SingTel

SINGAPORE TELECOMMUNICATIONS LIMITED ANNUAL REPORT 2008/2009

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SingTel is Asia's leading communications group, providing a diverse range of innovative communications services including fixed, mobile, data, Internet, IT and TV.

STAYING RESILIENT • STRIVING TOGETHER

Resilience is a trait that is often appreciated only in challenging times, but reflects the underlying strength and true capability of a corporation. In a year that many companies worldwide found difficult, SingTel achieved growth and profitability, and laid the foundations for continuing success.

Amid the economic downturn, we are striving as a Group, innovating and improving, so that we continue to offer a great experience for our customers as well as the best value proposition for our investors.

Staying resilient, striving together. That's how SingTel will emerge even stronger than before.

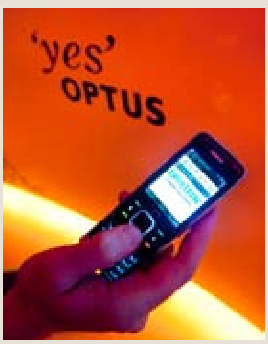
NO.1 IN iPHONES

The SingTel Group secured the rights to bring the Apple iPhone™ 3G to Australia, India, Indonesia, the Philippines and Singapore. We are the only telcos in Indonesia, Singapore and the Philippines to offer the iPhone 3G. Smart phones like the iPhone 3G are integral to the Group's strategy of attracting high value data-centric customers.

#1

SingTel ranked top* in international Internet Protocol Virtual Private Network (IP VPN) solutions in the Asia-Pacific ex Japan region. We will continue to build on the strength of our IP VPN solutions to offer the best performance and value.

*Based on IDC's Asia/Pacific Semiannual Fixed-Line Telecom Services Tracker, First Half 2008 report



33%

Data revenue as a percentage of mobile service revenue for Optus customers. The Group is driving customers' data usage with compelling device line-ups and useful applications.

100 Mbps

Next Generation National Broadband Networks are being planned in Singapore and Australia.

In Singapore, OpenNet – in which SingTel has a 30% stake – was awarded the contract to build and operate the passive infrastructure for the Next Generation National Broadband Network (NGNBN). The nationwide NGNBN is expected to offer users broadband speeds of at least 100 Mbps initially, and eventually up to 1 Gbps.

In Australia, the Government announced it will establish a new company that will invest up to A$43 billion over eight years to build and operate a National Broadband Network (NBN). The NBN will deliver broadband access speeds of up to 100 Mbps to 90% of Australian homes, schools and workplaces.

SingTel and Optus will leverage the networks to provide integrated high-speed services, differentiated through our unique bundling capabilities and attractive content. With OpenNet utilising SingTel's existing infrastructure for its fibre rollout, SingTel will generate new income streams. In Australia, the NBN paves the way for regulatory reform and opens up significant opportunities for Optus in the fixed-line market.

S$240 MILLION

SingTel successfully acquired Singapore Computer Systems for about S$240 million. This enabled NCS – SingTel's existing wholly-owned IT arm – to expand its scale and strengthen its leadership in the government sector.

+32 MILLION

Bharti Airtel added a record 32 million customers in the past year and maintained its significant lead over all other operators in the country.

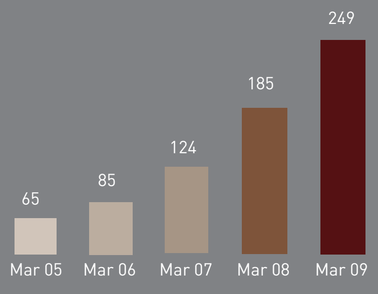
652,000

NEW MOBILE CUSTOMERS IN AUSTRALIA

Optus registered strong growth momentum in mobile, underpinned by targeted acquisition activities, innovative offers and growth in wireless broadband.

249 MILLION

SingTel is present in some of the fastest growing mobile markets in the world and serves 249 million customers across Asia Pacific.



46%

MOBILE MARKET SHARE IN SINGAPORE

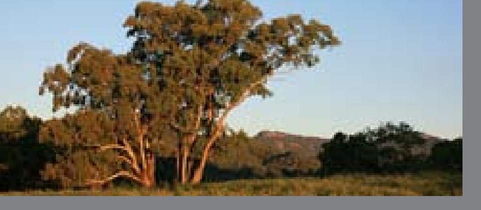
SingTel continues to lead and shape the Singapore market. In the past year, we successfully leveraged full Mobile Number Portability to extend our leadership in the Singapore mobile market.

96%

HSPA COVERAGE IN AUSTRALIA

Optus is extending its 3G HSPA network to reach 98% of Australia's population, up from 96% currently.

With this investment, Optus will be the only carrier capable of challenging the incumbent telco's network on both coverage and speed.



INNOVATION

SingTel is committed to innovation as the Group transforms from a pure carriage telco to a one-stop provider of integrated multimedia and ICT solutions.

During the year, mio TV, the pay TV service in Singapore, gained traction with breakthrough offerings such as 'Season Pass' - which offers the latest Hollywood TV series as early as 24 hours after the US premiere – a first in the world.

In Australia, Optus launched prepaid wireless broadband, which lets customers surf for as much or as little as their budget allows. Optus also launched an industry first - 'yes' Timeless plans that provide unlimited calls and SMSes.

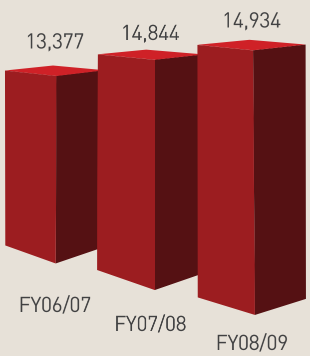
FINANCIAL HIGHLIGHTS

During the year, the Singapore and Australia operations turned in strong performances despite the economic challenges. In local currency terms, Singapore revenue grew 13% and Optus revenue rose 7%. However, due to the significant depreciation in the Australian dollar, Group revenue – of which nearly two-thirds are derived from Australia – remained stable.

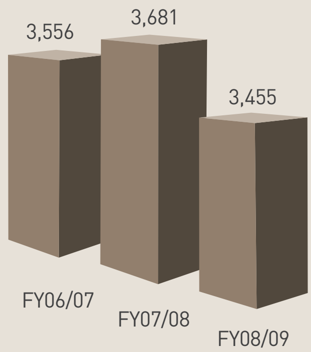
Underlying net profit declined 6%, similarly impacted by foreign currency movements as the Singapore dollar strengthened against the Australian dollar and regional currencies. Assuming exchange rates remained unchanged, underlying net profit would have grown 3%.

The Group has a diversified earnings base as a result of its investment in fast-growing overseas markets. Overseas operations contributed 72% to proportionate EBITDA.

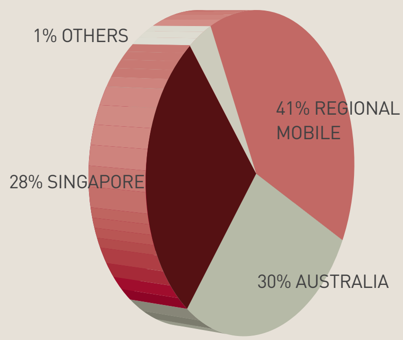
OPERATING REVENUE
(S$ MILLION)



UNDERLYING NET PROFIT [1]
(S$ MILLION)



PROPORTIONATE EBITDA [2]



SingTel is the largest listed company in Singapore and has investments in key markets throughout the Asia Pacific region. Today, overseas operations contribute about 73% of the Group's proportionate revenue and 72% of proportionate EBITDA.

In Singapore, SingTel continues to lead and shape the telecommunications market while investing in new growth engines like Managed Services, ICT, TV and advertising. Optus is a challenger in the Australian telecommunications market, with scale advantage and the ability to deliver bundled wireless and fixed customer solutions. SingTel's investments in the large, underpenetrated markets of Asia provide a significant growth impetus for the Group.

With presence in both emerging and mature markets and a track record of high cash returns, SingTel delivers a combination of growth and returns to its shareholders.

Notes:

(1) 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) Based on proportionate earnings before interest, tax, depreciation and amortisation. As the associates are not consolidated on a line-by-line basis, proportionate information is provided as supplemental data to show the relative contribution from the different markets that the Group operates in.

SINGAPORE

13%

REVENUE GROWTH

EBITDA (S$ million)	+8%
FY08/09	2,162
FY07/08	2,011

- Data & Internet revenue rose 11%, driven by higher demand for Ethernet services, and strong growth in Managed Services revenue
- Mobile revenue increased 9%, reflecting SingTel's investments in the smartphone/ integrated devices strategy and initiatives in the prepaid market
- IT & Engineering revenue surged 47% with the acquisition of SCS. Excluding SCS, IT revenue rose 11%, driven by higher sales of hardware, systems and network integration projects

AUSTRALIA

7%

REVENUE GROWTH

EBITDA (A$ million)	+3%
FY08/09	2,067
FY07/08	2,002

- Mobile revenue surged 13%, underpinned by strong demand for wireless broadband and iPhone 3G, as well as the new 'yes' Timeless unlimited plans
- Business and Wholesale Fixed revenue rose 5% as Optus continued to drive on-net traffic and grow share in data and IP services
- In Consumer and Small-Medium Business Fixed, Optus remained focused on on-net customer growth while exiting from unprofitable resale services

REGIONAL

35%

CUSTOMER GROWTH (1)

Earnings (2) (S$ million)	-21%
FY08/09	1,958
FY07/08	2,487

- In India, Bharti registered impressive record customer growth despite an increase in competition
- In Indonesia, Telkomsel earnings declined, largely due to a sharp fall in Average Revenue Per User (ARPU) as competition intensified
- Regional mobile associates pre-tax earnings declined 21% due largely to a stronger Singapore dollar and lower contribution from Telkomsel. If regional currencies had remained constant, pre-tax earnings would have declined 10%

Notes:
(1) Group's combined mobile customer base.
(2) Based on the Group's share of pre-tax profit of regional mobile associates.

CHAIRMAN'S STATEMENT

As a Group, with major telecom operations in eight countries, we will leverage the strength of our combined customer base of 249 million to achieve cost and revenue synergies.

DEAR SHAREHOLDERS,

The Group performed well and showed resilience in a difficult year. In Singapore, we continued to lead and shape the industry, gaining profitable market share in key segments. In Australia, Optus delivered some of its best quarterly results in mobile. Our international business contributed significantly, with Bharti and Telkomsel maintaining their significant lead over other operators in India and Indonesia respectively.

For the year ended 31 March 2009, Group revenue increased 0.6 per cent to S$14.93 billion while EBITDA dipped 8.6 per cent to S$6.48 billion. Underlying net profit was S$3.46 billion, down 6.1 per cent from the previous year. A significant portion of our business is outside of Singapore, which subjects our financial results to foreign exchange volatility as we report in Singapore dollars.

The Board has recommended a final dividend of 6.9 cents per share for the year, unchanged from last year. Together with the interim dividend of 5.6 cents per share, we are pleased to return a total of S$1.99 billion or 12.5 cents per share to our shareholders.

LEVERAGING GROUP SCALE

The Group remains focused on being Asia Pacific's leading communications group. Our regional mobile customer base, the largest in Asia outside of China, expanded 35 per cent to 249 million as at 31 March 2009. This large scale gives us operational advantages and synergies which we captured during the year.

Securing the rights to bring the much sought-after Apple iPhone™ 3G to Australia, India, Indonesia, the Philippines and Singapore can be credited to the various businesses working as a group and demonstrates our great teamwork. In the Philippines and Singapore, and more recently, Indonesia, we are currently the only telcos to offer the iPhone 3G and in Australia, Optus has the largest share of iPhone 3G activations. Telkomsel launched the iPhone 3G in March 2009.

Group presence was also evident in our title sponsorship of the Formula 1™ SingTel Singapore Grand Prix. Held in September 2008, the first ever night race in Formula 1™ history raised the Group's international profile. Being associated with this historic event accelerated the transformation of SingTel's image into that of an innovative company with cutting-edge technology and strong emphasis on customer experience.

EXPLORING NEW FRONTIERS

Our transformation process underpins the real progress the Group has made in growing new revenue streams and reducing our dependence on pure carriage services. This has allowed us to further entrench our market and network leadership, and has helped us to focus on customer-centric services.

In the consumer space, we continued to deliver content-rich multimedia experiences to our Singapore customers via phone, PC, TV and mobile Internet through initiatives such as mio. Also allowing improved access to a wider range of multimedia content is our 3G dual-band mobile network in Australia, which grew to reach 96 per cent of the country's population in 2008.

In the business segment, we have succeeded in becoming a higher value-added service provider and a one-stop solutions provider to our customers. Our acquisition of SCS Computer Systems Pte. Ltd., formerly known as Singapore Computer Systems Limited, during the year enlarged the Group's Information Technology (IT) footprint in the region and strengthened our capabilities and capacity. We also provided compelling Infocomm Technology (ICT) services to a wide range of customers. One key achievement is that we have become the leading international Internet Protocol Virtual Private Network (IP VPN) service provider in Asia Pacific excluding Japan.

Even as we effect change, our operating landscape is poised to change as a result of plans by the governments of Singapore and Australia to introduce super fast high speeds broadband. Because we are prepared to innovate, these changes will provide opportunities to accelerate our transformation.

In Singapore, OpenNet, in which SingTel owns a 30 per cent stake, was appointed the Network Company for the Next Generation National Broadband Network (NGNBN). SingTel was also appointed as the key contractor for OpenNet and will be responsible for rolling out a high-quality fibre network to all premises.

This project enables us to participate in the financial returns from our investment in the consortium, and to monetise our passive infrastructure in ducts, manholes and exchanges. With the NGNBN, SingTel will be able to leverage the new high-speed network to extend our leading edge as a full service provider in broadband and multimedia solutions, while avoiding significant capital expenditure.

In Australia, the Government has also announced plans to fund and build a 'Fibre to the Premises' network for high speed broadband. This is a positive outcome for Optus as it should enable us to provide services on a sustainable basis and is consistent with our goals of giving households, schools and businesses super fast broadband. This will have a profound impact on how Australians live, work and play, and Optus will be at the forefront of that revolution.

EXCITING OUR CUSTOMERS

In 2008, we made further strides in delivering sustainable customer experience and value-for-money products.

We opened our SingTel Shop, the first retail store in Singapore offering a next-generation multimedia shopping experience. We also continued to expand our fourth generation Optus 'yes' stores into regional and metro under-served markets in Australia.

Our pay TV service, mio TV, continued to enhance customer experience in Singapore. Besides introducing 'live' broadcasts of Italian Serie A football, we launched the world's first 'Season Pass', allowing viewers to watch the latest seasons of top US television series as early as 24 hours after their US telecast.

With the economic slowdown, customers are now seeking more value for money. To offer them more options, we launched new cost-effective Smart Packages of ICT services for businesses and money-saving bundles for mobile postpaid and broadband consumers in Singapore.

In Australia, Optus became the first major operator to offer prepaid wireless broadband plans, enjoying exponential growth in wireless broadband with new pricing and expanded product offerings. Optus also introduced an industry first, 'yes' Timeless mobile plans providing unlimited national calls and standard national SMS to any network in the country.

These new products and services were the result of the Group's strong emphasis on innovation. Given its importance, we are constantly championing innovation across the business and ICT spectrum. An example of this is our business innovation forum, i.luminate, which we held for the first time in 2008. The event promoted innovation and showcased over 100 ICT solutions developed by SingTel and its partners.

CHAIRMAN'S STATEMENT

EXERCISING CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to being a responsible corporate citizen. In 2008, the SingTel Touching Lives Fund raised S$2.2 million for charity. Contributions came from our business partners, customers, employees and members of the public, with SingTel matching outright cash donations.

In Australia, our support included the Kid's Helpline, which provides free online counselling to children. We raised A$3.2 million for this cause alone.

We also seek to respond promptly with relief assistance to natural disasters in communities where we operate. SingTel donated S$200,000 to relief and reconstruction efforts after the May 2008 earthquakes in China's Sichuan province. Following the bushfires in Victoria, Australia, Optus provided mobile and satellite telecommunication services, and pledged A$250,000 to the Salvation Army Bushfire Appeal. Optus employees also raised another A$140,000 for the victims.

LOOKING AHEAD

SingTel has gone through various business cycles, emerging in a stronger position each time.

The current economic downturn is unprecedented. And we are responding by focusing on our execution as well as being disciplined on the cost front. However, cutting costs does not mean cutting corners. We will continue with staff training programmes and talent development despite the challenging times. This is because our people are key to our success and we invest in them for the long term.

Recognising that cost is a concern for our customers also, we will continue to develop affordable packages of value-added services to help them reduce overheads.

In Singapore, we are on track to be a leading multimedia solutions company. We will continue to capitalise on our strong market position in traditional carriage services and invest in new growth engines particularly in Managed Services, ICT, TV and advertising.

In Australia, we are committed to protecting Optus' strong position in mobile. We will continue to differentiate not only through our scale in mobile, but also through our capabilities in delivering bundled wireless and fixed customer solutions, and a strong focus on customer experience.

As a Group, with major telecom operations in eight countries, we will leverage the strength of our combined customer base of 249 million to achieve cost and revenue synergies. By tapping on our customer relationships, we intend to expand into related markets and services including mobile remittances and advertising. With some of the best Asian telecom assets, the Group is strongly positioned for growth and will continue to differentiate ourselves as a leading communications group in Asia Pacific.

Financially, the Group is in a strong position. Cash flow is strong, and we have a healthy debt level with net gearing ratio of about 24 per cent. We continue to look for new investment opportunities in Asia and emerging adjacent markets, and are prepared to increase our stakes in existing associates. We will evaluate opportunities in a financially disciplined manner.

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings.

ACKNOWLEDGMENTS

We have done very well despite the uncertainties in the global market and this is due to the efforts of our employees, stakeholders and partners. I would like to thank them, our shareholders, my fellow directors, the management and the union for their support.

In particular, I would like to thank Professor Tommy Koh for his invaluable services as a Board member from 2003 to 2008.

CHUMPOL NALAMLIENG
Chairman

ORGANISATION STRUCTURE

GROUP CHIEF EXECUTIVE OFFICER

Audit Committee

Vice President (Audit)

Chief Executive Officer (International)
- Business Management
- Regional Operations
- Regional Technical
- Strategic Investments
- SingTel Group Innovations

Chief Executive Officer (Optus)
- Optus Business
- Optus Consumer
- Optus Small and Medium Business
- Optus Wholesale and Satellite
- Networks*
- Products and Delivery
- Virgin Mobile Australia
- Support Units*

Chief Executive Officer (Singapore)
- Business
- Consumer
- NCS
- Networks*
- SingTel Global Offices
- Carrier Services Integrated Business Unit
- Content & Media Services
- Support Units*

Group Chief Financial Officer
- Finance
- Corporate Affairs
  - Investor Relations
  - Tax Planning and Compliance
  - Treasury

Director (Corporate Communications)

General Counsel/ Company Secretary

Group Chief Information Officer

Group Chief Strategy Officer

Group Chief Technology Officer

Group Director (Human Resource)

* These functions dual report to the respective Group Functional Heads

BOARD OF DIRECTORS

CHUMPOL NALAMLIENG GRAHAM JOHN BRADLEY CHUA SOCK KOONG FANG AI LIAN HENG SWEE KEAT DOMINIC CHIU FAI HO

SIMON ISRAEL   JOHN POWELL MORSCHEL   KAIKHUSHRU SHIAVAX NARGOLWALA   ONG PENG TSIN   DEEPAK S PAREKH   NICKY TAN NG KUANG

BOARD OF DIRECTORS

CHUMPOL NALAMLIENG

Chairman

Mr NaLamlieng, 62, is a non-executive and independent Director of SingTel. He was appointed a Director on 13 June 2002 and Chairman on 29 August 2003. Mr NaLamlieng was last re-elected as a Director on 25 July 2008.

Mr NaLamlieng is a Member of the Board of Directors of The Siam Cement Public Co., Ltd. ("Siam Cement"). He was President of Siam Cement for 13 years before stepping down in December 2005. His career with Siam Cement spans more than 30 years.

Mr NaLamlieng is also a non-executive Director of British Airways Plc. and the Siam Commercial Bank Public Co., Ltd.

Mr NaLamlieng was conferred the Royal Decoration, Knight Grand Commander (Second Class, Higher Grade) of the Most Illustrious Order of Chula Chom Klao, Thailand in May 2002 and the Officier de l'Ordre National du Mérite, France in July 2004. He holds a Bachelor of Science (Mechanical Engineering) from the University of Washington, US and a Master of Business Administration from Harvard Business School, US.

GRAHAM JOHN BRADLEY

Mr Bradley, 60, is a non-executive and independent Director of SingTel. He was appointed a Director on 24 March 2004 and was last re-elected on 25 July 2008.

Mr Bradley is a professional company director and is also involved in various philanthropic pursuits. He practised law for six years in Australia and US before joining McKinsey & Company in 1978. He was a Senior Partner of McKinsey & Company from 1984 to 1991, National Managing Partner of Blake Dawson from 1991 to 1995, and CEO of Perpetual Limited from 1995 to 2003.

Mr Bradley is Chairman of HSBC Bank Australia Limited, Stockland Corporation Limited, Boart Longyear Limited and Po Valley Energy Limited. He is also a Director of Brandenburg Ensemble Limited. He is the former Chairman of Film Finance Corporation Australia Limited, Garvan Research Foundation and Sydney Community Foundation and a former Director of MBF Australia Limited and Queensland Investment Corporation.

Mr Bradley holds a Bachelor of Arts and a Bachelor of Laws from The University of Sydney and a Master of Laws from Harvard Law School, US.

CHUA SOCK KOONG

Ms Chua, 51, is an executive and non-independent Director of SingTel. She was appointed a Director on 12 October 2006 and Group Chief Executive Officer (CEO) on 1 April 2007. She was last re-elected on 27 July 2007.

Ms Chua joined SingTel in June 1989 as Treasurer. In April 1999, she was appointed Chief Financial Officer (CFO), a position she held till February 2006 when she assumed the positions of Group CFO and CEO (International). She was appointed Deputy Group CEO on 12 October 2006.

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, the Casino Regulatory Authority and the Public Service Commission. She is a former Board Member of JTC Corporation.

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

FANG AI LIAN

Fang Ai Lian, 59, is a non-executive and independent Director of SingTel. She was appointed a Director on 7 August 2008.

Mrs Fang has been the Chairman of Great Eastern Holdings Ltd since April 2008, as well as Chairman of its insurance subsidiaries in both Singapore and Malaysia. 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. She is a Board Member of International Enterprise Singapore. She is also the Chairman of the Charity Council and the Tax Academy of Singapore and President of the Home Nursing Foundation and the Breast Cancer Foundation. She was previously a Board Member of the Public Utilities Board.

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.

HENG SWEE KEAT

Mr Heng, 48, is a non-executive and independent Director of SingTel. He was appointed a Director on 4 July 2003 and was last re-elected on 27 July 2007.

Mr Heng is the Managing Director of the Monetary Authority of Singapore. He is also Chairman of The Institute of Banking and Finance.

Mr Heng has served in various government departments. He joined the Singapore Administrative Service in 1997 and was appointed Principal Private Secretary to the Senior Minister from 1997 to 2000. He was appointed Deputy Secretary at the Ministry of Trade and Industry in 2000 and CEO of the Trade Development Board in 2001. He was Permanent Secretary at the Ministry of Trade and Industry from 23 October 2001 to April 2005.

Mr Heng was conferred the Public Administration Medal (Gold) at the Singapore National Day Awards 2001. He holds a Bachelor of Arts from the University of Cambridge, UK and a Master of Public Administration from Harvard University, US.

DOMINIC CHIU FAI HO

Mr Ho, 58, is a non-executive and independent Director of SingTel. He was appointed a Director on 28 November 2007 and was last re-elected on 25 July 2008.

Mr Ho is the founder and a partner of HOPU Investment Management Co., Ltd. and a Director of Hang Lung Properties 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. He is a member of the American Institute of Accountants and a member of the Hong Kong Institute of Certified Public Accounts.

BOARD OF DIRECTORS

SIMON ISRAEL

Mr Israel, 56, is a non-executive and non-independent Director of SingTel. He was appointed a Director on 4 July 2003 and was last re-elected on 27 July 2007.

Mr Israel is Chairman of the Singapore Tourism Board and Asia Pacific Breweries Limited, and an Executive Director of Temasek Holdings (Private) Limited. He is also a Director of Neptune Orient Lines Limited and Fraser and Neave Limited.

Mr Israel was Chairman, Asia Pacific of Danone Asia, and a member of the Executive Committee of Group Danone before stepping down in June 2006. He held various positions in Sara Lee Corporation in the Asia Pacific region, including Country Manager/Zone Manager for Indonesia, the Philippines, the South Pacific and Thailand from 1974 to 1991, before becoming President (Household & Personal Care), Asia Pacific from 1992 to 1996.

Mr Israel is a former Director of Britannia Industries Ltd, Danone Asia Pte Ltd, Danone Food & Beverages India Pvt Ltd, Frucor Beverages Group Limited, Griffins Foods Pte Ltd, Hangzhou Wahaha Food Co. Ltd., PT Tirta Investama, Wuhan Dongda Brewery Co. Ltd, Wuhan Euro Dongxihu Brewery Co. Ltd, Wuhan Xingyingge Brewery Co. Ltd, Yakult Honsha Co., Ltd and Yeo Hiap Seng Ltd.

Mr Israel holds a Diploma in Business Studies from The University of the South Pacific.

JOHN POWELL MORSCHEL

Mr Morschel, 66, is a non-executive and independent Director of SingTel. He was appointed a Director on 14 September 2001 and was last re-elected on 27 July 2007.

Mr Morschel is a non-executive Director of Australia and New Zealand Banking Group Limited and Tenix Group Pty. Ltd. Prior to his present appointment, he was an Executive Director and then Managing Director and Chief Executive of Lend Lease Corporation Limited.

Mr Morschel was Chairman of Rinker Group Limited, CSR Limited and Leighton Holdings Limited. He is also a former Director of Westpac Banking Corporation, Rio Tinto plc and Rio Tinto Limited.

Mr Morschel holds a Diploma in Quantity Surveying from The University of New South Wales. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management.

KAIKHUSHRU SHIAVAX NARGOLWALA

Mr Nargolwala, 59, is a non-executive and the Lead Independent Director of SingTel. He was appointed a Director on 29 September 2006 and was last re-elected on 27 July 2007.

Mr Nargolwala joined Credit Suisse in January 2008 and is the Chief Executive Officer of Credit Suisse Asia Pacific and a member of the Executive Board.

Mr Nargolwala was a Group Executive Director of Standard Chartered PLC before he stepped down on 5 September 2007. 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 was a non-executive Director of Tate & Lyle PLC from December 2004 to December 2007. He was also a non-executive Director of the Asia Pacific Region Board of Visa International until October 2007.

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.

ONG PENG TSIN

Mr Ong, 46, is a non-executive and independent Director of SingTel. He was appointed a Director on 1 June 2009.

Mr Ong is Chairman of InfoComm Investments Pte Ltd and is a strategic consultant to IBM. Mr Ong was the founder and Chairman of Encentuate, a company providing enterprise digital identity systems. IBM acquired Encentuate in 2008.

Prior to starting Encentuate, Mr Ong was the founder and Chairman of Interwoven Inc., a leading provider of content infrastructure. Before Interwoven, Mr Ong was co-founder and chief architect of Electric Classifieds, Inc., the creators of Match.com and held various engineering and management roles at Illustra (now IBM Informix), Sybase Inc., and Gensym Corporation. He is a former Director of InfoComm Development Authority of Singapore.

Mr Ong holds a Bachelor of Science in Electrical Engineering from the University of Texas (US) and a Master of Science in Computer Science from the University of Illinois (US).

DEEPAK S PAREKH

Mr Parekh, 64, is a non-executive and independent Director of SingTel. He was appointed a Director on 31 May 2004 and was last re-elected on 27 July 2007.

Mr Parekh is Chairman of Housing Development Finance Corporation Limited ("HDFC") in India. He joined HDFC in 1978 and was its Managing Director from 1985 until he assumed his present office in 1993.

Mr Parekh is the non-executive Chairman of GlaxoSmith-Kline Pharmaceuticals Ltd, HDFC Asset Management Company Ltd, HDFC Ergo General Insurance Company Ltd, HDFC Standard Life Insurance Company Ltd, Siemens Ltd. and Infrastructure Development Finance Company Ltd. He sits on the Boards of Castrol India Ltd, Hindustan Unilever Limited, Hindustan Oil Exploration Co Ltd, The Indian Hotels Company Limited, Mahindra & Mahindra Limited, Satyam Computer Services Limited, WNS Global Services Private Limited and Airport Authority of India.

Mr Parekh is a former Director of ICI India Ltd, National Housing Bank and National Thermal Power Corporation Ltd. He has been a member of various committees set up by the Government of India to examine policy issues, including the Investment Commission Committee.

Mr Parekh has received several awards, including the Padma Bhushan from the Government of India in 2006, the Businessman of the Year 1996 from Business India and the JRD Tata Corporate Leadership Award from the All India Management Association. He was also the first recipient of the Qimpro Platinum Award for Quality for his contributions to the services sector and the youngest recipient of the prestigious Corporate Award for Lifetime Achievement from the Economic Times. On 24 January 2008, Mr Parekh was awarded the Lifetime Achievement Award by FinanceAsia for his contribution towards the banking/financial sector in Asia.

Mr Parekh holds a Bachelor of Commerce from Sydenham College of Commerce & Economics, Mumbai. He is a Chartered Accountant and a member of The Institute of Chartered Accountants in England and Wales.

NICKY TAN NG KUANG

Mr Tan, 50, is a non-executive and independent Director of SingTel. He was appointed a Director on 12 March 2002 and was last re-elected on 25 July 2008.

Mr Tan currently manages nTan Corporate Advisory Pte Ltd, a boutique firm specialising in corporate finance and corporate restructuring. He is also a Director of Fraser & Neave Limited and a member of its Audit Committee.

Mr Tan was a Partner and Head of Global Corporate Finance at Arthur Andersen, Singapore and ASEAN region, from 1999 to 2001. Prior to that, he was a Partner and Head of Financial Advisory Services at Price Waterhouse, Singapore and Chairman of Financial Advisory Services at PricewaterhouseCoopers, Asia Pacific region.

Mr Tan is a Chartered Accountant and a member of The Institute of Chartered Accountants in England and Wales. He is also a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Singapore.

Note:
Professor Tommy Koh retired from the SingTel Board following the conclusion of the Annual General Meeting held on 25 July 2008.

MEMBERS OF THE MANAGEMENT COMMITTEE

CHUA SOCK KOONG ALLEN LEW LIM CHUAN POH JEANN LOW NG YOKE WENG

CHUA SOCK KOONG
Group Chief Executive Officer, SingTel

Ms Chua, 51, oversees the Group's three key businesses – Australia, Singapore and International and a range of portfolios from company secretariat and legal, corporate development to corporate communications. Prior to this, she was the Deputy Group CEO from October 2006 to March 2007. Ms Chua joined SingTel in June 1989 as Treasurer. In April 1999, she was promoted to Chief Financial Officer (CFO), responsible for the Group's financial functions, including treasury, tax, insurance, risk management and capital management. In February 2006, she was appointed Group CFO and CEO International, responsible for the key drivers of SingTel's international business – Strategic Investments and NCS Pte. Ltd., the IT business arm. Besides overseeing the Group Information Systems and SingTel's regional associates, she was responsible for driving strategic acquisitions and international business. Ms Chua is an Executive Director of SingTel and a Board member of Bharti Airtel Limited. She is also a member of the Singapore Management University Board of Trustees and the Casino Regulatory Authority. In January 2009, she was appointed a member of the Public Service Commission in Singapore.

ALLEN LEW
Chief Executive Officer (Singapore), SingTel

Mr Lew, 53, was appointed CEO (Singapore) in February 2006 to drive the performance and operations of SingTel's business in Singapore. He began his career with the SingTel Group in November 1980 and has served in various senior management positions since then, including Chief Operating Officer of Advanced Info Service Public Company Limited – SingTel's associate in Thailand; Chief Operating Officer of Singapore Telecom International Pte Ltd, and Managing Director of Optus Consumer. Mr Lew is 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.

LIM CHUAN POH
Chief Executive Officer (International), SingTel

Mr Lim, 54, joined SingTel in October 1998. He was appointed Executive Vice President (EVP) Strategic Investments in February 2006. In October 2006, he assumed the position of CEO (International). He is responsible for SingTel's regional associates and supports the growth objectives of SingTel's business groups through strategic investments in the region. Mr Lim has held various senior appointments in SingTel, including EVP Consumer Business and EVP Corporate Business. He was CEO of SingTel Mobile between April 2004 and February 2006. He is also Chairman of Bridge Alliance, a group of leading communications companies in Asia. Mr Lim has extensive experience in the public sector and was Deputy Secretary at the Ministry of Communications prior to joining SingTel. He holds a Bachelor of Engineering Science (Honours) from Balliol College, University of Oxford, UK, and a Master in Public Health Engineering from the Imperial College of Science and Technology, University of London.

PAUL O'SULLIVAN AILEEN TAN

JEANN LOW

Group Chief Financial Officer, SingTel

Jeann Low, 48, was appointed Group CFO on 1 September 2008. She oversees the group's financial affairs including corporate finance, procurement, taxation, treasury, risk management and capital management and investor relations. Before this appointment, Ms Low was CFO of Optus since 2006. She joined SingTel in 1998 as the Group Financial Controller, responsible for the financial functions of the SingTel Group. In 2004, she was promoted to EVP of Strategic Investments where she managed the Group's international investments and pursued opportunities for strategic investments globally. Prior to joining SingTel she worked for several years in both the London and Singapore practices of an international accounting firm and thereafter in a public listed electronics company in Singapore. Ms Low is a Certified Public Accountant in Singapore. She graduated from the National University of Singapore with an Honours Degree in Accountancy.

NG YOKE WENG

Group Chief Information Officer, SingTel

Mr Ng, 53, joined SingTel in May 1997 as Chief Information Officer. He was re-designated Group Chief Information Officer in 2003 following the integration of the IT operations for SingTel's Singapore and Australian (Optus) businesses. Mr Ng oversees the planning, development and operations of the IT infrastructure and information systems to ensure quality service delivery and operational efficiency. Since 1 April 2007, he has been covering the Group Chief Technology Officer role, responsible for driving long-term technology strategy, synergies and benchmarking. Mr Ng holds a Bachelor of Electrical Engineering (First Class Honours) from the University of Canterbury, New Zealand.

PAUL O'SULLIVAN

Chief Executive Officer, SingTel Optus

Mr O'Sullivan, 48, was appointed Chief Executive in September 2004. He is responsible for all aspects of the performance and operations of Optus in Australia. Prior to this, he served as Chief Operating Officer for three years, following the acquisition of Optus by SingTel in 2001. Mr O'Sullivan joined Optus as Retail Marketplace Manager in its Business Division in 1996 and became Managing Director of its Mobile Division in 1998. Before Optus, he spent 11 years in various management roles with the Royal Dutch Shell Group. Mr O'Sullivan holds a Bachelor of Arts (Moderatorship) in Economics (First Class) from Trinity College, The University of Dublin. He is a graduate of the Harvard Business School's Advanced Management Programme.

