PRIVATE) LIMITED ("WARID PAKISTAN")

On 15 March 2013, the Group completed the sale of its entire 30% equity interest in Warid Pakistan. Following the completion, SingTel has been released from all its obligations in relation to Warid Pakistan's loan facilities. Under the terms of the sale, SingTel has rights to receive 7.5% share of the net proceeds from any future sale, public offering or merger of Warid Pakistan upon realisation.

45. SUBSEQUENT EVENT

On 3 May 2013, Airtel announced the sale of 5% stake to the Qatar Foundation Endowment for INR 68 billion (US\$1.26 billion). SingTel's shareholding in Airtel will consequently be changed from 32.34% to 30.72%.

46. EFFECTS OF FRS AND INT FRS ISSUED BUT NOT YET ADOPTED

Certain new or revised FRS and INT FRS are mandatory for adoption by the Group for financial year beginning on or after 1 April 2013.

(a) FRS 110 Consolidated Financial Statements and FRS 27 Separate Financial Statements

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12, *Consolidation - Special Purpose Entities*. FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. FRS 27 remains as a standard applicable only to separate financial statements. These will take effect from financial year beginning on 1 April 2014 with full retrospective application.

(b) FRS 111 Joint Arrangements and FRS 28 Investments in Associates and Joint Ventures

FRS 111 supersedes FRS 31, *Interests in Joint Ventures*, and INT FRS 13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The joint venturer should use the equity method under the revised FRS 28 to account for a joint venture. These will take effect from financial year beginning on 1 April 2014 with full retrospective application.

(c) FRS 112 Disclosure of Interests in Other Entities

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities, and will take effect from financial year beginning on 1 April 2014.

(d) FRS 113 Fair Value Measurement

FRS 113 replaces the guidance on fair value measurement and related disclosures in other standards with a common fair value definition and hierarchy applicable to fair value measurement of assets, liabilities and an entity's own equity instruments within its scope. It requires an entity to provide more extensive disclosures including quantitative and qualitative disclosures based on the three-level fair value hierarchy for assets and liabilities, which is currently required only for financial instruments under FRS 107, *Financial Instruments: Disclosures*. This standard took effect from financial year beginning on 1 April 2013.

The new or revised FRS and INT FRS are not expected to have a significant impact on the financial statements of the Group and the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries, associates and joint ventures as at 31 March 2013 and 31 March 2012.

47.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	2012 %
1.	Computer Systems Holdings Pte Ltd	Investment holding	100	100
2.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	100	100
3.	NCS Pte. Ltd.	Provision of information technology and consultancy services	100	100
4.	NCSI Holdings Pte. Ltd.	Investment holding	100	100
5.	NCSI Solutions Pte. Ltd.	Provision of information technology services	100	100
6.	SCS Computer Systems Pte. Ltd.	Provision of information technology and consultancy services	100	100
7.	Singapore Telecom Mobile Pte Ltd	Investment holding	100	100
8.	SingNet Pte Ltd	Provision of internet access services	100	100
9.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	100	100
10.	SingTel Group Treasury Pte. Ltd.	Provision of finance and treasury services to SingTel and its subsidiaries	100	100
11.	SingTel Idea Factory Pte. Ltd.	Engaged in research and development, products and services development and business partnership	100	100
12.	SingTel Innov8 Pte. Ltd.	Venture capital investment holding	100	100
13.	SingTel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, resale of fixed line and broadband services	100	100
14.	SingTelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.1 Significant subsidiaries incorporated in Singapore (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	2012 %
15.	SingTel Singapore Pte. Ltd.	Investment holding and provision of business and management consultancy services	100	100
16.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	61.9	61.9
17.	Subsea Network Services Pte Ltd	Provision of storage facilities for submarine cables and related equipment	100	100
18.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	60	60
19.	SingTel Digital Media Pte Ltd	Development and management of on-line internet portal	95.6	95.6
20.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment	100	100

