SINGAPORE TELECOMMUNICATIONS LIMITED

Connecting Generations Through Innovation

SingTel

SINGAPORE TELECOMMUNICATIONS LIMITED
ANNUAL REPORT 2010/2011

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Our drive for creativity and innovation
has been the cornerstone of our
business since our beginnings as
a homegrown telephone company.

Today, we are the leading communications
group in Asia with operations and
investments throughout the region.

In our quest to become Asia's best
multimedia and ICT solutions provider,
we are leaping beyond traditional boundaries
to empower businesses with the latest
technology and inspire individuals to stay
connected in a borderless world.

Group at a Glance

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

LEAD AND SHAPE IN SINGAPORE

In Singapore, SingTel has more than 130 years of operating experience and has played an integral part in the development of the country as a major communications hub in the region. As the market leader, we continue to lead and shape the digital consumer market in Singapore and the enterprise ICT market across Asia.

GROW IN AUSTRALIA

Optus is an Australian leader in integrated telecommunications, delivering cutting-edge communications, information technology and entertainment services. We enjoy a strong No. 2 position in the mobile and fixed-line markets. As the challenger brand, Optus has driven competition and led the way in delivering innovative products and services to customers.

COLLABORATE ACROSS THE REGION

SingTel has investments in mobile operators in Bangladesh, India, Indonesia, Pakistan, the Philippines, and Thailand. We are more than a financial investor. As part of a larger group, the associates share experiences and insights with one another as they navigate challenges, and take advantage of opportunities in their own markets.

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Key Figures

OPERATING REVENUE

(S$ m)

FY10/11	18,071
FY09/10	16,871

+7%

Operating revenue grew on the back of strong mobile revenue growth from both the Singapore and Australia operations, further boosted by the stronger Australian Dollar.

UNDERLYING NET PROFIT

(S$ m)

FY10/11	3,800
FY09/10	3,910

-3%

Underlying net profit declined as a result of lower associates' contributions, including Bharti Africa's losses and related acquisition financing costs, as well as investments in strategic initiatives.

FREE CASH FLOW

(S$ m)

FY10/11	4,038
FY09/10	3,406

+19%

Free cash flow grew to a record S$4.04 billion, with higher cash flows from all three businesses.

RETURN ON INVESTED CAPITAL (ROIC) [1]

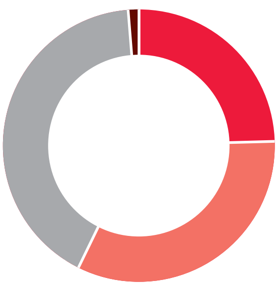
(%)

FY10/11	17.6
FY09/10	18.9

-1.3% **points**

ROIC declined due to lower Group net profit and higher average capital.

PROPORTIONATE EBITDA



Singapore	24%
Australia	30%
Regional Mobile Associates	45%
Others	1%

Through its investments in overseas markets, the Group has diversified its earnings base. Overseas operations contributed 76 per cent to proportionate EBITDA, up 2 percentage points from a year ago.

Note:

[1] ROIC is the ratio of earnings before interest and tax (EBIT) to average net capitalisation, which is the aggregate of net debt, shareholders' funds and minority interests.

Covering more than 2 billion people across Asia and Africa.

We are a long term strategic investor in these regional mobile operators – AIS (Thailand), Globe (the Philippines), PBTL (Bangladesh), Telkomsel (Indonesia) and Warid (Pakistan). Through Bharti (India), we also have significant presence in 16 African countries and Sri Lanka.

[1] Burkina Faso, Chad, Democratic Republic of Congo, Republic of Congo, Gabon, Ghana, Kenya, Madagascar, Malawi, Niger, Nigeria, Seychelles, Sierra Leone, Tanzania, Uganda and Zambia

SingTel has transformed from a traditional telecoms operator to a multimedia and integrated infocomm technology solutions company.

156,000
RECORD POSTPAID MOBILE CUSTOMERS ADDED IN SINGAPORE

16
AFRICAN MOBILE OPERATIONS ACQUIRED BY BHARTI

SERVING MORE THAN
9 MILLION
MOBILE CUSTOMERS IN AUSTRALIA

300,000
mio TV CUSTOMERS

97%
VOICE AND DATA COVERAGE IN AUSTRALIA

21.7%
IP VPN MARKET SHARE IN ASIA PACIFIC EXCLUDING JAPAN

We are making significant strides in innovation to improve customer experience and enhance their lifestyles and businesses.

It's about touching lives.

80,000
HEARTS FOLDED FOR SINGTEL TOUCHING LIVES FUND

19,000
HOURS VOLUNTEERED BY SINGTEL & OPTUS STAFF

A$1.9 MILLION
IN-KIND AND MONETARY DONATIONS FOR AUSTRALIAN FLOOD VICTIMS

1ST SINGTEL SUSTAINABILITY REPORT PUBLISHED IN OCT 2010

S$2,480,000 RAISED FOR SINGTEL TOUCHING LIVES FUND

We serve our customers with passion and appeal to their compassion. We galvanise our staff into action with a common vision. Together, we aspire to make a difference to the lives of the wider community we interact with.

Chairman's Statement

Dear Shareholders,

FY10/11 was a year of transformation for the SingTel Group. In Singapore, we cemented our position as the leader in communications services and grew to become a significant multimedia operator, offering differentiated innovative content and applications. In Australia, Optus' mobile business continued to gain strength. Optus also celebrated the 25th anniversary of its satellite business and, in August, announced plans to launch its 10th satellite in 2013. We are the only full service telco in Australia that can harness the geographical reach of satellite communications for the benefit of our customers.

As a Group, we crossed the 400 million mobile customer mark, with the inclusion of customers from Bharti's 16 African operations, which Bharti successfully acquired in June 2010. With this milestone acquisition, the Group now has a footprint covering a population of more than 2 billion.

Another significant event was the Next Generation National Broadband Network going live in Singapore. Leveraging the high speeds, we introduced innovative fibre services and differentiated ourselves from our competitors. In Australia, while the National Broadband Network (NBN) is still taking shape, we expect that it will level the playing field for operators in the country's fixed-line market. Our knowledge and experience in Singapore will help Optus compete more effectively when NBN is rolled out in Australia.

Beyond our focus on business and financial performance, we are also committed to our roles as responsible corporate citizens. We continued to contribute and raise funds for charities, victims of natural disasters and other social causes in the communities

We are proactively responding to and shaping some of these industry trends by innovating. We are in a position to leverage our unique strengths of scale, customer knowledge and trusted relationships to deliver relevant and personalised services to customers.

we operate in. Natural disasters struck Australia and we responded swiftly to render support. Besides making donations, Optus worked tirelessly to restore services and distributed handsets and prepaid SIMs, to allow people to contact their loved ones. I am extremely heartened by the way we responded.

Continuing to delight our customers

Mobile communications have become more than a communication tool. Customers are increasingly finding new uses for their mobile devices, for recreational, social and transactional purposes. Across Singapore and Australia, we are capturing and driving growth in this area through a complementary focus of offering the latest smartphones and innovative applications, coupled with attractive mobile data price plans.

In Singapore, we achieved a record increase of 156,000 new postpaid mobile customers. Our pay TV service, mio TV, made major strides in customer growth and, in May 2011, crossed the 300,000 mark. We also became the premier sports content provider with the exclusive broadcast of the Barclays Premier League football and ESPN Star Sports channels. As we had anticipated, the investment in smartphones and new content affected the profitability of the Singapore business. However, we firmly believe that these strategic initiatives are critical to sustain SingTel's future growth.

Our business in Australia gained revenue market share and achieved strong EBITDA growth and cashflow generation. Optus added 582,000 postpaid mobile customers during the year, through differentiated mobile offerings, dedicated focus on customer experience and enhanced network coverage which now covers 97 per cent of the Australian population for both voice and data.

In the region, our associates have been investing in mobile broadband - an area which holds significant growth potential in the emerging markets. However, a revival of competitive pressures affected the financial performance of our associates, in particular, Bharti, Globe and Telkomsel, as they defended their market position. Bharti's expansion into Africa also incurred significant financing costs and reduced its earnings contribution to the Group.

Nonetheless, we ended the financial year on a strong footing. Revenue grew 7 per cent to S$18.07 billion and net profit was a strong S$3.83 billion, albeit 2 per cent lower than a year ago. The Group continued to generate solid cash flows across our businesses and for the full year, overall free cash flow hit a record of S$4.04 billion, an increase of 19 per cent.

The Board has recommended a final ordinary dividend of 9 cents and a special dividend of 10 cents per share. Including the interim dividend of 6.8 cents per share, the total cash distribution of S$4.11 billion represents a record 25.8 cents per share.

Total ordinary dividends will have increased 11 per cent and represent 66 per cent of underlying net profit. The payout demonstrates the Group's track record of cash return to shareholders and our commitment to achieve an optimal capital structure.

Innovating to grow new businesses

Our industry is changing. Customer usage behaviours and preferences are evolving with the emergence of new devices, applications and technology. While these changes pose risks to our traditional communications business, more importantly, they present exciting opportunities for us, as consumers become increasingly 'plugged in' or reliant on their connected devices.

To meet these emerging demands, we are proactively responding to and shaping some of these industry trends by innovating. We are in a position to leverage our unique strengths of scale, customer knowledge and trusted relationships to deliver relevant and personalised services to customers.

Our innovative approach applies not just to offering new products and services but also in the way we do things. An example is the establishment of SingTel Innov8, our corporate venture arm, charged with scouting globally for cutting edge technology to bring back to the Group and to our customers.

Our innovation efforts will, at the same time, identify and develop services relevant for the emerging markets. This is essential for some of our regional mobile associates which are reaching an inflection point in their growth as voice penetration slows and competition intensifies.

Acknowledgements

With more than 23,000 employees sharing the same vision and values, I am confident we will achieve our goals. We will continue to invest in our people to ensure they are equipped to take on the new challenges that lie ahead of us.

This year, Mr Graham John Bradley AM (1) and Mr Nicky Tan are retiring from the Board at our next annual general meeting. We would like to thank them for their valuable contributions.

It has been a challenging and fulfilling mission to keep SingTel at the forefront of the industry. I have enjoyed my time at SingTel and it has been an enriching experience being part of the Group's transformation and growth over many years. I am grateful to my colleagues on the Board for their collaboration and the support they have given me.

I am confident that under the new leadership of Mr Simon Israel, the SingTel Group is in capable hands and will succeed in its next phase of transformation to emerge stronger.

Chumpol NaLamlieng
Chairman

Note:
(1) Member of the Order of Australia

In Dialogue with GCEO

The end objective for us is simple – we want to provide customers with useful, relevant and personalised services to complement their lifestyles and business needs. The traditional telco business will remain a vital part of the Group, as we build on the success of our core access business to win in the new multimedia and ICT space.

Q: Describe FY10/11 from SingTel's perspective.

A: It was both a challenging and rewarding year for SingTel. We witnessed rapid changes in the industry – technology, devices and customer behaviour – and navigated through significant competitive and regulatory developments.

In Singapore and Australia, our complementary strategies of offering attractive smartphones and other mobile internet devices, coupled with attractive data plans and strong execution, helped us grow revenue and market share in both markets.

We also made significant progress in our transformation from a traditional telco to a multimedia and infocomm technology (ICT) service provider. In Singapore, we introduced fibre-based services, bundling high-speed broadband with TV, games, social networking and other digital content, to allow consumer customers to fully experience the capabilities of the Next Generation National Broadband Network (NGNBN). In the enterprise segment, our flexible cloud-based ICT solutions helped customers enhance their productivity and reduce costs.

In the emerging markets, our associates turned in credible performances despite aggressive competition. A key highlight among our associates was Bharti's geographic expansion into Africa through the acquisitions of 16 mobile operations. As a long term strategic investor and partner, we supported Bharti's investment into this large, underserved continent. Bharti is investing to improve mobile coverage and affordability in the African markets, which will allow it to capture significant growth.

Q: What is driving the urgency behind SingTel's transformation?

A: We are at the crossroads of industry changes, which present both opportunities and risks to our businesses.

Industry value is shifting towards mobile devices, content, applications and services while prices and margins of traditional access services are declining. Non-telco operators, such as device manufacturers and internet companies, are trying to displace telcos and establish direct relationships with our customers.

At the same time, the level of market competition among the telcos has not eased. Our competitors are adding capacity and intensifying price pressures in an effort to stay relevant to customers. To counter this, we need to carefully and creatively manage the returns from our access business to afford continual investments in our mobile and data networks.

The implementation of the Singapore Government's NGNBN, a structurally-separated open-access fibre network, has attracted new market entrants as they do not need to build their own networks. Competition in traditional access services is expected to intensify as new entrants are happy to simply provide cheap and fast broadband access. We are differentiating ourselves through exciting and innovative services that leverage the ultra fast speeds of the NGNBN. Over the medium term, we believe that NGNBN has the potential to accelerate development of new and powerful services, including digital online services that will substitute real life spending on gaming, education and commerce.

In Australia, our competitors have given notice that they are not letting up on their efforts to defend and regain market share. In the mobile market, where Optus has grown its market share, this will continue to be a keenly fought space. Optus remains steadfast to its origin as a challenger operator and will continue to offer choice and deliver innovative and value-for-money propositions for its customers.

The urgency is upon us to transform and double our efforts to stay relevant and outperform the industry.

Q: What are the priorities to accelerate growth in multimedia and ICT services?

A: There is no denying that, as an established telco, we possess unique strengths. We have identified these strengths and will fully capitalise on them to drive sustainable growth in the business.

For example, our customer relationships are key assets that non-traditional telco players do not have. We have valuable billing relationships, sophisticated customer relationship management analytics and extensive technical and customer care touch points. We plan to translate these advantages into customer insights to help us anticipate and shape customers' needs and influence their behaviours.

We may also pursue strategic investments to gain economies of scale and important capabilities in multimedia and ICT services. This is not dissimilar to NCS' acquisition of SCS in 2008, which allowed us to successfully expand our market share and increase profitability in ICT services.

The end objective for us is simple – we want to provide customers with useful, relevant and personalised services to complement their lifestyles and business needs. The traditional telco business will remain a vital part of the Group, as we build on the success of our core access business to win in the new multimedia and ICT space.

Q: How are you pushing innovation?

A: We have adopted a multi-pronged approach to push for innovation within and outside the Group.

One of our recent efforts is SingTel Innov8, our corporate venture fund, focused on investing in next generation devices and solutions. Beyond funding, SingTel Innov8 will also help catalyse the development of innovative ideas and solutions by creating a vibrant ecosystem of start-ups, incubators, investors and industry players in the multimedia space. These ideas and solutions will be developed into useful services for deployment within the Group.

In addition, we have set up business units with dedicated resources and talent for driving innovation and digital products, for example, inSing.com, SingTel Idea Factory and SingTel Innovation Exchange in Singapore and Optus Digital Media in Australia.

In the longer term, the innovation and transformation we are pushing in the developed markets will also benefit our associates. We are optimistic that we can accelerate the growth of wireless data with a number of our associates in the emerging markets.

Beyond technology, innovation also involves redesigning business models and revisiting established procedures to better serve our customers. For example, we are actively promoting the use of online channels among customers, to allow them to make purchases and activate services over the web. We will explore more ways of serving customers online while ensuring that customer experience is not compromised.

We are focused on allowing innovation to flourish and new growth initiatives to develop in the company. These new growth areas require different performance management systems and culture. We are putting in place a new incentive system to promote the right behaviour to encourage experimentation. The new system will be less reliant on traditional financial measures although we will be no less rigorous and disciplined in instilling accountability and governance.

Q: Is SingTel more than a financial investor in its associates? How do you intend to grow your regional mobile associates in the new year?

A: We are a strategic partner and take a long term view to our investments. Our role is definitely more than a financial investor. We have also been credited with the growth and success of many of our associates.

We work closely with our associates to grow their businesses by leveraging the Group's scale to drive lower costs and stimulate new service innovation. The associates, which are in various stages of development, are able to share experiences and insights with one another. These learnings help them navigate challenges and shorten their individual learning curve in technology, marketing, product development and other areas. In terms of corporate governance, policies and procedures, there is also a great deal of benchmarking.

To promote sharing of best practices, SingTel organises regular forums for the relevant stakeholders across the Group. Among the associates, they may also pursue their own track of learning on smaller group bases.

From time to time, to realise value from our investments requires us to work patiently through local regulatory and other issues. This is one of the reasons we choose to work with strong local partners who share our commitment to operate in a highly ethical manner and are aligned with our goals for the associates.

Our primary focus in FY11/12 will be to work with our associates to strengthen their operating and financial performance as well as build capabilities, particularly in the area of mobile broadband.

Q: How are you preparing the Group for the transformation?

A: A company is only as good as the people and the talent it has. We will not let up in terms of investing in our people to ensure they are ready to take on the challenges ahead. For the Group to grow, it is important for each of us to acquire new skills and strengthen our knowledge in the new areas of growth. We promote job rotations and invest significantly in formal training and development programmes.

In addition, we have been accelerating the culture change process and enhancements have been made to our customer focus and innovation culture. With the strong support from our Board, the management team and everyone within the SingTel Group, I am hopeful we are well on track to achieving our vision of becoming Asia's leading multimedia and ICT service provider.

Chua Sock Koong
Group Chief Executive Officer

Board of Directors

CHUMPOL NALAMLIENG

Non-executive and independent Director
Chairman, SingTel Board
Chairman, Executive Resource and
Compensation Committee
Member, Corporate Governance
and Nominations Committee
Date of Appointment: Director on 13 Jun 2002
and Chairman on 29 Aug 2003
Last Re-elected: 25 Jul 2008

Mr NaLamlieng, 64, 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 Siam Commercial Bank Public Co., Ltd and Siam Sindhorn Company Limited. He was a non-executive Director of British Airways Plc from November 2005 to July 2009.

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 an MBA from Harvard Business School, US.

GRAHAM JOHN BRADLEY AM [1]

Non-executive and independent Director
Member, Executive Resource and
Compensation Committee
Member, Optus Advisory Committee
Date of Appointment: 24 Mar 2004
Last Re-elected: 25 Jul 2008

Mr Bradley, 62, 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 and Po Valley Energy Limited. He is also a Director of Brandenburg Ensemble Limited and a Director and President of the Business Council of Australia. He is the former Chairman of Boart Longyear Limited, 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

Executive and non-independent Director
Member, Optus Advisory Committee
Date of Appointment: Director on
12 Oct 2006 and Group Chief Executive
Officer (CEO) on 1 Apr 2007
Last Re-elected: 24 Jul 2009

Ms Chua, 53, appointed Group CEO on 1 April 2007, oversees SingTel's three key businesses - Australia, Singapore and International. She joined SingTel in June 1989 as Treasurer and was made Chief Financial Officer (CFO) in April 1999. She held the positions of Group CFO and CEO (International) from February 2006 until 12 October 2006, when she was appointed Deputy Group CEO.

Ms Chua sits on the Boards of Bharti Airtel Limited, Bharti Telecom Limited and key subsidiaries of the SingTel Group. She is also a member of the Singapore Management University Board of Trustees, the Public Service Commission and the Corporate Governance Council of the Monetary Authority of Singapore. She is a former Board member of JTC Corporation and the Casino Regulatory Authority.

She holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Certified Public Accountant in Singapore and a CFA charterholder.

Note:
[1] Member of the Order of Australia

FANG AI LIAN

Non-executive and independent Director
Chairman, Audit Committee
Member, Executive Resource and Compensation Committee
Date of Appointment: 7 Aug 2008
Last Re-elected: 24 Jul 2009

Mrs Fang, 61, has been the Chairman of Great Eastern Holdings Ltd since April 2008, as well as Chairman of its insurance subsidiaries. Prior to that, she was with Ernst & Young for over 30 years, where she was appointed Managing Partner in 1996 and Chairman in 2005.

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

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

DOMINIC CHIU FAI HO

Non-executive and independent Director
Member, Audit Committee
Member, Corporate Governance and Nominations Committee
Date of Appointment: 28 Nov 2007
Last Re-elected: 25 Jul 2008

Mr Ho, 60, is a Director of Hang Lung Properties Limited and the Hong Kong Mercantile Exchange. He was the founder and a partner of HOPU Investment Management Co., Ltd.

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

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

SIMON ISRAEL

Non-executive and non-independent Director
Chairman, Optus Advisory Committee
Member, Executive Resource and Compensation Committee
Member, Finance, Investment and Risk Committee
Date of Appointment: 4 Jul 2003
Last Re-elected: 30 Jul 2010

Mr Israel, 58, is an Executive Director and President of Temasek Holdings (Private) Limited (Temasek) and a Director of CapitaLand Limited. He is also the Chairman of Asia Pacific Breweries Limited and Asia Pacific Breweries Foundation. He will retire from Temasek with effect from 1 July 2011.

Mr Israel was Chairman of 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 the former Chairman of the Singapore Tourism Board and a former Director of Fraser and Neave Limited and Neptune Orient Lines Limited.

Mr Israel was conferred the Knight in the Legion of Honour by the French government in 2007. He holds a Diploma in Business Studies from The University of the South Pacific.

LOW CHECK KIAN

Non-executive and independent Director
Member, Corporate Governance and Nominations Committee
Member, Finance, Investment and Risk Committee
Date of Appointment: 9 May 2011

Mr Low, 52, is one of the founding partners of NewSmith Capital Partners LLP, an independent partnership providing corporate finance advice and investment management services, with its headquarters based in London. Prior to founding NewSmith, Mr Low was a Senior Vice-President and Member of the Executive Management Committee of Merrill Lynch & Co., as well as its Chairman for the Asia Pacific Region.

Mr Low has served as an independent director on the Singapore Exchange Board since 20 July 2000, and was appointed Lead Independent Director in May 2006. He also sits on the Boards of Neptune Orient Lines Limited and Fibrechem Technologies Limited, as well as AWAK Technologies Pte. Ltd. Mr Low previously also sat on the Board of Singapore Workforce Development Agency and chaired its investment arm.

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

PETER EDWARD MASON AM [1]

Non-executive and independent Director
Member, Executive Resource and Compensation Committee
Member, Optus Advisory Committee
Date of Appointment: 21 Sep 2010

Mr Mason, 65, is the Chairman of AMP Limited, a director of David Jones Limited and a Senior Advisor to UBS Australia.

Mr Mason has 40 years experience in investment banking. He was Chairman of JP Morgan Chase Bank in Australia from 2000 to 2005 and Chairman of their associate, Ord Minnett Group.

Prior to this, he was Chairman and Chief Executive of Schroders Australia and Group Managing Director of Schroders' investment banking businesses in the Asia Pacific region. He has previously been chairman and/or director of a number of Australian listed companies.

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

Note:
[1] Member of the Order of Australia

KAIKHUSHRU SHIAVAX NARGOLWALA

Non-executive and Lead Independent Director
Chairman, Corporate Governance and Nominations Committee
Member, Audit Committee
Member, Executive Resource and Compensation Committee
Date of Appointment: Director on 29 Sep 2006 and Lead Independent Director on 13 May 2009
Last Re-elected: 24 Jul 2009

Mr Nargolwala, 61, is the non-executive Chairman of Credit Suisse Asia Pacific. Prior to that, he was the CEO of Credit Suisse Asia Pacific and a member of the Executive Board of Credit Suisse AG from January 2008 to September 2010. He is also a Board member of the Casino Regulatory Authority.

Mr Nargolwala was a Group Executive Director of Standard Chartered PLC before joining Credit Suisse Asia Pacific. Prior to that, he was the Group Executive Vice President and Head of Asia Wholesale Banking Group for Bank of America, headquartered in Hong Kong. Mr Nargolwala 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.

PETER ONG BOON KWEE

Non-executive and non-independent Director
Member, Audit Committee
Member, Corporate Governance and Nominations Committee
Date of Appointment: 1 Sep 2010

Mr Ong, 49, is the Head of Singapore's Civil Service, Permanent Secretary of the Ministry of Finance of Singapore, Permanent Secretary (Special Duties) in the Prime Minister's Office and the Permanent Secretary for National Security and Intelligence Co-ordination. He has previously held the positions of Permanent Secretary (Ministry of Trade and Industry), Permanent Secretary (Ministry of Transport) and 2nd Permanent Secretary (Ministry of Defence). Prior to that, he was an Executive Vice President of Temasek Holdings (Private) Limited.

He currently sits on the Boards of ASEAN+3 Macroeconomic Research Office, Monetary Authority of Singapore and National Research Foundation. He is also the Chairman of Inland Revenue Authority of Singapore, MND Holdings Pte Ltd and Calvary Community Care. He is the former Chairman of the Accounting and Corporate Regulatory Authority and Maritime and Port Authority of Singapore, and a former Director of DBS Group Holdings Limited and DBS Bank Limited.

Mr Ong was conferred the Meritorious Service Medal (Pingat Jasa Gemilang) at the Singapore National Day Awards 2010. He holds a Bachelor of Economics (Honours) from The University of Adelaide, Australia and an MBA from Stanford University, US.

ONG PENG TSIN

Non-executive and independent Director
Member, Finance, Investment and Risk Committee
Member, Optus Advisory Committee
Date of Appointment: 1 Jun 2009
Last Re-elected: 24 Jul 2009

Mr Ong, 48, is the Chairman of InfoComm Investments Pte Ltd and a venture partner of GSR Ventures. He is also a member of the Board of the National Research Foundation and a member of the Board of Trustees of the Singapore University of Technology and Design.

Mr Ong was the founder and Chairman of Encentuate, Inc. (Encentuate), which was acquired by IBM, Inc. (IBM) in 2008. Prior to Encentuate, Mr Ong was the founder and Chairman of Interwoven, Inc. (Interwoven) (now Autonomy, Inc.). Before Interwoven, Mr Ong was co-founder and chief architect of Electric Classifieds, Inc., and held various engineering and management roles at Illustra Information Technologies, Inc. (now Informix Technologies, Inc., part of IBM), Sybase Inc. (now SAP America, Inc.), and Gensym Corporation. He is a former Director of InfoComm Development Authority of Singapore and JTC Corporation.

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.

NICKY TAN NG KUANG

Non-executive and independent Director
Chairman, Finance, Investment and Risk Committee
Member, Optus Advisory Committee
Date of Appointment: 12 Mar 2002
Last Re-elected: 25 Jul 2008

Mr Tan, 52, manages nTan Corporate Advisory Pte Ltd, a boutique firm specialising in corporate finance and corporate restructuring. He is a Director of Fraser and Neave Limited and a member of its Audit Committee, Nominating Committee and Executive Board Committee, and he also serves on the Board of National University Health System Pte Ltd.

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:
Mr Heng Swee Keat, Mr John Powell Morschel and Mr Deepak S Parekh retired from the SingTel Board following the conclusion of the Annual General Meeting held on 30 July 2010.

Members of the Management Committee

CHUA SOCK KOONG

Group Chief Executive Officer, SingTel

Ms Chua, 53, appointed Group CEO on 1 April 2007, oversees SingTel's three key businesses - Australia, Singapore and International. She joined SingTel in June 1989 as Treasurer and was made Chief Financial Officer (CFO) in April 1999. She held the positions of Group CFO and CEO (International) from February 2006 until 12 October 2006, when she was appointed Deputy Group CEO.

Ms Chua sits on the Boards of Bharti Airtel Limited, Bharti Telecom Limited and key subsidiaries of the SingTel Group. She is also a member of the Singapore Management University Board of Trustees, the Public Service Commission and the Corporate Governance Council of the Monetary Authority of Singapore. She is a former Board member of JTC Corporation and the Casino Regulatory Authority.

She holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Certified Public Accountant in Singapore and a CFA charterholder.

BRADLEY GAMBILL

Group Chief Strategy Officer, SingTel

Mr Gambill, 47, was appointed Group Chief Strategy Officer in February 2011. He drives the strategy and development of new growth platforms across the SingTel Group. He is also responsible for strategic investments, group M&A and for driving group-level product and service innovation.

Prior to his appointment in SingTel, Mr Gambill was based in Seoul as the Executive Vice President and Chief Strategy Officer of LG Electronics.

He has more than 20 years of experience in strategy, investments and management consulting. He was also previously a Partner at McKinsey & Company and Managing Director at Innosight Venture Pte. Ltd.

Mr Gambill graduated magna cum laude from Duke University with a Bachelor of Science in Computer Science and Public Policy. He has an MBA from The Wharton School of The University of Pennsylvania, US.

HUI WENG CHEONG

Chief Executive Officer (International), SingTel

Mr Hui, 56, was appointed CEO International in December 2010, responsible for the growth of SingTel Group's overseas investments and strengthening its relationships with overseas partners.

Before this, he was Chief Operating Officer with the Group's Thai associate, Advanced Info Service, responsible for sales and marketing, network operations, IT solutions and customer and services management.

A SingTel scholar, he started his SingTel career as an engineer. In 1999, he assumed the position of Vice President (Consumer Products) and managed the product development of new mobile, paging, internet, broadband and telephone businesses.

He sits on the Boards of Bharti Airtel Limited, Bharti Telecom Limited and Globe Telecom.

He has a First Class Honours in Engineering (Electrical) from the National University of Singapore and an MBA from the International Business Education and Research Program at the University of Southern California, US.

ALLEN LEW

Chief Executive Officer (Singapore), SingTel

Mr Lew, 55, was appointed CEO Singapore in February 2006 with responsibility for the performance and operations of SingTel's business in Singapore.

He began his career with the SingTel Group in November 1980. He has served in various senior management positions, including Chief Operating Officer of Advanced Info Service (AIS) – the Group's associate in Thailand, Chief Operating Officer of Singapore Telecom International Pte Ltd and Managing Director of Optus Consumer.

He is the Chairman of the AIS Executive Committee. Mr Lew is also a Board member of the Sentosa Development Corporation and a member of the Singapore Institute of Technology's Board of Trustees.

Mr Lew 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.

JEANN LOW

Group Chief Financial Officer, SingTel

Ms Low, 50, was appointed Group Chief Financial Officer in September 2008. She oversees the Group's financial affairs including corporate finance, treasury, risk management and capital management and investor relations. Before this, she was Chief Financial Officer of Optus from 2006.

She joined SingTel in 1998 as the Group Financial Controller. In 2004, she was promoted to Executive Vice President of Strategic Investments managing the Group's international investments.

Before SingTel, she worked at an international accounting firm and thereafter in a public listed electronics company in Singapore.

She is a Director of OpenNet Pte. Ltd. Since April 2010, she has been a Council Member of the Singapore Institute of Certified Public Accountants.

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

NG YOKE WENG

Group Chief Information Officer, SingTel

Mr Ng, 55, joined SingTel in May 1997 as the Chief Information Officer. He was re-designated Group Chief Information Officer in 2003 following the integration of IT operations for SingTel's Singapore and Australian (Optus) businesses.

He leads and oversees the planning, development and operations of the IT infrastructure and information systems to ensure quality service delivery and operational efficiency. From April 2007 to January 2011, he was the covering Group Chief Technology Officer, responsible for driving long term technology strategy, synergies and benchmarking. Prior to joining SingTel, Mr Ng spent 17 years with Systems & Computer Organisation, Ministry of Defence, rising to the top position of director.

Mr Ng holds a Bachelor of Electrical Engineering (First Class Honours) from the University of Canterbury, New Zealand. He is a Fellow of the Singapore Computer Society.

Members of the Management Committee

PAUL O'SULLIVAN

Chief Executive Officer, SingTel Optus

Mr O'Sullivan, 50, was appointed Chief Executive of Optus in September 2004. He is responsible for all aspects of the performance and operations of Optus.

He also has management responsibilities across the SingTel Group and serves on the Board of Commissioners of Telkomsel, Indonesia. Prior to his current role, Mr O'Sullivan held management positions within Optus including Chief Operating Officer and Managing Director of Optus Mobile. Previously, he also held various international management roles at the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia and the United Kingdom.

Mr O'Sullivan is a founding member and Chairman of the Australian Business and Community Network, which partners businesses with schools to improve collaboration between corporate Australia and education leaders.

He has a Bachelor of Arts (Mod) Economics from Trinity College, University of Dublin.

AILEEN TAN

Group Director Human Resource, SingTel

Ms Tan, 44, joined SingTel in June 2008 as Group Director Human Resource. She oversees the development of human resource across the SingTel Group, including wholly-owned subsidiaries NCS and Optus. She is also responsible for the Group's corporate social responsibility.

Before SingTel, she was Group General Manager Human Resource at WBL Corporation and was Vice President, Centers of Excellence with Abacus International. Ms Tan has over 20 years of HR experience in various multinational corporations and local companies.

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

She is a member of the Home Nursing Foundation Board and HR Manpower Skills & Training Council.

Organisation Structure

GROUP CHIEF EXECUTIVE OFFICER
CHUA SOCK KOONG

AUDIT COMMITTEE

VICE PRESIDENT (AUDIT)
CHOR KHEE YANG

CHIEF EXECUTIVE OFFICER (INTERNATIONAL)
HUI WENG CHEONG

- Business Management
- Regional Products
- Regional Technical
- Regional IT
- Regional Finance

CHIEF EXECUTIVE OFFICER (SINGTEL OPTUS)
PAUL O'SULLIVAN

- Optus Business
- Optus Consumer
- Optus Digital Media
- Optus Small and Medium Business
- Optus Wholesale and Satellite
- Networks
- Technology and Products
- Virgin Mobile Australia

CHIEF EXECUTIVE OFFICER (SINGAPORE)
ALLEN LEW

- Business
- Digital Consumer
- Digital Home
- Multimedia
- NCS
- Networks
- Carrier Services
  Integrated Business Unit

GROUP CHIEF FINANCIAL OFFICER
JEANN LOW

- Finance
- Corporate Affairs
  - Group Investor Relations and Corporate Communications
  - Group Tax
  - Group Treasury

CHIEF EXECUTIVE OFFICER (SINGTEL INNOV8)
YVONNE KWEK

GENERAL COUNSEL / COMPANY SECRETARY
CHAN SU SHAN

GROUP CHIEF INFORMATION OFFICER
NG YOKE WENG

GROUP CHIEF STRATEGY OFFICER
BRADLEY GAMBILL

GROUP DIRECTOR (HUMAN RESOURCE)
AILEEN TAN

Key Awards and Accolades

GROUP

APR 2010

Governance and Transparency Index
- Ranked 1st

MAY 2010

Singapore Corporate Awards
- Best Managed Board
- Best CFO of the Year – Jeann Low

FinanceAsia: Asia's Best Companies
- Most Committed to a Strong Dividend Policy

JUN 2010

Asian Legal Business Southeast Asia Law Awards
- IT/Telecommunications In-House Team of the Year

SEP 2010

Frost & Sullivan Growth, Innovation and Leadership Awards
- Excellence in Leadership – Chua Sock Koong

OCT 2010

SIAS Investors' Choice Awards
- Singapore Corporate Governance Award

DEC 2010

Asiamoney Corporate Governance Poll
- Best for Responsibilities of Management and the Board of Directors
- Best for Shareholders' Rights and Equitable Treatment – Joint 1st place

JAN 2011

Euromoney Best Managed Companies in Asia
- Most Convincing and Coherent Strategy in Singapore

MAR 2011

Corporate Governance Asia: Asian Excellence Awards
- Best Environmental Responsibility
- Best Investor Relations by a Singapore company

SINGAPORE

APR 2010

Seatrade Asia Award
- Technical Innovation

MAY 2010

Springboard Research
- Asian IT Company of the Year

JUN 2010

Frost & Sullivan: Asia Pacific ICT Award
- Managed Service Provider of the Year
- Data Communications Service Provider of the Year

Computerworld Singapore Readers' Choice Awards
- Best Data Centre and Hosting Services
- Best Managed Connectivity Services

Superbrands Singapore 2010
- Business Superbrands

JUL 2010

Singapore HR Awards
- Leading HR Practices in CSR Award
- Leading HR Leader Award

Contact Centre World Awards
- Best Outsourcing Partnership (Client: Ministry of Manpower)
- Best Outsourcing Partnership (Client: The Accounting and Corporate Regulatory Authority)
- Best Incentive Scheme

Asia Business Continuity Awards
- Business Continuity Provider of the Year (BCM Service)

OCT 2010 | **Community Chest Corporate Platinum Award**

NOV 2010 | **MIS Asia Magazine**
- Strategic 100 (Regional 20) Honoree

FEB 2011 | **HardwareMag and HardwareZone.com Tech Awards: Reader's Choice**
- Best Mobile Operator (Singapore)
- Best Internet Service Provider (ISP)

MAR 2011 | **IQPC Process Excellence Awards**
- Best Start Up Lean Six Sigma Program Award

Ethisphere Institute: World's Most Ethical Companies
- Among list of 36 new entrants

AUSTRALIA

NOV 2010 | **Customer Service Institute of Australia: Australian Service Excellence Awards**
- Premium Service Desk
- National Executive of the Year
- Service Excellence in a Contact Centre

Frost & Sullivan Australia Best Practices Awards
- Service Provider of the Year

Australian Human Resources Institute National Awards
- Martin Seligman Award for Health & Wellbeing

NOV 2010 | **London International Awards 2010**
- Gold - Television/Cinema/Online Film (Visual Effects) - Optus 'Secret Training Camp' ('Secret Training Camp' was a TVC in support of Football Federation Australia)

FEB 2011 | **Australian Centre of Corporate Social Responsibility: State of CSR in Australia Annual Review**
- Among CSR Top 20

ASSOCIATES

JUL 2010 | **Money & Banking Awards**
- Best Public Company – AIS

DEC 2010 | **Wall Street Journal Asia 200 Survey**
- 4th Most Admired Company in the Philippines – Globe

FEB 2011 | **Top Brand Award**
- kartuHALO and simPATI – Telkomsel

Mobile World Congress Global Award
- Best Mobile Money Product or Solution – Airtel Africa in partnership with Mastercard and Standard Chartered Bank

Operating and Financial Review

SingTel is a leading communications group with operations and investments in Asia and Africa, providing a portfolio of multimedia services and infocomm technology solutions, including voice, data and video services over fixed and wireless platforms.