AILEEN TAN

Group Director Human Resource, SingTel

Aileen Tan, 42, joined SingTel in June 2008 as Group Director Human Resource (HR). She leads the people excellence practices and employee engagement programmes across the SingTel Group, including NCS Pte. Ltd. and Optus. Ms Tan is responsible for spearheading HR strategies to achieve SingTel's aspiration as an Employer of Choice. Ms Tan has a wealth of HR experience garnered over 20 years working in various multinational and local businesses. She has held leadership positions in diverse industries, ranging from consumer goods to financial services, and from manufacturing to travel. Her work experience goes beyond the full spectrum of HR management, and includes product marketing, marketing communication and customer service. Ms Tan was previously Group General Manager Human Resource at WBL Corporation Ltd. Ms Tan graduated with a Bachelor of Arts degree, majoring in Statistics and Japanese Studies from the National University of Singapore. She also holds a Master of Science degree in Organisational Behaviour from the California School of Professional Psychology, Alliant University, US.

AWARDS AND ACCOLADES

SINGTEL

2008 AWARDS

APRIL

Readers' Digest Trusted Brand Awards 2008
- Platinum (Telecom Company) 5th year
- Gold (Mobile Service Provider) 2nd year

Hitwise Online Performance Annual Awards
- Most Popular site (Shopping & Classifieds Industry - Appliances & Electronics)
  - singtelshop.com

Customer Satisfaction Index of Singapore
- SingTel and SingNet ranked first in customer satisfaction (Telecommunications Category)

MAY

Seatrade Asia Awards 2008
- Technical Innovation

JUNE

FinanceAsia - Asia's Best Companies 2008
- Best Regional Company (Telecoms) Singapore
- Best Managed Company (3rd position)
- Best Corporate Governance
- Best Investor Relations
- Most Committed to a Strong Dividend Policy

JULY

Computerworld Singapore Customer Care Service Awards 2008
Telecommunications Services

Singapore Human Resources Awards 2008
- Strategic HR
- Learning & Human Capital Development
- Employee Relations & People Management
- Quality Work-Life (special mention)
- Health & Employee Wellness (special mention)

AUGUST

Frost & Sullivan Technology Awards 2008
- Technology Leadership Award for Maritime Broadband Communications

OCTOBER

Corporate Reputation Survey 2008
- Best Reputation (Mobile phone sector)

SIAS Investors' Choice Awards 2008
- Board Diversity Award

Computerworld Singapore Readers Choice Awards 2008
- Wide Area Network (WAN) Accelerator – 1st (Traffic Optimisation & Profiling Service Application Accelerator)
- Managed Connectivity Service Provider – 1st (SingTel Managed Connectivity Services)

Singapore International 100 Ranking 2008
- Highest Overseas Revenue (4th)
- Top Company by Market in Oceania

NOVEMBER

2008 Carrier Ethernet Service Provider of the Year (Asia Pacific) Award
- Best in Business (SingTel MetroEthernet, ConnectPlus E-Line and E-VPN services)

2008 Carrier Ethernet Service Provider of the Year (Asia Pacific) Award
- Service Innovation - Runner up (SingTel MetroEthernet, ConnectPlus E-Line and E-VPN services)

Contact Centre Association of Singapore (CCAS) Awards 2008
- Best Contact Centre of the Year – Silver (SingTel Mobile Premium Hotline)
- Best Outsourced Call Centre of the Year - Bronze (SingTel Contact Centre)

Euromoney Awards: Asia's Best Companies 2008
- Best Corporate Governance by Country (telecom sector) – second

DECEMBER

7-Eleven Leading Brand Awards 2008
- Telecommunications Category – First

HEALTH Promotion Awards 2008
- Singapore HEALTH Gold Award

2009 AWARDS

JANUARY

IDC's Asia/Pacific Semiannual Fixed-Line Telecom Services Tracker, First Half 2008 Report
- Leading International IP VPN service provider in Asia Pacific excluding Japan

FEBRUARY

Singapore 1000 Award 2009
- Sales Turnover Excellence (Information & Communications) – SingTel
- Net Profit Excellence (Information & Communications) – SingTel Mobile

Asiamoney - Ranked first for Best Disclosure and Transparency in Singapore

MARCH

Australian Telecommunication User Group
- Carrier of the Year – Optus

APRIL

- **Governance and Transparency Index (GTI)**
  SingTel ranked first

- **Singapore Corporate Awards**
  Best Investor Relations (Gold)

- **World Teleport Association's (WTA) Teleport Awards for Excellence 2009**
  Corporate Teleport Operator of the Year

OPTUS

2008 AWARDS

MAY

Highly Commended Certificate in the Large Business Category of Vision Australia's
- Making a Difference Awards

2008 Property Council of Australia Awards
- Award for Innovation and Excellence – Optus Centre Sydney (Best Business / Industrial Park)

AUGUST

2008 ACOMM Awards
- Commitment to Customer Service (large business) – Uecomm

SEPTEMBER

2008 Australian Direct Marketing Association (ADMA) Awards – Microsite
- Bronze Award – 'Grrrr for what you want'

2008 Australian Direct Marketing Association (ADMA) Awards – Telecommunications
- Silver Award – Optus Broadband Unplugged

NSW Master Builders Association
- Award for Communications Buildings – Optus Technical Facility, Canberra

NOVEMBER

Mobile Market Award (MMA) 2008
- Joint Winner for Best Consumer Content offering – So You Think You Can Dance Mobile content site

DECEMBER

2008 NSW (New South Wales) Volunteers of the Year
- Karen Carmichael (Optus IT) – Corporate Volunteer of the Year

2009 AWARDS

MARCH

2009 ATUG (Australian Telecommunications User Group) Excellence Awards
- Carrier of the Year

SERVING

249,389,

AUSTRALIA
7.79m
MOBILE CUSTOMERS
+9.1%
CUSTOMERS GROWTH (YOY)

BANGLADESH
1.87m
MOBILE CUSTOMERS
+20%
CUSTOMERS GROWTH (YOY)

INDIA
93.92m
MOBILE CUSTOMERS
+52%
CUSTOMERS GROWTH (YOY)

INDONESIA
72.13m
MOBILE CUSTOMERS
+41%
CUSTOMERS GROWTH (YOY)

PAKISTAN
17.38m
MOBILE CUSTOMERS
+21%
CUSTOMERS GROWTH (YOY)

,000

MOBILE CUSTOMERS IN ASIA-PACIFIC

PHILIPPINES	SINGAPORE	THAILAND
25.74m MOBILE CUSTOMERS	2.98m MOBILE CUSTOMERS	27.58m MOBILE CUSTOMERS
+21% CUSTOMERS GROWTH (YOY)	+16% CUSTOMERS GROWTH (YOY)	+10% CUSTOMERS GROWTH (YOY)

REACHING FURTHER AS THE MARKET LEADER

We believe in being first. As Asia Pacific's leading communications group, we grow from strength to strength by working together. And by continually creating 'firsts' in customer experience, we continue to attract customers with our innovative products, reliable service and great value.

BOAT QUAY, SINGAPORE

BUSINESS IN SINGAPORE

SingTel continued to lead and shape the market, registering revenue gains in both the consumer and business segments, and strengthening its market leadership.

LEADING AND SHAPING THE MARKET

We widened our lead in key market segments including mobile and international Internet Protocol Virtual Private Network (IP VPN). Our mobile subscriber base increased to 2.98 million customers, representing a market share of 46.4 per cent, up 3 percentage points from a year ago.

Our strong emphasis on delighting our customers by giving an exceptional experience translated into several 'firsts' during the year. We became the first and only telco to introduce the much-awaited Apple iPhone™ 3G in Singapore and the HTC Dream™, also commonly known as the Google phone, the world's first Android™-powered phone.

We also made history in September 2008 as the title sponsor of the Formula 1™ SingTel Singapore Grand Prix, the maiden night street race on the Formula 1™ calendar. The sponsorship was a great platform on which to position the SingTel brand at an international level. As brand building is a long-term investment, we believe that it is important not to lose sight of our objectives. A world-class event like this helps to imbue the brand with optimism and energy. It also raises our brand profile as Formula 1™ is watched by about 170 million people in more than 100 countries. At the same time, SingTel's strong global brand helps to strengthen the organiser's objective of promoting Singapore to the world.

In January 2009, we launched our SingTel shop, the first retail store in Singapore, to create a next-generation multimedia shopping experience. The new store brings SingTel's multimedia products and services to life in an informative, entertaining way. For example, using the interactive touch-screens embedded in the shop facade, shoppers can browse and buy music 24 hours a day.

On the retail front, SingTel was the first operator to bring the highly sought-after iPhone 3G to customers in Singapore

MOVING BEYOND CARRIAGE SERVICES

We made further progress in our transformation from a provider of traditional carriage services to a multimedia and Infocomm Technology (ICT) provider. Today, we are making significant inroads in IPTV, Managed Services and ICT, and we recently launched our advertising service and a lifestyle Web portal.

Singapore's upcoming Next Generation National Broadband Network (NGNBN) will allow us to compete in a new paradigm. Under the NGNBN, 95 per cent fibre-to-the-homes network coverage will be attained by June 2012. We will take advantage of the changes by making the following our priorities:

- investing in content and applications;
- architecting new processes, channels and capabilities; and
- differentiating customer experience.

SingTel customers were the first in Asia to be able to buy the first Android™ powered mobile phone - the HTC Dream™

To further accelerate ICT innovations, SingTel, together with its partners, organised its largest business innovation forum, the inaugural i.luminate in September

Clinching the title sponsorship for the world's first Formula 1™ night race ties in with SingTel's push for constant innovation

Meanwhile, the acquisition of SCS Computer Systems Pte. Ltd. (SCS), formally known as Singapore Computer Systems Limited by NCS Pte. Ltd. enhances our capacity and capabilities in Singapore as well as enlarges our Information Technology (IT) footprint in the region.

SingTel's pay TV service, mio TV, continued to gain traction. We added a record 19,000 customers in the fourth quarter. This brings its customer base to 78,000, reflecting the success of the mio Home bundled plan and broad content offering. SingTel will continue to invest in new content to attract customers. We aim to grow share and cultivate content as a key differentiator in our service.

GIVING CONSUMERS CHOICE

mio TV continued to revolutionise the way people watch television. New services included free on-demand access to 'live' broadcasts of Italian Serie A soccer matches. Scoring a world first was our 'Season Pass' for mio TV. This service lets customers watch the latest seasons of over 50 top US television series, on-demand as early as 24 hours after their US telecast.

The convergence of broadcast media and telecommunications technologies presents many opportunities. SingTel has been quick to capitalise on these, for instance through the implementation of mobile broadband. Another example is mio TV on Mobile, which introduced an additional, convenient medium for customers to view quality content anywhere, anytime. Next, we are preparing to launch a higher speed 21 Mbps connection that enables customers to download music files and large attachments up to three times faster than previously.

With customers seeking greater value in the current economic downturn, we have come up with innovative ways to help. Our mio Home plan provides customers one-stop convenience and substantial cost savings for all their communication needs. This innovative, all-in-one package comprises fixed line telephone, broadband and mio TV at a fixed monthly charge. Besides lower costs and the convenience of a single bill, customers enjoy a host of benefits such as free anti-virus software and multi-line discounts for various mobile services.

Our new SuperSIM plans, Singapore's first postpaid mobile plans without contract, also offer unprecedented value for money. Customers on these plans enjoy greater flexibility to buy or upgrade to new mobile handsets anytime. With double talktime of up to 4,000 minutes and 4,000 SMSes, the SuperSIM plans are ideal for cost-conscious consumers.

Catering to customers' hectic lifestyles is SMS Plus, a new service that includes automated out-of-office SMS replies, copying of SMSes to email or other mobile numbers, and diversion of SMSes. This suite of functions gives customers an array of options for managing and storing their messages.

Next-generation multimedia shopping at the SingTel shop

SingTel, as part of the OpenNet consortium, has won the bid to be the NetCo

SCS enhances NCS capacity and capability in Singapore and enlarges its footprint in the region

MEETING BUSINESS NEEDS

With our award-winning ConnectPlus IP VPN solution, SingTel is the leading international IP VPN service provider in Asia Pacific excluding Japan. In April 2008, we launched the Global Delivery Platform, the first managed IP VPN platform in the world with full end-to-end network performance monitoring. Companies can utilise voice, video and data communications seamlessly and cost-effectively between different locations, including hard-to-reach Asian destinations. This is possible through our partnerships with more than 15 other IP VPN service providers worldwide.

We continued to develop Software-as-a-Service to help companies, especially small and medium enterprises, boost productivity and cut costs. We also launched a web-based human resource management solution bundled with broadband for small and medium businesses, and piloted an electronic healthcare information system that makes patient data available remotely. In the area of FutureSchools@Singapore, we created game-based learning models and Web 2.0 collaborative learning platforms to stimulate creativity and equip students with 21st century learning skills. These reliable, user-friendly solutions are fully managed by SingTel.

To cater to the growing number of algorithmic and high-velocity traders for whom speed is crucial, we partnered the Singapore Exchange Limited to provide sub-millisecond trading access, a first for an Asian stock exchange.

SingTel plays an important role in helping maritime customers to be competitive and creating better lives for seafarers. Our new OFFICE-AT-SEA suite of satellite solutions enables seamless communications between vessels and their headquarters. In November 2008, we won a multi-million dollar contract to implement our Global Maritime Very Small Aperture Terminal service for one of Europe's leading maritime companies. This will provide secure unlimited broadband connectivity and enhanced voice communications more cost-effectively than traditional pay-as-you-use services, and allow vessels to move between oceanic regions without re-configuring their communications equipment. Our maritime innovations garnered the Seatrade Asia Award for Technical Innovation, Network World Asia IT All Stars Award and the Frost & Sullivan Technology Leadership Award for Maritime Broadband Communications.

To catalyse innovation for ICT, we organised our inaugural business innovation forum, i.luminate. The large-scale event featured 50 thought-leaders in innovation and showcased over 100 intelligent ICT solutions. We also launched the SingTel i.Challenge08 competition to encourage independent software vendors to develop solutions addressing real-life industry needs. The competition attracted about 40 vendors from the region to develop solutions for businesses.

FLINDER'S STREET STATION, MELBOURNE, AUSTRALIA

BUSINESS IN AUSTRALIA

Optus continued to deliver competition and choice in mobile with the extension of its 3G dual-band network to 96 per cent of the population, at the same time campaigning for a level playing field for competition in the fixed line market with the advent of the Australian National Broadband Network.

DRIVING TOWARDS LEADERSHIP IN MOBILE

In this financial year, we continued the roll-out of our 3G dual-band mobile network which now reaches 96 per cent of the Australian population, up from 60 per cent a year ago. We also invested in mobile backhaul, enhancing coverage in existing areas while increasing theoretical speeds to 7.2 Mbps across some of our metropolitan 3G dual-band network.

We capitalised on our 3G investment with the launch of a number of exciting new products and services, including the launch of the Apple iPhone™ 3G in July 2008. Attractive data allowances and exclusive prepaid and postpaid options made Optus the number one choice for Australian customers looking to make the most of their iPhone 3G experience.

First Australian iPhone Customer

In February 2009, we became the first operator in Australia to offer an Android™-powered mobile phone with the launch of the HTC Dream™. This was closely followed by the launch of Thuraya, Australia's first GSM/Satellite dual mode handset with coverage throughout Australia and even 200 kilometres out to sea.

We provided customers with unprecedented flexibility and value with our new 'yes' Timeless plans. These plans allow Optus customers to make unlimited standard national calls and standard SMS/MMS to any GSM mobile within Australia for a fixed monthly price.

In addition, Optus subsidiary Virgin Mobile launched its new 'All You Can Eat' campaign, which allows Virgin Mobile customers to call or text each other for free whenever they like, as often as they like.

We gained more than 652,000 mobile customers in this financial year, a strong 9.1 per cent increase from the previous year.

MORE AUSTRALIANS CONNECT WITH WIRELESS BROADBAND

Optus has experienced exponential growth in wireless broadband and now boasts 486,000 wireless broadband subscribers as of 31 March 2009. In the prepaid market, we were the first major operator in Australia to launch prepaid wireless broadband giving customers control to use the internet for as much or as little as their budget allows.

Australian Open

Optus' new brand campaign, 'Whalesong'

Chua Sock Koong, Paul O'Sullivan and Jeann Low at opening of Optus 'yes' shop

We also became the first wholesale provider to sell wireless broadband to our wholesale customer base, allowing customers to market high speed wireless broadband using their own branding, plans and value-added features.

FIXED LINE – A CHANGING LANDSCAPE

In 2007, we stopped resale of marginal fixed line consumer products, instead opting to expand our own unbundled local loop network to provide telephony and broadband services to Optus customers.

By migrating customers on to our own network, we have been able to introduce exciting new offers and as a result have increased our on-network telephony and broadband customer base by 13 and 20 per cent respectively in the past financial year.

In anticipation of the Federal Government's National Broadband Network (NBN) tender, we galvanised the Australian telecoms industry to lobby for an open access, wholesale NBN, leading to the formation of the TERRiA consortium in May 2008, which comprised eight telco companies in Australia. In November 2008 Optus, backed by TERRiA, lodged a bid for the NBN based on a set of principles that would deliver the benefits of real competition to customers.

In April 2009, the Australian Government announced its decision to establish a new company to build and operate a 'Fibre to the Premises' broadband network. The network, which is expected to take eight years to build at a cost of A$43 billion, will be operated as a wholesale only, strictly equivalent open access broadband network with Australian Competition and Consumer Commission (ACCC) oversight.

In addition, the Government has announced a major review of the current regulatory environment. While submissions are currently being sought on proposed changes to the regulatory regime, the Government aims to implement any changes by the beginning of 2010.

We welcome the Government's announcement on both the NBN and regulatory review and believe they have the potential to fundamentally change the competitive landscape and create proper and sustainable competition in the Australian fixed line market.

ENRICHING CUSTOMER EXPERIENCE

Optus' vision is to lead the Australian telecommunications industry in outstanding customer experience. This is backed by a detailed strategy and transformation plan underpinned by customer research.

With this in mind, we made improvements to a number of customer touch-points including the continued roll-out of our newly designed Optus 'yes' stores. The expansion of

Optus executives celebrate the extension of Optus' 3G network to 96% of the Australian population

Paul O'Sullivan and John Watkins, then Deputy Premier of New South Wales, have a wiggly time with Australian children's act, The Wiggles during UNICEF press conference

these stores into regional and metro under-served markets is aligned with the expansion of our 3G network. When complete in March 2010, there will be more than 200 Optus branded stores, up from 123 at the end of March 2009. This is in addition to our extensive network of more than 450 Optus dealer outlets.

To better manage customer relationships, we have upgraded our customer care and billing platforms, providing increased functionality for customers who prefer to manage their accounts online. More than 5 million mobile customers have been migrated to the new platform, with more than 1.58 million customers choosing to recharge their prepaid mobile online since April 2008.

In a move to enable greater convergence across devices, we also launched our new myZOO mobile and Internet portal, allowing customers to customise the content they access and synchronise this across multiple devices.

We continued to expand the range of content available to customers through the ZOO Mobile Internet Portal with the addition of Facebook, YouTube and Fox Sports during 2008.

In late 2008, Optus signed a multi-million dollar sponsorship with Football Federation of Australia, covering football from grassroots to elite levels, including Australia's national team, the Socceroos. As football continues to grow in popularity in Australia, our mobile customers will be in the box seat to access exciting new content on their Optus mobile phones.

We recently launched a new brand campaign, entitled 'Whalesong', the premise of which is "with communication, anything is possible." This bold and positive campaign illustrates the power of communication and the importance of our role as a telecommunications provider in connecting people.

BETTER FOR BUSINESSES

We secured or renewed several major business customers over the course of the year, including Luxottica, IAG, Flight Centre and the Department of Immigration and Citizenship.

Following the successful launch of the Optus Evolve Internet Protocol (IP) Network in October 2007, we added two new services to our IP portfolio, namely Optus Evolve Voice and Optus Evolve Internet. At the same time, we announced the completion of the first Australian implementation of a multi-point Cisco TelePresence solution, simulating a unique face-face meeting experience across three different locations in Sydney and Melbourne. The solution was built on the Optus Evolve IP Network.

We continued to offer small and medium businesses true value and choice. An example of this was the Total Business Cap, a range of cap plans that give small business customers the flexibility of sharing a set monthly value across various services, including mobile voice and wireless broadband to better manage their telecom spend.

PALACE OF THE WINDS, JAIPUR, INDIA

BUSINESS IN THE REGION

Under dynamic market conditions, SingTel's regional mobile associates made progress in their respective markets, lifting the Group's combined mobile customer base to 249 million, up 35 per cent from a year ago.

All of our regional mobile associates experienced year-on-year double-digit growth in subscribers. As at 31 March 2009, Bharti Airtel, India's number one mobile phone operator, attracted a record 31.9 million cellular customers, a 52 per cent increase over the previous year to 93.9 million.

Our Indonesian associate Telkomsel, the number one mobile operator in the country, added 20.8 million new customers, increasing its base by 41 per cent to 72.1 million or 49 per cent of the country's mobile users.

Globe, the Philippines' second largest mobile player, grew the number of its customers by 4.5 million or 21 per cent, to 25.7 million.

Thailand's biggest mobile operator, Advanced Info Service (AIS), attracted 2.5 million new customers, an increase of 10 per cent to 27.6 million.

Pacific Bangladesh Telecom (PBTL), the only CDMA mobile operator in Bangladesh, added 317,000 customers, or 20 per cent, to reach 1.9 million.

In Pakistan, Warid, a key challenger, had 3 million more customers, an increase of 21 per cent to 17.4 million.

Airtel sponsors the Airtel Delhi Half Marathon, which attracted more than 30,000 participants

"HELLO" TO NEW MARKETS

The year saw Bharti venture into the Sri Lankan market, with its subsidiary Bharti Airtel Lanka Pvt. Ltd. launching mobile services under the Airtel brand, bringing affordability and simplicity in mobile services into Sri Lanka. Bharti plans to invest about US$200 million in its Sri Lankan operations. In just over a year, the company has commissioned a sizeable state-of-the-art 3.5G network.

In Indonesia, Telkomsel added 6,014 new base transceiver stations, increasing network capacity by 29 per cent. Telkomsel has now achieved more than 95 per cent coverage in Java, Bali, West Nusa Tenggara, East Nusa Tenggara and Sumatra, and 70 per cent coverage in the Eastern Indonesia Region, including Kalimantan. The company also launched

Warid is awarded "Best Brand of the Year 2008" in the category of the Best Cellular Company

Telkomsel offering services in the native province of Papua

Telkomsel Merah Putih, a programme to provide service coverage in previously isolated regions using IP-based pico-cell technology. This is part of a national effort to connect remote villages using cellular communications systems.

FASTER, BETTER, MORE CONVENIENT COMMUNICATIONS

PBTL's Citycell introduced the country's first inter-standard Global Roaming Service, allowing customers to roam on the CDMA and GSM networks of over 450 operators in 200 countries. Citycell's prepaid customers benefited from new services such as e top-up, which allows convenient recharging accounts at any of 20,832 points of sales. Citycell also extended the countrywide high-speed mobile Internet facility, Zoom, to its prepaid customers, enabling more people to be connected to the rest of the world.

Telkomsel capitalised on the popularity of the BlackBerry® in Indonesia, offering BlackBerry® Pre-paid service, the first such service in Southeast Asia. Telkomsel also developed a new feature for customers to activate their BlackBerry® Internet Service via SMS, which was a world first, bringing in 35,000 Telkomsel BlackBerry® customers and establishing Telkomsel as the leader in the Southeast Asian market.

Warid also launched its BlackBerry® service as well as postpaid mobile broadband during the year. Warid celebrated its third anniversary in May 2008 with a re-launch of its brand and logo.

Globe led the pack in the Philippines in terms of innovative offerings, being the first telco to bring the Apple iPhone™ 3G to the country. For overseas foreign workers (OFW), the company introduced the OFW Family pack, the first product of its kind in the market. With the increasing integration of mobile and Internet usage, especially among youths, Globe launched Connected 24ever, a marketing campaign targeting this segment.

A major development during the year was Globe's launch of the largest commercial WiMAX (802.16e) network on 2.5 GHz band in Southeast Asia.

In Thailand, AIS became the first provider of 3G services with HSPA technology on 900 MHz. The service, which includes high-speed Internet via mobile phone, video call and data service, debuted in Chiang Mai and was later extended to Bangkok.

AIS launches 3G services with HSPA technology on 900 MHz in Chiangmai

Globe launches Wimax service, the first in the Philippines to do so in selected service areas

Citycell celebrates Bangla New Year 2008

ENTERTAINMENT AND MORE

Bharti rolled out Airtel digital TV, its Direct To Home TV service in 120 cities across India. Customers can now experience over 175 channels including interactive applications, movies on demand, and World space radio. Airtel digital TV uses the latest MPEG4 standard with DVB S2 technology, which is able to deliver more complex interactive content and is High Definition ready.

This was followed by Airtel digital TV interactive, an Internet Protocol Television Service through which Airtel delivers its Triple Play Advantage of telephony, broadband and entertainment. Airtel's state-of-the-art, best-in-class MPEG4-10 compression technology allows for more content, better quality images and services like 'live' broadcast television, network based time-shifted TV, real video-on-demand and other interactive services.

OUR WINNING WAYS

Several associates were lauded for their service standards and corporate governance.

Bharti won the prestigious Wireless Service Provider of the Year award at the 2008 Frost & Sullivan Asia Pacific ICT Awards. The award is presented to companies that demonstrate best practices in their industry, commending the diligence, commitment, and innovative business strategies required to advance in the global marketplace.

For the second time, Warid won the Brand of the Year Award in the category of Best Cellular Company in Pakistan.

AIS was named Best Asian Mobile Operator of the Year and Best Mobile Operator of the Year, Thailand, by Asian Mobile News Magazine. Meanwhile, BrandAge magazine ranked AIS' GSM advance postpaid service and One-2-Call! prepaid service the most trusted mobile systems of 2008.

Similarly, Globe was recognised for excellent network service accessibility and signal quality. A benchmarking study by the National Telecommunications Commission of the Philippines showed that it had the lowest number of blocked and dropped calls.

As in previous years, Globe earned accolades for its exemplary corporate governance. The Institute of Corporate Directors, Finance Asia, The Asset and the Management Association of the Philippines all named Globe among the Philippines' best companies for corporate governance. Finance Asia's 2008 poll rated Globe the second best managed company in the country.

GROUP FIVE-YEAR FINANCIAL SUMMARY

	Financial Year Ended 31 March				
	2009	2008	2007	2006	2005
Income Statement (S$ million)					
Group operating revenue	**14,934**	14,844	13,377	13,353	12,817
SingTel	**5,547**	4,904	4,430	4,355	4,246
Optus	**9,387**	9,940	8,947	8,998	8,571
Optus (A$ million)	**8,321**	7,760	7,475	7,192	6,920
Group operational EBITDA	**4,431**	4,530	4,282	4,467	4,662
SingTel	**2,110**	1,967	1,902	1,915	1,992
Optus	**2,321**	2,564	2,380	2,552	2,669
Optus (A$ million)	**2,067**	2,002	1,988	2,038	2,155
Share of associates' pre-tax earnings	**2,051**	2,559	2,073	1,649	1,260
Net profit after tax	**3,448**	3,960	3,779	4,163	3,268
Underlying net profit (1)	**3,455**	3,681	3,556	3,295	3,060
Cash Flow (S$ million)					
Group free cash flow (2)	**3,245**	3,575	2,795	2,772	3,062
SingTel	**2,195**	2,423	1,904	1,761	1,526
Optus	**1,050**	1,152	891	1,011	1,536
Optus (A$ million)	**967**	903	742	815	1,234
Capital expenditure (cash)	**1,918**	1,879	1,790	1,714	1,428
Balance Sheet (S$ million)					
Total assets	**33,255**	34,714	32,659	33,618	35,345
Shareholders' funds	**20,476**	21,000	20,847	21,091	19,271
Net debt	**6,544**	7,303	5,895	5,006	6,631
Key Ratios					
Proportionate EBITDA from outside Singapore (%)	**72**	75	70	68	66
SingTel operational EBITDA margin (%)	**38.0**	40.1	42.9	44.0	46.9
Optus operational EBITDA margin (%) (in A$)	**24.8**	25.8	26.6	28.3	31.1
Return on invested capital (%)	**17.2**	18.9	18.3	17.2	16.2
Return on equity (%)	**16.6**	18.9	18.0	20.6	16.8
Return on total assets (%)	**10.2**	11.8	11.4	12.1	9.1
Net debt to EBITDA (number of times)	**1.0**	1.0	0.9	0.8	1.1
EBITDA to net interest expense (number of times)	**19.9**	20.7	21.3	17.0	15.1
Per Share Information (cents)					
Earnings per share - basic	**21.67**	24.90	23.25	24.98	19.01
Earnings per share - underlying net profit (1)	**21.71**	23.15	21.88	19.77	17.80
Net assets per share	**128.67**	132.03	131.20	126.27	115.86
Dividend per share - ordinary	**12.5**	12.5	11.0	10.0	8.0
Dividend per share - special	**-**	-	9.5	-	5.0

'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.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP	Financial Year ended 31 March 2009 (S$ million)	2008 (S$ million)	Change (%)
Operating revenue	**14,934**	14,844	0.6
Operational EBITDA	**4,431**	4,530	-2.2
Operational EBITDA margin	***29.7%***	*30.5%*	
Share of associates' pre-tax profit	**2,051**	2,559	-19.8
EBITDA	**6,482**	7,089	-8.6
Exceptional items	**(139)**	103	nm
Net profit	**3,448**	3,960	-12.9
Basic earnings per share (S cents)	**21.7**	24.9	-13.0
Underlying net profit [(2)]	**3,455**	3,681	-6.1
Underlying earnings per share (S cents)	**21.7**	23.2	-6.2

Notes:

(1) In this section, 'Optus' refers to SingTel Optus Pty Limited and its subsidiaries, 'SingTel' refers to the SingTel Group excluding Optus and 'nm' denotes not meaningful. 'Associate' refers to either an associated company or a joint venture company as defined under Singapore Financial Reporting Standards.

(2) Underlying net profit refers to 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 the associates.

For the financial year under review, the Group delivered resilient operational results amid the economic challenges. Both Singapore and Australia achieved strong growth in revenues and increased EBITDA. The robust business performance, however, had been negatively impacted by the weakness in the Australian Dollar and regional currencies. If the Australian Dollar and regional currencies had remained stable from last year, the Group's operating revenue would have posted strong growth of 9 per cent and the underlying net profit would have been up 3 per cent.

In Australia, where nearly two-thirds of the Group's operating revenue was derived, operating revenue in Australian Dollar rose 7.2 per cent but was down 5.6 per cent when translated to Singapore Dollar due to the steep 12 per cent depreciation of the Australian Dollar from a year ago. This decline was mitigated by a strong 13 per cent increase in operating revenue in Singapore, resulting in stable Group revenue of S$14.93 billion.

Operational EBITDA for the Group was down 2.2 per cent and margin fell 0.8 percentage point to 29.7 per cent. The declines reflected higher mobile selling costs including Apple iPhone™ 3G subsidies, which had driven strong customer growth, as well as higher content costs for mio TV in Singapore and increased contributions from the Information Technology and Engineering ("**IT&E**") businesses.

The Group's share of pre-tax profit of associates was S$2.05 billion, down 20 per cent as the steep depreciation of the regional currencies eroded earnings in Singapore Dollar. Excluding the currency translation impact, the associates' pre-tax profit contribution would be down 9 per cent attributable mainly to weaker performance from Telkomsel and the Group's share of full year losses from Warid which focused on network coverage roll-out. Overall pre-tax contribution was also impacted by the associates' fair value losses on mark-to-market valuations of their foreign currency liabilities, particularly those of Bharti, Telkomsel and Warid.

OPERATING AND FINANCIAL REVIEW

Consequently, EBITDA was down 8.6 per cent, but would have been flat if the Australian Dollar and regional currencies were stable from a year ago.

The Group recorded goodwill impairment charges of S$330 million for its associates, Warid and Pacific Bangladesh Telecom Limited ("**PBTL**"), that were partially offset by an exceptional gain of S$225 million from Bharti's dilution of its equity interest in a subsidiary. These one-off items do not impact the Group's cash flow.

This year, the Group recognised total tax savings of S$64 million arising from the one percentage point reduction in the corporate tax rate to 17 per cent, and the introduction of certain tax measures in the Singapore Budget 2009. Of this S$64 million, S$49 million had been classified as exceptional tax credit for the write-back of deferred tax liability provided at the higher tax rate in prior years.

Net profit declined 13 per cent to S$3.45 billion, or 21.7 cents per share, for the year ended 31 March 2009. Excluding exceptional and other one-off items, the Group's underlying net profit declined 6.1 per cent to S$3.46 billion.

On a proportionate basis where the associates are consolidated line-by-line, the operations outside Singapore accounted for 73 per cent and 72 per cent of the Group's proportionate revenue and EBITDA respectively.

	Financial Year ended 31 March		
SINGAPORE BUSINESS	2009 (S$ million)	2008 (S$ million)	Change (%)
Operating revenue			
Data and Internet	**1,535**	1,385	10.9
Mobile communications	**1,445**	1,322	9.3
Information technology and engineering	**1,072**	731	46.6
International telephone	**624**	616	1.4
National telephone	**404**	425	-4.9
Sale of equipment	**268**	272	-1.5
Others	**200**	154	29.7
	5,547	4,904	13.1
Excluding SCS	***5,290***	*4,904*	*7.9*
Operational EBITDA (without Group's corporate costs)	**2,162**	2,011	7.5
Excluding SCS	***2,130***	*2,011*	*5.9*
Operational EBITDA margin	***39.0%***	*41.0%*	
Excluding SCS	***40.3%***	*41.0%*	

Note:
(1) Numbers in above table may not exactly add due to rounding.

The Singapore economy grew 1.1 per cent in 2008, compared to the strong growth of 7.7 per cent in 2007. Despite the slowing economy and competitive market conditions, the Singapore Business ended the financial year with strong revenue and EBITDA growth and outperformed its competitors. This demonstrated operational resilience and strong execution of strategies that led to market share wins in both key and growth markets.

Including first-time revenue contribution from SCS Computer Systems Pte. Ltd. ("**SCS**", formally known as Singapore Computer Systems Limited) from September 2008, an Infocomm Technology ("**ICT**") service provider in which the Group acquired a 100 per cent interest, operating revenue posted double-digit growth of 13 per cent to S$5.55 billion. Operational EBITDA grew 7.5 per cent to S$2.16 billion. Excluding SCS, operating revenue was still up a solid 7.9 per cent to S$5.29 billion, with operational EBITDA up 5.9 per cent to S$2.13 billion.

As the IT&E business (which have lower margins compared to Telco business) contributed 19 per cent of total revenue, up from 15 per cent a year ago, operational EBITDA margin declined 2.0 percentage points to 39.0 per cent. Excluding SCS, margin declined by 0.7 percentage point to 40.3 per cent. The decrease was mainly due to higher mobile selling costs leading up to full Mobile Number Portability in June 2008 and the successful iPhone 3G launch in August 2008, as well as higher mio TV content cost.

Data and Internet, the largest revenue stream, rose 11 per cent to S$1.54 billion. Revenue from Local Leased Circuits was up 7.0 per cent, driven by higher demand for Ethernet services. Managed Services expanded a strong 27 per cent as SingTel successfully pursued growth in new revenue streams to reduce dependency on its traditional carriage business. SingTel is now the leading international Internet Protocol Virtual Private Network ("**IP VPN**") service provider in Asia Pacific with extensive reach in key Europe and US business cities. Fixed Broadband revenue rose 8.9 per cent, led by a net increase of 23,000 in the number of broadband lines to 498,000 as at 31 March 2009.

The second largest revenue stream, **mobile communications**, increased 9.3 per cent to S$1.45 billion despite keen competition in a mature market with a penetration rate of 133 per cent. SingTel demonstrated its leadership in Singapore as the only operator to bring in the much anticipated iPhone 3G. With strong take-up of the iPhone 3G combined with continued success in targeted acquisition initiatives, a total of 405,000 mobile customers were acquired during the year. Total mobile customer base grew 16 per cent to 2.98 million as at 31 March 2009 - the largest in Singapore.