47.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	2012 %
1.	Alphawest Services Pty Ltd ⁽¹⁾	Provision of information technology services	100	100
2.	Cable & Wireless Optus Satellites Pty Limited ⁽¹⁾	C1 Satellite contracting party	100	100
3.	Eatability Pty Limited	Provision of restaurant review portal and advertisements	100	-
4.	Inform Systems Australia Pty Ltd ⁽¹⁾	Provision of information technology services	100	100
5.	NCSI (Australia) Pty Limited	Provision of information technology services	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	2012 %
6.	Optus Administration Pty Limited ⁽¹⁾	Provision of management services to the Optus Group	100	100
7.	Optus Backbone Investments Pty Limited	Investment in telecommunications network infrastructure in Australia	100	100
8.	Optus Billing Services Pty Limited ^(*)	Provision of billing services to the Optus Group	100	100
9.	Optus Broadband Pty Limited ⁽¹⁾	Provision of high speed residential internet service	100	100
10.	Optus Data Centres Pty Limited ⁽¹⁾	Provision of data communication services	100	100
11.	Optus Finance Pty Limited ⁽¹⁾	Provision of financial services to the Optus Group	100	100
12.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	100	100
13.	Optus Internet Pty Limited ⁽¹⁾	Provision of internet services to retail customers	100	100
14.	Optus Mobile Pty Limited ⁽¹⁾	Provision of mobile phone services	100	100
15.	Optus Narrowband Pty Limited ^(*)	Provision of narrowband portal content services	100	100
16.	Optus Networks Investments Pty Ltd ^{(*) (1)}	Investment holding	100	100
17.	Optus Networks Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100
18.	Optus Rental & Leasing Pty Limited ^(*)	Provision of equipment rental services to customers	100	100
19.	Optus Stockco Pty Limited ^(*)	Purchases of Optus Group network inventory	100	100
20.	Optus Superannuation Pty Limited ^(*)	A trustee for Optus Group's superannuation scheme	100	100
21.	Optus Systems Pty Limited ⁽¹⁾	Provision of information technology services to the Optus Group	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2013 %	2012 %
22.	Optus Vision Interactive Pty Limited ^(*)	Provision of interactive television service	100	100
23.	Optus Vision Media Pty Limited ^{(*) (2)}	Provision of broadcasting related services	20	20
24.	Optus Vision Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100
25.	Perpetual Systems Pty Ltd ⁽¹⁾	Provision of IT disaster recovery services	100	100
26.	Prepaid Services Pty Limited ⁽¹⁾	Distribution of prepaid mobile products	100	100
27.	Reef Networks Pty Ltd ⁽¹⁾	Operation and maintenance of fibre optic network between Brisbane and Cairns	100	100
28.	Singapore Telecom Australia Investments Pty Limited	Investment holding	100	100
29.	Simplus Mobile Pty Limited ⁽¹⁾	Provision of mobile phone services	100	100
30.	SingTel Optus Pty Limited	Investment holding	100	100
31.	Source Integrated Networks Pty Limited ⁽¹⁾	Provision of data communications and network services	100	100
32.	Uecomm Operations Pty Limited ⁽¹⁾	Provision of data communication services	100	100
33.	Virgin Mobile (Australia) Pty Limited ⁽¹⁾	Provision of mobile phone services	100	100
34.	Vividwireless Group Limited	Provision of wireless broadband services	100	-
35.	XYZed LMDS Pty Limited ^(*)	Holder of telecommunications licence	100	100
36.	XYZed Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100

All companies are audited by Deloitte Touche Tohmatsu, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

(1) These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998.

