SINGAPORE TELECOMMUNICATIONS LIMITED

ANNUAL REPORT 2012

SHAPING COMMUNICATIONS MAKING BOLD MOVES

SingTel

SINGAPORE TELECOMMUNICATIONS LIMITED
ANNUAL REPORT 2012

For more than 130 years, we have been shaping the way our customers live, work and play via state-of-the-art technology. With a mobile customer base of over 400 million across Asia and Africa, we put the customer at the centre of everything we do.

The communications industry is rapidly evolving in today's digital age and SingTel has a history of making bold moves, especially in times of change. We leverage our unique advantages to shape customers' lifestyles beyond how they communicate, to help them transact, be informed and be entertained. We aim to win in the new era.

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

CONTENTS

445 MILLION

MOBILE CUSTOMER BASE

Covering more than
2 billion people across
Asia and Africa

SINGAPORE
AUSTRALIA
AFRICA[(1)]
BANGLADESH
INDIA
INDONESIA
PAKISTAN
PHILIPPINES
THAILAND

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 Airtel (India), we also have a significant presence in 17 African countries and Sri Lanka.

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

KEY FIGURES

OPERATING REVENUE (S$ m)

FY2012	18,825
FY2011	18,071

+4%

Operating revenue grew on mobile service revenue growth from Singapore, further lifted by the stronger Australian Dollar.

NET PROFIT (S$ m)

FY2012	3,989
FY2011	3,825

+4%

Net profit, which included the exceptional net tax credit on transfer of assets to an associate, increased 4 per cent.

UNDERLYING NET PROFIT (S$ m)

FY2012	3,676
FY2011	3,800

-3%

Underlying net profit declined due to lower associates' contributions, with lower earnings from Airtel arising from 3G investments in India, weaker regional currencies and fair value losses.

FREE CASH FLOW (S$ m)

FY2012	3,462
FY2011	4,038

-14%

Free cash flow declined on higher capital expenditure and special dividends from AIS in the previous year.

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

FY2012	16.9
FY2011	17.6

-0.7% point

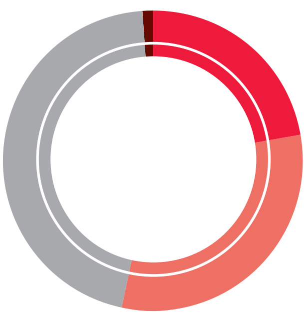
ROIC declined on lower contributions from associates.

DIVIDEND PER SHARE (cents)

	Ordinary Dividend	Special Dividend
FY2012	15.8	
FY2011	15.8	10.0

Ordinary Dividend · Ordinary Dividend · Special Dividend

PROPORTIONATE EBITDA [2]



Singapore	22%
Australia	31%
Regional Mobile Associates	45%
Others	1%

Through its investments in key markets overseas, the Group has diversified its earnings base. Overseas operations contributed 78 per cent to proportionate EBITDA, up 2 percentage points from a year ago.

Notes:

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

(2) Percentages may not add up due to rounding.


Connect.
Control. Converge.
SingTel's M2M (Machine-to-Machine)
solution offers real-time control
over costs and operations


Save What's
Most Important
A smart way to store,
access and share
important documents
from anywhere
OPTUS SMART SAFE™

exSTREAM

Limitless Power of Light

Stream videos, surf the internet, store and share memories, all at the same time

STORE & SHARE


BUY
A New Concept
in TV and Choice
Pause, rewind and
record “live” TV
OPTUS meTV
with fetch

Helping the Community

Making a difference,
touching lives

> WE OPERATE IN A WORLD WHERE THE SERVICES OF TELECOMMUNICATIONS COMPANIES AND INTERNET PLAYERS ARE RAPIDLY MERGING ONTO THE MOBILE INTERNET PLATFORM.

Dear Shareholders,

The SingTel Group has delivered another year of resilient financial performance while repositioning ourselves for transformation.

We operate in a world where the services of telecommunications companies and internet players are rapidly merging onto the mobile internet platform. In this digital age, consumers are increasingly turning to the mobile internet for information, entertainment and to transact, as smartphones and tablets become more prevalent.

Our industry is changing and subject to many forces. We are facing new competitors in the form of over-the-top players offering free services that ride on our networks, intensifying price competition, growing policy risks and regulatory intervention across the countries the Group operates in.

TRANSFORMATION IS AN IMPERATIVE

The Board and Management have put in place a compelling strategy and restructured the Group to capitalise on the opportunities this new digital world presents. We have valuable assets in our subscriber base, customer relationships and extensive networks, which form the foundation for us to develop new products and services. Underlying our ambition is a fundamental promise to our customers: to shape communications that will enhance their lives and empower their businesses into the future.

Today, the fastest growing area in global telecommunications is mobile data. This gives us the opportunity to disrupt adjacent markets as well as extend our customer relationships and grow our share of their wallets. Our recent acquisition of US-based Amobee, which we will develop to become a global advertising platform, is an example of this.

We remain committed to enhancing our infrastructure to deliver the best customer experience. However, the exponential growth in mobile data requires significant investments in spectrum and network capacity. To justify continued investments, the industry needs to shift away from offering unlimited data plans and deliver sustainable returns for operators.

A COMMITTED BOARD

The Board and Management are focused on the Group's transformation. This agenda also drives the Board's talent management and succession planning efforts. We are mindful that our transformation is a journey which will require time before meaningful results can be seen.

We have devoted considerable time to understanding the new digital space and I am particularly appreciative that my fellow Directors made the time to spend a week in a structured Silicon Valley immersion programme.

The Board views strong governance as the foundation for the long-term success of the Group. We firmly believe that integrity and upholding the highest standards of corporate governance are essential to delivering the Group's strategy.

This year, we placed a higher priority on risk and established a separate Risk Committee in May. Every year, following the conclusion of our annual strategic planning exercise, we review the skill sets required to support our strategic agenda and maintain the necessary diversity in the composition of the Board. This forms the basis of Board renewal and recruitment. In addition, an independent external consultant is appointed to help evaluate the effectiveness of the Board, the Board Committees and the contribution of each Director. The Board, led by the Lead Independent Director, also assesses the effectiveness of the Chairman.

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Our transformation is the top priority and this is the common goal that will guide the Group's 23,000 employees. Their commitment and passion will build the future for SingTel.

PEOPLE AND THE COMMUNITY

People are our key assets. Our transformation is the top priority and this is the common goal that will guide the Group's 23,000 employees. Their commitment and passion will build the future for SingTel.

In addition to financial performance, we are mindful of our commitment to our employees, the environment and the communities where we operate. Last year, we responded as a Group by making donations and providing assistance to help relief efforts following natural disasters in Thailand and the Philippines.

In conclusion, I would like to thank my fellow Directors, Management and all employees of the Group for their dedication and commitment to SingTel.

Simon Israel
Chairman

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OUR THREE UNITS UNDER THE NEW ORGANISATION – GROUP CONSUMER, GROUP DIGITAL L!FE AND GROUP ICT – ARE STRUCTURED ALONG CUSTOMER SEGMENTS INSTEAD OF GEOGRAPHICAL LINES, ENABLING US TO SHARPEN OUR CUSTOMER FOCUS AND TAKE FULL ADVANTAGE OF OUR SCALE.

Q: DESCRIBE FY2012 FOR SINGTEL FROM YOUR PERSPECTIVE.

A: Let me start by saying that I am very proud of the management team and our 23,000 employees. We faced multiple challenges in FY2012 from currency fluctuations to the emergence of new disruptive competitors seeking to take a bite of our profit pie. Despite all that, the SingTel Group continued to deliver resilient financial results while enhancing our range of product and service offerings to our customers.

As one example, during the year, we rolled out 4G or Long Term Evolution (LTE) services, giving our customers in Singapore unprecedented broadband speeds. Optus extended and enhanced its 3G coverage with the commencement of a spectrum migration programme and started offering 4G connectivity in the Newcastle region of New South Wales. Be it LTE or new generation fibre services, customers today are spoilt for choice when it comes to broadband access.

We are committed to giving the best value and experience to our customers. For our enterprise customers, we expanded our portfolio of cloud-based solutions to help them reduce costs and improve productivity. For consumers, we widened our range of digital offerings to simplify their communications and enhance their lives. Our continued market leadership position reflects the success of our strongly executed strategy.

Optus celebrated a milestone – its 20th anniversary and 10th year as part of the SingTel Group. The role Optus plays in the Australian communications landscape is a significant one. Optus has long advocated for a regulatory framework that delivers a level playing field and improves competition in the fixed-line market. This will be achieved in part by the rollout of the National Broadband Network which will transform the telecoms marketplace in Australia by creating a platform for a vibrant and competitive fixed-line sector.

In the emerging markets, our regional mobile associates recorded strong growth in customer numbers. Telkomsel crossed the 100 million customer mark. In less than two years after acquiring mobile operations in Africa, Airtel now has 50 million customers in that continent. Competition has eased in many of our markets and prices have stabilised. Our associates are also tapping into the growth opportunity in mobile data services by introducing data bundles, smartphones and investing in their networks.

Beyond the operational achievements in our various markets, we also established new priorities for ourselves with a definitive move to realign the Group's structure by customer segments as we progress into the new era. The new structure became effective on 1 April 2012.

Q: THE GROUP MADE A SIGNIFICANT CHANGE IN ITS ORGANISATION STRUCTURE. WHAT IS THE MOTIVATION BEHIND THIS?

A: Our industry is undergoing significant changes. Our competition has expanded beyond traditional telecommunications companies to also include players in the digital space, like device companies, content owners and numerous other firms with web-based service operating models (often described as "over-the-top" or "OTT" players). These companies are expanding beyond their traditional boundaries and entering each other's turf to battle for an increased share of the consumer and enterprise wallets.

With these changes, our relationship with customers is becoming less exclusive, and we run the risk of being marginalised if we do nothing. At the same time, these changes present new opportunities for us to expand our share of the customer's wallet. To succeed, we need to stay focused on leveraging our many unique strengths and sustainable advantages.

As we look at our competitive landscape, it is clear we need to engage our customers differently. Our three units under the new organisation – Group Consumer, Group Digital L!fe and Group ICT – are structured along customer segments instead of geographical lines, enabling us to sharpen our customer focus and take full advantage of our scale. We aspire to be a truly global business with strong local customer insights, supported by global delivery capabilities.

Q: HOW DOES THE NEW GROUP DIGITAL L!FE UNIT FIT INTO THE OVERALL STRATEGY?

A: Over the past few years, we have accumulated an interesting portfolio of digital assets. The formation of Group Digital L!fe will sharpen our focus in this space and raise our game against non-traditional competitors.

Our unique assets allow us to shape the future of a connected society and truly make a difference to our customers. Among other things, these assets include:

- a market of over 400 million mobile customers;
- extensive customer touch points that are hard to replicate, such as shops, online stores and billing relationships which give trusted telcos the edge against online content providers;
- information on customer preferences that will help us develop relevant and useful services; and
- access to location-based information by virtue of our network intelligence, which enables our services to be truly targeted.

The mobile advertising and marketing industry is in a nascent stage and holds significant potential for mobile operators in both the developed and emerging markets. The location data produced in the normal course of our network operations can help us, with permission from the customer, to uniquely identify customer preferences and habits. We could utilise this knowledge to raise the effectiveness of advertisers' promotions and the value of their marketing expenditure, while consumers benefit from a better mobile experience. We are particularly excited about the potential of mobile marketing in emerging markets, where mobile phones offer advertisers the most compelling avenue to reach hundreds of millions of current and future customers.

As part of our strategy in this space, in March 2012, we announced our plan to acquire US-based Amobee, a premium provider of mobile advertising solutions to global operators, publishers and advertisers. We plan to combine Amobee's advertising expertise and platforms with our customer reach and knowledge to offer advertisers a unique proposition and effective returns on their marketing spend.

We will be making similar moves in other exciting digital spaces as we continue to enhance and leverage the assets of our core carrier business.

Q: HOW DO YOU INTEND TO ACCELERATE GROWTH FOR THE GROUP?

A: As we seek new growth avenues, our core telco business remains the critical lynchpin to our success. We will continually review the core foundations of our carrier business to anticipate industry changes rather than simply react to them.

In Group Consumer, our priority is to continue delivering strong profitability and lowering costs, while driving service as well as business model innovations to better meet customer needs. To capture scale benefits from the Group's operations in diverse geographies, we will also drive tighter integration across Singapore, Australia and with the regional mobile associates, focusing on areas such as procurement, networks and IT.

Our regional mobile associates generate a significant portion of our Group earnings. We are a long-term strategic investor and they remain a key part of our future. But we need to engage them differently. Developments in the emerging markets indicate tremendous opportunities for growth. The new organisation structure reflects our commitment to drive stronger synergies and seize opportunities more effectively across the entire footprint of the SingTel Group.

For our enterprise customers, Group ICT will maximise economies of scale and deliver relevant end-to-end ICT solutions across different verticals globally. It will focus on innovatively bundling IT solutions with voice and data connectivity to drive down costs and simplify administration, while raising the productivity of our enterprise customers.

Q: HOW IS SINGTEL RESPONDING TO THE INCREASING GLOBAL DEMAND FOR MOBILE DATA?

A: In recent years, with the advent and adoption of smartphones and other connected devices such as tablets, as well as richer applications, mobile data usage has surged rapidly. Yet revenue for mobile data services significantly lags the growth in data usage as well as related costs.

To grow our carriage business, we must continually meet customers' network performance expectations. We remain committed to making significant investments in our networks from acquiring additional spectrum to introducing more efficient data-handling technologies, such as LTE.

To fund future network investments, it is critical for us to ensure that our revenue from data services keeps pace with the cost of provision. We, along with other carriers

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Embracing a culture that allows innovation to flourish is important. This will require a shift in our collective mindset – away from failure aversion to one of constant experimentation.

around the world, are actively seeking new pricing models to achieve this objective without causing unnecessary pain to customers.

In Singapore, we are taking steps to shape customers' behaviour. By delivering the right outcomes to customers with tiered and quality-of-service oriented price plans, we can maximise our chances of achieving returns and sustain ongoing investments in our network. Through initiatives by Group Digital L!fe, we will also create interesting bundles of traditional and new services to better satisfy our customers.

Q: WHAT ARE THE CHANGES SINGTEL IS MAKING TO SUCCEED IN THE NEW DIGITAL AGE?

A: Embracing a culture that allows innovation to flourish is important. This will require a shift in our collective mindset – away from failure aversion to one of constant experimentation. We need to learn from past failures and be prepared to reiterate a bold idea if we believe it will eventually bear fruit. Even when we do not succeed, we expect a "fail fast and fail cheap" mentality to produce valuable learnings that can form the basis of long-term advantage against competition.

Nurturing a more global mindset among our staff and bringing out their entrepreneurial spirit will also be important for the Group. As some forms of our competition are global in scope and scale, we believe that some of our services can only be effective if they are competitive on a global scale.

Thus it is important to possess strong local and global perspectives to be able to identify and capture possibilities both at home and in new geographies.

Our corporate discipline is strong and our innovation culture is evolving. We actively encourage innovation within the organisation. For us, innovation is not just about technology. It also involves breaking new ground in our business models and processes.

To complement our existing talents, we are also hiring people from other industries to introduce fresh insights and better execute our vision.

At the heart of this transformation is our commitment to put customers first. We want to lead and shape the communications landscape by making a difference in our customers' lives and enhancing the way they live, work and play.

As an organisation, we have never backed away from new challenges. We have a history of making bold first moves, particularly during times of industry change. We have the confidence and inspiration to prevail in the face of the many challenges and exciting opportunities we see on the horizon.

Chua Sock Koong
Group Chief Executive Officer

BOARD OF DIRECTORS

SIMON ISRAEL

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

Mr Israel, 59, is Chairman of Asia Pacific Breweries Limited and Asia Pacific Breweries Foundation. He is a Director of CapitaLand Limited and a member of the Governing Board of Lee Kuan Yew School of Public Policy.

Mr Israel was an Executive Director and President of Temasek Holdings (Private) Limited before retiring on 1 July 2011. Prior to that, he was with the Danone Group as Chairman Asia Pacific and a member of the Group's Executive Committee. Mr Israel also 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, before becoming President (Household & Personal Care), Asia Pacific.

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, and awarded the Public Service Medal at the Singapore National Day Awards 2011. He holds a Diploma in Business Studies from The University of the South Pacific.

BOBBY CHIN YOKE CHOONG

Non-executive and independent Director
Chairman, Risk Committee
Date of Appointment: 1 May 2012

Mr Chin, 60, is the Chairman of Singapore Totalisator Board. He is a member of the Council of Presidential Advisers and serves on the boards of the Competition Commission of Singapore and Singapore Labour Foundation. He is also a Director of several listed companies including Oversea-Chinese Banking Corporation Limited, Yeo Hiap Seng Limited, Ho Bee Investment Ltd, SembCorp Industries Ltd and AV Jennings Limited.

Mr Chin was the Managing Partner of KPMG Singapore from 1992 until his retirement in September 2005. He is a former Director of Neptune Orient Lines Limited. He also served as a Board member of the Urban Redevelopment Authority from 1997 to 2006 and was its Chairman from 2001 to 2006.

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

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, 54, was appointed Group CEO on 1 April 2007. She is responsible for SingTel's three key businesses – Group Consumer, Group Digital L!fe and Group ICT.

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

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

Ms Chua 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.

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, 62, 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: 29 Jul 2011

Mr Ho, 61, is a non-executive Director of Underwriters Laboratories Inc., Hang Lung Properties Limited, the Hong Kong Mercantile Exchange Limited and DBS Bank (Hong Kong) Limited. He is also non-executive Chairman and Director of DBS Bank (China) Limited.

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

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

LOW CHECK KIAN

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

Mr Low, 53, was one of the founding partners of NewSmith Capital Partners LLP, an independent partnership providing corporate finance advice and investment management services, with its headquarters 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 sits on the Boards of Neptune Orient Lines Limited and Fibrechem Technologies Limited, as well as AWAK Technologies Pte. Ltd. Mr Low served as an independent director on the Singapore Exchange Board from July 2000 and was appointed Lead Independent Director in May 2006 until his retirement in October 2011. He also previously sat on the Boards of the Infocomm Development Authority of Singapore and Singapore Workforce Development Agency and chaired their investment arms.

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

Mr Mason, 65, is the Chairman of AMP Limited, a Director of David Jones Limited and a Senior Advisor to UBS Australia. He is a Trustee of the Sydney Opera House Trust and the Chairman of the Centre for International Finance and Regulation.

Mr Mason has 40 years experience in investment banking. He was Chairman of JP Morgan Chase Bank in Australia from 2000 to 2005 and Chairman of its 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
Chairman, Executive Resource and Compensation Committee
Member, Audit 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, 62, is a non-executive Director of Prudential plc., a member of the Board of the Casino Regulatory Authority of Singapore and a member of the Governing Board of the Duke-NUS Graduate Medical School in Singapore. He is also a Director and Chairman of Clifford Capital Pte. Ltd. and a Director of PSA International Pte Ltd.

Mr Nargolwala was the non-executive Chairman of Credit Suisse Asia Pacific from October 2010 to December 2011 and the CEO of Credit Suisse Asia Pacific and a member of the Executive Board of Credit Suisse AG from January 2008 to September 2010. He was a Group Executive Director of Standard Chartered PLC before joining Credit Suisse Asia Pacific. Prior to that, he was the Group Executive Vice President and Head of Asia Wholesale Banking Group for Bank of America, headquartered in Hong Kong. Mr Nargolwala 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, Risk Committee
Date of Appointment: 1 Sep 2010
Last Re-elected: 29 Jul 2011

Mr Ong, 50, is the Head of Singapore's Civil Service, Permanent Secretary of the Ministry of Finance of Singapore and Permanent Secretary (Special Duties) in the Prime Minister's Office. He previously held the positions of Permanent Secretary (National Security and Intelligence Co-ordination), Permanent Secretary (Ministry of Trade and Industry), Permanent Secretary (Ministry of Transport) and 2nd Permanent Secretary (Ministry of Defence). Prior to that, he was an Executive Vice President of Temasek Holdings (Private) Limited.