Postpaid mobile customer base increased 9.3 per cent or 128,000, bringing total postpaid customer base past the 1.5-million mark as at 31 March 2009. Approximately 1.21 million of these customers were 3G customers which represented a sharp increase of 41 per cent from a year ago. Postpaid average revenue per user ("**ARPU**") was down 3.6 per cent, diluted by higher take-up of multiple product plans with larger bundled discounts and 'data only' price plans. Mobile data services registered robust growth, constituting 32 per cent of ARPU. SingTel's push for higher data usage is gaining success with a total of 175,000 customers on the monthly mobile broadband data subscription plans as at 31 March 2009. Despite stiff competition, churn for postpaid was healthy at 0.8 per cent.

Prepaid mobile customer base was up 23 per cent or 277,000, helping SingTel entrench its leadership position in the market with total customer base of 1.47 million. Prepaid ARPU was up 4.2 per cent attributable to higher usage stimulated mainly by free international call price plans, partially offset by higher bundled value.

As at 31 March 2009, SingTel further extended its lead in the mobile market with an overall market share of 46.4 per cent, up 3.0 percentage points from a year ago, with market share gains in both postpaid and prepaid.

The acquisition of SCS had enabled NCS Pte. Ltd. ("**NCS**") to expand its operational scale and strengthen its leadership in the government sector. Combined IT&E revenue surged 47 per cent to a record high of S$1.07 billion, crossing the billion-dollar mark for the first time. Excluding SCS, IT&E revenue was still up a strong 11 per cent, driven by higher sales of hardware, systems and network integration projects. The enlarged NCS group is clearly the top IT service provider in Singapore.

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Revenue from **international telephone** was up 1.4 per cent to S$624 million. This was the result of a strong 37 per cent increase in volume of international telephone outgoing minutes (excluding traffic to Malaysia) partially offset by lower average international call collection rates. The increase in traffic volume was mainly to destinations such as Bangladesh, China and India in the prepaid mobile segment.

Revenue from **fixed line** phone services declined 4.9 per cent to S$404 million as voice usage fell, while **sale of equipment** was down 1.5 per cent to S$268 million on lower equipment volumes.

mio TV, SingTel's pay TV service which started in July 2007, added 34,000 customers in the year, bringing its total customer base to 78,000 as at 31 March 2009. The increase reflected the success of its bundled plans and broad content offering. SingTel will continue to invest in quality content and innovative value propositions to drive acquisition. As at 31 March 2009, **mio Plan**, which bundles mobile, fixed broadband and voice services as a package, had 98,000 customers, 31,000 more than a year ago.

	Financial Year ended 31 March		
AUSTRALIA BUSINESS	2009 (A$ million)	2008 (A$ million)	Change (%)
Operating revenue by division			
Mobile	**4,938**	4,355	13.4
Fixed	**1,974**	1,872	5.5
Business and wholesale	**1,421**	1,553	-8.5
Consumer and Small-Medium Business (SMB)	**(12)**	(20)	-38.9
Inter-divisional	**8,321**	7,760	7.2
Operational EBITDA	**2,067**	2,002	3.2
Operational EBITDA margin	***24.8%***	*25.8%*	
Net proft	**583**	552	5.6

For the financial year ended 31 March 2009, Optus, SingTel's largest subsidiary and Australia's number two telecommunications operator, performed well and delivered strong results amid the competitive market environment.

Optus posted net profit growth of 5.6 per cent to A$583 million, on solid revenue growth of 7.2 per cent to A$8.32 billion. This strong revenue performance was achieved despite Optus' managed exit from the unprofitable consumer fixed resale market.

Operational EBITDA was 3.2 per cent higher at A$2.07 billion, with margin down 1.0 percentage point at 24.8 per cent. The launch of iPhone 3G contributed to strong customer additions and re-contracts but as customer acquisition costs were expensed upfront, margin had been diluted by the higher handset subsidies. Excluding the incremental impact of the iPhone 3G initiative and associated revenue, underlying margin would have been 27.0 per cent.

Optus Mobile contributed 59 per cent to Optus' operating revenue and 67 per cent to Optus' operational EBITDA. Mobile revenue surged 13 per cent over the year to A$4.94 billion, further strengthening Optus' number two position in the Australian market. The increase in revenue was driven primarily by outgoing service revenue, which was up 11 per cent year-on-year as a result of customer and data growth. Incoming service revenue was up 3.5 per cent with the average interconnect mobile termination rates stable at 9 cents per minute since June 2007. Revenue from equipment sales was up 35 per cent due mainly to higher sales volume in both prepaid and postpaid segments.

Optus added a total of 652,000 mobile customers this year, compared to 400,000 last year, underpinned by strong demand for wireless broadband and iPhone 3G, as well as the new "Timeless" unlimited plans. Optus captured the majority share of the iPhone 3G activations in Australia since its launch in July 2008. As at 31 March 2009, the total mobile customer base was 7.79 million, up 9.1 per cent, with 2.58 million customers being provisioned with 3G services, up 84 per cent from a year ago. Reflecting its success in penetrating the wireless broadband market, a total of 486,000 customers were provisioned with High Speed Packet Access ("**HSPA**") broadband service at end of the financial year.

Blended ARPU grew 2.0 per cent as a result of the acquisition of higher value customers. With increased penetration of wireless data products, SMS and other data revenue made up 33 per cent of service revenue, up from 28 per cent a year ago.

Operational EBITDA margin declined 5 percentage points to 28 per cent, with strong service revenue growth offset by higher acquisition cost including iPhone 3G subsidies driving customer growth, and a higher mix of equipment sales which have lower margin.

Business and Wholesale Fixed accounted for 24 per cent of Optus' operating revenue and 23 per cent of Optus' operational EBITDA. Revenue was A$1.97 billion for the year, up 5.5 per cent from last year. Revenue from Optus Business and Optus Wholesale improved 4.3 per cent and 7.8 per cent respectively.

Operational EBITDA increased 16 per cent and EBITDA margin improved 2 percentage points to 24 per cent, as Optus continued to focus on its key strategies of growing IP VPN and on-net traffic, and expanding ICT and Managed Services business.

Consumer and Small-Medium Business Fixed constituted 17 per cent of Optus' operating revenue and 9.9 per cent of Optus' operational EBITDA. Consistent with its strategy of focusing on on-net customer growth, Optus continued to exit its unprofitable resale services. Accordingly, consumer fixed on-net revenue was up 19 per cent whilst off-net revenue declined 55 per cent, resulting in an overall decline in revenue of 7.9 per cent to A$1.23 billion. The proportion of on-net revenue in consumer fixed was 82 per cent, up from 64 per cent a year ago, contributing to the improved margin.

As at 31 March 2009, Optus had 951,000 broadband customers, 4.9 per cent or 44,000 more than a year ago. Of this, 848,000 broadband customers were on-net, up 20 per cent or 143,000 from a year ago.

Operational EBITDA margin was up 4 percentage points to 14 per cent and operational EBITDA increased 26 per cent, reflecting higher on-net revenue mix and yield management initiatives.

ASSOCIATES	Financial Year ended 31 March 2009 (S$ million)	2008 (S$ million)	Change (%)
Share of pre-tax profit [2]			
Regional mobile associates			
Bharti	**871**	840	3.7
Telkomsel	**705**	1,146	-38.5
Globe	**266**	317	-15.9
AIS	**255**	253	1.0
Warid Telecom	**(116)**	(31)	272.1
Pacific Bangladesh Telecom	**(23)**	(38)	-38.7
	1,958	2,487	-21.2
Other associates	**93**	72	28.4
	2,051	2,559	-19.8
Share of post-tax profit [2]			
Regional mobile associates			
Bharti	**808**	753	7.3
Telkomsel	**517**	803	-35.6
Globe	**172**	209	-17.8
AIS	**179**	176	1.6
Warid Telecom	**(115)**	(32)	265.2
Pacific Bangladesh Telecom	**(23)**	(38)	-39.2
	1,538	1,872	-17.9
Other associates	**78**	60	30.4
	1,616	1,932	-16.4

Notes:
(1) Numbers in above table may not exactly add due to rounding.
(2) Exclude exceptional items recognised directly at Group.

The pre-tax and post-tax contributions from the associates were down 20 per cent and 16 per cent respectively. The declines were largely attributable to a strong Singapore Dollar, weaker performance from Telkomsel, as well as the share of full year losses from Warid. If the regional currencies had remained constant from last year, the pre-tax and post-tax contributions would have declined 9 per cent and 5 per cent respectively.

The regional mobile associates continued their strong growth in acquiring customers despite intense competitive pressures. Bharti, India's number one mobile phone operator, registered an impressive 52 per cent increase in its customer base to 94 million as at 31 March 2009, despite the entry of more GSM players in the Indian market. Telkomsel, the largest mobile phone operator in Indonesia, posted robust growth of 41 per cent to 72 million customers. In total, the Group's combined mobile customer base grew by 35 per cent or 64 million to reach 249 million, the largest mobile customer base in Asia outside China.

Bharti was the largest profit contributor and accounted for half of the total post-tax profit contribution from the associates. Although ARPU declined on lower prices, Bharti's operating revenue was boosted by record mobile customer growth as it accelerated its expansion into the rural areas. The Indian Rupee fell 17 per cent against the Singapore Dollar, 12 per cent against the US Dollar and 22 per cent against the Japanese Yen from last year. Consequently, Bharti recognised significant fair value losses on mark-to-market of its foreign currency denominated borrowings which resulted in the Group's share of post-tax profit increasing moderately by 7.3 per cent to S$808 million. As at 31 March 2009, Bharti continued to lead the Indian mobile market with its share of 24.0 per cent, up 0.3 percentage point from a year ago.

Telkomsel accounted for 32 per cent of the total post-tax profit contribution from associates, down from 42 per cent last year. ARPU fell sharply from lower tariffs introduced in the early part of the financial year as competition intensified in Indonesia. Operating revenue declined as the growth in minutes of use and customer additions were not sufficient to offset the dilution from the tariff cuts. Telkomsel also incurred fair value losses on mark-to-market of its foreign currency denominated vendor payables as the Indonesian Rupiah weakened against the US Dollar and the Euro. Consequently, the Group's share of post-tax profit contribution from Telkomsel was down 36 per cent, after including a 13 per cent decline in the Indonesian Rupiah against the Singapore Dollar. Telkomsel remained a market leader with a 49 per cent share of the Indonesian mobile market as at 31 March 2009.

The Group's share of post-tax profit contribution from **Globe**, the second largest mobile phone operator in the Philippines, was down 18 per cent to S$172 million on lower operational performance amid the weak macro-economic environment. Globe also recorded fair value losses on its US Dollar liabilities with a weaker Philippines Peso as compared to a gain last year. The Singapore Dollar contribution was also impacted by a 7 per cent depreciation of the Philippines Peso against the Singapore Dollar. As at 31 March 2009, Globe's market share was 36.0 per cent, down 0.6 percentage point from a year ago.

Despite a weak economy and political tensions, **AIS**, the largest mobile phone operator in Thailand, reported a 13 per cent increase in net profit in local currency terms. The increase was attributable to higher operating revenue and lower bad debts. With the Thai Baht depreciating by 11 per cent against the Singapore Dollar, AIS' post-tax profit contribution to the Group was relatively flat.

Warid, a key challenger in Pakistan, incurred start-up losses as it aggressively expanded its network and incurred significant rollout as well as customer acquisition costs. The Group's share of Warid's net loss amounted to S$115 million, up S$83 million as its loss was equity accounted for a full year, compared to only six months last year. Warid's losses were also attributed to fair value losses on its US Dollar liabilities including its licence fee payable.

The Group received S$1.07 billion in gross dividends from its associates, 4.1 per cent lower from last year. The decrease was mainly due to the weakening regional currencies relative to Singapore Dollar. If the regional currencies were held constant from last year, gross dividends from the associates would be up 6 per cent, contributed by higher dividends from Southern Cross.

GROUP CASH FLOW	Financial Year ended 31 March 2009 (S$ million)	2008 (S$ million)	Change (%)
Net cash inflow from operating activities	**5,163**	5,454	-5.3
Net cash outflow for investing activities	**(2,391)**	(2,748)	-13.0
Net cash outflow for financing activities	**(3,018)**	(2,711)	11.3
Net change in cash and cash equivalents	**(245)**	(6)	@
Exchange effects on cash and cash equivalents	**(51)**	(12)	315.6
Cash and cash equivalents at beginning of year	**1,372**	1,390	-1.3
Cash and cash equivalents at end of year	**1,076**	1,372	-21.6
Free cash flow			
Singapore Business	**1,231**	1,422	-13.4
Australia Business	**1,050**	1,152	-8.8
Associates (net dividends after withholding tax)	**963**	1,001	-3.8
	3,245	3,575	-9.2
Cash capital expenditure as a percentage of operating revenue	***13%***	*13%*	

@ denotes more than 500 per cent.

Operating Activities

The Group's net cash inflow from operating activities for the year ended 31 March 2009 decreased 5.3 per cent to S$5.16 billion, impacted by the strong Singapore Dollar. The Singapore Business reported a 6.1 per cent increase in operating cash, while Optus recorded stable operating cash. Net dividends received from the associates would have been higher by 6 per cent if the regional currencies were stable from last year.

Investing Activities

The investing cash outflow amounted to S$2.39 billion. The major investing cash outflows were S$1.92 billion for the purchase of property, plant and equipment, and S$459 million for additional capital injections in the associates, Warid and PBTL, and acquisition of SCS. Capital expenditure was mainly incurred in expansions of mobile networks, including the HSPA upgrade on 3G network, to support higher mobile customer additions and mobile data growth. The Group also invested in satellites, submarine cable capacities, access transmission and core network. The capital expenditure represented 13 per cent of the Group's operating revenue, unchanged from last year.

Financing Activities

Net cash outflow of S$3.02 billion for financing activities arose mainly from the payment of S$1.10 billion for final dividends in respect of the previous financial year ended 31 March 2008, and S$891 million for interim dividends in respect of the current financial year. The Group repaid S$466 million of borrowings during the year.

Free Cash Flow

The Group generated strong free cash flow of S$3.25 billion for the year. The Singapore Business contributed 38 per cent or S$1.23 billion to the Group's free cash flow. The Australia Business and the associates contributed 32 per cent and 30 per cent respectively.

If the Australian Dollar and regional currencies had remained stable from last year, free cash flow would be down by 2 per cent instead of 9.2 per cent. The decline was in the Singapore Business, which incurred higher capital expenditure in line with its guidance.

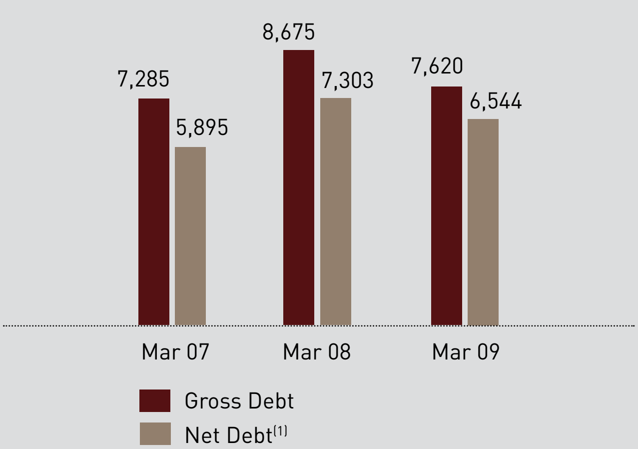
CAPITAL MANAGEMENT

The Group is committed to an optimal capital structure and constantly reviews its capital structure to balance capital efficiency and financial flexibility.

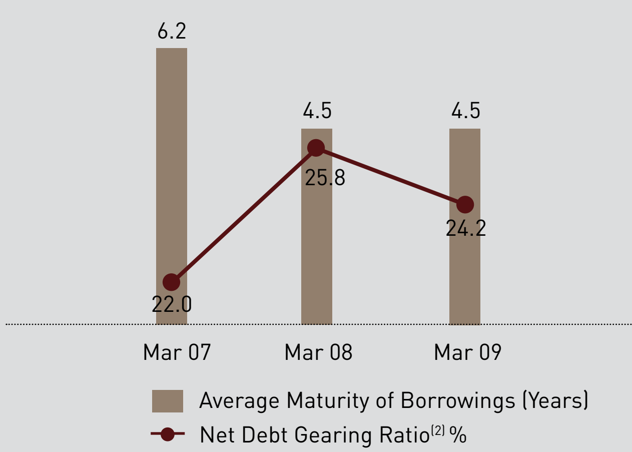
Gross debt decreased during the year due to net repayment of borrowings and lower translated Optus' debt balances. Net debt gearing ratio fell to 24.2 per cent as at 31 March 2009 from 25.8 per cent as at 31 March 2008. The average maturity of the Group's borrowings as at year end was 4.5 years. Group net debt was 1.0 times Group EBITDA, while Group EBITDA was 19.9 times net interest expense.

The Group has one of the strongest credit ratings among telecommunications companies in Asia and is committed to maintaining its investment grade credit ratings. SingTel is currently rated A+ by Standard & Poor's and Aa2 by Moody's Investors Service.

Group Debt (S$ million)



Group Debt Metrics



Group	Financial Year ended 31 March 2009	2008	2007
Net debt to EBITDA (number of times)	**1.0**	1.0	0.9
Interest cover [3] (number of times)	**19.9**	20.7	21.3

Notes:
(1) Gross debt less cash and bank balances adjusted for related hedging balances.
(2) Net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.
(3) Defined as EBITDA to net interest expense (i.e. interest expense less interest income).

OPERATING AND FINANCIAL REVIEW

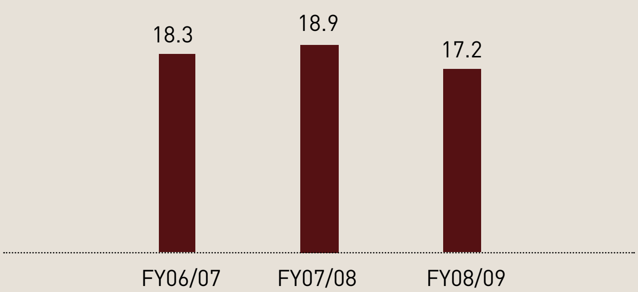
SHAREHOLDER RETURNS

SingTel is committed to improving shareholder returns and firmly observes the alignment of shareholders and SingTel Management interests. SingTel Management remuneration is pegged closely to the performance of the Group. Share awards under the Performance Share Plan are vested only upon achievement of Total Shareholders' Return (TSR) and Return on Invested Capital (ROIC) targets.

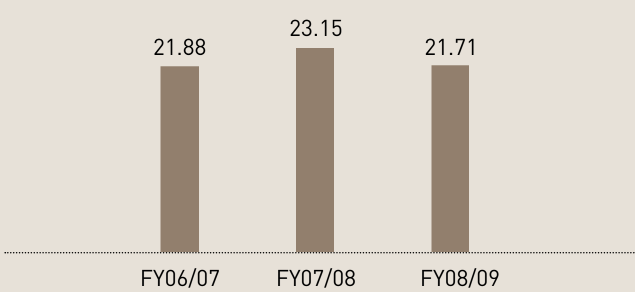
More details are set out under 'Corporate Governance Report – Remuneration' on pages 69 to 74.

The Group's underlying earnings per share fell 6.2 per cent from a year ago, impacted by unfavourable movements in foreign currencies. Assuming exchange rates remained unchanged, underlying earnings per share would have increased 3 per cent.

Return on Invested Capital [1] (%)



Underlying Earnings per Share (S cents)



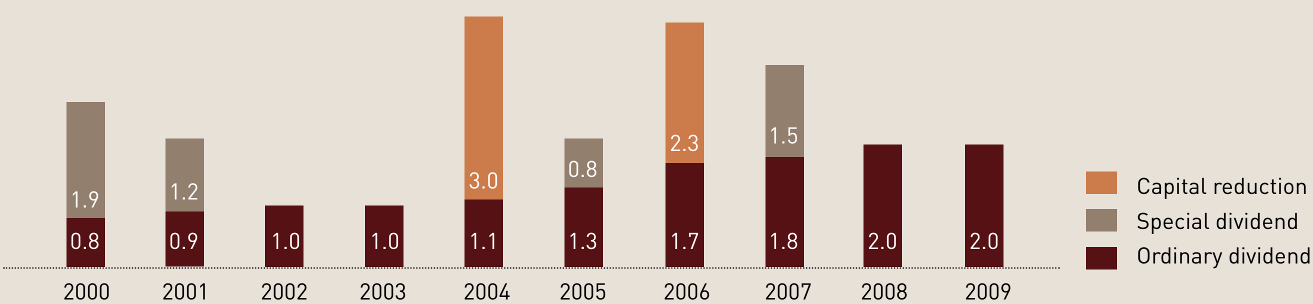
Note:
(1) Ratio of Earnings before Interest and Tax (EBIT) to average net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.

SHAREHOLDER PAYOUT

SingTel has a track record of generous shareholder payout. Our dividend policy is to pay out 45 to 60 per cent of our underlying net profit as ordinary dividends.

For the financial year ended 31 March 2009, the Board has recommended a final ordinary dividend of 6.9 cents a share. Together with the interim ordinary dividend of 5.6 cents a share, total distribution for the year will amount to S$2.0 billion. This brings our total shareholder payout to approximately S$24 billion since 2000, or 79 per cent of earnings over the same period.

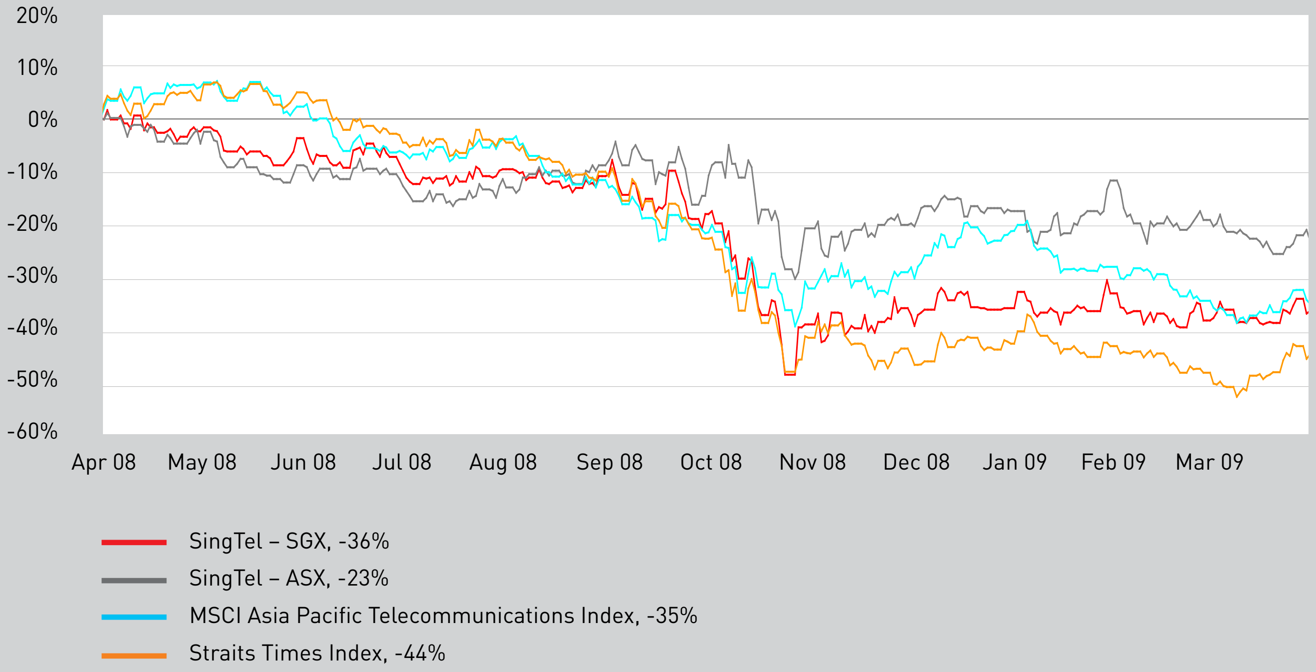
Shareholder Payout (S$ billion)



SHARE PRICE PERFORMANCE

SingTel's share price performed in line with the MSCI Asia Pacific Telecommunications Index and outperformed Singapore's Straits Times Index from the period 1 April 2008 to 31 March 2009.

SingTel Share Price Performance – 1 April 2008 to 31 March 2009



Source: Bloomberg

RISK FACTORS

SingTel's financial performance and operations within and outside Singapore are influenced by a vast range of risk factors. Many of these factors affect not just our businesses but also other businesses in the telecommunications industry as well as in other industries. These risks vary widely and many of them are beyond the control of the Board and Management.

Economic Risks

Changes in economic conditions within and outside Singapore may have a material adverse effect on the demand for telecommunications services and hence, on the financial performance and operations of the Group. The global credit and equity markets have recently experienced substantial dislocations, liquidity disruptions and market corrections. These and other related events have had a significant impact on the global credit and financial markets and economic growth as a whole, and consequently, consumer demand spending including consumer demand for telecommunications services.

Political Risks

Some of the countries in which the Group operates and has investments 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 and hence, on the ownership, control and condition of the Group's assets in these locations.

Regulatory Risks

The Group's operations in Singapore and our international operations and investments are subject to extensive government regulation which may limit our flexibility to respond to market conditions, competition, new technologies or changes in the Group's cost structure. Governments may alter their policies relating to the telecommunications industry and 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.

The operations of our Australian subsidiary, Optus, are subject to regulatory decisions on the rates at which it purchases services from and provides services to other telecommunications companies in the country. Such decisions can significantly affect Optus' revenues and costs as well as its competitive position, and may also not be consistent with the Group's expectations.

Competitive Risks

The telecommunications market in Singapore is highly competitive. As competition intensifies, new players enter the market and regulation requires us to allow our competitors access to our networks. We expect this trend to continue. With the deployment of Singapore's Next Generation National Broadband Network, competition is expected to increase leading to an increased risk of market share loss in certain segments of the market and further price reductions.

The telecommunications market in Australia is fragmented. The mobile market is highly competitive. A number of participants are subsidiaries of large international groups and all operators 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 fixed line services market on the other hand continues to be dominated by the incumbent provider which can leverage its market position to restrict the development of competition.

The operations of our international businesses are also subject to highly competitive market conditions. There is a regional and global market for many of the services that we provide, particularly international communications and data services offered to business customers. The quality of, and rates for, these services can affect a potential business customer's decision to subscribe to the Group's services, locate or expand its offices or communications facilities in Singapore, or use Singapore as a transit hub for its communications. Prices for some of these services have shown significant declines in recent years as a result of capacity additions and general price competition.

The growth in our overseas investments depends in part on increases in mobile penetration rate in the markets we operate. As these markets mature, the pace of subscriber growth may slow and there is no assurance that new customers will be as profitable as existing customers. Additionally, some of these overseas markets may experience an increase in the number of competitors, which could lead to price erosion and loss of market share for our investments.

Regional Expansion Risks

Given the limited size of the Singapore market, the Group's future growth depends largely on the success of our Asia Pacific expansion strategy. There are considerable risks associated with this regional expansion strategy.

- **Ability to Extract Synergies and Integrate New Investments**
  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. There is no assurance that the Group will be able to generate synergies from regional acquisitions and that these acquisitions will not become a drain on the Group's management and capital resources.

- **Partnership Relations**
  The success of our international 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.

- **Ability to Make Further Acquisitions**
  We continuously look for investment opportunities that could contribute to our regional expansion strategy. There is no assurance that the Group will be successful in making further acquisitions due to the limited availability of opportunities, competition for the available opportunities from other potential investors, foreign ownership restrictions, government policies, political considerations and the specific preferences of sellers.

Technology Risks

The telecommunications industry is typified by rapid and significant technological changes. These changes may materially affect our capital expenditure and operating costs as well as the demand for our products and services.

We have invested substantial capital and other resources in the development and modernisation of our networks and systems. Technological changes continue to reduce replacement costs. Technology can also bring forth newer and better products and services that can replace existing ones. Additional capital expenditure may be needed to upgrade or replace existing infrastructure to remain competitive. There is also the possibility of early retirement of systems and networks before the end of their intended lives due to rapid technological obsolescence.

In the many markets in which we operate, the Group faces a continuing risk of market entry by operators who, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants. New technologies may also enable players from adjacent industries to enter the telecommunications market, thus increasing competition.

Project Risks

The telecommunications industry is highly capital-intensive. The Group incurs substantial capital expenditure in constructing and maintaining our network and systems infrastructure projects. These projects are subject to risks associated with the construction, supply and installation of equipment and systems. They are also subject to risks associated with sale of capacity on the completed project infrastructure, including risks of default, disputes, litigation and arbitration involving contractors, suppliers, customers and other third parties. In addition, the Group faces risks of loss of, or damage to, our network infrastructure from natural and man-made causes beyond our control. Loss and damage caused by risks of this nature may significantly disrupt our operations and may materially and adversely affect our ability to deliver our services to customers.

Electromagnetic Energy Risks

Concerns have been raised regarding the possible adverse health consequences associated with the operation of mobile communications devices due to potential exposure to electromagnetic energy. While there is no substantiated evidence of public health effects from exposure to the levels of electromagnetic energy typically emitted from mobile communications devices, there is a risk that an actual or perceived health risk associated with mobile communications could result in:

- litigation against the Group;
- reduced demand for mobile communications services; and
- restrictions on the ability of the Group to deploy our mobile communications networks as a result of government environmental controls which exist or may be introduced to address this perceived risk.

Financial Risks

The main risks arising from the Group's financial assets and liabilities are foreign exchange, interest rate, market, liquidity and credit risks. The disruptions recently experienced in the international capital markets have also led to reduced liquidity and increased credit risk premiums for certain market participants, and have resulted in a reduction of available financing.

We have established risk management policies, guidelines and control procedures to manage our exposure to such risks. Hedging transactions are determined in the light of commercial commitments and are reviewed regularly. Financial instruments are used only to hedge underlying commercial exposures and are not held or sold for speculative purposes. The Group's financial risk management is discussed in detail on page 162 in Note 37 to the Financial Statements.

yes'
OPTUS
'yes'
OPTUS

STAYING COMMITTED TO BE A RESPONSIBLE CORPORATE CITIZEN

Profits are not everything. As a socially responsible company, SingTel drives and supports numerous programmes for the benefit of our communities, our environment, our customers and our employees. We are on the right track to helping people realise their potential, both in the workplace and in society.

CORPORATE SOCIAL RESPONSIBILITY

Singapore President S R Nathan receives a cheque on behalf of the SingTel Touching Lives Fund beneficiaries

David Hall, Optus National High Performance Wheelchair Tennis Advisor

SingTel provides vital communications lifeline to Singapore's first women Mount Everest team

The SingTel Group is committed to being a responsible corporate citizen. In Australia and Singapore, we proactively and constantly look for ways to implement and improve policies and programmes for the Community, Environment, Marketplace and Workplace.

In Singapore, SingTel is a signatory to the United Nations Global Compact committed to upholding 10 principles across the areas of human rights, labour standards, environment and anti-corruption. We are also a committee member of the Singapore Compact, a society which furthers the Corporate Social Responsibility (CSR) movement nationally. In the region, our associates carry out various CSR initiatives, sometimes in collaboration.

COMMUNITY

Giving to charity

In Australia, our Workplace Giving Program continued to grow with over A$320,000 donated by Optus staff and matched by Optus during this financial year. Since the inception of the programme in 2005, over A$900,000 has been donated to Optus' 13 charity partners.

In addition to its Workplace Giving Program, Optus held a number of fundraising events for its charity partners. For example, we continued to support Kids Helpline for the 10th year and raised more than A$3.2 million for the cause which helped establish the world's first free real-time online counselling service for young people.

We also launched the Optus Connecting Communities Grants Program which provided 23 community organisations with up to A$5,000 for each programme aimed at reducing social isolation and reconnecting disengaged youth in the community.

In Singapore, the SingTel Touching Lives Fund (STLF), our flagship philanthropy programme, raised S$2.2 million in 2008 with SingTel matching all outright donations dollar-for-dollar. The beneficiaries were Association for Persons with Special Needs (APSN) Tanglin School, Autism Resource Centre, Fei Yue Community Services, Milk Fund, Singapore Children's Society and Students Care Service. Since its launch in 2002, STLF has raised S$14.9 million for 19 charities affiliated with the National Council of Social Service (NCSS).

SingTel has also been a Corporate SHARE (Social Help and Assistance Raised by Employees) company since 1992 and matches the monthly employee contributions dollar-for-dollar. SHARE donations go to the Community Chest, the fundraising arm of NCSS. Since 1991, we have also provided an annual grant to NCSS to defray the costs of telco services.

Supporting social causes

Besides charitable giving, the Group continued to support community causes in myriad ways. Our staff in Australia and Singapore are given one day of leave per year to support a charity or community cause of their choice. In Australia, we also offer each employee up to three months of paid leave to volunteer overseas through a partnership with Care Australia.

SingTel Group CFO Jeann Low accepts the Governance & Transparency Index Award where SingTel was ranked number one

CEO Singapore Allen Lew being dunked for charity

Optus supports customers affected by the Victorian bushfires

In Singapore, our staff undertook four major community service projects during the year, serving children with special needs, senior citizens and socially disadvantaged citizens.

We continued to bolster the arts in Australia by sponsoring the Bell Shakespeare Company, Company B, Cirque du Soleil and the Australian Brandenburg Orchestra. Besides funding, sponsorship may be in the form of tickets for disadvantaged members of the community. In some instances, telecommunications technology such as satellites were used to broadcast performances to audiences in remote areas.

SingTel also used our satellite technology to allow Singapore's first women Mt Everest team to stay in touch with their loved ones as they made their ascent. Throughout their climb, the team shared their progress via pre-defined SMS and email updates from 6,500 metres and above. The first member of the team reached the summit on 20 May 2009.

In addition to a long-term partnership with Tennis Australia, we recently began a multi-million dollar partnership with the Football Federation of Australia, which covers football from the grassroots to elite levels.

Reducing social isolation and reconnecting disengaged youth are the two key community focus areas for Optus. During the year, we mentored young people from disadvantaged schools through the Australian Business Community Network, purchased a patient vehicle for the NELUNE Foundation to transport cancer patients from regional centres to city hospitals, and enabled disadvantaged youths to undergo Mission Australia's residential programme to get their lives back on track.

Education is also a cause close to the Group's heart. In 2008, the SingTel Group established its regional scholarship programme for undergraduate studies in a variety of disciplines at selected top universities in Asia Pacific. SingTel scholars from regional countries can look forward to gaining regional experience and knowledge from the Group.

The Group also supports events of international importance. As a lead sponsor, SingTel will be providing all telecommunication services for the Asia-Pacific Economic Cooperation (APEC) 2009 meeting being held in Singapore for the first time.

Disaster relief

As part of our disaster relief assistance, SingTel donated S$200,000 towards relief and restoration efforts after the May 2008 earthquakes in Sichuan province, China. In addition, our staff at NCS, which has operations in China including Chengdu, contributed S$59,000.

Optus contributed A$250,000 to the Salvation Army Bushfire Appeal to assist victims of the Victorian bushfires in February 2009. Our employees in Australia gave another A$140,000 to the appeal. Optus also worked with the authorities to restore networks and assisted customers who had lost property in the bushfires. Customers whose fixed and mobile services were disrupted by the fires, were offered free mobile prepaid handsets worth A$1,000 in value each while accounts were "zero-billed" for up to three months.