In Singapore, we are the leading mobile, broadband and fixed-line operator with a vision to lead and shape the local digital consumer market and enterprise ICT market across Asia. NCS, our wholly owned subsidiary, is Singapore's leading IT provider and ranks among the top 10 in Asia Pacific.

Our Australian arm, Optus continues to differentiate itself in the market through various innovative services, offering customers relevance and personalisation.

The Group has presence in Asia and Africa with more than 400 million mobile customers in 25 countries, including Bangladesh, India, Indonesia, Pakistan, the Philippines and Thailand. It also has a network of 35 offices in 19 countries and territories throughout Asia Pacific, Europe and the US.

In this section, we provide a strategic review of the SingTel Group's operations, and discuss the financial performance of the Group and its key markets in Singapore, Australia and the region for the financial year ended 31 March 2011.

CONTENTS

Key Operating Companies

SingTel

SINGAPORE	
NCS PTE. LTD.	100%
SINGNET PTE LTD	100%
SINGTEL IDEA FACTORY PTE. LTD.	100%
SINGTEL INNOV8 PTE. LTD.	100%
SINGTEL MOBILE SINGAPORE PTE. LTD. [1]	100%
TELECOM EQUIPMENT PTE LTD	100%
SINGTEL DIGITAL MEDIA PTE. LTD.	96%
SINGAPORE POST LIMITED	26%

AUSTRALIA	
SINGTEL OPTUS PTY LIMITED	100%
ALPHAWEST SERVICES PTY LTD	100%
OPTUS BROADBAND PTY LIMITED	100%
OPTUS MOBILE PTY LIMITED	100%
OPTUS NETWORKS PTY LIMITED	100%
OPTUS VISION PTY LIMITED	100%
UECOMM OPERATIONS PTY LIMITED	100%
VIRGIN MOBILE (AUSTRALIA) PTY LIMITED	100%

INTERNATIONAL	
ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED	21%
BHARTI AIRTEL LIMITED	32%
GLOBE TELECOM, INC.	47%
PACIFIC BANGLADESH TELECOM LIMITED	45%
PT. TELEKOMUNIKASI SELULAR	35%
WARID TELECOM (PRIVATE) LIMITED	30%
SOUTHERN CROSS CABLES HOLDINGS LIMITED	40%

Note:

[1] The mobile business was transferred from Singapore Telecom Mobile Pte Ltd to SingTel Mobile Singapore Pte. Ltd. on 1 October 2010.

This chart is accurate as of 31 March 2011.

The list of significant subsidiaries, associated and joint venture companies is disclosed on pages 184 to 194 in Note 45 to the Financial Statements.

GROUP FIVE-YEAR FINANCIAL SUMMARY

	Financial Year Ended 31 March				
	2011	**2010**	**2009**	**2008**	**2007**
Income Statement (S$ million)					
Group operating revenue	**18,071**	16,871	14,934	14,844	13,377
SingTel	**6,401**	5,995	5,547	4,904	4,430
Optus	**11,670**	10,876	9,387	9,940	8,947
Optus (A$ million)	**9,284**	8,949	8,321	7,760	7,475
Group operational EBITDA	**5,119**	4,847	4,431	4,530	4,282
SingTel	**2,183**	2,224	2,110	1,967	1,902
Optus	**2,937**	2,623	2,321	2,564	2,380
Optus (A$ million)	**2,334**	2,153	2,067	2,002	1,988
Share of associates' pre-tax earnings	**2,141**	2,410	2,051	2,559	2,073
Group EBITDA	**7,260**	7,257	6,482	7,089	6,355
Net profit after tax	**3,825**	3,907	3,448	3,960	3,779
Underlying net profit [(1)]	**3,800**	3,910	3,455	3,681	3,556
Cash Flow (S$ million)					
Group free cash flow [(2)]	**4,038**	3,406	3,245	3,575	2,795
Singapore	***1,436***	*1,290*	*1,231*	*1,422*	*1,298*
Associates' dividends (net of withholding tax)	***1,084***	*858*	*963*	*1,001*	*606*
SingTel	**2,520**	2,148	2,194	2,423	1,904
Optus	**1,519**	1,258	1,050	1,152	891
Optus (A$ million)	**1,206**	1,015	967	903	742
Capital expenditure	**2,005**	1,923	1,918	1,879	1,790
Balance Sheet (S$ million)					
Total assets	**39,282**	37,952	33,255	34,714	32,659
Shareholders' funds	**24,328**	23,493	20,476	21,000	20,847
Net debt	**6,023**	6,311	6,544	7,303	5,895
Key Ratios					
Proportionate EBITDA from outside Singapore (%)	**76**	74	72	75	70
Return on invested capital (%)	**17.6**	18.9	17.2	18.9	18.3
Return on equity (%)	**16.0**	17.8	16.6	18.9	18.0
Return on total assets (%)	**9.9**	11.0	10.2	11.8	11.4
Net debt to EBITDA (number of times)	**0.8**	0.9	1.0	1.0	0.9
EBITDA to net interest expense (number of times)	**21.8**	23.5	19.9	20.7	21.3
Per Share Information (S cents)					
Earnings per share - basic	**24.02**	24.55	21.67	24.90	23.25
Earnings per share - underlying net profit [(1)]	**23.86**	24.56	21.71	23.15	21.88
Net assets per share	**152.75**	147.55	128.67	132.03	131.20
Dividend per share - ordinary	**15.8**	14.2	12.5	12.5	11.0
Dividend per share - special	**10.0**	-	-	-	9.5

'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.

GROUP REVIEW

GROUP	Financial Year Ended 31 March 2011 (S$ million)	2010 (S$ million)	Change (%)
Operating revenue	**18,071**	16,871	7.1
Operational EBITDA	**5,119**	4,847	5.6
Operational EBITDA margin	***28.3%***	*28.7%*	
Share of associates' pre-tax profit	**2,141**	2,410	-11.2
EBITDA	**7,260**	7,257	**
Exceptional items	**25**	(2)	nm
Net profit	**3,825**	3,907	-2.1
(ex-Bharti Africa) [3]	***3,947***	*3,907*	*1.0*
Basic earnings per share (S cents)	***24.0***	*24.6*	*-2.2*
Underlying net profit [2]	**3,800**	3,910	-2.8
(ex-Bharti Africa) [3]	***3,922***	*3,910*	*0.3*
Underlying earnings per share (S cents)	***23.9***	*24.6*	*-2.9*

Notes:

(1) In this section, 'Optus' refers to SingTel Optus Pty Limited and its subsidiaries, 'SingTel' refers to the SingTel Group excluding Optus. 'Associate' refers to either an associated company or a joint venture company as defined under Singapore Financial Reporting Standards. 'nm' denotes not meaningful and '**' denotes less than +/-0.05%.

(2) Underlying net profit refers to net profit before exceptional items.

(3) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa. Bharti Africa was acquired by Bharti Airtel on 8 June 2010.

The Group reported resilient performance and met guidance for the financial year ended 31 March 2011. Sustained revenue growth increased operational EBITDA by 5.6 per cent to S$5.12 billion. Underlying net profit was stable, excluding the effects of Bharti Africa which was acquired in June 2010. Free cash flow for the year was up a strong 19 per cent to a record S$4.04 billion, with higher cash flows from all the three businesses.

Operating revenue grew 7.1 per cent to S$18.07 billion, led by robust mobile performance in Singapore and Australia and further lifted by the 3.4 per cent strengthening of the Australian Dollar from a year ago.

In Singapore, operating revenue was up 6.8 per cent. This was mainly driven by double-digit growth of 11 per cent in Mobile Communications on strong postpaid customer growth and higher postpaid average revenue per user (ARPU). Information Technology and Engineering (IT&E) revenue also rose 8.2 per cent boosted by higher revenue from the fibre rollout contract with OpenNet Pte. Ltd. (OpenNet).

In Australia, Optus delivered a 3.7 per cent increase in operating revenue, underpinned by mobile service revenue growth of 8.4 per cent with continued postpaid and wireless broadband customer growth in a highly competitive market. Fixed revenues declined as Optus continued to exit marginal resale services. Optus' translated revenue in Singapore Dollars grew 7.3 per cent from the previous year with a stronger Australian Dollar.

Operational EBITDA for the Group grew 5.6 per cent from a year ago with growth from Optus. EBITDA in Australia rose 12 per cent in Singapore Dollar terms, driven by higher contributions from all its business segments. The Singapore Business' EBITDA, however, was lower by 1.7 per cent from a year ago, reflecting higher acquisition costs of mio TV content and mobile connections as well as investments made to grow new businesses.

The Group's share of pre-tax profits from associates declined 11 per cent to S$2.14 billion. Reflecting the economic recovery in Thailand and strong execution, AIS' pre-tax contribution rose 28 per cent. In South Asia, Bharti's results had been negatively impacted by stiff price competition in India. Stable market conditions in the later half of the financial year led to an increase in Bharti's revenue and EBITDA. However, with higher depreciation and amortisation, including the first time recognition of amortised 3G license fees, as well as lower fair value gains of S$3 million (FY 2010: S$46 million) on mark-to-market valuations of its foreign currency liabilities, Bharti's pre-tax contribution from South Asia was down 12 per cent. Including the losses from its newly acquired Africa operations in June 2010 as well as related acquisition financing and transaction costs, Bharti's overall pre-tax contribution declined 22 per cent. Both Telkomsel and Globe reported lower profits on increased competitive pressures as well as lower fair value gains on their foreign currency liabilities.

With lower associates' contribution, the Group's EBITDA was flat at S$7.26 billion.

The Group recorded a net exceptional gain of S$25 million. This comprised mainly the net effect of a fair value gain of S$38 million on the consideration payable for the acquisition of an additional 1.5 per cent effective equity interest in Bharti which was completed in November 2009, a foreign exchange gain of S$19 million on the revaluation of inter-company loans and the Group's share of Bharti's one-time brand launch costs of S$30 million.

Profit before tax decreased 1.0 per cent to S$4.99 billion while tax expense increased 3.0 per cent. The higher tax expense was due to the higher effective tax rate of the associates. Some of the operating companies within Bharti Africa group were profitable while no deferred tax credit has been recognised for some of the loss-making operating companies.

Hence, the Group's net profit was down by 2.1 per cent to S$3.83 billion and underlying net profit decreased 2.8 per cent to S$3.80 billion. Excluding the net loss and acquisition financing and transaction costs of Bharti Africa, underlying net profit was stable.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for 77 per cent (FY 2010: 75 per cent) of the Group's proportionate revenue and 76 per cent (FY 2010: 74 per cent) of proportionate EBITDA.

CASH FLOW

	Financial Year Ended 31 March		
GROUP	**2011 (S$ million)**	**2010 (S$ million)**	**Change (%)**
Net cash inflow from operating activities	**6,043**	5,329	13.4
Net cash outflow for investing activities	**(2,759)**	(2,179)	26.6
Net cash outflow for financing activities	**(2,141)**	(2,634)	-18.7
Net increase in cash balance	**1,143**	515	121.8
Exchange effects on cash balance	**(18)**	23	nm
Cash balance at beginning of year	**1,614**	1,076	50.0
Cash balance at end of year	**2,738**	1,614	69.7
Free cash flow			
Singapore	**1,436**	1,290	11.3
Australia	**1,519**	1,258	20.7
Associates (net dividends after withholding tax)	**1,084**	858	26.3
Group	**4,038**	3,406	18.6
Cash capital expenditure as a percentage of operating revenue	***11%***	*11%*	

Operating Activities

The Group's net cash inflow from operating activities for the year grew 13 per cent or S$714 million to S$6.04 billion, with strong operating cash flows from Singapore and Australia and higher dividend received from the associates.

Investing Activities

The investing cash outflow was S$2.76 billion. During the year, payments of S$565 million were made for the acquisition of an additional 1.5 per cent effective equity interest in Bharti which was completed in November 2009 as well as S$79 million in respect of open market purchases of additional shares in Bharti. Capital expenditure totalled S$2.01 billion and represented 11 per cent of the Group's operating revenue, similar to a year ago. Major capital expenditure included the expansion and enhancement of mobile networks to support customer and data growth, and investments in satellites and core infrastructure.

Financing Activities

Net cash outflow of S$2.14 billion for financing activities arose mainly from the payment of S$1.27 billion of final dividends in respect of the previous financial year ended 31 March 2010, and S$1.08 billion for interim dividends in respect of the current financial year. Other major financing cash outflows included S$348 million for interest payments as well as S$218 million for settlement of swaps on repayment of borrowings. These outflows were partially offset by S$840 million of cash inflow from net borrowings during the year.

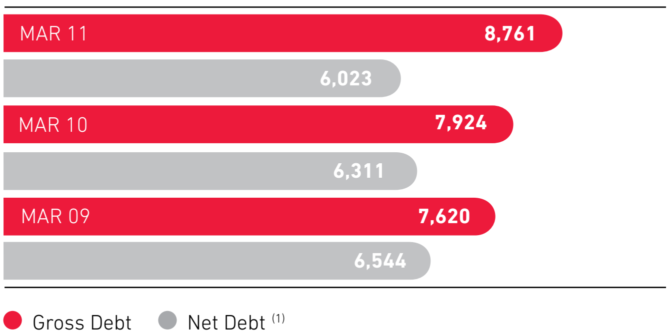
Free Cash Flow

The Group's free cash flow grew 19 per cent to a record S$4.04 billion, driven by higher operating cash flows from all three businesses. Free cash flow from Singapore grew 11 per cent from a year ago on positive working capital movements. Free cash flow from Australia amounted to A$1.21 billion, up 19 per cent from the previous year, driven by higher EBITDA. In Singapore Dollar terms, it was up 21 per cent. Boosted by special dividends received from AIS, the associates' net dividends increased 26 per cent to S$1.08 billion.

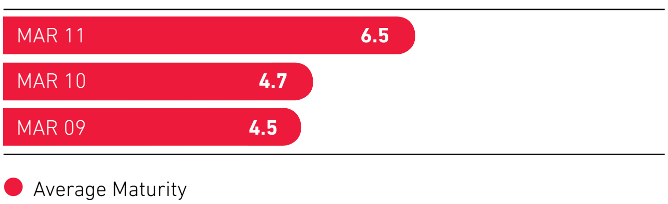
CAPITAL MANAGEMENT

GROUP	Financial Year Ended 31 March		
	2011	**2010**	**2009**
Gross Debt (S$ m)	**8,761**	7,924	7,620
Net Debt [1] (S$ m)	**6,023**	6,311	6,544
Net Debt Gearing Ratio [2] (%)	**19.8**	21.2	24.2
Net Debt to EBITDA (number of times)	**0.8**	0.9	1.0
Interest Cover [3] (number of times)	**21.8**	23.5	19.9
Average Maturity of Borrowings (years)	**6.5**	4.7	4.5

Group Debt **(S$ m)**



Average Maturity of Borrowings **(Years)**



Notes:

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

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

[3] Interest cover refers to the ratio of EBITDA to net interest expense.

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

During the year, the Group raised new long-dated bonds and extended its debt maturity. However, net debt fell, reflecting a higher cash balance.

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.

SingTel's dividend payout ratio ranges from 55 per cent to 70 per cent of underlying net profit. Consistent with its objective of an optimal capital structure, the Group will review on a three-year basis its cash needs for operations and growth, as well as strategic initiatives, with a view to returning surplus cash to shareholders.

Business in Singapore

The Singapore Business delivered strong operating revenue growth of 6.8 per cent to S$6.40 billion, underpinned by 6.3 per cent growth in the Singapore Telco business and 8.2 per cent increase in the IT&E business.

REVENUE

+6.8%

S$6.40b

SINGAPORE BUSINESS	Financial Year Ended 31 March 2011 (S$ million)	2010 (S$ million)	Change (%)
Operating revenue			
Mobile communications [(2)]	**1,788**	1,610	11.1
Data and Internet	**1,612**	1,577	2.2
International telephone [(2)]	**511**	519	-1.5
National telephone	**375**	393	-4.7
Sale of equipment	**311**	268	15.9
mio TV	**79**	16	390.7
Others [(3)]	**191**	194	-1.5
Singapore Telco	**4,867**	4,578	6.3
Revenue from NCS	**1,266**	1,236	2.4
Fibre rollout	**268**	181	48.0
Information technology and engineering (IT&E)	**1,534**	1,417	8.2
Total	**6,401**	5,995	6.8
Operational EBITDA (excluding Group's corporate costs)			
Singapore Business	**2,253**	2,293	-1.7
Singapore Telco business	**1,986**	2,090	-5.0
IT&E business	**267**	203	31.4
Operational EBITDA margin			
Singapore Business	***35.2%***	*38.2%*	

Notes:

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

(2) Prior year comparatives have been restated to reclassify certain revenue from "International telephone" to "Mobile communications", consistent with the presentation in the current year.

(3) Include revenues from maritime & land mobile and lease of satellite transponders.

EARNINGS REVIEW

The Singapore Business delivered strong operating revenue growth of 6.8 per cent to S$6.40 billion, underpinned by 6.3 per cent growth in the Singapore Telco business and 8.2 per cent increase in the IT&E business. Free cash flow was up strongly by 11 per cent to S$1.44 billion on positive working capital movements.

IT&E's EBITDA was up 31 per cent, reflecting strong cost initiatives as well as one-off write-back of provisions no longer required. With higher acquisition costs of mio TV content and mobile connections as well as investments made to grow new businesses, the Singapore Telco's EBITDA declined 5.0 per cent. Overall, the Singapore Business' EBITDA declined 1.7 per cent to S$2.25 billion.

Mobile Communications, the largest revenue stream, delivered double-digit growth of 11 per cent to S$1.79 billion. This was driven by strong postpaid customer acquisitions and higher postpaid average revenue per user (ARPU) on the back of higher smartphone acquisitions. Total mobile customer base grew 6.1 per cent to 3.31 million as at 31 March 2011, representing a leading market share of 44.8 per cent.

A record total number of 156,000 postpaid customers were added in the year, bringing total postpaid base to 1.78 million as at 31 March 2011. More than 60 per cent of new postpaid customers chose smartphones in the year, lifting overall smartphone penetration to half of the total postpaid base as at end March 2011. Postpaid ARPU rose 2.7 per cent, and excluding 'data only' SIMs, was up 5.1 per cent, on higher take-up of higher rate plans and increased mobile roaming. Acquisition cost per postpaid customer decreased 1.7 per cent following initiatives to optimise handset subsidies.

With robust demand for mobile broadband services, mobile data services accounted for 39 per cent of blended ARPU, up from 34 per cent a year ago. Total number of customers on monthly mobile broadband data subscription grew 364,000 or 72 per cent from a year ago to 869,000 as at 31 March 2011.

In the prepaid segment, SingTel gained 35,000 customers led by positive customer response to new prepaid initiatives such as the 3G SIM card, Data VAS and Blackberry VAS. This brought total prepaid base to 1.53 million as at 31 March 2011. Prepaid ARPU was stable from a year ago.

Demand for SingTel's digital home services continued to gain traction. Revenue from mio TV was S$79 million, up from S$16 million in the previous year, with an enlarged customer base driven by SingTel's new offerings and exclusive sports content including Barclays Premier League and ESPN Star Sports channels launched during the September 2010 quarter. Total mio TV customer base reached 292,000 as at end March 2011 with 101,000 net customers added in the year. Driven by continued demand for bundled plans, a total of 54,000 customers subscribed to mio bundles [1], bringing total mio customer base to 241,000 as at 31 March 2011, up 29 per cent from a year ago.

Data and Internet revenue was up 2.2 per cent to S$1.61 billion as strong growth in Managed Services mitigated intense price competition in International Leased Circuits. Fixed Broadband revenue rose 5.5 per cent in a competitive and higher penetrated market, led by increased adoption of higher-tier plans in the business segment. With higher take-up for SingTel's home bundles and high-speed fibre-based services launched in September 2010, total fixed broadband lines grew 15,000 in the year to 530,000 as at 31 March 2011.

IT&E revenue grew 8.2 per cent to S$1.53 billion. Revenue from NCS group was up 2.4 per cent to S$1.27 billion, with growth in network integration and infrastructure services in the domestic market partially mitigating the lower overseas sales. NCS' order book remained strong at S$1.9 billion at end March 2011. Fibre rollout revenue from OpenNet increased to S$268 million from S$181 million a year ago as the pace of fibre rollout accelerated during the year.

International telephone revenue declined 1.5 per cent to S$511 million on lower average collection rate partially offset by increased international call traffic.

Revenue from Fixed-line phone services declined 4.7 per cent to S$375 million on lower usage impacted by fixed-to-mobile substitution. Sale of equipment revenue grew 16 per cent to S$311 million on higher smartphone volumes fuelled by SingTel's strong suite of smartphones.

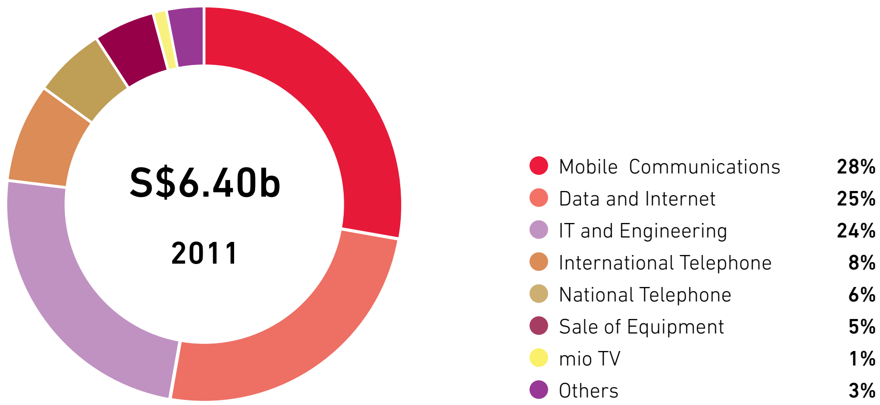
Note:

[1] mio bundles comprise mio Plan (bundling of mobile, fixed broadband and fixed voice services) and mio Home (bundling of pay TV, fixed broadband and fixed voice services).

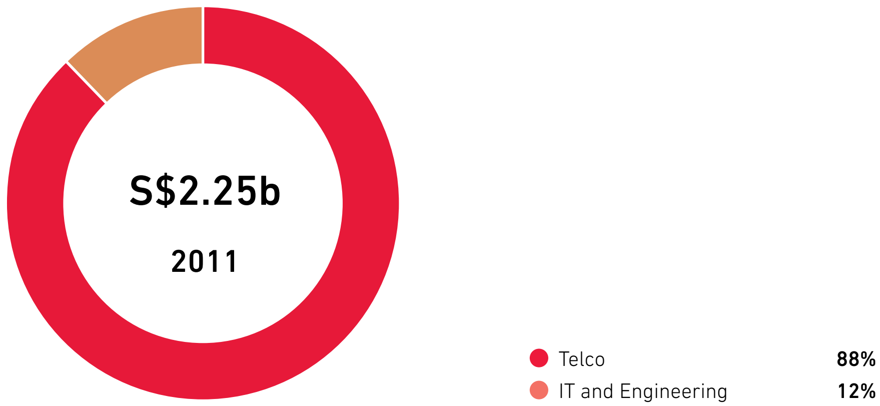
FOCUS FOR FY11/12

- **Maintain market leadership in the communications business and develop new growth areas.**
- **Leverage NGNBN to grow multimedia offerings, encompassing converged voice, data, video and content-rich services.**
- **Strengthen ICT services for enterprise customers in Singapore and around the region.**

REVENUE BY PRODUCTS AND SERVICES



OPERATIONAL EBITDA



>
SingTel showcases the power of cloud computing at i.Luminate 2010, Asia's largest innovation business forum

YEAR IN REVIEW

SingTel Singapore – Amazing things happen when you dream big

In FY10/11, SingTel Singapore continued its transformation to be the leading integrated infocomm technology (ICT) and multimedia solutions provider in Singapore and the region.

We energised our brand with the theme *'Amazing things happen when you dream big'*. By daring to dream big, we grew new businesses while maintaining our leadership position in key markets.

We made significant progress in consumer multimedia and aggressively expanded our managed ICT offerings. We introduced many innovative and exciting services, applications and content throughout the year to enrich our customers' lives and make our business customers' operations more productive. This has helped us achieve broad-based revenue growth for the year.

Leading, Shaping and Innovating Consumer Services

SingTel is the driving force behind mobile data adoption in Singapore. In the mobile internet device space, we consistently lead with exclusive deals and the widest range of devices available in the market.

We were the first to bring the Apple iPhone™ to Singapore in 2008 and also the first to introduce Android-powered phones in 2009. In FY10/11, we were the first to introduce the Samsung Galaxy S mobile phone and Galaxy Tab, a ground-breaking feature-rich tablet. However, what really differentiates us is our emphasis on developing relevant and personalised services to leverage the capabilities of these devices.

Our digital media businesses continue to gain mind share and popularity among local audiences. inSing.com is the number one local lifestyle website and recorded 1.45 million unique visitors in March 2011.

During the year, we brought to market a host of exciting mobile, TV and tablet applications. Through in-house research and development, we introduced successful applications including ILoveDeals, WheresApp, Property Buddy and De!ite – Singapore's first multimedia lifestyle magazine application. ILoveDeals was one of Singapore's top downloaded apps. WheresApp allows users to locate their friends on a virtual map, communicate with them through instant messaging and group chats, and organise meetings. Our customers who are sports fans also got to catch world-class sporting action via Mobile ESPN on their mobile devices.

AMPed™, SingTel's award-winning and unlimited music download service, boosted its library to more than two million songs from the world's biggest music providers – EMI Group, Universal Music Group, Sony Music and Warner Music Group. Fans made hundreds of thousands of downloads. AMPed continues to be a real differentiator for SingTel, thrilling customers with experiences that money cannot buy, including getting up close and personal with Justin Bieber, Fish Leong and the cast of Glee.

2,000,000
Songs in AMPed Library

120,000
Users of the SingTel Cloud

As a result of our complementary strategies on handsets and applications, SingTel acquired a record 156,000 postpaid mobile customers. Many of these new customers are smartphone users, who now comprise half our total postpaid customer base.

mio TV grew stronger and became a significant contender in Singapore. It ended the year with 292,000 customers and in May, crossed the 300,000-customer mark. During the year, we delivered a series of blockbuster content including the 2010 FIFA World Cup™, Barclays Premier League (BPL), UEFA Champions League, ESPN Star Sports and Bloomberg Television. We changed the game with locally-made BPL productions, innovative interactive TV capabilities and were the first to offer 3D movie content to residential homes. We are constantly enhancing our content offerings to meet customer needs and this strategy will continue when the cross-carriage regulations are introduced.

SingTel also launched the exStream suite of consumer fibre services. Beyond providing customers with high-speed fibre broadband connections, exStream offers attractive infotainment services and applications to access social networks, high quality video chats, TV, games, and email services on one personalised portal.

Continuing to Innovate and Win in ICT

In FY10/11, SingTel gained market share not only in Singapore but also in the competitive Asia Pacific multinational data network arena. In Internet Protocol Virtual Private Network (IP VPN), we increased our regional market share from 19 per cent to 21.7 per cent, which is almost double the nearest competitor, cementing our position as a leading ICT provider.

SingTel is the leading telco provider of cloud services in the region, with over 120,000 users and over 800 enterprises on cloud services. With our international network and unparalleled capabilities, we are well positioned to capture the significant opportunity for managed data services growth in Asia Pacific.

We offer on-demand computing resources, Software-as-a-Service solutions from our mybusiness.singtel.com online portal and PowerON Compute – Asia's first enterprise hybrid cloud service that allows customers to reduce operating costs by more than 70 per cent.

In an industry breakthrough, SingTel introduced ICT services which are on-demand and scaleable in real time. Enterprise customers enjoy unprecedented business agility and lower operating costs. SingTel's OneOffice suite, a collaboration with Google, allows customers to achieve cost savings of as much as 90 per cent.

In September 2010, SingTel together with its partners presented i.Luminate 2010, Asia's largest business innovation forum. It featured more than 50 global distinguished thought-leaders in innovation across industries and showcased 100 intelligent ICT solutions to transform businesses for success. We also hosted Accelerate 2010, bringing together one of the largest gatherings of global and local software developers, entrepreneurs and research institutes in the Asia Pacific.

<
SingTel offers a range of in-house developed, innovative and exciting apps to enrich our customers' lifestyles

^
First to offer the Samsung Galaxy S with a special appearance by Korean boyband, Super Junior

We energised our brand with the theme *'Amazing things happen when you dream big'*. By daring to dream big, we grew new businesses while maintaining our leadership position in key markets.

^

SingTel's second satellite ST-2 was successfully launched into orbit following an impressive lift-off from Kourou, French Guiana

SingTel's wholly-owned subsidiary, NCS made significant contributions in the area of business solutions, from growth in applications management to systems integration and business process outsourcing services. NCS also won an important contract from the Ministry of Education. At S$850 million over an eight year period, the infrastructure management project is the biggest ever contract for us. The win also strengthens NCS' position in the education market.

Robust Networks and Infrastructure

Extensive network infrastructure is a key differentiator for our business. Leveraging the Next Generation National Broadband Network deployed by OpenNet and SingTel's own extensive fibre infrastructure, we unleashed our high-speed fibre offerings to consumers and businesses. As the key subcontractor for OpenNet, we played a critical role in the islandwide fibre rollout. The high-speed services offer a range of downlink speeds of up to 200 Mbps, uplink speeds of up to 100 Mbps and international bandwidth of up to 25 Mbps. SingTel's fibre network is scalable and capable of providing even higher speeds in the future to meet the needs of retail and wholesale customers.

We have the largest number of mobile base stations installed with 3,000 GSM and 3G base stations. In FY10/11, we upgraded our mobile network to 42 Mbps. This will ensure we continue to provide the best mobile broadband performance in terms of coverage, quality, consistency of connection and reliability.

SingTel's second satellite, ST-2, was launched successfully on 21 May 2011. SingTel is the only homegrown company in Singapore to own commercial satellites and ST-2 will increase capacity to meet growing customer demand for fixed and mobile satellite services in broadcast, maritime and oil and gas industries in the Middle East, Central Asia, Indian sub-continent and Southeast Asia.

During the year, SingTel embarked on trials of Long Term Evolution (LTE). We are exploring several options, working closely with network providers and handset manufacturers to ensure alignment of network readiness and availability of compatible devices for the commercial launch of LTE services planned for end 2011.

International Sports Action Up Close

Our close association with sports inspired Singaporeans to dream big as athletes and as sports fans.

SingTel's sponsorship of the world's first Youth Olympic Games held in Singapore included support for young athletes as well as a school engagement programme to connect students with national athletes. As the official multimedia services provider, we developed special services including 3D navigational maps and social multicultural chat platforms.

We also continued our successful partnership with Formula One™ that was first forged in 2008, and renewed our partnership to be the Title Sponsor for the Formula 1 Singapore Grand Prix in Singapore for two more years in 2011 and 2012. Now into the fourth year of this partnership, we will continue to act as trail-blazers to bring the best to our customers in Singapore and around the world.

Business in Australia

Optus delivered strong operating revenue and EBITDA growth as well as improved cash flow in a highly competitive market.

REVENUE

+3.7%

A$9.28b

AUSTRALIA BUSINESS	Financial Year Ended 31 March 2011 (A$ million)	2010 (A$ million)	Change (%)
Operating revenue by division			
Mobile	**5,977**	5,573	7.2
Fixed			
Business and Wholesale	**1,967**	2,004	-1.8
Consumer and Small-Medium Business (SMB)	**1,348**	1,384	-2.6
Inter-divisional	**(8)**	(11)	-24.8
Total	**9,284**	8,949	3.7
Operational EBITDA	**2,334**	2,153	8.4
Operational EBITDA margin	***25.1%***	*24.1%*	
Net profit	**776**	676	14.7

EARNINGS REVIEW

Optus, SingTel's largest subsidiary and Australia's number two telecommunications operator, delivered strong operating revenue and EBITDA growth as well as improved cash flow in a highly competitive market.

Operating revenue grew 3.7 per cent to A$9.28 billion on the back of robust mobile service revenue growth of 8.4 per cent. Total mobile customer base exceeded 9 million as at 31 March 2011. Fixed revenues, however, declined as Optus continued to exit marginal resale services.

EBITDA for the year rose a strong 8.4 per cent to A$2.33 billion driven by contributions from all business segments. Net profit grew 15 per cent to A$776 million.

Optus Mobile contributed 64 per cent to Optus' operating revenue and 67 per cent to Optus' EBITDA. Mobile revenue grew 7.2 per cent over the year to A$5.98 billion, matched by EBITDA growth of 7.4 per cent.