Mr Ong currently sits on the Boards of the Monetary Authority of Singapore, the National Research Foundation and the ASEAN+3 Macroeconomic Research Office. He is also the Chairman of the Inland Revenue Authority of Singapore and Calvary Community Care. He is the former Chairman of the Accounting and Corporate Regulatory Authority, MND Holdings Pte Ltd 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 and Investment Committee
Member, Risk Committee
Date of Appointment: 1 Jun 2009
Last Re-elected: 24 Jul 2009

Mr Ong, 49, 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 Corporation plc, part of Hewlett-Packard). Before Interwoven, Mr Ong was co-founder and chief architect of Match.com (now part of IAC/InterActiveCorp), and held various engineering and management roles at Illustra Information Technologies, Inc. (now Informix Corporation, part of IBM), Sybase Inc. (now SAP America, Inc.) and Gensym Corporation. He is a former Director of the Infocomm Development Authority of Singapore and JTC Corporation.

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

<u>Note</u>:
Mr Chumpol NaLamlieng, Mr Graham John Bradley and Mr Nicky Tan Ng Kuang retired from the SingTel Board following the conclusion of the Annual General Meeting held on 29 July 2011.

MANAGEMENT COMMITTEE

CHUA SOCK KOONG

Group Chief Executive Officer

Ms Chua, 54, was appointed Group CEO on 1 April 2007. She is responsible for SingTel's three key businesses – Group Consumer, Group Digital L!fe and Group ICT.

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

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

Ms Chua 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

Mr Gambill, 48, was appointed Group Chief Strategy Officer in February 2011. He drives the Group's transformation strategies and is also responsible for M&A, competitive and business intelligence, business partnerships and business model 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.

Mr Gambill 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 Ventures Pte. Ltd.

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

ALLEN LEW

Chief Executive Officer, Group Digital L!fe
Chief Executive Officer, Group ICT (covering)
Country Chief Officer Singapore

Mr Lew, 56, is CEO, Group Digital L!fe and responsible for leading the Group's journey to become a leading player in the digital ecosystem, beyond connecting voices to bringing people together with innovative and cutting-edge digital services. As Country Chief Officer Singapore, he is the principal liaison with local and regulatory bodies. Mr Lew is also currently covering the position of CEO, Group ICT. He assumed these positions on 1 April 2012.

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

Mr Lew is the Chairman of the AIS Executive Committee, 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

Ms Low, 51, was appointed Group CFO in September 2008. She oversees the Group's financial affairs including corporate finance, treasury, risk management and capital management and investor relations. She was previously CFO of Optus from 2006.

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

Prior to SingTel, Ms Low worked at an international accounting firm and thereafter in a public listed electronics company in Singapore.

Ms Low is a Director of OpenNet Pte. Ltd. Since April 2010, she has been a Council Member of the Singapore Institute of Certified Public Accountants. Ms Low has been a member of the Lee Kong Chian School of Medicine Pro-Tem Governing Board since November 2010.

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

PAUL O'SULLIVAN

Chief Executive Officer, Group Consumer
Country Chief Officer Australia

Mr O'Sullivan, 51, is CEO, Group Consumer and responsible for setting new benchmarks in customer service as the leading provider of next-generation communication, infotainment and technology services to consumers across Asia Pacific. As Country Chief Officer Australia, he is the principal liaison with local and regulatory bodies. He assumed these positions on 1 April 2012.

Previously, Mr O'Sullivan was CEO of Optus from September 2004 to March 2012. He also held management positions within Optus including Chief Operating Officer and Managing Director of Optus Mobile, as well as 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 also serves on the Board of Commissioners of Telkomsel, Indonesia. He 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.

Mr O'Sullivan has a Bachelor of Arts (Mod) Economics from Trinity College, University of Dublin.

AILEEN TAN

Group Director Human Resources

Ms Tan, 45, joined SingTel in June 2008 as Group Director Human Resources. She oversees the development of human resources across the SingTel Group, including wholly-owned subsidiaries NCS and Optus. She is also in charge of the Group's corporate social responsibility function.

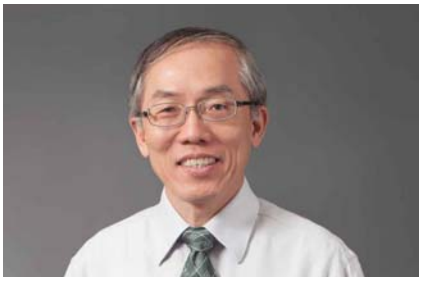
Prior to SingTel, she was Group General Manager Human Resources at WBL Corporation and Vice President, Centers of Excellence with Abacus International. Ms Tan has over 20 years of HR experience in various multinational corporations and local companies.

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

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

SENIOR MANAGEMENT

BILL CHANG
Managing Director, Business Group
Group ICT



CHIA WEE BOON
Chief Executive Officer, NCS
Group ICT

MARK CHONG
Chief Operating Officer
AIS

TREVOR HEALY
Chief Executive Officer, Amobee
Group Digital L!fe

HUI WENG CHEONG
Chief Executive Officer, International
Group Consumer

MURRAY KING
Chief Financial Officer
Group Consumer

JOHN PAITARIDIS
Managing Director, Optus Business
Group ICT

KEVIN RUSSELL
Chief Executive Officer, Consumer Australia
Group Consumer

MICHAEL SMITH
Managing Director, Marketing
Consumer Australia

TAY SOO MENG
Managing Director, Networks
Consumer Singapore

YUEN KUAN MOON
Chief Executive Officer, Consumer Singapore
Group Consumer

ORGANISATION STRUCTURE

GROUP CHIEF EXECUTIVE OFFICER
CHUA SOCK KOONG

AUDIT COMMITTEE

GROUP CHIEF INTERNAL AUDITOR
CHOR KHEE YANG

CHIEF EXECUTIVE OFFICER
GROUP CONSUMER
PAUL O'SULLIVAN

- Consumer Australia
- Consumer Singapore
- International

GROUP CHIEF FINANCIAL OFFICER
JEANN LOW

GROUP DIRECTOR HUMAN RESOURCES
AILEEN TAN

GROUP CHIEF STRATEGY OFFICER
BRADLEY GAMBILL

CHIEF EXECUTIVE OFFICER
GROUP DIGITAL L!FE
ALLEN LEW

- Communities and Ecosystems
- Concierge & Hyperlocal
- eCommerce
- NextGen TV
- SingTel Innov8
- Amobee

GROUP CHIEF INFORMATION OFFICER
(to be appointed)

COUNTRY CHIEF OFFICER AUSTRALIA
PAUL O'SULLIVAN

CHIEF EXECUTIVE OFFICER
GROUP ICT
ALLEN LEW
(covering)

- Business Group
- Enterprise Data & Managed Services
- NCS
- Optus Business

COUNTRY CHIEF OFFICER SINGAPORE
ALLEN LEW

GROUP GENERAL COUNSEL / COMPANY SECRETARY
CHAN SU SHAN

KEY AWARDS AND ACCOLADES

CORPORATE GOVERNANCE & TRANSPARENCY

GOVERNANCE AND TRANSPARENCY INDEX – SINGTEL
> Ranked 1st

SIAS INVESTORS' CHOICE AWARDS 2011 – SINGTEL
> Inaugural Internal Audit Excellence Award
> Special Recognition for Internal Audit Award – Chor Khee Yang

IR MAGAZINE SOUTH EAST ASIA AWARDS 2011 – SINGTEL
> Best Overall Investor Relations (Large Cap)
> Best Corporate Governance and Disclosure
> Best Investment Meetings
> Best Reporting
> Best Investor Relations by Sector (Technologies & Telecoms)

CORPORATE GOVERNANCE ASIA: ASIAN EXCELLENCE RECOGNITION AWARDS 2011 – SINGTEL
> Asia's Best CFO (Investor Relations) – Jeann Low
> Best Investor Relations by a Singapore Company

ETHISPHERE INSTITUTE: 2012 WORLD'S MOST ETHICAL COMPANIES – SINGTEL

THAILAND CORPORATE EXCELLENCE AWARDS 2011 – AIS
> Corporate Improvement Excellence Award

INSTITUTE OF CORPORATE DIRECTORS (ICD) – GLOBE
> Platinum Award for Corporate Governance Practices

BUSINESS EXCELLENCE

ASIA COMMUNICATION AWARDS 2011 – SINGTEL
> Best Cloud Service

CCAS INTERNATIONAL CONTACT CENTRE AWARDS 2011 – SINGTEL
> Best In House Contact Centre (20–100 seats) – Gold

COMPUTERWORLD SINGAPORE CUSTOMER CARE AWARDS 2011 – SINGTEL
> Telecommunication Services

COMPUTERWORLD SINGAPORE READERS' CHOICE AWARDS 2011 – SINGTEL
> Best Data Centre and Hosting Services
> Best Managed Connectivity Services

FROST & SULLIVAN APAC ICT AWARD 2011 – SINGTEL
> Managed Service Provider of the Year

IT SQUARE EDITORS' CHOICES, HONG KONG 2011 – SINGTEL
> Best Managed Services Provider

MEF CARRIER ETHERNET SERVICE PROVIDER OF THE YEAR 2011 – SINGTEL
> Regional Service Provider of the Year – APAC

NETWORKWORLD ASIA READERS' CHOICE AWARDS 2011 – SINGTEL
> Best Managed Services

WORLD COMMUNICATION AWARDS 2011 – SINGTEL
> Users' Choice Award

SINGAPORE INFOCOMM TECHNOLOGY AWARD 2011 – NCS
> eGovernment Category – Overall Winner

COMMUNICATIONS ALLIANCE AWARDS – OPTUS
> Commitment to Customer Service

CUSTOMER SERVICE INSTITUTE OF AUSTRALIA – OPTUS
> National Service Awards

MONEY & BANKING MAGAZINE – AIS
> Best Public Company of the Year 2011

BRAND EQUITY'S MOST TRUSTED BRANDS SURVEY 2011 – AIRTEL
- Service Brand – Ranked 1st

CNBC AWAAZ STORYBOARD CONSUMER AWARDS 2011 – AIRTEL
- Most Recommended Telecom Service Provider of the Year
- Consumer's Trusted Choice of the Year

ET TELECOM AWARDS 2011 – AIRTEL
- Global Gamechanger
- Innovative VAS Provider
- Customer Experience Enhancement

FROST & SULLIVAN 2011 INDIA IT & TELECOM EXCELLENCE AWARDS – AIRTEL
- Mobile VAS Provider of the Year
- Enterprise Telecom Service Provider of the Year
- Wholesale Data Service Provider of the Year

ROLTA AWARDS 2011 – AIRTEL
- Telecom Player of the Year

7TH AFRICA TELECOM CONFERENCE – AIRTEL
- Best Data Operator for Eastern and Southern Africa

FROST & SULLIVAN – GLOBE
- Broadband Service Provider of the Year

10TH PHILIPPINE QUILL AWARDS – GLOBE

Award of Excellence:
- Conditional Cash Transfer (CCT) via GCASH REMIT
- Globe Prepaid SUPERUNLITXTALL25

FROST & SULLIVAN INDONESIA EXCELLENCE AWARDS 2011 – TELKOMSEL
- Most Innovative Application of the Year – t-cash

SELULAR AWARD – TELKOMSEL
- Operator of the Year

INDONESIA CELLULAR AWARD 2011 – TELKOMSEL
- Best Value Added Service

INDONESIA BRAND CHAMPION AWARD 2011 – TELKOMSEL
- Brand Equity Champion of Cellular Operator – simPATI
- Brand Equity Champion of Mobile Internet Provider – TELKOMSELFlash

CORPORATE CITIZENSHIP

COMMUNITY CHEST SHARE AWARDS – SINGTEL
- Corporate Platinum Awards
- Special Events Platinum Awards – SingTel Touching Lives Fund

CORPORATE GOVERNANCE ASIA: ASIAN EXCELLENCE RECOGNITION AWARDS 2011 – SINGTEL
- Best CSR
- Best Environmental Responsibility

WWF'S EARTH HOUR 2011 PARTICIPATION AWARDS – SINGTEL
- Best Staff Engagement Initiative

ASIA RESPONSIBLE ENTREPRENEURSHIP AWARDS 2011 – AIS
- Best Entrepreneur in Southeast Asia (Social Empowerment)

GREEN IT STUDY & AWARDS 2011 – AIRTEL
- Top 10 "Green IT Enterprises" in India

ICT PURA & USO AWARD 2011 – TELKOMSEL

INDONESIA CSR AWARD 2011 – TELKOMSEL

PEOPLE

MAY DAY AWARDS – SINGTEL
- Plaque of Commendation – Gold

AUSTRALIAN BUSINESS AWARDS – OPTUS
- Recommended Employer

SAFETY REHABILITATION AND COMPENSATION AWARDS 2011 – OPTUS
- Best Workplace Health and Wellbeing Program

GAWAD MAESTRO OUTSTANDING WORKPLACE AND LEARNING PERFORMANCE PROGRAM OF THE YEAR – GLOBE
- Employer of Choice

OPERATING AND FINANCIAL REVIEW

The SingTel Group is Asia's leading communications group. We provide a wide spectrum of multimedia and ICT solutions, including voice, data and video services over fixed and wireless platforms.

The Group is structured along three key businesses: Group Consumer, Group Digital L!fe and Group ICT.

Our main operations are in Singapore and Australia. In Singapore, SingTel has more than 130 years of operating experience and played an integral part in the country's development as a major communications hub. We continue to lead and shape the digital consumer market and the enterprise ICT market. Optus is an Australian leader in integrated telecommunications, driving competition and delivering innovative products and services to customers.

We are a major player in Asia and Africa through our strategic investments in six regional mobile operators. The Group's investments are in AIS (Thailand), Globe (the Philippines), PBTL (Bangladesh), Telkomsel (Indonesia) and Warid (Pakistan). We also have investments in Airtel (India), which has significant presence in Africa and South Asia.

We are a long-term strategic investor and work closely with our associates to grow the business, by leveraging our scale in networks, customer reach and extensive operational experience. Together, the Group serves 445 million mobile customers as at 31 March 2012.

In this section, we provide a strategic review of the SingTel Group's operations and discuss the financial performance of the Group for the financial year ended 31 March 2012.

CONTENTS

Airtel launches mobile service in Rwanda

v

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Optus celebrates its 20th anniversary

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SingTel brings a wide range of exciting handsets to customers

^

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

GROUP CONSUMER

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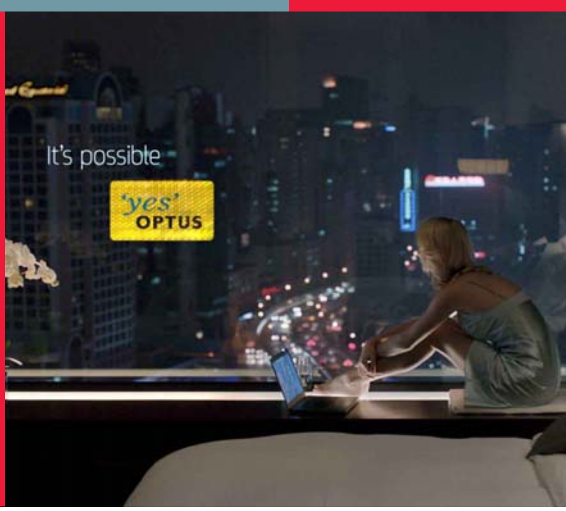
Optus revitalises its brand to build stronger bonds with customers



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

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

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

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

Forging closer connections with customers through our brands

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

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

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

In January 2012, Optus celebrated 20 years of providing value, choice, service and innovation to Australian consumers. Optus' name, derived from the Latin verb "optare" meaning "choice", has become synonymous with choice over the last two decades. Today, Optus is one of Australia's most recognised and respected brands.

Delighting customers with superior service at all touch points

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

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

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

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

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

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

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

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

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

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

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

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

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

SIGNIFICANT HIGHLIGHTS

2011

APRIL

> Telkomsel crossed the 100 million customer mark

JUNE

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

JULY

> SingTel rewarded customers with an exclusive showcase by Lady Gaga

> Airtel announced a new organisation structure for the India and South Asia operations

> Optus launched Australia's first femtocell service

> Warid Glow celebrated its youth-centric brand turning two

SEPTEMBER

> Optus and Qantas Frequent Flyer launched new alliance to reward Optus' consumer as well as small-medium business customers with Qantas Frequent Flyer points

> AIS introduced a new logo and tagline, "Your World. Your Way."

OCTOBER

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

SIGNIFICANT HIGHLIGHTS

2011

NOVEMBER

> Optus launched commercial services on the NBN

> Optus connected Australia's first LTE data call in the 700MHz "Digital Dividend" spectrum band

> SingTel unveiled the next social media star on YouTube

> Globe announced network and IT transformation plans

> Citycell sponsored the 7th Citycell-Channel i Music Awards

> Airtel passed the 50 million mobile customer mark in Africa

DECEMBER

> LTE network lit up in Singapore

2012

JANUARY

> Optus celebrated 20 years of operations and marked the beginning of competition in the Australia telecommunications market

> Globe introduced GCASH mobile app for iPhone

FEBRUARY

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

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

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

Building next generation fibre networks

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

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

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

GROUP DIGITAL L!FE

> mio TV launches Jia Le, a Hokkien language channel

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Moving into adjacent markets, competing from a position of strength

The mobile advertising and marketing industry is an important adjacent space that allows us to play to our strengths. By leveraging our unique assets and Amobee, a recently acquired mobile advertising company, we will be able to realise the full potential of mobile marketing as a platform to change the way brands communicate with their customers.

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

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

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

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

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

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

SIGNIFICANT HIGHLIGHTS

2011

MAY

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

JUNE

> Optus announced digital partnership with Football Federation Australia

JULY

> Optus TV Now™, a mobile free-to-air recording and playback service, was launched

> MyAppsMall, the first regional service delivery platform, was launched in Singapore

AUGUST

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

SEPTEMBER

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

OCTOBER

> Optus MeTV with fetch, an internet TV service available on demand, was introduced

> First SingTel Innov8 Startup Weekend event was held in Singapore

> Optus Go Places, a mobile app designed to make dining out easy and convenient, was introduced

SIGNIFICANT HIGHLIGHTS

2011

NOVEMBER

> SingTel unveiled Singapore's first ebookstore, skoob

> deF!ND, a SingTel digital concierge service, was introduced

> SingTel introduced Store & Share solution to enable customers to store documents, photos, music, videos and other multimedia content

> SingTel unveiled a brand-new, action-packed channel, KIX HD

2012

JANUARY

> The first SingTel Innov8 regional bootcamp for start-ups kicked off in Singapore

> Optus served up new digital apps and Wi-Fi at Australian Open

FEBRUARY

> France24 joined the mio TV family

MARCH

> SingTel announced plan to acquire US-based Amobee to expand its presence into the fast-growing mobile advertising and marketing industry

> SingTel announced that all mio TV customers will enjoy free viewing of the London 2012 Olympic Games

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

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

Driving innovation internally and externally

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

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

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

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

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

Optus Business and Alphawest are Platinum sponsors at the Cisco Live event 2012

Customers learn how M2M (Machine-to-Machine) solution can improve business productivity and efficiency

GROUP ICT

Demonstrating intelligent ICT services, available on demand and on the move, at the "Unleash the Power of Fixed Mobile Cloud Convergence" conference

NCS showcases capabilities including business analytics, next generation security, social media and mobility solutions at the 2011 eGov Global Exchange

Showcasing innovative product solutions and customer case studies at the Optus Vision event

We are moving into an era where enterprise customers find themselves in a rapidly changing business environment. As decisions are increasingly made on a regional or even global basis, companies are looking for a trusted partner to provide one-stop, end-to-end ICT solutions.

To capture these opportunities, we have integrated our enterprise-related units into Group ICT. As a unit, Group ICT supports businesses with a global perspective and delivers locally relevant solutions. With a vast network of offices in 40 cities across 22 countries and territories, we are well-positioned to understand both the regional and local challenges our customers face as well as to develop and implement relevant solutions in a fast-changing world.

Group ICT has the assets, scale, resources and expertise to cater to customers' specific ICT needs, whether they are small, medium or large corporations. Along with our global network and delivery model, we offer a comprehensive range of managed ICT services, from unified communications to cloud and mobility solutions, as well as IT consulting and applications.

Increasing our cloud firepower

Harnessing our innovative cloud solutions, we are committed to reducing complexity, increasing productivity, as well as providing greater control and scalability on demand.