CORPORATE SOCIAL RESPONSIBILITY


Optus staff during a volunteer day


GCEO Chua Sock Koong presenting at the University of New South Wales 'Meet the CEO' Series, March 2009

Optus Chief Executive Paul O'Sullivan with Socceroos Lucas Neil and Tim Cahill

ENVIRONMENT

Our Environmental Management System (EMS) details ways to protect the environment, conserve resources and eliminate or minimise adverse environmental impacts and risks during construction activities.

SingTel keeps radiation emissions from base stations within internationally recognised standards. The location and style of mounts, feeders and antennas are considered prior to construction to minimise visual impact, while environmentally friendly Value Regulated Lead Acid batteries are used in telephone exchanges.

We go beyond the EMS to be responsible in energy consumption, waste management and carbon emission. In 2009, we sponsored Earth Hour, switching off the lights at our landmark buildings in Australia and Singapore for an hour, to send a message that we care about climate change. In conjunction with this, we ran an environmental awareness programme for customers and employees. This was done through SMSes and MMSes, emails, bill inserts made of recycled paper, and competitions.

Waste reduction is important to our environmental efforts. At the Optus Sydney headquarters in Macquarie Park facility, over 92 per cent of all waste material is recycled. Our Singapore offices recently piloted a paper recycling scheme, recycling over 17 tonnes of paper in the first nine months. We also continue to involve customers in efforts to go paperless, by promoting free e-billing for Optus and SingTel customers.

We achieved 50 per cent carbon neutrality at our corporate sites in Australia through green power and carbon offsets.

At our sites in both Australia and Singapore, we have in place energy saving measures. For example, Optus was the first company in Australia to trial an installation of new Thermal Solar powered air conditioning in an office, reducing power use by 35 per cent.

In Singapore, we saved power by reconfiguring the chiller systems and reducing their operation hours, increasing the air-conditioning temperature, and encouraging staff to use less electricity. When overseas employees require training from their colleagues based in Singapore, we use video-conferencing to reduce our carbon footprint.

We also entered into an agreement where Ascendas Real Estate Investment Trust will build a state-of-the-art green building in Singapore to our specifications which we will leaseback. This new data centre will be constructed to meet the local authority's Green Mark scheme, a green building rating system that evaluates buildings based on criteria such as energy and water efficiency, as well as environmental protection and innovation.

In 2008/09 we continued to partner with the Australian Wildlife Conservancy to save threatened Australian wildlife such as the Purple Crested Fairy Wren and the Yellow Footed Rock Wallaby.

MARKETPLACE

Numerous awards attest to our leadership in corporate governance. We continue to lead the market with our policies and initiatives, close working relationships with governments and responsiveness to industry requirements.

Students folding paper hearts to raise funds for beneficiaries of the SingTel Touching Lives Fund

AIS launches an energy efficient "Green Network" to help stop climate change

We were recently ranked number one in the newly created Governance & Transparency Index introduced by the Business Times and the National University of Singapore's Corporate Governance and Financial Reporting Centre.

In the area of security and privacy, Optus abides by the Privacy Act and Privacy Provisions of the Telecommunications Act, the Spam Act and adheres to the Do Not Call Register, which aims to protect consumers from unsolicited marketing calls.

Since 1995, Optus has convened a Consumer Liaison Forum, a two way dialogue to better understand the needs of telecommunications consumers. Optus has also developed a Disability Action Plan in consultation with representatives of disability organisations that aims to remove the barriers to access to our products and services by customers, potential customers and staff.

In Singapore and Australia, we have policies in place to run operations with honesty and integrity. For instance, the Group has zero tolerance for fraud and our whistleblower policy provides employees with open channels to encourage the reporting of any improper conduct.

Our procurement policy aims to award tenders based on merit through an impartial process. The procurement manual sets out the Ethics Policy on Procurement Practices.

All our employees are bound by clear standards as set out in the staff manual to carry out their daily tasks.

The Voluntary Code for Self-regulation of Mobile Content in Singapore, jointly developed by SingTel and other local mobile operators, identifies content which is not appropriate to be offered to mobile subscribers in Singapore. This voluntary code assures the public of the operators' commitment to protect minors against undesirable Internet content that might be accessed via mobile phones.

WORKPLACE

We are a leading employer, committed to providing a safe and healthy work environment conducive to employee wellness, collaboration and work-life balance.

We encourage staff to take control of their health through talks, health screenings and programmes for disease management and smoking cessation. Facilities such as health clubs and gymnasiums are available at SingTel and Optus premises while healthier food is offered in all staff cafeterias. We also organise various sporting activities catering to diverse interests, including fitness classes and mass participation in national sporting events. In Singapore, our efforts to promote workplace health were recognised with the Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award 2008 from the Health Promotion Board. SingTel and NCS each won Gold awards for our excellent workplace health promotion programmes.

To support our people in managing their work-life harmony, the SingTel Group offers family-friendly policies such as flexible work schedules, telecommuting and various forms of family leave arrangements. NCS and Optus also provide on-site childcare facilities. All employees and their immediate family members have access to professional counselling services on work-life issues through Employee Assistance Programmes run by external consultants.

OUR PEOPLE

'yes' store opening at Macquarie Park

SingTel secured top position in IP VPN market share in Asia Pacific (excluding Japan)

Our family of about 23,000 employees worldwide is a rich mix of nationalities, experience and expertise. They are integral to achieving SingTel's vision to be Asia Pacific's best communications group.

A feature of the Group's corporate strategy is commitment to talent management and development. Our world-class workforce gives us an edge over competitors in the global marketplace.

The right values make a difference to the success of SingTel. Our five core values - Customer Focus, Challenger Spirit, Teamwork, Integrity and Personal Excellence – guide the actions and decisions of our people toward achieving business and strategic goals.

Our employee engagement scores across the Group have consistently improved since 2007, and our results surpass the global telecommunications industry average. Employee engagement remains a key focus for the Group.

Apart from providing competitive remuneration and incentives to reward performance, we listen to our people to understand their needs. Flexible work arrangements such as telecommuting, flexi-hours and pro-family leave schemes are in place to help balance the demands of work and family.

ATTRACTING TALENT

We welcome talent from around the world. As part of our efforts to attract graduate talent, we have established networks and partnerships with domestic and international tertiary institutions to identify top students through career fairs, networking events, internships, referrals and cadetships.

In Australia, we have a successful 3-year engineering cadet programme that allows participants to acquire hands-on skills in the network division. In Singapore, we partner the Infocomm Development Authority to develop talent for the Infocomm and Technology industry through the National Infocomm Scholarships and the Enhance Learning in Infocomm Technology programme, grooming them to be 'industry-ready'.

In 2008, SingTel launched a 24-month Management Associate Program for top graduates. We also have a graduate development programme targeted at top students from Australian universities.

DEVELOPING TALENT

We invest in nurturing the wealth of talent in the Group by offering education, experience and relationship-based learning opportunities. We recognise a good initial experience as an important step in integrating new staff into the company. They go through a highly interactive integration programme encompassing knowledge building and online toolkits as well as being assigned a buddy and a guide. As they grow their careers with us, employees are encouraged to discuss development plans with their managers and to take charge of their careers. Online career development portals, toolkits, talks and workshops provide staff with the necessary resources to evaluate and manage their careers. In 2008, we launched our inaugural Singapore Learning Fiesta and Australia Career Expos.

With a wide range of services to address different market segments and our presence in 19 countries, we are well positioned to offer vast opportunities to meet our people's aspirations for individual growth and career development.

Sam Stosur, Australian tennis player, hangs with the Optus prepaid crew at the Australian Open

SingTel Group Annual Top Management Workshop this year focused on confronting the challenges ahead posed by the global economic downturn and the structural changes within the industry

In building a career with the SingTel Group, job rotations across functions, businesses, market segments or geographies are encouraged. We also sponsor our top talent for master's degree programmes at leading world-class universities.

To support talent development across the Group and our regional associates, we continued with our regional exchange programme introduced in 2007.

GROOMING LEADERS

Because strong and effective leaders play a pivotal role in driving our business success, our management team plays an active role in grooming the next generation of leaders.

To emphasise the importance of people management and development, we have integrated our People plan into our business planning process and require our leaders to achieve people development goals. People managers who demonstrate exemplary people management practices are also recognised through annual awards in Australia and Singapore.

A robust Talent Review is in place to ensure the talent pool of high and emerging potential is constantly tracked and refreshed. The experience, education and relationship-based interventions, such as education sponsorships, job rotations and mentoring are appropriately matched to individuals to accelerate their development.

Our People Managers programme involves leading education programmes targeted at different levels of management. In 2008, a SingTel Teamwork Grand Prix programme was developed in Singapore to equip people managers with effective leadership skills and to build high-performing teams.

DRIVING AND REWARDING PERFORMANCE

We drive a high performance ethic by ensuring that everyone understands where the organisation is heading and how employees can contribute to achieving our corporate goals. We reward and recognise individuals and teams that perform well and people who are role models of our core values. Our leaders are measured and rewarded not only for achieving business results but also on how well they engage, lead and develop their teams.

We provide competitive rewards that demonstrate our pay for performance value proposition and integrated work-life benefits. Incentive pay that is pegged to performance is offered to motivate our people and encourage continuous standards of excellence. In addition, we recognise breakthrough performance through various awards such as the Optus Reward "yes", SingTel Excellence and NCS Making IT Happen awards.

COLLECTIVE AGREEMENTS

Our strong collaborative partnership with the Union of Telecoms Employees of Singapore has brought about a win-win approach to labour management relations. Our collective agreements with the union cover more than 4,000 bargainable employees at SingTel and NCS combined.

Within Optus, about 6,800 staff are covered by the Employment Partnership Agreement, a collective agreement made directly between Optus and employees. A feature of the Optus culture since 1994, it reflects our philosophy of dealing directly with our people.

STAYING RESILIENT WITH GOOD GOVERNANCE

Integrity is important. The resilience of our group is built on a solid foundation of corporate governance. Transparent processes and stringent checks and balances serve to safeguard shareholders' interests and keep our operations running smoothly. Our exemplary approach consistently earns us plaudits from the investment and business community.

INTRODUCTION

Good corporate governance ensures shareholder interests are protected and enhances corporate performance and accountability. SingTel aspires to the highest standards of corporate governance and, to this end, has put in place a set of well-defined processes.

As SingTel shares are listed on the SGX and 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 2005 ("2005 Code") as well as the revised ASX Corporate Governance Principles and Recommendations released on 2 August 2007 ("Revised ASX Code"). Where one exchange has more stringent requirements, SingTel will strive to observe the more stringent requirements.

In line with corporate governance best practices, certain changes to the Group's corporate governance regime have been made, including:

- The appointment of a Lead Independent Director. More details are set out in the 'Lead Independent Director' section on page 60.

- A simplified procedure for Directors to retire by rotation. More details are set out in the 'Board Membership' section on pages 60 to 61.

The Board is also proposing the following changes at the forthcoming AGM to be held on 24 July 2009 to provide shareholders with enhanced protection against dilution:

- Reduction of the limit for *non-pro rata* share issues from 10.0 per cent of the total number of issued shares in the capital of SingTel to 5.0 per cent of the total number of issued shares in the capital of SingTel.

- Introduction of an annual limit of 1.0 per cent of the total number of issued shares in the capital of SingTel on the number of new shares under awards to be granted pursuant to the SingTel Performance Share Plan.

Details on the above proposals are set out in the Notice of AGM dated 25 June 2009.

This report sets out SingTel's main corporate governance practices with reference to the 2005 Code and the Revised ASX Code. Unless otherwise stated, these practices were in place for the entire financial year.

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 excellent corporate governance. More details are included in the 'Awards and Accolades' section on pages 18 to 19.

BOARD MATTERS

Board's Conduct of its Affairs

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 the policies and guidelines for Board and Senior Management remuneration, 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 so as to optimise operational efficiency.

Directors' Attendance at Board Meetings during the Financial Year Ended 31 March 2009

Name of Director	Scheduled Board Meetings* Number of Meetings Held	Scheduled Board Meetings* Number of Meetings Attended	Ad Hoc Board Meetings* Number of Meetings Held	Ad Hoc Board Meetings* Number of Meetings Attended
Chumpol NaLamlieng	7	7	1	1
Graham John Bradley	7	7	1	1
Chua Sock Koong	7	7	1	1
Fang Ai Lian (1)	4	4	-	-
Heng Swee Keat	7	4	1	1
Dominic Chiu Fai Ho	7	7	1	1
Simon Israel	7	7	1	1
John Powell Morschel	7	7	1	1
Kaikhushru Shiavax Nargolwala	7	7	1	1
Ong Peng Tsin (2)	-	-	-	-
Deepak S Parekh	7	5	1	-
Nicky Tan Ng Kuang	7	6	1	-
Professor Tommy Koh (3)	3	3	-	-

* Refers to meetings held/attended while each Director was in office
(1) Mrs Fang Ai Lian was appointed to the Board on 7 August 2008.
(2) Mr Ong Peng Tsin was appointed to the Board on 1 June 2009.
(3) Professor Tommy Koh retired following the conclusion of the AGM held on 25 July 2008.

The Board meets regularly, and sets aside time at each scheduled Board meeting to meet without the presence of Management. Board meetings are full-day affairs and include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas. Typically, at least one Board meeting a year is held overseas, in a country where the Group either has significant interests or has an interest in investing. In addition to at least 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 2009. 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 2009 is set out above.

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, 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 2005 Code and the Revised ASX Code, new Directors also receive a letter from the Company stating clearly the Board's role and the role of non-executive Directors, the time commitment that the Director would be expected to allocate and other relevant matters.

Board Composition and Balance

The size and composition of the Board are reviewed from time to time by the Corporate Governance and Nominations Committee, 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 Committee also seeks to maintain an appropriate balance 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. Any conflicts of interest are taken into consideration.

Reflecting the focus of the Group's business in the region, more than half of SingTel's 12 Directors are, or originate, from countries outside Singapore, namely, the Chairman, Mr Chumpol NaLamlieng, and non-executive Directors, Messrs Graham John Bradley, Dominic Chiu Fai Ho, Simon Israel, John Powell Morschel, Kaikhushru Shiavax Nargolwala and Deepak S Parekh.

The Corporate Governance and Nominations Committee assesses the independence of each Director, taking into account the SGX and ASX corporate governance guidance for assessing independence. On this basis, Ms Chua Sock Koong, SingTel's Group CEO, and Mr Simon Israel, an Executive Director of Temasek Holdings (Private) Limited, are the only non-independent Directors.

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. The Chairman and all other members of the Board, except those identified above as being non-independent, are considered to be independent Directors.

In assessing the independence of the Directors, the Corporate Governance and Nominations Committee has examined the different relationships identified by the 2005 Code and the Revised 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 12 to 15.

Chairman and CEO

There is a clear separation of the roles and responsibilities of the Chairman and the Group CEO. The Chairman, who is an independent Director, leads the Board and is responsible for the Board's workings and proceedings, while the Group CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business.

Lead Independent Director

In line with corporate governance best practices, Mr Kaikhushru Shiavax Nargolwala was appointed as the Lead Independent Director of the Board in May 2009. Mr Nargolwala has been an independent Director on the Board since 29 September 2006.

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 will serve as chairman of the Corporate Governance and Nominations Committee. 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 for which such contact is inappropriate.

Board Membership

SingTel's Corporate Governance and Nominations Committee 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 Corporate Governance and Nominations Committee reviews the range of expertise, skills and attributes on the Board and the composition of the Board. The Committee then identifies SingTel's needs and prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the Committee may seek advice from external search consultants.

The Corporate Governance and Nominations Committee 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 Committee may have to consider the need to position and shape the Board in line with the evolving needs of SingTel and the business.

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 Corporate Governance and Nominations Committee decides whether or not a Director is able to do so and whether he/she has been adequately carrying out his/her duties as a Director of SingTel. The Committee 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.

At the Annual General Meeting ("AGM") held on 25 July 2008, the shareholders approved alterations to SingTel's Articles of Association (the "Articles") relating to the retirement and re-election of Directors. The effect of the alterations is to simplify the rotation procedure whilst at the same time ensuring that at least three Directors retire from office at each AGM. Under the alterations, a Director must retire from office at the third 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/she will be eligible for re-election by shareholders. If at any AGM, less 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 he/she may have 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 Corporate Governance and Nominations Committee 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 mid-term direction. 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 economy/business environment in relevant markets. The Directors may also attend other appropriate courses, conferences and seminars.

Each year, the Corporate Governance and Nominations Committee undertakes a process to assess the effectiveness of the Board as a whole and the contributions by each Director. During the financial year, Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board. The results of the appraisal exercise were considered by the Committee which then made recommendations to the Board, aimed at helping the Board to discharge its duties more effectively. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, Board performance in relation to its principal functions, communication with Senior Management and Directors' standards of conduct.

The Board is of the view that financial indicators are not appropriate criteria for assessing the Board's performance as the Board's role is seen to be more in formulating, rather than executing, strategy and policy.

The Directors were also requested to complete appraisal forms to assess each individual Director's contributions to the Board's effectiveness. Each Director was given the opportunity to meet with the Chairman and the chairman of the Corporate Governance and Nominations Committee to discuss the appraisal exercise and other Board matters. In addition, the contributions and performance of each Director were assessed by the Committee as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the Committee was able to identify areas for improving the effectiveness of the Board and its Committees. In relation to the Board Committees, the chairman of each Committee prepared a report on the Committee's activities for the financial year, which was reported to the Board.

Access to Information

Prior to each Board meeting, SingTel's Management provides the Board with information relevant to matters on the agenda for the Board meeting. The Board also receives regular reports pertaining to the operational and financial performance of the Group. In addition, Directors receive analysts' reports on SingTel and other telecommunications 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.

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, Investment and Risk Committee
- Audit Committee
- Compensation Committee
- Corporate Governance and Nominations Committee
- Optus Advisory Committee.

The chairman of each Board Committee is an independent Director. 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 to 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 2009 is set out on page 63.

Finance, Investment and Risk Committee

The Finance, Investment and Risk Committee ("FIRC") comprises three Directors.

The main responsibilities of the FIRC are to consider and approve strategic and portfolio investments and divestments within certain prescribed thresholds, review the Group's investment and treasury policies, and manage the Group's assets and liabilities in accordance with the policies and directives of the Board. The FIRC also reviews the Group's risk profile and policies, examines the effectiveness of the Group's risk management system, guides the process to identify, evaluate and manage significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management.

In addition, the FIRC approves any on-market share repurchase pursuant to SingTel's share purchase mandate.

Directors' Board Committee Memberships and Attendance at Board Committee Meetings during the Financial Year Ended 31 March 2009

	Finance, Investment and Risk Committee*		Audit Committee*		Compensation Committee*		Corporate Governance and Nominations Committee*		Optus Advisory Committee*	
Name of Director	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
Chumpol NaLamlieng [1]	2	2			3	3	2	2		
Graham John Bradley			4	4					4	3
Chua Sock Koong [2]	5	5	4	4	3	3	2	2	4	4
Fang Ai Lian [3]			3	3						
Heng Swee Keat					3	2	2	1		
Dominic Chiu Fai Ho [4]			4	4	1	1				
Simon Israel	5	5							4	4
John Powell Morschel [5]	3	2			3	3			4	4
Kaikhushru Shiavax Nargolwala			4	4			2	2		
Ong Peng Tsin [6]										
Deepak S Parekh					3	2				
Nicky Tan Ng Kuang [7]	3	3	1	1					4	4
Professor Tommy Koh [8]										

* Refers to meetings held/attended while each Director was in office

(1) Mr Chumpol NaLamlieng ceased to be a member of the Finance, Investment and Risk Committee, and was appointed to the Corporate Governance and Nominations Committee, on 7 August 2008.

(2) Ms Chua Sock Koong ceased to be a member of the Finance, Investment and Risk Committee on 7 August 2008. She 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.

(3) Mrs Fang Ai Lian was appointed to the Audit Committee on 7 August 2008.

(4) Mr Dominic Chiu Fai Ho was appointed to and ceased to be a member of the Compensation Committee on 7 August 2008 and 13 May 2009 respectively. Mr Ho was appointed to the Corporate Governance and Nominations Committee on 13 May 2009.

(5) Mr John Powell Morschel was appointed to and ceased to be a member of the Finance, Investment and Risk Committee on 7 August 2008 and 1 June 2009 respectively.

(6) Mr Ong Peng Tsin was appointed to the Board and the Finance, Investment and Risk Committee on 1 June 2009.

(7) Mr Nicky Tan Ng Kuang ceased to be a member of the Audit Committee, and was appointed to the Finance, Investment and Risk Committee, on 7 August 2008.

(8) Professor Tommy Koh retired following the conclusion of the AGM held on 25 July 2008.

Audit Committee

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

The Audit Committee 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 Audit Committee 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.

The Audit Committee reports to the Board on 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 Audit Committee 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. It also makes recommendations to the Board on the appointment or re-appointment of the external auditors. In addition, the Audit Committee reviews and approves the SingTel Internal Audit Charter to ensure the adequacy 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.

During the financial year, the Audit Committee reviewed the Management and SingTel Internal Audit's assessment of fraud risk and held discussions with the external auditors, and was satisfied with the processes put in place to mitigate fraud risk exposure in the Group. The Audit Committee also reviewed and was satisfied with the whistle-blower arrangements instituted by the Group through which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The Audit Committee met four times during the financial year. At these meetings, the Group CEO, CEO (Singapore), CEO (International), CEO (Optus), Group CFO, Group Financial Controller, CFO (Singapore), CFO (Optus) and Vice President (Audit) were also in attendance. During the financial year, the Audit Committee reviewed and approved the quarterly financial statements prior to recommending their release to the Board, as applicable. 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 Audit Committee also met with the internal and external auditors, without the presence of Management, during the financial year.

Compensation Committee

The Compensation Committee comprises four Directors, all of whom are non-executive and independent. The Committee may have access to expert advice inside and/or outside SingTel.

The main responsibilities of the Compensation Committee are to approve the Group's policies on employment terms, promotion, remuneration and benefits for employees of all grades, and to administer and review any performance share plan or other incentive schemes of SingTel.

The Compensation Committee is responsible for the appointment and promotion of Senior Management and Top Management who are direct reports to the Group CEO. It is also responsible for approving the remuneration of the Group CFO and Senior Management. For the Group CEO and CEO level, the Compensation Committee proposes the remuneration package for the Board's approval. Policies and guidelines for Directors' fees are also determined by the Compensation Committee for the Board's endorsement.

The Group CEO, who is not a member of the Compensation Committee, may attend meetings of the Committee 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 69 to 74.

Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee must comprise at least three Directors, the majority of whom, including the chairman, must be independent. In line with the 2005 Code, the chairman of the Committee, Mr Kaikhushru Shiavax Nargolwala, is not a substantial shareholder of SingTel, nor is he directly associated with any substantial shareholder of SingTel.

The main functions of the Corporate Governance and Nominations Committee are outlined in the commentaries on 'Board Composition and Balance', 'Board Membership' and 'Board Performance' from pages 60 to 62. The Committee 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 Optus Advisory Committee comprises at least three Directors, the majority of whom, including the chairman, are independent. The Committee reviews strategic business issues relating to the Australian business.

Management Committee

In addition to the five Board Committees, SingTel has a Management Committee that comprises the Group CEO, CEO (Singapore), CEO (International), CEO (Optus), Group CFO, Group Chief Information Officer, Group Chief Technology Officer and Group Director (Human Resource).

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 indicators and major issues that are relevant to SingTel's performance, position and prospects.

For the financial year ended 31 March 2009, SingTel's Group CEO and Group CFO have provided assurance to the Board on the integrity of SingTel's financial statements and on SingTel's risk management, compliance and internal control systems. The certification covers SingTel and the subsidiaries that we control. The Board provides a negative assurance confirmation for interim financial statements, which is supported by a negative assurance statement from the Group CEO and Group CFO, in line with stock exchange requirements.

Internal Audit

SingTel Internal Audit comprises a team of 49 staff members, including the Vice President (Audit) who reports to the Audit Committee 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 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 risks across the Group. This plan is reviewed and approved by the Audit Committee. The reviews performed by SingTel Internal Audit are aimed at assisting the Board in promoting sound risk management 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 also works with the internal audit functions of SingTel's regional mobile associates to promote joint reviews and the sharing of knowledge and/or internal audit 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. To ensure their technical knowledge remains current and relevant, SingTel Internal Audit provides training and development opportunities for its staff.

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 Audit Committee 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 re-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. The current Deloitte & Touche LLP audit partner for SingTel was appointed with effect from the financial year ended 31 March 2007.

In order to maintain the independence of the external auditors, SingTel has developed policies regarding the type of non-audit services that the external auditors can provide to the SingTel Group and the related approval processes. The Audit Committee has also reviewed the non-audit services provided by the external auditors during the financial year and the fees paid for such services. The Audit Committee 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 Audit Committee.

Risk Management

The identification and management of risk reduces the uncertainty associated with the execution of our business strategies and allows the Group to maximise opportunities that may arise.

Risk arises in many forms and can have positive or negative impacts on the Group's ability to achieve its stated objectives. Risk has the potential to impact the reputation, regulatory, operational, human resources and financial performance of the Group and thus our ability to meet our stated objectives.

The Group's philosophy and approach in effective risk management is underpinned by three key principles as follows:

- 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 prudent risk taking. In short, we seek to promote a risk-smart 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, defines clearly 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 and controls of risk. We seek to improve our risk management and internal control policies and procedures on an on-going basis to ensure that they remain sound and relevant by benchmarking against global best practices.

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. Furthermore, the risk management processes facilitate alignment of the Group's strategy and annual operating plan with the management of key risks.

The Board has overall responsibility for the oversight of material risks in the Group's business. The FIRC assists the Board in the oversight of the Group's risk profile and policies, 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 Audit Committee 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 25 categories of risks ranging from environmental, operational and management decision making risks. The Group adopts the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Model and the Australia / New Zealand Risk Management Standard (AS/NZ 4360) as the best practice benchmarks for assessing the soundness of its financial reporting, and the efficiency and effectiveness of its risk management, internal control and compliance systems.

The identification and management of risk is delegated to management. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals. 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 FIRC on a regular basis.

Risk assessment and mitigation strategy is an integral part of the Group's annual business planning and budgeting process. The key risk management activities also 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 managed are within policy limits. The Group has in place a formal programme of risk and control self assessment whereby line personnel are involved in the on-going assessment and improvement of risk management and controls in selected areas. Additionally, external consultants are engaged from time to time to review the Group's risk management framework and processes.

The Group's Internal Audit function carries out reviews and internal control advisory activities which are aligned to the key risks in the Group's business to provide independent assurance to the Audit Committee on the adequacy and effectiveness of the risk management, financial reporting processes and internal control and compliance systems.

In order to provide assurance to the Board, via the FIRC, the CEOs of the business groups submit to the FIRC on a semi-annual basis, a report on the key risks and mitigation strategies for their respective areas. On an annual basis, the Group CEO and Group CFO provide a written certification to the Board confirming the soundness of financial reporting, and the efficiency and effectiveness of the risk management, internal control and compliance systems.

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, regulation and best practice, and the identification and management of business risk.

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 plan. Any material non-compliance and internal control weaknesses, together with the external auditors' recommendations to address them, are reported to the Audit Committee. 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.

Based on the work performed by SingTel Internal Audit during the financial year and the review undertaken by the external auditors, the Audit Committee is of the opinion that there are adequate internal controls in place within the Group.

Communication with Shareholders

SingTel is committed to maintaining high standards of disclosure and corporate transparency. We adopt an open and non-discriminatory approach in our communication with shareholders and the investment community. We aim to provide relevant and timely information - regarding the Group's performance, progress and prospects - to assist shareholders and investors in their investment decisions.

Quarterly financial results are reported within six weeks after the end of each quarter. These results contain detailed financial disclosures and analyses of key value drivers and metrics for each business. In addition, comprehensive guidance for each business is provided at the start of each financial year, and, reflecting market conditions, is affirmed or updated at subsequent quarterly results. Audio webcasts of the Group CEO's presentations and conference calls are available on SingTel's website. To make it convenient for our shareholders and the investment community, transcripts of the conference calls and 5-year financial summaries are also posted.

The Investor Relations' website contains a wealth of investor-related information on SingTel which serves as an important resource for investors. Aside from housing the quarterly results materials, it is a one-stop source of investor presentations, stock exchange announcements, annual reports, events calendar, factsheets, financial summaries, AGM and dividend information. All new material information is posted on the website following its filing with the SGX and ASX, to ensure fair and equal dissemination of information.

SingTel believes in the importance of regular interaction with investors and shareholders. Senior Management actively participates in one-on-one meetings, roadshows, conferences and investor events organised by the Investor Relations Department. In the financial year ended 31 March 2009, SingTel met with more than 800 investors in over 300 meetings. Furthermore, more than 400 shareholders and their proxies had the opportunity to interact, question, clarify and relay their concerns and feedback, not only with the Senior Management, but with the Chairman and the Directors during the AGM.

SingTel fully supports and encourages shareholder participation at AGMs. SingTel sends out the notice of the meeting a month ahead, providing ample time for it to be received by shareholders. The AGM is held at a convenient central location with easy access to public transportation. A registered shareholder who is unable to attend may choose to appoint a proxy to attend and vote on his behalf.

At the AGM, the Group CEO delivers a presentation to update shareholders on the progress of the Company over the past year. The Directors and Senior Management are in attendance during the AGM to address queries and concerns about SingTel. The proxy voting results are presented to the audience during the voting process and are 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 places great importance on communicating with and reaching out to our shareholders and the investment community. We are pleased that our proactive efforts have been acknowledged at the Singapore Corporate Awards and recognised by leading financial journals and organisations such as IR Magazine, Finance Asia and Thomson Reuters during the year.

Securities Trading

SingTel's securities trading 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 financial year, and ending on the date of the announcement of the relevant results. The policy also discourages trading on short-term considerations.

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. The Company Secretary manages the policy.

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 conduct in the workplace, business conduct, protection of SingTel's assets, confidentiality, non-solicitation of customers and employees, conflicts of interest and corporate opportunities. The code is posted on SingTel's internal website. SingTel's staff manual maps out SingTel's policies and standards by which employees are expected to conduct themselves in the course of their employment with SingTel. The manual also contains procedures for the investigation of reports of misconduct or unethical practices and for taking appropriate remedial actions.

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 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 as part of the Group's efforts to promote fraud control awareness.

REMUNERATION

The broad principles that guide the Compensation Committee 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.

The fees for non-executive Directors for the financial year ended 31 March 2009 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 fees were benchmarked against fees paid by other comparable telecommunications companies. There are no retirement benefit schemes in place for non-executive Directors. The framework for determining non-executive Directors' fees is as follows:

Basic Retainer Fee

Board chairman	S$180,000 per annum
Director	S$ 90,000 per annum

Fee for Appointment to Audit 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

Directors' Remuneration for the Financial Year Ended 31 March 2009

Name of Director	Fixed Component [1] (S$)	Variable Component [2] (S$)	Provident Fund [3] (S$)	Benefits [4] (S$)	Directors' Fees [6] (S$)	Total (S$)
Chumpol NaLamlieng	-	-	-	-	279,000	279,000
Graham John Bradley	-	-	-	-	194,000	194,000
Chua Sock Koong [5]	1,350,000	1,950,000	8,038	71,262	-	3,379,300
Fang Ai Lian [7]	-	-	-	-	91,075	91,075
Heng Swee Keat [8]	-	-	-	-	142,000	142,000
Dominic Chiu Fai Ho	-	-	-	-	167,263	167,263
Simon Israel [9]	-	-	-	-	160,000	160,000
John Powell Morschel	-	-	-	-	212,769	212,769
Kaikhushru Shiavax Nargolwala	-	-	-	-	176,000	176,000
Deepak S Parekh	-	-	-	-	145,000	145,000
Nicky Tan Ng Kuang	-	-	-	-	182,736	182,736
Professor Tommy Koh [8][10]	-	-	-	-	39,650	39,650

Notes:
(1) Fixed Component refers to base salary and Annual Wage Supplement earned for the year ended 31 March 2009.
(2) Variable Component refers to cash bonus awarded for performance for the year ended 31 March 2009.
(3) Provident Fund 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 and other non-cash benefits such as medical cover and club membership.
(5) In addition to the total remuneration above, long-term incentive in the form of performance share awards under the SingTel Performance Share Plan was granted to Ms Chua on 3 June 2009 for performance for the year ended 31 March 2009. She received the General Award ("GA") and the Senior Management Award ("SMA") based on fair values of S$1.301 and S$1.430 per share respectively. The fair values of performance share awards granted to her are S$1,200,000 for GA and S$900,000 for SMA. The vesting criteria for the performance share awards are detailed on page 72-73.
(6) Directors' Fees are paid on a half-yearly basis in arrears.
(7) Appointed to the Board on 7 August 2008.
(8) Fees for public sector Directors are payable to government agencies.
(9) Fees are payable to Mr Simon Israel's employer.
(10) Retired as a Director following the conclusion of the AGM held on 25 July 2008.

No employee of the Group who is an immediate family member of a Director was paid remuneration that exceeded S$150,000 during the financial year ended 31 March 2009.

The proposed framework for Directors' fees for the financial year ending 31 March 2010 is the same as that for the financial year ended 31 March 2009.

No Director decides his own fees. Directors' fees are recommended by the Compensation Committee and are submitted for endorsement by the Board. Directors' fees are subject to the approval of shareholders at the AGM.

Until the financial year ended 31 March 2007, the Company's practice was to seek shareholders' approval for the payment of Directors' fees at the AGM held after the end of the financial year. As a result, Directors were only paid for services rendered 17 months after the commencement of the relevant financial year. In order that the Company is able to attract the right calibre of directors to contribute effectively to the Board, in addition to the right level of remuneration, timely payment to directors is also necessary. Accordingly, commencing from the 2007 AGM, SingTel now seeks shareholders' approval for Directors' fees for the current financial year so that Directors' fees can be paid on a half-yearly basis in arrears for that year.

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. Directors who were previously eligible for applicable share option schemes are encouraged to hold, beyond the vesting period, any shares acquired by the exercise of share options under those schemes.

Remuneration for Executive Director and Senior Management

The Compensation Committee recognises that the Group operates in a regional environment. To remain competitive, the Compensation Committee has established the following objectives for its remuneration policy:

- To align the interests of Senior Management with those of shareholders;
- To attract, motivate and retain high-performing executives, which is necessary to sustain SingTel as a leading communications provider in Asia Pacific;
- To achieve Business and People targets; and
- To be locally focused and competitive in each of the relevant employment markets.

The Compensation Committee reviews remuneration through a process that considers Group, company, business unit and individual performance, relevant comparative remuneration in the market and, where required, feedback from independent external advisors on human resource management and reward and benefit policies. The performance evaluations for the executive Director and Senior Management have been conducted for the financial year in accordance with the above considerations.

Remuneration Components

The remuneration structure for Senior Management comprises five components – fixed component, variable component, 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. The variable component is also dependent on the actual achievement of corporate targets and individual performance objectives. The cost and value of the remuneration components are considered as a whole and are designed to strike a balance between linking rewards to short-term and long-term objectives, and maintaining competitiveness with market practice.

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.

- *Fixed Component*
  The base salary should fall within the mid-range of what is paid by comparable companies in relevant employment markets for similar jobs, but may vary with responsibilities, performance, skills and the experience that the individual brings to the role. For executives who exceed their performance objectives, the aggregate of base salary and variable bonus should fall within the upper range of what is paid by comparable companies. To ensure that the remuneration of Senior Management is consistent with these levels, the Compensation Committee benchmarks remuneration components against those of comparable companies.

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 Component*
  Variable bonus payouts are based on actual achievement against Group, company, business unit and individual performance objectives. Although the performance 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. The performance objectives are reviewed and adjusted at the commencement of each financial year to ensure that the objectives contribute to the overall financial and operational goals of the Group.