Optus added strong postpaid net additions of 582,000 in the year, underpinned by robust demand for smartphones and wireless broadband. Reflecting its success in penetrating the wireless broadband market, a total of 1.28 million customers were provisioned with High Speed Packet Access (HSPA) broadband service as at end March 2011, up from 907,000 customers a year ago. Prepaid customer base declined by 12,000 from a year ago, impacted by a higher than average churn rate on certain international calling cards.

Blended average revenue per user (ARPU) was stable. Excluding wireless broadband, postpaid ARPU grew 3.8 per cent. With increased data usage and higher penetration of wireless data products, SMS and other data revenue grew to 40 per cent of ARPU, up from 36 per cent a year ago. Reflecting continued focus on driving data growth, non-SMS data revenue constituted 18 per cent of ARPU, up from 13 per cent in the previous year.

Business and Wholesale Fixed accounted for 21 per cent of Optus' operating revenue and 23 per cent of Optus' EBITDA. Revenue was A$1.97 billion for the year, down 1.8 per cent from the previous year. Total Business fixed revenue declined 3.0 per cent on lower ICT and Managed Services, while Wholesale fixed revenue was stable with continued satellite growth partly offset by lower voice revenue.

EBITDA increased 11 per cent, driven by Optus' on-net strategy and careful cost management.

Consumer and Small-Medium Business Fixed contributed 15 per cent to Optus' operating revenue and 10 per cent of Optus' EBITDA. Consistent with its strategy of focusing on on-net customer growth, Optus continued to exit marginal resale services. Accordingly, consumer fixed on-net revenue was up 2.0 per cent while off-net revenue declined 42 per cent, resulting in an overall decline in consumer fixed revenue of 2.7 per cent to A$1.17 billion. The proportion of on-net revenue in consumer fixed was 94 per cent, up from 89 per cent a year ago, contributing to the improved EBITDA.

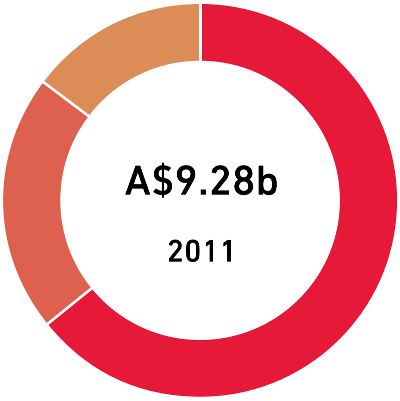
Continuing demand for Optus' market-leading Fusion plans and a range of new broadband offers lifted on-net broadband customer base by 40,000 in the year to reach 960,000 as at 31 March 2011.

EBITDA grew 10 per cent, driven by improved on-net revenue mix and yield management initiatives.

FOCUS FOR FY11/12

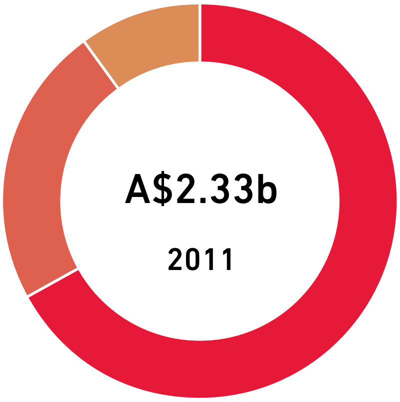
- **Drive mobile growth by competing with differentiated mobile value added services.**
- **Increase depth and reach of services with ongoing network investments.**
- **Continue to build scale and focus on profitable on-net services in fixed-line.**

REVENUE BY BUSINESS DIVISIONS



Mobile	64%
Optus Business and Optus Wholesale Fixed	21%
Consumer and SMB Fixed	15%

OPERATIONAL EBITDA BY BUSINESS DIVISIONS



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

^

The Optus Open Network covers 97% of the Australian population for voice and data

YEAR IN REVIEW

Optus sustained strong growth in a highly competitive market, by staying focused on delivering an outstanding customer experience, enriching our portfolio of products and services, and investing in our network. This focus has helped Optus deliver EBITDA growth for the fourth consecutive year.

Differentiating to Drive Mobile Growth

Optus continued to differentiate itself by offering leading-edge devices, coupled with innovative rate plans and personalised content and applications to deliver more value to customers. This enabled Optus to attract 570,000 new mobile customers during the year and deliver mobile revenue growth of 7.2 per cent.

Recognising it was a year that Australians readily embraced smartphones, Optus offered generous data allowances and free access to popular social networking sites, and secured exclusivity for leading handsets such as Samsung Galaxy S at the time of launch.

Optus also drove innovation in the Australian prepaid mobile market by expanding its offerings with the launch of Optus Dollar Days in October 2010, allowing customers to set their own plan limits from as little as A$1 a day for unlimited access.

With the explosive demand for wireless broadband, Optus led the market by offering a new range of mobile broadband cap plans with different rates for peak and off-peak usage. Optus also pushed the boundaries in the tablet market by being the first carrier to offer the Dell Streak Android tablet device in Australia, as well as introducing our own entry-level tablet for prepaid customers, the Optus My Tab.

Building on our commitment to small and medium businesses (SMB), Optus partnered TrueLocal.com.au to give SMB mobile customers a business advertising package to promote their businesses online.

Strengthening our presence in the enterprise market, Optus was selected by BMW Australia as its whole-of-business telecommunications provider for fixed and mobile services as part of a three-year multimillion dollar deal. In the government sector, the Department of Education in Western Australia renewed its contract with Optus Business for the provision of mobile services for another three years.

We further cemented our position as the number one wholesale service provider for mobile and mobile broadband services by partnering Amaysim, Tru and iiNet.

Embracing a Digital World

The creation of the Optus Digital Media division with dedicated talent resources in September 2010 has enabled Optus to deliver rich, highly personalised digital services across a range of devices.

Leveraging the Optus Open Network [1], we developed and introduced useful mobile applications including Optus Trafficview and Optus-Now. Trafficview gives customers a real-time view of traffic conditions using anonymous aggregated data from the Optus mobile network,

Note:
[1] The Open Network is the brand for Optus' combined 2G and 3G mobile networks.

Optus continued to differentiate itself by offering leading-edge devices, coupled with innovative rate plans and personalised content and applications to deliver more value to customers.

while Optus-Now provides the latest news, weather and traffic information.

As the exclusive Australian Mobile Broadcaster of the 2010 FIFA World Cup™, Optus delivered nearly 400,000 streams of 2010 FIFA World Cup™ games. Optus also provided its mobile customers with exclusive content and free live streaming of matches for the 2011 Australian Open as the telecommunications partner. The Australian Open mobile streaming service was further boosted with the introduction of a new TV and Video app for Apple iPhone™ and selected Android handsets and tablets.

In the business market, Optus Business expanded into enterprise cloud services with the launch of Optus Cloud Solutions, providing customers such as Curtin University of Technology and Savills with virtualised computing and storage capacity on demand. Additionally, Optus signed an agreement with Google in March 2011 to offer Google Apps for Business™ as part of its new range of cloud-based solutions for SMB customers.

Creating Outstanding Customer Experience

Optus continues to respond to customers' changing expectations of their telecommunications providers by delivering a superior customer experience. Optus enhanced customer interaction points by investing in our infrastructure, information systems, human resources, retail distribution and internal processes.

Our leadership and excellence in customer experience were recognised with multiple awards from the Customer Service Institute of Australia.

We continue to invest in systems to provide customers with improved online capabilities and self-service options. To date, more than two million Optus customers have signed up for online self-service while the Optus My Account mobile app has been downloaded more than 750,000 times, allowing customers to manage their accounts straight from their mobile devices. New online help and support tools have also been recently introduced such as Bill Estimator, a new bill forecasting tool for selected Optus SMB mobile customers.

First-call resolution for general and billing enquiries into call centres has improved by 15 per cent, while the number of enquiries into our call centres from mobile postpaid customers has halved.

As retail forms an important component of a customer's experience, we increased our Optus branded stores nationally to 270. In regional Australia, we brought 3G coverage for the first time to regional towns such as Digby (Victoria), Kyalite (New South Wales), Dingo Beach (Queensland) and Carpenter Rocks (South Australia).

Ongoing Network Investments

As Australia's only full service communications provider with its own fixed, mobile and satellite infrastructure, Optus invested more than A$1 billion in its networks, including upgrading the metropolitan Hybrid Fibre Coaxial (HFC) network to DOCSIS 3.0 technology. Testament to our ongoing network investment, the Optus network proved to be robust and resilient during the recent Queensland natural disasters, despite extremely adverse weather conditions.

<
Innovative rate plans and mobile devices attract customers to an Optus 'yes' store

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Grammy-award winner Kelly Rowland celebrates the launch of the iPhone 4 with Optus

>
Our people test the Optus Open Network coverage around Sydney to ensure a positive customer experience

In December 2010, the Optus Open Network reached a new milestone by covering 97 per cent of the Australian population for both voice and data. This positions Optus as the only carrier capable of challenging the incumbent on mobile network coverage and speed. To offer more choices to Australians, Optus expanded its mobile network footprint with the rollout of more than 660 new base stations across Australia. We also successfully conducted the first phase of our Long Term Evolution technology trials.

In addition, Optus made a significant investment in transmission and backhaul capacity, with fibre backhaul now available at more than 80 per cent of metropolitan base stations. Optus purchased an additional 10 MHz of paired spectrum in the 2100 MHz band in metropolitan Australia, which doubled our metropolitan spectrum capacity. We were also the first carrier to acquire new regional spectrum licences available in the 2100 MHz band at nearly 1,000 regional sites in July 2010, and are well placed to continue our regional network expansion.

In August 2010, Optus celebrated 25 years of satellite communications with five satellites currently in orbit, and further deepened our leadership position with the announcement of the launch of our next satellite, Optus 10, in 2013. Optus was also awarded multiple multimillion dollar contracts by broadcasters to deliver digital free-to-air television services to blackspot areas as part of the Government's ongoing digital switch over programme.

Advocating Reform for Market Innovation and Competition

Optus remains a champion for reform to deliver more innovation and competition in the telecommunications industry in Australia.

Over the year, there was historic regulatory reform in the fixed-line telecommunications sector. As a strong challenger, Optus is in a strong position to take advantage of the Australian Government's planned National Broadband Network (NBN) which has the potential to positively reshape the country's fixed-line sector.

With the historic milestone of the passing of the Competition and Consumer Safeguards bill and NBN Access Arrangements and NBN Companies bills, Australia will have the regulatory framework to deliver a level playing field and improve competition in the fixed-line market. As the Australian Government presses ahead with the rollout of the NBN, Optus will continue to advocate for the NBN Co. to remain true to competition to ensure NBN's long term success.

Optus will continue to adopt new service models to take advantage of the development of applications for high-speed broadband and deliver a truly integrated experience for customers across both fixed and mobile devices. Following our HFC cable network upgrade, Optus customers in Brisbane, Melbourne and Sydney can already experience broadband speeds of up to 100 Mbps to take advantage of high-speed content and services.

Business in the Region

The regional mobile associates continued their strong momentum in customer acquisitions.

SHARE OF PRE-TAX PROFIT

-11.2%

S$2.14b

ASSOCIATES	Financial Year Ended 31 March 2011 (S$ million)	2010 (S$ million)	Change (%)
Share of pre-tax profit [2]			
Regional mobile associates			
Telkomsel	**855**	940	-9.0
Bharti			
- India, Bangladesh and Sri Lanka (South Asia)	**859**	978	-12.1
- Africa	**(93)**	-	nm
	767	978	-21.6
AIS	**276**	215	28.2
Globe	**199**	235	-15.3
Warid	**(61)**	(63)	-3.5
Pacific Bangladesh Telecom	**(16)**	(13)	25.4
	2,019	2,291	-11.9
Other associates	**122**	119	2.8
Group share of associates' pre-tax profit	**2,141**	2,410	-11.2
(ex-Bharti Africa) [3]	***2,233***	*2,410*	*-7.3*
Share of post-tax profit [2]			
Regional mobile associates			
Telkomsel	**638**	682	-6.4
Bharti			
- India, Bangladesh and Sri Lanka (South Asia)	**726**	848	-14.4
- Africa	**(122)**	-	nm
	604	848	-28.8
AIS	**191**	148	28.6
Globe	**138**	165	-16.3
Warid	**(62)**	(63)	-2.2
Pacific Bangladesh Telecom	**(16)**	(13)	25.4
	1,492	1,766	-15.5
Other associates	**108**	109	-0.8
Group share of associates' post-tax profit	**1,601**	1,875	-14.6
(ex-Bharti Africa) [3]	***1,722***	*1,875*	*-8.1*

Notes:

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

(2) Exclude the Group's share of Bharti's one-time brand launch cost recognised as exceptional item of the Group.

(3) Excluding the share of net loss, acquisition financing and transaction costs of Bharti Africa acquired in June 2010.

EARNINGS REVIEW

The Group's share of pre-tax profits from the associates declined 11 per cent to S$2.14 billion. As a result of tax expenses from Bharti Africa's profitable entities, overall post-tax contributions from the associates decreased 15 per cent from the previous year. Excluding the losses of Bharti Africa, the pre-tax and post-tax contributions from the associates would have been lower by 7.3 per cent and 8.1 per cent respectively. On an overall basis, the movements in the regional currencies did not have a significant impact on the associates' contributions.

The regional mobile associates continued their strong momentum in customer acquisitions. Including mobile customers across operations in 19 countries covering India, Bangladesh, Sri Lanka and across Africa, Bharti's total mobile customer base across all geographies reached 212 million as at 31 March 2011, an increase of 66 per cent from a year ago. Telkomsel registered 21 per cent increase in its customer base to 99 million as at 31 March 2011 and crossed the significant 100 million mark in April 2011. The Group's combined mobile customer base reached 403 million, an increase of 37 per cent or 110 million from a year ago.

Telkomsel accounted for 40 per cent of the Group's share of total post-tax profits from associates, up from 36 per cent last year. Operating revenue grew 2 per cent on strong customer growth partly offset by average revenue per user dilution from tariff pressures amid intense competition in Indonesia. With higher marketing spend and increased network related costs as well as lower fair value gains on mark-to-market valuation of its US Dollar and Euro denominated liabilities, Telkomsel's post-tax contribution declined 6.4 per cent to S$638 million. Telkomsel is the market leader in Indonesia with approximately 46.4 per cent subscriber share as at 31 March 2011.

Bharti contributed 38 per cent to the Group's share of associates' post-tax profits, 7 percentage points lower than a year ago. In South Asia, EBITDA increased on the back of 11 per cent growth in operating revenue despite keen competition. Bharti launched 3G services across 7 telecom circles in the March 2011 quarter. Consequently, post-tax contribution was down 14 per cent on higher depreciation and amortisation, including the first time recognition of amortised 3G license fees as well as lower fair value gains on mark-to-market valuation of its US Dollar and Japanese Yen denominated borrowings. Including the net loss and related acquisition financing and transaction costs of Africa amounting to S$122 million, Bharti's overall post-tax contribution declined 29 per cent to S$604 million. Bharti continued to lead the Indian mobile market with a subscriber share of 20 per cent as at 31 March 2011.

AIS, the leading mobile phone operator in Thailand, recorded strong growth in profits. Post-tax contribution rose 29 per cent to S$191 million, underpinned by the economic recovery in Thailand, strong data revenue growth and successful cost management. AIS maintained its lead in the Thailand mobile market with approximately 44.3 per cent subscriber share.

Globe, the second largest mobile phone operator in the Philippines, recorded lower operational performance amid continued competitive pressures. Service revenue grew 3 per cent driven by growth in broadband and data services. With higher marketing spend and increased network costs, Globe's post-tax contribution declined 16 per cent to S$138 million.

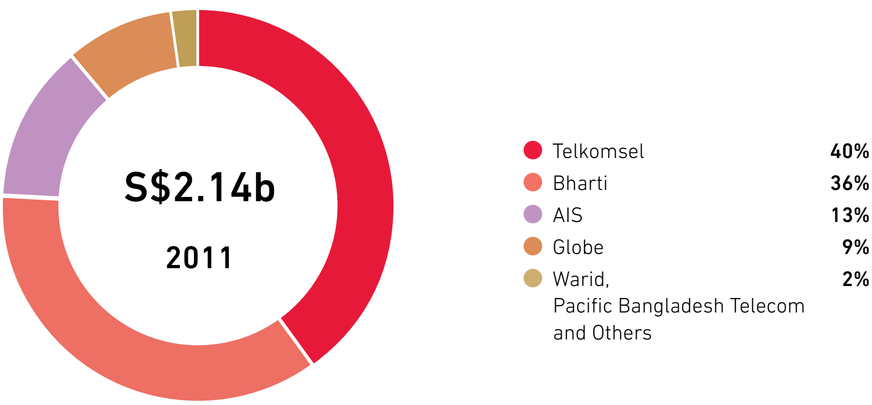
In Pakistan, Warid recorded higher operating revenue on an enlarged customer base. Including lower fair value losses on mark-to-market valuation of its US Dollar denominated liabilities, the Group's share of Warid's net loss amounted to S$62 million, down from S$63 million in the previous year.

The Group received gross dividends totalling S$1.19 billion from its associates, 25 per cent higher from the previous year, boosted by special dividends received from AIS during the year.

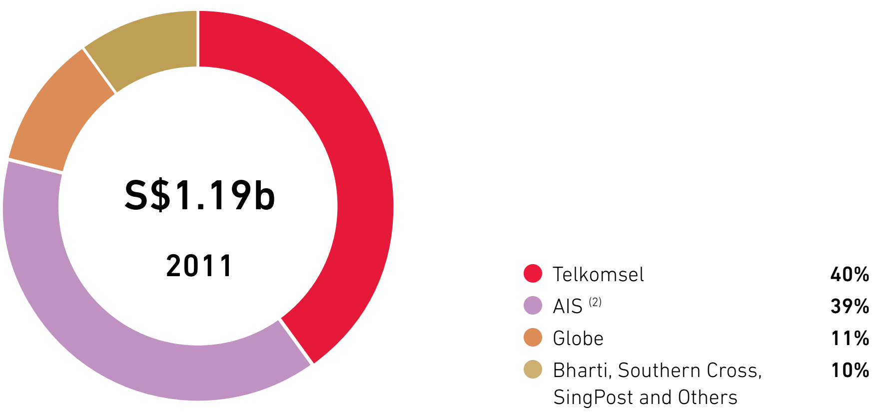
FOCUS FOR FY11/12

- Strengthen associates' operating and financial performance.
- Build associates' capabilities to capture mobile broadband growth in emerging markets.

SHARE OF ASSOCIATES' PRE-TAX PROFITS



CASH DIVIDENDS RECEIVED FROM ASSOCIATES [1]



Notes:

[1] Cash dividends received from overseas associates are before related tax payments.

[2] Include special dividends.

SingTel plays a strategic investor role and readily renders assistance and support to our investments.

>
Bharti Airtel unveils new Wave logo aimed at synergising its global operations

YEAR IN REVIEW

In our regional businesses, SingTel plays a strategic investor role and readily renders assistance and support to our investments. We constantly seek ways to improve our associates' operational performance by sharing our expertise and leveraging our extensive networks to drive collaboration. With this spirit of cooperation and collaboration, the Group is well positioned for high performance in the region.

Pursuing New Engines for Growth

Heralding a new era in connectivity, Bharti debuted 3G services in India in January 2011. Following the issuance of 3G licences, the high-speed mobile experience was rapidly rolled out to 21 cities across seven circles within two months, starting with Karnataka – Bharti's largest circle by revenue market share.

This initiative redefines the mobile internet experience in India and allows customers to access entertainment, utility, commerce and health services via their mobile phones. Accompanying the service is a set of easy-to-understand 3G tariffs, with personalised data usage limits, so that customers can manage their 3G data usage effectively.

We also assisted our associates with their bids for 3G services in their respective countries. SingTel facilitated knowledge sharing in data profitability, network planning, branding and marketing and structuring of price plans. We constantly harness the experience of operators within the Group which have already been successful in their bids, and champion the exchange of best practices.

Similarly, we guided AIS in their preparation for the September 2010 3G 2.1GHz auction. However, the auction plans by the National Telecommunications Commission encountered legal complications and were eventually suspended by a court injunction. Despite this, AIS expects that Thailand should still have 3G 2.1GHz licensing within the next two years.

The Group also collaborated on a number of strategic and tactical marketing projects in the year, including the joint introduction of the Samsung Galaxy S smartphone. Drawing on the rich experience of our operations in Singapore and Australia, we helped our regional associates, AIS, Globe and Telkomsel to formulate relevant go-to-market strategies for their local markets.

Widening our Reach

In a globalised world, there are increasingly fewer remaining high growth markets for telecommunications. Africa is one such market. In a bold move, the Group gained a significant presence in the massive markets of Africa via Bharti's acquisition of mobile operations in 16 countries. The acquisition was completed in June 2010.

This acquisition is historic on several fronts – it is the largest-ever telecommunications takeover by an Indian firm and enlarges Bharti's presence to 19 countries, propelling it to become the world's fifth largest wireless company.

Shortly after, Bharti unveiled a fresh brand identity which manifested the company's new international positioning with a youthful vibrancy.

SingTel remains committed to leveraging the expertise of the Group to help our associates improve their operations.

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Telkomsel introduces simPATI Freedom, a mobile plan that gives customers the freedom to choose from a range of services that best suit their needs

A catchy signature tune was also composed to complement the new visual identity.

AIS, Globe, Telkomsel, Warid and CityCell also continued to add more mobile customers in the year. Including Bharti's mobile customers in Asia and Africa, the Group's combined mobile customer base grew to 403 million as at 31 March 2011, from 293 million a year ago.

Staying Competitive through Innovation

Some of our associates' home markets experienced intense and high levels of competition during the year. But by being part of a larger group, the associates are able to share experiences and insights with one another, especially since they are in different stages of development. These lessons help our associates as they navigate challenges in their own markets.

In the competitive telecommunications arena, constant innovation is necessary.

Globe continued to operate in a very challenging environment with mobile penetration rates reaching over 90 per cent and increased multi-SIM usage, leading to service providers competing for share of spending in a declining market. In addition, the shift towards flat-rate, unlimited value promotions accelerated the erosion of prices and margins.

Globe revamped its price plans and created two popular prepaid plans, All Text Offer and Super Unli, that helped increase net additions and allowed the Philippine mobile operator to win back market share from its larger competitor. Globe also introduced the postpaid My Super Plan which allows customers to select and design their postpaid plan according to their lifestyles, with a choice of consumable plans, freebies, services and handsets.

In Indonesia, Telkomsel continues to be the market leader despite aggressive competition in a market with 10 other operators. With mobile penetration levels in excess of 90 per cent and the market near saturation point, operators have tried to increase penetration by offering new competitive pricing promotions with more minutes and SMS. To respond to intensive price wars, Telkomsel introduced simPATI Freedom, a plan that gives customers the freedom to choose from a range of services that best suit their needs. Recognising the popularity of social networking, simPATI Freedom offers a free weekly package of Twitter messages.

The Group's collaboration efforts also extended beyond voice and data. One example is the introduction of mCommerce services.

Bharti introduced India's first mobile wallet service by a telco, Airtel Money, which enables customers to make secure payments for anything from groceries to electrical bills using their mobile phones.

CityCell launched a similar service, CityCell Moneybag, which permits m-payment for utility bills in Bangladesh.

>
Sharing best practices at the SingTel Regional CEO Forum

These marked the start of a trend towards mCommerce services as customers become accustomed to the experience of using their mobile phones as a convenient lifestyle device.

Telkomsel partnered Google to introduce Business Connect, a world-class cloud computing solution for its corporate customers. The solution brings together the Google Apps for Business suite with Telkomsel's national network and broadband service, providing a powerful toolkit of web-based applications. Business Connect brings the latest innovations while dramatically reducing costs and maintenance needs associated with traditional ICT infrastructure and enhancing productivity.

Adding Value to Regional Operations

SingTel remains committed to leveraging the expertise of the Group to help our associates improve their operations. Regular forums to share best practices and discuss operational issues are held by these teams – Sales and Marketing, Finance, Technical, Regulatory, Corporate Services and Innovation. The groups are also actively engaged in regional projects that bring scale benefits for all operators.

One of the initiatives developed from the regional working groups is the Long Term Evolution (LTE) trial. LTE is the technology of the future, enabling high-speed mobile service offerings. SingTel embarked on regional LTE trials in collaboration with Optus, Globe and Telkomsel to ensure common technical standards and to determine the best strategy for its adoption in the respective markets.

Phase 1, to test and validate basic LTE functionalities, involved the pairing of each of the six trial network vendors with one of the four companies to optimise resources and costs. This was followed by Phase 2 which was rolled out progressively from December 2010 and focused on advanced LTE features. The trials will lay the groundwork to establish a regionally compatible LTE network to boost growth in the mobile broadband business for the SingTel Group.

During the year, we also introduced Lean Six-Sigma (LSS) to our subsidiaries and associates to help them improve efficiency by elevating quality standards and operational excellence. AIS and Warid started their pilot projects while the rest of the Group embarked on some 200 LSS projects. In total, more than 3,000 individuals were LSS-certified during the year. Our LSS efforts are also geared towards building talents who possess good understanding of the business needs of the region and who can be deployed to drive regional level projects in the future.

Corporate Social Responsibility

The SingTel Group is a committed and responsible corporate citizen. We are passionate about making a positive impact on the communities we operate in, beyond delivering on our business objectives.

We are devoted to the cause of sustainable growth. We strive to touch lives through our community and environmental efforts.

We attract and groom talents, who embody the 'can-do' spirit that challenges oneself, and make the journey with SingTel as we scale new heights.

The impact of SingTel's operations cuts across industries and types of activities. Our relationship with the community is intricately intertwined. Recognising these interdependencies, we embrace our role as a committed corporate citizen and strive to contribute towards the betterment of society through our community and environmental efforts.

Touching Lives in the Community

The SingTel Touching Lives Fund (STLF), set up in 2002, continued to support underprivileged and less fortunate children as well as youths in Singapore. On 4 July 2010, about 500 SingTel employees and their families participated in the SingTel-Singapore Cancer Society (SCS) 2010 Race Against Cancer, to raise funds for SCS, an STLF beneficiary this year. Both the 7.5km competitive and 5km fun races saw wholehearted support and participation from SingTel's senior management and our business partners.

One of the signature events of the STLF is Fold-A-Heart, where SingTel donates S$1 for every origami heart folded. As part of outreach activities, the STLF team visited Northlight School and rallied the students to fold hearts for the less fortunate. Some 1,000 hearts were folded by the school's students and teachers. In total, more than 80,000 hearts were folded.

As a result of these and other fundraising activities, the STLF raised a record S$2.48 million during the year for our charities. This brings the total amount contributed by the STLF since its inception to about S$20 million for more than 20 charities.

The SingTel Touching Lives Fund has raised about S$20 million for more than 20 charities since its inception in 2002.

>
A signature event of STLF, SingTel donates S$1 for every origami heart folded to help less privileged children and youths

Youths represent our future and SingTel's Australian arm, Optus, has been leveraging technology to help children who face challenges in their lives. Partnering the Starlight Children's Foundation, Optus has introduced the Livewire programme in 26 metropolitan and regional hospitals across Australia, where young people with serious illnesses or disabilities can access online chat rooms, create blogs, play games, listen to music and watch videos. Thanks to the wireless connectivity and computers donated under the programme, the young people can now interact with their peers who are going through similar challenges, thereby reducing their social isolation in a safe online environment.

In an additional effort to reconnect disengaged youths in Australian communities, Optus awarded close to A$150,000 worth of funding to 31 not-for-profit organisations across Australia that focus on helping young people reach their full potential in life and work to build social inclusion.

Technology was also an enabler for 50 disadvantaged children in regional Australia with Optus partnering the Smith Family and launching the mobile student2student programme, which saw Optus donating mobile handsets and prepaid credit. The programme, piloted in May 2010, is aimed at helping children improve their literacy skills via weekly reading sessions with mentors using Optus mobile technology. Results have been promising, with children under the programme demonstrating improvements to their literacy levels.

Doing our Part for Others

For most, donating money is easier than parting with their time. At SingTel, we wish for all staff to embrace the spirit of volunteerism and experience the joy that comes with helping others in need.

To promote this, we introduced the concept of "VolunTeaming", a combination of volunteering and team building that allows colleagues to bond over a meaningful activity. Over the year, numerous VolunTeaming activities were organised by enthusiastic employees. The Business Analysis & Planning department helped children from MINDS Lee Kong Chian Gardens School with their art and craft, while the Procurement & Supply Chain Management team spent two days building bookshelves and creating a reading corner in the classrooms of the APSN Tanglin School. Both are beneficiaries of the STLF.

These are but two examples of the volunteering projects that SingTel employees engaged themselves in. In total, more than 800 employees from 18 departments volunteered their time for such worthy causes during the year.

To further encourage volunteerism, we started an online journal named My Volunteer Diary, for staff to record their volunteering activities and be informed of upcoming opportunities. Employees can also key in their volunteering interests and request to be matched with suitable activities. As an added incentive, SingTel offered the three volunteers who put in the most hours cash donations to any STLF beneficiary of their choice.

We also did our bit to support nation building in Singapore by sending an 80-strong staff contingent to participate in the National Day Parade 2010. Our volunteers from across the Singapore business spent about 20 Saturdays rehearsing for the high profile event.

Caring for the Environment

Being green is more than a statement, it is a business philosophy based on responsible corporate citizenship and respect for the environment. As a group, we do our utmost to ensure that our operations do not disturb the delicate balance of the natural world.

For the second consecutive year, SingTel organised Plant-A-Tree Day, where staff could directly play their part in preserving the environment. In July 2010 at Mandai Reserve, some 200 employees planted 100 trees, led by Group CEO Chua Sock Koong and Group Director, Human Resource Aileen Tan who also heads the Group CSR department. To further promote the event, we marked our 10 years of using e-cards by pledging an extra dollar to the Plant-A-Tree fund in the next financial year for every employee who sent an e-card greeting.

Eco trips were also organised to the Marina Barrage as well as Chek Jawa, for staff to see firsthand natural eco-systems and learn about the importance of sustainable development in Singapore.

On 1 March 2011, we introduced the Project LESS campaign to encourage staff in Australia and Singapore to adopt simple green acts to care for our environment. Various activities were organised, such as the submission of green tips and an environment-themed photo contest.

Also as part of Project LESS, SingTel supported Nokia's 'Recycle A Phone, Adopt A Tree' programme in Singapore by encouraging customers to recycle their old mobile phones, accessories and chargers. Every customer who mails or drops off a mobile phone for recycling at selected SingTel retail outlets will have a tree planted in his or her name by Nokia.

AIS played its part for the environment by joining hands with the Ministry of Natural Resources and Environment to implement the activity 'AIS Gives Battery Back to the World' under the 'Green Network' theme project. The activity raises awareness of the possible dangers of disposing used mobile phone batteries incorrectly, and invites members of the public to send their used batteries to AIS branches for recycling.

Partnering Associates for Worthy Causes

Synergistic partnerships strengthen effectiveness. During the year, SingTel supported 1GOAL – a global initiative to help some 72 million children in the world attain the opportunity to attend school by 2015.

With Optus and our associates – AIS, Bharti and Globe, as well as other global mobile operators and charities, we promoted the campaign by sending SMSes to all our mobile customers asking them to support this worthy cause, with reply SMS charges waived. 1GOAL's objective was to garner support to impress upon world leaders that people care about and believe in the value of education.

Another major worldwide environmental initiative is Earth Hour. For one hour on

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Optus partners the Smith Family in a mobile student2student programme to help children improve their literacy skills

Photo courtesy of Pilbara News

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A record S$2.48 million was raised for six charities by the STLF

^
SingTel staff proudly take to the National Day Parade grounds in celebration of Singapore's 45th year of independence

>
Optus hands out handsets and prepaid SIMs to help Queensland flood victims stay in contact with their loved ones

26 March 2011, people and businesses around the world stood united against climate change by turning off their non-essential lights and electrical appliances. SingTel, with Optus and our associates, AIS, Globe, PBTL and Warid Telecom, endorsed Earth Hour 2011 by publicising the event and pledging our support.

Lending a Hand in the Face of Disaster
Mother Nature can cause torrential damage and in the face of disaster, we have a responsibility to help the communities. During the year, SingTel responded to several natural disasters across the globe with donations in cash and kind. One of these disasters was the devastating floods in Queensland, Victoria and northern New South Wales in Australia.

Optus was quick to respond to the Queensland floods. We were the first telecommunications provider to restore services to the Lockyer Valley. We also launched an appeal for staff in Australia and Singapore to donate generously – matching their donations dollar for dollar. A total of about S$450,000 was raised. We also visited over 1,500 homes and businesses to restore services and handed out 2,000 handsets and prepaid SIMs to ensure people could get in contact with their loved ones. We received and responded to around 2,300 requests for assistance with customers' bills. In total, we contributed over A$1.9 million in donations and services to the flood and cyclone affected communities.

For the Pakistan flood victims, SingTel donated S$80,000 through Mercy Relief, an independent charitable organisation, and most recently, we raised about S$50,000 for the victims of the Japanese earthquake and tsunami with donations from staff in Australia and Singapore.

We also went one step further by facilitating donations. For example, in Australia, Optus teamed up with the Red Cross to introduce an SMS service for customers to make a A$5 donation for the Japan and New Zealand earthquakes. In Singapore, SingTel, together with other mobile operators, set up a common SMS code for customers to make donations in aid of victims of the Japan disaster.

AIS went the extra mile by offering its customers staying in Japan long-distance calls at special rates, during the disaster period. A 24-hour hotline was also set up for customers trying to contact lost relatives or friends, and an SMS service was made available for public donations. Back on its home turf, AIS made a public call for donations in aid of the devastating floods in the southern region of Thailand in March 2011. It also despatched 1,000 AIS survival kits containing blankets, drinking water and mobile phones to the Red Cross.

Running a Sustainable Business
SingTel is committed to our long term goals of sustainable development. In October 2010, we published our inaugural Sustainability Report, marking our commitment to managing our environmental footprint in the markets we operate.

Communicating SingTel's one and five-year improvement plans and targets for sustainability, the report is the first such document published by a major player in the infocomm and multimedia sector in Singapore. It adopts the reporting principles from the Global Reporting Initiative G3 Guidelines and follows the requirements of the 'B' Application level. More on this report can be found at http://info.singtel.com/about-us/sustainability/sustainability-report.

Our People

Key to the Group's success is our ability to attract the best and the brightest across all levels – from emerging young talent to strategic hires at senior levels to strengthen existing expertise and build new capabilities.

^

Scholars of the SingTel Group Undergraduate Scholarship Programme enjoy mentoring and internship opportunities at the SingTel Group locally and overseas

Growing Together

Our goal to become the region's leading multimedia and infocomm technology solutions company can only be achieved through the diverse expertise, capabilities, experience and efforts of our 23,000 employees around the world. Our people embody our core values of Customer Focus, Challenger Spirit, Teamwork, Integrity and Personal Excellence as we break barriers and build bonds for our customers and stakeholders.

The importance we place on our people is reflected in the critical role of the People Plan in our strategic business planning process. Our 'Connect & Grow' employee value proposition underscores our commitment to building strong relationships among our people and developing talent across the company.

Also integral to this commitment is our strong focus on employee engagement. We listen to our employees to gather meaningful insights into the drivers of employee engagement, motivation and retention across the diverse aspects of our workforce.