(2) Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
1.	Amobee Inc.	Provision of media and advertising services	USA	100	-
2.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	100	100
3.	Information Network Services Sdn Bhd	Provision of data communication and value added network services	Malaysia	100	100
4.	Lanka Communication Services (Pvt) Limited	Provision of data communication services	Sri Lanka	82.9	82.9
5.	NCS Information Technology (Suzhou) Co., Ltd. ⁽¹⁾	Software development and provision of information technology services	People's Republic of China	100	100
6.	NCSI (Chengdu) Co., Ltd ⁽¹⁾	Provision of information technology research and development, and other information technology related services	People's Republic of China	100	100
7.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	100	100
8.	NCSI (India) Private Limited	Provision of information technology services	India	100	100
9.	NCSI (Korea) Co., Limited	Provision of information technology consultancy and system integration services	South Korea	100	100
10.	NCSI Lanka (Private) Limited	Provision of information technology and communication engineering services	Sri Lanka	100	100
11.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	100	100
12.	NCSI (ME) W.L.L.	Provision of information technology and communication engineering services	Bahrain	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
13.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	100	100
14.	NCSI (Shanghai), Co. Ltd ⁽¹⁾	Provision of system integration, software research and development and other information technology-related services	People's Republic of China	100	100
15.	Pixable, Inc.	Provision of consumer internet services	USA	100	-
16.	Shanghai Zhong Sheng Information Technology Co., Ltd. ^{(*) (1)}	Provision of information technology training and software resale	People's Republic of China	100	100
17.	SingTel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	100	100
18.	SingTel Global India Private Limited	Provision of telecommunications services and all related activities	India	74	74
19.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	100	100
20.	Singapore Telecom India Private Limited	Engaged in general liaison and support services	India	100	100
21.	Singapore Telecom Japan Co Ltd ^(*)	Provision of telecommunications services and all related activities	Japan	100	100
22.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	100	100
23.	Singapore Telecom USA, Inc. ^(*)	Provision of telecommunications, engineering and marketing services	USA	100	100
24.	SingTel Australia Investment Ltd ^(*)	Investment holding	British Virgin Islands	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.3 Significant subsidiaries incorporated outside Singapore and Australia(Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
25.	SingTel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	100	100
26.	SingTel (Philippines), Inc.	Engaged in general liaison and support services	Philippines	100	100
27.	SingTel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	100	100
28.	SingTel Ventures (Cayman) Pte Ltd ^(*)	Investment holding	Cayman Islands	100	100
29.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	100	100

All companies are audited by a member firm of Deloitte Touche Tohmatsu LLP except for the following -

(*) No statutory audit is required.

(**) Audited by another firm.

Note:

(1) Subsidiary's financial year-end is 31 December.

47.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
1.	ADSB Telecommunications B.V.	Dormant	Netherlands	25.6	25.6
2.	APT Satellite Holdings Limited ⁽¹⁾	Investment holding	Bermuda	20.3	20.3
3.	APT Satellite International Company Limited ⁽¹⁾	Investment holding	British Virgin Islands	28.6	28.6
4.	Infoserve Technology Corp.	Dormant	Cayman Islands	25.0	25.0
5.	NetLink Trust ^{(2) (5)}	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.4 Associates of the Group (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
6.	OpenNet Pte. Ltd. ⁽³⁾	To design, build and operate the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	29.9	29.9
7.	Singapore Post Limited ⁽⁴⁾	Operation and provision of postal services	Singapore	25.6	25.6
8.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications equipment	Singapore	50.0	50.0
9.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	49.2	49.2
10.	Warid Telecom (Private) Limited ⁽⁶⁾	Provision of mobile telecommunications services	Pakistan	-	30.0

Notes:

- (1) The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2012, the financial year-end of the company.
- (2) Audited by Deloitte & Touche LLP, Singapore.
- (3) Audited by Ernst & Young LLP, Singapore.
- (4) Audited by PricewaterhouseCoopers LLP, Singapore.
- (5) NetLink Trust is a business trust established as part of IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network, and is currently 100% owned by SingTel. It is regarded as an associate as SingTel does not have effective control in the trust.
- (6) The company has been disposed during the financial year.

47.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
1.	Abacus Travel Systems Pte Ltd	Marketing and distributing certain travel-related services through on-line airline computerised reservations systems	Singapore	30.0	30.0
2.	Acasia Communications Sdn Bhd ⁽¹⁾	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	14.3	14.3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.5 Joint ventures of the Group (Cont'd)