  Individual bonus payouts are linked by way of performance indicators and scorecards to the areas mentioned above. The Compensation Committee assesses the extent to which the performance objectives have been achieved and approves the bonus pool for distribution to executives.

- *Provident/Superannuation Fund*
  This component 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 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 are provisionally allocated or granted to Senior Management for performance for the year ended 31 March 2009.

  For long-term incentives granted under the SingTel Performance Share Plan ("Share Plan"), as in past years, two categories of awards are made at the discretion of the Compensation Committee – General Awards for eligible staff at Executive and higher grades, and Senior Management Awards for eligible Senior Management staff. They are made with reference to the desired total remuneration target benchmarked against comparable companies in the market. The number of performance shares awarded is determined using the valuation (of the shares) based on a Monte-Carlo simulation. The final number of performance shares vested to the recipient will depend on the level of achievement of targets set over a three-year period.

  The vesting criteria for both the General Award and the Senior Management Award for 2009 are similar to the corresponding criteria adopted for awards made under the Share Plan since 2004. The vesting for half (50 per cent) of the General Award granted to an employee will be based on the Group's Total Shareholders' Return ("TSR") relative to the component stocks in the MSCI Asia Pacific Telecommunications Index (the "Index") over the three-year performance period from 1 April 2009 to 31 March 2012. No performance shares will vest if the TSR, as determined by the Compensation Committee at its sole discretion, is below the 50th percentile as measured against that of other component stocks in the Index. The number of performance shares to be vested will be determined in accordance with the table on page 73.

  The remaining tranche (50 per cent) of the General Award will be subject to the TSR performance measured against the Index (as opposed to individual component stocks) over the performance period from 1 April 2009 to 31 March 2012. For the 2009 General Award going forward, a technical refinement has been made to the formula used to compute SingTel's TSR performance against the Index. This refinement allows better differentiation between various degrees of over-

Total Shareholders' Return Percentile Ranking Criteria for 50 per cent of the 2009 General Award

TSR	Percentage of Performance Shares to be Vested
80th to 100th percentile	100%
70th to 79th percentile	90%
60th to 69th percentile	70%
50th to 59th percentile	50%
< 50th percentile	0%

and under- achievement. With this change in formula, a new vesting schedule has been developed to provide vesting level results similar to what would have been derived under the old formula and vesting schedule:

- If SingTel Group's TSR is at or exceeds 8 per cent that of the Index, 100 per cent of the shares under this tranche will vest.
- If SingTel Group's TSR is -2 per cent or more but less than 8 per cent that of the Index, the percentage of the shares under this tranche that will vest will vary accordingly.
- If SingTel Group's TSR is less than -2 per cent that of the Index, none of the shares under this tranche will vest.

For the 2009 Senior Management Award, vesting will take place if the following criteria are met:

- *Vesting of the General Award*
  There must be vesting of the 2009 General Award before the 2009 Senior Management Award can vest. This will strengthen the alignment of interests of Senior Management with those of other executives. This criterion was also adopted for the Senior Management Awards from 2004 to 2008.

- *Return on Invested Capital ("ROIC") Criterion*
  As in the past year, ROIC improvements over the performance period must exceed a minimum threshold level for vesting of the Senior Management Award as follows:
  - Where the ROIC improvement target is met or exceeded, subject to the vesting of the General Award, 100 per cent of the performance shares will vest.
  - Where 75 per cent or more but less than 100 per cent of the ROIC improvement target is met, the performance shares will, subject to the vesting of the General Award, vest to the same extent in percentage terms as the percentage to which the target has been met.
  - Where less than 75 per cent of the ROIC improvement target is met, no performance shares will vest.

Details of the performance shares granted under the Share Plan during the financial year are set out in the financial statements under the 'Directors' Report'.

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.

Remuneration of Senior Management

The aggregate compensation paid to or accrued to the five top-earning key executives for the financial year ended 31 March 2009 is set out in the table below:

Name of Senior Executive	Fixed Component [1] (S$)	Variable Component [2] (S$)	Provident/ Superannuation Fund [3] (S$)	Benefits [4] (S$)	Total [5] (S$)
The following are in alphabetical order:					
Hui Weng Cheong [6] Deputy President Advanced Info Service	346,978	320,000	8,039	779,152	1,454,169
Allen Lew CEO (Singapore) SingTel	895,000	1,500,000	8,038	60,985	2,464,023
Lim Chuan Poh CEO (International) SingTel	765,000	1,000,000	8,038	58,364	1,831,402
Jeann Low [7] Group CFO SingTel	459,000	575,000	11,099	1,200,369	2,245,468
Paul O'Sullivan [8] CEO Optus	1,219,914	941,284	199,638	73,525	2,434,361

Notes:

(1) Fixed Component refers to base salary and Annual Wage Supplement (if applicable) earned for the year ended 31 March 2009.

(2) Variable Component refers to cash bonus awarded for performance for the year ended 31 March 2009.

(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 and additional company contributions to the superannuation scheme. Any contributions made by an individual may be salary sacrificed, and are part of the fixed component.

(4) Benefits are stated on the basis of direct costs to the company, and include overseas assignment benefits, tax equalisation, car benefits and other non-cash benefits such as medical cover, club membership and Australia Fringe Benefits Tax, where applicable.

(5) In addition to the total remuneration above, long-term incentives are provisionally allocated or granted to Senior Management for performance for the year ended 31 March 2009.

The Senior Management who were granted long-term incentives in the form of performance share awards under the SingTel Performance Share Plan on 3 June 2009, received the General Award ("GA") and the Senior Management Award ("SMA") based on fair values of S$1.301 and S$1.430 per share respectively. The vesting criteria for the performance share awards are detailed on page 72-73. The fair values of performance share awards granted to the following Senior Management are:
- Hui Weng Cheong: GA of S$200,000 and SMA of S$150,000
- Allen Lew: GA of S$971,429 and SMA of S$728,571
- Lim Chuan Poh: GA of S$628,571 and SMA of S$471,429

Long-term incentives are provisionally allocated but not yet granted to the following Senior Management. The form and timing of the grant will be decided pending review of the long-term incentive plan in Australia:
- Paul O'Sullivan: up to S$1,539,000
- Jeann Low: up to S$650,000

(6) Mr Hui Weng Cheong is based in Thailand. He is seconded to Advanced Info Service on expatriate terms including tax equalisation benefits.

(7) Ms Jeann Low was based full-time in Australia till 31 August 2008. She was seconded to Optus on expatriate terms including tax equalisation benefits. An award of up to 360,577 performance shares (General Award) was given at the point she assumed the position of Group CFO.

(8) Mr Paul O'Sullivan is based in Australia and he is remunerated in Australian dollars. The exchange rate used to convert his remuneration to Singapore dollars is S$1.14 : A$1.00

FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the financial year ended 31 March 2009

The Directors present their report to the members together with the audited consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company (or "**SingTel**") for the financial year ended 31 March 2009.

1. DIRECTORS

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

Chumpol NaLamlieng (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Graham John Bradley
Fang Ai Lian (appointed on 7 August 2008)
Heng Swee Keat
Dominic Chiu Fai Ho
Simon Israel
John Powell Morschel
Kaikhushru Shiavax Nargolwala
Deepak S Parekh
Nicky Tan Ng Kuang

Professor Tommy Koh, who served during the year, retired following the conclusion of the Annual General Meeting held on 25 July 2008.

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 share options granted under the Singapore Telecom Share Option Scheme 1999 ("**1999 Scheme**"), and performance shares granted under the SingTel Performance Share Plan ("**Share Plan 2004**").

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 Mar 09	At 1 Apr 08 or date of appointment, if later	At 31 Mar 09	At 1 Apr 08 or date of appointment, if later
Singapore Telecommunications Limited				
(Ordinary shares)				
Chumpol NaLamlieng	**199,500**	199,500	**-**	-
Chua Sock Koong [1]	**2,359,757**	1,706,800	**16,278,933**	18,277,775
Graham John Bradley	**40,000**	88,220	**-**	-
Fang Ai Lian	**91,930**	91,930	**-**	-
Heng Swee Keat	**1,330**	1,330	**-**	-
Dominic Chiu Fai Ho	**-**	-	**-**	-
Simon Israel	**179,820**	179,820	**1,360**	1,360
John Powell Morschel	**55,780**	55,780	**-**	-
Kaikhushru Shiavax Nargolwala	**148,000**	100,000	**-**	-
Deepak S Parekh	**-**	-	**-**	-
Nicky Tan Ng Kuang	**150,000**	150,000	**-**	-
(Options to purchase ordinary shares)				
Chua Sock Koong [2]	**1,584,000**	1,584,000	**-**	-
Singapore Airlines Limited				
(Ordinary shares)				
Chua Sock Koong	**2,000**	2,000	**-**	-
Simon Israel	**9,000**	9,000	**-**	-
SP AusNet				
(stapled securities comprising one share in each of SP Australia Networks (Transmission) Ltd and SP Australia Networks (Distribution) Ltd and a unit in SP Australia Networks (Finance) Trust)				
Nicky Tan Ng Kuang	**600,000**	600,000	**-**	-
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Fang Ai Lian	**50,000**	50,000	**-**	-

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 Mar 09	At 1 Apr 08 or date of appointment, if later	At 31 Mar 09	At 1 Apr 08 or date of appointment, if later
StarHub Ltd				
(Ordinary shares)				
Kaikhushru Shiavax Nargolwala	**37,000**	-	**-**	-

Notes:
(1) Chua Sock Koong's deemed interest of 16,278,933 shares included -
 (a) 13,302,772 ordinary shares in SingTel held by RBC Dexia Trust Services Singapore Limited, the trustee of a trust established for the purposes of the Share Plan 2004 for the benefit of eligible employees of the Group;
 (b) 28,137 ordinary shares held by Ms Chua's spouse; and
 (c) an aggregate of up to 2,948,024 ordinary shares in SingTel awarded to Ms Chua pursuant to the Share Plan 2004, subject to certain performance criteria being met and other terms and conditions.
(2) At exercise prices of between S$1.41 and S$2.85 per share (1 April 2008: between S$1.41 and S$2.85 per share).

Between the end of the financial year and 21 April 2009, Chua Sock Koong's deemed interest increased to 27,347,933 shares due to the acquisition by RBC Dexia Trust Services Singapore Limited of an additional 11,069,000 ordinary shares in SingTel for the benefit of eligible employees in the Group.

Except as disclosed above, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2009.

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 Compensation Committee is responsible for administering the share option and performance share plans. At the date of this report, the members of the Compensation Committee are Chumpol NaLamlieng (Chairman of the Compensation Committee), Heng Swee Keat, John Powell Morschel, and Deepak S Parekh.

Dominic Chiu Fai Ho was appointed to and ceased to be a member of the Compensation Committee on 7 August 2008 and 13 May 2009 respectively.

5.1 Share Options

1999 Scheme

Options granted pursuant to the 1999 Scheme are in respect of ordinary shares in SingTel. Options exercised and cancelled during the financial year, and options outstanding at the end of the financial year under the 1999 Scheme, were as follows -

Date of grant	Exercise period	Exercise price	Balance as at 1 Apr 08 ('000)	Options exercised ('000)	Options cancelled ('000)	Balance as at 31 Mar 09 ('000)
Market Price Share Options						
For staff and senior management						
09.11.99	10.11.00 to 09.11.09	S$2.85	2,197	(454)	(7)	**1,736**
09.06.00	10.06.01 to 09.06.10	S$2.12	4,006	(1,077)	(49)	**2,880**
30.05.01	31.05.02 to 30.05.11	S$1.56	2,664	(496)	(33)	**2,135**
01.06.01	02.06.02 to 01.06.11	S$1.55	30	-	-	**30**
16.08.01	17.08.02 to 16.08.11	S$1.75	47	-	-	**47**
29.11.01	30.11.02 to 29.11.11	S$1.61	4,347	(515)	(59)	**3,773**
30.05.02	31.05.03 to 30.05.12	S$1.41	8,430	(1,509)	(127)	**6,794**
			21,721	(4,051)	(275)	**17,395**
For Group Chief Executive Officer (Chua Sock Koong)						
09.11.99	10.11.00 to 09.11.09	S$2.85	134	-	-	**134**
09.06.00	10.06.01 to 09.06.10	S$2.12	750	-	-	**750**
30.05.02	31.05.03 to 30.05.12	S$1.41	700	-	-	**700**
			1,584	-	-	**1,584**
For former Executive Director (Lee Hsien Yang) [1]						
09.11.99	10.11.00 to 09.11.09	S$2.85	500	(500)	-	**-**
09.06.00	10.06.01 to 09.06.10	S$2.12	1,500	(1,500)	-	**-**
			2,000	(2,000)	-	**-**
Total			**25,305**	**(6,051)**	**(275)**	**18,979**

Note:
(1) Lee Hsien Yang stepped down as a Director of the Company with effect from 1 April 2007. As approved by the Board, he had up till 31 March 2009 to exercise the vested share options, which he exercised during the financial year ended 31 March 2009.

The options under the 1999 Scheme do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company.

5.1 Share Options (cont'd)

Details of the Directors' share options are set out in the following table -

	Aggregate Options		
	Granted since commencement of scheme to 31 Mar 09 ('000)	Exercised since commencement of scheme to 31 Mar 09 ('000)	Outstanding as at 31 Mar 09 ('000)
1999 Scheme			
Chumpol NaLamlieng	60	(60)	-
Chua Sock Koong	4,709	(3,125)	1,584
Graham John Bradley	-	-	-
Fang Ai Lian	-	-	-
Heng Swee Keat	-	-	-
Dominic Chiu Fai Ho	-	-	-
Simon Israel	-	-	-
John Powell Morschel	60	(60)	-
Kaikhushru Shiavax Nargolwala	-	-	-
Deepak S Parekh	-	-	-
Nicky Tan Ng Kuang	60	(60)	-
Professor Tommy Koh [1]	-	-	-
	4,889	(3,305)	1,584

Note:
(1) Professor Tommy Koh retired as a Director of the Company following the conclusion of the Annual General Meeting held on 25 July 2008.

No options were granted to the Directors during the financial year ended 31 March 2009.

No option has been granted to controlling shareholders of the Company or their associates, and there are no participants who have received five per cent or more of the total number of options available under the 1999 Scheme.

The 1999 Scheme was suspended with the implementation of the SingTel Executives' Performance Share Plan ("**Share Plan 2003**") following a review of the remuneration policy across the Group in 2003. Hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the 1999 Scheme and the respective grants.

From the commencement of the 1999 Scheme to 31 March 2009, 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

Following the review of the remuneration policy across the Group, SingTel implemented the Share Plan 2003 in June 2003 and granted awards to selected employees of the Group under this plan. This plan only allows the purchase and delivery of existing SingTel shares to participants upon the vesting of the awards.

The Share Plan 2004 was implemented with the approval of shareholders at the Extraordinary General Meeting held on 29 August 2003. 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.

Participants 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. 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.

From the commencement of the performance share plans to 31 March 2009, awards comprising an aggregate of 38,548,775 shares and 142,771,743 shares have been granted under the Share Plan 2003 and Share Plan 2004 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 Apr 08 ('000)	Share awards granted ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 Mar 09 ('000)
Performance shares (General Awards)					
For staff and senior management					
26.05.05	22,088	-	(19,225)	(2,863)	**-**
30.11.05	299	-	(247)	(52)	**-**
28.02.06	454	-	(375)	(79)	**-**
25.05.06	28,466	-	(210)	(2,438)	**25,818**
24.08.06	20	-	-	-	**20**
28.11.06	30	-	-	-	**30**
02.03.07	418	-	-	(378)	**40**
29.05.07	15,663	-	(52)	(1,447)	**14,164**
03.09.07	10	-	-	-	**10**
28.11.07	107	-	-	(8)	**99**
27.02.08	98	-	-	-	**98**
04.06.08	-	13,577	-	(927)	**12,650**
01.09.08	-	115	-	-	**115**
02.12.08	-	925	-	-	**925**
02.03.09	-	103	-	-	**103**
	67,653	14,720	(20,109)	(8,192)	**54,072**

5.2 Performance Shares (cont'd)

Date of grant	Balance as at 1 Apr 08 ('000)	Share awards granted ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 Mar 09 ('000)
For Group Chief Executive Officer (Chua Sock Koong)					
26.05.05	336	-	(278)	(58)	**-**
28.02.06	455	-	(375)	(80)	**-**
25.05.06	470	-	-	-	**470**
29.05.07	592	-	-	-	**592**
04.07.08	-	671	-	-	**671**
	1,853	671	(653)	(138)	**1,733**
Sub-total	**69,506**	**15,391**	**(20,762)**	**(8,330)**	**55,805**
Performance shares (Senior Management Awards)					
For senior management					
26.05.05	1,223	-	(1,146)	(77)	**-**
25.05.06	1,799	-	-	(142)	**1,657**
29.05.07	1,618	-	-	-	**1,618**
04.06.08	-	1,737	-	(116)	**1,621**
	4,640	1,737	(1,146)	(335)	**4,896**
For Group Chief Executive Officer (Chua Sock Koong)					
26.05.05	251	-	(251)	-	**-**
25.05.06	323	-	-	-	**323**
29.05.07	440	-	-	-	**440**
04.06.08	-	453	-	-	**453**
	1,014	453	(251)	-	**1,216**
Sub-total	**5,654**	**2,190**	**(1,397)**	**(335)**	**6,112**
Total	**75,160**	**17,581**	**(22,159)**	**(8,665)**	**61,917**

During the financial year, awards in respect of an aggregate of 22,159,634 shares granted under the Share Plan 2004 were vested. The awards under Share Plan 2004 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 Share Plan 2004.

As at 31 March 2009, no participant has been granted options under the 1999 Scheme and/or received shares pursuant to the vesting of awards granted under the Share Plan 2004 which, in aggregate, represents five per cent or more of the aggregate of -

(i) the total number of new shares available under the Share Plan 2004 and the 1999 Scheme collectively; and

(ii) the total number of existing shares purchased for delivery of awards released under the Share Plan 2004.

6. AUDIT COMMITTEE

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

Fang Ai Lian (Chairman of the Audit Committee) (appointed on 7 August 2008)
Graham John Bradley
Dominic Chiu Fai Ho
Kaikhushru Shiavax Nargolwala

Nicky Tan Ng Kuang, who served during the year, ceased to be a member of the Audit Committee on 7 August 2008.

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 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 consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2009 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 Group and the Company 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

Chumpol NaLamlieng
Chairman

Chua Sock Koong
Director

Singapore, 13 May 2009

STATEMENT OF DIRECTORS

For the financial year ended 31 March 2009

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 86 to 182 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 2009 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

Chumpol NaLamlieng
Chairman

Chua Sock Koong
Director

Singapore, 13 May 2009

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE TELECOMMUNICATIONS LIMITED

For the financial year ended 31 March 2009

We have audited the accompanying financial statements of Singapore Telecommunications Limited (the Company) and its subsidiaries (the Group) which comprise the balance sheets of the Group and the Company as at 31 March 2009, the income statement, statement of changes in equity and cash flow statement 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 86 to 182.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 and fair presentation of the financial statements 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,

(a) the consolidated financial statements of the Group and the balance sheet 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 2009 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; and

(b) 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

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore, 13 May 2009

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2009

	Notes	2009 S$ Mil	2008 S$ Mil
Operating revenue	4	**14,934.4**	14,844.4
Operating expenses	5	**(10,595.3)**	(10,392.5)
Other income	6	**92.1**	78.3
		4,431.2	4,530.2
Depreciation and amortisation	7	**(1,732.7)**	(1,886.9)
Exceptional items	8	**(319.6)**	(50.1)
Profit on operating activities		**2,378.9**	2,593.2
Share of results of associated and joint venture companies	9	**1,796.1**	2,066.5
Profit before interest, investment income (net) and tax		**4,175.0**	4,659.7
Interest and investment income (net)	10	**132.4**	216.2
Finance costs	11	**(360.7)**	(392.9)
Profit before tax		**3,946.7**	4,483.0
Tax expense	12	**(497.5)**	(522.3)
Profit after tax		**3,449.2**	3,960.7
Attributable to -			
Shareholders of the Company		**3,448.4**	3,960.2
Minority interests		**0.8**	0.5
		3,449.2	3,960.7
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	**21.67**	24.90
- diluted (cents)	13	**21.60**	24.76

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

BALANCE SHEETS

As at 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Notes	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Current assets					
Cash and cash equivalents	15	**1,076.0**	1,372.0	**333.1**	614.4
Trade and other receivables	16	**2,531.9**	2,540.9	**1,359.4**	1,597.1
Financial assets at fair value through profit or loss ("**FVTPL investments**")	17	**10.8**	11.0	**-**	-
Derivative financial instruments	26	**1.5**	2.5	**1.5**	1.2
Inventories	18	**173.4**	123.6	**35.4**	18.9
		3,793.6	4,050.0	**1,729.4**	2,231.6
Non-current assets					
Property, plant and equipment	19	**9,122.6**	10,124.2	**1,968.1**	1,985.4
Intangible assets	20	**10,027.4**	10,056.5	**2.7**	3.0
Subsidiaries	21	**-**	-	**11,798.7**	13,982.3
Associated companies	22	**669.3**	1,086.9	**24.7**	24.7
Joint venture companies	23	**7,989.9**	7,453.0	**29.9**	29.9
Available-for-sale ("**AFS**") investments	25	**236.3**	352.6	**24.6**	37.0
Derivative financial instruments	26	**461.3**	358.0	**461.3**	358.0
Deferred tax assets	12	**806.4**	1,083.0	**-**	-
Other non-current receivables	27	**147.9**	150.1	**104.7**	89.0
		29,461.1	30,664.3	**14,414.7**	16,509.3
Total assets		**33,254.7**	34,714.3	**16,144.1**	18,740.9
Current liabilities					
Trade and other payables	28	**3,267.5**	3,360.1	**1,130.7**	2,890.6
Provision	29	**16.8**	12.7	**-**	-
Current tax liabilities		**340.2**	345.8	**221.3**	237.1
Borrowings (unsecured)	30	**1,427.4**	1,874.3	**-**	487.1
Borrowings (secured)	31	**6.4**	0.3	**-**	-
Derivative financial instruments	26	**44.2**	162.5	**12.6**	155.7
		5,102.5	5,755.7	**1,364.6**	3,770.5

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

BALANCE SHEETS
As at 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Notes	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Non-current liabilities					
Borrowings (unsecured)	30	**6,047.5**	5,668.2	**4,353.2**	3,891.2
Borrowings (secured)	31	**13.7**	-	**-**	-
Advance billings		**532.5**	395.5	**157.0**	108.4
Deferred income	32	**34.2**	40.1	**12.8**	8.5
Derivative financial instruments	26	**563.2**	1,334.4	**504.8**	953.1
Deferred tax liabilities	12	**307.9**	329.5	**186.7**	234.5
Other non-current liabilities	33	**152.9**	188.6	**9.2**	14.8
		7,651.9	7,956.3	**5,223.7**	5,210.5
Total liabilities		**12,754.4**	13,712.0	**6,588.3**	8,981.0
Net assets		**20,500.3**	21,002.3	**9,555.8**	9,759.9
Share capital and reserves					
Share capital	34	**2,605.6**	2,593.7	**2,605.6**	2,593.7
Reserves		**17,870.6**	18,405.8	**6,950.2**	7,166.2
Equity attributable to shareholders of the Company		**20,476.2**	20,999.5	**9,555.8**	9,759.9
Minority interests		**24.1**	2.8	**-**	-
Total equity		**20,500.3**	21,002.3	**9,555.8**	9,759.9

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Notes	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Share Capital					
Balance as at 1 Apr		**2,593.7**	2,562.1	**2,593.7**	2,562.1
Issue of new shares		**11.9**	31.6	**11.9**	31.6
Balance as at 31 Mar	34	**2,605.6**	2,593.7	**2,605.6**	2,593.7
Treasury Shares [1] Held By Trust [2]					
Balance as at 1 Apr		**(50.1)**	(42.4)	**-**	-
Performance shares purchased by Company		**(12.1)**	(11.2)	**(12.1)**	(11.2)
Performance shares purchased by Trust		**(36.9)**	(38.9)	**-**	-
Performance shares vested		**55.4**	42.4	**12.1**	11.2
Balance as at 31 Mar		**(43.7)**	(50.1)	**-**	-
Capital Reserve - Performance Shares					
Balance as at 1 Apr		**11.8**	35.0	**(22.8)**	(6.7)
Equity-settled performance shares		**24.9**	32.7	**13.6**	15.8
Transfer of liability to equity		**1.1**	3.2	**1.1**	0.8
Cash paid to employees under performance share plans		**(0.9)**	(4.9)	**(0.8)**	(4.7)
Performance shares purchased by SingTel Optus Pty Limited ("**Optus**") and vested		**(14.1)**	(11.8)	**-**	-
Performance shares vested from Treasury Shares		**(55.4)**	(42.4)	**(6.5)**	(6.2)
Contribution to Trust		**-**	-	**(23.5)**	(21.8)
Balance as at 31 Mar		**(32.6)**	11.8	**(38.9)**	(22.8)
Currency Translation Reserve [3]					
Balance as at 1 Apr		**95.8**	389.1	**-**	-
Currency translation differences transferred to income statement upon capital reduction of subsidiaries		**(83.9)**	(195.1)	**-**	-
Currency translation differences released on disposal of joint venture companies		**0.6**	93.6	**-**	-
Currency translation differences [*]		**(1,791.2)**	(191.8)	**-**	-
Balance as at 31 Mar		**(1,778.7)**	95.8	**-**	-
Balance carried forward		**750.6**	2,651.2	**2,566.7**	2,570.9

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Notes	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Balance brought forward		**750.6**	2,651.2	**2,566.7**	2,570.9
Hedging Reserve					
Balance as at 1 Apr		**(266.0)**	(142.2)	**(263.8)**	(113.8)
Net valuation taken to equity (*)		**298.7**	(434.0)	**303.7**	(454.5)
Transferred to income statement		**(277.8)**	310.2	**(277.8)**	304.5
Balance as at 31 Mar		**(245.1)**	(266.0)	**(237.9)**	(263.8)
Fair Value Reserve					
Balance as at 1 Apr		**54.4**	21.8	**24.9**	21.2
Fair value changes on AFS investments (*)		**(115.2)**	32.6	**(9.9)**	3.7
Balance as at 31 Mar		**(60.8)**	54.4	**15.0**	24.9
Retained Earnings					
Balance as at 1 Apr		**19,800.7**	19,277.2	**7,427.9**	9,239.0
Goodwill transferred from 'Other Reserves' on dilution		**(0.1)**	(1.3)	**-**	-
Net profit for the year (*)		**3,448.4**	3,960.2	**1,775.0**	1,626.9
Final dividends paid	35	**(1,098.1)**	(2,544.7)	**(1,098.8)**	(2,546.5)
Interim dividends paid	35	**(891.3)**	(890.7)	**(892.1)**	(891.5)
Balance as at 31 Mar		**21,259.6**	19,800.7	**7,212.0**	7,427.9
Other Reserves (4)					
Balance as at 1 Apr		**(1,240.8)**	(1,253.4)	**-**	-
Goodwill transferred to 'Retained Earnings' on dilution		**0.1**	1.3	**-**	-
Share of associated and joint venture companies' reserve movements (*)		**12.6**	11.3	**-**	-
Balance as at 31 Mar		**(1,228.1)**	(1,240.8)	**-**	-
Equity attributable to shareholders of the Company		**20,476.2**	20,999.5	**9,555.8**	9,759.9

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Balance brought forward	**20,476.2**	20,999.5	**9,555.8**	9,759.9
Minority Interests				
Balance as at 1 Apr	**2.8**	2.8	**-**	-
Acquisition of subsidiary	**12.3**	-	**-**	-
Contribution during the year	**18.9**	-	**-**	-
Disposal of subsidiary	**(10.0)**	-	**-**	-
Currency translation differences (*)	**-**	(0.1)	**-**	-
Net profit for the year (*)	**0.8**	0.5	**-**	-
Dividends paid to minority shareholders	**(0.7)**	(0.4)	**-**	-
Balance as at 31 Mar	**24.1**	2.8	**-**	-
Total equity	**20,500.3**	21,002.3	**9,555.8**	9,759.9
Total recognised net gains (5)	**1,854.1**	3,378.7	**2,068.8**	1,176.1

Notes:

(1) 'Treasury Shares' are accounted for in accordance with FRS 32 (revised 2004).

(2) RBC Dexia Trust Services Singapore Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

(3) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associated and joint venture companies of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Pakistani Rupee, Philippine Peso, Thai Baht and United States Dollar.

(4) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001.

(5) 'Total recognised net gains' comprise all items marked (*) which include a gain of S$0.8 million (2008: gain of S$0.4 million) attributable to minority interests. 'Total recognised net gains' for the Group include a net loss of S$1.60 billion (2008: net loss of S$582.0 million) recognised directly in equity. 'Total recognised net gains' for the Company include a net gain of S$293.8 million (2008: net loss of S$450.8 million) recognised directly in equity.

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2009

	2009 S$ Mil	2008 S$ Mil
Cash Flows from Operating Activities		
Profit before tax	**3,946.7**	4,483.0
Adjustments for -		
Depreciation and amortisation	**1,732.7**	1,886.9
Exceptional items	**319.6**	50.1
Interest and investment income (net)	**(132.4)**	(216.2)
Finance costs	**360.7**	392.9
Share of results of associated and joint venture companies (post-tax)	**(1,796.1)**	(2,066.5)
Other non-cash items	**34.2**	52.6
	518.7	99.8
Operating cash flow before working capital changes	**4,465.4**	4,582.8
Changes in operating assets and liabilities		
Trade and other receivables	**(86.0)**	(35.8)
Trade and other payables	**96.0**	177.4
Inventories	**(41.6)**	(30.9)
Currency translation adjustments of subsidiaries	**3.5**	(6.6)
Cash generated from operations	**4,437.3**	4,686.9
Payment to employees in cash under performance share plans	**(3.7)**	(11.7)
Dividends received from associated and joint venture companies	**1,068.2**	1,113.5
Income tax and withholding tax paid	**(338.8)**	(335.0)
Net cash inflow from operating activities	**5,163.0**	5,453.7

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2009

	Note	2009 S$ Mil	2008 S$ Mil
Cash Flows from Investing Activities			
Dividends received from other investments (net of withholding tax paid)		**19.9**	2.1
Interest received		**34.7**	51.9
Payment for acquisition of subsidiary, net of cash acquired **(Note 1)**		**(194.0)**	-
Proceeds from disposal of subsidiary, net of cash received		**8.8**	-
Contribution from minority shareholders		**18.9**	-
Investment in associated and joint venture companies		**(268.1)**	(1,189.3)
Long term loans repaid by joint venture companies		**3.0**	2.1
Proceeds from sale of joint venture companies (net of withholding tax paid)		**12.8**	87.8
Proceeds from capital reduction of joint venture companies		**-**	86.1
Investment in AFS investments		**(0.9)**	(1.1)
Proceeds from sale of AFS investments		**0.3**	1.3
Proceeds from capital reduction of AFS investments (net of withholding tax paid)		**2.3**	14.0
Net sale proceeds from FVTPL investments		**-**	330.8
Payment for purchase of property, plant and equipment		**(1,918.3)**	(1,879.0)
Advance payment for purchase of submarine cable capacity		**(43.5)**	(75.0)
Drawdown of submarine cable capacity		**24.7**	-
Proceeds from sale of property, plant and equipment		**1.3**	0.9
Purchase of intangible assets		**(3.7)**	(3.1)
Withholding tax paid on intra-group interest income		**(88.8)**	(177.7)
Net cash outflow from investing activities		**(2,390.6)**	(2,748.2)
Cash Flows from Financing Activities			
Proceeds from term loans		**2,815.1**	4,927.7
Repayment of term loans		**(2,767.1)**	(3,748.7)
Bonds repaid		**(512.0)**	(12.2)
Decrease in finance lease liabilities		**(1.6)**	(0.6)
Net (repayment of)/ proceeds from borrowings		**(465.6)**	1,166.2
Settlement of swap for bonds repaid		**(137.3)**	-
Net interest paid on borrowings and swaps		**(373.6)**	(410.9)
Dividends paid to minority shareholders		**(0.7)**	(0.4)
Final dividends paid to shareholders of the Company		**(1,098.1)**	(2,544.7)
Interim dividends paid to shareholders of the Company		**(891.3)**	(890.7)
Proceeds from issue of shares		**11.9**	31.6
Purchase of performance shares		**(63.1)**	(62.5)
Net cash outflow from financing activities		**(3,017.8)**	(2,711.4)
Net decrease in cash and cash equivalents		**(245.4)**	(5.9)
Exchange effects on cash and cash equivalents		**(50.7)**	(12.2)
Cash and cash equivalents at beginning of year	15	**1,371.9**	1,390.0
Cash and cash equivalents at end of year		**1,075.8**	1,371.9

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2009

Note (1): **Acquisition of subsidiary**

On 25 August 2008, the Group acquired a controlling interest of approximately 60% in Singapore Computer Systems Limited and its subsidiaries ("**SCS**"). Following a mandatory general offer, the Group completed the acquisition of the remaining shares in SCS on 12 December 2008. Accordingly, SCS became a wholly-owned subsidiary of the Group and was delisted from the Official List of the Singapore Exchange Securities Trading Limited.

Fair values of identifiable net assets of SCS acquired and the net cash outflow on the acquisition were as follows -

	2009 S$ Mil
Property, plant and equipment	52.1
Non-current assets (excluding property, plant and equipment)	7.9
Cash and cash equivalents	45.4
Current assets (excluding cash and cash equivalents)	203.3
Current liabilities	(156.5)
Non-current liabilities	(9.3)
	142.9
Fair value adjustments -	
Identifiable intangible assets	30.2
Property, plant and equipment	7.2
Deferred tax liability	(10.8)
	26.6
Minority interest	(12.3)
Net assets acquired	157.2
Goodwill	82.2
Total cash consideration	239.4
Less: Cash and cash equivalents acquired	(45.4)
Net outflow of cash	194.0

The accompanying notes on pages 95 to 182 form an integral part of these financial statements.
Independent Auditors' Report – page 85

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

1. GENERAL

The Company, Singapore Telecommunications Limited ("**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 telecommunication systems and services, and investment holding. The principal activities of the subsidiaries are disclosed in Note 45.

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 13 May 2009.

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 new FRS and Interpretations to FRS ("**INT FRS**") which are mandatory from 1 April 2008 did not result in substantial changes to the Group's accounting policies.

2.1 Basis of Accounting (cont'd)

Singapore FRS include Singapore equivalents to International Financial Reporting Standards ("**IFRS**"). The consolidated financial statements of the Group and the balance sheet and statements of changes in equity of the Company comply with Singapore equivalents to IFRS and Interpretations adopted by the International Accounting Standards Board and International Financial Reporting Interpretations Committee respectively to the extent that the Singapore equivalents to IFRS and Interpretations are in issuance and effective for 31 March 2009.

2.2 Group Accounting

The accounting policy for subsidiaries, associated and joint venture companies 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.

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.

In the consolidated financial statements, acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority shareholders' share of changes in equity since the date of the combination. Any losses in excess of the interest in the equity of the subsidiary attributable to the minority shareholders are charged to the Group except to the extent that the minority shareholders are able and have a binding obligation to make good the losses.

2.2.2 Associated companies

Associated companies are entities over which the Group has significant influence, but not control or joint control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associated companies initially at cost, and recognising the Group's share of the post-acquisition results of associated companies 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 balance sheet.

In the consolidated balance sheet, investments in associated companies 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 associated companies.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, 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 associated company.

Unrealised gains resulting from transactions with associated companies are eliminated to the extent of the Group's interest in the associated company. 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 venture companies

Joint venture companies 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 venture companies is accounted for in the consolidated financial statements using the equity method of accounting.

In the consolidated balance sheet, investments in joint venture companies 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 venture companies.