Our people programmes continued to be recognised in 2010. In Singapore, SingTel won three Singapore HR Awards – for Leading HR Leader, Leading HR Practices in HR Communications Branding and Leading HR Practices in CSR – while NCS received the Ministry of Manpower Work-Life Achiever Award.

Attracting Talent

Key to the Group's success is our ability to attract the best and the brightest across all levels – from emerging young talent to strategic hires at senior levels to strengthen existing expertise and build new capabilities.

We identify and engage with the workforce of tomorrow through collaborations with domestic and international tertiary institutions, engagement through social media platforms, and participation in graduate career fairs and networking events. Our strategic internship and cadetship programmes offer direct exposure to the dynamic environment, people and work of the SingTel Group.

The SingTel Group Undergraduate Scholarship programme has been expanded to four countries since its 2009 pilot in Thailand. This year, in partnership with AIS, Globe and Telkomsel, we awarded 11 scholarships to students in Thailand, the Philippines, Indonesia and Singapore. In addition to full scholarships at top local universities, the scholars will also enjoy mentoring and internship opportunities at the SingTel Group of companies locally and overseas. Due to the high calibre of the applicants, 12 book prizes were also awarded to outstanding students who reached the final selection interview.

Our graduate programmes, now in their 10^{th} year at Optus and fourth year at SingTel, identify new graduate talent through a rigorous selection and assessment process. Successful candidates enjoy accelerated learning and development opportunities such as cross-functional rotations, We invest heavily in building leadership capability so that our current and future leaders can effectively lead and shape a culture of empowerment, collaboration and excellence, to deliver innovation and a truly outstanding customer experience.

>
The SingTel Group develops its leaders with Game for Global Growth, a 12-month leadership development programme

active participation in projects and direct interaction with senior management.

Developing Talent

We equip our people to be the best that they can be through an ongoing, holistic approach to development based on education, experience and relationships, tailored to suit the needs of different employee segments. The relationship-based development support is especially critical as it helps employees build internal networks to facilitate continuous development.

New employees are welcomed with a highly interactive, multi-faceted programme to accelerate their integration into the organisation. This includes orientation sessions, online toolkits and being assigned a buddy. Additional e-learning modules help our new colleagues learn more about the organisation at their own pace.

As they grow with the company, employees are encouraged to take charge of their careers and discuss development plans with their managers. Individual career development planning is integrated into the performance management cycle and reviewed regularly. Online career development portals, toolkits, talks and workshops further equip staff with the resources to evaluate and manage their careers.

The annual Singapore Learning Fiestas and Australia Career Expos offer engaging keynote speakers and a wide variety of informative and interesting bite-sized talks to reach various employee segments. This highly successful model for fostering a culture of learning has been adopted by several of our associates.

We leverage the scope and diversity of the Group's businesses to offer unparalleled career growth and development opportunities. Job rotations across functions, businesses, market segments or geographies are not only encouraged but expected. Our Regional Talent Exchange programme – comprising short term projects or long term assignments at different SingTel Group entities – provides an avenue for shared learning, benefiting employees while contributing to the combined capabilities of the Group.

GENDER DISTRIBUTION

(%)

	Singapore		Australia	
	Female	Male	Female	Male
Junior Officers	42.3	57.7	38.5	61.5
Senior Officers	33.0	67.0	27.9	72.1
Middle Management	39.9	60.1	16.1	83.9
Top Management	26.7	73.3	13.8	86.2
Total Distribution	38.1	61.9	32.5	67.5

● Female ● Male

Our People

We also sponsor our top talent for full-time master's degrees in business or other specialist programmes at leading overseas universities.

Grooming Leaders

Our leadership culture is an essential part of our business success. We invest heavily in building leadership capability so that our current and future leaders can effectively lead and shape a culture of empowerment, collaboration and excellence, to deliver innovation and a truly outstanding customer experience.

One of our key leadership development investments is the Game for Global Growth (GGG) to prepare leaders across the SingTel Group to ascend into more significant leadership roles. This experiential leadership development programme spans a 12-month period and includes executive coaching in addition to residence programmes and action learning projects guided by senior executive sponsors. The second GGG cohort in 2010 comprised 33 participants from across the SingTel Group.

Another Group-wide programme, Regional Leadership in Action (RLA), grooms high-potential emerging leaders to lead and manage business operations in a multi-national and multi-organisational context. Programme highlights include intense coursework at a leading Singapore university and working in cross-entity teams to tackle challenging business assignments judged by SingTel top management. In total, 144 participants have gone through the RLA since the programme began in 2006.

Our management team plays an active role in grooming the next generation of leaders. We continually refresh, monitor and invest in the pool of emerging potential talent to ensure a robust leadership talent pipeline. Interventions such as education sponsorships, job rotations, coaching and mentoring are customised to individuals to accelerate their development as leaders. Two of our CEOs, Hui Weng Cheong and Allen Lew, are testament to the success of such development programmes. They joined the organisation as promising young graduates and were groomed for leadership through a variety of challenging job rotations, company-sponsored master's degrees and overseas postings.

Driving and Rewarding Performance

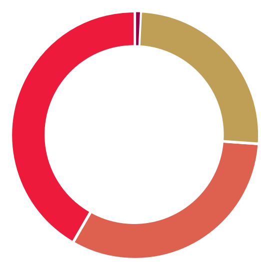
We uphold a high performance ethic by ensuring that each employee understands where the organisation is heading and how they can contribute to achieving our corporate goals. The strategic imperatives of our transformation agenda are translated into actionable objectives and cascaded throughout the organisation.

We reward and recognise individual and team performance, as well as the embodiment of our core values. People managers are measured on and rewarded for not only the achievement of business results but also how well they engage, lead and develop their teams.

We provide integrated work-life benefits and competitive remuneration with performance-based incentives to motivate continued excellence. Our remuneration and benefits are regularly reviewed to ensure competitiveness and alignment with our reward strategies.

AGE DISTRIBUTION

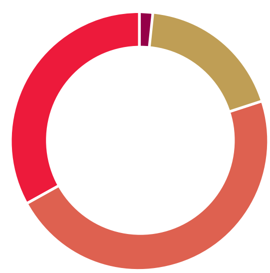
Singapore



Age Demographics

Builders (Pre-1946)	**0.01%**
Boomers (1946-1964)	**26%**
Gen X (1965-1977)	**32%**
Gen Y (1978 onwards)	**42%**

Australia



Age Demographics

Builders (Pre-1946)	**0.5%**
Boomers (1946-1964)	**20%**
Gen X (1965-1977)	**47%**
Gen Y (1978 onwards)	**33%**

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Optus people in Sydney participate in national Ride to Work Day, an initiative to promote sustainable transport while keeping fit

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Supporting health and well-being – physical, mental and social – is a key component of our people management strategy

>
Connect & Grow – We are committed to cultivating talent and grooming leadership among our people

Breakthrough business performance is recognised through prestigious awards such as the Optus Reward 'yes' and SingTel Excellence awards. Leaders at any level who demonstrate exemplary people management practices are also lauded at high-profile annual award ceremonies in Australia and Singapore.

Cultivating a Healthy Work Environment

We are committed to providing a safe and healthy work environment conducive to employee wellness and work life harmony. Supporting health and wellbeing – physical, mental and social – is a key component of our people management strategy. We continually promote the merits of healthy living and encourage employees to take control of their health.

Health clubs and gymnasiums are available onsite at SingTel, NCS and Optus premises while we encourage healthier food to be offered in all staff cafeterias. Our annual Health Expos at Optus host a range of talks, health screenings and programmes for health management. SingTel and NCS offer free health screenings to all staff, as well as disease management programmes. Presentations and programmes around various health and wellness themes are conducted throughout the year in both Singapore and Australia.

Sports and fun activities foster teamwork and camaraderie. We organise a variety of competitive and non-competitive events, ranging from exercise sessions at work and mass participation in marathons to bowling, cooking and even karaoke competitions.

We recognise that our people have to juggle many priorities so we offer family-friendly policies such as flexible work schedules, telecommuting and various forms of family leave arrangements. On-site childcare facilities are also provided at Optus and NCS.

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.

In 2010, Optus won the Martin Seligman Award for Health & Wellbeing while both SingTel and NCS were recognised for their outstanding employee health management practices at the biennial Singapore HEALTH awards. NCS achieved a Platinum award while SingTel earned Gold.

Collective Agreements

Our strong collaborative partnership with the Union of Telecoms Employees of Singapore (UTES) facilitates our win-win approach to labour management relations. Our collective agreements with UTES cover more than 4,000 bargainable employees at SingTel and NCS combined. In 2010, SingTel signed the Employers' Pledge of Fair Employment Practices with the Tripartite Alliance for Fair Employment Practices, as well as the Memorandum of Understanding with UTES on the Re-employment of Older Workers. The latter formalises the re-employment policy at SingTel, ahead of legislation in 2012 which will require companies to offer re-employment to their staff when they reach the current statutory retirement age of 62.

Within Optus, close to 7,000 employees are covered by the Employment Partnership Agreement (EPA). The EPA, a feature of the Optus culture since 1994, is a collective agreement made directly between Optus and employees, and reflects our philosophy of dealing directly with our people. The EPA was renewed in late 2009 for a further three years.

Corporate Governance

INTRODUCTION

Good corporate governance ensures key stakeholders' 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 policies and processes.

As SingTel shares are listed on both the Singapore Exchange Securities Trading Limited (SGX) and Australian Securities Exchange (ASX), SingTel seeks to comply with two sets of listing rules and is guided in its corporate governance practices by the Singapore Code of Corporate Governance 2005 (2005 Code) as well as the revised ASX Corporate Governance Principles and Recommendations with 2010 Amendments released on 30 June 2010 (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 enhancements to the Group's corporate governance regime have been made, including the following:

- SingTel has published its inaugural Sustainability Report for the financial year ended 31 March 2010. The report covers SingTel's sustainability framework comprising marketplace, people, environment and community and is available on the SingTel corporate website. It adopts the reporting principles from the Global Reporting Initiative (GRI) G3 Guidelines and follows the requirements of the 'B' application level.

- SingTel implemented electronic poll voting at its Annual General Meeting and Extraordinary General Meeting in July 2010 so as to better reflect shareholders' shareholding interests.

- The terms of reference of the Finance, Investment and Risk Committee have been expanded to include the provision of advisory support to the Board on the development of the SingTel Group's overall strategy.

- The terms of reference of the Compensation Committee have been enhanced to specifically include succession planning and executive development so as to facilitate a more holistic approach to developing, strengthening and reviewing a sound and capable management team. In line with the expansion of the Committee's terms of reference, the Committee's name has been changed to the "Executive Resource and Compensation Committee".

- Pursuant to the new ASX listing rules on trading policies which came into effect on 1 January 2011, SingTel's Securities Transactions Policy (see page 65) was enhanced to incorporate a procedure for Directors and officers to obtain prior written clearance for trading during a "closed period".

- In order to have a more in-depth review and analysis of the Board's performance, an independent external consultant was appointed to facilitate the evaluation of the Board and the Board committees, as well as the Directors' peer appraisal exercise (see Board Performance on page 59).

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. SingTel complies with the 2005 Code save that, in respect of Board appraisal, 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. SingTel also complies with the Revised ASX Code.

The Board of Directors is responsible for SingTel's corporate governance standards and policies, and stresses their importance across the Group. SingTel has received accolades from the investment community for excellence in corporate governance. More details are included in the 'Key Awards and Accolades' section on pages 22 to 23.

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 2011

Name of Director	Scheduled Board Meetings [1]		Ad Hoc Board Meetings [1]	
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Chumpol NaLamlieng	6	6	1	1
Graham John Bradley AM [2]	6	5	1	1
Chua Sock Koong	6	6	1	1
Fang Ai Lian	6	6	1	0
Dominic Chiu Fai Ho	6	6	1	1
Simon Israel	6	6	1	1
Low Check Kian [3]	-	-	-	-
Peter Edward Mason AM [2][4]	4	4	1	1
Kaikhushru Shiavax Nargolwala	6	6	1	1
Peter Ong Boon Kwee [5]	4	2	1	1
Ong Peng Tsin	6	6	1	1
Nicky Tan Ng Kuang	6	6	1	0
Heng Swee Keat [6]	2	1	0	0
John Powell Morschel [6]	2	2	0	0
Deepak S Parekh [6]	2	1	0	0

Notes:
(1) Refers to meetings held/attended while each Director was in office.
(2) Member of the Order of Australia.
(3) Mr Low Check Kian was appointed to the Board on 9 May 2011.
(4) Mr Peter Edward Mason was appointed to the Board on 21 September 2010.
(5) Mr Peter Ong Boon Kwee was appointed to the Board on 1 September 2010.
(6) Mr Heng Swee Keat, Mr John Powell Morschel and Mr Deepak S Parekh retired following the conclusion of the AGM held on 30 July 2010.

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 investment or has an interest in investing. On such occasions, the Board may meet with local business leaders and government officials, so as to help the Board gain greater insight into such countries. The Board also meets SingTel's partners in those countries to develop stronger relationships with such partners. In addition to approximately seven scheduled meetings each year, the Board meets as and when warranted by particular circumstances. Seven Board meetings were held in the financial year ended 31 March 2011. 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 2011 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, key business risks, and the regulatory environment in which the Group operates, as well as their statutory and other duties and responsibilities as Directors. In line with best practices in corporate governance, the 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 potential conflicts of interest are taken into consideration.

Reflecting the focus of the Group's business in the region, 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 AM, Dominic Chiu Fai Ho, Simon Israel, Peter Edward Mason AM and Kaikhushru Shiavax Nargolwala.

In order to assist in attracting high calibre international directors to the SingTel Board, especially where candidates come from jurisdictions where it is common practice, SingTel has adopted a policy on the grant of Deeds of Indemnity to Directors, to provide assurance to Directors that they are adequately covered against personal liability incurred in the course of performing their professional duties.

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, Mr Simon Israel, an Executive Director and the President of Temasek Holdings (Private) Limited [(1)] and Mr Peter Ong Boon Kwee, Permanent Secretary of the Ministry of Finance, 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. SingTel also requires independence from the major shareholder in order to consider a Director independent although the 2005 Code does not specify this. 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.

In particular, while Mr Graham John Bradley AM is the Chairman of Stockland Corporation Limited (Stockland), which is listed on the ASX, and Optus pays to the Stockland group rents under commercial leases which exceed S$200,000 per year, Mr Bradley has been assessed as independent as the leases were negotiated at arms' length on commercial terms. The Board considers that this relationship did not influence Mr Bradley's ability and willingness to operate independently, and he has shown independence and objectivity in the broader performance of his obligations as Director.

The profile of each Director and other relevant information are set out under 'Board of Directors' from pages 14 to 17.

The Chairman and the Group 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. The Chairman and Group CEO are not related. In line with best practices in corporate governance, the duties and responsibilities of the Chairman have been formalised in writing and approved by the Board.

The Lead Independent Director

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 serves 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.

Note:

(1) Mr Israel will retire from his executive and board roles in Temasek Holdings (Private) Limited effective 1 July 2011.

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. In order to ensure Board renewal, the Board has in place a guideline on the tenure of the Chairman and Directors.

Directors must ensure that they are able to give sufficient time and attention to the affairs of SingTel and, as part of its review process, the 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 Board has also adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline includes the following: (1) in support of their candidature for directorship or re-election, Directors are to provide the Corporate Governance and Nominations Committee with details of other commitments and an indication of the time involved; and (2) non-executive Directors should consult the Chairman or chairman of the Corporate Governance and Nominations Committee before accepting any new appointments as directors.

A Director must retire from office at the third Annual General Meeting (AGM) after the Director was elected or last re-elected. A retiring Director is eligible for re-election by SingTel shareholders at the AGM. In addition, a Director appointed by the Board to fill a casual vacancy, or appointed as an additional Director, may only hold office until the next AGM, at which time he/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 longer term strategy. Training and development programmes for Directors include talks and presentations by renowned experts and professionals in various fields, such as telecommunications, technology, regulatory matters and the economic/business environment in relevant markets. The Directors may also attend other appropriate courses, conferences and seminars.

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, an independent external consultant was appointed to facilitate the evaluation of the Board and Board committees, as well as the Directors' peer appraisal exercise. Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board and the Board committees, as well as each individual Director's contributions to the Board and Board committees. The external consultant also met up with each Director separately for greater in-depth feedback. In addition, Senior Management participated in the review by providing feedback on areas such as development and monitoring of strategy, the Board's working relationship with Management and risk management. 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 Board composition, information management, Board processes, corporate integrity and social responsibility, managing the Company's performance, strategic review, Board Committee effectiveness, CEO performance and succession planning, Director development and management, managing risk adversity and overall perception of the Board.

In addition to the appraisal exercise, 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.

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. In line with SingTel's commitment to conservation of the environment, as well as technology advancement, SingTel has done away with hard copy Board papers and Directors are instead provided with tablet devices to enable them to access and read Board and Board Committee papers prior to and at meetings.

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

Board and Management Committees

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

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

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 2011 is set out on page 61.

Finance, Investment and Risk Committee

The Finance, Investment and Risk Committee (FIRC) comprises at least three Directors, the majority of whom shall be independent Directors. Membership of the Audit Committee and the FIRC is mutually exclusive.

The main responsibilities of the FIRC include the provision of advisory support on the development of the SingTel Group's overall strategy and on strategic issues for the Singapore and International businesses, approval of strategic, trade and portfolio investments and divestments of the Group, review of the Group's Investment and Treasury Policy, evaluation and approval of any financial offers and banking facilities and management of the Group liabilities in accordance with the policies and directives of the Board. In addition, the FIRC 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.

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

Directors' Board Committee Memberships and Attendance at Board Committee Meetings during the Financial Year Ended 31 March 2011

Name of Director	Finance, Investment and Risk Committee [(1)]		Audit Committee [(1)]		Compensation Committee [(1)] (now known as Executive Resource and Compensation Committee)		Corporate Governance and Nominations Committee [(1)]		Optus Advisory Committee [(1)]	
	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					4	4	3	3		
Graham John Bradley AM [(2)]			1	1	3	3			2	2
Chua Sock Koong [(3)]	7	7	5	5	4	4	3	3	2	2
Fang Ai Lian [(4)]			5	5	3	3				
Dominic Chiu Fai Ho			5	5			3	3		
Simon Israel	7	7							2	2
Low Check Kian [(5)]										
Peter Edward Mason AM [(6)]	4	4							1	1
Kaikhushru Shiavax Nargolwala			5	5			3	3		
Peter Ong Boon Kwee [(7)]			3	1			3	1		
Ong Peng Tsin [(8)]	7	7			3	3				
Nicky Tan Ng Kuang	7	7							2	1
Heng Swee Keat [(9)]					1	0	0	0		
John Powell Morschel [(9)]					1	1			1	1
Deepak S Parekh [(9)]					1	0				

Notes:
(1) Refers to meetings held/attended while each Director was in office.
(2) Mr Graham John Bradley ceased to be a member of the Audit Committee, and was appointed to the Executive Resource and Compensation Committee, on 30 July 2010.
(3) Ms Chua Sock Koong is not a member of the committees other than the Optus Advisory Committee although she was in attendance at meetings of those committees as appropriate.
(4) Mrs Fang Ai Lian was appointed to the Executive Resource and Compensation Committee on 30 July 2010.
(5) Mr Low Check Kian was appointed to the Board on 9 May 2011, and the Corporate Governance and Nominations Committee and the Finance, Investment and Risk Committee on 11 May 2011.
(6) Mr Peter Edward Mason was appointed to the Board, the Finance, Investment and Risk Committee and the Optus Advisory Committee on 21 September 2010.
(7) Mr Peter Ong Boon Kwee was appointed to the Board, the Corporate Governance and Nominations Committee and the Audit Committee on 1 September 2010.
(8) Mr Ong Peng Tsin was appointed to the Executive Resource and Compensation Committee on 30 July 2010.
(9) Mr Heng Swee Keat, Mr John Powell Morschel and Mr Deepak S Parekh retired following the conclusion of the AGM held on 30 July 2010.

Audit Committee

The Audit Committee comprises at least three Directors, all of whom shall be non-executive Directors and the majority of whom, including the chairman, shall be independent Directors. At least two members of the 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 members are all non-executive, and the majority of the members, including the chairman, are independent.

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

The 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 independence and effectiveness of the internal audit function. At the same time, it ensures that the internal audit function is adequately resourced and has appropriate standing within SingTel.

During the financial year, the Audit Committee reviewed the Management's and SingTel Internal Audit's assessment of fraud risk and held discussions with the external auditors to obtain reasonable assurance that adequate measures were put in place to mitigate fraud risk exposure in the Group. The Audit Committee also reviewed the adequacy of 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. All whistle-blower complaints were reviewed by the Audit Committee at its quarterly meetings to ensure thorough investigation and adequate follow-up.

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 the quarterly financial statements prior to approving or recommending to the Board of their release, 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.

Executive Resource and Compensation Committee

The Executive Resource and Compensation Committee (ERCC) comprises at least three Directors, all of whom shall be non-executive and the majority of whom shall be independent. The ERCC is chaired by an independent non-executive Director. The ERCC has access to expert advice inside and/or outside SingTel.

The main responsibilities of the ERCC are to approve the Group's policies on executive remuneration, and to administer and review any long term incentive schemes of SingTel.

The ERCC approves or recommends to the Board the appointment, promotion and remuneration of key management positions. Policies and guidelines for Directors' compensation are also recommended by the ERCC for the Board's endorsement.

The ERCC also ensures that appropriate recruitment, development and succession planning programmes are in place for key executive roles.

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

SingTel's remuneration policy and remuneration for Directors and Senior Management are discussed in this report from pages 66 to 71.

Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee comprises at least three Directors, the majority of whom, including the chairman, shall 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 58 to 59. 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 shall be non-executive Directors. 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 Strategy 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 drivers/indicators and major issues that are relevant to SingTel's performance, position and prospects.

For the financial year ended 31 March 2011, SingTel's Group CEO and Group CFO have provided written confirmation to the Board on the integrity of SingTel's financial statements and on SingTel's risk management, compliance and internal control systems. This certification covers SingTel and the subsidiaries which are under SingTel's management control. In line with the SGX Listing Rules, the Board provides a negative assurance statement to shareholders in respect of the interim financial statements, which is supported by a negative assurance statement from the Group CEO and Group CFO.

Internal Audit

SingTel Internal Audit comprises a team of 53 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 successfully completed another external Quality Assurance Review in 2010 and continues to meet or exceed the IIA Standards in all key aspects.

SingTel Internal Audit adopts a risk-based approach in formulating the annual audit plan which aligns its activities to the key risks across the Group's business. 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 engages closely with Management in its internal consulting and control advisory role to promote effective risk management, internal control and governance practices in the development of new products/services, and implementation of new/enhanced systems and processes. SingTel Internal Audit also collaborates with the internal audit functions of SingTel's regional mobile associates to promote joint reviews and the sharing of knowledge and/or internal audit best practices.

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

External Auditors

The Board is responsible for the initial appointment of external auditors. Shareholders then approve the appointment at SingTel's AGM. The external auditors hold office until their removal or resignation. The 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 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 and becomes due for rotation in the financial year commencing from 1 April 2011.

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 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 28 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 practices 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.

Communication with Shareholders

SingTel is committed to maintaining high standards of disclosure and corporate transparency. The Investor Relations (IR) team spearheads and facilitates communication efforts with the investment community with an open and non-discriminatory approach. SingTel provides consistent, relevant and timely information regarding the Group's performance, progress and prospects, with the fundamental aim of assisting our shareholders and investors in their investment decision-making.

SingTel keeps shareholders and investors updated of our corporate activities on a timely and consistent basis. We make timely disclosures on any new material information to SGX and ASX to ensure fair and equal dissemination of information to all investors.

SingTel reports quarterly financial results within six weeks after the end of each quarter. The announcements contain detailed financial disclosures and analyses of key value drivers and metrics for each business. In addition, we also provide guidance on the outlook for each business at the start of each financial year, and update or reiterate the guidance every quarter to accurately reflect prevailing market conditions.

The corporate website is a key source of information for shareholders and the investment community. Investor presentations, annual reports, webcasts of earnings presentations, announcements to SGX and ASX are available on the IR website. The website also hosts other relevant information, including the investor calendar, shareholder meetings, shares and dividend information, factsheets and financial summaries.

SingTel interacts actively with shareholders and investors around the world. Senior Management actively participates in one-on-one meetings, roadshows, conferences and investor events organised by the IR team. For FY10/11, we met with more than 400 investors in over 280 meetings held around the world.

SingTel strongly encourages and support shareholder participation at AGMs. We send out the Notice of the Meeting, together with the meeting agenda and related information a month ahead, providing ample time for shareholders to receive and review the Notice and reply with their attendance. We hold the AGM at a central location with convenient 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 each AGM, the Group CEO delivers a presentation to update shareholders on the progress we made over the past year. The Directors and Senior Management are in attendance to address queries and concerns about SingTel. SingTel's external auditors are also invited to attend to assist the Directors to address shareholders' queries that are related to the conduct of the audit and the preparation and content of the auditors' reports. The poll voting results (are presented to the audience during the voting process and) are filed with the stock exchanges together with the proxy voting results. 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 strong emphasis on shareholder communications. We are recognised for our proactive efforts and transparency by leading financial journals and business organisations.

Securities Transactions

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

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

Continuous Disclosure

There are formal policies and procedures to ensure that SingTel complies with its disclosure obligations under the listing rules of the SGX and ASX. A Market Disclosure Committee is responsible for SingTel's Market Disclosure Policy. The policy contains guidelines and procedures for internal reporting and decision-making with regard to the disclosure of material information. 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 workplace health and safety, conduct in the workplace, business conduct, protection of SingTel's assets, proprietary information and intellectual property, confidentiality, conflict of interest, and non-solicitation of customers and employees. The code is posted on SingTel's internal website and a summarised version is accessible from the SingTel corporate website. Policies and standards are clearly stipulated to guide our people in carrying out their daily tasks.

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

Whistle-Blower Policy

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. SingTel undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blower policy and procedures which provide employees with well-defined and accessible channels within the Group, including a direct channel to SingTel Internal Audit and a whistle-blower hotline service independently managed by an external service provider, for reporting suspected fraud, corruption, dishonest practices or other similar matters. The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, protected from reprisal. On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all staff as part of the Group's efforts to promote awareness of fraud control.

REMUNERATION

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

Directors' Fees and Incentives

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

In the financial year ended 31 March 2011, the Chairman's basic fee was increased to S$220,000 and the Director's basic fee was increased to S$110,000 so that the fees payable would be more in line with comparable benchmarks. The fees for non-executive Directors comprised a basic retainer fee, additional fees for appointment to Board Committees, attendance fees for ad hoc Board meetings, and a travel allowance for Directors who were required to travel out of their country or city of residence to attend Board meetings and Board Committee meetings which did not coincide with Board meetings. There are no retirement benefit schemes or share-based compensation schemes in place for non-executive Directors. The framework for determining non-executive Directors' fees was as follows:

Basic Retainer Fee	
Board chairman	S$220,000 per annum
Director	S$110,000 per annum
Fee for Appointment to Audit Committee	
Committee chairman	S$50,000 per annum
Committee member	S$35,000 per annum
Fee for Appointment to any other Board Committee	
Committee chairman	S$35,000 per annum
Committee member	S$25,000 per annum
Attendance Fee per Ad Hoc Board Meeting	S$2,000
Travel Allowance for Board Meetings and Board Committee Meetings which do not coincide with Board Meetings (per day of travel required to attend meeting)	S$3,000

The proposed framework for Directors' fees for the financial year ending 31 March 2012 is the same as that for the financial year ended 31 March 2011 except that, in view of the expansion of the terms of reference of the FIRC to include advisory support on strategic issues for the SingTel Group as a whole, it is proposed that the fees for the FIRC be increased from S$35,000 to S$50,000 for the chairman and from S$25,000 to S$35,000 for each member.

Remuneration of Directors

The aggregate compensation paid to or accrued to SingTel Directors for services in all capacities for the financial year ended 31 March 2011 is set out in the table below:

Name of Director	Fixed Component [1] (S$)	Variable Component [2] (S$)	Provident Fund [3] (S$)	Benefits [4] (S$)	Directors' Fees [7] (S$)	Total (S$)
Chumpol NaLamlieng	-	-	-	-	300,000	300,000
Graham John Bradley AM	-	-	-	-	195,373	195,373
Chua Sock Koong [5][6]	1,475,000	2,950,000	8,215	74,115	-	4,507,330
Fang Ai Lian	-	-	-	-	179,801	179,801
Dominic Chiu Fai Ho	-	-	-	-	196,000	196,000
Simon Israel [8]	-	-	-	-	183,787	183,787
Low Check Kian [9]	-	-	-	-	-	-
Peter Edward Mason AM [10]	-	-	-	-	110,444	110,444
Kaikhushru Shiavax Nargolwala	-	-	-	-	194,000	194,000
Peter Ong Boon Kwee [11]	-	-	-	-	104,167	104,167
Ong Peng Tsin	-	-	-	-	177,801	177,801
Nicky Tan Ng Kuang	-	-	-	-	179,000	179,000
Heng Swee Keat [12]	-	-	-	-	52,903	52,903
John Powell Morschel [12]	-	-	-	-	68,209	68,209
Deepak S Parekh [12]	-	-	-	-	50,637	50,637

Notes:

(1) Fixed Component refers to base salary and Annual Wage Supplement earned for the year ended 31 March 2011.

(2) Variable Component refers to cash bonuses awarded for performance for the year ended 31 March 2011.

(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, flexible benefits and other non-cash benefits such as medical cover and club membership.

(5) In addition to the total remuneration above, long term incentives in the form of performance share awards under the SingTel Performance Share Plan were granted to Ms Chua on 2 June 2011 for performance for the year ended 31 March 2011. She received the General Award (GA) and the Senior Management Award (SMA) based on fair values of S$1.664 and S$1.930 per share respectively. The fair values of performance share awards granted to her are S$1,685,714 for GA and S$1,264,286 for SMA. The vesting criteria for the performance share awards are detailed on pages 69-70.

(6) In respect of the performance shares earlier granted in 2008 to Ms Chua, 83,823 or 12.5% of the 670,584 shares under the GA (fair value of S$1.994 per share) vested on 1 June 2011. The remaining 586,761 shares under the GA have lapsed unvested. 452,880 shares under the SMA grant (fair value of S$2.214 per share) have lapsed unvested.

(7) Directors' Fees are paid on a half-yearly basis in arrears.

(8) Fees are payable to Mr Simon Israel's employer.

(9) Appointed to the Board on 9 May 2011.

(10) Appointed to the Board on 21 September 2010.

(11) Appointed to the Board on 1 September 2010. Fees for public sector Director are payable to government agencies.

(12) Retired following the conclusion of the AGM held on 30 July 2010.

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 2011.

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

In order to align Directors' interests with that of shareholders, 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 ERCC recognises that the Group operates in a regional environment. To remain competitive, the ERCC 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 multimedia and ICT solutions 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 ERCC 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.

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.

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 also depends 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.

- **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.

  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 at the commencement of each financial year to ensure that the objectives contribute to the overall strategic, 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 ERCC assesses the extent to which the performance objectives have been achieved and proposes the payouts for the Group CEO, CEOs and Group CFO for the Board's approval. The ERCC also approves the variable bonus payouts for the other Senior Management. 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 ERCC benchmarks remuneration components against those of comparable companies.

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

- **Long Term Incentives**

  Long term incentives are provisionally allocated or granted to Senior Management for performance for the year ended 31 March 2011.

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 ERCC – 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 the General Award for 2011 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 that of the component stocks in the MSCI Asia Pacific Telecommunications Index (the Index) over the three-year performance period from 1 April 2011 to 31 March 2014. In view of changing market conditions, the vesting schedule has been refined to better align with market practices:

- If SingTel Group's TSR is ranked at or above the 75th percentile of the TSR of the component stocks in the Index, 100 per cent of the shares under this tranche will vest.

- If SingTel Group's TSR is ranked at or above the 25th percentile but below the 75th percentile of the TSR of the component stocks in the Index, the percentage of the shares under this tranche that will vest will vary.

- If SingTel Group's TSR is ranked below the 25th percentile of the TSR of the component stocks in the Index, none of the shares under this tranche will vest.

The remaining tranche (50 per cent) of the General Award will be subject to SingTel Group's TSR measured against the Index (as opposed to individual component stocks) over the performance period from 1 April 2011 to 31 March 2014. As with the TSR percentile ranking measure, the vesting schedule has been refined to better align with market practice:

- If SingTel Group's TSR is at or exceeds 5 per cent that of the Index, 100 per cent of the shares under this tranche will vest.

- If SingTel Group's TSR is minus 5 per cent or more but less than 5 per cent that of the Index, the percentage of the shares under this tranche that will vest will vary.

- If SingTel Group's TSR is less than minus 5 per cent that of the Index, none of the shares under this tranche will vest.

For the 2011 Senior Management Award, vesting will take place if the following criteria are met:

- **Vesting of the General Award**

  There must be vesting of the 2011 General Award before the 2011 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 2010.

- **Economic Profit (EP)**

  To further strengthen the alignment of Senior Management with shareholder value creation, EP (measured as profits, net of tax, and after deducting cost of invested capital) is the second criterion under the Senior Management Award.

  Under this criterion, performance shares will vest, although subject always to the vesting of the General Award, according to the cumulative EP achieved against targets over the 3-year performance period as follows:

- Where EP is at or greater than 100 per cent of target, 100 per cent of the performance shares will vest.

- Where EP is between 75 per cent to 100 per cent of target, between 50 per cent and 100 per cent of the performance shares will vest.

- Where EP is at or more than 50 per cent but less than 75 per cent of target, 20 per cent of the performance shares will vest.

- Where EP is more than 0 per cent but less than 50 per cent of target, 10 per cent of the performance shares will vest.

- Where there is no EP achievement, 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 2011 is set out in the table below:

Name of Senior Executive	Fixed Component [1]	Variable Component [2]	Provident/ Superannuation Fund [3]	Benefits [4]	Total [5]
The following are in alphabetical order:					
Bill Chang EVP (Business) SingTel	S$532,000	S$800,000	S$11,275	S$56,194	S$1,399,469
Hui Weng Cheong [6] CEO (International) SingTel	S$465,000	S$850,000	S$5,926	S$276,090	S$1,597,016
Allen Lew CEO (Singapore) SingTel	S$980,000	S$2,150,000	S$6,196	S$63,187	S$3,199,383
Jeann Low [7] Group CFO SingTel	S$620,000	S$950,000	S$10,735	S$126,078	S$1,706,813
Paul O'Sullivan [8] CEO (SingTel Optus)	A$1,080,000	A$1,651,376	A$250,324	A$59,586	A$3,041,286

Notes:

(1) Fixed Component refers to base salary and Annual Wage Supplement (if applicable) earned for the year ended 31 March 2011.

(2) Variable Component refers to cash bonuses awarded for performance for the year ended 31 March 2011.