During the year, we increased our cloud firepower through strong partnerships with software market leaders. In Singapore, we partnered Intuit to provide QuickBooks Online, a world-class financial management solution that helps businesses manage critical tasks, such as creating invoices and tracking cash flow. We also worked with SAP to offer the SingTel-SAP Business One solution, which enables small-medium enterprises (SMEs) to streamline and manage their sales, customer relationships, inventory, business processes and operations on the go via smartphones, tablets and PCs. SingTel is the leading telco provider of cloud services in the region, with over 180,000 enterprise users and more than 800 enterprises on our cloud solutions.

We broke new ground with the introduction of SingTel PowerON Compute, enabled by VMware® vCloud™ Datacenter Service. This state-of-the-art cloud solution provides enterprises with the business agility and cost effectiveness of public clouds without compromising on portability, compatibility, security and control demanded by enterprise IT organisations. In Australia, Optus also gained accreditation to deliver VMware vCloud® Datacenter Services. This common platform will enable Group ICT to provide regional cloud services across Asia Pacific in the future.

Optus and Alphawest announced "Your IT as a Service", a private cloud solution hosting data on-premise, which features a centralised catalogue of virtualised IT products and services, including servers, storage, networking, and security applications, from a single web portal. It enables customers to 'automate' their IT architecture as a service, significantly reducing deployment time from weeks to potentially a matter of minutes.

We also partnered Symantec Corp. to offer SingTel PowerON Security, a comprehensive Security as a Service solution that provides on-demand protection from viruses and other online threats, whether customers are in the office or on the move. Similarly, Optus Business boosted Internet security for enterprise customers with Optus Evolve Internet Security as a Service and Optus Evolve Distributed Denial of Service. These offerings help ensure security threats, viruses and malware are proactively detected and blocked at the network level so customers do not have to deploy their own premise-based solutions.

FEATURED CUSTOMER – SATS

In FY2012, we reaffirmed our position as a leading force in the enterprise ICT segment by providing SATS with a fully managed IT infrastructure within a timeframe of just five months. Using our comprehensive suite of managed ICT offerings, SATS migrated all its IT services, and outsourced the operation and support of its entire computing, storage, security and networking infrastructure to SingTel.

SATS is the leading gateway services and food solutions provider in both aviation and non-aviation sectors in Singapore and around the region. It provides ground and cargo handling, and inflight catering services to airlines and the freight community at Singapore Changi Airport, and catering services and supplies to national agencies, premium and major events, institutions, etc. With such time-sensitive activities, SingTel worked closely with SATS to ensure that key operational applications that dealt with resource planning and tracking, cargo handling, flight activities tracking, and meal preparation, production and distribution did not suffer any disruption, during and after the migration. We also provided SATS with an enhanced service desk experience through the SingTel Managed IT Helpdesk, which supported over 10,000 users.

Fully operational on SingTel's platform, SATS enjoys greater ease in scalability and flexibility to cater to its changing requirements, and no longer needs to worry about day-to-day management, maintenance and support of its IT infrastructure. Looking ahead, the company is exploring opportunities to extend SingTel Managed ICT services to its network of subsidiaries and JVs in the region.

Championing emerging technologies for mobility

With the proliferation of smart devices and unprecedented mobile network speeds, the workforce is becoming increasingly mobile, leading to the consumerisation of IT, where workers use their personal devices for work. This presents new challenges to enterprises as they look for ways to keep their employees connected, secure and productive.

To address these challenges, we introduced the SingTel Mobility Device Manager (MDM) to manage various mobile devices and ensure data security via a simple web-based portal. MDM is compatible with all mobile operating system platforms and independent of location and mobile network, enabling IT departments to control mobile devices globally. Similarly, Optus integrated MDM as part of its enterprise mobility portfolio offering to provide inventory management, remote lock and wipe and user self-service. This helps customers easily manage and track their mobile workforce.

Another emerging space is Machine-to-Machine (M2M). M2M enables devices to communicate with one another via built-in mobile SIM cards without human intervention. This opens up new possibilities for businesses to improve efficiency and services, and to simplify administration. SingTel's M2M platform empowers customers with end-to-end information control of their connected devices and helps them reach new markets quickly and easily.

We are also making headway with Unified Communications (UC), which integrates multiple communication platforms from fixed to mobile, enabling our customers to communicate more effectively with a consistent user experience. The introduction of mobile UC and Fixed Mobile Cloud Convergence helps users eliminate reachability issues, reduce costs and communicate easily, whether they are at their desks or on the move.

Leveraging the combined strengths of the SingTel Group, Bridge Alliance and other strategic partnerships, we offer an integrated and managed suite of mobility products and services across the Asia Pacific region. Our one-stop mobility solutions include harmonised regional offerings, such as roaming services and the delivery and coordination of localised products and services.

Boosting our infrastructure, the backbone of our ICT solutions

We continually improve our networks to serve our enterprise customers better. In Singapore, we are the only home-grown company to own commercial satellites, and we successfully launched the ST-2 satellite in May 2011. We consistently increase capacity to meet growing customer demand for fixed and mobile satellite services with wide-ranging footprints of C-band and Ku-band coverage for the Middle East, Central Asia, the Indian subcontinent and Southeast Asia.

SIGNIFICANT HIGHLIGHTS

2011

APRIL

> Introduced SingTel QuickBooks Online, a cloud-based financial software for SMEs to manage critical business tasks, such as creating invoices and tracking cash flow

MAY

> Launched ST-2 satellite, increasing our capacity to meet growing customer demand for fixed and mobile satellite services in the broadcast, maritime and oil and gas industries

> NCS Catalyst, an emerging technology incubator for cloud, mobility, social media and business analytics was launched

JUNE

> NCS showcased over 13 e-Government capabilities at eGov Global Exchange

> Optus introduced Optus Evolve Internet Security as a Service and Optus Evolve Distributed Denial of Service

> Optus boosted the enterprise mobility portfolio with Optus Mobile Device Management

AUGUST

> SingTel-SAP Business One CRM software, a cloud-based solution for SMEs to streamline and manage their sales, customer relationships, inventory, business processes and operations on-the-move, was launched

> SingTel Fixed Mobile Cloud Convergence Conference was held for business customers

> Optus Business SmartPay attained PCI DSS compliance in Australia and New Zealand

SIGNIFICANT HIGHLIGHTS

2011

OCTOBER

> NCS entered into a tripartite partnership with MHIES-A and the National University of Singapore to develop an Urban Mobility study initiative

> Optus gained accreditation to deliver VMware vCloud® Datacenter Services

> SingTel launched a crew experience package that gives maritime companies greater levels of control and efficiency, optimises operational costs and enhances welfare for their crew

NOVEMBER

> NCS-Sybase mobility suite of solutions was launched across Southeast Asia

> NCS-Microsoft Windows Azure partnership for Asia Pacific was introduced

> SingTel partnered Symantec Corp. to offer SingTel PowerON Security solutions

2012

FEBRUARY

> SingTel Mobility Device Manager, a global cloud-based service that enables companies to secure, control and manage corporate data and mobile devices of their employees, was introduced

MARCH

> Optus Business and Alphawest introduced "Your IT as a Service", an on-premise cloud solution that simplifies the deployment and management of IT products and services for enterprise customers

In Australia, Optus is the only full service telco that can harness the geographical reach of satellite communications for customers. Optus has five satellites in orbit and will be launching a new satellite, Optus 10, in 2013. Our fixed networks, HFC, DSL and fibre, enable us to provide services to four million Australian premises, including 18,000 corporate premises.

During the year, we extended coverage for our Internet Protocol Virtual Private Network (IP VPN) services with new Points of Presence (POPs) in several cities, such as Zurich, Manama and Kolkata, bringing our total of POPs to 130, spanning 80 cities globally, of which 100 POPs are in 56 cities in Asia. In addition, several new communications cables were introduced to provide customers with more choices for routes and to reduce latency. We rolled out direct routes from India to the Middle East and from Hong Kong to Europe. We also procured various cables to introduce new routes into the network for our dedicated point-to-point services.

Our IP VPN networks were enhanced with new solutions during the year. To cater to the low latency requirements of our financial customers, ConnectPlus Ultra Low Latency was introduced to direct connections to financial exchanges and to deliver the lowest latency for time-sensitive activities such as algorithmic trading. We also introduced Electronic Bandwidth on Demand to give our customers full control of their bandwidth usage and to enable them to take advantage of on-demand cloud services for better network and cost efficiencies. Through a convenient self-service online portal, customers can temporarily increase the bandwidth for their IP VPN networks in under 24 hours.

KEY CONTRACT WINS

Customer	Contract
Changi Airport Group	A multi-year contract to provide consolidated maintenance of airport IT systems.
Education Bureau in Hong Kong	To provide system maintenance and support services to the Web-based School Administration and Management System (WebSAM) for the Education Bureau in Hong Kong. The WebSAM system is currently used by over 1,100 schools in Hong Kong.
Infocomm Development Authority of Singapore	To design, build, maintain and operate a highly resilient and high availability data centre.
Qantas	A managed services contract to deliver high speed wireless internet connectivity in Qantas lounges in Australia.
Sydney Water	A four-year managed services contract worth nearly A$30 million to deliver whole-of-business telecommunications services.

GROUP FIVE-YEAR FINANCIAL SUMMARY

	Financial Year Ended 31 March				
	2012	**2011**	**2010**	**2009**	**2008**
Income Statement (S$ million)					
Group operating revenue	**18,825**	18,071	16,871	14,934	14,844
SingTel	**6,551**	6,401	5,995	5,547	4,904
Optus	**12,275**	11,670	10,876	9,387	9,940
Optus (A$ million)	**9,368**	9,284	8,949	8,321	7,760
Group EBITDA [1]	**5,219**	5,119	4,847	4,431	4,530
SingTel	**2,128**	2,183	2,224	2,110	1,967
Optus	**3,091**	2,937	2,623	2,321	2,564
Optus (A$ million)	**2,357**	2,334	2,153	2,067	2,002
Share of associates' pre-tax profits	**2,005**	2,141	2,410	2,051	2,559
Group EBITDA and share of associates' pre-tax profits	**7,223**	7,260	7,257	6,482	7,089
Net profit after tax	**3,989**	3,825	3,907	3,448	3,960
Underlying net profit [2]	**3,676**	3,800	3,910	3,455	3,681
Cash Flow (S$ million)					
Group free cash flow [3]	**3,462**	4,038	3,406	3,245	3,575
Singapore	***1,170***	*1,436*	*1,290*	*1,231*	*1,422*
Associates' dividends (net of withholding tax)	***841***	*1,084*	*858*	*963*	*1,001*
SingTel	**2,011**	2,520	2,148	2,194	2,423
Optus	**1,451**	1,519	1,258	1,050	1,152
Optus (A$ million)	**1,111**	1,206	1,015	967	903
Capital expenditure	**2,249**	2,005	1,923	1,918	1,879
Balance Sheet (S$ million)					
Total assets	**40,418**	39,282	37,952	33,255	34,714
Shareholders' funds	**23,428**	24,328	23,493	20,476	21,000
Net debt	**7,860**	6,023	6,311	6,544	7,303
Key Ratios					
Proportionate EBITDA from outside Singapore (%)	**78**	76	74	72	75
Return on invested capital (%)	**16.9**	17.6	18.9	17.2	18.9
Return on equity (%)	**16.7**	16.0	17.8	16.6	18.9
Return on total assets (%)	**10.0**	9.9	11.0	10.2	11.8
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	**1.1**	0.8	0.9	1.0	1.0
EBITDA and share of associates' pre-tax profits to net interest expense (number of times)	**20.7**	21.8	23.5	19.9	20.7
Per Share Information (S cents)					
Earnings per share - basic	**25.04**	24.02	24.55	21.67	24.90
Earnings per share - underlying net profit [2]	**23.07**	23.86	24.56	21.71	23.15
Net assets per share	**147.08**	152.75	147.55	128.67	132.03
Dividend per share - ordinary	**15.8**	15.8	14.2	12.5	12.5
Dividend per share - special	**-**	10.0	-	-	-

'SingTel' refers to the SingTel Group excluding Optus.

Notes:

[1] Effective this financial year, EBITDA refers to earnings before interest, tax, depreciation and amortisation, namely the aggregate of operating revenue and other income less operating expenses of the Singapore and Australia operations, and excludes the share of pre-tax results of associates.

[2] 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.

[3] 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 2012 (S$ million)	2011 (S$ million)	Change (%)
Operating revenue	**18,825**	18,071	4.2
EBITDA [1]	**5,219**	5,119	1.9
EBITDA margin	***27.7%***	*28.3%*	
Share of associates' pre-tax profits	**2,005**	2,141	-6.4
EBITDA and share of associates' pre-tax profits	**7,223**	7,260	-0.5
Exceptional items (pre-tax)	**86**	25	241.1
Taxation	**(978)**	(1,170)	-16.4
Net profit	**3,989**	3,825	4.3
Basic earnings per share (S cents)	***25.0***	*24.0*	*4.2*
Underlying net profit [2]	**3,676**	3,800	-3.3
Underlying earnings per share (S cents)	***23.1***	*23.9*	*-3.3*

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 associate or a joint venture as defined under Singapore Financial Reporting Standards.

Notes:

(1) Effective this financial year, EBITDA refers to earnings before interest, tax, depreciation and amortisation, namely the aggregate of operating revenue and other income less operating expenses of the Singapore and Australia operations, and excludes the share of pre-tax results of associates.

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

For the financial year ended 31 March 2012, the Group delivered in line with its guidance with operating revenue growth of 4.2 per cent to S$18.83 billion. The growth was underpinned by robust mobile growth in Singapore and the 4 per cent strengthening of the Australian Dollar from last year.

In Singapore, Mobile Communications recorded strong revenue growth of 7.3 per cent driven mainly by increased customer connections. As at 31 March 2012, SingTel's mobile market share was 45.9 per cent, up 1.1 percentage points from a year ago. Data and Internet revenue was stable, reflecting planned price adjustments for Local Leased Circuits following the nationwide fibre rollout as well as continued price erosion in International Leased Circuits. Fibre rollout revenue fell 33 per cent as OpenNet Pte. Ltd. (OpenNet) reached peak rollout. Excluding fibre rollout, the Singapore Business' operating revenue rose 3.9 per cent from last year.

In Australia, Optus recorded resilient performance in an intensely competitive market with operating revenue growth of 0.9 per cent. Mobile service revenue grew 1.0 per cent, partly reflecting the mandated decline in the mobile termination rates from 9 cents to 6 cents per minute from January 2012. Revenue from Business and Wholesale Fixed increased 3.1 per cent driven by double-digit growth in both satellite and ICT and managed services, partially offset by lower voice revenues. Consumer and Small-Medium Business Fixed revenue, however, declined 5.4 per cent on lower broadband average revenue per user (ARPU) and the continued exit of resale business. Optus' translated revenue in Singapore Dollar terms grew 5.2 per cent from the previous year with a stronger Australian Dollar.

EBITDA for the Group was up 1.9 per cent year-on-year. In Australia, EBITDA increased 1.0 per cent mainly on lower customer acquisition costs associated with the introduction of device repayment plans on high value handsets in October 2011. In Singapore Dollar terms, Optus' EBITDA rose 5.2 per cent. The Singapore Business' EBITDA was stable, reflecting investments in mio TV content and higher mobile customer connections.

With a significant footprint across Asia and Africa, the combined mobile customer base of the Group and its regional mobile associates reached 445 million as at 31 March 2012, an increase of 11 per cent or 43 million from a year earlier.

Telkomsel and AIS delivered higher profits driven mainly by strong data momentum. In the Philippines, Globe registered growth in mobile and broadband though overall net profit declined on higher marketing, subsidy and network costs. In South Asia, Airtel recorded higher revenue and EBITDA on robust customer additions with rollout of 3G services. Airtel Africa performed strongly, with double-digit revenue and EBITDA growth underpinned by network expansion and a growing customer base. Overall profit contributions from Airtel, however, were impacted by higher interest, depreciation and amortisation costs associated with the 3G rollout in India as well as fair value losses.

With weaker regional currencies and higher fair value losses, the Group's share of pre-tax profits from associates declined 6.4 per cent to S$2.01 billion. Excluding the currency translation impact and the associates' fair value adjustments, the pre-tax contributions of the associates would have increased 2.3 per cent.

The Group's EBITDA and share of associates' pre-tax profits were flat at S$7.22 billion.

The Group recorded an exceptional net gain of S$86 million for the financial year. This comprised mainly AIS' pre-tax contribution of S$80 million for the March 2011 quarter following the alignment of AIS' reporting period to the Group, a foreign exchange gain of S$28 million which arose on repayment of inter-company loans, and a one-off charge of S$24 million for Optus' ex-gratia costs on its workforce restructuring.

The Group's tax expense declined 16 per cent to S$978 million primarily due to the recognition of an exceptional net tax credit of S$270 million on the increase in value of assets transferred to an associate, partly offset by Airtel's higher taxes as a result of reduction in tax holiday benefits in India.

Net profit grew 4.3 per cent to S$3.99 billion. Excluding exceptional and one-off items, the Group's underlying net profit declined 3.3 per cent to S$3.68 billion.

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 and 78 per cent of the Group's proportionate revenue and proportionate EBITDA respectively.

	Financial Year Ended 31 March		
SINGAPORE BUSINESS	2012 (S$ million)	2011 (S$ million)	Change (%)
Operating revenue			
Mobile communications	**1,919**	1,788	7.3
Data and Internet	**1,607**	1,612	-0.3
International telephone	**501**	511	-1.9
National telephone	**352**	375	-6.1
Sale of equipment	**352**	311	13.3
mio TV	**106**	79	34.1
Others [1]	**220**	191	15.5
Singapore Telco	**5,058**	4,867	3.9
Revenue from NCS	**1,315**	1,266	3.8
Fibre rollout	**178**	268	-33.3
Information technology and engineering (IT&E)	**1,493**	1,534	-2.6
Total	**6,551**	6,401	2.3
(excluding Fibre rollout)	***6,372***	*6,133*	*3.9*
EBITDA (excluding Group's corporate costs)			
Singapore Business	**2,242**	2,253	-0.5
Singapore Telco	**1,974**	1,986	-0.6
IT&E	**268**	267	0.3
EBITDA margin	***34.2%***	*35.2%*	

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

Operating revenue in Singapore grew 2.3 per cent to S$6.55 billion led by strong growth in mobile. EBITDA was stable at S$2.24 billion, reflecting investments in mio TV content and higher mobile customer connections, as well as structural separation cost payments to NetLink Trust[2].

Mobile Communications, the largest revenue stream, grew 7.3 per cent to S$1.92 billion driven mainly by strong customer connections. Total mobile customer base grew 8.3 per cent or 273,000 to 3.58 million. SingTel registered market share gains in both prepaid and postpaid, extending its lead with a mobile market share of 45.9 per cent as at 31 March 2012.

A record total number of 171,000 postpaid customers were added in the year, spurred by higher smartphone connections and strong data SIMs take-up from successful integrated mobile broadband bundles. This brought total postpaid customer base to 1.95 million as at 31 March 2012, up 9.6 per cent from a year ago. Postpaid ARPU declined S$3 but was stable excluding 'data only' SIMs, reflecting bundled discounts from growth in triple and quadruple play customers.

SingTel's strong suite of smartphones and tablets combined with exclusive customised applications continued to drive growth in mobile broadband. Total number of customers on monthly mobile

Notes:

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

(2) NetLink Trust is a business trust established pursuant to regulatory requirements on structural separation under Singapore's Next Generation Nationwide Broadband Network. It is currently 100% owned by SingTel but equity accounted as an associate in the Group as SingTel does not control it.

broadband data subscription grew 44 per cent or 386,000 from a year ago to 1.26 million as at 31 March 2012. Mobile data services accounted for 42 per cent of blended ARPU, up from 39 per cent a year ago.

In the prepaid segment, total customer base grew 6.7 per cent or 102,000 to 1.63 million as at 31 March 2012, and ARPU improved 2.8 per cent from last year. The growth was led by strong take-up for 3G, data and value added services.

SingTel continued to grow its digital presence. With exciting new offerings and exclusive sports, revenue from mio TV surpassed the S$100 million mark to reach S$106 million, an increase of 34 per cent from last year. Total mio TV customer base rose 26 per cent or 76,000 to reach 368,000 as at end March 2012. As at 31 March 2012, SingTel maintained its lead in the domestic fibre market with a fibre broadband[3] customer base of 76,000, up significantly from 14,000 a year ago.