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 venture companies are eliminated to the extent of the Group's interest in the joint venture company. 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 Transaction costs

External costs directly attributable to an acquisition are included as part of the cost of acquisition.

2.2.5 Special purpose entity

The Trust has been consolidated in the consolidated financial statements under INT FRS 12, *Consolidation – Special Purpose Entities*.

2.3 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 taken against 'Treasury Shares Held By Company' 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 the Group's 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 taken against 'Treasury Shares Held By Trust' 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, Associated and Joint Venture Companies

In the Company's balance sheet, investments in subsidiaries, associated and joint venture companies, 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, associated and joint venture companies, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the income statement of the Company.

2.5 Investments

The investments of the Group are classified either as 'FVTPL investments' or 'AFS 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 FVTPL investments

FVTPL investments are initially recognised at fair value and subsequently re-measured at fair value at the balance sheet date with any resulting gains and losses, including currency translation differences on equity investments (if any), recognised in the income statement immediately. The interest and dividend income from these investments are recognised separately from the fair value adjustment in the income statement.

2.5.2 AFS investments

The Group's other long term investments are designated as AFS investments and initially recognised at fair value plus directly attributable transaction costs.

The AFS investments are subsequently stated at fair value at the balance sheet date, with all resulting gains and losses, including currency translation differences, taken to 'Fair Value Reserve' within equity.

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 each balance sheet date.

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 hedge 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

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 derivative financial instruments that qualify as cash flow hedges are recognised in 'Hedging Reserve' within equity. 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.

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 'Currency Translation Reserve' within equity in the consolidated financial statements and 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 interest rate swaps and SGD 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 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.

Cross currency swaps are net investment hedges for the foreign currency exchange risk on its Australian 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, short term 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 on the balance sheet date.

The fair values of unquoted investments are determined 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.

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 balance sheet date.

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 balance sheet date.

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company are recorded initially at fair values plus transactions costs and amortised in the income statement over the period of the guarantee.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associated and joint venture companies, are recognised initially at fair value 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.

2.12 Cash and Cash Equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of 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 balance sheet.

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 balance sheet 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 balance sheet date 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 balance sheet date 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 'Currency Translation Reserve' within equity.

On disposal, the accumulated translation differences deferred in 'Currency Translation Reserve' relating to that foreign operation are recognised in the consolidated income statement as part of the gain or loss on disposal.

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 balance sheet date. 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 in the Company's financial statements

The exchange differences on loans from the Company to its subsidiaries which form part of the Company's net investment in the subsidiaries are recognised in the income statement of the Company. Such translation differences, however, are reclassified to 'Currency Translation Reserve' within equity in the consolidated balance sheet. On disposal, the accumulated exchange differences are recognised in the consolidated income statement as part of the gain or loss on disposal.

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 each balance sheet date and adjusted to reflect the current best estimate.

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiary, associated or joint venture company over the fair value of the Group's share of their identifiable net assets, including contingent liabilities, at the date of acquisition. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of the acquisition, plus costs directly attributable to the acquisition.

Goodwill is stated at cost less accumulated impairment losses.

2.15.1 Goodwill (cont'd)

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions 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 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 each balance sheet date.

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.

Goodwill on acquisitions of subsidiaries is shown on the face of the consolidated balance sheet whereas goodwill on acquisitions of associated and joint venture companies are recorded as part of the carrying value of the related investment.

Negative goodwill is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associated and joint venture companies 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. Customer relationships or customer contracts acquired in business combinations are carried at fair values at date of acquisition, and amortised on a straight-line basis over the period of the expected benefits, which is estimated at 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 tests 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).

The 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, associated and joint venture companies, are reviewed at each balance sheet date 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.

2.16 Impairment of Non-financial Assets (cont'd)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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 a 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 services. 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 balance sheet as "Work-in-progress" (as a current asset) or "Excess of progress billings over work-in-progress" (as a current liability) as applicable.

Inventories include maintenance spares acquired for the purpose of replacing damaged or faulty plant or equipment. Until they are used, they are amortised over the useful life of the plant and equipment they support. When used, the unamortised balance is expensed.

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

2.18 Property, Plant and Equipment (cont'd)

Other property, plant and equipment consist mainly of motor vehicles, office equipment, 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.

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 each balance sheet date.

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 useful economic 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 an operating lease.

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.

2.20 Revenue Recognition

Revenue for the Group is recognised based on the fair value for the 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 phone cards and prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at balance sheet date. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the provision of information technology services is recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenue from information technology 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 for the annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

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 each balance sheet date. The performance share expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At each balance sheet date, 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.

The dilutive effect of Share Plan 2004 is 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 dilutive effect of outstanding share options is reflected as additional share dilution in the computation of diluted earnings per share.

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.

2.27 Deferred Taxation

Deferred taxation is provided in full, using the liability method, on all temporary differences at the balance sheet date 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 balance sheet date.

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associated and joint venture companies, 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 each balance sheet date, 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 part or all 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

A geographical segment is engaged in providing products and services within a particular economic environment that is subject to risks and returns that are different from those segments operating in other economic environments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

2.30 Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations

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.

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 balance sheet date, 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 judgments -

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 associated and joint venture companies are stated in Note 24.

3.2 Impairment of Trade Receivables

The Group assesses at each balance sheet date 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 Taxation

3.4.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at each balance sheet date. 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.

3.4.2 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.

3.5 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 each balance sheet date. In addition, the Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at each balance sheet date.

The assumptions of the valuation model used to determine fair values are set out in Note 5.3.

3.6 Contingent Liabilities

The Group consults with 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 2009, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in Note 41.

4. OPERATING REVENUE

	Group	
	2009	2008
	S$ Mil	S$ Mil
Mobile communications	**5,935.6**	5,976.3
Data and internet	**3,109.8**	3,057.0
National telephone	**1,861.6**	2,267.3
Information technology and engineering	**1,557.1**	1,230.7
Sale of equipment	**1,221.3**	1,086.4
International telephone	**800.0**	786.6
Pay television	**161.1**	180.6
Others	**287.9**	259.5
Operating revenue	**14,934.4**	14,844.4
Operating revenue	**14,934.4**	14,844.4
Other income (see **Note 6**)	**92.1**	78.3
Interest and dividend income (see **Note 10**)	**56.8**	51.5
Total revenue	**15,083.3**	14,974.2

5. OPERATING EXPENSES

	Group	
	2009	2008
	S$ Mil	S$ Mil
Traffic expenses	**2,497.4**	2,706.8
Selling and administrative costs [1]	**3,544.8**	3,410.5
Staff costs	**1,965.7**	1,943.7
Equipment costs	**1,681.6**	1,371.2
Repairs and maintenance	**299.0**	299.0
Others	**606.8**	661.3
	10,595.3	10,392.5

Note:
(1) Include mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rental of properties and mobile base stations.

5.1 Staff Costs

	Group 2009 S$ Mil	Group 2008 S$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	**189.2**	184.7
Performance share expense		
- equity-settled arrangements	**24.9**	32.7
- cash-settled arrangements	**2.6**	7.6
Termination benefits	**8.3**	5.1

5.2 Key Management Personnel Compensation

	Group 2009 S$ Mil	Group 2008 S$ Mil
Key management personnel compensation [(1)]		
Directors' fees and remuneration [(2)]	**5.2**	5.3
Other key management personnel remuneration [(3)]	**9.2**	10.8
	14.4	16.1

Notes:

(1) Comprised base salary, annual wage supplement, bonus, contributions to defined contribution plans and other cash benefits, and does not include performance share expense.

(2) The Director was awarded up to 1,123,464 (2008: 1,031,517) ordinary shares of SingTel pursuant to Share Plan 2004 during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense for the Director computed in accordance with FRS 102, *Share-based Payment*, was S$1.7 million (2008: S$2.1 million).

(3) The other key management personnel were awarded up to 3,004,063 (2008: 2,764,892) ordinary shares of SingTel pursuant to Share Plan 2004 during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense for other key management computed in accordance with FRS 102, *Share-based Payment*, was S$5.1 million (2008: S$6.3 million).

The other key management personnel of the Group comprise members of SingTel's Management Committee.

5.3 Share-based Payments

5.3.1 Share options

In 2003, the Singapore Telecom Share Option Scheme 1999 was suspended with the implementation of Share Plan 2003. The existing share options granted continue to vest according to the terms and conditions of the scheme and the respective grants.

The share options have a validity period of ten years from the date of grant, and are granted either without performance hurdles ("**Market Price Share Options**") or with performance hurdles ("**Performance Share Options**").

Market Price Share Options are granted based on the performance of the Group and individuals. These share options vest over three years from the date of the grant and are exercisable after the first anniversary of the date of the grant and will expire on the tenth anniversary of the date of grant.

Performance Share Options are conditional grants where vesting is conditional on performance targets set based on medium-term corporate objectives. At the end of the three-year performance period, the final number of Performance Share Options awarded will depend on the level of achievement of those targets.

	Number of share options		Weighted average exercise price per share	
	2009	2008	2009	2008
Group and Company	'000	'000	S$	S$
Outstanding as at 1 Apr	**25,305**	40,673	**1.80**	1.97
Cancelled	**(275)**	(192)	**1.63**	1.81
Exercised	**(6,051)**	(15,176)	**1.95**	2.08
Outstanding and exercisable as at 31 Mar	**18,979**	25,305	**1.75**	1.80

	2009	2008
	'000	'000
The outstanding share options have the following exercise prices -		
S$2.50 to S$2.85	**1,870**	2,831
S$2.00 to S$2.49	**3,630**	6,256
S$1.50 to S$1.99	**5,985**	7,088
S$1.40 to S$1.49	**7,494**	9,130
	18,979	25,305
Weighted average remaining validity life	**2.3 years**	3.2 years

No compensation expense is recognised when the share options are issued (see Note 2.21.3).

5.3.2 Performance share plans

Two categories of awards – General Awards given to selected staff and Senior Management Awards for senior management staff – are made on an annual basis at the discretion of the Group. 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 period.

The General Awards are generally settled by delivery of SingTel shares, while the Senior Management Awards are generally 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 Compensation Committee such as retirement, redundancy, illness and death whilst in employment.

The performance share plans provide for the award of performance shares to selected employees of SingTel and its subsidiaries. Though the performance shares are awarded by SingTel, the respective subsidiaries that wish to provide incentives to their own employees to retain and encourage their continued service, 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 balance sheet dates for cash-settled awards.

General Awards - equity-settled arrangements

The movements of the number of performance shares for the General Awards during the financial year were as follows -

Group and Company 2009	Outstanding as at 1 Apr 08 '000	Granted '000	Vested '000	Cancelled '000	Outstanding and unvested as at 31 Mar 09 '000
Date of grant					
Share Plan 2004					
FY2006 [1]					
26 May 05	22,424	-	(19,503)	(2,921)	-
Aug 05 to Feb 06	1,208	-	(997)	(211)	-
FY2007					
25 May 06	28,936	-	(210)	(2,438)	26,288
Aug 06 to Mar 07	468	-	-	(378)	90
FY2008					
29 May 07	16,255	-	(52)	(1,447)	14,756
Sep 07 to Feb 08	215	-	-	(8)	207

5.3.2 Performance share plans (cont'd)

Group and Company 2009	Outstanding as at 1 Apr 08 '000	Granted '000	Vested '000	Cancelled '000	Outstanding and unvested as at 31 Mar 09 '000
FY2009					
4 Jun 08	-	14,248	-	(927)	13,321
Sep 08 to Mar 09	-	1,143	-	-	1,143
	69,506	15,391	(20,762)	(8,330)	55,805

Note:
(1) "FY2006" denotes financial year ended 31 March 2006.

Group and Company 2008	Outstanding as at 1 Apr 07 '000	Granted '000	Vested '000	Cancelled '000	Outstanding and unvested as at 31 Mar 08 '000
Date of grant					
Share Plan 2004					
FY2005					
26 May 04	24,178	-	(17,925)	(6,253)	-
Sep to Nov 04	516	-	(387)	(129)	-
FY2006					
26 May 05	25,032	-	(457)	(2,151)	22,424
Aug 05 to Feb 06	1,362	-	(85)	(69)	1,208
FY2007					
25 May 06	33,233	-	(418)	(3,879)	28,936
Aug 06 to Mar 07	468	-	-	-	468
FY2008					
29 May 07	-	17,396	(18)	(1,123)	16,255
Sep 07 to Feb 08	-	260	-	(45)	215
	84,789	17,656	(19,290)	(13,649)	69,506

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 -

	Date of grant		
	Share Plan 2004		
2009 and 2008	FY2007	FY2008	FY2009
General Awards	25 May 06	29 May 07	4 Jun 08
Fair value at grant date	S$1.09	S$1.95	S$1.61
Assumptions under Monte-Carlo Model			
Expected volatility			
SingTel	21.6%	22.8%	25.9%
MSCI Asia Pacific Telco Index	15.5%	13.7%	17.6%
MSCI Asia Pacific Telco Component Stocks			
Historical volatility period			
From	Jul 01	Jul 01	Jul 01
To	May 06	May 07	Jun 08
Risk free interest rates			
Yield of Singapore Government Securities on	25 May 06	29 May 07	4 Jun 08

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 balance sheet date and the assumptions of the fair value model for the relevant grants were as follows -

	Date of grant				
	Share Plan 2004				Group
	FY2006	FY2007	FY2008	FY2009	And
2009	26 May 05	25 May 06	29 May 07	4 Jun 08	Company
<u>Senior Management Awards</u>					
Number of performance shares ('000)					
Outstanding as at 1 Apr 08	1,474	2,122	2,058	-	5,654
Granted	-	-	-	2,190	2,190
Vested	(1,397)	-	-	-	(1,397)
Cancelled	(77)	(142)	-	(116)	(335)
Outstanding and unvested as at 31 Mar 09	-	1,980	2,058	2,074	6,112
Fair value at 31 Mar 09		S$2.53	S$2.12	S$1.58	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			33.5%	33.5%	
MSCI Asia Pacific Telco Index			22.9%	22.9%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding Mar 09		
Risk free interest rates					
Yield of Singapore Government Securities on			31 Mar 09	31 Mar 09	

5.3.2 Performance share plans (cont'd)

	Date of grant				
	Share Plan 2004				Group
	FY2005	FY2006	FY2007	FY2008	And
2008	26 May 04	26 May 05	25 May 06	29 May 07	Company
<u>Senior Management Awards</u>					
Number of performance shares ('000)					
Outstanding as at 1 Apr 07	1,677	2,219	3,081	-	6,977
Granted	-	-	-	2,154	2,154
Vested	(1,668)	(497)	(338)	(22)	(2,525)
Cancelled	(9)	(248)	(621)	(74)	(952)
Outstanding and unvested as at 31 Mar 08	-	1,474	2,122	2,058	5,654
Fair value at 31 Mar 08		S$3.91	S$3.64	S$3.03	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			25.9%	25.9%	
MSCI Asia Pacific Telco Index			17.3%	17.3%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding Mar 08		
Risk free interest rates					
Yield of Singapore Government Securities on			31 Mar 08	31 Mar 08	

5.3.3 Performance-based Deferred Bonus Scheme ("PBDBS")

With effect from 2004, discretionary PBDBS units are granted to selected overseas local hires. While these units have the same vesting criteria as the Share Plan 2004, the payout is in the form of cash instead of shares. The recipients are encouraged to purchase and hold SingTel shares with the cash payout, in line with the objective of the performance share plans.

	Date of grant				
	FY2006	FY2007	FY2008	FY2009	
2009	26 May 05	25 May 06	29 May 07	4 Jun 08	Group
PBDBS (cash-settled)					
Number of performance shares ('000)					
Outstanding as at 1 Apr 08	459	1,113	676	-	2,248
Granted	-	-	-	655	655
Vested	(312)	-	-	-	(312)
Cancelled	(147)	(160)	(63)	(33)	(403)
Outstanding and unvested as at 31 Mar 09	-	953	613	622	2,188
Fair value at 31 Mar 09		S$2.55	S$1.56	S$1.02	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			33.5%	33.5%	
MSCI Asia Pacific Telco Index			22.9%	22.9%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding Mar 09		
Risk free interest rates					
Yield of Singapore Government Securities on			31 Mar 09	31 Mar 09	

5.3.3 Performance-based Deferred Bonus Scheme ("PBDBS") (cont'd)

	Date of grant				
	FY2005	FY2006	FY2007	FY2008	
2008	26 May 04	26 May 05	25 May 06	29 May 07	Group
<u>PBDBS (cash-settled)</u>					
Number of performance shares ('000)					
Outstanding as at 1 Apr 07	474	487	1,191	-	2,152
Granted	-	-	-	676	676
Vested	(323)	-	-	-	(323)
Cancelled	(151)	(28)	(78)	-	(257)
Outstanding and unvested as at 31 Mar 08	-	459	1,113	676	2,248
Fair value at 31 Mar 08		S$3.96	S$2.65	S$2.43	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			25.9%	25.9%	
MSCI Asia Pacific Telco Index			17.3%	17.3%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding Mar 08		
Risk free interest rates					
Yield of Singapore Government Securities on			31 Mar 08	31 Mar 08	

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 balance sheet date, the Trust held the following assets -

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Cash at bank	**0.8**	0.8	**0.5**	0.5
Cost of SingTel shares, net of vesting	**43.7**	50.1	**28.5**	31.5
	44.5	50.9	**29.0**	32.0

5.4 Special Purpose Entity (cont'd)

The details of SingTel shares held by the Trust were as follows -

Group	Number of shares 2009 '000	Number of shares 2008 '000	Amount 2009 S$ Mil	Amount 2008 S$ Mil
Balance as at 1 Apr	**15,382**	16,257	**50.1**	42.4
Purchase of SingTel shares	**10,970**	10,680	**36.9**	38.9
Vesting of shares	**(13,049)**	(11,555)	**(43.3)**	(31.2)
Balance as at 31 Mar	**13,303**	15,382	**43.7**	50.1

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 Held By Trust' within equity. See Note 2.3.

5.5 Other Operating Expense Items

	Group 2009 S$ Mil	Group 2008 S$ Mil
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**0.7**	0.6
- Deloitte Touche Tohmatsu, Australia	**0.7**	0.8
- Other Deloitte & Touche offices	**0.2**	0.2
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore [1]	**0.5**	0.5
- Deloitte Touche Tohmatsu, Australia [1]	**0.3**	0.6
- Other statutory auditors	**2.0**	2.0
Impairment of trade receivables	**127.7**	128.9
Allowance for inventory obsolescence	**11.6**	8.9
Inventory written off	**2.6**	2.5
Provision for liquidated damages and warranties	**2.2**	1.7
Research and development expenses written off	**0.6**	0.2
Operating lease payments for property and mobile base stations	**226.9**	266.5

Note:
(1) The non-audit fees for the current financial year ended 31 March 2009 included S$0.1 million (2008: S$0.2 million) and S$0.3 million (2008: 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.

5.5 Other Operating Expense Items (cont'd)

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.

6. OTHER INCOME

	Group	
	2009	2008
	S$ Mil	S$ Mil
Bad trade receivables recovered	**9.4**	9.8
Rental income	**4.6**	4.8
Net exchange losses - trade related	**(19.9)**	(22.3)
Net losses on disposal of property, plant and equipment	**(6.7)**	(13.0)
Others	**104.7**	99.0
	92.1	78.3

7. DEPRECIATION AND AMORTISATION

	Group	
	2009	2008
	S$ Mil	S$ Mil
Depreciation of property, plant and equipment	**1,685.8**	1,835.7
Amortisation of intangible assets	**52.8**	54.9
Amortisation of sale and leaseback income	**(2.8)**	(2.2)
Amortisation of deferred gain on sale of joint venture company	**(3.1)**	(1.5)
	1,732.7	1,886.9

8. EXCEPTIONAL ITEMS

	Group 2009 S$ Mil	Group 2008 S$ Mil
Exceptional gains		
Write-back of impairment for property, plant and equipment	10.8	-
Gain on disposal of subsidiary	1.7	-
Gain on sale of interest in joint venture companies	3.6	71.2
Gain on dilution of interest in associated and joint venture companies	4.1	9.9
Recovery of loan previously written off	-	1.2
	20.2	82.3
Exceptional losses		
Impairment on goodwill of associated and joint venture companies (see **Note 24.2**)	(330.0)	-
Loss from share swap of a joint venture company	-	(99.3)
Impairment of property, plant and equipment, and/ or intangible assets	(3.5)	(4.8)
Impairment of non-current investments	(1.3)	(28.3)
Others	(5.0)	-
	(339.8)	(132.4)
	(319.6)	(50.1)

9. SHARE OF RESULTS OF ASSOCIATED AND JOINT VENTURE COMPANIES

	Group 2009 S$ Mil	Group 2008 S$ Mil
Share of ordinary results of		
- joint venture companies	2,098.0	2,575.7
- associated companies	(67.5)	15.5
	2,030.5	2,591.2
Share of exceptional items [1] of joint venture companies	200.8	121.2
Share of tax of		
- joint venture companies	(426.6)	(637.3)
- associated companies	(8.6)	(8.6)
	(435.2)	(645.9)
	1,796.1	2,066.5

9. SHARE OF RESULTS OF ASSOCIATED AND JOINT VENTURE COMPANIES (cont'd)

Note:

	Group	
	2009	2008
	S$ Mil	S$ Mil
(1) Share of exceptional items comprised -		
Gain on dilution of equity interest in a subsidiary	**224.5**	153.4
Write-back of overprovision for concession rights payable	**15.6**	-
Gain on disposal of property, plant and equipment	**8.5**	-
Write-back of impairment for property, plant and equipment	**3.7**	-
Impairment on goodwill of a subsidiary	**(44.3)**	-
Recognition of prior years' frequency fees	**(15.4)**	-
Accrual for compensation payment to local regulator	**-**	(14.3)
Accrual for withholding tax relating to prior years	**-**	(6.8)
Impairment of property, plant and equipment	**-**	(4.2)
Others	**8.2**	(6.9)
	200.8	121.2

In January 2008, PT Telekomunikasi Selular ("**Telkomsel**"), a 35.0%-owned joint venture of the Group, filed an objection for alleged underpayment of withholding and value added tax, including a penalty, totalling 408 billion Indonesian Rupiah (Group's proportionate share: S$19 million). During the financial year, the Indonesian Tax Authorities accepted the appeal of 141 billion Indonesian Rupiah. Telkomsel then filed an appeal to the Indonesian Tax Court for the rejected 215 billion Indonesian Rupiah (Group's proportionate share: S$10 million). As at 31 March 2009, Telkomsel has yet to receive the Indonesian Tax Authorities' decision on the objection and believes that such amount will be refundable. The Indonesian Tax Authorities might raise similar issues for transactions occurring subsequent to 2005 fiscal year.

10. INTEREST AND INVESTMENT INCOME (NET)

	Group 2009 S$ Mil	Group 2008 S$ Mil
Interest income from		
- bank deposits	33.1	43.2
- FVTPL investments	0.5	5.6
- others	1.1	1.1
	34.7	49.9
Gross dividends from AFS investments	22.1	1.6
Other revenue	56.8	51.5
Currency translation differences released upon capital reduction of subsidiaries	83.9	195.1
Net exchange losses	(8.1)	(30.8)
Net losses on FVTPL investments	-	(0.4)
Fair value (losses)/ gains on FVTPL investments	(0.2)	0.8
Fair value (losses)/ gains on fair value hedges		
- hedged items	(411.1)	83.1
- hedging instruments	411.1	(83.1)
	-	-
	132.4	216.2

11. FINANCE COSTS

	Group 2009 S$ Mil	Group 2008 S$ Mil
Interest expense		
- bonds	360.3	402.4
- bank loans	71.1	59.3
- others	4.9	7.1
	436.3	468.8
Less: Amounts capitalised in the balance sheet	(11.7)	(13.1)
	424.6	455.7
Effects of hedging using interest-rate swaps	(68.8)	(60.5)
Unwinding of discount (including adjustments)	4.9	(2.3)
	360.7	392.9

As at 31 March 2009, the interest rate applicable to the capitalised borrowings was 7.7 per cent (2008: 7.5 per cent).

12. TAXATION

12.1 Tax Expense

	Group	
	2009	2008
	S$ Mil	S$ Mil
Current income tax		
- Singapore	238.2	260.6
- Overseas	397.9	433.1
	636.1	693.7
Deferred income tax	7.9	(8.4)
Tax expense attributable to current year's profit	644.0	685.3
Recognition of deferred tax asset on other temporary differences [1]	(90.4)	(162.3)
Adjustments in respect of prior year -		
Current income tax		
- under/ (over) provision	0.7	(33.1)
Deferred income tax		
- (over)/ under provision	(56.8)	32.4
	497.5	522.3

Note:

(1) This relates to a deferred tax asset recognised on interest expense arising from inter-company loans.

12.1 Tax Expense (cont'd)

The tax expense on the profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following -

	Group 2009 S$ Mil	Group 2008 S$ Mil
Profit before tax	3,946.7	4,483.0
Less: Share of results of associated and joint venture companies	(1,796.1)	(2,066.5)
	2,150.6	2,416.5
Tax calculated at tax rate of 17 per cent (2008: 18 per cent)	365.6	435.0
Effects of -		
Different tax rates of other countries	229.6	246.9
Income not subject to tax	(13.1)	(36.7)
Expenses not deductible for tax purposes	66.6	41.6
Deferred tax asset not recognised	0.8	1.7
Deferred tax asset previously not recognised now recognised	(4.0)	(1.5)
Others	(1.5)	(1.7)
Tax expense attributable to current year's profits	644.0	685.3

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 - 2009 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 Apr 08	282.0	43.1	18.5	343.6
Acquisition of subsidiary	0.5	-	10.8	11.3
Charged/ (Credited) to income statement	6.0	(41.2)	(2.7)	(37.9)
Transfer from current tax	-	3.2	-	3.2
Disposal of subsidiary	0.1	-	-	0.1
Translation difference	0.1	-	0.1	0.2
Balance as at 31 Mar 09	288.7	5.1	26.7	320.5

12.2 Deferred Taxes (cont'd)

Group - 2009 Deferred tax assets	Provisions S$ Mil	TWDV [1] in excess of NBV [2] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 Apr 08	(458.3)	(380.4)	(135.1)	(123.3)	(1,097.1)
Acquisition of subsidiary	(0.1)	-	(0.7)	(3.2)	(4.0)
(Credited)/ Charged to income statement	(100.2)	(13.2)	0.3	11.7	(101.4)
Taken to equity	-	-	-	(3.3)	(3.3)
Transfer to/ (from) current tax	167.9	-	39.5	(5.8)	201.6
Disposal of subsidiary	-	-	-	1.0	1.0
Translation differences	79.6	65.1	20.7	18.8	184.2
Balance as at 31 Mar 09	(311.1)	(328.5)	(75.3)	(104.1)	(819.0)

Group - 2008 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 Apr 07	285.5	45.2	18.2	348.9
Credited to income statement	(3.5)	(2.1)	(1.4)	(7.0)
Transfer from current tax	-	-	1.7	1.7
Balance as at 31 Mar 08	282.0	43.1	18.5	343.6

Group - 2008 Deferred tax assets	Provisions S$ Mil	TWDV [1] in excess of NBV [2] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 Apr 07	(554.8)	(372.7)	(9.0)	(144.7)	(1,081.2)
(Credited)/ Charged to income statement	(150.1)	4.0	-	14.8	(131.3)
Taken to equity	-	-	-	13.2	13.2
Transfer to/ (from) current tax	247.8	-	(111.4)	(2.1)	134.3
Translation differences	(1.2)	(11.7)	(14.7)	(4.5)	(32.1)
Balance as at 31 Mar 08	(458.3)	(380.4)	(135.1)	(123.3)	(1,097.1)

Notes:

(1) TWDV – Tax written down value

(2) NBV – Net book value

12.2 Deferred Taxes (cont'd)

Company - 2009 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Interest and investment income S$ Mil	Offshore interest and dividend not remitted S$ Mil	Total S$ Mil
Balance as at 1 Apr 08	197.6	-	40.9	238.5
Credited to income statement	(7.5)	-	(40.9)	(48.4)
Balance as at 31 Mar 09	190.1	-	-	190.1

Company - 2009 Deferred tax assets	Provisions S$ Mil	Deferred sale and leaseback income S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 Apr 08	(0.3)	(1.2)	(2.5)	(4.0)
Charged to income statement	-	0.3	0.3	0.6
Balance as at 31 Mar 09	(0.3)	(0.9)	(2.2)	(3.4)

Company - 2008 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Interest and investment income S$ Mil	Offshore interest and dividend not remitted S$ Mil	Total S$ Mil
Balance as at 1 Apr 07	214.5	0.1	40.9	255.5
Credited to income statement	(16.9)	(0.1)	-	(17.0)
Balance as at 31 Mar 08	197.6	-	40.9	238.5

Company - 2008 Deferred tax assets	Provisions S$ Mil	Deferred sale and leaseback income S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 Apr 07	(17.8)	(1.4)	(5.0)	(24.2)
Charged to income statement	17.5	0.2	2.5	20.2
Balance as at 31 Mar 08	(0.3)	(1.2)	(2.5)	(4.0)

12.2 Deferred Taxes (cont'd)

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.

The amounts, determined after appropriate offsetting, are shown in the balance sheets as follows -

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Deferred tax assets	**(806.4)**	(1,083.0)	**-**	-
Deferred tax liabilities	**307.9**	329.5	**186.7**	234.5
	(498.5)	(753.5)	**186.7**	234.5

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 2009, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$328 million (2008: S$521 million), including S$248 million (2008: S$448 million) from the Optus Group, unutilised capital tax losses of S$21 million (2008: S$26 million) and unabsorbed capital allowances of approximately S$1.5 million (2008: S$1.2 million).

These unutilised income tax losses 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 balance sheet date, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability -

	Group	
	2009	2008
	S$ Mil	S$ Mil
Unutilised income tax losses and unabsorbed capital allowances	**81.8**	74.4
Unutilised capital tax losses	**21.3**	25.6

13. EARNINGS PER SHARE

	Group	
	2009	2008
	'000	'000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [1]	**15,911,823**	15,901,652
Adjustment for dilutive effect of share options	**9,136**	15,412
Adjustment for dilutive effect of Share Plan 2004	**43,515**	68,039
Weighted average number of ordinary shares for calculation of diluted earnings per share	**15,964,474**	15,985,103

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 should the potential dilutive ordinary shares arising from the share options and performance shares granted by the Group have been issued. Adjustment is made to earnings for the dilutive effect arising from the associated and joint venture companies' dilutive shares.

14. RELATED PARTY TRANSACTIONS

Related parties consist of key management of the Group, subsidiaries of the ultimate holding company and associated and joint venture companies of the Group. 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	
	2009	2008
	S$ Mil	S$ Mil
Revenue		
Subsidiaries of ultimate holding company		
Telecommunications	123.2	100.9
Rental and maintenance	29.8	29.6
Information technology	25.2	3.1
Associated and joint venture companies		
Telecommunications	30.0	22.4
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	62.4	72.9
Utilities	83.2	67.3
Associated and joint venture companies		
Telecommunications	106.0	121.7
Transmission capacity	4.5	40.9
Postal	11.8	11.6
Rental	-	1.6
Due from related parties	22.0	20.0
Due to related parties	5.2	9.5

All the above transactions were at normal commercial terms and conditions and market rates.

Please refer to Note 5.2 for information on key management personnel compensation.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Fixed deposits	**506.9**	1,114.3	**258.1**	558.9
Cash and bank balances	**569.1**	257.7	**75.0**	55.5
	1,076.0	1,372.0	**333.1**	614.4

The carrying amounts of the cash and cash equivalents approximate their fair values.

For the purpose of the consolidated cash flow statements, cash and cash equivalents comprise -

	Group	
	2009	2008
	S$ Mil	S$ Mil
Fixed deposits	**506.9**	1,114.3
Cash and cash equivalents	**569.1**	257.7
Less: Bank overdrafts (see **Note 30**)	**(0.2)**	(0.1)
	1,075.8	1,371.9

Cash and cash equivalents denominated in the non-functional currencies of the Group were as follows –

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
USD	**65.1**	131.6	**14.7**	86.8
AUD	**157.9**	475.0	**157.6**	475.0
EUR	**11.0**	13.5	**3.5**	6.4
HKD	**3.8**	4.1	**2.1**	3.0

The maturities of the fixed deposits were as follows -

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Less than three months	**503.3**	1,112.8	**258.1**	558.9
Over three months	**3.6**	1.5	**-**	-
	506.9	1,114.3	**258.1**	558.9

As at 31 March 2009, the weighted average effective interest rates of the fixed deposits of the Group and Company were 1.0 per cent (2008: 4.6 per cent) and 1.6 per cent (2008: 6.0 per cent) respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 37.3.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Trade receivables	**2,294.0**	2,277.5	**453.9**	485.7
Less: Allowance for impairment of trade receivables	**(260.6)**	(283.0)	**(82.8)**	(95.7)
	2,033.4	1,994.5	**371.1**	390.0
Other receivables	**112.5**	131.0	**18.2**	11.9
Loans to subsidiaries	**-**	-	**162.9**	93.4
Less: Allowance for impairment of loans due	**-**	-	**(24.2)**	(24.2)
	-	-	**138.7**	69.2
Amount due from subsidiaries				
- trade	**-**	-	**286.3**	234.3
- non-trade	**-**	-	**486.1**	828.3
Less: Allowance for impairment of amount due	**-**	-	**(45.7)**	(45.7)
	-	-	**726.7**	1,016.9
Amount due from associated and joint venture companies				
- trade	**13.0**	16.6	**0.3**	1.9
- non-trade	**91.6**	89.3	**1.0**	4.0
	104.6	105.9	**1.3**	5.9
Loans to associated and joint venture companies	**2.3**	20.5	**2.3**	5.3
Interest receivable	**111.0**	106.5	**83.9**	82.5
Prepayments	**155.4**	168.1	**11.4**	10.1
Staff loans	**1.0**	1.1	**0.1**	0.1
Others	**11.7**	13.3	**5.7**	5.2
	2,531.9	2,540.9	**1,359.4**	1,597.1

The loans to subsidiaries and the balances with subsidiaries, associated and joint venture companies were unsecured, interest-free and repayable on demand.

In respect of Optus' action against Telstra Corporation Ltd for breach of the provisions of the Access Agreement dated 14 August 1992 between the parties, the Federal Court of Australia has in April 2009 delivered judgment on liability in favour of Optus. As at 31 March 2009, the assessment of damages hearing has not taken place, hence no receivable has been accrued in the financial statements.

16. TRADE AND OTHER RECEIVABLES (cont'd)

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.

The maximum exposure to credit risk for trade receivables by type of customer is as follows:

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Individuals	**502.2**	681.1	**155.0**	159.6
Corporations and others	**1,531.2**	1,313.4	**216.1**	230.4
	2,033.4	1,994.5	**371.1**	390.0

The age analysis of trade receivables before allowance for impairment is as follows -

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Not past due or less than 60 days overdue	**1,929.5**	1,898.1	**336.4**	332.0
Past due				
- 61 to 120 days	**164.8**	131.5	**38.2**	49.0
- more than 120 days	**199.7**	247.9	**79.3**	104.7
	2,294.0	2,277.5	**453.9**	485.7

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.