(3) Provident Fund in Singapore represents payments in respect of company statutory contributions to the Singapore Central Provident Fund. Superannuation Fund in Australia represents payments in respect of the superannuation guarantee levy to the superannuation scheme. Any contributions made by an individual may be salary sacrificed, and are part of 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, flexible 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 in the form of performance share awards under the SingTel Performance Share Plan were granted to Senior Management on 2 June 2011 for performance for the year ended 31 March 2011. The Senior Management received the General Award (GA) and the Senior Management Award (SMA) based on fair values of S$1.664 (A$1.275) and S$1.930 (A$1.479) per share respectively. The vesting criteria for the performance share awards are detailed on pages 69-70. The fair values of performance share awards granted to the following Senior Management are:
- Bill Chang: GA of S$400,000 and SMA of S$300,000
- Hui Weng Cheong: GA of S$485,714 and SMA of S$364,286
- Allen Lew: GA of S$1,171,429 and SMA of S$878,571
- Jeann Low: GA of S$542,857 and SMA of S$407,143
- Paul O'Sullivan: GA of A$1,142,857 and SMA of A$857,143

(6) Mr Hui Weng Cheong was seconded to Advanced Info Service, Thailand on expatriate terms including tax equalisation benefits, till 30 September 2010. He was awarded performance shares (GA) equivalent to S$300,000 in fair value at the point he assumed the position of CEO (International).

(7) Benefits for Ms Jeann Low include tax equalisation in relation to her past secondment to Optus, Australia.

(8) Mr Paul O'Sullivan is based in Australia and remunerated in Australian dollars.

Investor Relations

PROACTIVE COMMUNICATION WITH INVESTMENT COMMUNITY

SingTel proactively engages investors, both institutional and retail, through an Investor Relations (IR) programme focused on:

- delivering timely, accurate and relevant information to help investors make decisions;
- providing active management access through a schedule of regular meetings, roadshows and conferences; and
- meeting investors' increasing demands for transparency and governance and balancing it with commercial sensitivities of the business.

In FY10/11, SingTel received strong interest from the investment community and met more than 400 investors in over 280 meetings in Singapore and overseas. Management shares with investors SingTel's business strategy, operations, financial performance and outlook. Such regular interaction helps management build rapport with the investment community. In addition, every year, SingTel commissions an investor perception study to gather feedback from investors. In the study, an independent external consultant conducts in-depth interviews with institutional investors and analysts and reports on the findings. This invaluable market feedback allows management to understand investors' views on issues and concerns, and further strengthens the effectiveness of SingTel IR efforts.

With more than 75 per cent of proportionate EBITDA derived from outside of Singapore, SingTel IR efforts are also geared to create awareness and enhance understanding of SingTel's overseas businesses. In July 2010, SingTel IR organised the Optus Investor Day in Sydney, which attracted more than 50 investors. In December 2010, at SingTel's Regional Mobile Investor Day in Bangalore, investors and analysts interacted with management from Bharti, Telkomsel, AIS, Globe, Optus and SingTel. They also gained deeper insights into Bharti's operations with a tour to key telecommunication facilities owned by Bharti.

The IR website is a key source of relevant information and comprehensive data, comprising investor presentations, annual reports, webcasts of earnings presentations and announcements to Singapore Exchange Securities Trading Limited (SGX) and Australian Securities Exchange (ASX). The IR website also hosts other useful information, including the investor calendar, shareholder meetings, shares and dividend information, factsheets and financial summaries.

SingTel's proactive efforts and comprehensive disclosures have been lauded by the investment community. In FY10/11, SingTel won recognition for its corporate governance, transparency and IR efforts. Notwithstanding challenges arising from its diversified operations, SingTel is fully committed to keeping shareholders informed of its operations, strategy, corporate, social and governance developments.

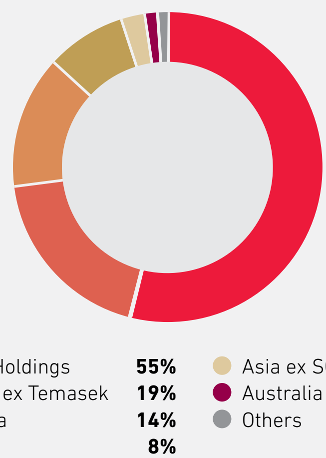
SHAREHOLDER INFORMATION

As at 29 April 2011, Temasek Holdings (Temasek) remained the largest shareholder in SingTel with a 54.6 per cent ownership interest. Other Singapore shareholders held 19 per cent of issued share capital. Outside of Singapore, these geographical regions held the most number of shares – US/Canada and Europe with 14 per cent and 8 per cent of issued share capital respectively.

IR Calendar of Events

Date	Activities
Mar 2011	Credit Suisse Asian Investment Conference, Hong Kong
Dec 2010	SingTel Regional Mobile Investor Day, Bangalore
Nov 2010	Morgan Stanley TMT Conference, Barcelona
Nov 2010	Non-deal Equity and Bond Roadshows, Europe
Nov 2010	Morgan Stanley Asia Pacific Summit, Singapore
Sep 2010	CLSA Investors Forum, Hong Kong
Aug 2010	Citi Asean Investors Conference, Singapore
Jul 2010	18th Annual General Meeting, Singapore
Jul 2010	Optus Investor Day, Sydney
Jun 2010	Nomura Asia Equity Forum, Singapore
May 2010	UBS Pan Asian Telco Conference, Singapore
May 2010	CLSA Corporate Access Forum, Singapore
May 2010	Non-deal Equity Roadshow, US
May 2010	Non-deal Equity and Bond Roadshows, Europe

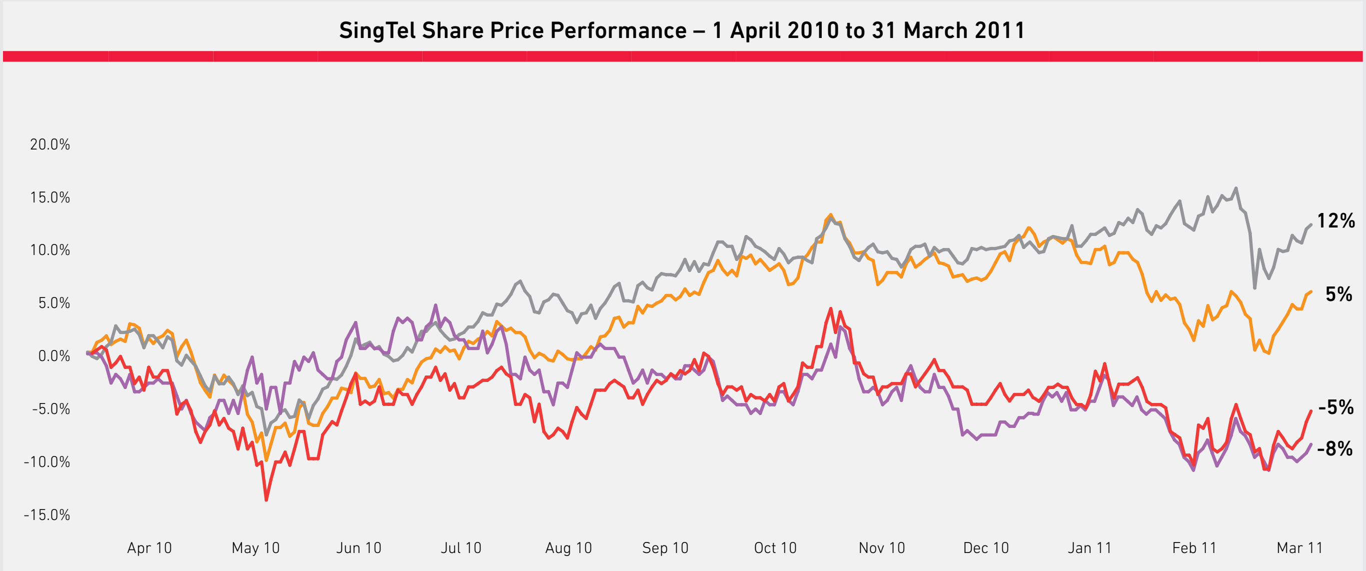
Share Ownership by Geographical Distribution



Approximate figures based on share register analysis as at 29 April 2011.

SHARE PRICE PERFORMANCE

SingTel's share price was down 5 per cent on the SGX and 8 per cent on the ASX between April 2010 and March 2011.



- SingTel – SGX, -5%
- SingTel – ASX, -8%
- MSCI Asia Pacific Telecommunications Index, 12%
- Straits Times Index, 5%

1. The Australian Dollar appreciated approximately 1 per cent against the Singapore Dollar from 1 April 2010 to 31 March 2011.

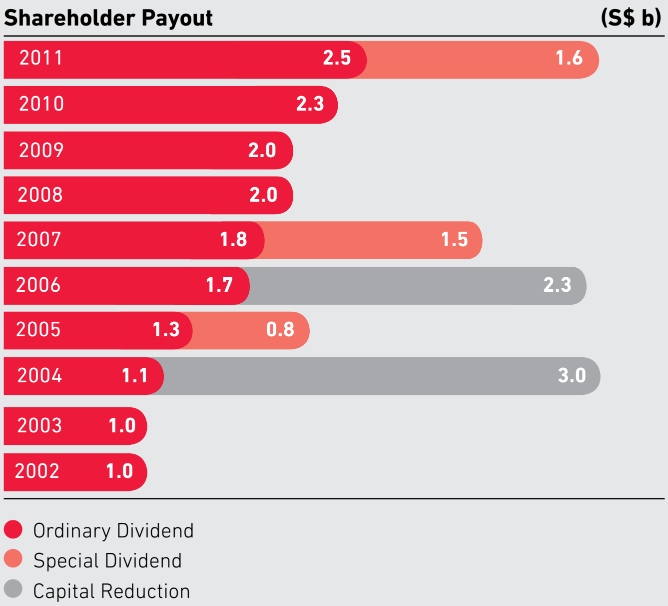
Source: Bloomberg

SHAREHOLDER PAYOUT

SingTel has a track record of generous shareholder payout. During FY10/11, SingTel's ordinary dividend policy was revised to 55 per cent to 70 per cent of its underlying net profit, up from 45 per cent to 60 per cent previously.

For FY10/11, the Board has recommended a final ordinary dividend of 9.0 cents a share and a special dividend of 10.0 cents a share. Together with the interim ordinary dividend of 6.8 cents a share, total ordinary dividend for FY10/11 is 15.8 cents a share, an increase of 11 per cent from FY09/10.

Total shareholder payout is approximately S$26 billion, or 76 per cent of earnings over the last 10 years.



Risk Management Philosophy and Approach

Risk management is fundamental to effective corporate governance and the development of a sustainable business. The Group has adopted a risk philosophy aimed at maximising business success and shareholder value by effectively balancing risk and reward.

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

Risk takes on many forms and can have material adverse impacts on the Group's ability to achieve our stated objectives, by potentially impacting the reputation, operation, human resources and financial performance.

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

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

- **Structure**
  We seek to put in place an appropriate organisational structure that promotes good corporate governance, provides for proper segregation of duties, 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, mitigating and management of risk. We seek to improve our risk management and internal control policies and procedures on an ongoing basis to ensure that they remain sound and relevant by benchmarking against global best practices.

Based on the above principles, the Group undertakes a continuous process of risk identification, monitoring, management and reporting of risks throughout the organisation, to provide assurance to the Board and relevant stakeholders. The effectiveness of risk management policies and processes is reviewed on a regular basis and, where necessary, improved. Furthermore, the risk management processes facilitate alignment of the Group's strategy and annual operating plan with the management of key risks.

Risk assessment and mitigation strategy is an integral part of the Group's annual business planning and budgeting process. The key risk management activities include scenario planning, business continuity/disaster recovery management and crisis planning and management. Close monitoring and control processes, including the establishment of appropriate key risk indicators and key performance indicators, are put in place to ensure that risk profiles 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 ongoing assessment and improvement of risk management and controls. Additionally, independent specialist consultants are engaged from time to time to review the Group's risk management framework and processes.

SingTel Internal Audit carries out reviews and internal control advisory activities which are aligned to the key risks in the Group's business. This provides 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, through the Finance, Investment and Risk Committee (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 businesses. On an annual basis, the Group CEO and Group CFO provide a written certification to the Board confirming the integrity of financial reporting, and the efficiency and effectiveness of the risk management, internal control and compliance systems.

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

The work performed by SingTel Internal Audit during the financial year and the review undertaken by the external auditors provided reasonable assurance to the Audit Committee that there were adequate internal controls in place within the Group.

RISK FACTORS

The Group's financial performance and operations within and outside Singapore are influenced by a vast range of risk factors. Many of these risk factors affect not just our businesses but also other businesses in and outside of the telecommunications industry. These risks vary widely and many are beyond the Group's control. However, we aim to mitigate the exposures through appropriate risk management strategies and internal controls.

The section below sets out the principal risk types.

ECONOMIC RISKS

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

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

Our planning and management review processes involve periodic monitoring of budgets and expenditures to minimise the risk of over-investment. The Group has continuing cost management programmes to drive improvements in its cost structure.

POLITICAL RISKS

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

The Group is geographically diversified with earnings from Singapore, Australia and the emerging markets. We work closely with the management and our partners in the countries which the Group operates in and leverage on the local expertise, knowledge and ability to ensure compliance with the laws as well as implement risk mitigation measures.

REGULATORY RISKS AND LITIGATION RISKS

Regulatory Risks

The Group's global operations are subject to extensive government regulations, which may impact or limit our flexibility to respond to market conditions, competition, new technologies or changes in cost structures. Governments may alter their policies relating to the telecommunications, IT and related industries as well as the regulatory environment (including taxation) in which we operate. Such changes could have a material adverse effect on the Group's financial performance and operations.

In Singapore, the Infocomm Development Authority of Singapore (IDA) has in its implementation of the Next Generation National Broadband Network (NGNBN) designed a structure aimed at leveling the playing field, allowing the benefits of the NGNBN to be available to all industry players. This has significantly altered the existing cost model of the industry and increased the level of competition in the market with new entrants. Another regulatory change is the announced revision by the Media Development Authority of Singapore (MDA) of the Media Market Conduct Code to include a Public Interest Obligation to enable mandatory cross carriage of exclusive content in the pay TV market.

In Australia, the Government is currently undertaking a significant reform of the fixed-line telecommunications sector, including the rollout of a national broadband network to be operated on a wholesale-only open access basis. It is possible the Australian Government's regulatory reforms including legislation and the deployed national broadband network and commercial transactions relating to the national broadband network could ultimately lead to a sub-optimal or negative outcome for Optus. In December 2010, the Parliament approved two Bills to establish the regulatory and governance framework for the National Broadband Network (NBN) Company. These Bills seek to deliver on the Government's commitment that the NBN will be operated as a wholesale-only network, on open access terms with oversight by the regulator.

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

Our businesses depend upon statutory licences issued by governmental authorities. Failure to meet regulatory requirements could result in fines or other sanctions including, ultimately, revocation of the licences.

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

Access to Spectrum

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

Litigation Risks

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

The Group has put in place standard master supply agreements with vendors and contract policies with empowerment framework involving management executives and the CEOs, the Management Committee and the various Board Committees. Any deviation from the standard policies requires approval by the appropriate authorities defined within the established empowerment framework.

COMPETITIVE RISKS

The Group faces competitive risks in all the markets we operate.

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

Australia Business
In the Australia mobile market, a number of participants are subsidiaries of international groups and 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 continues to be dominated by the incumbent provider which can leverage its scale and market position to restrict the development of competition. With the deployment of the Australian National Broadband Network, competition is expected to increase as new entrants enter the market.

International Businesses
The operations of our international businesses are also subject to highly competitive market conditions. Business customers enjoy a wide range of choices for many of the services the Group provides, particularly international voice and data communications. The quality and prices of these services can influence a potential business customer's decision. Prices for some of these services have declined significantly in recent years as a result of capacity additions and price competition. Such price declines are expected to continue.

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

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

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

REGIONAL EXPANSION RISKS

Given the size of the Singapore and Australia market, the future growth of the Group depends, to a large extent, on our ability to grow our other overseas operations. This comes with considerable risks.

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

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

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

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

Risk Management Philosophy and Approach

The SingTel Group adopts a disciplined approach in our investment evaluation and decision process. Members of our management team are represented as Board directors of our associates. Additional to sharing of network and commercial experience, in the areas of corporate governance and financial reporting, best practices are shared across the Group.

PROJECT RISKS

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

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

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

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

Satellite Business
The launch and operation of any satellite is subject to the risk of launch delays, cost overruns and the occurrence of other unforeseeable events, such as satellite launch failures, satellite failure to enter into designated orbital locations, in-orbit failure or any other events beyond the control of the Group.

The Group maintains and regularly reviews its business continuity programme, including restoration plans, for implementation in the event of a catastrophic loss of all or part of a satellite.

NEW BUSINESS RISKS

From a traditional carriage business in Singapore and Australia, the Group is now venturing into new growth engines to create new revenue streams, including mobile applications and services, pay TV, managed services, cloud services, content and ICT. There is no assurance that the Group will be successful in these ventures which may require new expertise, substantial process or systems changes, as well as organisational cultural and mindset changes.

The Group's talent management and development programme seeks to respond to the changing needs and new strategies of businesses. The Group continues to invest in processes and technologies to support the new businesses requirements.

INFRASTRUCTURE AND TECHNOLOGY RISKS

Rapid and significant technological changes are typical in the telecommunications industry and these changes may materially affect the SingTel Group's 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 costs and expand the capacities of new infrastructure able to deliver competing products and services. Moreover, our associates operate predominantly in emerging markets where the regulatory practices including spectrum availability may not synchronise with the technology progression path and the market demand for new technologies.

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

The SingTel Group faces a continuing risk of market entry by new operators and service providers (including non-telecommunications players) that, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants.

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

The Group continues to invest in upgrading, modernising and equipping its systems with new capabilities.

VENDOR RISKS

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

The Group monitors closely its relationships with strategic vendors, including developing new relationship to mitigate supply risks.

FINANCIAL RISKS

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

The Group has established policies, guidelines and control procedures to manage and report exposure to such risks. The Group's financial risk management is discussed in detail on page 174 in Note 36 to the Financial Statements.

BREACH OF PRIVACY RISKS

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

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

ELECTROMAGNETIC ENERGY RISKS

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

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

CATASTROPHIC RISKS

Some of the countries in which the Group operates have experienced a number of major natural catastrophes over the years, including typhoons, droughts and earthquakes. There is no assurance that the occurrence of such natural catastrophes, severe weather conditions or other acts of God will not materially disrupt the business of the Group.

The Group has a defined crisis management and escalation process involving the CEOs and senior management team to respond to emergencies and/or catastrophic events.

Financial Statements

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Directors' Report

For the financial year ended 31 March 2011

The Directors present their report to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company (or "**SingTel**") for the financial year ended 31 March 2011.

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 AM*
Fang Ai Lian
Dominic Chiu Fai Ho
Simon Israel
Low Check Kian (appointed on 9 May 2011)
Peter Edward Mason AM* (appointed on 21 September 2010)
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee (appointed on 1 September 2010)
Ong Peng Tsin
Nicky Tan Ng Kuang

* Member of the Order of Australia

Heng Swee Keat, John Powell Morschel, and Deepak S Parekh, who served during the financial year, retired following the conclusion of the Annual General Meeting on 30 July 2010.

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 March 2011	At 1 April 2010 or date of appointment, if later	At 31 March 2011	At 1 April 2010 or date of appointment, if later
Singapore Telecommunications Limited				
(Ordinary shares)				
Chumpol NaLamlieng	**199,500**	199,500	**-**	-
Chua Sock Koong	**3,690,513**	2,940,513	**13,154,576** (1)	13,859,950
Graham John Bradley AM	**40,000**	40,000	**8,000** (2)	8,000
Fang Ai Lian	**91,930**	91,930	**-**	-
Dominic Chiu Fai Ho	**-**	-	**-**	-
Simon Israel	**497,820**	179,820	**1,360** (3)	1,360
Peter Edward Mason AM	**100,000** (4)	100,000	**-**	-
Kaikhushru Shiavax Nargolwala	**250,000**	250,000	**-**	-
Peter Ong Boon Kwee	**870**	870	**1,537** (3)	1,537
Ong Peng Tsin	**150,000**	40,000	**-**	-
Nicky Tan Ng Kuang	**150,000**	150,000	**-**	-
(Options to purchase ordinary shares)				
Chua Sock Koong	**700,000** (5)	1,450,000	**-**	-
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	**900,000**	900,000	**-**	-

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 March 2011	At 1 April 2010 or date of appointment, if later	At 31 March 2011	At 1 April 2010 or date of appointment, if later
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Fang Ai Lian	**50,000**	50,000	**-**	-

Notes:

(1) Chua Sock Koong's deemed interest of 13,154,576 shares included -
  (a) 8,886,828 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 4,239,611 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) Held by Daphino Pty Limited, a company wholly-owned by Graham John Bradley AM and spouse.

(3) Held by spouse.

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

(5) At an exercise price of S$1.41 per share (1 April 2010: between S$1.41 and S$2.12 per share).

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 2011.

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), Graham John Bradley AM, Fang Ai Lian, and Ong Peng Tsin.

Heng Swee Keat, John Powell Morschel, and Deepak S Parekh, who served during the financial year, stepped down as members of the Compensation Committee following the conclusion of the Annual General Meeting on 30 July 2010.

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 April 2010 ('000)	Options exercised ('000)	Options cancelled ('000)	Balance as at 31 March 2011 ('000)
<u>Market Price Share Options</u>						
For staff and senior management						
09.06.00	10.06.01 to 09.06.10	S$2.12	1,327	(1,092)	(235)	**-**
30.05.01	31.05.02 to 30.05.11	S$1.56	1,376	(805)	(10)	**561**
29.11.01	30.11.02 to 29.11.11	S$1.61	2,713	(247)	-	**2,466**
30.05.02	31.05.03 to 30.05.12	S$1.41	5,629	(653)	(84)	**4,892**
			11,045	**(2,797)**	**(329)**	**7,919**
For Group Chief Executive Officer (Chua Sock Koong)						
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**
			1,450	**(750)**	**-**	**700**
Total			**12,495**	**(3,547)**	**(329)**	**8,619**

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 March 2011 ('000)	Exercised since commencement of scheme to 31 March 2011 ('000)	Outstanding as at 31 March 2011 ('000)
1999 Scheme			
Chumpol NaLamlieng	60	(60)	-
Chua Sock Koong	4,709	(4,009)	700
Graham John Bradley AM	-	-	-
Fang Ai Lian	-	-	-
Dominic Chiu Fai Ho	-	-	-
Simon Israel	-	-	-
Peter Edward Mason AM	-	-	-
Kaikhushru Shiavax Nargolwala	-	-	-
Peter Ong Boon Kwee	-	-	-
Ong Peng Tsin	-	-	-
Nicky Tan Ng Kuang	60	(60)	-
Heng Swee Keat [(1)]	-	-	-
John Powell Morschel [(1)]	60	(60)	-
Deepak S Parekh [(1)]	-	-	-
	4,889	(4,189)	700

Note:

(1) Heng Swee Keat, John Powell Morschel and Deepak S Parekh retired as Directors of the Company following the conclusion of the Annual General Meeting on 30 July 2010.

No options were granted to the Directors during the financial year ended 31 March 2011.

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 2011, 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.

5.2 Performance Shares (Cont'd)

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 2011, awards comprising an aggregate of 38,548,775 shares and 191,581,901 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 April 2010 ('000)	Share awards granted ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2011 ('000)
Performance shares (General Awards)					
For staff and senior management					
29.05.07	13,303	-	(12,571)	(732)	**-**
28.11.07	99	-	(94)	(5)	**-**
27.02.08	98	-	(77)	(21)	**-**
04.06.08	12,056	-	-	(630)	**11,426**
01.09.08	115	-	-	-	**115**
02.12.08	893	-	-	(26)	**867**
02.03.09	103	-	-	(20)	**83**
03.06.09	20,234	-	-	(1,557)	**18,677**
02.09.09	177	-	-	-	**177**
03.03.10	14	-	-	-	**14**
03.06.10	-	18,998	-	(1,022)	**17,976**
01.09.10	-	53	-	-	**53**
02.12.10	-	293	-	-	**293**
02.03.11	-	350	-	-	**350**
	47,092	**19,694**	**(12,742)**	**(4,013)**	**50,031**
For Group Chief Executive Officer (Chua Sock Koong)					
29.05.07	592	-	(562)	(30)	**-**
04.06.08	671	-	-	-	**671**
03.06.09	922	-	-	-	**922**
03.06.10	-	934	-	-	**934**
	2,185	**934**	**(562)**	**(30)**	**2,527**
Sub-total	**49,277**	**20,628**	**(13,304)**	**(4,043)**	**52,558**

5.2 Performance Shares (Cont'd)

Date of grant	Balance as at 1 April 2010 ('000)	Share awards granted ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2011 ('000)
Performance shares (Senior Management Awards)					
For senior management					
29.05.07	1,534	-	(1,534)	-	**-**
04.06.08	1,574	-	-	(37)	**1,537**
03.06.09	2,290	-	-	-	**2,290**
03.06.10	-	2,538	-	-	**2,538**
	5,398	**2,538**	**(1,534)**	**(37)**	**6,365**
For Group Chief Executive Officer (Chua Sock Koong)					
29.05.07	440	-	(440)	-	**-**
04.06.08	453	-	-	-	**453**
03.06.09	629	-	-	-	**629**
03.06.10	-	630	-	-	**630**
	1,522	**630**	**(440)**	**-**	**1,712**
Sub-total	**6,920**	**3,168**	**(1,974)**	**(37)**	**8,077**
Total	**56,197**	**23,796**	**(15,278)**	**(4,080)**	**60,635**

During the financial year, awards in respect of an aggregate of 15,277,552 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 2011, 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 the majority of whom, including the chairman, are independent -

Fang Ai Lian (Chairman of the Audit Committee)
Dominic Chiu Fai Ho
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee (appointed on 1 September 2010)

Graham John Bradley AM, who served during the financial year, stepped down as a member of the Audit Committee following the conclusion of the Annual General Meeting on 30 July 2010.

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

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

The Committee also reviewed the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2011 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, 11 May 2011

Statement of Directors

For the financial year ended 31 March 2011

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 91 to 194 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 2011 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	**Chua Sock Koong**
Chairman	Director

Singapore, 11 May 2011

Independent Auditors' Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2011

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Singapore Telecommunications Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 March 2011, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 91 to 194.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Deloitte & Touche LLP

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore, 11 May 2011

Consolidated Income Statement

For the financial year ended 31 March 2011

	Notes	2011 S$ Mil	2010 S$ Mil
Operating revenue	4	**18,070.6**	16,870.9
Operating expenses	5	**(13,081.5)**	(12,119.0)
Other income	6	**130.2**	94.7
		5,119.3	4,846.6
Depreciation and amortisation	7	**(1,968.7)**	(1,878.0)
Exceptional items	8	**55.7**	4.7
Profit on operating activities		**3,206.3**	2,973.3
Share of results of associated and joint venture companies	9	**1,564.1**	1,862.1
Profit before interest, investment income (net) and tax		**4,770.4**	4,835.4
Interest and investment income/ (expense) (net)	10	**43.5**	(8.4)
Finance costs	11	**(367.5)**	(325.9)
Profit before tax		**4,446.4**	4,501.1
Tax expense	12	**(623.7)**	(594.6)
Profit after tax		**3,822.7**	3,906.5
Attributable to -			
Shareholders of the Company		**3,825.3**	3,907.3
Non-controlling interests		**(2.6)**	(0.8)
		3,822.7	3,906.5
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	**24.02**	24.55
- diluted (cents)	13	**23.98**	24.46

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
Independent Auditors' report – page 90

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2011

	2011 S$ Mil	2010 S$ Mil
Profit after tax	**3,822.7**	3,906.5
Other comprehensive (loss)/ income:		
Exchange differences arising from translation of foreign operations and other currency translation differences		
- Currency translation differences during the year	**(556.5)**	1,420.9
- Currency translation differences transferred to income statement upon repayment of loan by subsidiary	**-**	(340.1)
	(556.5)	1,080.8
Cash flow hedges		
- Fair value changes during the year	**(264.3)**	(322.8)
- Tax effects	**(12.4)**	48.1
	(276.7)	(274.7)
- Fair value changes transferred to income statement	**144.4**	370.7
- Tax effects	**38.2**	(43.2)
	182.6	327.5
	(94.1)	52.8
Available-for-sale investments		
- Fair value changes during the year	**34.5**	21.5
- Fair value loss transferred to income statement	**-**	60.9
	34.5	82.4
Share of other comprehensive (loss)/ income of associated and joint venture companies	**(7.4)**	4.1
Other comprehensive (loss)/ income, net of tax	**(623.5)**	1,220.1
Total comprehensive income	**3,199.2**	5,126.6
Attributable to -		
Shareholders of the Company	**3,201.8**	5,127.4
Non-controlling interests	**(2.6)**	(0.8)
	3,199.2	5,126.6

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
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Statements of Financial Position

As at 31 March 2011

	Notes	Group 2011 S$ Mil	Group 2010 S$ Mil	Company 2011 S$ Mil	Company 2010 S$ Mil
Current assets					
Cash and cash equivalents	15	**2,738.0**	1,613.6	**223.3**	201.3
Trade and other receivables	16	**3,449.3**	3,172.1	**5,516.7**	3,452.5
Derivative financial instruments	25	**68.6**	12.8	**68.6**	12.8
Inventories	17	**299.3**	345.8	**71.7**	151.8
		6,555.2	5,144.3	**5,880.3**	3,818.4
Non-current assets					
Property, plant and equipment	18	**11,112.5**	10,750.2	**1,890.8**	1,891.8
Intangible assets	19	**10,218.3**	10,200.2	**2.0**	2.3
Subsidiaries	20	**-**	-	**7,734.1**	9,942.3
Associated companies	21	**172.4**	278.8	**24.7**	24.7
Joint venture companies	22	**10,024.5**	10,132.7	**34.1**	34.1
Available-for-sale ("**AFS**") investments	24	**309.1**	255.8	**38.6**	31.1
Derivative financial instruments	25	**-**	175.6	**22.9**	182.7
Deferred tax assets	12	**764.0**	890.3	**-**	-
Other non-current receivables	26	**126.3**	123.6	**270.8**	158.5
		32,727.1	32,807.2	**10,018.0**	12,267.5
Total assets		**39,282.3**	37,951.5	**15,898.3**	16,085.9
Current liabilities					
Trade and other payables	27	**4,450.1**	4,649.8	**1,575.5**	1,999.6
Provision	28	**0.3**	17.9	**-**	-
Current tax liabilities		**391.7**	338.9	**248.3**	214.0
Borrowings (unsecured)	29	**2,672.6**	1,513.1	**2,667.4**	-
Borrowings (secured)	30	**26.3**	14.9	**-**	-
Derivative financial instruments	25	**999.8**	300.2	**988.2**	14.4
		8,540.8	6,834.8	**5,479.4**	2,228.0

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
Independent Auditors' report – page 90

Statements of Financial Position

As at 31 March 2011

	Notes	Group 2011 S$ Mil	Group 2010 S$ Mil	Company 2011 S$ Mil	Company 2010 S$ Mil
Non-current liabilities					
Borrowings (unsecured)	29	**4,544.1**	5,327.9	**734.5**	3,809.1
Borrowings (secured)	30	**42.6**	23.2	**-**	-
Advance billings		**706.6**	628.6	**157.7**	157.8
Deferred income	31	**22.6**	29.4	**2.9**	10.7
Derivative financial instruments	25	**586.1**	941.1	**311.8**	899.9
Deferred tax liabilities	12	**295.3**	294.8	**177.8**	182.8
Other non-current liabilities	32	**193.9**	355.7	**17.7**	155.8
		6,391.2	7,600.7	**1,402.4**	5,216.1
Total liabilities		**14,932.0**	14,435.5	**6,881.8**	7,444.1
Net assets		**24,350.3**	23,516.0	**9,016.5**	8,641.8
Share capital and reserves					
Share capital	33	**2,622.8**	2,616.3	**2,622.8**	2,616.3
Reserves		**21,705.5**	20,876.5	**6,393.7**	6,025.5
Equity attributable to shareholders of the Company		**24,328.3**	23,492.8	**9,016.5**	8,641.8
Non-controlling interests		**22.0**	23.2	**-**	-
Total equity		**24,350.3**	23,516.0	**9,016.5**	8,641.8

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
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Statements of Changes in Equity

For the financial year ended 31 March 2011

Group - 2011	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve - Performance Shares S$ Mil	Currency Translation Reserve [2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [3] S$ Mil	Total S$ Mil	Non-Controlling Interests S$ Mil	Total Equity S$ Mil
	Attributable to shareholders of the Company										
Balance as at 1 April 2010	2,616.3	(30.5)	(83.3)	(697.9)	(192.3)	21.6	23,082.1	(1,223.2)	23,492.8	23.2	23,516.0
Changes in equity for the year											
Issue of new shares	6.5	-	-	-	-	-	-	-	6.5	-	6.5
Performance shares purchased by the Company	-	(5.4)	-	-	-	-	-	-	(5.4)	-	(5.4)
Performance shares purchased by Trust [4]	-	(21.5)	-	-	-	-	-	-	(21.5)	-	(21.5)
Performance shares vested	-	30.3	(30.3)	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	22.1	-	-	-	-	-	22.1	-	22.1
Transfer of liability to equity	-	-	2.3	-	-	-	-	-	2.3	-	2.3
Cash paid to employees under performance share plans	-	-	(1.7)	-	-	-	-	-	(1.7)	-	(1.7)
Performance shares purchased by SingTel Optus Pty Limited ("**Optus**") and vested	-	-	(12.0)	-	-	-	-	-	(12.0)	-	(12.0)
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(0.8)	0.8	-	-	-
Final dividend paid to shareholders of the Company	-	-	-	-	-	-	(1,273.7)	-	(1,273.7)	-	(1,273.7)
Interim dividend paid to shareholders of the Company	-	-	-	-	-	-	(1,082.9)	-	(1,082.9)	-	(1,082.9)
Contribution to subsidiary	-	-	-	-	-	-	-	-	-	2.3	2.3
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.9)	(0.9)
	6.5	3.4	(19.6)	-	-	-	(2,357.4)	0.8	(2,366.3)	1.4	(2,364.9)
Total comprehensive (loss)/ income for the year	-	-	-	(556.5)	(94.1)	34.5	3,825.3	(7.4)	3,201.8	(2.6)	3,199.2
Balance as at 31 March 2011	2,622.8	(27.1)	(102.9)	(1,254.4)	(286.4)	56.1	24,550.0	(1,229.8)	24,328.3	22.0	24,350.3

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
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Statements of Changes in Equity

For the financial year ended 31 March 2011

Group - 2010	Share Capital S$ Mil	Treasury Shares (1) S$ Mil	Capital Reserve - Performance Shares S$ Mil	Currency Translation Reserve (2) S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves (3) S$ Mil	Total S$ Mil	Non-Controlling Interests S$ Mil	Total Equity S$ Mil
	Attributable to shareholders of the Company										
Balance as at 1 April 2009	2,605.6	(43.7)	(32.6)	(1,778.7)	(245.1)	(60.8)	21,259.6	(1,228.1)	20,476.2	24.1	20,500.3
Changes in equity for the year											
Issue of new shares	10.7	-	-	-	-	-	-	-	10.7	-	10.7
Performance shares purchased by the Company	-	(10.8)	-	-	-	-	-	-	(10.8)	-	(10.8)
Performance shares purchased by Trust (4)	-	(41.5)	-	-	-	-	-	-	(41.5)	-	(41.5)
Performance shares vested	-	65.5	(65.5)	-	-	-	-	-	-	-	-
Equity-settled performance shares	-	-	24.4	-	-	-	-	-	24.4	-	24.4
Transfer of liability to equity	-	-	2.3	-	-	-	-	-	2.3	-	2.3
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	(0.3)
Performance shares purchased by Optus and vested	-	-	(11.6)	-	-	-	-	-	(11.6)	-	(11.6)
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	-	-	-	-	-	-	(0.8)	0.8	-	-	-
Final dividend paid to shareholders of the Company	-	-	-	-	-	-	(1,097.0)	-	(1,097.0)	-	(1,097.0)
Interim dividend paid to shareholders of the Company	-	-	-	-	-	-	(987.0)	-	(987.0)	-	(987.0)
Contribution to subsidiary	-	-	-	-	-	-	-	-	-	0.5	0.5
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.6)	(0.6)
	10.7	13.2	(50.7)	-	-	-	(2,084.8)	0.8	(2,110.8)	(0.1)	(2,110.9)
Total comprehensive income/(loss) for the year	-	-	-	1,080.8	52.8	82.4	3,907.3	4.1	5,127.4	(0.8)	5,126.6
Balance as at 31 March 2010	2,616.3	(30.5)	(83.3)	(697.9)	(192.3)	21.6	23,082.1	(1,223.2)	23,492.8	23.2	23,516.0

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
Independent Auditors' report – page 90

Statements of Changes in Equity

For the financial year ended 31 March 2011

Company - 2011	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve - Performance Shares S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2010	2,616.3	-	(58.8)	(167.2)	21.5	6,230.0	8,641.8
Changes in equity for the year							
Issue of new shares	6.5	-	-	-	-	-	6.5
Performance shares purchased by the Company	-	(5.4)	-	-	-	-	(5.4)
Performance shares vested	-	5.4	(3.2)	-	-	-	2.2
Equity-settled performance shares	-	-	11.0	-	-	-	11.0
Transfer of liability to equity	-	-	4.6	-	-	-	4.6
Transfer of equity to liability	-	-	(2.3)	-	-	-	(2.3)
Cash paid to employees under performance share plans	-	-	(1.6)	-	-	-	(1.6)
Contribution to Trust [4]	-	-	(14.3)	-	-	-	(14.3)
Final dividend paid to shareholders of the Company	-	-	-	-	-	(1,274.3)	(1,274.3)
Interim dividend paid to shareholders of the Company	-	-	-	-	-	(1,083.5)	(1,083.5)
	6.5	-	(5.8)	-	-	(2,357.8)	(2,357.1)
Total comprehensive (loss)/ income for the year	-	-	-	(30.1)	7.5	2,754.4	2,731.8
Balance as at 31 March 2011	2,622.8	-	(64.6)	(197.3)	29.0	6,626.6	9,016.5

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
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Statements of Changes in Equity

For the financial year ended 31 March 2011

Company - 2010	Share Capital S$ Mil	Treasury Shares (1) S$ Mil	Capital Reserve - Performance Shares S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2009	2,605.6	-	(38.9)	(237.9)	15.0	7,212.0	9,555.8
Changes in equity for the year							
Issue of new shares	10.7	-	-	-	-	-	10.7
Performance shares purchased by the Company	-	(10.8)	-	-	-	-	(10.8)
Performance shares vested	-	10.8	(7.0)	-	-	-	3.8
Equity-settled performance shares	-	-	13.1	-	-	-	13.1
Transfer of liability to equity	-	-	2.3	-	-	-	2.3
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust (4)	-	-	(28.0)	-	-	-	(28.0)
Final dividend paid to shareholders of the Company	-	-	-	-	-	(1,097.4)	(1,097.4)
Interim dividend paid to shareholders of the Company	-	-	-	-	-	(987.5)	(987.5)
	10.7	-	(19.9)	-	-	(2,084.9)	(2,094.1)
Total comprehensive income for the year	-	-	-	70.7	6.5	1,102.9	1,180.1
Balance as at 31 March 2010	2,616.3	-	(58.8)	(167.2)	21.5	6,230.0	8,641.8

Notes:

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

(2) 'Currency Translation Reserve' relate 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.