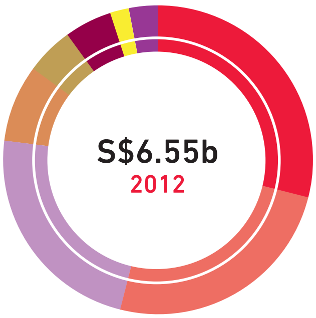
Data and Internet revenue was stable at S$1.61 billion. Growth in Managed Services was offset by continued price erosion in International Leased Circuits and planned price adjustments in Local Leased Circuits with the nationwide fibre rollout. Fixed Broadband revenue rose 5.5 per cent on increased adoption of both fibre-based services and higher-tier plans.

IT&E revenue declined 2.6 per cent to S$1.49 billion on lower fibre rollout revenue as OpenNet achieved home coverage of over 90 per cent as of end March 2012 with completion to 95 per cent expected by June 2012. NCS strengthened its leadership in the domestic IT market with revenue up 3.8 per cent to S$1.32 billion.

International Telephone revenue declined 1.9 per cent to S$501 million on lower average collection rates partially offset by increased international call traffic.

Revenue from Fixed-line phone services decreased 6.1 per cent to S$352 million, impacted by fixed-to-mobile substitution and competition. Sale of equipment revenue grew 13 per cent to S$352 million with strong demand for smartphones and tablets.

REVENUE BY PRODUCTS AND SERVICES



Mobile Communications	29%
Data and Internet	25%
IT and Engineering	23%
International Telephone	8%
National Telephone	5%
Sale of Equipment	5%
mio TV	2%
Others	3%

EBITDA

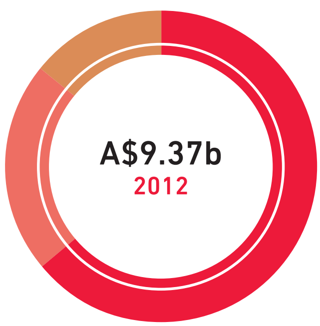
Telco	88%
IT and Engineering	12%

Note:

(3) Residential and corporate subscriptions to broadband Internet services using optical fibre networks.

AUSTRALIA BUSINESS	Financial Year Ended 31 March 2012 (A$ million)	2011 (A$ million)	Change (%)
Operating revenue by division			
Mobile	**6,072**	5,977	1.6
Fixed			
Business and Wholesale	**2,029**	1,967	3.1
Consumer and Small-Medium Business (SMB)	**1,275**	1,348	-5.4
Inter-divisional	**(7)**	(8)	-13.4
Total	**9,368**	9,284	0.9
EBITDA	**2,357**	2,334	1.0
EBITDA margin	***25.2%***	*25.1%*	

REVENUE BY BUSINESS DIVISION



Mobile	65%
Optus Business and Wholesale Fixed	22%
Consumer and SMB Fixed	13%

EBITDA BY BUSINESS DIVISION

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

Optus, SingTel's largest subsidiary and Australia's number two telecommunications operator, delivered 0.9 per cent increase in operating revenue amid intense market competition. EBITDA was up 1.0 per cent mainly from lower customer acquisition costs, reflecting the lower level of subsidies due to the introduction of device repayment plans in October 2011.

Optus Mobile contributed 65 per cent to Optus' operating revenue and 67 per cent to Optus' EBITDA. Mobile service revenue was up 1.0 per cent and would have increased 2.7 per cent excluding the impact of the mandated reduction in mobile termination rates and the service credits associated with the new device repayment plans.

Optus continued its postpaid customer growth momentum with net additions of 424,000 in the year, underpinned by robust demand for smartphones and wireless broadband. Reflecting its success in penetrating the wireless broadband market, the number of wireless broadband customers reached 1.58 million, up from 1.28 million a year ago. Prepaid customer base was stable at 4.29 million as at 31 March 2012.

Blended ARPU was A$45, down A$2 year-on-year due to increased mix of wireless broadband customers and higher value inclusions on selected plans. With increased data usage and higher penetration of wireless data products, SMS and other data revenue grew to 46 per cent (FY2011: 40 per cent) of ARPU while non-SMS data revenue increased to 22 per cent (FY2011: 18 per cent) of ARPU.

EBITDA grew 1.0 per cent to A$1.58 billion from lower customer acquisition costs.

Business and Wholesale Fixed accounted for 22 per cent of Optus' operating revenue and 23 per cent of Optus' EBITDA. Revenue grew 3.1 per cent year-on-year to A$2.03 billion. Total Business fixed revenue increased 2.2 per cent driven by ICT and managed services growth from key contract wins, while Wholesale fixed revenue expanded 4.9 per cent on strong satellite growth.

EBITDA was stable at A$546 million but would have increased 4.6 per cent excluding the write-back of a provision last year.

Consumer and Small-Medium Business Fixed contributed 13 per cent to Optus' operating revenue and 10 per cent of Optus' EBITDA. Consumer fixed on-net revenue declined 4.1 per cent as the growth in the on-net broadband customer base was offset by lower ARPU from increased broadband data allowances and lower telephony usage. As Optus continued to exit fixed resale services, Consumer fixed off-net revenue decreased 37 per cent, resulting in an overall decline in Consumer fixed revenue of 5.4 per cent to A$1.28 billion.

In a highly competitive fixed broadband market, Optus registered a net gain of 18,000 on-net broadband customers in the year, bringing the total customer base to 978,000 as at 31 March 2012.

With lower traffic costs from lower mobile termination rates and yield management initiatives, EBITDA improved 1.3 per cent from last year.

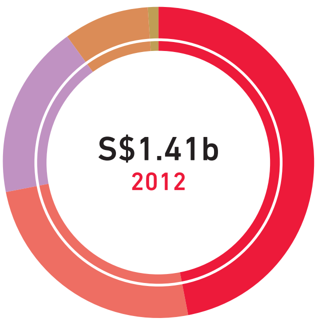
	Financial Year Ended 31 March		
ASSOCIATES	**2012 (S$ million)**	**2011 (S$ million)**	**Change (%)**
Share of ordinary pre-tax profits			
Regional mobile associates			
Telkomsel	**898**	855	5.1
Airtel			
- India, Bangladesh and Sri Lanka (South Asia)	**628**	860	-27.0
- Africa	**(76)**	(84)	-9.2
	551	776	-29.0
AIS [1]	**350**	276	26.9
Globe	**187**	192	-2.6
Warid	**(56)**	(54)	2.8
Pacific Bangladesh Telecom	**(28)**	(16)	72.4
	1,902	2,028	-6.2
Other associates	**110**	122	-9.8
Group share of associates' ordinary pre-tax profits	**2,013**	2,150	-6.4
Group share of associates' exceptional items	**(8)**	(9)	-13.2
Group share of associates' pre-tax profits	**2,005**	2,141	-6.4
Share of post-tax profits			
Regional mobile associates			
Telkomsel	**665**	638	4.2
Airtel			
- India, Bangladesh and Sri Lanka (South Asia)	**474**	726	-34.7
- Africa	**(117)**	(122)	-3.9
	356	604	-41.0
AIS [1]	**249**	191	30.7
Globe	**131**	138	-5.0
Warid	**(56)**	(62)	-8.6
Pacific Bangladesh Telecom	**(29)**	(16)	76.1
	1,316	1,492	-11.8
Other associates	**91**	108	-16.0
Group share of associates' post-tax profits	**1,407**	1,601	-12.1

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

Note:

(1) Exclude the Group's share of AIS' results for the March 2011 quarter following the alignment of AIS' reporting period to the Group, recognised as exceptional items of the Group.

SHARE OF ASSOCIATES' POST-TAX PROFITS



Telkomsel	47%
Airtel	25%
AIS	18%
Globe	9%
Warid, Pacific Bangladesh Telecom and Others	1%

CASH DIVIDENDS RECEIVED FROM ASSOCIATES [1]

Telkomsel	47%
AIS	23%
Globe	13%
Airtel, Southern Cross, SingPost and Others	17%

Note:
[1] Cash dividends received from overseas associates are before withholding and other related tax payments.

For the year ended 31 March 2012, the Group's share of the associates' pre-tax and post-tax profits declined 6.4 per cent and 12 per cent respectively, negatively impacted by weaker regional currencies and higher fair value losses. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions of the associates would have declined by 1.1 per cent and 7.4 per cent respectively.

The regional mobile associates continued their strong customer growth momentum. Airtel's total mobile customer base across 20 countries covering India, Bangladesh, Sri Lanka and across Africa, reached 241 million as at 31 March 2012, up 14 per cent from a year ago. Telkomsel registered 11 per cent growth in its customer base to 110 million as at 31 March 2012. The Group's combined mobile customer base reached 445 million in 26 countries, a growth of 11 per cent or 43 million from a year ago.

Telkomsel accounted for 47 per cent of the Group's share of total post-tax profits from associates, up from 40 per cent last year. Operating revenue grew 8 per cent and EBITDA increased 7 per cent driven by strong data and customer growth amid stable market conditions in Indonesia. With a 4 per cent depreciation of the Indonesian Rupiah against Singapore Dollar, Telkomsel's post-tax contribution rose 4.2 per cent to S$665 million. Telkomsel maintained its leading position in Indonesia with approximately 43.3 per cent of market share as at 31 March 2012.

Airtel contributed 25 per cent to the Group's share of associates' post-tax profits, 13 percentage points lower than a year ago. In South Asia, Airtel recorded revenue growth of 12 per cent and EBITDA increase of 7 per cent, on robust customer additions with rollout of 3G services. Airtel Africa posted strong double-digit revenue and EBITDA growth underpinned by network expansion and a growing customer base. However, overall earnings were impacted by 3G network depreciation, spectrum amortisation and interest costs in India, as well as higher fair value losses. Including higher taxes from a reduction in tax holiday benefits and the steep 11 per cent depreciation of the Indian Rupee against Singapore Dollar, overall post-tax contribution from Airtel declined 41 per cent to S$356 million. Airtel continued to lead the India mobile market with a market share of 19.7 per cent as at 31 March 2012.

AIS, the leading mobile phone operator in Thailand, delivered strong operating results. Post-tax contribution surged 31 per cent to S$249 million, underpinned by strong execution, robust data growth, lower depreciation and amortisation expenses as well as lower taxes from the reduction in Thai corporate tax rate from January 2012. AIS maintained its lead in the Thailand mobile market with approximately 44.7 per cent of market share.

Globe, the second largest mobile phone operator in the Philippines, registered service revenue growth of 9 per cent driven by customer gains in mobile and broadband. With higher marketing, subsidy and network costs, Globe's post-tax contribution declined 5 per cent to S$131 million.

In Pakistan, Warid recorded improved EBITDA with higher revenue and lower marketing costs. Including depreciation and interest costs, the Group's share of Warid's net loss amounted to S$56 million, down from S$62 million last year.

CASH FLOW

GROUP	Financial Year Ended 31 March 2012 (S$ million)	2011 (S$ million)	Change (%)
Net cash inflow from operating activities	**5,710**	6,043	-5.5
Net cash outflow for investing activities	**(2,809)**	(2,759)	1.8
Net cash outflow for financing activities	**(4,264)**	(2,141)	99.2
Net (decrease)/increase in cash balance	**(1,363)**	1,143	nm
Exchange effects on cash balance	**(29)**	(18)	56.5
Cash balance at beginning of year	**2,738**	1,614	69.7
Cash balance at end of year	**1,346**	2,738	-50.8
Free cash flow			
Singapore	**1,170**	1,436	-18.5
Australia	**1,451**	1,519	-4.5
Australia (in A$)	***1,111***	*1,206*	*-7.8*
Associates (net dividends after withholding tax)	**841**	1,084	-22.4
Group	**3,462**	4,038	-14.3
Cash capital expenditure as a percentage of operating revenue	***12%***	*11%*	

'nm' denotes not meaningful.

Operating Activities

The Group's net cash inflow from operating activities for the year was S$5.71 billion, down 5.5 per cent or S$333 million due mainly to lower dividends received from the associates as well as payments of tax in Australia from this financial year. Last year, the Group received special dividends from AIS which was not repeated this year.

Investing Activities

The investing cash outflow was S$2.81 billion. During the year, payment of S$332 million was made for the acquisition of an additional 2.05 per cent equity interest in AIS. Capital expenditure totalled S$2.25 billion and represented 12 per cent of the Group's operating revenue, 1 percentage point higher than a year ago. Major capital expenditure for the year included the expansion and enhancement of mobile networks in Singapore and Australia to support customer and data growth, investments in satellites and core infrastructure, as well as NCS' investments in equipment for major customer contracts.

Financing Activities

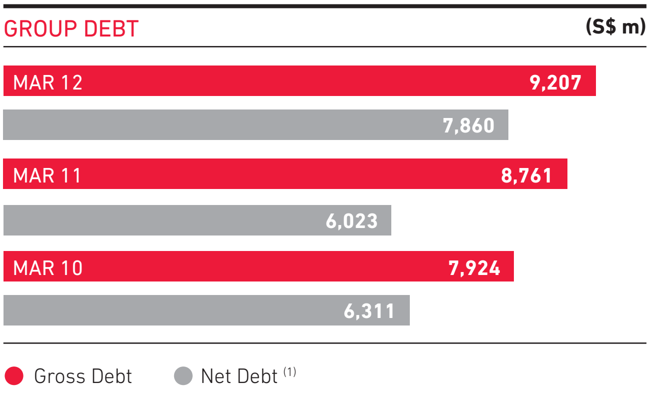
Net cash outflow of S$4.26 billion for financing activities arose mainly from the payment of S$3.03 billion of final and special dividends in respect of the previous financial year ended 31 March 2011, and S$1.08 billion for interim dividends in respect of the current financial year. Other major financing cash outflows included S$922 million for settlement of swaps on repayment of bonds as well as S$415 million for interest payments. These outflows were partially offset by S$1.19 billion of cash inflow from net borrowings during the year.

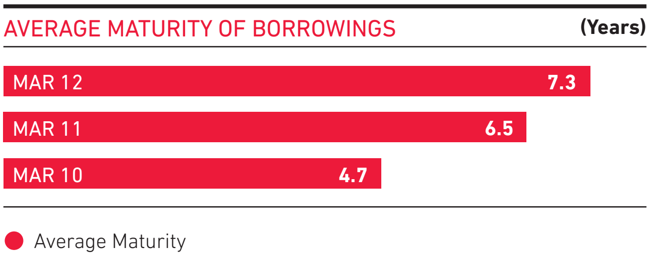
Free Cash Flow

The Group's free cash flow fell 14 per cent to S$3.46 billion. Free cash flow from Singapore declined 19 per cent from a year ago due to lower operating cash flow partly from negative working capital movements on the fibre rollout and higher capital expenditure. Free cash flow from Australia fell 7.8 per cent to A$1.11 billion but would have increased 1.9 per cent if excluding tax payments this year due to favourable working capital movements partially offset by higher capital expenditure.

CAPITAL MANAGEMENT

GROUP	Financial Year Ended 31 March 2012	2011	2010
Gross debt (S$ m)	**9,207**	8,761	7,924
Net debt [1] (S$ m)	**7,860**	6,023	6,311
Net debt gearing ratio [2] (%)	**25.1**	19.8	21.2
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	**1.1**	0.8	0.9
Interest cover [3] (number of times)	**20.7**	21.8	23.5
Average maturity of borrowings (years)	**7.3**	6.5	4.7





Notes:

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

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

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

During the year, the Group issued new bonds and extended its debt maturity. Net debt increased, reflecting lower cash balances after the payment of special dividends in the prior year.

The Group has one of the strongest credit ratings among telecommunications companies in Asia. SingTel is currently rated Aa2 by Moody's and A+ by Standard & Poor's.

SingTel's dividend payout ratio ranges from 55 per cent to 70 per cent of underlying net profit. The Group will continue to review at least on a three-year basis its cash needs for operations and growth, with a view to returning surplus cash to shareholders. This is consistent with the Group's commitment to an optimal capital structure and investment grade credit ratings, while maintaining financial flexibility.

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.	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 [1]

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED	23%
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%

This chart is accurate as of 31 March 2012.

The list of significant subsidiaries, associates and joint ventures is disclosed on pages 185 to 194 in Note 47 to the Financial Statements.

Note:
[1] Effective ownership

CORPORATE SOCIAL RESPONSIBILITY

As a leading communications company in the region, the Group's operations affect virtually every part of society. We therefore consider it our responsibility and privilege to make a difference to the well-being of the communities we operate in. As a Group, we leverage our network and resources to serve the community in economic, social and environmental ways.

Making a Difference

Celebrating its 10th year of fundraising, the SingTel Touching Lives Fund (STLF) kicked off its annual activities with a flag day on 24 June 2011. Led by the Group's senior management, the event saw whole-hearted response from about 800 employees, family members and friends.

Other signature events held under the STLF banner included Fold-A-Heart, where SingTel donates S$1 for every origami and electronic heart received, as well as the Charity Golf event which raised a record S$820,000 last year. In all, the Group raised S$2.6 million over the year for the STLF.

The funds go a long way in helping six beneficiaries that run programmes for disadvantaged children and young persons in Singapore, namely APSN Chaoyang School, APSN Tanglin School, AWWA Early Years Centre – Early Intervention Programme for Infants and Young Children, MINDS Lee Kong Chian Gardens School, Singapore Cancer Society's "Help the Children and Youths" and Students Care Service. Over the past decade, the STLF has raised over S$22 million for our beneficiaries.

In Australia, Optus actively supports various charity partners throughout the year by holding fundraising events and campaigns among its staff, such as Lock Up Your Boss to support Kids Helpline, Movember in support of Beyondblue and Tour de Cure in support of Optus' charity partner, The Cancer Council, and other cancer-related charities. Through various charity fundraisers, Optus people have donated over A$100,000 in support of Optus' 13 charity partners.

Youths, however, remain a key focus as beneficiaries. The mobile student2student programme launched by Optus and The Smith Family aims to help young people who are at risk of leaving school in the metro and regional areas by improving their reading skills through mobile phones. Matched with an older student "buddy", 260 disadvantaged children read to their buddy three times a week using mobile phones supplied by Optus. As an added incentive, students keep the mobile phones and are rewarded with credits upon completion of the programme. Evaluation studies showed 81 per cent of the students in the programme improved their reading levels.

Optus also supports young people via community grants for local programmes that address social isolation and disengaged youths by providing access to communications and improving education outcomes. In FY2012, Optus awarded 32 charity organisations with A$150,000 worth of grants, bringing the total grants to over A$550,000 since 2008.

Promoting the Spirit of Volunteerism

We believe in the spirit of volunteerism and encourage staff to spend time helping others in need. We give our staff in Singapore and Australia one day of paid volunteer leave, which they may use for the benefit of any charity or community organisation.

In Singapore, we continued to promote "VolunTeaming" – a programme that enables our staff to team up with colleagues for a volunteer activity. Some 1,700 employees gave about 8,000 hours of their time to engage in 24 meaningful community and environmental projects during the year.

One of the VolunTeaming projects undertaken during the year was by the Global Accounts employees, who came together to organise a lunch-cum-entertainment session for about 100 residents of the AWWA Community Home for Senior Citizens. The seniors were treated to songs, games, gifts and a delicious meal, served personally by our staff.

In another VolunTeaming effort, Satellite staff rallied together to clean cars and sell packets of dried fruit and nuts for charity. Their efforts paid off and they raised about S$8,500 for the STLF.

In Australia, Optus introduced a five-week skilled volunteer programme where leaders within the company contribute their skills, knowledge and experience to indigenous organisations in regional Australia.

One of the key volunteerism initiatives in Optus is the collaboration with the Australian Business Community Network where Optus staff mentor "high-needs youths", namely students who are geographically, socially, financially or physically disadvantaged. Many of these students are from non-English speaking or refugee backgrounds, and lack the opportunities available to most urban students. FY2012 saw our largest participation number to date – 408 employees mentored 1,477 students and school leaders in 29 schools across Australia.

Going Green

As a Group, we believe being a responsible corporate citizen includes caring for the environment and promoting a sustainable way of life. Project LESS is SingTel's environmental campaign aimed at raising awareness among employees and customers of the need to reduce our carbon footprint. Apart from the annual Plant-A-Tree Day for our staff, a SingTel-Nokia Mobile Phone Recycling Programme was created for consumers in late March 2011, a first by a telco in Singapore.