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
3.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cables	Singapore	41.7	41.7
4.	Advanced Info Service Public Company Limited ⁽²⁾	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	23.3	23.3
5.	ASEAN Cables Pte Ltd	Operation of cables for laying, repair and maintenance of submarine telecommunication cables	Singapore	16.7	16.7
6.	ASEAN Telecom Holdings Sdn Bhd ⁽¹⁾	Investment holding	Malaysia	14.3	14.3
7.	Asiacom Philippines, Inc. ⁽¹⁾	Investment holding	Philippines	40.0	40.0
8.	Bharti Airtel Limited ⁽³⁾	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	32.3	32.3
9.	Bharti Telecom Limited ⁽³⁾	Investment holding	India	36.2	36.2
10.	Bridge Mobile Pte Ltd	Provision of regional mobile services	Singapore	33.8	33.8
11.	Globe Telecom, Inc. ⁽⁴⁾	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	47.3	47.3
12.	Grid Communications Pte Ltd ⁽¹⁾	Provision of public trunk radio services	Singapore	50.0	50.0
13.	Indian Ocean Cables Pte Ltd	Leasing, operating and managing of maintenance-cum-laying cables	Singapore	50.0	50.0
14.	International Cables Pte Ltd	Ownership and chartering of cables	Singapore	45.0	45.0
15.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	33.3	33.3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

47.5 Joint ventures of the Group (Cont'd)

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2013 %	2012 %
16.	OPEL Networks Pty Limited	Dormant	Australia	50.0	50.0
17.	Pacific Bangladesh Telecom Limited ⁽⁵⁾	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	45.0	45.0
18.	Pacific Carriage Holdings Limited	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	39.99	39.99
19.	PT Telekomunikasi Selular ⁽⁶⁾	Provision of mobile telecommunications and related services	Indonesia	35.0	35.0
20.	Radiance Communications Pte Ltd ⁽¹⁾	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	50.0	50.0
21.	Southern Cross Cables Holdings Limited ⁽⁷⁾	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	39.99	39.99
22.	SSBI Pte. Ltd.	Provision of business and management consultancy services	Singapore	50.0	50.0
23.	VA Dynamics Sdn Bhd ⁽¹⁾	Distribution of networking cables and related products	Malaysia	49.0	49.0

Notes:

- (1) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2012, the financial year-end of the company.
- (2) Audited by KPMG Phoomchai Audit Ltd, Bangkok.
- (3) Audited by S.R.Batliboi & Associates, New Delhi (a member firm of Ernst & Young).
- (4) Audited by SGV & Co. (a member firm of Ernst & Young).
- (5) Audited by S. F. Ahmed & Co (SFACO) (an international associate firm of Ernst & Young).
- (6) Audited by Purwantono, Suherman & Surja (a member firm of Ernst & Young).
- (7) Audited by KPMG, Bermuda.

INTERESTED PERSON TRANSACTIONS

The aggregate value of all interested person transactions during the financial year ended 31 March 2013 (excluding transactions less than S\$100,000) were as follows -

Name of interested person	S\$ mil
Advanced Info Service Public Company Limited	2.3
Aetos Security Management Pte Ltd	2.5
APL Global Service Center (Chong Qing) Company Limited	0.5
Certis Cisco Security Technology Pte Ltd	0.4
E-Cop Pte Ltd	0.1
Fullerton Fund Management Company Ltd	0.3
Grid Communications Pte Ltd	0.3
iDirect Asia Pte Ltd	0.2
iShopAero Pte Ltd	1.5
MediaCorp TV Singapore Pte Ltd	0.3
MediaCorp Pte Ltd	0.5
MediaCorp VizPro International Pte Ltd	0.4
NexWave Technologies Pte Ltd	0.2
Nucleus Connect Pte Ltd	3.3
Nxgen Communications Pte Ltd	0.1
Radiance Communications Pte Ltd	0.9
S & I Systems Pte Ltd	2.5
SATS Ltd	0.6
Singapore Technologies Aerospace Ltd	0.1
Singapore Technologies Electronics Ltd	0.5
Singapore Technologies Kinetics Ltd	0.8
SMRT Trains Ltd	1.3
SP PowerAssets Limited	1.5
StarHub Ltd	50.3
StarHub Cable Vision Ltd	29.7
StarHub Mobile Pte Ltd	12.9
ST Electronics (Info-Comm Systems) Pte Ltd	0.7
ST Electronics (Satcom & Sensor Systems) Pte Ltd	0.2
	114.9

SHAREHOLDER INFORMATION

As at 30 May 2013

ORDINARY SHARES

Number of ordinary shareholders	303,338
Number of holders of CHESS Units of Foreign Securities relating to ordinary shares in the Company (CUFS)	19,670

Voting rights:

On a show of hands – every member present in person and each proxy shall have one vote

On a poll – every member present in person or by proxy shall have one vote for every share he holds or represents

(The Company cannot exercise any voting rights in respect of shares held by it as treasury shares)

SingTel shares are listed on Singapore Exchange Securities Trading Limited and ASX Limited (**ASX**) (in the form of CUFS).