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

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

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
Independent Auditors' report – page 90

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2011

	2011 S$ Mil	2010 S$ Mil
Cash Flows From Operating Activities		
Profit before tax	**4,446.4**	4,501.1
Adjustments for -		
Depreciation and amortisation	**1,968.7**	1,878.0
Exceptional items	**(55.7)**	(4.7)
Interest and investment (income)/ expense (net)	**(43.5)**	8.4
Finance costs	**367.5**	325.9
Share of results of associated and joint venture companies (post-tax)	**(1,564.1)**	(1,862.1)
Other non-cash items	**18.8**	36.5
	691.7	382.0
Operating cash flow before working capital changes	**5,138.1**	4,883.1
Changes in operating assets and liabilities		
Trade and other receivables	**(134.2)**	(455.7)
Trade and other payables	**101.4**	357.2
Inventories	**31.6**	(63.6)
Currency translation adjustments of subsidiaries	**16.6**	26.2
Cash generated from operations	**5,153.5**	4,747.2
Payment to employees in cash under performance share plans	**(4.0)**	(2.2)
Dividends received from associated and joint venture companies	**1,194.0**	953.6
Income tax and withholding tax paid	**(300.5)**	(369.8)
Net cash inflow from operating activities	**6,043.0**	5,328.8

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
Independent Auditors' report – page 90

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2011

	2011 S$ Mil	2010 S$ Mil
Cash Flows From Investing Activities		
Dividends received from AFS investments (net of withholding tax paid)	**17.7**	17.5
Interest received	**34.0**	16.7
Contribution from non-controlling interests	**2.3**	0.6
Investment in associated and joint venture companies	**(669.6)**	(90.2)
Loan to joint venture company	**-**	(9.4
Repayment of loan by joint venture company	**1.4**	0.9
Net proceeds from sale of trading investments	**-**	10.2
Investment in AFS investments	**(20.0)**	(0.2)
Proceeds from sale of AFS investments	**0.8**	4.2
Payment for purchase of property, plant and equipment	**(2,004.6)**	(1,923.0)
Advance payment for purchase of submarine cable capacity	**(27.9)**	(29.1)
Drawdown of prepaid submarine cable capacity	**29.4**	59.1
Proceeds from sale of property, plant and equipment	**23.8**	17.2
Purchase of intangible assets	**(26.9)**	(122.5)
Withholding tax paid on intra-group interest income	**(119.5)**	(131.2)
Net cash outflow from investing activities	**(2,759.1)**	(2,179.2)

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2011

	Note	2011 S$ Mil	2010 S$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		**638.3**	3,229.2
Repayment of term loans		**(1,958.8)**	(3,498.8)
Proceeds from bond issue		**2,755.9**	701.5
Bonds repaid		**(573.2)**	(625.9)
Decrease in finance lease liabilities		**(22.3)**	(10.4)
Net borrowings/ (repayment of borrowings)		**839.9**	(204.4)
Settlement of swap for bonds repaid		**(217.6)**	-
Net interest paid on borrowings and swaps		**(347.8)**	(314.8)
Dividend paid to non-controlling interests		**(0.9)**	(0.6)
Final dividend paid to shareholders of the Company		**(1,273.7)**	(1,097.0)
Interim dividend paid to shareholders of the Company		**(1,082.9)**	(987.0)
Net loan (repayment)/ proceeds from non-controlling interests		**(25.1)**	23.1
Proceeds from issue of shares		**6.5**	10.7
Purchase of performance shares		**(39.4)**	(64.4)
Net cash outflow from financing activities		**(2,141.0)**	(2,634.4)
Net increase in cash and cash equivalents		**1,142.9**	515.2
Exchange effects on cash and cash equivalents		**(18.4)**	22.5
Cash and cash equivalents at beginning of year		**1,613.5**	1,075.8
Cash and cash equivalents at end of year	15	**2,738.0**	1,613.5

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
Independent Auditors' report – page 90

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 telecommunications 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 11 May 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") including related interpretations, and the provisions of the Singapore Companies Act. They have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. The adoption of the new or revised FRS and Interpretations to FRS ("**INT FRS**") which are mandatory from 1 April 2010, in particular FRS 103 (revised) *Business Combinations* and FRS 27 (revised) *Consolidated and Separate Financial Statement*, resulted in changes to the Group's accounting policies but has no significant impact on the financial statements of the Group or the Company in the current financial year.

2.2 Group Accounting

The accounting policy for subsidiaries, 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. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.2.2 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 statement of financial position.

In the consolidated statement of financial position, 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 statement of financial position, 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 Group Accounting (Cont'd)

2.2.4 Special purpose entity

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

2.2.5 Business combinations

Business combinations are accounted for using the acquisition method on and after 1 April 2010. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred and equity interests issued by the Group and any contingent consideration arrangement at acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

For business combinations that are achieved in stages, any existing equity interests in the acquiree entity are re-measured to their fair values at acquisition date and any changes are taken to the income statement.

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date. Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, any interest retained in the former subsidiary is recorded at fair value with re-measurement gain or loss recognised in the income statement.

2.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as 'Treasury Shares' within equity. When the shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are included in 'Other Reserves' of the Company.

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under 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 recognised as 'Treasury Shares' within equity.

2.3 Share Capital (Cont'd)

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 statement of financial position, 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 recognised in the income statement of the Company.

2.5 Investments

Purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the investment.

2.5.1 Financial assets at fair value through profit or loss ("FVTPL investments")

FVTPL investments are initially recognised at fair value and subsequently re-measured at fair value at the end of the reporting period 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

AFS investments are initially recognised at fair value plus directly attributable transaction costs.

They are subsequently stated at fair value at the end of the reporting period, with all resulting gains and losses, including currency translation differences, taken to 'Fair Value Reserve' within equity.

When AFS investments are sold or impaired, the accumulated fair value adjustments in the 'Fair Value Reserve' are included in the income statement.

A significant or prolonged decline in fair value below the cost is objective evidence of impairment. Impairment loss is computed as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement until the equity investments are disposed.

2.6 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

Derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the income statement, unless they qualify for hedge accounting.

2.6.1 Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as its risk management objectives and strategy for undertaking the hedge transactions. The documentation includes identification of the hedging instrument, the 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

Designated derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of the designated derivative financial instruments that qualify as cash flow hedges are recognised in 'Other Comprehensive Income'. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the 'Hedging Reserve' are transferred to the income statement in the periods when the hedged items affect the income statement.

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.

2.6 Derivative Financial Instruments and Hedging Activities (Cont'd)

2.6.1 Hedge accounting (Cont'd)

Net investment hedge
Changes in the fair value of designated derivatives that qualify as net investment hedges, and which are highly effective, are recognised in 'Other Comprehensive Income' in the consolidated financial statements and the amount accumulated in 'Currency Translation Reserve' are transferred to the consolidated income statement in the period when the foreign operation is disposed.

In the Company's financial statements, the gain or loss on the financial instrument used to hedge a net investment in a foreign operation of the Group is recognised in the income statement.

The Group has entered into the following derivative financial instruments to hedge its risks, namely -

Cross currency swaps and interest rate swaps are fair value hedges for the interest rate risk and cash flow hedges for the currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and 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 Australia operations.

Forward foreign exchange contracts are cash flow hedges for the Group's exposure to foreign currency exchange risks arising from forecasted or committed expenditure.

2.7 Fair Value Estimation of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in arm's length transaction, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument -

Bank balances, receivables and payables, 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 at the end of the reporting period.

The fair values of unquoted investments are determined by using valuation techniques. These include the use of recent arm's length transactions, reference to current market value of another instrument which is substantially the same or discounted cash flow analysis.

Cross currency and interest rate swaps
The fair value of a cross currency or an interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

2.7 Fair Value Estimation of Financial Instruments (Cont'd)

Forward foreign currency contracts
The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

Non-current borrowings
For disclosure purposes, the fair value of non-current borrowings which are traded in active markets is based on the market quoted ask price. For other non-current borrowings, the fair values are based on valuation provided by service providers or estimated by discounting the future contractual cash flows using a discount rate based on the borrowing rates which the Group expects would be available at the end of the reporting period.

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transaction costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are charged guarantee fees based on fair value and recognised in the income statement when earned.

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. Hedged borrowings are accounted for in accordance with the accounting polices set out in **Note 2.6.1**.

2.12 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of three months or less, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Bank overdrafts are included under borrowings in the statement of financial position.

2.13 Foreign Currencies

2.13.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional and presentation currency of the Company and the presentation currency of the Group.

2.13.2 Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

2.13.3 Translation of foreign operations' financial statements

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates ruling at the end of the reporting period except for share capital and reserves which are translated at historical rates of exchange (see **Note 2.13.4** for translation of goodwill and fair value adjustments).

Income and expenses in the income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to 'Other Comprehensive Income'.

On loss of control of a subsidiary, loss of significant influence of an associated company or loss of joint control of a joint venture company, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associated or joint venture companies, the accumulated translation differences relating to the disposal are taken to the consolidated income statement.

2.13.4 Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 April 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the end of the reporting period. However, for acquisitions of foreign entities completed prior to 1 April 2005, goodwill and fair value adjustments continue to be recorded at the exchange rates at the respective dates of the acquisitions.

2.13.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries which form part of the Company's net investment in the subsidiaries are included in 'Currency Translation Reserve'. On disposal of the foreign entity, the accumulated exchange differences deferred in the 'Currency Translation Reserve' are reclassified to the consolidated income statement in a similar manner as described in **Note 2.13.3**.

2.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of the obligation. No provision is recognised for future operating losses.

The provision for liquidated damages in respect of information technology contracts is made based on management's best estimate of the anticipated liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible assets and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associated and joint venture companies completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves' is not taken to income statement when the entity is disposed of or when the goodwill is impaired.

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associated and joint venture companies completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 financial years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.16**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

Bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associated and joint venture companies include the carrying amount of capitalised goodwill relating to the entity sold.

2.15 Intangible Assets (Cont'd)

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**).

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 the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed in the subsequent period.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Work-in-progress is stated at costs less progress payments received and receivable on uncompleted information technology and engineering services, and fibre rollout. Costs include third party hardware and software costs, direct labour and other direct expenses attributable to the project activity and associated profits recognised on projects-in-progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Work-in-progress is presented in the consolidated statement of financial position as "Work-in-progress" (as a current asset) or "Excess of progress billings over work-in-progress" (as a current liability) as applicable.

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

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

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal installments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and held ready for use.

Costs to acquire computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.19 Leases

2.19.1 Finance leases

Finance leases are those leasing agreements which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments and the corresponding leasing commitments are shown as obligations to the lessors.

Lease payments are treated as consisting of capital repayments and interest elements. Interest is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

2.19.2 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where -

(i) the purchaser's right of use is exclusive and irrevocable;
(ii) the asset is specific and separable;
(iii) the terms of the contract are for the major part of the asset's 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 the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the provision of information technology and engineering services, and fibre rollout are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenue from information technology and engineering services where the services involve substantially the procurement of computer equipment and third party software for installation is recognised upon full completion of the project.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

2.21 Employees' Benefits

2.21.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

2.21.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.21.3 Share-based compensation

Performance shares

The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The performance share expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of performance shares that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

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 end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and laws) enacted or substantively enacted in countries where the Company and subsidiaries operate by, at the end of the reporting period.

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, 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 the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.28 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Segment Reporting

Operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.30 Non-current Assets (or Disposal Groups) Held for Sale 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 end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following presents a summary of the critical accounting estimates and 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 23**.

3.2 Impairment of Trade Receivables

The Group assesses at the end of each reporting period whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience.

3.3 Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Taxation

3.4.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.4.2 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 the end of each reporting period. In addition, the Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

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

3.6 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 2011, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 40**.

4. OPERATING REVENUE

	Group	
	2011	2010
	S$ Mil	S$ Mil
Mobile communications	**7,719.8**	7,042.7
Data and Internet	**3,486.7**	3,341.9
Information technology and engineering		
- infrastructure services and business solutions	**1,759.1**	1,779.3
- fibre rollout	**267.5**	180.8
	2,026.6	1,960.1
National telephone	**1,886.4**	1,893.7
Sale of equipment	**1,557.4**	1,452.2
International telephone	**852.8**	702.2
Pay television	**184.3**	150.4
Others	**356.6**	327.7
Operating revenue	**18,070.6**	16,870.9
Operating revenue	**18,070.6**	16,870.9
Other income (see **Note 6**)	**130.2**	94.7
Interest and dividend income (see **Note 10**)	**53.4**	36.1
Total revenue	**18,254.2**	17,001.7

Notes to the Financial Statements

For the financial year ended 31 March 2011

5. OPERATING EXPENSES

	Group	
	2011 S$ Mil	2010 S$ Mil
Selling and administrative costs [1]	**4,701.4**	4,165.3
Traffic expenses	**2,881.1**	2,714.1
Staff costs	**2,196.6**	2,122.1
Cost of equipment sold	**2,005.8**	1,896.2
Repairs and maintenance	**322.2**	322.0
Other cost of sales	**974.4**	899.3
	13,081.5	12,119.0

Note:

(1) Included mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rentals of properties and mobile base stations.

5.1 STAFF COSTS

	Group	
	2011 S$ Mil	2010 S$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	**211.8**	204.8
Performance share expense		
- equity-settled arrangements	**21.9**	24.4
- cash-settled arrangements	**3.4**	9.2
Termination benefits	**8.3**	6.8

5.2 Key Management Personnel Compensation

	Group 2011 S$ Mil	Group 2010 S$ Mil
Key management personnel compensation [(1)]		
Directors' fees and remuneration [(2)]	**6.5**	6.1
Other key management personnel remuneration [(3)]	**12.6**	12.5
	19.1	18.6

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 Executive Director was awarded up to 1,564,409 (2010: 1,551,738) 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 Executive Director computed in accordance with FRS 102, *Share-based Payment*, was S$2.2 million (2010: S$2.6 million).

(3) The other key management personnel were awarded up to 4,573,308 (2010: 3,953,019) 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$5.8 million (2010: S$6.9 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.

5.3.1 **Share options** (Cont'd)

Group and Company	Number of share options 2011 '000	Number of share options 2010 '000	Weighted average exercise price per share 2011 S$	Weighted average exercise price per share 2010 S$
Outstanding as at 1 April	**12,495**	18,979	**1.59**	1.75
Cancelled	**(329)**	(1,093)	**1.92**	2.40
Exercised	**(3,547)**	(5,391)	**1.83**	1.97
Outstanding and exercisable as at 31 March	**8,619**	12,495	**1.48**	1.59

	2011 '000	2010 '000
The outstanding share options have the following exercise prices -		
S$2.00 to S$2.49	**-**	2,077
S$1.50 to S$1.99	**3,027**	4,088
S$1.40 to S$1.49	**5,592**	6,330
	8,619	12,495
Weighted average remaining validity life	**1.0 year**	1.6 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. 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 while 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.

5.3.2 Performance share plans (Cont'd)

The fair value of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

General Awards - 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 2011	Outstanding as at 1 April 2010 ('000)	Granted ('000)	Vested ('000)	Cancelled ('000)	Outstanding and unvested as at 31 March 2011 ('000)
Date of grant					
Share Plan 2004					
FY2008 [1]					
29 May 2007	13,895	-	(13,133)	(762)	-
Sep 2007 to Feb 2008	197	-	(171)	(26)	-
FY2009					
4 Jun 2008	12,727	-	-	(630)	12,097
Sep 2008 to Mar 2009	1,111	-	-	(46)	1,065
FY2010					
3 Jun 2009	21,156	-	-	(1,557)	19,599
Sep 2009 to Mar 2010	191	-	-	-	191
FY2011					
3 Jun 2010	-	19,932	-	(1,022)	18,910
Sep 2010 to Mar 2011	-	696	-	-	696
	49,277	**20,628**	**(13,304)**	**(4,043)**	**52,558**

Note:

(1) "FY2008" denotes financial year ended 31 March 2008.

5.3.2 Performance share plans (Cont'd)

Group and Company 2010	Outstanding as at 1 April 2009 ('000)	Granted ('000)	Vested ('000)	Cancelled ('000)	Outstanding and unvested as at 31 March 2010 ('000)
Date of grant					
Share Plan 2004					
FY2007					
25 May 2006	26,288	-	(24,706)	(1,582)	-
Aug 2006 to Mar 2007	90	-	(57)	(33)	-
FY2008					
29 May 2007	14,756	-	-	(861)	13,895
Sep 2007 to Feb 2008	207	-	-	(10)	197
FY2009					
4 Jun 2008	13,321	-	-	(594)	12,727
Sep 2008 to Mar 2009	1,143	-	-	(32)	1,111
FY2010					
3 Jun 2009	-	21,918	-	(762)	21,156
Sep 2009 to Mar 2010	-	191	-	-	191
	55,805	22,109	(24,763)	(3,874)	49,277

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		
2011 and 2010 General Awards	**FY2009 4 June 08**	**FY2010 3 June 09**	**FY2011 3 June 10**
Fair value at grant date	S$1.61	S$1.56	S$1.53
Assumptions under Monte-Carlo Model			
Expected volatility			
SingTel	25.9%	34.6%	33.4%
MSCI Asia Pacific Telco Index	17.6%	23.1%	22.7%
MSCI Asia Pacific Telco Component Stocks			
Historical volatility period			
From	July 2001	July 2001	July 2001
To	June 2008	June 2009	June 2010
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2008	3 June 2009	3 June 2010

5.3.2 Performance share plans (Cont'd)

Senior Management Awards - cash-settled arrangements

The movements of the number of performance shares under the Senior Management Awards, the fair value of the grants at the end of the reporting period and the assumptions of the fair value model for the relevant grants were as follows -

	Date of grant				
	Share Plan 2004				Group
2011	FY2008 29 May 07	FY2009 4 June 08	FY2010 3 June 09	FY2011 3 June 10	And Company
Senior Management Awards					
Number of performance shares ('000)					
Outstanding as at 1 April 2010	1,974	2,027	2,919	-	6,920
Granted	-	-	-	3,168	3,168
Vested	(1,974)	-	-	-	(1,974)
Cancelled	-	(37)	-	-	(37)
Outstanding and unvested as at 31 March 2011	-	1,990	2,919	3,168	8,077
Fair value at 31 March 2011		S$2.96	S$2.49	S$2.05	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			30.5%	30.5%	
MSCI Asia Pacific Telco Index			19.9%	19.9%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding March 2011		
Risk free interest rates					
Yield of Singapore Government Securities on			31 March 2011	31 March 2011	

5.3.2 Performance share plans (Cont'd)

2010	Date of grant Share Plan 2004 FY2007 25 May 06	FY2008 29 May 07	FY2009 4 June 08	FY2010 3 June 09	Group And Company
<u>Senior Management Awards</u>					
Number of performance shares ('000)					
Outstanding as at 1 April 2009	1,980	2,058	2,074	-	6,112
Granted	-	-	-	2,919	2,919
Vested	(1,980)	-	-	-	(1,980)
Cancelled	-	(84)	(47)	-	(131)
Outstanding and unvested as at 31 March 2010	-	1,974	2,027	2,919	6,920
Fair value at 31 March 2010		S$3.17	S$2.15	S$2.50	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			33.7%	33.7%	
MSCI Asia Pacific Telco Index			22.8%	22.8%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding March 2010		
Risk free interest rates					
Yield of Singapore Government Securities on			31 March 2010	31 March 2010	

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				
2011	**FY2008 29 May 07**	**FY2009 4 June 08**	**FY2010 3 June 09**	**FY2011 3 June 10**	**Group**
PBDBS (cash-settled)					
Number of performance shares ('000)					
Outstanding as at 1 April 2010	584	572	589	-	1,745
Granted	-	-	-	538	538
Vested	(534)	-	-	-	(534)
Cancelled	(50)	(26)	-	-	(76)
Outstanding and unvested as at 31 March 2011	-	546	589	538	1,673
Fair value at 31 March 2011		S$2.96	S$1.63	S$1.27	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			30.5%	30.5%	
MSCI Asia Pacific Telco Index			19.9%	19.9%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding March 2011		
Risk free interest rates					
Yield of Singapore Government Securities on			31 March 2011	31 March 2011	

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

	Date of grant				
2010	FY2007 25 May 06	FY2008 29 May 07	FY2009 4 June 08	FY2010 3 June 09	Group
PBDBS (cash-settled)					
Number of performance shares ('000)					
Outstanding as at 1 April 2009	953	613	622	-	2,188
Granted	-	-	-	623	623
Vested	(900)	-	-	-	(900)
Cancelled	(53)	(29)	(50)	(34)	(166)
Outstanding and unvested as at 31 March 2010	-	584	572	589	1,745
Fair value at 31 March 2010		S$3.22	S$1.46	S$1.92	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			33.7%	33.7%	
MSCI Asia Pacific Telco Index			22.8%	22.8%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding March 2010		
Risk free interest rates					
Yield of Singapore Government Securities on			31 March 2010	31 March 2010	

5.4 Special Purpose Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the awards.

As at the end of the reporting period, the Trust held the following assets -

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Cash at bank	**0.6**	0.5	**0.5**	0.4
Cost of SingTel shares, net of vesting	**27.1**	30.5	**20.4**	23.6
	27.7	31.0	**20.9**	24.0

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

	Number of shares		Amount	
Group	2011 '000	2010 '000	2011 S$ Mil	2010 S$ Mil
Balance as at 1 April	**10,125**	13,303	**30.5**	43.7
Purchase of SingTel shares	**6,985**	15,276	**21.5**	41.5
Vesting of shares	**(8,223)**	(18,454)	**(24.9)**	(54.7)
Balance as at 31 March	**8,887**	10,125	**27.1**	30.5

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested SingTel shares is taken to 'Capital Reserve - Performance Shares' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

5.5 Other Operating Expense Items

	Group	
	2011 S$ Mil	2010 S$ Mil
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**1.1**	1.0
- Deloitte Touche Tohmatsu, Australia	**1.0**	1.0
- Other Deloitte & Touche offices	**0.3**	0.3
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore (1)	**0.3**	0.6
- Deloitte Touche Tohmatsu, Australia (1)	**0.4**	0.3
Impairment of trade receivables	**136.8**	138.1
Allowance for inventory obsolescence	**19.3**	13.9
Inventory written off	**4.6**	4.0
(Write-back of provision)/ Provision for liquidated damages and warranties	**(17.4)**	2.5
Research and development expenses written off	**2.2**	0.5
Operating lease payments for properties and mobile base stations	**283.6**	258.6

Note:

(1) The non-audit fees for the current financial year ended 31 March 2011 included S$0.2 million (2010: S$0.1 million) and S$0.1 million (2010: S$0.3 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services would not affect the independence of the auditors.

6. OTHER INCOME

	Group	
	2011 S$ Mil	2010 S$ Mil
Bad trade receivables recovered	**9.8**	7.2
Rental income	**5.2**	4.8
Net foreign exchange gains/ (losses) - trade related	**1.8**	(15.4)
Net gains/ (losses) on disposal of property, plant and equipment	**6.7**	(4.3)
Others	**106.7**	102.4
	130.2	94.7

7. DEPRECIATION AND AMORTISATION

	Group 2011 S$ Mil	Group 2010 S$ Mil
Depreciation of property, plant and equipment	**1,863.6**	1,818.5
Amortisation of intangible assets	**111.9**	64.3
Amortisation of sale and leaseback income	**(3.7)**	(1.7)
Amortisation of deferred gain on sale of joint venture company	**(3.1)**	(3.1)
	1,968.7	1,878.0

8. EXCEPTIONAL ITEMS

	Group 2011 S$ Mil	Group 2010 S$ Mil
Exceptional gains		
Fair value gain on purchase consideration payable for a joint venture company (see **Note 27**)	**38.0**	-
Net foreign exchange gains on intra-group loans	**18.5**	327.4
Gain on disposal of non-current investments	**-**	2.4
Gain on dilution of interest in associated and joint venture companies	**3.5**	3.2
Others	**-**	1.5
	60.0	334.5
Exceptional losses		
Impairment of associated and joint venture companies	**-**	(260.0)
Impairment of AFS investments	**-**	(60.9)
Others	**(4.3)**	(8.9)
	(4.3)	(329.8)
	55.7	4.7

9. SHARE OF RESULTS OF ASSOCIATED AND JOINT VENTURE COMPANIES

	Group 2011 S$ Mil	Group 2010 S$ Mil
Share of ordinary results of		
- joint venture companies	**2,143.7**	2,426.8
- associated companies	**6.1**	(7.3)
	2,149.8	2,419.5
Share of exceptional items [1] of associated and joint venture companies	**(40.6)**	(16.5)
Share of tax of		
- joint venture companies	**(533.6)**	(535.5)
- associated companies	**(11.5)**	(5.4)
	(545.1)	(540.9)
	1,564.1	1,862.1

Note:

	2011 S$ Mil	2010 S$ Mil
(1) Share of exceptional items comprised -		
Brand launch costs	**(31.5)**	-
Transaction costs on acquisitions	**(9.6)**	(9.6)
Recognition of additional depreciation and finance charges	**(7.0)**	-
Reversal of gain on dilution of equity interest in a subsidiary	**-**	(6.9)
Recognition of deferred revenue	**7.5**	-
	(40.6)	(16.5)

10. INTEREST AND INVESTMENT INCOME/ (EXPENSE) (NET)

	Group 2011 S$ Mil	Group 2010 S$ Mil
Interest income from		
- bank deposits	**30.8**	15.3
- others	**3.0**	1.4
	33.8	16.7
Gross dividends from AFS investments	**19.6**	19.4
Other revenue	**53.4**	36.1
Net foreign exchange losses - non-trade related	**(5.5)**	(26.0)
Fair value losses on hedging instruments	**(4.4)**	(18.5)
Fair value gains/ (losses) on fair value hedges		
- hedged items	**522.1**	752.4
- hedging instruments	**(522.1)**	(752.4)
	-	-
	43.5	(8.4)

11. FINANCE COSTS

	Group 2011 S$ Mil	Group 2010 S$ Mil
Interest expense		
- bonds	**352.5**	302.2
- bank loans	**28.1**	56.4
- others	**17.7**	21.7
	398.3	380.3
Less: Amounts capitalised	**-**	(7.2)
	398.3	373.1
Effects of hedging using interest-rate swaps	**(39.1)**	(48.2)
Unwinding of discount (including adjustments)	**8.3**	1.0
	367.5	325.9

The interest rate applicable to the capitalised borrowings was 4.6 per cent as at 31 March 2010.

12. TAXATION

12.1 Tax Expense

	Group 2011 S$ Mil	Group 2010 S$ Mil
Current income tax		
- Singapore	**259.8**	253.0
- Overseas	**513.4**	502.0
	773.2	755.0
Deferred income tax	**8.5**	(39.0)
Tax expense attributable to current year's profit	**781.7**	716.0
Recognition of deferred tax asset on other temporary differences [1]	**(123.8)**	(120.4)
Adjustments in respect of prior year -		
Current income tax		
- over provision	**(17.8)**	(0.4)
Deferred income tax		
- over provision	**(16.4)**	(0.6)
	623.7	594.6

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

	Group 2011 S$ Mil	Group 2010 S$ Mil
Profit before tax	**4,446.4**	4,501.1
Less: Share of results of associated and joint venture companies	**(1,564.1)**	(1,862.1)
	2,882.3	2,639.0
Tax calculated at tax rate of 17 per cent (2010: 17 per cent)	**490.0**	448.6
Effects of -		
Different tax rates of other countries	**281.5**	259.4
Income not subject to tax	**(24.0)**	(80.9)
Expenses not deductible for tax purposes	**28.0**	88.8
Deferred tax asset not recognised	**1.9**	2.1
Deferred tax asset previously not recognised now recognised	**(0.3)**	(1.4)
Others	**4.6**	(0.6)
Tax expense attributable to current year's profit	**781.7**	716.0

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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 - 2011 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 April 2010	251.3	407.7	57.2	191.0	907.2
Credited/ (Charged) to income statement	115.5	6.2	0.1	(1.8)	120.0
Credited to other comprehensive income	-	-	-	25.8	25.8
Transfer to current tax	(233.2)	-	(54.1)	-	(287.3)
Translation differences	0.6	6.4	(0.9)	3.3	9.4
Balance as at 31 March 2011	134.2	420.3	2.3	218.3	775.1

Group - 2011 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 April 2010	(293.7)	(5.1)	(12.9)	(311.7)
Credited/ (Charged) to income statement	10.5	(0.1)	1.3	11.7
Transfer from current tax	(6.3)	-	-	(6.3)
Translation differences	(0.1)	-	-	(0.1)
Balance as at 31 March 2011	(289.6)	(5.2)	(11.6)	(306.4)

12.2 Deferred Taxes (Cont'd)

Group - 2010 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 April 2009	311.1	328.5	75.3	104.1	819.0
Credited/ (Charged) to income statement	133.0	5.5	(0.4)	25.1	163.2
Credited to other comprehensive income	-	-	-	4.9	4.9
Transfer (to)/ from current tax	(256.7)	-	(32.8)	31.3	(258.2)
Translation differences	63.9	73.7	15.1	25.6	178.3
Balance as at 31 March 2010	251.3	407.7	57.2	191.0	907.2

Group - 2010 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 April 2009	(288.7)	(5.1)	(26.7)	(320.5)
(Charged)/ Credited to income statement	(4.9)	-	1.7	(3.2)
Transfer from current tax	-	-	12.5	12.5
Translation differences	(0.1)	-	(0.4)	(0.5)
Balance as at 31 March 2010	(293.7)	(5.1)	(12.9)	(311.7)

12.2 Deferred Taxes (Cont'd)

Company - 2011 **Deferred tax assets**	**Provisions** **S$ Mil**	**Deferred sale and leaseback income** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2010	**0.5**	**0.7**	**1.5**	**2.7**
Credited/ (Charged) to income statement	**0.1**	**(0.2)**	**0.5**	**0.4**
Balance as at 31 March 2011	**0.6**	**0.5**	**2.0**	**3.1**

Company - 2011 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2010	**(185.5)**	**(185.5)**
Credited to income statement	**10.8**	**10.8**
Transfer from current tax	**(6.2)**	**(6.2)**
Balance as at 31 March 2011	**(180.9)**	**(180.9)**

Company - 2010 **Deferred tax assets**	**Provisions** **S$ Mil**	**Deferred sale and leaseback income** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2009	0.3	0.9	2.2	3.4
Credited/ (Charged) to income statement	0.2	(0.2)	(0.7)	(0.7)
Balance as at 31 March 2010	0.5	0.7	1.5	2.7

Company - 2010 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2009	(190.1)	(190.1)
Credited to income statement	4.6	4.6
Balance as at 31 March 2010	(185.5)	(185.5)

Notes:

(1) TWDV – Tax written down value

(2) NBV – Net book value

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 statements of financial position as follows -

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Deferred tax assets	**764.0**	890.3	**-**	-
Deferred tax liabilities	**(295.3)**	(294.8)	**(177.8)**	(182.8)
	468.7	595.5	**(177.8)**	(182.8)

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 2011, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$86 million (2010: S$280 million), including S$3.0 million (2010: S$187 million) from the Optus Group, unutilised capital tax losses of S$137 million (2010: S$26 million) and unabsorbed capital allowances of approximately S$8.2 million (2010: S$2.1 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 end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability -

	Group	
	2011 S$ Mil	2010 S$ Mil
Unutilised income tax losses and unabsorbed capital allowances	**90.6**	95.5
Unutilised capital tax losses	**137.0**	25.9

13. EARNINGS PER SHARE

	Group	
	2011	**2010**
	'000	**'000**
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [1]	**15,925,839**	15,918,280
Adjustment for dilutive effect of share options	**5,013**	7,055
Adjustment for dilutive effect of Share Plan 2004	**18,456**	44,379
Weighted average number of ordinary shares for calculation of diluted earnings per share	**15,949,308**	15,969,714

Note:

(1) Adjusted to exclude the number of performance shares held by the Trust.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the share options and performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the 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	
	2011 S$ Mil	2010 S$ Mil
Revenue		
Subsidiaries of ultimate holding company		
Telecommunications	**139.7**	129.5
Rental and maintenance	**29.8**	30.0
Information technology and engineering	**12.6**	15.7
Associated and joint venture companies		
Telecommunications	**37.1**	34.0
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**78.4**	71.4
Utilities	**89.3**	76.5
Associated and joint venture companies		
Telecommunications	**72.9**	68.3
Transmission capacity	**45.4**	7.3
Postal	**10.3**	10.9
Due from related parties	**26.0**	19.0
Due to related parties	**3.2**	5.6

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

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

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Fixed deposits	**2,049.5**	1,175.9	**161.8**	142.0
Cash and bank balances	**688.5**	437.7	**61.5**	59.3
	2,738.0	1,613.6	**223.3**	201.3

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	
	2011 S$ Mil	2010 S$ Mil
Fixed deposits	**2,049.5**	1,175.9
Cash and bank balances	**688.5**	437.7
Less: Bank overdrafts (see **Note 29**)	**-**	(0.1)
	2,738.0	1,613.5

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

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
USD	**167.8**	200.9	**122.1**	150.3
AUD	**45.9**	14.2	**45.6**	13.9
JPY	**28.8**	10.6	**7.6**	0.2

The maturities of the fixed deposits were as follows -

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Less than three months	**2,043.4**	1,170.9	**161.8**	142.0
Over three months	**6.1**	5.0	**-**	-
	2,049.5	1,175.9	**161.8**	142.0

As at 31 March 2011, the weighted average effective interest rates of the fixed deposits of the Group and Company were 0.4 per cent (2010: 0.3 per cent) and 0.1 per cent (2010: 0.1 per cent) respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 36.3**.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Trade receivables	**2,757.1**	2,720.4	**498.5**	464.2
Less: Allowance for impairment of trade receivables	**(280.5)**	(294.8)	**(75.9)**	(88.5)
	2,476.6	2,425.6	**422.6**	375.7
Other receivables	**252.9**	187.5	**18.1**	22.9
Loans to subsidiaries	**-**	-	**458.1**	143.3
Less: Allowance for impairment of loans due	**-**	-	**(12.9)**	(24.1)
	-	-	**445.2**	119.2
Amount due from subsidiaries				
- trade	**-**	-	**684.5**	486.9
- non-trade	**-**	-	**3,694.9**	2,182.1
Less: Allowance for impairment of amount due	**-**	-	**(45.7)**	(45.7)
	-	-	**4,333.7**	2,623.3
Amount due from associated and joint venture companies				
- trade	**12.3**	5.6	**2.2**	1.5
- non-trade	**104.6**	7.8	**2.4**	-
	116.9	13.4	**4.6**	1.5
Amount due from associated company for fibre rollout	**186.2**	207.8	**186.2**	207.8
Loan to joint venture company	**-**	1.4	**-**	1.4
Interest receivable	**117.6**	105.6	**73.0**	77.5
Prepayments	**285.4**	216.6	**27.6**	18.0
Staff loans	**0.9**	1.3	**0.1**	0.1
Others	**12.8**	12.9	**5.6**	5.1
	3,449.3	3,172.1	**5,516.7**	3,452.5

As at 31 March 2011, the effective interest rate of a loan to a subsidiary was 1.2 per cent (2010: nil) per annum. The loans to other subsidiaries and the balances with subsidiaries, associated and joint venture companies were unsecured, interest-free and repayable on demand.