In a similar initiative, Optus promotes the recycling of discarded mobile phones via Mobilemuster, an industry-wide Australian programme. Optus customers can recycle their phones at Optus stores or send them back to us using the reply-paid satchels included in the packaging of prepaid phones. Recycled mobile phones receive a new lease of life as batteries, stainless steel products, plastic fence posts, pallets and even jewellery.

In a united effort to support Earth Hour, all SingTel shop outlets and SingTel Exclusive Retailers across the island turned off non-essential lighting and dimmed interior lights on 31 March 2012. Optus too, showed their support by encouraging staff and customers to "switch off" and think of ways to help the environment.

CSR MILESTONES

2011

APRIL

> 12 volunteers built houses and farms in a village in Cebu as part of SingTel's inaugural Overseas Volunteering Programme

> 200 SingTel employees planted 105 trees at the 3rd Plant-A-Tree Day

> 21 Optus staff rode some 1,400 km and together with Optus, raised A$250,000 as part of the 2011 Tour de Cure

JUNE

> Marked the 10th anniversary of SingTel Touching Lives Fund with a flag day that raised S$80,000

> "Erase Cyberbullying" was launched with packs sent to 10,000 Australian schools

> Optus' "Connecting Communities Grants" provided grants of up to A$5,000 to each local community organisation

JULY

> As title sponsor for Race Against Cancer, SingTel and staff donated S$200,000 to help children affected by cancer

AUGUST

> SingTel's business partners and associates raised S$820,000 through cash donations and sponsorships of golf flights at the Charity Golf event

SEPTEMBER

> More than 87,000 origami and electronic hearts were received during the Fold-A-Heart activity

NOVEMBER

> Optus staff donated over A$48,000 for Movember, a fundraising event for depression initiatives

2012

MARCH

> SingTel and Optus supported Earth Hour 2012, switching off façade lights at key office premises. For the first time, SingTel Exclusive Retailers joined our SingTel shop outlets to dim the interior lights

> Over A$430,000 was donated to Optus' 13 charity partners through its payroll-giving programme

Optus team takes part in the 2011 Tour de Cure to raise funds for the fight against cancer

Over 800 SingTel employees, their family members and friends raised S$80,000 through a flag day

SingTel staff volunteers refurbishing an elementary school in Ayutthaya, Thailand, that was damaged by flooding

SingTel Group partners Ericsson to provide emergency communications services to support disaster relief efforts in South and Southeast Asia – a world's first operator partnership for Ericsson Response

SingTel donates S$1 to the SingTel Touching Lives Fund for each origami heart folded by these school children during the Fold-A-Heart campaign

Vanessa Amorosi, an Australian singer, using the "Make Cyberspace a Better Place" education pack produced by Optus and Kids Helpline for schools

Our regional mobile associates also played their part in going green. All eight SingTel Group operators collaborated with GSMA in a Mobile Energy Efficiency benchmarking initiative. A benchmark will be developed for the operators to drive energy cost savings and reduce greenhouse gas emissions in their network operations.

Joining Hands with Regional Associates

As a responsible corporate citizen, SingTel and our regional mobile associates respond readily to support disaster relief efforts where possible. During the year, we donated 2 million Baht to the communities affected by the severe flooding in Thailand, as well as 500,000 Pesos to Globe's disaster relief efforts for Typhoon Sendong victims in the Philippines. AIS and Globe, besides outright cash donations, also responded to the calamity by offering free call and SMS services to victims, and set up internet stations in evacuation centres to help them contact their loved ones.

We stepped up our community efforts with two SingTel Overseas Volunteering Programme expeditions to Cebu, Philippines and Ayutthaya, Thailand during the year, in conjunction with Globe and AIS respectively, to help rebuild communities affected by natural disasters.

SingTel and the regional mobile associates also partnered Ericsson Response to provide emergency communications services to support disaster relief efforts in South and Southeast Asia. This marked the world's first operator partnership for Ericsson Response.

Ensuring Customer Safety

The Group is committed to the safety and protection of our customers. This includes data protection, as laid out in our Sustainability Report. For example, our radiation emissions from base stations are well within the acceptable limits of the guidelines set by the local authority.

To protect children, we offer mobile applications which allow parents to filter, block or allow access to specific sites as well as to set age appropriate default settings. Optus takes this one step further by partnering Kids Helpline and developing ready-made lesson plans on cyberbullying with the aim of educating young people about this major issue. These award-winning educational packs were distributed to 10,000 schools across Australia, serving as useful materials for teachers to educate their students about cyberbullying, sexting and the safe use of technology.

A LEGACY OF GIVING

In 2002, the SingTel Touching Lives Fund (STLF) was set up as a coordinated corporate philanthropy programme to support children and youths with special needs in Singapore.

Ten years on, the STLF has raised over S$22 million for 22 charities, thanks to the strong support from our business partners, associates, employees, customers and members of the public.

The STLF has contributed significantly towards critical and specialised programmes, such as special education for the intellectually or physically challenged, and programmes that help young people with learning difficulties or who come from disadvantaged home environments.

Some of the activities organised over the years have become iconic events for the STLF banner. These include the annual charity golf tournament and the Fold-A-Heart activity, which is popular with students and members of the public, where SingTel donates S$1 for every folded paper heart received. In 2010, an e-version of the paper heart was introduced, enabling the campaign to reach a wider audience.

SingTel fully underwrites all fundraising costs so that every dollar donated to the STLF will go towards our beneficiary organisations. On top of this, SingTel matches the donations made by our staff and also makes a corporate donation to the STLF.

OUR PEOPLE

Celebrating the lunar
new year at SingTel
v

Launch of SingTel ESPRESSO, an enterprise social network for
staff to engage each other and share information and ideas
v

Teamwork at work and play builds strong relationships
among Optus people
v

^
Optus people celebrating Christmas on campus

Employees are encouraged to take charge
of their health and well-being
v

^
HR practitioners across the Group come together to share
best practices

Leading and Shaping Through People

Our people form the engine that drives our transformation into the region's leading multimedia and ICT solutions company.

We believe that workforce diversity is essential to building and sustaining our competitive advantage through the fostering of innovative solutions, and greater flexibility and responsiveness to business needs.

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

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

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

Engaging Our People

Our core values of Customer Focus, Challenger Spirit, Teamwork, Integrity and Personal Excellence provide a common foundation for how we work with each other, our customers and other stakeholders.

Our "Connect & Grow" employee value proposition underscores our commitment to building strong relationships among our people and developing talent across the company. We tailor this value proposition to keep up with changing times and varying needs across different employee segments. Our enterprise social network, SingTel ESPRESSO was launched on 11 November 2011 in Singapore as a platform to engage with each other and share ideas, and will be rolled out to the rest of the Group. We also introduced further automation to improve employee experience and increase productivity, such as enabling employee transactions through mobile device applications.

AGE DISTRIBUTION

Singapore

Age Demographics

Boomers (Pre-1964)	**29%**
Gen X (1965-1977)	**35%**
Gen Y (1978 onward)	**36%**

Australia

Age Demographics

Boomers (Pre-1964)	**20%**
Gen X (1965-1977)	**43%**
Gen Y (1978 onward)	**37%**

OUR WORKFORCE OF APPROXIMATELY

23,000

employees around the globe represents **92** nationalities, from Australia to Zimbabwe.

We continued with our relentless focus on employee engagement, a key component of the People Plan which is integral to our strategic business planning process. Our global engagement framework facilitates the analysis of direct employee feedback to help garner insights into the drivers of employee engagement, motivation and retention across the Group.

Attracting and Developing Talent

Our ability to attract capable and talented candidates – from emerging young talent to strategic senior-level hires – is imperative to strengthening existing expertise and building new capabilities. We have been expanding recruitment channels into various educational, networking and social media platforms to better engage with and attract such talent.

Scholarship programmes help us identify young talent while strategic internships and cadetship programmes offer direct exposure to the dynamic environment, people and work of the Group.

Since its inception in 2009, the SingTel Group Undergraduate Scholarship programme has awarded 16 scholarships and 15 book prizes to students in Indonesia, the Philippines, Singapore and Thailand. The book prizes are awarded to outstanding students who reach the final selection interview.

In addition to full scholarships at top local universities, the scholars also enjoy mentoring and internship opportunities at the SingTel Group of companies locally and overseas.

We attract new graduate talent through our special graduate recruitment initiatives and graduate programmes which provide accelerated learning and development opportunities across the Group.

We also equip our people to be the best they can be, through holistic training tailored to the needs of different employee segments, at different stages of their careers. We deploy a multi-faceted approach to learning and development through experience, relationship and education-based interventions.

A highly interactive and comprehensive programme is in place to welcome new hires and help them integrate into the organisation. Employees are encouraged to take charge of their careers, with guidance from their managers. Tools such as individual development plans, competency frameworks and career roadmaps as well as online resources enable employees to understand their career options and ways to achieve their career objectives.

We continually enhance our management and technical capabilities via specialised technical training and leadership programmes. Our annual Learning Fiestas and Career Expos offer an engaging forum for employees to take part in bite-sized, targeted learning on a variety of strategic, technical, personal development and lifestyle topics. eLearning and mLearning modules have been deployed to align with how people learn in this digital age while regular forums featuring globally renowned thought leaders feed innovative strategic thinking.

The Group's scope and diversity across different businesses and geographies enable us to offer exciting and challenging career growth and development opportunities while enhancing the combined capabilities of the Group. Job rotations, regional talent exchange programmes and secondments, including cross-affiliate assignments, provide rich experiences and abundant opportunities to develop cross-market and cross-functional excellence.

Grooming Leaders

A strong and competent leadership bench is essential for sustainable business success. We invest heavily in leadership development to ensure our current and future leaders can lead effectively and shape a culture of empowerment, collaboration and excellence to deliver on our objectives.

During the year, we continued to enhance our Group-wide leadership development programmes. The curriculum for our Game for Global Growth programme was refined to enhance collaboration and knowledge sharing among leaders from the Group and regional mobile associates who prepare to take on more significant roles. Our Regional Leadership in Action programme, which grooms high-potential emerging leaders to manage business operations in a multi-national and multi-organisational context, was revamped to increase exposure to a larger group of emerging leaders.

Driving and Rewarding Performance

We are proud of our high performance culture, and ensure each employee understands the company's strategic direction and the part they play in contributing to our vision and mission. Corporate strategies are translated into actionable objectives and cascaded throughout the organisation.

Our philosophy is to align employee rewards with performance, whether that be team or individual 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. Incentives are designed to motivate continued excellence while ensuring ongoing relevance to evolving business and market contexts.

Safe and Healthy Work Environment

SingTel is committed to providing a healthy, positive and conducive work environment for all employees, and ensuring the safety of employees, business partners and the public.

Supporting health and well-being – physical, mental and social – is a key component of our people management strategy. We actively promote employee wellness and encourage employees to take control of their health. Health clubs and gymnasiums are available onsite across various locations, while healthier food options are made available at all staff cafeterias. Talks, health screenings and external professional counselling services on work-life issues through our employee assistance programmes are some examples of health management tools made widely available to our people. Family-friendly policies, including flexible work and leave arrangements, are also offered, as are onsite childcare facilities at some locations.

Workplace Safety and Health (WSH) information is easily accessible online and at all our premises. WSH briefings are conducted during new employee orientation, and we ensure that fire wardens and health managers are appointed and equipped throughout our locations. We have also established a set of guidelines for vendor selection, which is especially critical for vendors performing physical work in our workplace or worksites.

Employee Relations

We foster a strong proactive and collaborative partnership with employees directly as well as through the Union of Telecoms Employees of Singapore, with whom a new collective agreement was successfully concluded in January 2012. Our Employment Partnership Agreement in Australia, a collective agreement made directly between Optus and employees since 1994, was renewed in late 2009 for a further three years.

Our proactive approach to employee relations was demonstrated by our implementation of re-employment at age 62 in September 2011, ahead of Singapore legislation which took effect on 1 January 2012.

GENDER DISTRIBUTION (%)

	Female	Male
Singapore		
Operational Support	42.3	57.7
Professional & Technical	33.4	66.6
Middle Management	37.6	62.4
Top Management	26.7	73.3
Total	37.6	62.4
Australia		
Operational Support	38.5	61.5
Professional & Technical	28.2	71.8
Middle Management	18.5	81.5
Top Management	14.3	85.7
Total	32.2	67.8

>

The Group's scope and diversity across different businesses and geographies enable us to offer exciting and challenging career growth and development opportunities while enhancing the combined capabilities of the Group.

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 ASX Corporate Governance Principles and Recommendations with 2010 Amendments (ASX Code). Where one Exchange has more stringent requirements, SingTel will strive to observe the more stringent requirements.

On 2 May 2012, the revised Code of Corporate Governance 2012 was issued, and while it does not take effect yet, SingTel already complies with many of the key revised guidelines, including those relating to proportion of independent directors on the board, the appointment of a lead independent director, multiple directorships, enhanced remuneration disclosures, and poll voting at shareholder meetings.

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

- With the increasing emphasis on risk governance and heightened risks and greater complexity in the business and economic environment, a separate Risk Committee (RC) was set up to assist the Board in overseeing the governance of risk in the Group's business. With this, the Finance, Investment and Risk Committee has been renamed the Finance and Investment Committee in May 2012, and all items relating to risk oversight are now covered by the RC. For more details, see the 'Risk Committee' section on page 62.
- In accordance with the recommendations in the ASX Code, SingTel has enhanced its disclosures on diversity within the Group. For details, please refer to the 'Board Composition, Diversity and Balance' section on pages 57 to 58 and the 'Our People' section on pages 52 to 55.

Directors' Attendance at Board Meetings during the Financial Year Ended 31 March 2012 [1]

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

Notes:

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

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

(3) Mr Low Check Kian was appointed to the Board on 9 May 2011.

(4) Member of the Order of Australia.

(5) Mr Chumpol NaLamlieng, Mr Graham John Bradley and Mr Nicky Tan Ng Kuang retired following the conclusion of the AGM held on 29 July 2011.

This report sets out SingTel's main corporate governance practices with reference to the 2005 Code and the 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 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.

The Board meets regularly, and sets aside time at each scheduled Board meeting to meet without the presence of Management. Board meetings generally last a full day and include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas, as well as presentations by each of the Group's associates during the course of the year, to allow the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's partners and key executives. Typically, at least one Board meeting a year is held overseas, in a country where the Group either has significant investment or has an interest in investing or where Board members can be exposed to new technology relevant to the Group's growth strategy. On such occasions, the Board may meet with local business leaders and government officials, so as to help 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 2012. 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 2012 is set out on page 56.

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 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, Diversity and Balance

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

Reflecting the focus of the Group's business in the region, four of SingTel's 10 Directors are from countries outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs Dominic Chiu Fai Ho, Peter Edward Mason AM and Kaikhushru Shiavax Nargolwala. There are two female Directors, namely Ms Chua Sock Koong and Mrs Fang Ai Lian.

In order to help attract high calibre international directors to the SingTel Board, especially in the case of candidates who come from jurisdictions where it is common practice for companies to grant Deeds of Indemnity to their directors, SingTel has adopted a policy on the 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 CGNC assesses the independence of each Director, taking into account the guidance in the 2005 code and the ASX code for assessing independence. On this basis, Ms Chua Sock Koong, SingTel's Group CEO, Mr Simon Israel, Chairman of the SingTel Board and Mr Peter Ong Boon Kwee, Permanent Secretary of the Ministry of Finance, Singapore 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. All 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 CGNC has examined the different relationships identified by the 2005 Code and the ASX Code that might impair the Directors' independence and objectivity, and is satisfied that the Directors are able to act with independent judgement.

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

The Chairman and the Group CEO

The Chairman of the Board is a non-executive appointment and is separate from the office of the Group CEO. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the Group CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business. The Chairman and the Group CEO are not related.

Role of the Chairman

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

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

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

Lead Independent Director

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

The Lead Independent Director serves as chairman of the 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 where such contact is inappropriate.

Board Membership

The Corporate Governance and Nominations Committee (CGNC) establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors.

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

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

Directors must ensure that they are able to give sufficient time and attention to the affairs of SingTel and, as part of its review process, the CGNC decides whether or not a Director is able to do so and whether he has been adequately carrying out his duties as a Director of SingTel. The Board has also adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline provides that, as a general rule, each Director should hold no more than six principal board appointments. The guideline includes the following: (1) in support of their candidature for directorship or re-election, Directors are to provide the CGNC with details of other commitments and an indication of the time involved; and (2) non-executive Directors should consult the Chairman or chairman of the CGNC before accepting any new appointments as Directors.

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

Board Performance

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

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

Each year, the CGNC undertakes a process to assess the effectiveness of the Board as a whole and the contributions by each Director. The Board, led by the Lead Independent Director, also assesses the effectiveness of the Chairman. 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 results of the appraisal exercise were considered by the CGNC, which then made recommendations to the Board, aimed at helping the Board 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 CGNC as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the CGNC was able to identify areas for improving the effectiveness of the Board and its Committees.

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

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

Board and Management Committees

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

- Finance and Investment Committee
- Audit Committee
- Risk 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 2012 is set out on page 61.

Finance and Investment Committee

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

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

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

Directors' Board Committee Memberships and Attendance at Board Committee Meetings during the Financial Year Ended 31 March 2012 [(1) (2)]

Name of Director	Finance and Investment Committee		Audit Committee		Executive Resource and Compensation Committee		Corporate Governance and Nominations Committee		Optus Advisory Committee	
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Simon Israel [(3)]	6	6			9	9	2	2	4	4
Bobby Chin Yoke Choong [(4)]										
Chua Sock Koong [(5)]	6	6	4	4	10	10	3	2	4	4
Fang Ai Lian			4	4	10	10				
Dominic Chiu Fai Ho			4	4			3	3		
Low Check Kian [(6)]	5	5					2	2		
Peter Edward Mason AM [(7)]	1	1			9	9			4	4
Kaikhushru Shiavax Nargolwala [(8)]			4	4	9	9	3	3		
Peter Ong Boon Kwee [(9)]			4	3			3	3		
Ong Peng Tsin [(10)]	6	6			1	1			3	3
Chumpol NaLamlieng [(11)]					4	2	1	1		
Graham John Bradley AM [(11)]					4	4			2	2
Nicky Tan Ng Kuang [(11)]	2	2							2	2

Notes:

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

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

(3) Mr Simon Israel was appointed to the Executive Resource and Compensation Committee on 11 May 2011 and the Corporate Governance and Nominations Committee on 8 July 2011.

(4) Mr Bobby Chin Yoke Choong was appointed to the Board on 1 May 2012 and the Risk Committee on 9 May 2012.

(5) 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.

(6) 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.

(7) Mr Peter Edward Mason was appointed to the Executive Resource and Compensation Committee and ceased to be a member of the Finance, Investment and Risk Committee on 11 May 2011.

(8) Mr Kaikhushru Shiavax Nargolwala was appointed to the Executive Resource and Compensation Committee on 11 May 2011.

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

(10) Mr Ong Peng Tsin was appointed to the Optus Advisory Committee on 11 May 2011 and ceased to be its member on 9 May 2012. He also ceased to be a member of the Executive Resource and Compensation Committee on 11 May 2011 and was appointed to the Risk Committee on 9 May 2012.

(11) Mr Chumpol NaLamlieng, Mr Graham John Bradley and Mr Nicky Tan Ng Kuang retired following the conclusion of the AGM held on 29 July 2011.

Audit Committee

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

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

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

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

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

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

The Audit Committee met four times during the financial year. At these meetings, the Group CEO, Group CFO, Vice President Group Finance, Group Chief Internal Auditor and the respective CEOs and CFOs of the businesses were also in attendance. During the financial year, the AC reviewed the quarterly financial statements prior to approving or recommending to the Board 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 AC also met with the internal and external auditors, without the presence of Management, during the financial year.

Risk Committee

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

The RC comprises at least three members, the majority of whom shall be independent. Members of the RC shall be appointed by the Board, on the recommendation of the Corporate Governance and Nominations Committee. There shall be at least one common member between the RC and the Audit Committee.

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

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

Executive Resource and Compensation Committee

The 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 67 to 71.

Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee (CGNC) 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 is not a substantial shareholder of SingTel, nor is he directly associated with any substantial shareholder of SingTel.

The main functions of the CGNC are outlined in the commentaries on 'Board Composition, Diversity and Balance', 'Board Membership' and 'Board Performance' from pages 57 to 60. The CGNC is also responsible for the development and review of SingTel's corporate governance principles and practices, taking into account relevant local and international developments in the area of corporate governance.