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	Deemed Interest
Temasek Holdings (Private) Limited	8,271,325,982	8,943,036 ⁽¹⁾

Note:

⁽¹⁾ Deemed through interests of associated companies and/or subsidiaries.

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of shares held	% of issued share capital ⁽¹⁾
1	Temasek Holdings (Private) Limited	8,271,325,982	51.88
2	Citibank Nominees Singapore Pte Ltd	1,604,372,520	10.06
3	DBS Nominees Pte Ltd	1,576,200,348 ⁽²⁾	9.89
4	DBSN Services Pte Ltd	1,457,920,600	9.15
5	Central Provident Fund Board	912,976,437	5.73
6	HSBC (Singapore) Nominees Pte Ltd	679,919,938	4.27
7	United Overseas Bank Nominees Pte Ltd	314,515,838	1.97
8	BNP Paribas Securities Services	201,959,120	1.27
9	Chess Depositary Nominees Pty Limited ⁽³⁾	190,396,091	1.19
10	Raffles Nominees (Pte) Ltd	164,513,582	1.03
11	Societe Generale Singapore Branch	17,931,170	0.11
12	OCBC Nominees Singapore Private Limited	16,294,779	0.10
13	Merrill Lynch (Singapore) Pte Ltd	15,994,353	0.10
14	DB Nominees (Singapore) Pte Ltd	14,451,800	0.09
15	Bank of Singapore Nominees Pte Ltd	10,106,508	0.06
16	Morgan Stanley Asia (Singapore)	3,873,746	0.02
17	Chua Sock Koong	3,700,403	0.02
18	Yeo Kok Seng	3,185,610	0.02
19	Gan Teck Yeow Sdn Bhd	3,000,000	0.02
20	Yeo Wei Yan	2,991,000	0.02
		15,465,629,825	97.00

Notes:

⁽¹⁾ The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 30 May 2013, excluding 1,006,297 ordinary shares held as treasury shares as at that date.

⁽²⁾ Excludes 1,006,297 ordinary shares held by DBS Nominees Pte Ltd as treasury shares for the account of the Company.

⁽³⁾ The shares held by CHESS Depositary Nominees Pty Limited are held on behalf of the persons entered in the register of CUFS holders.

SHAREHOLDER INFORMATION

As at 30 May 2013

MAJOR CUFS HOLDERS LIST ⁽¹⁾ – TOP 20

No.	Name	No. of CUFS held	% of issued share capital ⁽²⁾
1.	RBC Investor Services Australia Nominees Pty Limited <PI POOLED A/C>	22,636,481	0.14
2.	National Nominees Limited	21,060,384	0.13
3.	J P Morgan Nominees Australia Limited	19,833,883	0.12
4.	HSBC Custody Nominees (Australia) Limited	16,368,392	0.10
5.	BNP Paribas Nominees Pty Ltd <DRP>	10,845,314	0.07
6.	JP Morgan Nominees Australia Limited <CASH INCOME A/C>	9,678,613	0.06
7.	Citicorp Nominees Pty Limited <COLONIAL FIRST STATE INV A/C>	6,218,574	0.04
8.	AMP Life Limited	5,407,554	0.03
9.	RBC Investor Services Australia Nominees Pty Limited <PIIC A/C>	3,986,951	0.03
10.	HSBC Custody Nominees (Australia) Limited <NT-COMNWLTH SUPER CORP A/C>	2,700,829	0.02
11.	HSBC Custody Nominees (Australia) Limited - A/C 3	2,576,806	0.02
12.	Paul O'Sullivan	1,924,954	0.01
13.	The Australian National University	1,800,000	0.01
14.	Share Direct Nominees Pty Ltd <10026 A/C>	1,140,939	0.01
15.	Citicorp Nominees Pty Limited	990,993	0.01
16.	UBS Nominees Pty Ltd	988,777	0.01
17.	Brispot Nominees Pty Ltd <HOUSE HEAD NOMINEE NO 1 A/C>	882,061	0.01
18.	J P Morgan Nominees Australia Limited	698,800	0.00
19.	RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	560,417	0.00
20.	Michael Gordon Smith	342,308	0.00
		130,643,030	0.82