16. TRADE AND OTHER RECEIVABLES (Cont'd)

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 2011, the assessment of damages hearing has not taken place, hence no receivable has been recorded in the financial statements.

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	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Individuals	**580.8**	629.4	**140.7**	173.1
Corporations and others	**1,895.8**	1,796.2	**281.9**	202.6
	2,476.6	2,425.6	**422.6**	375.7

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

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Not past due or less than 60 days overdue	**2,338.1**	2,299.7	**374.6**	344.2
Past due				
- 61 to 120 days	**182.8**	190.7	**24.7**	31.1
- more than 120 days	**236.2**	230.0	**99.2**	88.9
	2,757.1	2,720.4	**498.5**	464.2

Based on historical collections experience, the Group believes that no allowance for impairment is necessary in respect of certain trade receivables which are not past due as well as certain trade receivables which are past due but not impaired.

16. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Balance as at 1 April	**294.8**	260.6	**88.5**	82.8
Allowance for impairment	**161.7**	142.0	**31.0**	26.9
Utilisation	**(156.9)**	(142.1)	**(28.7)**	(21.2)
Write-back	**(24.9)**	(3.9)	**(14.9)**	-
Translation differences	**5.8**	38.2	**-**	-
Balance as at 31 March	**280.5**	294.8	**75.9**	88.5

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

	Company	
	2011 S$ Mil	2010 S$ Mil
Balance as at 1 April	**24.1**	24.2
Write-back	**(11.2)**	(0.1)
Balance as at 31 March	**12.9**	24.1

Notes to the Financial Statements

For the financial year ended 31 March 2011

17. INVENTORIES

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Equipment held for resale	**228.7**	191.1	**1.3**	-
Maintenance and capital works' inventories	**35.9**	33.2	**35.7**	32.9
Work-in-progress				
- fibre rollout	**34.7**	118.9	**34.7**	118.9
- others	**-**	2.6	**-**	-
	34.7	121.5	**34.7**	118.9
	299.3	345.8	**71.7**	151.8

Notes to the Financial Statements

For the financial year ended 31 March 2011

18. PROPERTY, PLANT AND EQUIPMENT

Group - 2011	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2010	27.0	258.0	680.9	16,955.4	2,946.1	5,708.3	518.1	27,093.8
Additions (net of rebates)	-	-	0.2	323.2	131.9	192.4	1,475.5	2,123.2
Disposals/ Write-offs	-	(8.0)	-	(273.4)	(57.0)	(63.4)	-	(401.8)
Reclassifications / Adjustments	-	-	87.8	657.6	71.7	407.2	(1,209.4)	14.9
Translation differences	0.4	(1.5)	5.8	208.2	20.3	72.1	8.8	314.1
Balance as at 31 March 2011	27.4	248.5	774.7	17,871.0	3,113.0	6,316.6	793.0	29,144.2
Accumulated depreciation								
Balance as at 1 April 2010	-	50.0	275.4	9,823.4	2,041.9	4,126.6	-	16,317.3
Depreciation charge for the year	-	4.1	17.9	1,181.6	165.7	494.3	-	1,863.6
Disposals/ Write-offs	-	(1.1)	-	(268.1)	(54.2)	(59.7)	-	(383.1)
Translation differences	-	(0.8)	0.8	138.5	12.5	56.7	-	207.7
Balance as at 31 March 2011	-	52.2	294.1	10,875.4	2,165.9	4,617.9	-	18,005.5
Accumulated impairment								
Balance as at 1 April 2010	-	2.0	7.3	8.5	5.2	3.3	-	26.3
Disposals	-	-	-	-	-	(0.1)	-	(0.1)
Balance as at 31 March 2011	-	2.0	7.3	8.5	5.2	3.2	-	26.2
Net Book Value as at 31 March 2011	27.4	194.3	473.3	6,987.1	941.9	1,695.5	793.0	11,112.5

18. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group - 2010	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2009	22.1	259.3	642.9	13,031.5	2,906.9	4,771.0	643.8	22,277.5
Additions (net of rebates)	-	-	2.6	382.5	110.5	146.7	1,524.7	2,167.0
Disposals/ Write-offs	-	-	(0.2)	(56.8)	(337.6)	(106.4)	-	(501.0)
Reclassifications / Adjustments	-	-	1.8	1,453.4	18.5	140.6	(1,703.0)	(88.7)
Translation differences	4.9	(1.3)	33.8	2,144.8	247.8	756.4	52.6	3,239.0
Balance as at 31 March 2010	27.0	258.0	680.9	16,955.4	2,946.1	5,708.3	518.1	27,093.8
Accumulated depreciation								
Balance as at 1 April 2009	-	46.4	249.2	7,527.3	2,081.2	3,224.4	-	13,128.5
Depreciation charge for the year	-	4.2	18.1	1,173.1	150.8	472.3	-	1,818.5
Disposals/ Write-offs	-	-	-	(53.8)	(333.2)	(84.3)	-	(471.3)
Translation differences	-	(0.6)	8.1	1,176.8	143.1	514.2	-	1,841.6
Balance as at 31 March 2010	-	50.0	275.4	9,823.4	2,041.9	4,126.6	-	16,317.3
Accumulated impairment								
Balance as at 1 April 2009	-	2.0	7.3	2.7	4.4	10.0	-	26.4
Impairment charge for the year	-	-	-	5.8	3.1	-	-	8.9
Disposals	-	-	-	-	(2.4)	(6.7)	-	(9.1)
Translation differences	-	-	-	-	0.1	-	-	0.1
Balance as at 31 March 2010	-	2.0	7.3	8.5	5.2	3.3	-	26.3
Net Book Value as at 31 March 2010	27.0	206.0	398.2	7,123.5	899.0	1,578.4	518.1	10,750.2

18. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company - 2011	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2010	0.4	220.5	424.5	3,027.5	1,071.7	995.5	207.2	5,947.3
Additions (net of rebates)	-	-	0.2	119.9	55.0	73.2	91.2	339.5
Disposals/ Write-offs	-	(8.0)	-	(224.0)	(33.0)	(43.3)	-	(308.3)
Balance as at 31 March 2011	0.4	212.5	424.7	2,923.4	1,093.7	1,025.4	298.4	5,978.5
Accumulated depreciation								
Balance as at 1 April 2010	-	40.8	198.8	2,041.8	973.9	782.4	-	4,037.7
Depreciation charge for the year	-	2.3	11.6	182.6	43.2	74.8	-	314.5
Disposals/ Write-offs	-	(1.1)	-	(206.2)	(32.4)	(42.6)	-	(282.3)
Balance as at 31 March 2011	-	42.0	210.4	2,018.2	984.7	814.6	-	4,069.9
Accumulated impairment								
Balance as at 1 April 2010 and 31 March 2011	-	2.0	7.2	7.0	1.2	0.4	-	17.8
Net Book Value as at 31 March 2011	0.4	168.5	207.1	898.2	107.8	210.4	298.4	1,890.8

18. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company - 2010	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2009	0.4	220.5	421.9	2,859.2	1,068.4	956.6	284.5	5,811.5
Additions (net of rebates)	-	-	2.6	219.5	30.6	71.0	5.5	329.2
Disposals/ Write-offs	-	-	-	(51.2)	(27.3)	(32.1)	-	(110.6)
Reclassifications	-	-	-	-	-	-	(82.8)	(82.8)
Balance as at 31 March 2010	0.4	220.5	424.5	3,027.5	1,071.7	995.5	207.2	5,947.3
Accumulated depreciation								
Balance as at 1 April 2009	-	38.5	186.9	1,913.8	955.0	737.5	-	3,831.7
Depreciation charge for the year	-	2.3	11.9	176.6	46.2	74.8	-	311.8
Disposals/ Write-offs	-	-	-	(48.6)	(27.3)	(29.9)	-	(105.8)
Balance as at 31 March 2010	-	40.8	198.8	2,041.8	973.9	782.4	-	4,037.7
Accumulated impairment								
Balance as at 1 April 2009	-	2.0	7.2	1.2	-	1.3	-	11.7
Impairment charge for the year	-	-	-	5.8	1.2	-	-	7.0
Disposals	-	-	-	-	-	(0.9)	-	(0.9)
Balance as at 31 March 2010	-	2.0	7.2	7.0	1.2	0.4	-	17.8
Net Book Value as at 31 March 2010	0.4	177.7	218.5	978.7	96.6	212.7	207.2	1,891.8

Property, plant and equipment included the following -

	Group 2011 S$ Mil	Group 2010 S$ Mil	Company 2011 S$ Mil	Company 2010 S$ Mil
Net book value of property, plant and equipment				
- Finance lease obligations	**101.1**	51.8	**-**	-
- Held for generating operating lease income	**6.6**	9.5	**-**	-
Interest charges capitalised during the year	**-**	7.2	**-**	-
Staff costs capitalised during the year	**192.1**	175.3	**14.7**	11.8

In the previous financial year, an impairment charge of S$8.9 million was made at the Group on certain property, plant and equipment to bring their carrying values to their recoverable values.

19. INTANGIBLE ASSETS

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Goodwill on acquisition of subsidiaries	**9,657.2**	9,654.6	**-**	-
Telecommunications and spectrum licences	**541.5**	517.8	**2.0**	2.3
Customer relationships and others	**19.6**	27.8	**-**	-
	10,218.3	10,200.2	**2.0**	2.3

19.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2011 S$ Mil	2010 S$ Mil
Balance as at 1 April	**9,654.6**	9,620.0
Translation differences	**2.6**	34.6
Balance as at 31 March	**9,657.2**	9,654.6

19.2 Telecommunications and Spectrum Licences

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Balance as at 1 April	**517.8**	373.4	**2.3**	2.7
Additions	**84.2**	127.7	**-**	-
Amortisation for the year	**(103.8)**	(56.5)	**(0.3)**	(0.4)
Reclassifications	**37.6**	5.9	**-**	-
Translation differences	**5.7**	67.3	**-**	-
Balance as at 31 March	**541.5**	517.8	**2.0**	2.3
Cost	**1,068.4**	933.2	**8.4**	8.4
Accumulated amortisation	**(524.6)**	(413.1)	**(6.4)**	(6.1)
Accumulated impairment	**(2.3)**	(2.3)	**-**	-
Net book value as at 31 March	**541.5**	517.8	**2.0**	2.3

19.3 Customer Relationships and Others

	Group 2011 S$ Mil	Group 2010 S$ Mil
Balance as at 1 April	**27.8**	34.0
Amortisation for the year	**(8.1)**	(7.8)
Translation differences	**(0.1)**	1.6
Balance as at 31 March	**19.6**	27.8
Cost	**53.0**	52.7
Accumulated amortisation	**(33.4)**	(24.9)
Net book value as at 31 March	**19.6**	27.8

20. SUBSIDIARIES

	Company 2011 S$ Mil	Company 2010 S$ Mil
Unquoted equity shares, at cost	**6,505.4**	7,305.4
Shareholders' advances	**1,884.7**	3,283.4
Deemed investment in a subsidiary	**32.5**	42.0
	8,422.6	10,630.8
Less: Allowance for impairment losses	**(688.5)**	(688.5)
	7,734.1	9,942.3

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 end of the reporting period was 1.0 per cent (2010: 0.6 per cent) per annum.

The deemed investment in a subsidiary, SingTel Group Treasury Pte. Ltd. ("**SGT**"), arose from financial guarantees provided by the Company for loans drawn down by SGT.

The details of subsidiaries are set out in **Note 45**.

21. ASSOCIATED COMPANIES

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Quoted equity shares, at cost	**74.3**	74.3	**24.7**	24.7
Unquoted equity shares, at cost	**1,466.8**	1,440.3	**-**	-
Shareholder's loan (unsecured)	**1.7**	1.7	**-**	-
	1,542.8	1,516.3	**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)	**(270.3)**	(224.5)	**-**	-
Translation differences	**(480.1)**	(393.0)	**-**	-
	(778.7)	(645.8)	**-**	-
Less: Allowance for impairment losses	**(591.7)**	(591.7)	**-**	-
	172.4	278.8	**24.7**	24.7

As at 31 March 2011,

(i) The market values of the quoted equity shares in associated companies held by the Group and Company were S$583.8 million (2010: S$532.5 million) and S$573.0 million (2010: S$518.7 million) respectively.

(ii) The Group's shares representing 26% (2010: 26%) equity interest in an associated company are under negative liens.

(iii) The Group's proportionate interest in the capital commitments of the associated companies was S$77.8 million (2010: S$76.8 million).

The details of associated companies are set out in **Note 45.4**.

The summarised financial information of associated companies were as follows -

	Group	
	2011 S$ Mil	2010 S$ Mil
Operating revenue	**1,363.8**	1,293.2
Net profit after tax	**10.6**	20.7
Total assets	**4,614.7**	4,529.6
Total liabilities	**(3,196.8)**	(2,968.5)

22. JOINT VENTURE COMPANIES

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Quoted equity shares, at cost	**2,466.8**	2,388.1	**-**	-
Unquoted equity shares, at cost	**3,748.1**	3,748.1	**34.1**	34.1
	6,214.9	6,136.2	**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)	**6,459.0**	5,979.1	**-**	-
Translation differences	**(1,393.5)**	(726.7)	**-**	-
	3,839.6	4,026.5	**-**	-
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**-**	-
	10,024.5	10,132.7	**34.1**	34.1

As at 31 March 2011,

(i) The market value of the quoted equity shares in joint venture companies held by the Group was S$10.05 billion (2010: S$10.03 billion).

(ii) The Group's proportionate interest in the capital commitments of joint venture companies was S$1.61 billion (2010: S$875.9 million).

(iii) The Group's shares representing 24.8% (2010: 24.8%) equity interest in a joint venture company are placed in an escrow account under a deed of undertaking whereby under certain events of default, the joint venture partner could be entitled to these shares.

The details of joint venture companies are set out in **Note 45.5**.

Optus holds a 31.25% (2010: 31.25%) interest in an unincorporated joint venture to maintain an optical fibre submarine cable between Western Australia and Indonesia.

In addition, Optus has an interest in an unincorporated joint venture to share certain 3G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (2010: 50%) in the assets, with access to the shared network and shares 50% (2010: 50%) 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$320.8 million (2010: S$319.3 million).

22. JOINT VENTURE COMPANIES (Cont'd)

The Group's share of certain items in the income statements and statements of financial position of the joint venture companies were as follows -

	Group 2011 S$ Mil	Group 2010 S$ Mil
Operating revenue	**10,112.9**	8,061.8
Operating expenses	**(5,794.4)**	(4,126.6)
Net profit before tax	**2,110.1**	2,410.3
Net profit after tax	**1,576.5**	1,874.8
Non-current assets	**17,405.0**	10,873.6
Current assets	**2,349.9**	2,680.6
Current liabilities	**(5,164.6)**	(3,329.7)
Non-current liabilities	**(7,145.7)**	(2,744.5)
Net assets	**7,444.6**	7,480.0

23. IMPAIRMENT REVIEWS

23.1 Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2011 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.

Group	2011 S$ Mil	2010 S$ Mil	Terminal growth rate (1) 2011	Terminal growth rate (1) 2010	Pre-tax discount rate 2011	Pre-tax discount rate 2010
Carrying value of goodwill in -						
- Optus Group	**9,575.0**	9,572.4	**4.0%**	4.0%	**12.2%**	12.1%
- SCS Computer Systems Pte. Ltd.	**82.2**	82.2	**2.0%**	2.0%	**9.9%**	10.0%

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

23.1 Goodwill arising on acquisition of subsidiaries (Cont'd)

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

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering periods of five years. 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 2011, 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.

23.2 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 2011 were assessed for impairment.

			Terminal growth rate [1]		Pre-tax discount rate	
Group	**2011 S$ Mil**	**2010 S$ Mil**	**2011**	**2010**	**2011**	**2010**
Carrying value (including goodwill) in -						
Warid and PBTL	**650.1**	796.5				
Less: Allowance for impairment losses	**(590.0)**	(590.0)				
	60.1	206.5	**5.5% to 7%**	5.5% to 8%	**12.2% to 18.7%**	12.4% to 17.4%

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 23.1**. The cash flow projections were based on financial budgets and forecasts approved by management covering periods of seven to nine years.

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

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Balance as at 1 April	**255.8**	236.3	**31.1**	24.6
Additions	**20.0**	0.3	**-**	-
Disposals	**(1.1)**	(6.4)	**-**	-
(Provision for)/ Write-back of impairment	**(0.1)**	4.1	**-**	-
Net fair value gains included in other comprehensive income	**34.5**	21.5	**7.5**	6.5
Balance as at 31 March	**309.1**	255.8	**38.6**	31.1

AFS investments included the following -

	Group	
	2011 S$ Mil	2010 S$ Mil
Quoted equity securities		
- Taiwan	**244.3**	217.0
- Thailand	**18.4**	12.2
- Singapore and United States	**9.6**	8.9
	272.3	238.1
Unquoted		
Equity securities	**33.6**	13.8
Others	**3.2**	3.9
	36.8	17.7
	309.1	255.8

	Company	
	2011 S$ Mil	2010 S$ Mil
Quoted equity securities		
- Thailand	**18.4**	12.2
- Singapore and United States	**9.5**	8.8
	27.9	21.0
Unquoted equity securities		
- Singapore	**10.7**	10.1
	38.6	31.1

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Balance as at 1 April	**(1,052.9)**	(144.6)	**(718.8)**	(54.6)
Fair value (losses)/ gains				
- included in income statement	**(534.5)**	(540.3)	**(470.2)**	(736.3)
- included in 'Hedging Reserve'	**(112.6)**	(157.6)	**(19.5)**	72.1
- included in 'Currency Translation Reserve'	**(50.2)**	(190.7)	**-**	-
Settlement of swap for bonds repaid	**217.6**	-	**-**	-
Translation differences	**15.3**	(19.7)	**-**	-
Balance as at 31 March	**(1,517.3)**	(1,052.9)	**(1,208.5)**	(718.8)
Disclosed as -				
Current asset	**68.6**	12.8	**68.6**	12.8
Non-current asset	**-**	175.6	**22.9**	182.7
Current liability	**(999.8)**	(300.2)	**(988.2)**	(14.4)
Non-current liability	**(586.1)**	(941.1)	**(311.8)**	(899.9)
	(1,517.3)	(1,052.9)	**(1,208.5)**	(718.8)

25.1 Fair Values

The fair values of the currency and interest rate swap contracts excluded the accrued interest of S$44.4 million (2010: S$33.6 million). The accrued interest is separately disclosed in **Note 16** and **Note 27**.

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

	Group		Company	
	Fair value adjustments		Fair value adjustments	
	Assets	Liabilities	Assets	Liabilities
2011	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Fair value hedges				
Cross currency swaps	-	(106.0)	-	(107.2)
Interest rate swaps	72.2	1.2	72.2	-
Forward foreign exchange	-	0.9	-	0.1
Cash flow hedges				
Cross currency swaps	-	1,635.5	-	1,078.1
Interest rate swaps	(3.6)	(9.5)	(2.7)	8.6
Forward foreign exchange	-	41.4	-	30.7
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	9.0	257.9
Interest rate swaps	-	22.4	13.0	31.8
Forward foreign exchange	-	-	-	-
	68.6	1,585.9	91.5	1,300.0
Disclosed as -				
Current	68.6	999.8	68.6	988.2
Non-current	-	586.1	22.9	311.8
	68.6	1,585.9	91.5	1,300.0

25.1 Fair Values (Cont'd)

2010	Group Fair value adjustments Assets S$ Mil	Group Fair value adjustments Liabilities S$ Mil	Company Fair value adjustments Assets S$ Mil	Company Fair value adjustments Liabilities S$ Mil
Fair value hedges				
Cross currency swaps	-	(94.0)	-	(94.0)
Interest rate swaps	187.8	-	187.8	-
Forward foreign exchange	11.8	4.5	11.8	0.6
Cash flow hedges				
Cross currency swaps	-	1,271.2	-	762.2
Interest rate swaps	(12.3)	25.9	(9.9)	13.4
Forward foreign exchange	1.1	15.9	1.1	10.0
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	-	197.2
Interest rate swaps	-	17.8	4.7	24.9
Forward foreign exchange	-	*	-	-
	188.4	1,241.3	195.5	914.3
Disclosed as -				
Current	12.8	300.2	12.8	14.4
Non-current	175.6	941.1	182.7	899.9
	188.4	1,241.3	195.5	914.3

* Denotes amount less than S$50,000.

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 2012, 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 29.1**.

Notes to the Financial Statements

For the financial year ended 31 March 2011

25.1 Fair Values (Cont'd)

As at 31 March 2011, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	2011	**2010**	**2011**	**2010**
Interest rate swaps				
Notional principal (S$ million equivalent)	**7,104.4**	5,737.5	**5,802.0**	5,382.1
Fixed interest rates	**1.8% to 6.2%**	1.8% to 7.7%	**1.8% to 4.5%**	1.8% to 3.9%
Floating interest rates	**0.1% to 4.9%**	0.4% to 5.7%	**0.1% to 2.6%**	0.4% to 2.3%
Cross currency swaps				
Notional principal (S$ million equivalent)	**7,102.8**	5,193.5	**4,918.0**	3,649.7
Fixed interest rates	**3.5% to 7.5%**	3.9% to 8.0%	**3.9% to 5.2%**	3.9% to 5.2%
Floating interest rates	**0.7% to 6.7%**	2.0% to 6.3%	**0.7% to 2.5%**	2.0% to 2.8%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**710.7**	1,359.3	**392.6**	1,020.1

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

25.2 Fair Value Measurements

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);

(b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and

(c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

25.2 Fair Value Measurements (Cont'd)

The following table presents the assets and liabilities measured at fair value as at 31 March 2011 -

Group 2011	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	**272.3**	**-**	**-**	**272.3**
- Unquoted	**-**	**-**	**36.8**	**36.8**
	272.3	**-**	**36.8**	**309.1**
Derivative financial instruments (**Note 25.1**)	**-**	**68.6**	**-**	**68.6**
	272.3	**68.6**	**36.8**	**377.7**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**-**	**1,585.9**	**-**	**1,585.9**
	-	**1,585.9**	**-**	**1,585.9**

Group 2010	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	238.1	-	-	238.1
- Unquoted	-	-	17.7	17.7
	238.1	-	17.7	255.8
Derivative financial instruments (**Note 25.1**)	-	188.4	-	188.4
	238.1	188.4	17.7	444.2
Financial liabilities				
Purchase consideration payable				
- Current (**Note 27**)	-	-	487.5	487.5
- Non-current (**Note 32**)	-	-	144.6	144.6
	-	-	632.1	632.1
Derivative financial instruments (**Note 25.1**)	-	1,241.3	-	1,241.3
	-	1,241.3	632.1	1,873.4

25.2 Fair Value Measurements (Cont'd)

Company 2011	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	**27.9**	**-**	**-**	**27.9**
- Unquoted equity securities	**-**	**-**	**10.7**	**10.7**
	27.9	**-**	**10.7**	**38.6**
Derivative financial instruments (**Note 25.1**)	**-**	**91.5**	**-**	**91.5**
	27.9	**91.5**	**10.7**	**130.1**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**-**	**1,300.0**	**-**	**1,300.0**
	-	**1,300.0**	**-**	**1,300.0**

Company 2010	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	21.0	-	-	21.0
- Unquoted equity securities	-	-	10.1	10.1
	21.0	-	10.1	31.1
Derivative financial instruments (**Note 25.1**)	-	195.5	-	195.5
	21.0	195.5	10.1	226.6
Financial liabilities				
Purchase consideration payable				
- Current (**Note 27**)	-	-	487.5	487.5
- Non-current (**Note 32**)	-	-	144.6	144.6
	-	-	632.1	632.1
Derivative financial instruments (**Note 25.1**)	-	914.3	-	914.3
	-	914.3	632.1	1,546.4

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted equity securities in AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management reports of the AFS investments.

25.2 Fair Value Measurements (Cont'd)

The following table presents the reconciliation for the unquoted equity securities in AFS investments measured at fair value based on unobservable inputs (Level 3) -

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
AFS investments - unquoted				
Balance as at 1 April	**17.7**	18.4	**10.1**	9.8
Total gains included in other comprehensive income	**0.2**	1.1	**0.6**	0.3
Additions	**20.0**	0.2	**-**	-
Disposals	**(1.1)**	(2.0)	**-**	-
Balance as at 31 March	**36.8**	17.7	**10.7**	10.1

26. OTHER NON-CURRENT RECEIVABLES

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Prepayments	**78.4**	89.6	**270.7**	158.4
Other receivables	**47.9**	34.0	**0.1**	0.1
	126.3	123.6	**270.8**	158.5

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2011	2010	2011	2010
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Trade payables	**2,747.7**	2,515.2	**589.1**	566.5
Advance billings	**630.5**	600.9	**75.0**	74.7
Accruals	**697.9**	654.4	**98.6**	94.3
Interest payables	**195.6**	183.9	**125.7**	140.1
Due to subsidiaries				
- trade	**-**	-	**191.4**	309.2
- non-trade	**-**	-	**362.0**	213.9
	-	-	**553.4**	523.1
Due to associated and joint venture companies (trade)	**63.2**	53.2	**55.2**	47.3
Deferred income (see **Note 31**)				
- Deferred gain on sale of a joint venture company	**3.1**	3.1	**-**	-
- Financial guarantee contracts	**-**	-	**-**	3.2
	3.1	3.1	**-**	3.2
Customers' deposits	**24.1**	21.6	**13.8**	11.5
Other deferred income	**19.7**	19.9	**8.5**	5.1
Purchase consideration payable	**-**	487.5	**-**	487.5
Other payables	**68.3**	110.1	**56.2**	46.3
	4,450.1	4,649.8	**1,575.5**	1,999.6

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 or annual basis except for interest payables on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

The purchase consideration payable of S$487.5 million as at 31 March 2010 was in respect of the Group's purchase of an additional 1.5% effective equity interest in Bharti Airtel Limited ("**Bharti**"), a joint venture company, which was completed in November 2009. The non-current portion was shown in **Note 32**. The total amount payable was subject to a minimum and maximum purchase consideration to be finalised based on the prevailing Bharti share price in May 2011, in accordance with the terms of the share purchase agreement. During the financial year, the Group recognised a realised fair value gain of S$38 million (see **Note 8**) on the purchase consideration payable in the income statement upon final settlement of the consideration in January 2011.

28. PROVISION

The provision mainly relates to provision for liquidated damages and warranties. The movements were as follows -

	Group	
	2011 S$ Mil	2010 S$ Mil
Balance as at 1 April	**17.9**	16.8
(Write-back of provision)/ Provision	**(17.4)**	2.5
Amount written off against provision	**(0.2)**	(1.4)
Balance as at 31 March	**0.3**	17.9

29. BORROWINGS (UNSECURED)

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Current				
Bonds	**2,667.4**	577.6	**2,667.4**	-
Bank loans	**5.2**	935.4	**-**	-
Bank overdraft	**-**	0.1	**-**	-
	2,672.6	1,513.1	**2,667.4**	-
Non-current				
Bonds	**4,094.1**	4,496.8	**734.5**	3,809.1
Bank loans	**450.0**	831.1	**-**	-
	4,544.1	5,327.9	**734.5**	3,809.1
Total unsecured borrowings	**7,216.7**	6,841.0	**3,401.9**	3,809.1

29.1 Bonds

Principal amount	Maturity	Fixed interest rate %	Group 2011 S$ Mil	Group 2010 S$ Mil	Company 2011 S$ Mil	Company 2010 S$ Mil
US$393.8 million (1)	2010	8.00	**-**	559.9	**-**	-
US$1,350 million (2)	2011	6.38	**1,755.1**	2,024.0	**1,755.1**	2,024.0
US$500 million (1) (2)	2019	4.63	**628.2**	687.7	**-**	-
US$600 million (2)	2021	4.50	**748.4**	-	**-**	-
US$500 million (2)	2031	7.38	**734.5**	791.2	**734.5**	791.2
€500 million (2)	2011	6.00	**912.3**	993.9	**912.3**	993.9
€700 million (1) (2)	2020	3.50	**1,221.4**	-	**-**	-
S$600 million (2)	2020	3.49	**600.0**	-	**-**	-
HK$1,000 million (1)	2020	3.83	**161.6**	-	**-**	-
A$62.6 million	2011	6.82	**-**	17.7	**-**	-
			6,761.5	5,074.4	**3,401.9**	3,809.1
Classified as -						
Current			**2,667.4**	577.6	**2,667.4**	-
Non-current			**4,094.1**	4,496.8	**734.5**	3,809.1
			6,761.5	5,074.4	**3,401.9**	3,809.1

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.

29.2 Bank Loans

	Group 2011 S$ Mil	Group 2010 S$ Mil
Current	**5.2**	935.4
Non-current	**450.0**	831.1
	455.2	1,766.5

29.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows -

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Between one and two years	**100.0**	3,017.9	**-**	3,017.9
Between two and five years	**350.0**	831.1	**-**	-
Over five years	**4,094.1**	1,478.9	**734.5**	791.2
	4,544.1	5,327.9	**734.5**	3,809.1

29.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows -

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Bonds	**5.2**	6.4	**6.5**	6.5
Bank loans	**1.0**	2.5	**-**	-

29.5 Fair Values

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Carrying value				
Bonds	**6,761.5**	5,074.4	**3,401.9**	3,809.1
Bank loans	**455.2**	1,766.5	**-**	-
Fair value				
Bonds	**6,860.4**	5,183.7	**3,487.3**	3,918.4
Bank loans	**455.2**	1,766.5	**-**	-

See **Note 2.7** on the basis of estimating the fair values and **Note 25** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

29.6 The tables below set out the expected contractual undiscounted cash flows of the borrowings, including the effects of hedging.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2011				
Net-settled interest rate swaps	**220.0**	**137.6**	**431.9**	**876.3**
Borrowings	**3,633.2**	**185.0**	**588.7**	**4,796.9**
	3,853.2	**322.6**	**1,020.6**	**5,673.2**
As at 31 March 2010				
Net-settled interest rate swaps	462.3	170.2	122.9	563.2
Borrowings	1,586.3	3,585.9	933.7	1,743.4
	2,048.6	3,756.1	1,056.6	2,306.6

Company	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2011				
Net-settled interest rate swaps	**110.1**	**21.2**	**85.2**	**415.7**
Borrowings	**3,544.7**	**-**	**-**	**881.2**
	3,654.8	**21.2**	**85.2**	**1,296.9**
As at 31 March 2010				
Net-settled interest rate swaps	160.4	143.7	61.3	474.0
Borrowings	-	3,528.6	-	881.2
Financial guarantee contracts (**Note 31**)	0.5	-	9.0	-
	160.9	3,672.3	70.3	1,355.2

The maximum amount that the Company can be called on under the financial guarantee contract if the full guaranteed amount is claimed by the counterparty to the guarantee is as disclosed in **Note 40(a)(ii)**.

30. BORROWINGS (SECURED)

30.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows -

	Group 2011 S$ Mil	Group 2010 S$ Mil
Not later than one year	**29.6**	17.1
Later than one but not later than five years	**47.7**	24.8
	77.3	41.9
Less: Future finance charges	**(8.4)**	(3.8)
	68.9	38.1
Classified as -		
Current	**26.3**	14.9
Non-current	**42.6**	23.2
	68.9	38.1

30.2 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows -

	Group 2011 %	Group 2010 %
Finance lease liabilities	**7.3**	10.0

30.3 Fair Values

	Group 2011 S$ Mil	Group 2010 S$ Mil
Carrying value		
Finance lease liabilities	**68.9**	38.1
Fair value		
Finance lease liabilities	**68.9**	38.1

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.