Optus Advisory Committee

The 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 six Board Committees, SingTel has a Management Committee that comprises the Group CEO, CEO Group Consumer, CEO Group Digital L!fe, CEO Group ICT, Group CFO, Group Chief Information Officer, Group Chief Strategy Officer and Group Director Human Resources.

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

ACCOUNTABILITY AND AUDIT

Accountability

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

For the financial year ended 31 March 2012, 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 Group Chief Internal Auditor who reports to the Audit Committee (AC) functionally and to the Group CEO administratively. SingTel Internal Audit is a member of the Singapore chapter of the Institute of Internal Auditors (IIA) and adopts the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. SingTel Internal Audit successfully completed 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 AC. 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 AC assesses the external auditors based on factors such as the performance and quality of their audit and the independence of the auditors, and recommends their appointment to the Board. Pursuant to the requirements of the Singapore Exchange Securities Trading Limited (SGX), an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. Deloitte & Touche LLP has met this requirement and the current Deloitte & Touche LLP audit partner for SingTel took over from the previous audit partner with effect from 1 April 2011. SingTel has complied with Rules 712 and 715 of the Listing Manual issued by SGX in relation to its auditors.

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

Risk Management and Internal Controls

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. During the financial year ended 31 March 2012, the Finance, Investment and Risk Committee (now known as the Finance and Investment Committee) assisted the Board in the oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management system including the identification and management of significant risks and reports to the Board on material matters, findings and recommendations pertaining to risk management. The Audit Committee (AC) provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems. In May 2012, a separate Board-level Risk Committee (RC) was established by the Board to assist in its responsibilities relating to the governance of risk and to provide an increased focus on and a more integrated Group-wide perspective in the oversight of material risks in the Group's business.

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

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

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

During the financial year, SingTel with the assistance of an external risk consulting firm, conducted a review of its risk management framework and processes to ensure adequacy and alignment with global best practice standards. The significant risks in the Group's business including mitigating measures were also reported to and reviewed by the Board on a regular basis. Risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and the internal controls in place to manage those risks.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the

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

Based on the framework established and the reviews conducted by Management and the internal and external auditors, the Board opines, with the concurrence of the AC, that there were adequate controls in place within the Group addressing material financial, operational and compliance risks to meet the needs of SingTel in its current business environment as at 31 March 2012.

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

Further details of the Group's Risk Management Philosophy and Approach can be found on pages 74 to 79.

Communication with Shareholders

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

SingTel makes timely disclosures on any new material information to the Singapore Exchange Securities Trading Limited (SGX) and Australian Securities Exchange (ASX). These filings are also posted on SingTel's Investor Relations (IR) website immediately, so investors are made aware of business and strategic developments on a timely and consistent basis.

SingTel reports financial results on a quarterly basis: within 45 days after the end of each financial quarter for its first three quarters, and within 60 days after the end of the financial year. The results announcements contain detailed financial disclosures and in-depth analyses of key value-drivers and metrics for the Group's businesses. SingTel also provides guidance on the outlook for its businesses at the start of each financial year, and affirms or updates the guidance every quarter to accurately reflect prevailing market conditions.

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

SingTel proactively engages shareholders and investors through one-on-one meetings, conference calls, investor conferences and roadshows in Singapore, Australia, Hong Kong, US and Europe. In FY2012, SingTel met with more than 300 investors in over 200 meetings, both locally and internationally, to share the Group's business strategy, operational and financial performance and business prospects. While these meetings are largely undertaken by SingTel's Senior Management, the Chairman and certain Board members also meet with investors every year.

SingTel strongly encourages and supports shareholder participation at AGMs. SingTel delivers the Notice of the Meeting and related information a month ahead, providing ample time for shareholders to review the Notice and reply with their attendance. SingTel holds the AGM at a central location in Singapore with convenient access to public transportation. A registered shareholder who is unable to attend the AGM may choose to appoint a proxy to attend the AGM and vote on his behalf.

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

Leading business journals and financial institutions recognise SingTel for its strong emphasis and proactive approach to shareholder communication and engagement.

Securities Transactions

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

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

Continuous Disclosure

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

Material Contracts

Except for what is mentioned below, 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 (Temasek). In December 2011, SingTel Strategic Investments Pte Ltd acquired 61 million ordinary shares constituting approximately 2 per cent of the issued share capital of Advanced Info Services Public Company Limited from Shin Corporation Public Company Limited, a company in which Temasek has an interest, for a consideration of approximately Baht7.9 billion (approximately S$331 million).

Codes of Conduct and Practice

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

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

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

Whistle-Blower Policy

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. SingTel undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blower policy and procedures which provide employees 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 Executive Resource and Compensation Committee (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 2012, in view of the expansion of the terms of reference for the Finance and Investment Committee (FIC) to include advisory support on strategic issues for the SingTel Group as a whole, the basic fees for the chairman and members of the FIC were increased to S$50,000 and S$35,000 respectively. 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 and Finance and Investment Committee	
Committee chairman	S$50,000 per annum
Committee member	S$35,000 per annum
Fee for appointment to any other Board Committee	
Committee chairman	S$35,000 per annum
Committee member	S$25,000 per annum
Attendance Fee per Ad Hoc Board meeting	S$2,000
Travel allowance for Board Meetings and Board Committee Meetings which do not coincide with Board meetings (per day of travel required to attend meeting)	S$3,000

The proposed framework for Directors' fees for the financial year ending 31 March 2013 is the same as that for the financial year ended 31 March 2012.

Remuneration of Non-Executive Directors

The aggregate compensation paid to or accrued to SingTel non-executive Directors for services in all capacities for the financial year ended 31 March 2012 is set out in the table below. The aggregate compensation paid to or accrued to the SingTel Executive Director for the financial year ended 31 March 2012 is set out on page 68:

Name of Director	Director's Fees[1] (S$)
Simon Israel [2][3]	354,866
Bobby Chin Yoke Choong[4]	-
Fang Ai Lian	205,000
Dominic Chiu Fai Ho	211,000
Low Check Kian [5]	171,854
Peter Edward Mason AM	193,103
Kaikhushru Shiavax Nargolwala	228,992
Peter Ong Boon Kwee [6]	190,000
Ong Peng Tsin [7]	247,000
Chumpol NaLamlieng [8]	97,829
Graham John Bradley AM [8]	64,473
Nicky Tan Ng Kuang [8]	78,672

Notes:

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

(2) Fees are payable to Mr Simon Israel's employer before 1 July 2011.

(3) In addition to his fees, Mr Simon Israel also received car-related benefits with a taxable value of S$10,888.

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

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

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

(7) Fees include travel allowance for attending Board Committee meetings which do not coincide with Board meetings.

(8) Retired following the conclusion of the AGM held on 29 July 2011.

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 2012.

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 of Executive Director

The aggregate compensation paid to or accrued to Group CEO (Chua Sock Koong) for the financial year ended 31 March 2012 is set out in the table below:

Name	Fixed Remuneration [1] ($)	Variable Bonus [2] ($)	Provident Fund [3] ($)	Benefits [4] ($)	Total Cash & Benefits [5] ($)	Restricted Share Award (RSA) [6] (no. of shares)	Performance Share Award (PSA) [6] (no. of shares)
Chua Sock Koong	S$1,615,000	S$3,200,000	S$9,474	S$74,251	S$4,898,725	119,024	1,272,984

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2012 are as follows:

		General Award (GA)			Senior Management Award (SMA)		
Performance Share Awards	Vesting Date	Granted ('000)	Vested ('000)	Lapsed ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)
2009 Awards	1-Jun-12	922	576	346	629	409	220
2010 Awards	1-Jun-13	934	-	-	630	-	-
2011 Awards	1-Jun-14	1,013	-	-	655	-	-

Notes:

(1) Fixed Remuneration refers to base salary and Annual Wage Supplement earned for the year ended 31 March 2012.

(2) Variable Bonus refers to cash bonuses awarded for performance for the year ended 31 March 2012.

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

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

(5) Total Cash & Benefits is the sum of Fixed Remuneration, Variable Bonus, Provident Fund and Benefits for the year ended 31 March 2012.

(6) Long Term Incentives are awarded in the form of performance shares. Grants of the Restricted Share Award (RSA) and Performance Share Award (PSA) under the SingTel Performance Share Plan were made in June 2012 for performance for the year ended 31 March 2012. The per unit fair values of the RSA and PSA are S$2.776 and S$2.336 respectively. The performance conditions for the awards are detailed on pages 69 to 70.

Remuneration for Executive Director and Senior Management

In determining the remuneration policy, the ERCC has established the following objectives:

- To clearly link a significant proportion of remuneration with performance, on an annual and long-term basis;
- To align the interests of Management with shareholder wealth creation;
- To reward performance based on a balanced scorecard approach, which includes financial and non-financial metrics;
- To attract, motivate and retain high-performing executives, which is necessary for SingTel to lead and shape industry by reinventing its core business, creating and driving new growth platforms and turbo-charging capabilities in enterprise ICT; and
- To be competitive in each of the relevant employment markets.

The ERCC recognises that the Group operates in a multinational and multifaceted environment and reviews remuneration through a process that considers Group, business unit and individual performance, 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 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 remuneration, variable bonus, provident/superannuation fund, benefits and long-term incentives. The structure is designed such that the percentage of the variable component of Senior Management's remuneration increases as they move up the organisation. 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 Remuneration**

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

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

- **Variable Bonus**

  Variable bonus is an annual remuneration component which varies according to actual achievement against Group, business unit and individual performance objectives.

  Performance objectives aligned to the overall strategic, financial and operational goals of the Group are set at the beginning of each financial year. While these objectives are different for each executive, they are assessed on the same principles across two broad categories of targets: Business and People. Business targets comprise financials, strategy, customer and business processes. People targets comprise leadership competencies, core values, people development and staff engagement. In addition, the executives are assessed on teamwork and collaboration across the Group.

  In determining the final variable bonus payouts, the ERCC considers overall Group performance, business unit performance and individual performance as well as relevant market remuneration benchmarks. The ERCC proposes the payouts for the Group CEO, CEO Group Consumer, CEO Group Digital L!fe, CEO Group ICT and Group CFO for the Board's approval and approves the variable bonus payouts for the other Senior Management.

- **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 delivered through equity plans meant to drive an ownership culture and retain key talents, with a focus on delivering long-term growth and shareholder value. These are provisionally granted to Senior Management for performance for the year ended 31 March 2012.

  From 1 April 2012, long-term incentives will cease to be granted under the General Award (GA) and Senior Management Award (SMA) of the SingTel Performance Share Plan (Share Plan). The termination of the GA and SMA will not affect the rights of holders of any outstanding existing performance shares, and existing grants will continue to vest under the respective criteria established for each award.

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

The share awards are conditional upon the achievement of predetermined performance targets over the performance period. These performance conditions and targets are established by the ERCC and approved by the Board at the beginning of the performance period. The final number of performance shares vested to the recipient will depend on the level of achievement of these targets over the performance period, subject to the approval of the ERCC. The details of the vesting criteria for the two awards are as follows:

Restricted Share Award (RSA)

The Restricted Share Award (RSA) has a two-year performance period from 1 April 2012 to 31 March 2014. Shares are allocated equally to the following performance conditions:

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

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

Performance Share Award (PSA)

The Performance Share Award (PSA) has a three-year performance period from 1 April 2012 to 31 March 2015. Shares are allocated equally according to the following performance conditions:

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

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

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

Figure A: Restricted Share Award (RSA) Vesting Schedule

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

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

Figure B: Performance Share Award (PSA) Vesting Schedule

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

* Percentage outperformance against the MSCI Asia-Pacific Telecom Index.

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

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 2012 is set out in the table below:

Name	Fixed Remuneration [1] ($)	Variable Bonus [2] ($)	Provident/ Superannuation Fund [3] ($)	Benefits [4] ($)	Total Cash & Benefits [5] ($)	Restricted Share Award (RSA) [6] (no. of shares)	Performance Share Award (PSA) [6] (no. of shares)
The following are in alphabetical order:							
Bill Chang Managing Director Business Group Group ICT	S$580,600	S$835,000	S$12,707	S$56,656	S$1,484,963	53,315	253,425
Hui Weng Cheong [7] CEO International Group Consumer	S$636,000	S$850,000	S$7,048	S$147,957	S$1,641,005	61,240	291,096
Allen Lew CEO Group Digital L!fe/ Country Chief Officer Singapore	S$1,074,000	S$2,250,000	S$7,048	S$62,792	S$3,393,840	73,848	789,812
Jeann Low [8] Group CFO	S$850,000	S$1,200,000	S$9,474	S$30,041	S$2,089,515	36,024	385,274
Paul O'Sullivan [9] CEO Group Consumer/ Country Chief Officer Australia	A$1,080,000	A$1,192,661	A$209,039	A$59,586	A$2,541,286	112,677	1,205,358

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2012 are as follows:

		General Award (GA)			Senior Management Award (SMA)		
Performance Share Awards	Vesting Date	Granted ('000)	Vested ('000)	Lapsed ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)
2009 Awards	1-Jun-12	2,073	1,296	777	1,414	919	495
2010 Awards	1-Jun-13	2,113	-	-	1,425	-	-
	1-Oct-13	201	-	-	-	-	-
2011 Awards	1-Jun-14	2,459	-	-	1,590	-	-

Notes:

(1) Fixed Remuneration refers to base salary and Annual Wage Supplement (if applicable) earned for the year ended 31 March 2012.

(2) Variable Bonus refers to cash bonuses awarded for performance for the year ended 31 March 2012.

(3) Provident Fund in Singapore represents payments in respect of company statutory contributions to the Singapore Central Provident Fund. Superannuation Fund in Australia represents payments in respect of the superannuation guarantee levy to the superannuation scheme. Any contributions made by an individual may be salary sacrificed, and are part of fixed remuneration.

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

(5) Total Cash & Benefits is the sum of Fixed Remuneration, Variable Bonus, Provident/Superannuation Fund and Benefits for the year ended 31 March 2012.

(6) Long-Term Incentives are awarded in the form of performance shares. Grants of the Restricted Share Award (RSA) and Performance Share Award (PSA) under the SingTel Performance Share Plan were made in June 2012 for performance for the year ended 31 March 2012. The per unit fair values of the RSA and PSA are S$2.776 (A$2.130) and S$2.336 (A$1.792) respectively. The performance conditions for the awards are detailed on pages 69 to 70.

(7) Benefits for Mr Hui Weng Cheong include tax equalisation in relation to his past secondment to Advanced Info Service, Thailand.

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

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

INVESTOR RELATIONS

PROACTIVE COMMUNICATION WITH THE INVESTMENT COMMUNITY

SingTel continually strives towards higher standards of disclosure and corporate transparency by:

a. Disseminating accurate and relevant information to the marketplace expeditiously, to help investors make informed investment decisions;

b. Providing regular access to SingTel's Management through face-to-face meetings, conferences, roadshows, conference calls and webcasts; and

c. Meeting investors' growing demands for transparency and governance, and balancing that with commercial sensitivities of SingTel's businesses.

The Investor Relations (IR) team drives and facilitates financial communication efforts with existing and potential institutional investors, financial analysts as well as retail shareholders. During the year, SingTel participated in investor conferences and roadshows in Singapore, Hong Kong, US and Europe. SingTel's Management, together with the IR team, met more than 300 investors in over 200 meetings, both locally and internationally, to share the Group's business strategy, and operational and financial performance. In addition, the IR team arranges site visits to SingTel's operational facilities, such as multimedia showrooms and network centres, to help investors better understand SingTel's expansion plans in the digital, multimedia and ICT space.

For the quarterly financial announcements, SingTel presents detailed financial statements, slides and other key financial information. We also host analyst conference calls to address questions and clarify issues. The recorded webcasts and transcripts of these events are made available on the IR website. The IR website is a key resource for corporate information and financial data. In addition to the quarterly financial materials, the IR website includes annual reports, upcoming investor events, shares and dividend information, factsheets and investor presentation slides.

SingTel derives more than three quarters of our proportionate EBITDA from outside Singapore, hence IR efforts are also targeted at communicating SingTel's overseas strategy and updating investors on key developments of our overseas businesses. In July and December 2011, the IR team organised the Optus Investor Day in Sydney and the Regional Mobile Investor Day in Singapore respectively. Each event was attended by more than 60 Singapore and overseas investors and analysts. Airtel, Telkomsel, AIS, Globe, Optus and SingTel's Management conducted presentations for their respective businesses, while investors were given the opportunity to try out some of SingTel's latest innovative services and applications.

In March 2012, SingTel announced a new organisation structure and a significant acquisition, Amobee, a US-based mobile advertising solutions provider. The Senior Management hosted media and investors' briefings to help them understand our expansion strategy into the new adjacent industries.

SingTel commissions an investor perception study annually to gather feedback from investors. An independent consultant conducts in-depth interviews with institutional investors and financial analysts, and reports on the findings. These findings help SingTel's Board and Management understand investors' concerns and assist the IR team in developing messages and content to address these concerns. These actions help augment the efficacy of SingTel's IR efforts.

The SingTel Management maintains strong rapport with the investment community through our proactive and regular investor engagement initiatives. During the year, SingTel won several awards in recognition of our corporate governance, transparency and IR efforts.

SHAREHOLDER INFORMATION

As at 20 April 2012, Temasek Holdings (Private) Limited remained the largest SingTel shareholder with 54 per cent of shares. Other Singapore shareholders held 19 per cent of shares. US/Canada and Europe shareholders held 14 per cent and 9 per cent of shares respectively.

SHARE OWNERSHIP BY GEOGRAPHICAL DISTRIBUTION

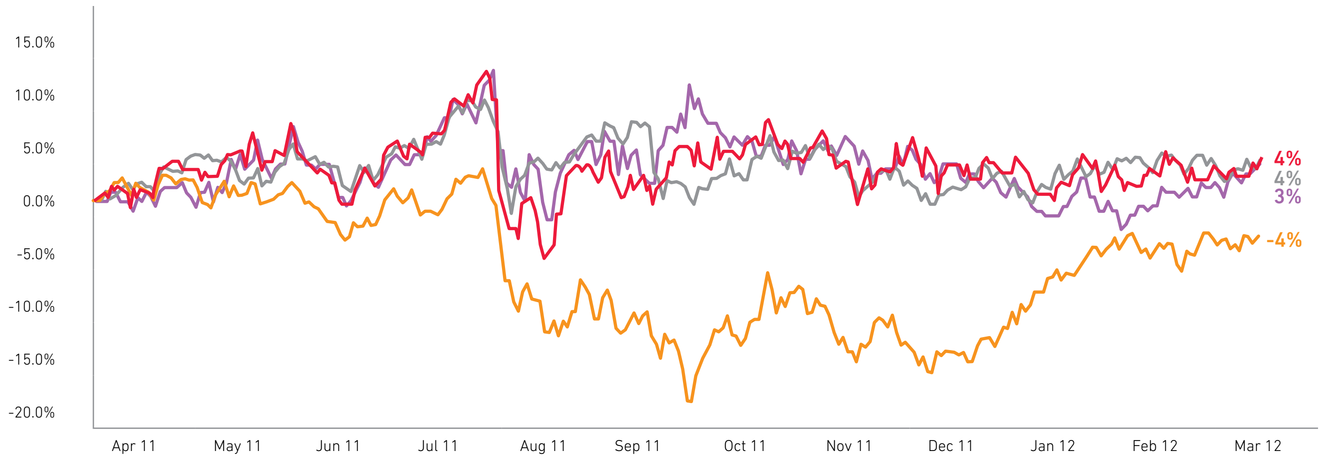
Temasek Holdings	**54%**
Singapore ex Temasek	**19%**
US/Canada	**14%**
Europe	**9%**
Asia ex Singapore	**3%**
Australia	**1%**

Approximate figures based on share register analysis as at 20 April 2012.

SHARE PRICE PERFORMANCE

Between April 2011 and March 2012, SingTel (SGX) and SingTel (ASX) were up 4 per cent and 3 per cent respectively.