Notes:

⁽¹⁾ CUFS are CHESS Units of Foreign Securities relating to ordinary shares in the Company. The shares are held by CHESS Depository Nominees Pty Limited on behalf of the persons entered in the CUFS register.

⁽²⁾ The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 30 May 2013, excluding 1,006,297 ordinary shares held as treasury shares as at that date.

ANALYSIS OF SHAREHOLDERS AND CUFS HOLDERS

Range of holdings	No. of holders	% of holders	No. of shares/CUFS	% of issued share capital
1 - 999	262,362	81.22	60,950,602	0.38
1,000 - 5,000	45,086	13.96	101,342,861	0.64
5,001 - 10,000	8,352	2.59	62,864,026	0.39
10,001 - 100,000	6,711	2.08	167,890,761	1.05
100,001 - 1,000,000	436	0.13	104,719,027	0.66
1,000,001 and above	61	0.02	15,445,809,672	96.88
	323,008	100.00	15,943,576,949	100.00

Number of holders holding less than a marketable parcel

4,678

Notes:

1. This table is compiled on the basis that each holding of CUFS is a separate holding and, accordingly, the holding of shares by CHESS Depository Nominees Pty Limited is ignored.

2. Based on information available to the Company as at 30 May 2013, approximately 48% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with. The percentage of issued ordinary shares held by the public is calculated based on the number of issued ordinary shares of the Company as at 30 May 2013, excluding 1,006,297 ordinary shares held as treasury shares as at that date.

3. A marketable parcel is defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in Australian dollars, based on the closing price of the securities on the ASX.

4. As at 30 May 2013, the number of ordinary shares held in treasury is 1,006,297, and the percentage of such holding against the total number of issued ordinary shares (excluding ordinary shares held as treasury shares) is 0.01%.

SHARE PURCHASE MANDATE

At the Extraordinary General Meeting of the Company held on 27 July 2012 (**2012 EGM**), the shareholders approved the renewal of a mandate to enable the Company to purchase or otherwise acquire not more than 5% of the issued ordinary share capital of the Company as at the date of the 2012 EGM. As at 30 May 2013, there is no current on-market buy-back of shares pursuant to the mandate.

CORPORATE INFORMATION ⁽¹⁾

BOARD OF DIRECTORS

Simon Israel (Chairman)
Chua Sock Koong (Group CEO)
Bobby Chin
Fang Ai Lian
David Gonski AC ⁽²⁾
Dominic Ho
Low Check Kian
Peter Mason AM ⁽³⁾
Kaikhushru Nargolwala
Peter Ong
Ong Peng Tsin

AUDIT COMMITTEE

Fang Ai Lian (Chairman)
Bobby Chin
Dominic Ho
Peter Ong

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Kaikhushru Nargolwala (Chairman)
Fang Ai Lian
Simon Israel
Peter Mason AM ⁽³⁾

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

Kaikhushru Nargolwala (Chairman)
Dominic Ho
Simon Israel
Low Check Kian

FINANCE AND INVESTMENT COMMITTEE

Simon Israel (Chairman)
Low Check Kian
Kaikhushru Nargolwala
Ong Peng Tsin

RISK COMMITTEE

Bobby Chin (Chairman)
David Gonski AC ⁽²⁾
Peter Ong
Ong Peng Tsin

OPTUS ADVISORY COMMITTEE

Peter Mason AM ⁽³⁾ (Chairman)
Chua Sock Koong
David Gonski AC ⁽²⁾
Simon Israel

COMPANY SECRETARY

Chan Su Shan

ASSISTANT COMPANY SECRETARY

Lim Li Ching

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Notes:

⁽¹⁾ As at 9 May 2013

⁽²⁾ Companion of the Order of Australia

⁽³⁾ Member of the Order of Australia

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