31. DEFERRED INCOME

	Group		Company	
	2011	2010	2011	2010
	S$ Mil	S$ Mil	S$ Mil	S$ Mil
Gain on sale and leaseback arrangements				
Balance as at 1 April	**9.6**	11.3	**4.4**	5.3
Amount recognised as income during the year	**(3.7)**	(1.7)	**(1.5)**	(0.9)
Balance as at 31 March	**5.9**	9.6	**2.9**	4.4
Deferred gain on sale of a joint venture company				
Balance as at 1 April	**22.9**	26.0	**-**	-
Amount recognised as income during the year	**(3.1)**	(3.1)	**-**	-
Balance as at 31 March	**19.8**	22.9	**-**	-
Financial guarantee contracts				
Balance as at 1 April	**-**	-	**9.5**	12.3
Amount deferred during the year	**-**	-	**-**	17.8
Amount recognised as income during the year	**-**	-	**-**	(20.6)
Reclassifications	**-**	-	**(9.5)**	-
Balance as at 31 March	**-**	-	**-**	9.5
	25.7	32.5	**2.9**	13.9
Classified as -				
Current (see **Note 27**)	**3.1**	3.1	**-**	3.2
Non-current	**22.6**	29.4	**2.9**	10.7
	25.7	32.5	**2.9**	13.9

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.

32. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Performance share liability	**12.1**	8.7	**10.6**	6.5
Other deferred income	**-**	13.9	**-**	-
Other payables, including purchase consideration payable (see **Note 27**)	**181.8**	333.1	**7.1**	149.3
	193.9	355.7	**17.7**	155.8

33. SHARE CAPITAL

	2011		2010	
Group and Company	Number of shares Mil	Share capital S$ Mil	Number of shares Mil	Share capital S$ Mil
Balance as at 1 April	**15,932.2**	**2,616.3**	15,926.8	2,605.6
Issue of shares under share options	**3.5**	**6.5**	5.4	10.7
Balance as at 31 March	**15,935.7**	**2,622.8**	15,932.2	2,616.3

All issued shares are fully paid.

During the year, the Company issued 3,546,818 (2010: 5,391,400) shares upon the exercise of 3,546,818 (2010: 5,391,400) share options under the 1999 Scheme at exercise prices between S$1.41 and S$2.12 (2010: S$1.41 and S$2.85) per share.

The newly issued shares rank pari passu in all respects with the previously issued shares.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 55% to 70% of underlying net profit. Underlying net profit is 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.

34. DIVIDENDS

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Final dividend of 8.0 cents (2010: 6.9 cents) (one-tier tax exempt) per share, paid	**1,273.7**	1,097.0	**1,274.3**	1,097.4
Interim dividend of 6.8 cents (2010: 6.2 cents) (one-tier tax exempt) per share, paid	**1,082.9**	987.0	**1,083.5**	987.5
	2,356.6	2,084.0	**2,357.8**	2,084.9

During the financial year, a final one-tier tax exempt ordinary dividend of 8.0 cents per share was paid in respect of the previous financial year ended 31 March 2010, and an interim one-tier tax exempt ordinary dividend of 6.8 cents per share was paid in respect of the current financial year ended 31 March 2011.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 9.0 cents per share and a special one-tier exempt dividend of 10.0 cents per share, totalling approximately S$3.03 billion in respect of the current financial year ended 31 March 2011 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the final dividend payable of approximately S$3.03 billion, which will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2012.

35. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of AFS investments and borrowings are set out in **Note 24**, **Note 29.5** and **Note 30.3** respectively.

The carrying values of the other financial assets and liabilities approximate their fair values.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

36.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. 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.

36.2 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. Translation 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 the translation risk of the Group's investment in Australia. As at 31 March 2011, 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$32.2 million (2010: S$31.8 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 for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the exchange difference on non-trade balances is disclosed under **Note 10**.

36.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2011, after taking into account the effect of interest rate swaps, approximately 73% (2010: 67%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2011, 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$11.8 million (2010: S$13.4 million).

36.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents, marketable securities and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents and marketable securities with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

36.5 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.

36.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

37. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by the chief operating decision maker for performance measurement and resource allocation.

The Group's reportable segments are as follows -

Singapore – represent the services and products provided by SingTel and its subsidiaries (excluding Optus).

Australia – represent the services and products provided by Optus, a wholly-owned subsidiary of the Group domiciled in Australia.

Associates & Joint Ventures ("Assoc & JV") – represent the Group's investments in associated and joint venture companies which mainly comprise Advanced Info Service Public Company Limited ("**AIS**") in Thailand, Bharti in India, Globe Telecom, Inc. ("**Globe**") in the Philippines, and PT Telekomunikasi Selular ("**Telkomsel**") in Indonesia.

The main services and products provided in both Singapore and Australia are mobile communications, data and Internet, national telephone, information technology and engineering, sale of equipment, international telephone and pay television.

The accounting policies used to derive the reportable operating segment results are consistent with those described in the "Significant Accounting Policies" note to the financial statements.

Segment results represent operating revenue less expenses. Corporate costs represent the costs of the Group function not allocated to the reportable operating segments.

Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, and inventories. Assets managed at corporate level include cash and bank balances, fixed deposits and AFS investments.

Segment capital expenditure comprise additions to property, plant and equipment and intangible assets.

The Group's revenue from its major products and services are disclosed in **Note 4**.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2011 and 31 March 2010.

37. SEGMENT INFORMATION (Cont'd)

Group 2011	Singapore S$ Mil	Australia S$ Mil	Assoc & JV S$ Mil	Elim S$ Mil	Segment Total S$ Mil	Corp S$ Mil	Group Total S$ Mil
Operating revenue	6,400.6	11,670.0	-	-	18,070.6	-	18,070.6
Segment results	1,654.0	1,441.4	-	-	3,095.4	(75.0)	3,020.4
Other income	48.5	77.2	-	-	125.7	4.5	130.2
Profit/ (Loss) before exceptional items	1,702.5	1,518.6	-	-	3,221.1	(70.5)	3,150.6
Exceptional items	-	-		-	-	55.7	55.7
Profit/ (Loss) on operating activities	1,702.5	1,518.6	-	-	3,221.1	(14.8)	3,206.3
Share of results of associated and joint venture companies							
- Bharti	-	-	567.3	-	567.3	-	567.3
- Telkomsel	-	-	638.2	-	638.2	-	638.2
- Globe	-	-	137.7	-	137.7	-	137.7
- AIS	-	-	190.5	-	190.5	-	190.5
- Others	-	-	30.4	-	30.4	-	30.4
	-	-	1,564.1	-	1,564.1	-	1,564.1
Profit before interest, investment income (net) and tax	1,702.5	1,518.6	1,564.1	-	4,785.2	(14.8)	4,770.4
Interest and investment income (net)	-	26.7	-	-	26.7	16.8	43.5
Finance costs	-	(157.8)	-	-	(157.8)	(209.7)	(367.5)
Profit/ (Loss) before tax	1,702.5	1,387.5	1,564.1	-	4,654.1	(207.7)	4,446.4
Segment assets							
Investment in associated and joint venture companies							
- Bharti	-	-	5,230.8	-	5,230.8	-	5,230.8
- Telkomsel	-	-	3,274.7	-	3,274.7	-	3,274.7
- Globe	-	-	1,008.9	-	1,008.9	-	1,008.9
- AIS	-	-	261.6	-	261.6	-	261.6
- Others	-	-	420.9	-	420.9	-	420.9
	-	-	10,196.9	-	10,196.9	-	10,196.9
Goodwill on acquisition of subsidiaries	81.9	9,575.3	-	-	9,657.2	-	9,657.2
Other assets	5,008.3	15,478.3	-	(3,793.6)	16,693.0	2,735.2	19,428.2
	5,090.2	25,053.6	10,196.9	(3,793.6)	36,547.1	2,735.2	39,282.3
Capital expenditure	842.8	1,364.5	-	-	2,207.3	-	2,207.3
Depreciation and amortisation	(550.5)	(1,418.2)	-	-	(1,968.7)	-	(1,968.7)

37. SEGMENT INFORMATION (Cont'd)

Group 2010	Singapore S$ Mil	Australia S$ Mil	Assoc & JV S$ Mil	Elim S$ Mil	Segment Total S$ Mil	Corp S$ Mil	Group Total S$ Mil
Operating revenue	5,995.0	10,875.9	-	-	16,870.9	-	16,870.9
Segment results	1,734.2	1,212.2	-	-	2,946.4	(72.5)	2,873.9
Other income	40.5	51.1	-	-	91.6	3.1	94.7
Profit/ (Loss) before exceptional items	1,774.7	1,263.3	-	-	3,038.0	(69.4)	2,968.6
Exceptional items	(5.0)	-	(260.0)	-	(265.0)	269.7	4.7
Profit/ (Loss) on operating activities	1,769.7	1,263.3	(260.0)	-	2,773.0	200.3	2,973.3
Share of results of associated and joint venture companies							
- Bharti	-	-	834.8	-	834.8	-	834.8
- Telkomsel	-	-	681.5	-	681.5	-	681.5
- Globe	-	-	164.5	-	164.5	-	164.5
- AIS	-	-	148.1	-	148.1	-	148.1
- Others	-	-	33.2	-	33.2	-	33.2
	-	-	1,862.1	-	1,862.1	-	1,862.1
Profit before interest, investment income (net) and tax	1,769.7	1,263.3	1,602.1	-	4,635.1	200.3	4,835.4
Interest and investment income/ (expense) (net)	-	22.3	-	-	22.3	(30.7)	(8.4)
Finance costs	-	(109.1)	-	-	(109.1)	(216.8)	(325.9)
Profit/ (Loss) before tax	1,769.7	1,176.5	1,602.1	-	4,548.3	(47.2)	4,501.1
Segment assets							
Investment in associated and joint venture companies							
- Bharti	-	-	4,951.5	-	4,951.5	-	4,951.5
- Telkomsel	-	-	3,231.9	-	3,231.9	-	3,231.9
- Globe	-	-	1,049.0	-	1,049.0	-	1,049.0
- AIS	-	-	656.8	-	656.8	-	656.8
- Others	-	-	522.3	-	522.3	-	522.3
	-	-	10,411.5	-	10,411.5	-	10,411.5
Goodwill on acquisition of subsidiaries	82.2	9,572.4	-	-	9,654.6	-	9,654.6
Other assets	4,706.4	13,938.9	-	(2,938.3)	15,707.0	2,178.4	17,885.4
	4,788.6	23,511.3	10,411.5	(2,938.3)	35,773.1	2,178.4	37,951.5
Capital expenditure	722.0	1,572.7	-	-	2,294.7	-	2,294.7
Depreciation and amortisation	(518.2)	(1,359.8)	-	-	(1,878.0)	-	(1,878.0)
Impairment of property, plant and equipment	(8.9)	-	-	-	(8.9)	-	(8.9)
Impairment of AFS investments	-	-	-	-	-	(60.9)	(60.9)
Impairment of associated company	-	-	(260.0)	-	(260.0)	-	(260.0)

38. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows -

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Not later than one year	**436.1**	453.8	**95.5**	158.6
Later than one but not later than five years	**1,209.7**	1,394.6	**313.7**	215.6
Later than five years	**1,775.8**	1,385.5	**794.6**	515.8
	3,421.6	3,233.9	**1,203.8**	890.0

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 and 18 January 2010. The above commitments included the minimum amounts payable of S$39.4 million (2010: S$37.8 million) per annum under those contracts. The operating lease payments under these contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

39. COMMITMENTS

39.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 39.2**, were as follows -

	Group		Company	
	2011 S$ Mil	2010 S$ Mil	2011 S$ Mil	2010 S$ Mil
Authorised and contracted for	**1,025.1**	928.7	**67.0**	105.3

The above included equity funding commitments for an associated company of US$51 million (S$64 million) (2010: US$66 million) and commitments to purchase capacity in the cable network of a joint venture company of A$9.2 million (S$12 million) (2010: A$57 million).

39.2 As at 31 March 2011, the Group's commitments for the purchase of broadcasting program rights were S$397.0 million (2010: S$602.6 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and do not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

40. CONTINGENT LIABILITIES

(a) Guarantees

As at 31 March 2011,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$583.6 million and S$389.6 million (31 March 2010: S$687.6 million and S$435.5 million) respectively.

(ii) The Company provided guarantees for loans of S$450 million (31 March 2010: S$1.28 billion) drawn down under various loan facilities entered into by SGT. The Company also provided guarantees for SGT's notes issue of S$600 million and US$600 million due in 2020 and 2021 respectively.

(iii) The Company provided a guarantee for US$90 million (S$114 million) (31 March 2010: US$94 million) on a proportionate share basis in respect of a loan obtained by an associated company.

(b) Appeal against the decision by Komisi Pengawas Persaingan Usaha Republik Indonesia ("KPPU") (Republic of Indonesia Commission for Supervision of Business Competition) (the "Commission")

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 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 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.

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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.

40. 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") (Cont'd)

On 20 May 2009, SingTel and SingTel Mobile filed an application to the Indonesian Supreme Court for civil review of the Supreme Court decision.

On 9 June 2009, KPPU applied to the Central Jakarta District Court to enforce the Supreme Court Decision. This application is understood to be pending.

On 12 January 2011, SingTel and SingTel Mobile received official notification that the civil review applications have been rejected. SingTel and SingTel Mobile maintain that they have complied with all the laws of Indonesia. However, in February 2011, SingTel and SingTel Mobile paid the fines with due respect to the Indonesian Courts, without prejudice to their rights under International Law.

(c) 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.

41. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURE COMPANIES

(a) In January 2008, TOT Public Company Limited ("**TOT**") and CAT Telecom Public Company Limited ("**CAT**") demanded additional payments of revenue share from AIS and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively. The SingTel Group holds an equity interest of 21.3% in AIS. CAT had submitted its case against DPC to arbitration and the relevant arbitration tribunal has dismissed CAT's case against DPC on 1 March 2011.

AIS' management believes that its dispute with TOT referred to above shall have no material impact to its financial statements because the amounts demanded are the same as the excise taxes that they have submitted to the Excise Department in prior years and deducted from the revenue sharing, according to the resolution of the Thai Cabinet dated 11 February 2003. AIS further stated that this matter has been submitted to arbitration and it could take several years before an arbitral award is rendered.

On 2 February 2011, AIS received demand letters from TOT for additional payments of revenue share, penalties and surcharges to be paid by 15 February 2011. The first demand amounted to THB 36,996 million (SingTel's equity share: S$328 million) plus interest at 7.5% per annum and value added tax for reduction of revenue sharing rate on prepaid services and deduction of roaming cost from the revenue share payment to TOT. The second demand amounted to THB 36,817 million (SingTel's equity share: S$326 million) plus interest at 7.5% per annum and value added tax due to the deduction of excise tax from the revenue share payment to TOT which is currently under the arbitration process as mentioned above.

AIS' management believes that the demands shall have no material impact to its financial statements because it is not obligated to make any additional payments as demanded by TOT. On 4 February 2011, AIS sent a letter to TOT opposing such demands. On 11 February 2011, AIS submitted TOT's claim for additional revenue share in relation to prepaid services and roaming cost to arbitration.

41. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURE COMPANIES (Cont'd)

On 26 January 2011, TOT sent a letter demanding AIS to pay additional revenue share based on gross interconnection income received from 2007 to 2010 of THB 17,803 million (SingTel's equity share: S$158 million) plus interest at the rate of 1.25% per month. AIS sent a letter opposing the said claim to TOT on 21 February 2011. On 9 March 2011, AIS submitted the dispute to arbitration.

(b) Bharti, a 32.3% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

As at 31 March 2011, the taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately INR 31 billion (SingTel's equity share: S$280 million). In respect of some of the tax issues, pending final decisions, Bharti had deposited amounts with statutory authorities.

Bharti is defending its positions vigorously.

(c) Globe, a 47.3% joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on the Globe Group's financial position and results of operations.

(d) As at 31 March 2011, Telkomsel, a 35% joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 1,030 billion (SingTel's equity share: S$52 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which are not presently determinable.

42. ASSOCIATED COMPANY - PROPOSED RESTRUCTURING OF LOAN FACILITIES AND OTHER MATTERS

Warid Telecom (Private) Limited ("**Warid**"), an associated company in which the Group has a 30% equity interest, is currently in discussions with certain of its lenders in relation to a proposed restructuring of its loan facilities. As at 31 March 2011, the outstanding principal under such loan facilities amounted to approximately US$757 million, and was secured by a floating charge on Warid's assets. In addition, US$90 million of the loan facilities was guaranteed by SingTel (see **Note 40(a)(iii)**) and US$512 million was secured by guarantees of the other shareholder group of Warid.

Warid had been served winding-up petitions by Huawei International Pte. Limited, Huawei Technologies Co., Limited and Huawei Technologies Pakistan (Private) Limited (collectively, "**Huawei**") seeking payment of outstanding aggregate payable of approximately US$140 million. China Development Bank Corporation subsequently granted loan facilities of US$160 million to Warid and funds disbursed under such facilities have been used to pay the outstanding payable. Consequently, Huawei has withdrawn its winding-up petitions.

43. SUBSEQUENT EVENT

On 4 April 2011, SGT completed a HK$620 million Note issue maturing in 2018 with an annual coupon of 3.32% per annum. The Note issue is guaranteed by the Company.

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 financial period beginning on 1 April 2011.

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 2011 and 31 March 2010.

45.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2011	**2010**
			%	**%**
1.	Computer Systems Holdings Pte Ltd	Investment holding	**100**	100
2.	CVSI Pte Ltd	Provision of service support of computer hardware & software and other information technology related services	**100**	100
3.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
4.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
5.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
6.	SCS Computer Systems Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
7.	NCSI Holdings Pte. Ltd.	Investment holding	**100**	100
8.	Singapore Telecom Mobile Pte Ltd [1]	Investment holding	**100**	100
9.	SingNet Pte Ltd	Provision of internet access services	**100**	100
10.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	**100**	100
11.	SingTel Group Treasury Pte. Ltd.	Provision of finance and treasury services to SingTel and its subsidiaries	**100**	100
12.	SingTel Idea Factory Pte. Ltd. (previously known as C2C Asiapac Pte Ltd)	Engaged in research and development, products and services development and business partnership	**100**	100
13.	SingTel Innov8 Pte. Ltd.	Venture capital investment holding	**100**	-

45.1 Significant subsidiaries incorporated in Singapore (Cont'd)

Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2011 %	2010 %
14. SingTel Investments Private Limited	Portfolio investment holding	**100**	100
15. SingTel Mobile Singapore Pte. Ltd. [(1)]	Operation and provision of cellular mobile telecommunications systems and services, resale of fixed line and broadband services	**100**	-
16. SingTel Ventures (Singapore) Private Limited	Investment holding	**100**	100
17. SingTelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100
18. SingTel Singapore Pte. Ltd.	Investment holding and provision of business and management consultancy services	**100**	-
19. ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	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	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

Note:

(1) With effect from 1 October 2010, the mobile business was transferred from Singapore Mobile Pte Ltd to SingTel Mobile Singapore Pte. Ltd., which was incorporated during the financial year.

45.2 Significant subsidiaries incorporated in Australia

Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
		2011 %	2010 %
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 Backbone Investments Pty Limited	Investment in telecommunications network infrastructure in Australia	**100**	100
7. Optus Billing Services Pty Limited (*)	Provision of billing services to the Optus Group	**100**	100
8. Optus Broadband Pty Limited (1)	Provision of high speed residential internet service	**100**	100
9. Optus Data Centres Pty Limited (1)	Provision of data communication services	**100**	100
10. Optus Finance Pty Limited (1)	Provision of financial services to the Optus Group	**100**	100
11. Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
12. Optus Internet Pty Limited (1)	Provision of internet services to retail customers	**100**	100
13. Optus Mobile Pty Limited (1)	Provision of mobile phone services	**100**	100
14. Optus Narrowband Pty Limited (*)	Provision of narrow band portal content services	**100**	100
15. Optus Networks Investments Pty Ltd (*) (1)	Bidding company for the National Broadband Network in Australia	**100**	100
16. Optus Networks Pty Limited (1)	Provision of telecommunications services	**100**	100
17. 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 interest held by the Group 2011 %	2010 %
18. Optus Stockco Pty Limited (*)	Purchases of Optus Group network inventory	**100**	100
19. Optus Superannuation Pty Limited (*)	A trustee for Optus Group's superannuation scheme	**100**	100
20. Optus Systems Pty Limited (1)	Provision of information technology services to the Optus Group	**100**	100
21. Optus Vision Interactive Pty Limited (*)	Provision of interactive television service	**100**	100
22. Optus Vision Media Pty Limited (*) (2)	Provision of broadcasting related services	**20**	20
23. Optus Vision Pty Limited (1)	Provision of telecommunications services	**100**	100
24. Perpetual Systems Pty Ltd (1)	Provision of IT disaster recovery services	**100**	100
25. Prepaid Services Pty Limited (1)	Distribution of prepaid mobile products	**100**	100
26. Reef Networks Pty Ltd (1)	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100
27. Singapore Telecom Australia Investments Pty Limited	Investment holding	**100**	100
28. Simplus Mobile Pty Limited (1)	Provision of mobile phone services	**100**	100
29. SingTel Optus Pty Limited	Investment holding	**100**	100
30. Source Integrated Networks Pty Limited (1)	Provision of data communications and network services	**100**	100
31. Uecomm Operations Pty Limited (1)	Provision of data communication services	**100**	100
32. Virgin Mobile (Australia) Pty Limited (1)	Provision of mobile phone services	**100**	100
33. XYZed LMDS Pty Limited (*)	Holder of telecommunications licence	**100**	100

45.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2011 %	2010 %
34.	XYZed Pty Limited [1]	Provision of telecommunications services	**100**	100

All companies are audited by Deloitte Touche Tohmatsu, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

(1) These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998.

(2) Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

45.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2011 %	2010 %
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

45.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2011 %	2010 %
8.	NCSI (India) Private Limited	Provision of information technology services	India	**100**	100
9.	NCSI (Korea) Co., Limited	Provision of information technology consultancy and system integration services	South Korea	**100**	100
10.	NCSI Lanka (Private) Limited	Provision of information technology and communication engineering services	Sri Lanka	**100**	100
11.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	**100**	100
12.	NCSI (ME) W.L .L.	Provision of information technology and communication engineering services	Bahrain	**100**	100
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	Provision of infotainment products and services, and investment holding	Mauritius	**100**	100
18.	SingTel Global India Private Limited	Provision of telecommunications services and all related activities	India	**74**	74
19.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
20.	Singapore Telecom India Private Limited	Engaged in general liaison and support services	India	**100**	100

45.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
			2011 %	2010 %
21. Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	**100**	100
22. Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100
23. Singapore Telecom USA, Inc. (*)	Provision of telecommunications, engineering and marketing services	USA	**100**	100
24. SingTel Australia Investment Ltd (*)	Investment holding	British Virgin Islands	**100**	100
25. SingTel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100
26. SingTel (Philippines), Inc.	Engaged in general liaison and support services	Philippines	**100**	100
27. SingTel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100
28. SingTel Ventures (Cayman) Pte Ltd (*)	Investment holding	Cayman Islands	**100**	100
29. Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100

All companies are audited by a member firm of Deloitte Touche Tohmatsu LLP except for the following -
(*) No statutory audit is required.
(**) Audited by another firm.

Note:

(1) Subsidiary's financial year-end is 31 December.

45.4 Associated companies held by the Group

	Name of associated company	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2011 %	2010 %
1.	ADSB Telecommunications B.V.	Dormant	Netherlands	**25.6**	25.6
2.	APT Satellite Holdings Limited (1)	Investment holding	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited (1)	Investment holding	British Virgin Islands	**28.6**	28.6
4.	Infoserve Technology Corp.	Dormant	Cayman Islands	**25.0**	25.0
5.	OpenNet Pte. Ltd. (2)	To design, build and operate the passive infrastructure for Singapore's Next Generation National Broadband Network	Singapore	**29.9**	29.9
6.	Singapore Post Limited (3)	Operation and provision of postal services	Singapore	**25.5**	25.6
7.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications equipment	Singapore	**50.0**	50.0
8.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2
9.	Warid Telecom (Private) Limited (4)	Provision of mobile 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 2010, the financial year-end of the company.

(2) Audited by Ernst & Young LLP, Singapore.

(3) Audited by PricewaterhouseCoopers LLP, Singapore.

(4) Audited by A.F. Ferguson & Co. (a member firm of PricewaterhouseCoopers).

45.5 Joint venture companies held by the Group

	Name of joint venture company	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group 2011 %	2010 %
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) (2)	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	**21.3**	21.3
5.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	**16.7**	16.7
6.	ASEAN Telecom Holdings Sdn Bhd (1)	Investment holding	Malaysia	**14.3**	14.3
7.	Asiacom Philippines, Inc. (1)	Investment holding	Philippines	**40.0**	40.0
8.	Bharti Telecom Limited (3)	Investment holding	India	**36.2**	36.2
9.	Bharti Airtel Limited (3)	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	**32.3**	32.0
10.	Bridge Mobile Pte Ltd	Provision of regional mobile services	Singapore	**33.6**	33.6
11.	Globe Telecom, Inc. (4)	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	**47.3**	47.3

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 interest held by the Group 2011 %	2010 %
12. Grid Communications Pte Ltd (1)	Provision of public trunk radio services	Singapore	**50.0**	50.0
13. Indian Ocean Cableship Pte Ltd	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	**50.0**	50.0
14. International Cableship Pte Ltd	Ownership and chartering of cableships	Singapore	**45.0**	45.0
15. Main Event Television Pty Limited	Provision of cable television programmes	Australia	**33.3**	33.3
16. OPEL Networks Pty Limited	Dormant	Australia	**50.0**	50.0
17. Pacific Bangladesh Telecom Limited (5)	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	**45.0**	45.0
18. Pacific Carriage Holdings Limited	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**40.0**	40.0
19. PT Telekomunikasi Selular (6)	Provision of mobile telecommunications and related services	Indonesia	**35.0**	35.0
20. Radiance Communications Pte Ltd (1)	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0
21. Southern Cross Cables Holdings Limited (7)	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**40.0**	40.0
22. TeleTech Park Pte Ltd	Engaged in the business of development, construction, operation and management of TeleTech Park	Singapore	**40.0**	40.0

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 interest held by the Group	
			2011 %	2010 %
23. VA Dynamics Sdn Bhd [(1)]	Distribution of networking cables and related products	Malaysia	**49.0**	49.0

Notes:

(1) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2010, the financial year-end of the company.

(2) Audited by KPMG Phoomchai Audit Ltd, Bangkok.

(3) Audited by S.R.Batliboi & Associates, New Delhi (a member firm of Ernst & Young).

(4) Audited by SGV & Co. (a member firm of Ernst & Young).

(5) Audited by S. F. Ahmed & Co (SFACO) (an international associate firm of Ernst & Young).

(6) Audited by Tanudiredja Wibisana & Rekan (a member firm of PricewaterhouseCoopers).

(7) Audited by KPMG, Bermuda.

Interested Person Transactions

The aggregate value of all interested person transactions during the financial year ended 31 March 2011 (excluding transactions less than S$100,000) were as follows -

Name of interested person	S$ mil
Advanced Info Service Public Company Ltd	0.7
Aetos Security Management Pte Ltd	0.1
Capitaland Limited	0.1
Folec Communications (B) Sdn Bhd	0.1
Fullerton Fund Management Company Ltd	0.2
Grid Communications Pte Ltd	0.7
iShopAero Pte Ltd	2.3
MapleTree Investments Pte Ltd	0.3
MediaCorp TV Singapore Pte Ltd	0.3
MediaCorp Pte Ltd	0.5
Neptune Orient Lines Limited	0.2
Nucleus Connect Pte Ltd	2.8
PSA Corporation Limited	0.8
Radiance Communications Pte Ltd	2.9
SATS Ltd (formerly known as Singapore Airport Terminal Services Ltd)	3.1
SembCorp Industries Limited	0.2
Singapore Technologies Aerospace Limited	0.9
Singapore Technologies Electronics Limited	0.3
Singapore Technologies Kinetics Limited	0.4
SMRT Engineering Pte Ltd	1.3
SMRT Trains Ltd	0.2
SP Services Ltd	0.4
SPT Net Pte Ltd	3.0
StarHub Ltd	62.8
StarHub Cable Vision Ltd	34.0
StarHub Mobile Pte Ltd	11.5
ST Electronics (Info-Comm Systems) Pte Ltd	1.3
ST Electronics (Satcom & Sensor Systems) Pte Ltd	0.2
Surbana International Consultants Pte Ltd	0.2
Temasek Holdings (Private) Ltd	0.1
Trusted Source Pte Ltd	1.5
	133.4

Shareholder Information

As at 31 May 2011

ORDINARY SHARES

Number of ordinary shareholders	316,521
Number of holders of CHESS Units of Foreign Securities relating to ordinary shares in the Company (**CUFS**)	21,548

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	24,173,819 [1]

Note:
[1] Deemed through interests of associated companies and/or subsidiaries.

MAJOR SHAREHOLDERS LIST - TOP 20

No.	Name	No. of shares held	% of issued share capital [1]
1.	Temasek Holdings (Pte) Ltd	8,671,325,982	54.41
2.	DBSN Services Pte Ltd	1,566,946,530	9.83
3.	Citibank Nominees Singapore Pte Ltd	1,471,586,110	9.23
4.	DBS Nominees Pte Ltd	1,301,550,140 [2]	8.17
5.	Central Provident Fund Board	941,672,910	5.91
6.	HSBC (Singapore) Nominees Pte Ltd	489,780,247	3.07
7.	United Overseas Bank Nominees Pte Ltd	292,988,407	1.84
8.	Chess Depositary Nominees Pty Limited [3]	214,006,917	1.34
9.	BNP Paribas Securities Services Singapore	200,499,014	1.26
10.	Raffles Nominees (Pte) Ltd	110,791,787	0.69
11.	DB Nominees (S) Pte Ltd	26,919,840	0.17
12.	Merrill Lynch (Singapore) Pte Ltd	20,591,185	0.13
13.	OCBC Nominees Singapore Private Limited	18,722,719	0.12
14.	Bank of Singapore Nominees Pte Ltd	7,779,273	0.05
15.	Royal Bank of Canada (Asia) Ltd	7,488,601	0.05
16.	OCBC Securities Private Ltd	5,852,568	0.04
17.	Societe Generale Singapore Branch	4,748,652	0.03
18.	BNP Paribas Nominees Singapore Pte Ltd	4,522,262	0.03
19.	Morgan Stanley Asia (Singapore)	3,331,765	0.02
20.	Phillip Securities Pte Ltd	3,178,582	0.02
		15,364,283,491	96.41

Notes:
[1] The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 31 May 2011, excluding 156,522 ordinary shares held as treasury shares as at that date.
[2] Excludes 156,522 ordinary shares held by DBS Nominees Pte Ltd as treasury shares for the account of the Company.
[3] The shares held by CHESS Depositary Nominees Pty Limited are held on behalf of the persons entered in the register of CUFS holders.

Shareholder Information

As at 31 May 2011

MAJOR CUFS HOLDERS LIST (1) - TOP 20

No.	Name	No. of CUFS held	% of issued share capital (2)
1.	National Nominees Limited	43,217,796	0.27
2.	J P Morgan Nominees Australia Limited	32,131,790	0.20
3.	HSBC Custody Nominees (Australia) Limited	31,554,992	0.20
4.	Cogent Nominees Pty Limited	10,580,016	0.07
5.	J P Morgan Nominees Australia Limited <Cash Income A/C>	4,104,976	0.03
6.	Paul O'Sullivan	3,358,663	0.02
7.	RBC Dexia Investor Services Australianominees Pty Limited	3,319,489	0.02
8.	AMP Life Limited	3,262,979	0.02
9.	The Australian National University	3,000,000	0.02
10.	Citicorp Nominees Pty Limited <CFSIL CWLTH AUST SHS 1 A/C>	2,220,000	0.01
11.	Citicorp Nominees Pty Limited	1,973,449	0.01
12.	Queensland Investment Corporation	942,165	0.01
13.	RBC Dexia Investor Services Australia Nominees Pty Limited <BKCUST A/C>	878,982	0.01
14.	M F Custodians Ltd	811,753	0.01
15.	HSBC Custody Nominees (Australia) Limited - A/C 3	770,008	0.01
16.	JMB Pty Limited	760,000	0.00
17.	J P Morgan Nominees Australia Limited	698,800	0.00
18.	Cogent Nominees Pty Limited <SMP Accounts>	601,348	0.00
19.	John Simon	522,991	0.00
20.	Citicorp Nominees Pty Limited <CFSIL CWLTH AUST SHS 8 A/C>	521,400	0.00
		145,231,597	0.91

Notes:

(1) CUFS are CHESS Units of Foreign Securities relating to ordinary shares in the Company. The shares are held by CHESS Depositary Nominees Pty Limited on behalf of the persons entered in the CUFS register.

(2) The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 31 May 2011, excluding 156,522 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	268,937	79.55	62,238,992	0.39
1,000 - 5,000	49,370	14.60	115,941,560	0.73
5,001 - 10,000	10,355	3.06	79,136,454	0.50
10,001 - 100,000	8,821	2.61	222,170,519	1.39
100,001 - 1,000,000	533	0.16	125,551,075	0.79
1,000,001 and above	53	0.02	15,331,257,149	96.20
	338,069	100.00	15,936,295,749	100.00

Number of holders holding less than a marketable parcel 241,478

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 Limited is ignored.

(2) Based on information available to the Company as at 31 May 2011, approximately 45% 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 31 May 2011, excluding 156,522 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 31 May 2011, the number of ordinary shares held in treasury is 156,522, and the percentage of such holding against the total number of issued ordinary shares (excluding ordinary shares held as treasury shares) is 0.001%.

SHARE PURCHASE MANDATE

At the Extraordinary General Meeting of the Company held on 30 July 2010 (**2010 EGM**), the shareholders approved the renewal of a mandate to enable the Company to purchase or otherwise acquire not more than 10 per cent of the issued ordinary share capital of the Company as at the date of the 2010 EGM. As at 31 May 2011, 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 CEO)
Graham John Bradley AM [1]
Fang Ai Lian
Dominic Chiu Fai Ho
Simon Israel
Low Check Kian
Peter Edward Mason AM [1]
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee
Ong Peng Tsin
Nicky Tan Ng Kuang

AUDIT COMMITTEE
Fang Ai Lian (Chairman)
Dominic Chiu Fai Ho
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE
Chumpol NaLamlieng (Chairman)
Graham John Bradley AM [1]
Fang Ai Lian
Simon Israel
Peter Edward Mason AM [1]
Kaikhushru Shiavax Nargolwala

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE
Kaikhushru Shiavax Nargolwala (Chairman)
Dominic Chiu Fai Ho
Low Check Kian
Chumpol NaLamlieng
Peter Ong Boon Kwee

FINANCE, INVESTMENT AND RISK COMMITTEE
Nicky Tan Ng Kuang (Chairman)
Simon Israel
Low Check Kian
Ong Peng Tsin

OPTUS ADVISORY COMMITTEE
Simon Israel (Chairman)
Graham John Bradley AM [1]
Chua Sock Koong
Peter Edward Mason AM [1]
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Chan Su Shan

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Lim Li Ching

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