SingTel Share Price Performance – 1 April 2011 to 31 March 2012



- SingTel – SGX, 4%
- SingTel – ASX, 3%
- MSCI Asia Pacific Telecommunications Index, 4%
- Straits Times Index, -4%

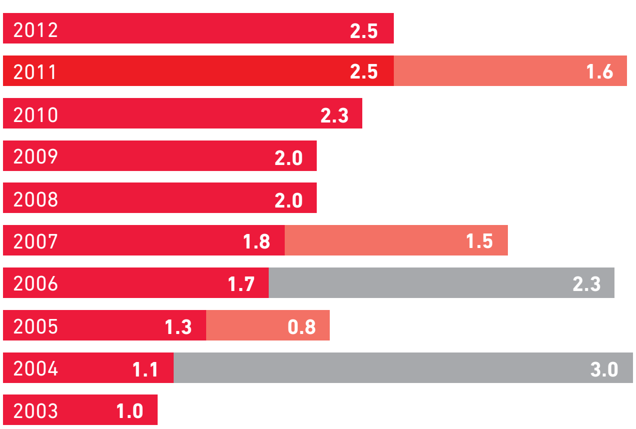
1. The Australian Dollar depreciated approximately 1 per cent against the Singapore Dollar from 1 April 2011 to 31 March 2012.

Source: Bloomberg

SHAREHOLDER PAYOUT

SingTel has a track record of generous shareholder payout. The Board has recommended a final ordinary dividend of 9.0 cents a share. Together with the interim ordinary dividend of 6.8 cents a share, total ordinary dividends for FY2012 amounted to 15.8 cents a share, consistent with the previous year. This represents a payout ratio of 68 per cent of underlying net profit for FY2012.

SHAREHOLDER PAYOUT (S$ b)



- Ordinary Dividend
- Special Dividend
- Capital Reduction

IR CALENDAR EVENTS

Date	Activities
Mar 2011	Credit Suisse Asian Investment Conference, Hong Kong
May 2011	Non-deal Equity Roadshows, US and Europe
Jul 2011	Optus Investor Day, Sydney
Jul 2011	19th Annual General Meeting and Extraordinary General Meeting, Singapore
Sep 2011	CLSA Investors Forum, Hong Kong
Nov 2011	Non-deal Equity Roadshows, US and Europe
Dec 2011	SingTel Regional Mobile Investor Day, Singapore

RISK MANAGEMENT PHILOSOPHY AND APPROACH

Risk management is a fundamental part of the Group's business strategy and effective corporate governance. The Group adopts a risk philosophy aimed at maximising business opportunities and minimising adverse outcomes, thereby enhancing shareholder value by effectively balancing risk and reward.

RISK MANAGEMENT

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 our reputation, operation, human resources and financial performance.

The Board is overall responsible for determining the Group's risk profile, overseeing the Group's risk management framework, reviewing the Group's key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. The Finance, Investment and Risk Committee (FIRC) [1] and the Audit Committee (AC) review the management of these risks and effectiveness of mitigation strategies and controls.

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

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

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

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

Note:

[1] The Risk Committee was established, and the Finance, Investment and Risk Committee (FIRC) was renamed the Finance and Investment Committee (FIC), in May 2012.

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

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

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

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

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

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. There may also be risks that are either presently unknown or not currently assessed as significant, which may later prove to be material. However, we aim to mitigate the exposures through appropriate risk management strategies and internal controls.

The section below sets out the principal risk types.

ECONOMIC RISKS

Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for telecommunications, IT and related services, 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 the periodic monitoring of budgets and expenditures to minimise the risk of over-investment. The Group has continuing cost management programmes to drive improvements in our 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 where the Group operates to leverage the local expertise, knowledge and ability. In this way, we ensure compliance with the laws and are able to implement risk mitigation measures.

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 Nationwide Broadband Network (Next Gen NBN), designed a structure aimed at levelling the playing field, allowing the benefits of the Next Gen NBN to be available to all industry players. This has significantly altered the existing cost model of the industry and increased the level of competition in the market with new entrants. Another regulatory change is the revision of the Media Market Conduct Code by the Media Development Authority of Singapore (MDA) to include a Public Interest Obligation. This enables mandatory cross carriage of exclusive content in the pay TV market and promotes fair market conduct and effective competition by laying the ground rules for fair competition in the media market. Furthermore, revisions to the Telecommunications Act were passed in November 2011 with key changes including increasing the maximum penalty that can be imposed, amendments to facilitate transfer of certain rights from one Public Telecommunications Licensee (PTL) to another; amendments to the consolidation provisions; empowering the Minister to directly take over telecom network and businesses to ensure that key telecom network or services continue to function and to impose structural or operational separation on vertically integrated operators where necessary.

In Australia, the government is currently undertaking a significant reform of the fixed-line telecommunications sector, including the rollout of a national broadband network to be operated on a wholesale-only open access basis. It is possible the Australian government's regulatory reforms, including legislation and the deployed national broadband network and commercial transactions relating to the national broadband network, could ultimately lead to a sub-optimal or negative outcome for Optus.

Our 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 on statutory licences issued by governmental authorities. Failure to meet regulatory requirements could result in fines or other sanctions including, ultimately, the revocation of licences. The Group has access to appropriate regulatory expertise and staffing resources in Singapore and Australia. We regularly participate in discussions and consultations with the respective regulatory authorities and the industry to propose changes and provide feedback on regulatory reforms and developments in the telecommunications and media industry.

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 'Contingent Liabilities'.

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

COMPETITIVE RISKS

The Group faces competitive risks in all the markets 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 in addition to the incumbent operator, a number of participants are subsidiaries of international groups and operators and have made large investments which are now sunk costs. The Group is therefore exposed to the risk of irrational pricing being introduced by such competitors. The 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. Some of these overseas markets, including Indonesia and India, have experienced and will continue to experience an increase in the number of competitors, leading to intense price competition and potential loss of market share for our associates. As these markets mature, the pace of subscriber growth may slow and new customers may not be as profitable as existing customers.

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

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 strengthen customer loyalty.

REGIONAL EXPANSION RISKS

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

Partnership Relations

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

Acquisition Risks

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

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

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

The SingTel Group adopts a disciplined approach in our investment evaluation and decision process. Members of our management team are also represented as Board directors of our associates.

In addition to sharing of network and commercial experience, best practices in the areas of corporate governance and financial reporting 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. We maintain and regularly review our business continuity programme, including restoration plans, for implementation in the event of a catastrophic loss of all or part of a satellite.

NEW BUSINESS RISKS

From a traditional carriage business in Singapore and Australia, the Group is now venturing to invest in new growth areas 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. These businesses may also expose the Group to new areas of risks associated with the media and online industries, such as content rights, customer data privacy and protection.

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

BREACH OF PRIVACY RISKS

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

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

INFRASTRUCTURE AND TECHNOLOGY RISKS

Rapid and significant technological changes are typical in the telecommunications 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 our systems with new capabilities to ensure that we continue to deliver innovative and relevant services to our customers.

VENDOR RISKS

The Group relies on third party vendors in many aspects of our business. We 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 may be affected by third party vendors failing to perform their obligations. In addition, the industry is dominated by a few key vendors for such services and equipment and any failure or refusal by a key vendor to provide such services or equipment, or any consolidation of the industry, may significantly affect our business and operations.

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

FINANCIAL RISKS

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

The Group is exposed to foreign exchange fluctuations from our operations and through subsidiaries and associated and joint venture companies operating in foreign countries. These relate to the translation of the foreign currency earnings and carrying values of the overseas operation. Additionally, a significant portion of associated and joint venture companies purchases and liabilities are denominated in foreign currencies, versus the local currency of the respective operations, thereby giving rise to changes in cost structures and fair value gains or losses when marked to market.

The Group has established policies, guidelines and control procedures to manage and report exposure to such risks. The Group's financial risk management is discussed in detail on page 174 in Note 38 to the Financial Statements.

ELECTROMAGNETIC ENERGY RISKS

Health concerns have been raised regarding the potential exposure to electromagnetic energy associated with the operation of mobile communications devices. While there is no substantiated evidence of public health risks from exposure to the levels of electromagnetic energy typically emitted from mobile communications devices, perceived health risks can result in reduced demand for mobile communications services or worse, litigation against 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.

NETWORK FAILURE AND CATASTROPHIC RISKS

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

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

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

For the financial year ended 31 March 2012

The Directors present their report to the members together with the audited financial statements of the Company ("**SingTel**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2012.

1. DIRECTORS

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

Simon Israel (Chairman) (appointed Chairman on 29 July 2011)
Bobby Chin Yoke Choong (appointed on 1 May 2012)
Chua Sock Koong (Group Chief Executive Officer)
Fang Ai Lian
Dominic Chiu Fai Ho
Low Check Kian
Peter Edward Mason AM*
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee
Ong Peng Tsin

Chumpol NaLamlieng, Graham John Bradley AM* and Nicky Tan Ng Kuang, who served during the financial year, retired following the conclusion of the Annual General Meeting on 29 July 2011.

* Member of the Order of Australia

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

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for 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 2012	**At 1 April 2011 or date of appointment, if later**	**At 31 March 2012**	**At 1 April 2011 or date of appointment, if later**
Singapore Telecommunications Limited				
(Ordinary shares)				
Simon Israel	**497,820**	497,820	**1,360** (1)	1,360
Chua Sock Koong	**4,390,513**	3,690,513	**18,508,829** (2)	13,154,576
Fang Ai Lian	**91,930**	91,930	**-**	-
Dominic Chiu Fai Ho	**15,000**	-	**-**	-
Low Check Kian	**1,490**	1,490	**-**	-
Peter Edward Mason AM	**100,000** (3)	100,000	**-**	-
Kaikhushru Shiavax Nargolwala	**400,000**	250,000	**-**	-
Peter Ong Boon Kwee	**870**	870	**1,537** (1)	1,537
Ong Peng Tsin	**150,000**	150,000	**-**	-
(Options to purchase ordinary shares)				
Chua Sock Koong	**-**	700,000	**-**	-
Singapore Airlines Limited				
(Ordinary shares)				
Simon Israel	**9,000**	9,000	**-**	-
Chua Sock Koong	**2,000**	2,000	**-**	-
Low Check Kian	**5,600**	5,600	**-**	-
Ong Peng Tsin	**-**	-	**17,000**	10,000
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Fang Ai Lian	**50,000**	50,000	**-**	-

DIRECTORS' REPORT

For the financial year ended 31 March 2012

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 2012	At 1 April 2011 or date of appointment, if later	At 31 March 2012	At 1 April 2011 or date of appointment, if later
SMRT Corporation Ltd				
(Ordinary shares)				
Ong Peng Tsin	**-**	-	**73,000**	48,000

Notes:

(1) Held by spouse.

(2) Chua Sock Koong's deemed interest of 18,508,829 shares included -

(a) 13,696,424 ordinary shares in SingTel held by DBS Trustee 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 4,784,268 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.

(3) 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.

Between the end of the financial year and 21 April 2012, Chua Sock Koong's deemed interest increased to 20,325,829 shares due to the acquisition by DBS Trustee Limited of an additional 1,817,000 ordinary shares in SingTel for the benefit of eligible employees in the Group.

Except as disclosed above, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2012.

4. DIRECTORS' CONTRACTUAL BENEFITS

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

5. SHARE OPTIONS AND PERFORMANCE SHARES

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

Ong Peng Tsin, who served during the financial year, stepped down as member of the ERCC on 11 May 2011. Chumpol NaLamlieng and Graham John Bradley AM, who also served during the financial year, stepped down as members of the ERCC following the conclusion of the Annual General Meeting on 29 July 2011.

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 2011 ('000)	Options exercised ('000)	Options cancelled ('000)	Balance as at 31 March 2012 ('000)
<u>**Market Price Share Options**</u>						
For staff and senior management						
30.05.01	31.05.02 to 30.05.11	S$1.56	561	(413)	(148)	**-**
29.11.01	30.11.02 to 29.11.11	S$1.51	2,466	(2,070)	(396)	**-**
30.05.02	31.05.03 to 30.05.12	S$1.31	4,892	(3,339)	(54)	**1,499**
			7,919	**(5,822)**	**(598)**	**1,499**
For Group Chief Executive Officer (Chua Sock Koong)						
30.05.02	31.05.03 to 30.05.12	S$1.31	700	(700)	-	**-**
Total			**8,619**	**(6,522)**	**(598)**	**1,499**

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.

DIRECTORS' REPORT

For the financial year ended 31 March 2012

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 2012 ('000)	Exercised since commencement of scheme to 31 March 2012 ('000)	Outstanding as at 31 March 2012 ('000)
1999 Scheme			
Simon Israel	-	-	-
Chua Sock Koong	4,709	(4,709)	-
Fang Ai Lian	-	-	-
Dominic Chiu Fai Ho	-	-	-
Low Check Kian	-	-	-
Peter Edward Mason AM	-	-	-
Kaikhushru Shiavax Nargolwala	-	-	-
Peter Ong Boon Kwee	-	-	-
Ong Peng Tsin	-	-	-
Chumpol NaLamlieng (1)	60	(60)	-
Graham John Bradley AM (1)	-	-	-
Nicky Tan Ng Kuang (1)	60	(60)	-
	4,829	(4,829)	-

Note:

(1) Chumpol NaLamlieng, Graham John Bradley AM and Nicky Tan Ng Kuang, retired as Directors of the Company following the conclusion of the Annual General Meeting on 29 July 2011.

No options were granted to the Directors during the financial year ended 31 March 2012.

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 2012, 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 2012, awards comprising an aggregate of 38,548,775 shares and 216,395,115 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 2011 ('000)	Share awards granted ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2012 ('000)
Performance shares (General Awards)					
For staff and senior management					
04.06.08	11,426	-	(1,400)	(10,026)	**-**
01.09.08	115	-	(14)	(101)	**-**
02.12.08	867	-	(109)	(758)	**-**
02.03.09	83	-	(10)	(73)	**-**
03.06.09	18,677	-	-	(1,011)	**17,666**
02.09.09	177	-	-	-	**177**
03.03.10	14	-	-	(14)	**-**
03.06.10	17,976	-	-	(1,141)	**16,835**
01.09.10	53	-	-	-	**53**
02.12.10	293	-	-	(80)	**213**
02.03.11	350	-	-	-	**350**
02.06.11	-	20,649	(19)	(1,142)	**19,488**
01.09.11	-	92	-	-	**92**
10.01.12	-	65	-	-	**65**
15.03.12	-	72	-	-	**72**
	50,031	**20,878**	**(1,552)**	**(14,346)**	**55,011**
For Group Chief Executive Officer (Chua Sock Koong)					
04.06.08	671	-	(84)	(587)	**-**
03.06.09	922	-	-	-	**922**
03.06.10	934	-	-	-	**934**
02.06.11	-	1,013	-	-	**1,013**
	2,527	**1,013**	**(84)**	**(587)**	**2,869**
Sub-total	**52,558**	**21,891**	**(1,636)**	**(14,933)**	**57,880**

DIRECTORS' REPORT

For the financial year ended 31 March 2012

5.2 Performance Shares (Cont'd)

Date of grant	Balance as at 1 April 2011 ('000)	Share awards granted ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2012 ('000)
<u>Performance shares</u>					
<u>(Senior Management Awards)</u>					
For senior management					
04.06.08	1,537	-	-	(1,537)	**-**
03.06.09	2,290	-	-	-	**2,290**
03.06.10	2,538	-	-	-	**2,538**
02.06.11	-	2,267	-	-	**2,267**
	6,365	**2,267**	**-**	**(1,537)**	**7,095**
For Group Chief Executive Officer					
(Chua Sock Koong)					
04.06.08	453	-	-	(453)	**-**
03.06.09	629	-	-	-	**629**
03.06.10	630	-	-	-	**630**
02.06.11	-	655	-	-	**655**
	1,712	**655**	**-**	**(453)**	**1,914**
Sub-total	**8,077**	**2,922**	**-**	**(1,990)**	**9,009**
Total	**60,635**	**24,813**	**(1,636)**	**(16,923)**	**66,889**

During the financial year, awards in respect of an aggregate of 1,636,049 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 2012, 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

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

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

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

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

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

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

7. AUDITORS

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

On behalf of the Directors

Simon Israel
Chairman

Chua Sock Koong
Director

Singapore, 9 May 2012

STATEMENT OF DIRECTORS

For the financial year ended 31 March 2012

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 2012 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

Simon Israel
Chairman

Chua Sock Koong
Director

Singapore, 9 May 2012

INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Telecommunications Limited
For the financial year ended 31 March 2012

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 2012, 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 2012 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, 9 May 2012

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2012

	Notes	2012 S$ Mil	2011 S$ Mil
Operating revenue	4	**18,825.3**	18,070.6
Operating expenses	5	**(13,709.8)**	(13,081.5)
Other income	6	**103.2**	130.2
		5,218.7	5,119.3
Depreciation and amortisation	7	**(2,001.6)**	(1,968.7)
Exceptional items	8	**6.6**	55.7
Profit on operating activities		**3,223.7**	3,206.3
Share of results of associates and joint ventures	9	**1,431.4**	1,564.1
Profit before interest, investment income (net) and tax		**4,655.1**	4,770.4
Interest and investment income (net)	10	**54.0**	43.5
Finance costs	11	**(394.7)**	(367.5)
Profit before tax		**4,314.4**	4,446.4
Tax expense	12	**(324.9)**	(623.7)
Profit after tax		**3,989.5**	3,822.7
Attributable to -			
Shareholders of the Company		**3,988.7**	3,825.3
Non-controlling interests		**0.8**	(2.6)
		3,989.5	3,822.7
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	**25.04**	24.02
- diluted (cents)	13	**24.97**	23.98

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 2012

	2012 S$ Mil	2011 S$ Mil
Profit after tax	**3,989.5**	3,822.7
Other comprehensive (loss)/ income:		
Exchange differences arising from translation of foreign operations and other currency translation differences	**(897.1)**	(556.5)
Cash flow hedges		
- Fair value changes during the year	**38.4**	(264.3)
- Tax effects	**(8.0)**	(12.4)
	30.4	(276.7)
- Fair value changes transferred to income statement	**(0.8)**	144.4
- Tax effects	**(5.1)**	38.2
	(5.9)	182.6
	24.5	(94.1)
Available-for-sale investments		
- Fair value changes during the year	**92.6**	34.5
Share of other comprehensive loss of associates and joint ventures	**(19.8)**	(7.4)
Other comprehensive loss, net of tax	**(799.8)**	(623.5)
Total comprehensive income	**3,189.7**	3,199.2
Attributable to -		
Shareholders of the Company	**3,188.9**	3,201.8
Non-controlling interests	**0.8**	(2.6)
	3,189.7	3,199.2

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 2012

		Group		Company	
	Notes	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Current assets					
Cash and cash equivalents	15	**1,346.4**	2,738.0	**254.4**	223.3
Trade and other receivables	16	**3,927.0**	3,449.3	**2,561.2**	5,516.7
Asset held for sale	17	**334.1**	-	**-**	-
Derivative financial instruments	26	**2.9**	68.6	**5.1**	68.6
Inventories	18	**208.1**	299.3	**31.1**	71.7
		5,818.5	6,555.2	**2,851.8**	5,880.3
Non-current assets					
Property, plant and equipment	19	**11,580.0**	11,112.5	**1,925.5**	1,890.8
Intangible assets	20	**10,174.1**	10,218.3	**1.7**	2.0
Subsidiaries	21	**-**	-	**6,768.2**	7,734.1
Associates	22	**212.4**	172.4	**592.1**	24.7
Joint ventures	23	**9,968.1**	10,024.5	**24.1**	34.1
Available-for-sale investments ("**AFS**")	25	**148.7**	309.1	**41.7**	38.6
Derivative financial instruments	26	**98.2**	-	**157.5**	22.9
Deferred tax assets	12	**963.0**	764.0	**-**	-
Loan to an associate	27	**1,325.0**	-	**1,325.0**	-
Other non-current receivables	28	**129.6**	126.3	**241.4**	270.8
		34,599.1	32,727.1	**11,077.2**	10,018.0
Total assets		**40,417.6**	39,282.3	**13,929.0**	15,898.3
Current liabilities					
Trade and other payables	29	**5,049.7**	4,450.1	**2,174.8**	1,575.5
Provision	30	**3.5**	0.3	**-**	-
Current tax liabilities		**298.9**	391.7	**197.8**	248.3
Borrowings (unsecured)	31	**105.8**	2,672.6	**-**	2,667.4
Borrowings (secured)	32	**25.3**	26.3	**0.2**	-
Derivative financial instruments	26	**23.0**	999.8	**9.8**	988.2
Deferred gain	27	**29.2**	-	**-**	-
		5,535.4	8,540.8	**2,382.6**	5,479.4

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 2012

	Notes	Group 2012 S$ Mil	Group 2011 S$ Mil	Company 2012 S$ Mil	Company 2011 S$ Mil
Non-current liabilities					
Borrowings (unsecured)	31	**8,470.4**	4,544.1	**857.9**	734.5
Borrowings (secured)	32	**192.3**	42.6	**157.5**	-
Advance billings		**728.1**	706.6	**173.7**	157.7
Deferred income	33	**17.4**	22.6	**1.3**	2.9
Deferred gain	27	**1,060.5**	-	**-**	-
Derivative financial instruments	26	**508.3**	586.1	**356.4**	311.8
Deferred tax liabilities	12	**243.8**	295.3	**135.2**	177.8
Other non-current liabilities	34	**213.5**	193.9	**17.5**	17.7
		11,434.3	6,391.2	**1,699.5**	1,402.4
Total liabilities		**16,969.7**	14,932.0	**4,082.1**	6,881.8
Net assets		**23,447.9**	24,350.3	**9,846.9**	9,016.5
Share capital and reserves					
Share capital	35	**2,632.2**	2,622.8	**2,632.2**	2,622.8
Reserves		**20,795.3**	21,705.5	**7,214.7**	6,393.7
Equity attributable to shareholders of the Company		**23,427.5**	24,328.3	**9,846.9**	9,016.5
Non-controlling interests		**20.4**	22.0	**-**	-
Total equity		**23,447.9**	24,350.3	**9,846.9**	9,016.5

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 2012

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

The accompanying notes on pages 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 2012

Group - 2011	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve - Performance Shares S$ Mil	Currency Translation Reserve [2] [3] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [4] S$ Mil	Total S$ Mil	Non-Controlling Interests S$ Mil	Total Equity S$ Mil
	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 [5]	-	(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 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.
Independent Auditors' report – page 90

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2012

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

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 2012

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	-	-	2.3	-	-	-	2.3
Cash paid to employees under performance share plans	-	-	(1.6)	-	-	-	(1.6)
Contribution to Trust [5]	-	-	(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

Notes:

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

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

(3) Included currency translation losses of S$363 million in respect of the translation of Warid Telecom (Private) Limited's carrying value denominated in Pakistani Rupee as at 31 March 2012 (as at 31 March 2011: S$453 million).