16. TRADE AND OTHER RECEIVABLES (cont'd)

The movement in the allowance for impairment of trade receivables is as follows -

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Balance as at 1 Apr	**283.0**	272.6	**95.7**	102.5
Acquisition of subsidiary	**3.7**	-	**-**	-
Allowance for impairment	**130.0**	130.6	**25.2**	22.2
Utilisation	**(121.0)**	(120.8)	**(38.1)**	(29.0)
Write-back	**(2.3)**	(1.7)	**-**	-
Translation difference	**(32.8)**	2.3	**-**	-
Balance as at 31 Mar	**260.6**	283.0	**82.8**	95.7

The movement in the allowance for impairment of loans to subsidiaries is as follows -

	Company	
	2009	2008
	S$ Mil	S$ Mil
Balance as at 1 Apr	**24.2**	30.2
Allowance for impairment	**-**	3.9
Write-back	**-**	(9.9)
Balance as at 31 Mar	**24.2**	24.2

The movement in the allowance for impairment of amount due from subsidiaries is as follows -

	Company	
	2009	2008
	S$ Mil	S$ Mil
Balance as at 1 Apr	**45.7**	110.6
Write-back	**-**	(64.9)
Balance as at 31 Mar	**45.7**	45.7

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL INVESTMENTS")

	Group	
	2009	2008
	S$ Mil	S$ Mil
Quoted interest bearing securities		
SGD denominated Bonds and Notes	10.2	10.5
Quoted other investments		
USD denominated Investment Funds	0.6	0.5
	10.8	11.0

The effective interest rates at the balance sheet date were as follows -

	Group	
	2009	2008
	%	%
Quoted interest bearing securities		
Fixed rate maturing in less than 1 year	5.1	-
Fixed rate maturing between 1 and 5 years	-	5.1

18. INVENTORIES

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Equipment held for resale	132.8	101.6	-	0.1
Maintenance and capital works' inventories	36.1	20.2	35.4	18.8
Work-in-progress	4.5	1.8	-	-
	173.4	123.6	35.4	18.9

19. PROPERTY, PLANT AND EQUIPMENT

Group - 2009	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 Apr 08	19.8	234.9	658.8	13,996.5	3,067.7	4,616.2	777.8	23,371.7
Additions (net of rebates)	-	-	-	224.0	129.1	150.9	1,381.7	1,885.7
Disposals/ Write-offs	-	-	-	(108.4)	(124.6)	(76.6)	-	(309.6)
Acquisition of subsidiary	-	22.9	7.1	-	-	29.3	-	59.3
Disposal of subsidiary	-	-	-	-	-	(9.6)	-	(9.6)
Reclassifications / Adjustments	6.0	-	6.9	717.6	57.6	653.8	(1,441.9)	-
Translation differences	(3.7)	1.5	(29.9)	(1,798.2)	(222.9)	(593.0)	(73.8)	(2,720.0)
Balance as at 31 Mar 09	22.1	259.3	642.9	13,031.5	2,906.9	4,771.0	643.8	22,277.5
Accumulated depreciation								
Balance as at 1 Apr 08	-	41.9	238.1	7,466.0	2,162.1	3,298.6	-	13,206.7
Depreciation charge for the year	-	3.9	18.1	1,077.5	163.0	423.3	-	1,685.8
Disposals/ Write-offs	-	-	-	(90.8)	(120.6)	(76.9)	-	(288.3)
Reclassifications / Adjustments	-	-	-	1.3	-	(1.3)	-	-
Translation differences	-	0.6	(7.0)	(926.7)	(123.3)	(419.3)	-	(1,475.7)
Balance as at 31 Mar 09	-	46.4	249.2	7,527.3	2,081.2	3,224.4	-	13,128.5
Accumulated impairment								
Balance as at 1 Apr 08	-	2.0	7.3	6.6	4.0	20.9	-	40.8
Impairment charge for the year	-	-	-	-	3.4	0.1	-	3.5
Write-back during the year	-	-	-	-	-	(10.8)	-	(10.8)
Disposals	-	-	-	(3.9)	(3.1)	(0.3)	-	(7.3)
Translation differences	-	-	-	-	0.1	0.1	-	0.2
Balance as at 31 Mar 09	-	2.0	7.3	2.7	4.4	10.0	-	26.4
Net Book Value as at 31 Mar 09	22.1	210.9	386.4	5,501.5	821.3	1,536.6	643.8	9,122.6

19. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group - 2008	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 Apr 07	19.2	236.2	644.1	12,556.6	2,895.5	3,835.8	891.2	21,078.6
Additions (net of rebates)	-	-	8.7	179.1	117.8	132.8	1,603.9	2,042.3
Disposals/ Write-offs	-	-	(0.4)	(54.1)	(25.9)	(72.0)	-	(152.4)
Reclassifications / Adjustments	-	-	1.5	1,047.9	43.3	649.6	(1,742.3)	-
Translation differences	0.6	(1.3)	4.9	267.0	37.0	70.0	25.0	403.2
Balance as at 31 Mar 08	19.8	234.9	658.8	13,996.5	3,067.7	4,616.2	777.8	23,371.7
Accumulated depreciation								
Balance as at 1 Apr 07	-	39.1	222.8	6,178.2	1,953.4	2,917.5	-	11,311.0
Depreciation charge for the year	-	3.3	14.3	1,208.9	218.0	391.2	-	1,835.7
Disposals/ Write-offs	-	-	(0.2)	(30.5)	(25.3)	(67.4)	-	(123.4)
Translation differences	-	(0.5)	1.2	109.4	16.0	57.3	-	183.4
Balance as at 31 Mar 08	-	41.9	238.1	7,466.0	2,162.1	3,298.6	-	13,206.7
Accumulated impairment								
Balance as at 1 Apr 07	-	2.0	7.3	6.6	1.5	20.6	-	38.0
Impairment charge for the year	-	-	-	-	2.5	0.3	-	2.8
Balance as at 31 Mar 08	-	2.0	7.3	6.6	4.0	20.9	-	40.8
Net Book Value as at 31 Mar 08	19.8	191.0	413.4	6,523.9	901.6	1,296.7	777.8	10,124.2

19. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company - 2009	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 Apr 08	0.4	220.5	421.9	2,807.0	1,075.2	937.5	206.9	5,669.4
Additions (net of rebates)	-	-	-	106.9	43.9	71.3	77.6	299.7
Disposals/ Write-offs	-	-	-	(54.7)	(50.7)	(52.2)	-	(157.6)
Balance as at 31 Mar 09	0.4	220.5	421.9	2,859.2	1,068.4	956.6	284.5	5,811.5
Accumulated depreciation								
Balance as at 1 Apr 08	-	36.2	174.3	1,801.5	942.4	712.6	-	3,667.0
Depreciation charge for the year	-	2.3	12.6	160.8	59.3	77.0	-	312.0
Disposals/ Write-offs	-	-	-	(48.5)	(46.7)	(52.1)	-	(147.3)
Balance as at 31 Mar 09	-	38.5	186.9	1,913.8	955.0	737.5	-	3,831.7
Accumulated impairment								
Balance as at 1 Apr 08	-	2.0	7.2	3.3	3.0	1.5	-	17.0
Disposals/ Write-offs	-	-	-	(2.1)	(3.0)	(0.2)	-	(5.3)
Balance as at 31 Mar 09	-	2.0	7.2	1.2	-	1.3	-	11.7
Net Book Value as at 31 Mar 09	0.4	180.0	227.8	944.2	113.4	217.8	284.5	1,968.1

19. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company - 2008	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 Apr 07	0.4	220.5	421.7	2,671.5	1,053.2	896.7	123.1	5,387.1
Additions (net of rebates)	-	-	0.4	144.5	38.0	85.8	83.8	352.5
Disposals/ Write-offs	-	-	(0.2)	(9.0)	(16.0)	(45.0)	-	(70.2)
Balance as at 31 Mar 08	0.4	220.5	421.9	2,807.0	1,075.2	937.5	206.9	5,669.4
Accumulated depreciation								
Balance as at 1 Apr 07	-	34.0	162.7	1,632.1	890.5	682.7	-	3,402.0
Depreciation charge for the year	-	2.2	11.6	177.3	67.8	74.2	-	333.1
Disposals/ Write-offs	-	-	-	(7.9)	(15.9)	(44.3)	-	(68.1)
Balance as at 31 Mar 08	-	36.2	174.3	1,801.5	942.4	712.6	-	3,667.0
Accumulated impairment								
Balance as at 1 Apr 07	-	2.0	7.2	3.3	0.5	1.2	-	14.2
Impairment charge for the year	-	-	-	-	2.5	0.3	-	2.8
Balance as at 31 Mar 08	-	2.0	7.2	3.3	3.0	1.5	-	17.0
Net Book Value as at 31 Mar 08	0.4	182.3	240.4	1,002.2	129.8	223.4	206.9	1,985.4

Property, plant and equipment included the following -

	Group		Company	
	2009 S$ Mil	2008 S$ Mil	2009 S$ Mil	2008 S$ Mil
Net book value of property, plant and equipment				
- Sold and leased back	**2.4**	14.7	**1.9**	9.6
- Finance lease obligations	**18.7**	-	**-**	-
- Held for generating operating lease income	**11.8**	11.9	**-**	-
Interest charges capitalised during the year	**11.7**	13.1	**-**	-
Staff costs capitalised during the year	**149.6**	138.0	**15.0**	8.1

In the current financial year, an impairment charge of S$3.5 million (2008: S$2.8 million) was made at the Group on certain property, plant and equipment to bring their carrying values to their recoverable values.

20. INTANGIBLE ASSETS

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Goodwill on acquisition of subsidiaries	**9,620.0**	9,569.1	**-**	-
Telecommunications and spectrum licences	**373.4**	476.2	**2.7**	3.0
Customer relationships and others	**34.0**	11.2	**-**	-
	10,027.4	10,056.5	**2.7**	3.0

20.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2009	2008
	S$ Mil	S$ Mil
Balance as at 1 Apr	**9,569.1**	9,563.5
Acquisition of subsidiary	**82.2**	-
Translation differences	**(31.3)**	5.6
Balance as at 31 Mar	**9,620.0**	9,569.1
Cost	**9,620.2**	9,569.3
Accumulated impairment	**(0.2)**	(0.2)
Net book value as at 31 Mar	**9,620.0**	9,569.1

20.2 Telecommunications and Spectrum Licences

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Balance as at 1 Apr	**476.2**	512.3	**3.0**	3.3
Additions	**3.7**	3.0	**-**	-
Impairment charge for the year	**-**	(2.0)	**-**	-
Amortisation for the year	**(47.0)**	(50.0)	**(0.3)**	(0.3)
Reclassification	**3.4**	0.1	**-**	-
Translation differences	**(62.9)**	12.8	**-**	-
Balance as at 31 Mar	**373.4**	476.2	**2.7**	3.0
Cost	**673.5**	780.4	**8.4**	8.4
Accumulated amortisation	**(297.8)**	(301.9)	**(5.7)**	(5.4)
Accumulated impairment	**(2.3)**	(2.3)	**-**	-
Net book value as at 31 Mar	**373.4**	476.2	**2.7**	3.0

20.3 Customer Relationships and Others

	Group 2009 S$ Mil	Group 2008 S$ Mil
Balance as at 1 Apr	**11.2**	15.6
Acquisition of subsidiary	**30.2**	-
Disposals	**-**	(0.1)
Amortisation for the year	**(5.8)**	(4.9)
Translation differences	**(1.6)**	0.6
Balance as at 31 Mar	**34.0**	11.2
Cost	**48.7**	22.0
Accumulated amortisation	**(14.7)**	(10.8)
Net book value as at 31 Mar	**34.0**	11.2

21. SUBSIDIARIES

	Company 2009 S$ Mil	Company 2008 S$ Mil
Unquoted equity shares, at cost	**8,601.7**	11,070.7
Shareholders' advances	**3,792.5**	3,515.6
Deemed investment in a subsidiary	**24.1**	11.6
	12,418.3	14,597.9
Less: Allowance for impairment losses	**(619.6)**	(615.6)
	11,798.7	13,982.3

The advances given to subsidiaries were unsecured with settlement neither planned nor likely to occur in the foreseeable future. The effective interest rate at the balance sheet date was 1.1 per cent (2008: 1.3 per cent) per annum.

The deemed investment in a subsidiary, SingTel Group Treasury Pte. Ltd. ("**SGT**"), resulted from financial guarantees provided by the Company for loans drawn down totalling S$1.54 billion (2008: S$1.24 billion) entered into by SGT as at 31 March 2009.

The details of subsidiaries are set out in Note 45.

22. ASSOCIATED COMPANIES

	Group 2009 S$ Mil	Group 2008 S$ Mil	Company 2009 S$ Mil	Company 2008 S$ Mil
Quoted equity shares, at cost	**74.3**	74.3	**24.7**	24.7
Unquoted equity shares, at cost	**1,421.7**	1,306.9	**-**	-
Shareholder's loan (unsecured)	**1.7**	1.7	**-**	-
	1,497.7	1,382.9	**24.7**	24.7
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)	**(179.6)**	(74.1)	**-**	-
Translation differences	**(288.8)**	(161.9)	**-**	-
	(496.7)	(264.3)	**-**	-
Less: Allowance for impairment losses (see **Note 24.2**)	**(331.7)**	(31.7)	**-**	-
	669.3	1,086.9	**24.7**	24.7

As at 31 March 2009, the market values of the quoted equity shares in associated companies held by the Group and Company were S$386.9 million (2008: S$574.7 million) and S$382.9 million (2008: S$568.1 million) respectively.

The Group was required to fulfill certain conditions of an associated company's existing loan agreement on a proportionate share basis where 60% and 30% of the Group's equity shares in an associated company were under pledge and a negative lien respectively. During the year, the share pledge was waived and the Group provided proportionate guarantees. The negative lien was also reduced to 26% of the Group's equity shares in the associated company.

The details of associated companies are set out in Note 45.

As at 31 March 2009, the Group's proportionate interest in the capital commitments of the associated companies was S$118.1 million (2008: S$226.6 million).

The summarised financial information of associated companies were as follows –

	Group 2009 S$ Mil	Group 2008 S$ Mil
Operating revenue	**1,207.8**	933.5
Net (losses)/ profit after tax	**(222.2)**	46.6
Total assets	**3,987.4**	3,862.1
Total liabilities	**(2,271.2)**	(2,173.3)

23. JOINT VENTURE COMPANIES

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Quoted equity shares, at cost	**2,388.1**	2,248.0	**-**	-
Unquoted equity shares, at cost	**3,069.8**	3,070.2	**34.1**	34.1
	5,457.9	5,318.2	**34.1**	34.1
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)	**4,887.3**	3,865.3	**-**	-
Translation differences	**(1,099.4)**	(500.7)	**-**	-
	2,562.0	2,138.7	**-**	-
Less: Allowance for impairment losses (see **Note 24.2**)	**(30.0)**	(3.9)	**(4.2)**	(4.2)
	7,989.9	7,453.0	**29.9**	29.9

As at 31 March 2009, the market value of the quoted equity shares in joint venture companies held by the Group was S$9.46 billion (2008: S$14.14 billion).

The details of joint venture companies are set out in Note 45.

The Group's share of certain items in the income statements and balance sheets of the joint venture companies were as follows –

	Group	
	2009	2008
	S$ Mil	S$ Mil
Operating revenue	**5,794.4**	5,982.9
Operating expenses	**(2,875.7)**	(2,725.1)
Net profit before tax	**2,298.8**	2,696.9
Net profit after tax	**1,872.2**	2,059.6
Non-current assets	**8,903.2**	8,301.1
Current assets	**1,744.8**	1,606.4
Current liabilities	**(2,364.6)**	(2,432.3)
Non-current liabilities	**(2,278.9)**	(2,327.6)
Net assets	**6,004.5**	5,147.6

23. JOINT VENTURE COMPANIES (cont'd)

As at 31 March 2009, the Group's proportionate interest in the capital commitments of joint venture companies was S$1.49 billion (2008: S$1.37 billion).

Optus holds a 31.25 per cent (2008: 31.25 per cent) 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 3G network sites and radio infrastructure across Australia whereby it holds an interest of 50.0 per cent (2008: 50.0 per cent) in the assets, with access to the capacity and shares 50.0 per cent (2008: 50.0 per cent) of the cost of building and operating the network.

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$284.3 million (2008: S$358.3 million).

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 2009 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**").

The fixed, mobile, cable and broadband networks of Optus Group are integrated operationally and accordingly, Optus as a group is a CGU for the purpose of impairment tests for goodwill.

	As at		Terminal growth rate [1]		Pre-tax discount rate	
Group	31 Mar 09 S$ Mil	31 Mar 08 S$ Mil	2009	2008	2009	2008
Carrying value of goodwill in -						
- Optus Group	**9,537.8**	9,569.1	**4.0%**	4.0%	**10.9%**	12.4%
- Singapore Computer Systems Limited [2]	**82.2**	-	**2.0%**	NA	**8.3%**	NA

Notes:
(1) Weighted average growth rate used to extrapolate cash flows beyond the terminal year.
(2) This subsidiary is renamed as "SCS Computer Systems Pte. Ltd." with effect from 15 April 2009.

'NA' denotes not applicable.

The recoverable values of cash generating units including goodwill are determined based on value-in-use calculations.

24.1 Goodwill arising on acquisition of subsidiaries (cont'd)

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 a five-year period. 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 2009, 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 associated and joint venture companies

The Group's carrying values in Warid Telecom (Private) Limited ("**Warid**") and Pacific Bangladesh Telecom Limited ("**PBTL**") as at 31 March 2009 were assessed for impairment.

Group	As at 31 Mar 09 S$ Mil	Terminal growth rate [1] 2009	Pre-tax discount rate 2009
Carrying value (including goodwill) in -			
Warid and PBTL	966.2		
Less: Allowance for impairment losses	(330.0)		
	636.2	5.5% to 8%	14.4% to 17.5%

Note:
(1) Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

The impairment review of the Group's investments in the associated and joint venture companies is based on the same methodology described in Note 24.1. The cash flow projections were based on financial budgets and forecasts approved by management covering periods of seven to ten years, as the operations of Warid and PBTL will not reach stable cash flow within five years as they are in growth phase.

For the year ended 31 March 2009, a non-cash impairment charge of S$330 million (2008: Nil) was recognised on the goodwill arising from the acquisitions of Warid and PBTL. The lower value-in-use arose from applying higher discount rates with increased cost of debt, as well as increased operating costs in more challenging market environments.

25. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Balance as at 1 Apr	**352.6**	42.4	**37.0**	33.3
Additions	**1.8**	279.1	**-**	-
Disposals	**(2.8)**	(5.6)	**(2.5)**	-
(Provision for impairment)/ Write-back of provision	**(0.1)**	4.1	**-**	-
Net fair value (losses)/ gains taken to equity	**(115.2)**	32.6	**(9.9)**	3.7
Balance as at 31 Mar	**236.3**	352.6	**24.6**	37.0

AFS investments included the following –

Group	2009 S$ Mil	2008 S$ Mil
Quoted equity securities		
- Taiwan	**202.9**	306.1
- Thailand	**9.2**	15.3
- Singapore and United States	**5.8**	11.4
	217.9	332.8
Unquoted		
Equity securities - Singapore and United States	**13.9**	14.7
Others	**4.5**	5.1
	18.4	19.8
	236.3	352.6

Company	2009 S$ Mil	2008 S$ Mil
Quoted equity securities		
- Thailand	**9.2**	15.3
- Singapore and United States	**5.6**	11.2
	14.8	26.5
Unquoted equity securities		
- Singapore	**9.8**	10.5
	24.6	37.0

26. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Balance as at 1 Apr	**(1,136.4)**	(834.8)	**(749.6)**	(549.4)
Fair value gains/ (losses)				
- included in income statement	**591.6**	(11.7)	**531.9**	(50.2)
- included in 'Hedging Reserve'	**263.7**	(250.6)	**25.8**	(150.0)
- included in 'Currency Translation Reserve'	**(66.7)**	(30.6)	**-**	-
Settlement of swap for bonds repaid	**137.3**	-	**137.3**	-
Translation differences	**65.9**	(8.7)	**-**	-
Balance as at 31 Mar	**(144.6)**	(1,136.4)	**(54.6)**	(749.6)
Disclosed as -				
Current asset	**1.5**	2.5	**1.5**	1.2
Non-current asset	**461.3**	358.0	**461.3**	358.0
Current liability	**(44.2)**	(162.5)	**(12.6)**	(155.7)
Non-current liability	**(563.2)**	(1,334.4)	**(504.8)**	(953.1)
	(144.6)	(1,136.4)	**(54.6)**	(749.6)

26.1 Fair Values

The fair values of the currency and interest rate swap contracts were adjusted for accrued interest of S$27.8 million (2008: S$17.3 million). The accrued interest is separately disclosed in Note 16 and Note 28.

The fair value adjustments of the derivative financial instruments were as follows -

	Group Fair value adjustments		Company Fair value adjustments	
	Assets	Liabilities	Assets	Liabilities
2009	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Fair value hedges				
Cross currency swaps	172.5	(94.5)	172.5	(94.5)
Interest rate swaps	268.8	-	268.8	-
Forward foreign exchange	1.5	9.0	1.5	8.6
Cash flow hedges				
Cross currency swaps	58.5	636.0	58.5	571.7
Interest rate swaps	(29.6)	44.7	(29.6)	28.9
Forward foreign exchange	-	4.6	-	2.7
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	(4.9)	-	(4.9)	-
Interest rate swaps	(4.0)	-	(4.0)	-
Forward foreign exchange	-	7.6	-	-
	462.8	607.4	462.8	517.4
Disclosed as -				
Current	1.5	44.2	1.5	12.6
Non-current	461.3	563.2	461.3	504.8
	462.8	607.4	462.8	517.4

26.1 Fair Values (cont'd)

	Group Fair value adjustments		Company Fair value adjustments	
2008	Assets S$ Mil	Liabilities S$ Mil	Assets S$ Mil	Liabilities S$ Mil
Fair value hedges				
Cross currency swaps	-	311.1	-	(79.8)
Interest rate swaps	178.4	(9.6)	178.4	-
Forward foreign exchange	2.5	1.1	1.2	-
Cash flow hedges				
Cross currency swaps	212.7	1,162.6	282.1	1,162.6
Interest rate swaps	(33.1)	26.0	(26.9)	26.0
Forward foreign exchange	-	3.8	-	-
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	(69.4)	-
Interest rate swaps	-	-	(6.2)	-
Forward foreign exchange	-	1.9	-	-
	360.5	1,496.9	359.2	1,108.8
Disclosed as -				
Current	2.5	162.5	1.2	155.7
Non-current	358.0	1,334.4	358.0	953.1
	360.5	1,496.9	359.2	1,108.8

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 2010, 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 30.1.

26.1 Fair Values (cont'd)

As at 31 March 2009, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	2009	2008	2009	2008
Interest rate swaps				
Notional principal (S$ million equivalent)	**5,214.6**	5,208.2	**4,713.5**	4,605.1
Fixed interest rates	**2.0% to 7.7%**	2.7% to 6.6%	**2.0% to 3.9%**	2.7% to 3.9%
Floating interest rates	**3.2% to 5.5%**	5.9% to 9.1%	**3.9% to 5.5%**	5.9% to 6.2%
Cross currency swaps				
Notional principal (S$ million equivalent)	**4,910.4**	5,559.4	**3,679.8**	4,078.2
Fixed interest rates	**3.9% to 8.1%**	3.9% to 8.1%	**3.9% to 5.2%**	3.9% to 5.2%
Floating interest rates	**2.3% to 4.7%**	3.0% to 9.5%	**2.3% to 3.1%**	3.0% to 4.7%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**729.5**	743.3	**413.7**	220.6

The interest rate swaps entered into by the Group are re-priced at intervals ranging from three-monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

27. OTHER NON-CURRENT RECEIVABLES

	Group		Company	
	2009 S$ Mil	2008 S$ Mil	2009 S$ Mil	2008 S$ Mil
Prepayments	**118.7**	120.7	**104.5**	88.8
Other receivables	**29.2**	29.4	**0.2**	0.2
	147.9	150.1	**104.7**	89.0

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Trade payables	**1,955.6**	2,013.1	**485.5**	509.2
Advance billings	**467.5**	500.5	**69.7**	75.9
Accruals	**507.1**	498.1	**85.8**	90.9
Interest payables	**186.1**	186.5	**140.0**	147.4
Due to subsidiaries				
- trade	**-**	-	**138.5**	202.6
- non-trade	**-**	-	**107.8**	1,745.2
	-	-	**246.3**	1,947.8
Due to associated and joint venture companies (trade)	**37.5**	58.9	**33.2**	40.7
Deferred income (see **Note 32**)				
- Deferred gain on sale of a joint venture company	**3.1**	3.1	**-**	-
- Financial guarantee contracts	**-**	-	**4.8**	3.6
	3.1	3.1	**4.8**	3.6
Customers' deposits	**21.4**	20.1	**11.6**	11.7
Other deferred income	**11.0**	1.7	**2.9**	1.7
Other payables	**78.2**	78.1	**50.9**	61.7
	3,267.5	3,360.1	**1,130.7**	2,890.6

The amounts due to subsidiaries are repayable on demand and interest-free.

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms.

The interest payables on borrowings are generally settled on a half-year basis except for interest payables on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

29. PROVISION

The provision mainly relates to provision for liquidated damages and warranties. The movements were as follows -

	Group 2009 S$ Mil	Group 2008 S$ Mil
Balance as at 1 Apr	**12.7**	11.2
Acquisition of subsidiary	**2.2**	-
Provision	**3.5**	1.7
Amount written off against provision	**(1.6)**	(0.2)
Balance as at 31 Mar	**16.8**	12.7

30. BORROWINGS (UNSECURED)

	Group 2009 S$ Mil	Group 2008 S$ Mil	Company 2009 S$ Mil	Company 2008 S$ Mil
Current				
Bonds	**542.2**	500.4	**-**	487.1
Bank loans	**885.0**	1,373.8	**-**	-
Bank overdraft	**0.2**	0.1	**-**	-
	1,427.4	1,874.3	**-**	487.1
Non-current				
Bonds	**5,004.3**	5,018.2	**4,353.2**	3,891.2
Bank loans	**1,043.2**	650.0	**-**	-
	6,047.5	5,668.2	**4,353.2**	3,891.2
Total unsecured borrowings	**7,474.9**	7,542.5	**4,353.2**	4,378.3

30.1 Bonds

Principal amount	Maturity	Fixed interest rate %	Group 2009 S$ Mil	Group 2008 S$ Mil	Company 2009 S$ Mil	Company 2008 S$ Mil
US$350 million	2008	6.25	-	487.1	-	487.1
US$345 million [1]	2009	8.13	**529.6**	498.2	-	-
US$393.8 million [1]	2010	8.00	**636.4**	595.6	-	-
US$1,350 million [2]	2011	6.38	**2,251.7**	2,014.4	**2,251.7**	2,014.4
US$500 million [2]	2031	7.38	**1,024.2**	762.4	**1,024.2**	762.4
€500 million [2]	2011	6.00	**1,077.3**	1,114.4	**1,077.3**	1,114.4
A$62.6 million	2011	6.82	**27.3**	46.5	-	-
			5,546.5	5,518.6	**4,353.2**	4,378.3
Classified as -						
Current			**542.2**	500.4	-	487.1
Non-current			**5,004.3**	5,018.2	**4,353.2**	3,891.2
			5,546.5	5,518.6	**4,353.2**	4,378.3

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 and Luxembourg Stock Exchange.

30.2 Bank Loans

	Group 2009 S$ Mil	Group 2008 S$ Mil
Current	**885.0**	1,373.8
Non-current	**1,043.2**	650.0
	1,928.2	2,023.8

As at 31 March 2009, A$375 million (2008: A$615 million) had been drawn down under various loan facilities totalling A$975 million with maturity between May 2009 to April 2012.

As at 31 March 2009, S$1.54 billion (2008: S$1.24 billion) had been drawn down under various loan facilities of approximately S$4 billion with maturity between April 2009 to November 2013.

30.3 Maturity

The maturity periods of the non-current unsecured borrowings at balance sheet dates were as follows -

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Between one and two years	**951.1**	1,163.8	**-**	-
Between two and five years	**4,072.2**	3,742.0	**3,329.0**	3,128.8
Over five years	**1,024.2**	762.4	**1,024.2**	762.4
	6,047.5	5,668.2	**4,353.2**	3,891.2

30.4 Interest Rates

The weighted average effective interest rates at balance sheet dates were as follows -

	Group		Company	
	2009	2008	2009	2008
	%	%	%	%
Bonds	**6.8**	6.8	**6.5**	6.4
Bank loans	**2.4**	4.3	**-**	-

30.5 Fair Values

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Carrying value				
Bonds	**5,546.5**	5,518.6	**4,353.2**	4,378.3
Bank loans	**1,928.2**	2,023.8	**-**	-
Fair value				
Bonds	**5,296.4**	5,494.5	**4,103.1**	4,354.2
Bank loans	**1,940.4**	2,029.1	**-**	-

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.

30.6 The tables below set out the expected contractual undiscounted cash flows of the borrowings, including the effects of hedging. The adjustments column represents the possible future cash flows attributable to the borrowings which are not included in the carrying amounts on the balance sheet.

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	Adjustments S$ Mil	Total S$ Mil
As at 31 March 2009						
Net-settled interest rate swaps	**165.3**	**224.4**	**177.1**	**543.5**	**(1,110.3)**	**-**
Borrowings	**1,503.4**	**938.1**	**4,078.4**	**881.2**	**73.8**	**7,474.9**
	1,668.7	**1,162.5**	**4,255.5**	**1,424.7**	**(1,036.5)**	**7,474.9**
As at 31 March 2008						
Net-settled interest rate swaps	259.0	214.5	342.2	780.8	(1,596.5)	-
Borrowings	2,048.2	1,334.8	4,344.8	881.2	(1,066.5)	7,542.5
	2,307.2	1,549.3	4,687.0	1,662.0	(2,663.0)	7,542.5

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	Adjustments S$ Mil	Total S$ Mil
As at 31 March 2009						
Net-settled interest rate swaps	**160.4**	**156.8**	**177.1**	**543.5**	**(1,037.8)**	**-**
Borrowings	**-**	**-**	**3,335.2**	**881.2**	**136.8**	**4,353.2**
	160.4	**156.8**	**3,512.3**	**1,424.7**	**(901.0)**	**4,353.2**
As at 31 March 2008						
Net-settled interest rate swaps	209.9	194.7	345.1	780.8	(1,530.5)	-
Borrowings	637.2	-	3,511.6	881.2	(651.7)	4,378.3
	847.1	194.7	3,856.7	1,662.0	(2,182.2)	4,378.3

31. BORROWINGS (SECURED)

	Group 2009 S$ Mil	Group 2008 S$ Mil
Current		
Finance lease liabilities	6.4	0.3
Non-current		
Finance lease liabilities	13.7	-

31.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows -

	Group 2009 S$ Mil	Group 2008 S$ Mil
Not later than one year	7.4	0.3
Later than one but not later than five years	14.8	-
	22.2	0.3
Less: Future finance charges	(2.1)	*
	20.1	0.3
Classified as -		
Current	6.4	0.3
Non-current	13.7	-
	20.1	0.3

* Denotes amount less than S$50,000.

31.2 Interest Rates

The weighted average effective interest rates per annum at balance sheet dates were as follows -

	Group 2009 %	Group 2008 %
Finance lease liabilities	10.7	8.7

31.3 Fair Values

	Group	
	2009	2008
	S$ Mil	S$ Mil
Carrying value		
Finance lease liabilities	20.1	0.3
Fair value		
Finance lease liabilities	20.1	0.3

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.

32. DEFERRED INCOME

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Gain on sale and leaseback arrangements				
Balance as at 1 Apr	14.1	16.3	6.8	7.9
Amount recognised as income during the year	(2.8)	(2.2)	(1.5)	(1.1)
Balance as at 31 Mar	11.3	14.1	5.3	6.8
Deferred gain on sale of a joint venture company				
Balance as at 1 Apr	29.1	30.6	-	-
Amount recognised as income during the year	(3.1)	(1.5)	-	-
Balance as at 31 Mar	26.0	29.1	-	-
Financial guarantee contracts				
Balance as at 1 Apr	-	-	5.3	8.8
Amount deferred during the year	-	-	12.6	0.9
Amount recognised as income during the year	-	-	(5.6)	(4.4)
Balance as at 31 Mar	-	-	12.3	5.3
	37.3	43.2	17.6	12.1
Classified as -				
Current (see **Note 28**)	3.1	3.1	4.8	3.6
Non-current	34.2	40.1	12.8	8.5
	37.3	43.2	17.6	12.1

32. DEFERRED INCOME (cont'd)

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 company is recognised as income on a straight-line basis over the remaining useful life of the joint venture company's cable system of approximately 10 years.

33. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2009	2008	2009	2008
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Performance share liability	**4.4**	7.6	**2.8**	6.0
Other deferred income	**20.2**	20.5	**-**	-
Other payables	**128.3**	160.5	**6.4**	8.8
	152.9	188.6	**9.2**	14.8

34. SHARE CAPITAL

	2009		2008	
	Number of shares	Share capital	Number of shares	Share capital
Group and Company	Mil	S$ Mil	Mil	S$ Mil
Balance as at 1 Apr	**15,920.8**	**2,593.7**	15,905.6	2,562.1
Issue of shares under share options	**6.0**	**11.9**	15.2	31.6
Balance as at 31 Mar	**15,926.8**	**2,605.6**	15,920.8	2,593.7

All issued shares are fully paid.

During the year, the Company issued 6,050,600 (2008: 15,175,899) shares upon the exercise of 6,050,600 (2008: 12,648,300) share options under the 1999 Scheme at exercise prices between S$1.41 and S$2.85 (2008: S$1.39 and S$2.97) per share.

In the previous financial year ended 31 March 2008, 1,522,650 share options (giving rise to the issue of 2,527,599 SingTel shares) (at an exercise price of A$3.63 for 1.66 shares) were exercised under the Optus Executive Option Plan ("**Optus Plan**"). On the exercise of options under the Optus Plan, SingTel shares were issued to the Optus option holder in the ratio of 1.66 SingTel shares per share option. The options under the Optus Plan have expired on 24 May 2007.

The newly issued shares rank pari passu in all respects with the previously issued shares.

34. SHARE CAPITAL (cont'd)

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 and payout ratio target ranges from 45% to 60% of its underlying net profit, defined as net profit before exceptional items and exchange differences on capital reductions of certain overseas subsidiaries, as well as significant exceptional items of the associated and joint venture companies.

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 the Group's 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.

35. DIVIDENDS

	Group		Company	
	2009 S$ Mil	2008 S$ Mil	2009 S$ Mil	2008 S$ Mil
Final dividend of 6.9 cents (2008: 6.5 cents) (one-tier tax exempt) per share and special dividend of Nil (2008: 9.5 cents) (one-tier tax exempt) per share, paid	**1,098.1**	2,544.7	**1,098.8**	2,546.5
Interim dividend of 5.6 cents (2008: 5.6 cents) (one-tier tax exempt) per share, paid	**891.3**	890.7	**892.1**	891.5
	1,989.4	3,435.4	**1,990.9**	3,438.0

During the year, a final one-tier exempt ordinary dividend of 6.9 cents per share was paid in respect of the financial year ended 31 March 2008, and an interim one-tier exempt ordinary dividend of 5.6 cents per share was paid in respect of the financial year ended 31 March 2009.

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 exempt ordinary dividend of 6.9 cents per share totalling S$1.10 billion for the Group and Company in respect of the financial year ended 31 March 2009 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the final dividend payable of S$1.10 billion, which will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2010.

36. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of FVTPL investments, AFS investments and borrowings are set out in Note 17, Note 25, Note 30 and Note 31 respectively.

The carrying values of the other financial assets and liabilities approximate their fair values.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

37.1 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.

The Directors assume responsibility for the overall financial risk management of the Group. The Finance, Investment and Risk Committee ("**FIRC**") assists the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

Financial risk management is carried out by a wholly-owned subsidiary of the Group, SGT, in accordance with the policies set by the FIRC. SGT identifies, evaluates and hedges financial risk in close co-operation with the Group's operating units. No financial derivatives are held or sold for speculative purposes.

37.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associated and joint venture companies operating in foreign countries such as Australia, Bangladesh, India, Indonesia, Philippines, Pakistan and Thailand. Translational risks of overseas net investments are not hedged unless approved by the FIRC. As approved by the FIRC, EUR 500 million borrowing has been swapped into AUD 825.3 million borrowing to hedge against translation risk of the Group's investment in Australia. As at 31 March 2009, if the Australian Dollar appreciates or depreciates against the Singapore Dollar by 3 percentage points, the impact to equity from the translation of the AUD 825.3 million borrowing will be S$26.0 million (2008: S$31.2 million).

The Group also 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 FIRC, 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 relating to Australian Dollar, Euro, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht, and United States Dollar.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The exchange difference on trade balances is disclosed under Note 6 and the exchange difference on non-trade balances is disclosed under Note 10.

37.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions, as well as investments in Corporate Bonds 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 2009, after taking into account the effect of interest rate swaps, approximately 59% (2008: 57%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2009, 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$14.2 million (2008: S$15.6 million).

37.4 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. See Note 16 for additional information.

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.

37.5 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. See Note 30.6 for additional information.

37.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

38. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments.

Primary Reporting Format – Geographical Segment
The Group's businesses operate in two principal geographical areas, Singapore and Australia. No other individual country contributes more than 10 per cent of consolidated revenue and assets.

In presenting information on the basis of geographical segments, segment revenue is based on where the service is rendered and where the customer is located. Total assets and capital expenditure are shown by the geographical area in which the asset is located.

Secondary Reporting Format – Business Segment
The Group is organised into the following business segments:

Wireline – represent cable-based and satellite-based Fixed Telecommunications Network Services (FTNS) such as domestic and IDD services, leased lines, data communications, lease of satellite capacity, Inmarsat and Internet services.

Wireless – represent mobile telecommunications services such as cellular and paging services and sale of handsets and pagers.

Information technology and engineering – represent information technology consultancy, systems integration and engineering services.

Others – represent the balance of the Group's operations and comprise storage of cables and investment activities.

The accounting policies used to derive reportable segment results are consistent with those described in the "Significant Accounting Policies" note to the financial statements.

Segment results represent operating revenue less expenses.

The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, inventories, operating cash and bank balances. Corporate-held assets managed at the corporate level not allocated to the segments include fixed deposits and investments.

Segment liabilities comprise operating liabilities and exclude borrowings, provision for taxes, deferred tax liabilities and dividends.

Segment capital expenditures comprise additions to property, plant and equipment (net of rebates, where applicable) and intangible assets.

38.1 Primary Reporting Format – Geographical Segment

Group - 2009	Singapore S$ Mil	Australia S$ Mil	Others S$ Mil	Eliminations S$ Mil	Total S$ Mil
Total revenue from external customers	5,224.3	9,469.4	240.7	-	14,934.4
Inter-segment revenue	82.5	-	84.5	(167.0)	-
Operating revenue	5,306.8	9,469.4	325.2	(167.0)	14,934.4
Segment results	1,419.7	1,008.8	13.4	164.5	2,606.4
Other income	222.4	48.4	(0.7)	(178.0)	92.1
Profit before exceptional items	1,642.1	1,057.2	12.7	(13.5)	2,698.5
Exceptional items	8.2	-	(327.8)	-	(319.6)
Profit on operating activities					2,378.9
Share of results of associated and joint venture companies	56.5	(0.2)	1,739.8	-	1,796.1
Profit before interest, investment income (net), and tax					4,175.0
Interest and investment income (net)					132.4
Finance costs					(360.7)
Profit before tax					3,946.7
Segment assets	4,247.7	8,301.6	256.7	22.7	12,828.7
Investment in associated and joint venture companies	228.9	-	8,430.3	-	8,659.2
Allocated assets	4,476.6	8,301.6	8,687.0	22.7	21,487.9
Unallocated assets					11,766.8
Consolidated total assets					33,254.7
Segment liabilities	1,714.4	752.4	100.1	1,246.5	3,813.4
Unallocated liabilities					8,941.0
Consolidated total liabilities					12,754.4
Capital expenditure	607.7	1,248.7	33.2	-	1,889.6
Depreciation	454.1	1,216.0	15.7	-	1,685.8
Amortisation	5.9	40.9	0.1	-	46.9
Impairment of property, plant and equipment	(3.5)	-	-	-	(3.5)
Impairment on goodwill of associated and joint venture companies	-	-	(330.0)	-	(330.0)

38.1 Primary Reporting Format – Geographical Segment (cont'd)

Group - 2008	Singapore S$ Mil	Australia S$ Mil	Others S$ Mil	Eliminations S$ Mil	Total S$ Mil
Total revenue from external customers	4,609.0	10,028.7	206.7	-	14,844.4
Inter-segment revenue	78.3	-	90.8	(169.1)	-
Operating revenue	4,687.3	10,028.7	297.5	(169.1)	14,844.4
Segment results	1,342.1	1,148.4	15.7	58.8	2,565.0
Other income	119.4	29.8	(7.8)	(63.1)	78.3
Profit before exceptional items	1,461.5	1,178.2	7.9	(4.3)	2,643.3
Exceptional items					
- allocated	(3.3)	-	(48.2)	-	(51.5)
- unallocated					1.4
Profit on operating activities					2,593.2
Share of results of associated and joint venture companies	59.7	(3.3)	2,010.1	-	2,066.5
Profit before interest, investment income (net), and tax					4,659.7
Interest and investment income (net)					216.2
Finance costs					(392.9)
Profit before tax					4,483.0
Segment assets	3,743.3	9,612.5	191.6	17.0	13,564.4
Investment in associated and joint venture companies	214.1	-	8,325.8	-	8,539.9
Allocated assets	3,957.4	9,612.5	8,517.4	17.0	22,104.3
Unallocated assets					12,610.0
Consolidated total assets					34,714.3
Segment liabilities	1,583.6	968.9	92.5	1,157.9	3,802.9
Unallocated liabilities					9,909.1
Consolidated total liabilities					13,712.0
Capital expenditure	524.9	1,485.9	34.5	-	2,045.3
Depreciation	469.6	1,353.3	12.8	-	1,835.7
Amortisation	4.1	46.8	0.3	-	51.2
Impairment on property, plant and equipment, and intangible assets	(4.8)	-	-	-	(4.8)

38.2 Secondary Reporting Format – Business Segment

Group - 2009	Wireline S$ Mil	Wireless S$ Mil	IT & Engineering S$ Mil	Others S$ Mil	Total S$ Mil
Operating revenue from external customers	6,088.0	7,234.2	1,559.0	53.2	14,934.4
Segment assets	7,208.9	4,571.3	878.2	170.3	12,828.7
Investment in associated and joint venture companies	1,989.9	6,480.2	2.2	186.9	8,659.2
Allocated assets	9,198.8	11,051.5	880.4	357.2	21,487.9
Unallocated assets					11,766.8
Consolidated total assets					33,254.7
Capital expenditure	760.9	781.9	58.6	288.2	1,889.6

Group - 2008	Wireline S$ Mil	Wireless S$ Mil	IT & Engineering S$ Mil	Others S$ Mil	Total S$ Mil
Operating revenue from external customers	6,557.4	6,995.3	1,234.0	57.7	14,844.4
Segment assets	8,216.4	4,807.9	528.8	11.3	13,564.4
Investment in associated and joint venture companies	2,154.6	6,292.7	-	92.6	8,539.9
Allocated assets	10,371.0	11,100.6	528.8	103.9	22,104.3
Unallocated assets					12,610.0
Consolidated total assets					34,714.3
Capital expenditure	1,103.6	543.2	18.1	380.4	2,045.3

39. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, were as follows -

	Group		Company	
	2009 S$ Mil	2008 S$ Mil	2009 S$ Mil	2008 S$ Mil
Not later than one year	**424.0**	390.7	**89.8**	60.4
Later than one but not later than five years	**1,211.0**	1,240.3	**152.7**	119.9
Later than five years	**1,134.2**	1,978.0	**336.6**	355.5
	2,769.2	3,609.0	**579.1**	535.8

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing from 2 March 2005. The above commitments included the minimum amounts payable of S$24.4 million (2008: S$24.0 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 per cent or Consumer Price Index percentage of the preceding year.

40. COMMITMENTS

40.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under Note 40.2, were as follows -

	Group		Company	
	2009 S$ Mil	2008 S$ Mil	2009 S$ Mil	2008 S$ Mil
Authorised and contracted for	**590.6**	726.1	**105.5**	60.8

The above included equity funding commitments for an associated company of US$75 million (S$114 million) (2008: Nil).

40.2 As at 31 March 2009, the Group's commitments for the purchase of broadcasting program rights were S$211.9 million (2008: S$132.3 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 balance sheet date. A third-party had agreed to reimburse the Group for A$3.2 million (S$3.4 million) (2008: A$3.0 million) of these commitments.

41. CONTINGENT LIABILITIES

(a) <u>Guarantees</u>

As at 31 March 2009,

(i) The Group and Company provided bankers' guarantees and insurance bonds of S$226.9 million and S$19.2 million (31 March 2008: S$164.3 million and S$18.1 million) respectively.

(ii) The Company provided guarantees for loans totalling S$1.54 billion (2008: S$1.24 billion) drawn down under various loan facilities entered into by SGT with maturity between April 2009 to November 2013.

(iii) The Company provided a guarantee for US$74 million (S$113 million) on a proportionate share basis in respect of a loan obtained by an associated company.

(b) <u>Appeal against the decision by Komisi Pengawas Persaingan Usaha Republik Indonesia ("KPPU") (Republic of Indonesia Commission for Supervision of Business Competition) (the "Commission") and institution of class action suits</u>

SingTel announced on 29 June 2007 that SingTel and its wholly-owned subsidiary, Singapore Telecom Mobile Pte Ltd ("**SingTel Mobile**"), had been called by the Commission to attend before it for an examination concerning the allegation of a violation by Temasek Business Group of Article 27(a)[1] of Law No.5 of 1999 (the "**Law**") relating to business competition matters.

On 20 November 2007, SingTel announced that the Commission had issued its decision (the "**Decision**"). The Decision states that SingTel and SingTel Mobile together with other parties to the proceedings (the "**Parties**") are in violation of Article 27(a) of the Law and that PT Telekomunikasi Selular ("**Telkomsel**") is in violation of Article 17(1)[2] of the Law.

The Decision orders, amongst other things, that (i) the Parties divest either Telkomsel or PT Indosat Tbk ("**Indosat"**) within two years, (ii) Telkomsel reduces tariffs by at least 15 per cent and (iii) each of the Parties and Telkomsel pay 25 billion rupiah (approximately S$4 million) in fines.

SingTel and SingTel Mobile filed an appeal to the District Court of Central Jakarta on 19 December 2007. The District Court announced its ruling on 9 May 2008 dismissing SingTel's and SingTel Mobile's appeal, but (i) setting aside the order that Telkomsel reduce tariffs by at least 15 per cent; and (ii) reducing the fine for each of the Parties and Telkomsel to 15 billion rupiah (approximately S$2 million). SingTel and SingTel Mobile appealed to the Supreme Court of the Republic of Indonesia on 22 May 2008.

By a written decision dated 9 September 2008, of which official notification was given to SingTel and SingTel Mobile on 25 November 2008, the Supreme Court dismissed the appeal.

SingTel and SingTel Mobile are evaluating the available options moving forward and will continue to take all necessary steps to protect their interests.

<u>**Notes**</u>:
(1) Article 27(a) relates to the ownership of majority shares in several similar companies conducting business activities in the same field in the same market.
(2) Article 17(1) relates to the control of the production and or marketing of goods and or services which may result in monopolistic practices and or unfair business competition.

41. CONTINGENT LIABILITIES (cont'd)

(b) Appeal against the decision by Komisi Pengawas Persaingan Usaha Republik Indonesia ("KPPU") (Republic of Indonesia Commission for Supervision of Business Competition) (the "Commission") and institution of class action suits (cont'd)

Two class action suits have been filed in Indonesia, in the Tangerang and Central Jakarta District Courts, against SingTel, SingTel Mobile, PT Telekomunikasi Indonesia Tbk, Indosat, the State Ministry of State Owned Enterprises of the Government of Indonesia and other parties largely similar to the Parties.

The Plaintiffs to the suits are consumers of cellular mobile services and have made their claims pursuant to the Consumer Protection Law and the Telecommunication Law.

The Plaintiffs seek interim relief which includes, amongst other things, an order for an attachment of shares in Telkomsel and Indosat and the assets of Telkomsel and Indosat. The Plaintiffs also seek substantial damages, amongst other things, as final relief.

By an order of the Central Jakarta District Court, the two class actions were consolidated and ordered to be heard together in the Tangerang District Court. The consolidated action has been stayed pending an appeal by the Central Jakarta Plaintiffs against the consolidation order.

SingTel and SingTel Mobile have been advised by its legal advisers that the Plaintiffs' claims are without merit and will take all necessary steps to protect their interests.

(c) Disputes concerning international telecommunications traffic

As previously reported, Optus is in dispute with an international carrier regarding amounts due under contract. Judgement has been received in Optus' favour. The carrier subsequently obtained leave to re-open the judgement. The Court has reserved its decision on whether the judgement should be altered. A notice of intention to appeal has also been filed by the carrier.

(d) Disputes concerning content supply

Optus is in dispute with The Movie Network Channels Pty Limited ("**Movie Network**"), a content supplier, regarding licence fees under a content supply agreement. Judgement has been received in Optus' favour. Movie Network has filed a notice of intention to appeal an aspect of the case.

(e) Other commercial disputes

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.

42. SIGNIFICANT DISPUTES AT JOINT VENTURE COMPANIES

(a) In January 2008, TOT Public Company Limited and CAT Telecom Public Company Limited demanded additional payments of revenue share from Advanced Info Service Public Company Limited ("**AIS**") and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively. The Group holds an equity interest of 21.4% in AIS Group.

AIS and DPC have stated that in their opinion, the amounts demanded are the same as the excise taxes that they have submitted to the Excise Department in prior years, according to the resolution of the Thai Cabinet dated 11 February 2003, and believe that the rulings of the Arbitration Panel shall have no impact to their financial statements. Both cases are in the arbitration process and it could take several years before an arbitral award is rendered.

(b) Bharti Airtel Limited ("**Bharti**"), a 30.4% joint venture of the Group, has received demands amounting to Rs 2,186 million (SingTel's equity share: S$20 million) for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. Bharti's view is that such imports should not be subject to any custom duty as it would be an operating software exempt from any custom duty. Bharti's management is of the view that the probability of the claims being successful is remote.

43. NATIONAL BROADBAND NETWORK IN SINGAPORE

On 22 April 2009, OpenNet Pte. Ltd. ("**OpenNet**"), in which SingTel has a 30% stake, received confirmation from the Info-Communications Development Authority of Singapore ("**IDA**"), the local regulator, that OpenNet had successfully fulfilled its Contractual and Financial Close requirements under the Singapore's Next Generation National Broadband Network's NetCo award issued on 26 September 2008. As part of OpenNet's proposal, SingTel has undertaken to transfer the passive infrastructure assets required by OpenNet to an AssetCo, and to establish AssetCo as a business trust within 24 months from April 2009. The AssetCo will own and control the relevant underlying passive infrastructure assets such as underground ducts and manholes needed to support OpenNet's deployment. In addition, SingTel will reduce its stake in the AssetCo to less than 25% within 60 months from April 2009, subject to relevant approvals, including shareholders' approval.

The above arrangements enable SingTel to participate in the financial returns from its investment in OpenNet, as well as provide SingTel with the opportunity to monetise its passive infrastructure assets. In addition, SingTel will be able to leverage the new high-speed platform to deliver new services to customers while avoiding significant capital expenditure.

44. 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 accounting periods beginning on or after 1 January 2009.

In particular, FRS 1 – *Presentation of Financial Statements (Revised)* will change the basis for presentation and structure of the financial statements while FRS 108 – *Operating Segments* (which replaces FRS 14 – *Segment Reporting*) requires operating segments to be identified on the basis of internal segment reports regularly reviewed by the chief operating decision maker.

The new or revised FRS and INT FRS are not expected to have a significant impact on the financial statements of the Group or the Company in the period of initial application.

45. 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, associated and joint venture companies as at 31 March 2009 and 31 March 2008.

45.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity held by the Group	
			2009	2008
			%	%
1.	C2C Asiapac Pte Ltd	Provision of administrative, technical and advisory services	**100**	100
2.	CVSI Pte Ltd	Provision of service support of computer hardware & software and other information technology related services	**100**	100
3.	INS Holdings Pte Ltd	Operating, managing and dealing in telecommunication systems and services	**100**	100
4.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
5.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
6.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
7.	Singapore Computer Systems Limited (now known as SCS Computer Systems Pte. Ltd.)	Provision of information technology and consultancy services	**100**	-
8.	NCSI Holdings Pte. Ltd.	Investment holding	**100**	100
9.	Computer Systems Holdings Pte Ltd	Investment holding	**100**	-
10.	Singapore Telecom Mobile Pte Ltd	Operation and provision of cellular mobile telecommunications systems and services, and investment holding	**100**	100
11.	Singapore Telecom Paging Pte Ltd	Provision of paging services which ceased with effect from 9 July 2008	**100**	100

45.1 Significant subsidiaries incorporated in Singapore (cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity held by the Group	
			2009	2008
			%	%
12.	SingNet Pte Ltd	Provision of value-added and internet-related services	**100**	100
13.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	**100**	100
14.	SingTel Group Treasury Pte. Ltd.	Provision of finance and treasury services to SingTel and its subsidiaries	**100**	100
15.	SingTel Investments Private Limited	Portfolio investment holding company	**100**	100
16.	SingTel Ventures (Singapore) Private Limited	Venture capital investments in start-up technology and telecommunications companies	**100**	100
17.	SingTelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100
18.	SingTel Asia Pacific Investments Pte. Ltd.	Investment holding and provision of consultancy services	**100**	100
19.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	-
20.	Subsea Network Services Pte Ltd	Ownership and chartering of barges and provision of storage facilities for submarine cables and related equipment	**100**	100
21.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine cables and related equipment	**60**	60
22.	SingTel Digital Media Pte Ltd (formerly known as Mercurix Pte Ltd)	Development and management of on-line internet portal	**100**	100
23.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment	**100**	100

All companies (except SCS) are audited by Deloitte & Touche LLP, Singapore. SCS, acquired during the year, was audited by KPMG LLP, Singapore, for its financial year ended 31 December 2008.

45.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity held by the Group	
			2009	2008
			%	%
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.	Inform Systems Australia Pty Ltd [1]	Provision of information technology services	**100**	100
4.	NCSI (Australia) Pty Limited	Provision of information technology services	**100**	100
5.	Optus Administration Pty Limited [1]	Provision of management services to the Optus Group	**100**	100
6.	Optus Billing Services Pty Limited [*]	Provision of billing services to the Optus Group	**100**	100
7.	Optus Broadband Pty Limited [1]	Provision of high speed residential internet service	**100**	100
8.	Optus Data Centres Pty Limited [1]	Provision of data communication services	**100**	100
9.	Optus Finance Pty Limited [1]	Provision of financial services to the Optus Group	**100**	100
10.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
11.	Optus Internet Pty Limited [1]	Provision of internet services to retail customers	**100**	100
12.	Optus Mobile Pty Limited [1]	Provision of mobile phone services	**100**	100
13.	Optus Narrowband Pty Limited [*]	Provision of narrow band portal content services	**100**	100
14.	Optus Networks Investments Pty Ltd[*] [1]	Bidding company for the National Broadband Network in Australia	**100**	-
15	Optus Networks Pty Limited [1]	Provision of telecommunications services	**100**	100
16	Optus Rental & Leasing Pty Limited [*]	Provision of equipment rental services to customers	**100**	100

45.2 Significant subsidiaries incorporated in Australia (cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity held by the Group	
			2009	2008
			%	%
17	Optus Stockco Pty Limited [*]	Purchases of Optus Group network inventory	**100**	100
18	Optus Superannuation Pty Limited [*]	A trustee for Optus Group's superannuation scheme	**100**	100
19	Optus Systems Pty Limited [1]	Provision of information technology services to the Optus Group	**100**	100
20	Optus Vision Interactive Pty Limited [*]	Provision of interactive television service	**100**	100
21	Optus Vision Media Pty Limited [*] [2]	Provision of broadcasting related services	**20**	20
22	Optus Vision Pty Limited [1]	Provision of telecommunications services	**100**	100
23	Perpetual Systems Pty Ltd [1]	Provision of IT disaster recovery services	**100**	100
24	Prepaid Services Pty Limited [1]	Distribution of prepaid mobile products	**100**	100
25	Reef Networks Pty Ltd [1]	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100
26	Singapore Telecom Australia Investments Pty Limited	Investment holding company	**100**	100
27	Simplus Mobile Pty Limited [1]	Provision of mobile phone services	**100**	100
28	SingTel Optus Pty Limited	Investment holding company	**100**	100
29	Source Integrated Networks Pty Limited [1]	Provision of data communications and network services	**100**	100
30	Uecomm Operations Pty Limited [1]	Provision of data communication services	**100**	100
31	Virgin Mobile (Australia) Pty Limited [1]	Provision of mobile phone services	**100**	100
32	XYZed LMDS Pty Limited [*]	Holder of telecommunications licence	**100**	100
33	XYZed Pty Limited [1]	Provision of telecommunications services	**100**	100

45.2 Significant subsidiaries incorporated in Australia (cont'd)

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.

45.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
				2009 %	2008 %
1.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	**100**	100
2.	Guangzhou Zhong Sheng Information Technology Co., Ltd. (**) (1)	Provision of information technology training	People's Republic of China	**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

45.3 Significant subsidiaries incorporated outside Singapore and Australia (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2009 %	2008 %
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
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.	Shanghai Zhong Sheng Information Technology Co., Ltd. [(1)]	Provision of information technology training and software resale	People's Republic of China	**100**	100
16.	NCSI Holdings (Malaysia) Sdn. Bhd.	Investment holding	Malaysia	**100**	100
17.	SingTel Global Private Limited (formerly known as SingTel i2i 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**	-
19.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100

45.3 Significant subsidiaries incorporated outside Singapore and Australia (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
				2009 %	2008 %
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 company	British Virgin Islands	**100**	100
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 (*)	Venture capital investments in start-up technology and telecommunications companies	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 except for the following -

(*) No statutory audit is required.
(**) Audited by another firm.

Note:
(1) Subsidiary's financial year-end is 31 December.

45.4 Associated companies held by the Group

	Name of associated company	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
				2009 %	2008 %
1.	ADSB Telecommunications B.V.	Dormant	Netherlands	**25.6**	25.6
2.	APT Satellite Holdings Limited [(1)]	Investment holding company	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited [(1)]	Investment holding company	British Virgin Islands	**28.6**	28.6
4	Ayala Systems Technology, Inc [(4)]	Sale, distribution, installation and maintenance of computer equipment and related products	Philippines	**30.0**	-
5.	Infoserve Technology Corp.	Dormant	Cayman Islands	**25.0**	25.0
6.	OpenNet Pte. Ltd.	To design, build and operate the passive infrastructure for Singapore's Next Generation National Broadband Network	Singapore	**29.9**	-
7.	Singapore Post Limited [(2)]	Operation and provision of postal services	Singapore	**25.7**	25.7
8.	Telescience Singapore Pte Ltd [(4)]	Sale, distribution and installation of telecommunications equipment	Singapore	**50.0**	-
9.	Viewers Choice Pte Ltd [(4)]	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	-
10.	Warid Telecom (Private) Limited [(3)]	Provision of cellular telecommunications services	Pakistan	**30.0**	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 2008, the financial year-end of the company.
(2) Audited by PricewaterhouseCoopers, Singapore.
(3) Audited by A.F. Ferguson & Co. (a member firm of PricewaterhouseCoopers).
(4) The company was acquired as part of the acquisition of SCS during the year.

45.5 Joint venture companies held by the Group

	Name of joint venture company	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
				2009 %	2008 %
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 services relating to telecommunications, computer, data and information within and outside Malaysia	Malaysia	**14.3**	14.3
3.	ACPL Marine Pte Ltd	Owning, operating and managing of maintenance-cum-laying cableships	Singapore	**41.7**	41.7
4.	Advanced Info Service Public Company Limited [(1)] [(3)] [(4)]	Provision of cellular, broadband and international telecommunications services, and call center and data transmission	Thailand	**21.4**	21.4
5.	APT Satellite Telecommunications Limited [(2)]	Provision of telecommunications services	Hong Kong	**-**	56.2
6.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	**16.7**	16.7
7.	ASEAN Telecom Holdings Sdn Bhd [(1)]	Investment holding company	Malaysia	**14.3**	14.3
8.	Asiacom Philippines, Inc. [(1)]	Investment holding company	Philippines	**40.0**	40.0
9.	Bharti Telecom Limited [(5)]	Investment holding company	India	**32.8**	32.8
10.	Bharti Airtel Limited [(5)]	Provision of cellular, long distance, broadband and telephony telecommunication services, enterprise solutions, pay television, and passive infrastructure services	India	**30.4**	30.4

45.5 Joint venture companies held by the Group (cont'd)

	Name of joint venture company	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2009 %	2008 %
11.	Bridge Mobile Pte Ltd	Provision of regional mobile services	Singapore	**33.4**	33.1
12.	Globe Telecom, Inc. [6]	Provision of cellular, broadband, international and fixed line telecommunications services	Philippines	**47.3**	44.5
13.	Grid Communications Pte Ltd [1]	Provision of public trunk radio services	Singapore	**50.0**	50.0
14.	Indian Ocean Cableship Pte Ltd	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	**50.0**	50.0
15.	International Cableship Pte Ltd	Ownership and chartering of cableships	Singapore	**45.0**	45.0
16.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	**33.3**	33.3
17.	OPEL Networks Pty Limited	Dormant	Australia	**50.0**	50.0
18.	Pacific Bangladesh Telecom Limited [7]	Operation and provision of cellular mobile telecommunications systems and services	Bangladesh	**45.0**	45.0
19.	Pacific Carriage Holdings Limited	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**40.0**	40.0
20.	PT Telekomunikasi Selular [8]	Provision of cellular telecommunications services	Indonesia	**35.0**	35.0
21.	Radiance Communications Pte Ltd [1]	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0

45.5 Joint venture companies held by the Group (cont'd)

	Name of joint venture company	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
				2009 %	2008 %
22.	Southern Cross Cable Holdings Limited	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**40.0**	40.0
23.	TeleTech Park Pte Ltd	Engaged in the business of development, construction, operation and management of TeleTech Park	Singapore	**40.0**	40.0
24.	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 2008, the financial year-end of the company.
(2) The Group regarded the company as a joint venture company, notwithstanding that it held more than 50% of the company's issued share capital, because it exercised joint control. The company has been disposed during the financial year.
(3) Audited by KPMG, Bangkok, in 2009.
(4) Audited by PricewaterhouseCoopers, Bangkok, in 2008.
(5) Audited by S.R.Batliboi & Associates, New Delhi (a member firm of Ernst & Young).
(6) Audited by SGV & Co. (a member firm of Ernst & Young).
(7) Audited by Hoda Vasi Chowdhury & Co (an independent correspondent firm of Deloitte Touche Tohmatsu).
(8) Audited by Haryanto Sahari & Rekan (a member firm of PricewaterhouseCoopers).

INTERESTED PERSON TRANSACTIONS

The aggregate value of all interested person transactions during the financial year ended 31 March 2009 (excluding transactions less than S$100,000) were as follows -

Name of interested person	S$ mil
Jemena Electricity Networks (Vic) Ltd (formerly known as Alinta AE Limited)	1.4
CESMA International Pte Ltd	0.4
Chartered Semiconductor Manufacturing Ltd	0.9
Grid Communications Pte Ltd	0.1
iShopAero Pte Ltd	0.4
MediaCorp Pte Ltd	0.3
MediaCorp TV Singapore Pte Ltd	0.1
NexWave Technologies Pte Ltd	0.9
PSA Corporation Ltd	1.3
PT Bank Danamon Indonesia Tbk	0.2
Radiance Communications Pte Ltd	5.9
Singapore Airlines Ltd	0.3
Singapore Airport Terminal Services Ltd	0.2
SMRT Corporation Ltd	0.4
SMRT Trains Ltd	0.4
SPI PowerNet Pty Ltd	1.1
SPI Networks Pty Ltd	0.1
SP AusNet	1.5
StarHub Ltd	44.1
StarHub Cable Vision Ltd	29.6
StarHub Mobile Pte Ltd	2.3
ST Electronics (Info-Software Systems) Pte Ltd	0.6
ST Electronics (Satcom & Sensor Systems) Pte Ltd	2.9
Singapore Technologies Kinetics Ltd	0.2
Singex Exhibitions Pte Ltd	0.4
Temasek Holdings (Private) Ltd	0.1
	96.1

SHAREHOLDER INFORMATION

As at 28 May 2009

ORDINARY SHARES

Number of ordinary shareholders	313,786
Number of holders of CHESS Units of Foreign Securities relating to ordinary shares in the Company (“**CUFS**”)	24,069

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	8,671,325,982	36,048,813*

* 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.	Temasek Holdings (Pte) Ltd	8,671,325,982	54.46
2.	DBS Nominees Pte Ltd	1,995,806,708+	12.53
3.	DBSN Services Pte Ltd	1,413,735,538	8.88
4.	Central Provident Fund Board	969,403,634	6.09
5.	Citibank Nominees Singapore Pte Ltd	749,320,196	4.71
6.	HSBC (Singapore) Nominees Pte Ltd	531,104,961	3.34
7.	Chess Depositary Nominees Pty Limited*	498,403,735	3.13
8.	United Overseas Bank Nominees Pte Ltd	262,344,173	1.65
9.	Raffles Nominees (Pte) Ltd	94,753,162	0.60
10.	BNP Paribas Securities Services Singapore Branch	86,917,939	0.55
11.	DB Nominees (S) Pte Ltd	78,309,392	0.49
12.	TM Asia Life Singapore Ltd - Par Fund	26,000,000	0.16
13.	Oversea Chinese Bank Nominees Pte Ltd	24,834,440	0.16
14.	Merrill Lynch (Singapore) Pte Ltd	21,179,806	0.13
15.	OCBC Nominees Singapore Pte Ltd	18,458,347	0.12
16.	Royal Bank of Canada (Asia) Ltd	11,175,180	0.07
17.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	8,885,402	0.06
18.	Phillip Securities Pte Ltd	4,057,344	0.03
19.	OCBC Securities Private Ltd	4,028,534	0.03
20.	TM Asia Life Singapore Ltd - Non-Par Fund	4,000,000	0.03
		15,474,044,473	97.22

* The shares held by CHESS Depositary Nominees Pty Ltd are held on behalf of the persons entered in the register of CUFS holders.
\# The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 28 May 2009, excluding 3,699,483 ordinary shares held as treasury shares as at that date.
\+ Excludes 3,699,483 ordinary shares held by DBS Nominees Pte Ltd as treasury shares for the account of the Company.

SHAREHOLDER INFORMATION

As at 28 May 2009

MAJOR CUFS HOLDERS LIST* - TOP 20

No.	Name	No. of CUFS held	% of issued share capital#
1.	National Nominees Limited	139,997,682	0.88
2.	J P Morgan Nominees Australia Limited	79,372,583	0.50
3.	HSBC Custody Nominees (Australia) Limited	43,049,114	0.27
4.	ANZ Nominees Limited (Cash Income A/C)	20,331,045	0.13
5.	Citicorp Nominees Pty Limited	16,016,301	0.10
6.	Cogent Nominees Pty Limited	15,082,713	0.09
7.	Australian Reward Investment Alliance	10,284,290	0.06
8.	RBC Dexia Investor Services Australia Nominees Pty Limited	9,626,043	0.06
9.	Cogent Nominees Pty Limited (SMP Accounts)	8,695,428	0.05
10.	AMP Life Limited	7,827,293	0.05
11.	Citicorp Nominees Pty Limited (CFSIL CWLTH AUST SHS 1 A/C)	5,403,200	0.03
12.	J P Morgan Nominees Australia Limited	5,107,820	0.03
13.	Citicorp Nominees Pty Limited (CFS WSLE IMPUTATION FND A/C)	4,509,894	0.03
14.	Citicorp Nominees Pty Limited (CFS IMPUTATION FUND A/C)	3,113,965	0.02
15.	Citicorp Nominees Pty Limited (CFS FUTURE LEADERS FUND A/C)	3,065,200	0.02
16.	The Australian National University	3,000,000	0.02
17.	Citicorp Nominees Pty Limited (CWLTH BANK OFF SUPER A/C)	2,898,844	0.02
18.	Pan Australian Nominees Pty Limited	2,779,009	0.02
19.	Citicorp Nominees Pty Limited (CFSIL CFS WS AUST SHRE A/C)	2,222,320	0.01
20.	UBS Nominees Pty Ltd	2,204,043	0.01
		384,586,787	2.40

* CUFS are CHESS Units of Foreign Securities relating to ordinary shares in the Company. The shares are held by CHESS Depositary Nominees Pty Ltd on behalf of the persons entered in the CUFS register.

\# The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 28 May 2009, excluding 3,699,483 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	276,695	81.90	63,812,426	0.40
1,000 - 5,000	44,594	13.20	104,127,681	0.66
5,001 - 10,000	8,994	2.66	68,226,301	0.43
10,001 - 100,000	7,114	2.11	175,744,503	1.10
100,001 - 1,000,000	387	0.11	92,605,951	0.58
1,000,001 and above	71	0.02	15,422,793,269	96.83
	337,855	100.00	15,927,310,131	100.00

Number of holders holding less than a marketable parcel 249,167

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 Depositary Nominees Pty Ltd is ignored.

(2) Based on information available to the Company as at 28 May 2009, approximately 45.30% 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 28 May 2009, excluding 3,699,483 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 28 May 2009, the number of ordinary shares held in treasury is 3,699,483, and the percentage of such holding against the total number of issued ordinary shares (excluding ordinary shares held as treasury shares) is 0.02%.

SHARE PURCHASE MANDATE

At the Extraordinary General Meeting of the Company held on 25 July 2008 ("**2008 EGM**"), the shareholders approved the renewal of a mandate to enable the Company to purchase or otherwise acquire not more than 10.0 per cent of the issued ordinary share capital of the Company as at the date of the 2008 EGM. As at 28 May 2009, there is no current on-market buy-back of shares pursuant to the mandate.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Chumpol NaLamlieng (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Graham John Bradley
Fang Ai Lian
Heng Swee Keat
Dominic Chiu Fai Ho
Simon Israel
John Powell Morschel
Kaikhushru Shiavax Nargolwala
Ong Peng Tsin
Deepak S Parekh
Nicky Tan Ng Kuang

AUDIT COMMITTEE
Fang Ai Lian (Chairman)
Graham John Bradley
Dominic Chiu Fai Ho
Kaikhushru Shiavax Nargolwala

COMPENSATION COMMITTEE
Chumpol NaLamlieng (Chairman)
Heng Swee Keat
John Powell Morschel
Deepak S Parekh

CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE
Kaikhushru Shiavax Nargolwala (Chairman)
Heng Swee Keat
Dominic Chiu Fai Ho
Chumpol NaLamlieng

FINANCE, INVESTMENT AND RISK COMMITTEE
Nicky Tan Ng Kuang (Chairman)
Simon Israel
Ong Peng Tsin

OPTUS ADVISORY COMMITTEE
John Powell Morschel (Chairman)
Graham John Bradley
Chua Sock Koong
Simon Israel
Nicky Tan Ng Kuang

COMPANY SECRETARY
Chan Su Shan

ASSISTANT COMPANY SECRETARY
Lim Li Ching

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