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

(5) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans effective from March 2012.

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 2012

	2012 S$ Mil	2011 S$ Mil
Cash Flows From Operating Activities		
Profit before tax	**4,314.4**	4,446.4
Adjustments for -		
Depreciation and amortisation	**2,001.6**	1,968.7
Exceptional items (non-cash)	**(30.1)**	(55.7)
Interest and investment income (net)	**(54.0)**	(43.5)
Finance costs	**394.7**	367.5
Share of results of associates and joint ventures (post-tax)	**(1,431.4)**	(1,564.1)
Other non-cash items	**36.8**	18.8
	917.6	691.7
Operating cash flow before working capital changes	**5,232.0**	5,138.1
Changes in operating assets and liabilities		
Trade and other receivables	**(478.9)**	(134.2)
Trade and other payables	**396.9**	101.4
Inventories	**91.5**	31.6
Currency translation adjustments of subsidiaries	**1.8**	16.6
Cash generated from operations	**5,243.3**	5,153.5
Payment to employees in cash under performance share plans	**(1.4)**	(4.0)
Dividends received from associates and joint ventures	**919.8**	1,194.0
Income tax and withholding tax paid	**(451.3)**	(300.5)
Net cash inflow from operating activities	**5,710.4**	6,043.0

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 2012

	Note	2012 S$ Mil	2011 S$ Mil
Cash Flows From Investing Activities			
Dividends received from AFS investments (net of withholding tax paid)		**15.2**	17.7
Interest received		**29.8**	34.0
Contribution from non-controlling interests		**-**	2.3
Investment in an associate	27	**(567.4)**	-
Investment in other associates and joint ventures		**(350.6)**	(669.6)
Repayment of loan by a joint venture		**-**	1.4
Proceeds from sale of a joint venture		**15.3**	-
Investment in AFS investments		**(86.2)**	(20.0)
Proceeds from sale of AFS investments		**0.2**	0.8
Payment for purchase of property, plant and equipment		**(2,248.7)**	(2,004.6)
Advance payment for purchase of submarine cable capacity		**(9.7)**	(27.9)
Drawdown of prepaid submarine cable capacity		**18.4**	29.4
Proceeds from sale of property, plant and equipment		**14.6**	23.8
Partial proceeds from sale of assets and business to an associate	27	**567.4**	-
Purchase of intangible assets		**(118.5)**	(26.9)
Withholding tax paid on intra-group interest income		**(88.8)**	(119.5)
Net cash outflow from investing activities		**(2,809.0)**	**(2,759.1)**

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 2012

	Note	2012 S$ Mil	2011 S$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		**3,867.5**	638.3
Repayment of term loans		**(2,056.2)**	(1,958.8)
Proceeds from bond issue		**2,008.6**	2,755.9
Repayment of bonds		**(2,612.3)**	(573.2)
Proceeds from finance lease liabilites		**12.0**	-
Finance lease payments		**(30.8)**	(22.3)
Net proceeds from borrowings		**1,188.8**	839.9
Settlement of swaps for bonds repaid		**(922.0)**	(217.6)
Net interest paid on borrowings and swaps		**(413.9)**	(347.8)
Dividend paid to non-controlling interests		**(2.4)**	(0.9)
Final dividend paid to shareholders of the Company		**(1,434.3)**	(1,273.7)
Special dividend paid to shareholders of the Company		**(1,593.6)**	-
Interim dividend paid to shareholders of the Company		**(1,083.5)**	(1,082.9)
Repayment of loans to non-controlling interests		**-**	(25.1)
Unclaimed dividends		**7.3**	-
Proceeds from issue of shares		**9.4**	6.5
Purchase of performance shares		**(20.0)**	(39.4)
Net cash outflow from financing activities		**(4,264.2)**	(2,141.0)
Net (decrease)/ increase in cash and cash equivalents		**(1,362.8)**	1,142.9
Exchange effects on cash and cash equivalents		**(28.8)**	(18.4)
Cash and cash equivalents at beginning of year		**2,738.0**	1,613.5
Cash and cash equivalents at end of year	15	**1,346.4**	2,738.0

Note:

In September 2011, SingTel sold certain assets and related business to NetLink Trust, a 100%-owned associate of SingTel (see details in **Note 27**). A partial settlement of S$567.4 million was made by NetLink Trust to SingTel and the remaining balance of S$1.33 billion was settled by a unitholder loan.

The accompanying notes on pages 102 to 194 form an integral part of these financial statements.
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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 47**.

Under a licence granted by the Info-communications Development Authority of Singapore ("**IDA**"), the Group had the exclusive rights to provide fixed national and international telecommunications services through 31 March 2000 (with limited exceptions) and public cellular mobile telephone services through 31 March 1997. From the expiry of the exclusive rights, the Group's licences for these telecommunications services continue on a non-exclusive basis to 31 March 2017.

In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights from IDA to install, operate and maintain 3G mobile communication systems and services respectively, as well as wireless broadband systems and services. The Group also holds licences from the Media Development Authority of Singapore for the purpose of providing subscription nationwide television services.

In Australia, Optus was granted telecommunication licences under the Telecommunications Act 1991. Pursuant to the Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997, the licences continued to have effect after the deregulation of telecommunications in Australia in 1997. The licences do not have a finite term, but are of continuing operation until cancelled under the Telecommunications Act 1997.

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 9 May 2012.

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 2011 has no significant impact on the financial statements of the Group or the Company in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2.2 Group Accounting

The accounting policy for subsidiaries, associates and joint ventures in the Company's financial statements is stated in **Note 2.4**. The Group's accounting policy on goodwill is stated in **Note 2.15.1**.

2.2.1 Subsidiaries

Subsidiaries are entities (including special purpose entities) controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of the entity, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.2.2 Associates

Associates are entities over which the Group has significant influence, and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognising the Group's share of the post-acquisition results of associates in the consolidated income statement, and the Group's share of post-acquisition reserve movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the consolidated statement of financial position.

In the consolidated statement of financial position, investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including loans that are in fact extensions of the Group's investment, the Group does not recognise further losses, unless it has incurred or guaranteed obligations in respect of the associate.

Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Joint ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control with one or more parties, and none of the parties involved has unilateral control over the entities' economic activities.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

In the consolidated statement of financial position, investments in joint ventures include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in joint ventures.

The Group's interest in its unincorporated joint venture operations is accounted for by recognising the Group's assets and liabilities from the joint venture, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, in the consolidated financial statements.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2.4 Investments in Subsidiaries, Associates and Joint Ventures

In the Company's statement of financial position, investments in subsidiaries, associates and joint ventures, including loans that meet the definition of equity instruments, are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value. On disposal of investments in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statement of the Company.

2.5 Investments

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

2.5.1 AFS investments

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

They are subsequently stated at fair value at the end of the reporting period, with all resulting gains and losses, including currency translation differences, taken to 'Fair Value Reserve' within equity. AFS investments for which fair values cannot be reliably determined are stated at cost less accumulated impairment losses.

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

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

2.6 Derivative Financial Instruments and Hedging Activities

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

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

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

2.6.1 Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as its risk management objectives and strategy for undertaking the hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

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

2.6.1 Hedge accounting (Cont'd)

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.

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

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

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

Cross currency swaps and interest rate swaps are fair value hedges for the interest rate risk and cash flow hedges for the currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Group's functional currency.

Certain cross currency swaps related to net investment hedges for the foreign currency exchange risk on its Australia operations.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2.7 Fair Value Estimation of Financial Instruments

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

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

Bank balances, receivables and payables, current borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these instruments.

Quoted and unquoted investments

The fair value of investments traded in active markets is based on the market quoted mid-price (average of offer and bid price) or the mid-price quoted by the market maker at the close of business at the end of the reporting period.

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

Cross currency and interest rate swaps

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

Forward foreign currency contracts

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

Non-current borrowings

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

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transactions costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associates and joint ventures, are recognised initially at fair values and, other than those that meet the definition of equity instruments, are subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debts. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts. The impairment loss, measured as the difference between the debt's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognised in the income statement. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.10 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, unhedged borrowings are subsequently stated at amortised cost using the effective interest method. Hedged borrowings are accounted for in accordance with the accounting policies set out in **Note 2.6.1**.

2.12 Cash and Cash Equivalents

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2.13 Foreign Currencies (Cont'd)

2.13.3 Translation of foreign operations' financial statements

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

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

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

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

2.13.4 Translation of goodwill and fair value adjustments

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

2.13.5 Net investment in a foreign entity

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

2.14 Provisions

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

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

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

2.15 Intangible Assets

2.15.1 Goodwill

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

Acquisitions completed prior to 1 April 2001

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

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

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

Acquisitions completed on or after 1 April 2001

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

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

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

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

2.15.2 Other intangible assets

Expenditure on telecommunication and spectrum licences is capitalised and amortised using the straight-line method over their estimated useful lives of 12 to 25 years. Customer relationships or customer contracts acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits, which is estimated at 5 to 10 years.

Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2.16 Impairment of Non-financial Assets

Goodwill on acquisition of subsidiaries, which has an indefinite useful life, is subject to annual impairment test or more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.15.1**).

Other intangible assets of the Group, which have definite useful lives and are subject to amortisation, as well as property, plant and equipment and investments in subsidiaries, associates and joint ventures, are reviewed at the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

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

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

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

2.17 Inventories

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

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

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

2.18 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where applicable. The cost of self-constructed assets includes the cost of material, direct labour, capitalised borrowing costs and an appropriate proportion of production overheads.

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over their expected useful lives. Property, plant and equipment under finance leases are depreciated over the shorter of the lease term or useful life. The estimated useful lives are as follows -

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 10
Other plant and equipment	3 - 20

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2.19 Leases

2.19.1 Finance leases

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

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

2.19.2 Operating leases

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

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where -

(i) the purchaser's right of use is exclusive and irrevocable;
(ii) the asset is specific and separable;
(iii) the terms of the contract are for the major part of the asset's economic useful life;
(iv) the attributable costs or carrying value can be measured reliably; and
(v) no significant risks are retained by the Group.

Sales of network capacity that do not meet the above criteria are accounted for as operating leases.

2.19.4 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

2.19.5 Capacity Swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

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 device repayment plans, the consideration is allocated to its separate revenue-generating activities based on the best estimate of the price of each activity in the arrangement. Handsets are accounted for in accordance with the sale of equipment accounting policy of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

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

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

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

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

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

2.21 Employees' Benefits

2.21.1 Defined contribution plans

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

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

2.21.2 Employees' leave entitlements

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2.21 Employees' Benefits (Cont'd)

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, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

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

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

2.28 Dividends

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

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 judgements -

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.16**.

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries, and carrying values of associates and joint ventures are stated in **Note 24**.

3.2 Impairment of Trade Receivables

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

3.3 Estimated Useful Lives of Property, Plant and Equipment

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

3.4 Investment in NetLink Trust

Based on facts and circumstances as disclosed in **Note 27**, although the Company holds 100% of the units in NetLink Trust, the Company does not control but has significant influence in the trust in accordance with FRS 28, *Investments in Associates*. Therefore, NetLink Trust has been accounted for as an associate of the Group.

3.5 Taxation

3.5.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Management has assessed the transfer of certain assets and business to an associate at fair value and in accordance with FRS 12, *Income Taxes*, recognised a deferred tax asset of S$294 million.

3.5.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.6 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

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

3.7 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business.

As at 31 March 2012, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 42**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

4. OPERATING REVENUE

	Group	
	2012 S$ Mil	2011 S$ Mil
Mobile communications	**8,173.6**	7,719.8
Data and Internet	**3,577.2**	3,486.7
Information technology and engineering		
- infrastructure services and business solutions	**1,888.7**	1,759.1
- fibre rollout	**178.4**	267.5
	2,067.1	2,026.6
National telephone	**1,850.7**	1,886.4
Sale of equipment	**1,705.6**	1,557.4
International telephone	**818.1**	852.8
Pay television	**205.2**	184.3
Others	**427.8**	356.6
Operating revenue	**18,825.3**	18,070.6
Operating revenue	**18,825.3**	18,070.6
Other income (see **Note 6**)	**103.2**	130.2
Interest and dividend income (see **Note 10**)	**63.7**	53.4
Total revenue	**18,992.2**	18,254.2

5. OPERATING EXPENSES

	Group 2012 S$ Mil	Group 2011 S$ Mil
Selling and administrative costs [1]	**4,824.9**	4,701.4
Traffic expenses	**3,092.4**	2,881.1
Staff costs	**2,312.6**	2,196.6
Cost of equipment sold	**2,200.8**	2,005.8
Repairs and maintenance	**328.8**	322.2
Other cost of sales	**950.3**	974.4
	13,709.8	13,081.5

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 2012 S$ Mil	Group 2011 S$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	**233.2**	211.8
Performance share expense		
- equity-settled arrangements	**25.8**	22.1
- cash-settled arrangements	**9.9**	3.4
Termination benefits	**5.3**	8.3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

5.2 Key Management Personnel Compensation

	Group	
	2012 S$ Mil	2011 S$ Mil
Key management personnel compensation [(1)]		
Directors' fees and remuneration [(2)]	**6.9**	6.5
Other key management personnel remuneration [(3)]	**13.1**	12.6
	20.0	19.1

Notes:

(1) Comprise base salary, annual wage supplement, bonus, contributions to defined contribution plans and other cash benefits, but exclude performance share expense disclosed below.

(2) The Executive Director was awarded up to 1,668,121 (2011: 1,564,409) 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$3.4 million (2011: S$2.2 million).

(3) The other key management personnel were awarded up to 3,963,948 (2011: 4,573,308) 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$7.7 million (2011: S$5.8 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 2012 '000	2011 '000	Weighted average exercise price per share 2012 S$	2011 S$
Outstanding as at 1 April	**8,619**	12,495	**1.48**	1.59
Cancelled	**(598)**	(329)	**1.55**	1.92
Exercised	**(6,522)**	(3,547)	**1.45**	1.83
Outstanding and exercisable as at 31 March	**1,499**	8,619	**1.31**	1.48

	2012 '000	2011 '000
The outstanding share options have the following exercise prices -		
S$1.50 to S$1.99	**-**	3,027
S$1.30 to S$1.49	**1,499**	5,592
	1,499	8,619
Weighted average remaining validity life	**2.0 months**	1.0 year

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 – were 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 Executive Resource and 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

5.3.2 Performance share plans (Cont'd)

General Awards

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

Group and Company 2012	Outstanding as at 1 April 2011 '000	Granted '000	Vested '000	Cancelled '000	Outstanding and unvested as at 31 March 2012 '000
Date of grant					
Share Plan 2004					
FY2009 (1)					
4 Jun 2008	12,097	-	(1,484)	(10,613)	-
Sep 2008 to Mar 2009	1,065	-	(133)	(932)	-
FY2010					
3 Jun 2009	19,599	-	-	(1,011)	18,588
Sep 2009 to Mar 2010	191	-	-	(14)	177
FY2011					
3 Jun 2010	18,910	-	-	(1,141)	17,769
Sep 2010 to Mar 2011	696	-	-	(80)	616
FY2012					
2 Jun 2011	-	21,662	(19)	(1,142)	20,501
Sep 2011 to Mar 2012	-	229	-	-	229
	52,558	21,891	(1,636)	(14,933)	57,880

Note:

(1) "FY2009" denotes financial year ended 31 March 2009.

5.3.2 Performance share plans (Cont'd)

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					
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

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		
	FY2010	**FY2011**	**FY2012**
2012 and 2011 General Awards	**3 June 09**	**3 June 10**	**2 June 11**
Fair value at grant date	S$1.56	S$1.53	S$1.81
Assumptions under Monte-Carlo Model			
Expected volatility			
SingTel	34.6%	33.4%	30.3%
MSCI Asia Pacific Telco Index	23.1%	22.7%	19.3%
MSCI Asia Pacific Telco Component Stocks			
Historical volatility period			
From	July 2001	July 2001	July 2001
To	June 2009	June 2010	June 2011
Risk free interest rates			
Yield of Singapore Government Securities on	3 June 2009	3 June 2010	2 June 2011

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				
	FY2009	FY2010	FY2011	FY2012	Group And Company
2012	4 June 08	3 June 09	3 June 10	2 June 11	
<u>Senior Management Award</u>					
Number of performance shares ('000)					
Outstanding as at 1 April 2011	1,990	2,919	3,168	-	8,077
Granted	-	-	-	2,922	2,922
Cancelled	(1,990)	-	-	-	(1,990)
Outstanding and unvested as at 31 March 2012	-	2,919	3,168	2,922	9,009
Fair value at 31 March 2012		S$3.12	S$2.45	S$2.75	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			22.1%	22.1%	
MSCI Asia Pacific Telco Index			12.9%	12.9%	
MSCI Asia Pacific Telco Component Stocks			800 days historical volatility preceding March 2012		
Risk free interest rates					
Yield of Singapore Government Securities on			31 March 2012	31 March 2012	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

5.3.2 Performance share plans (Cont'd)

	Date of grant				
	Share Plan 2004				
	FY2008	**FY2009**	**FY2010**	**FY2011**	**Group And Company**
2011	**29 May 07**	**4 June 08**	**3 June 09**	**3 June 10**	
Senior Management Award					
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	

5.3.3 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				
	FY2009	FY2010	FY2011	FY2012	
2012	**4 June 08**	**3 June 09**	**3 June 10**	**2 June 11**	**Group**
PBDBS (cash-settled)					
Number of performance shares ('000)					
Outstanding as at 1 April 2011	**546**	**589**	**538**	**-**	**1,673**
Granted	**-**	**-**	**-**	**534**	**534**
Vested	**(69)**	**-**	**-**	**-**	**(69)**
Cancelled	**(477)**	**(63)**	**(44)**	**(32)**	**(616)**
Outstanding and unvested as at 31 March 2012	**-**	**526**	**494**	**502**	**1,522**
Fair value at 31 March 2012		**S$1.95**	**S$1.23**	**S$1.80**	
Assumptions under Monte-Carlo Model					
Expected volatility					
SingTel			**22.1%**	**22.1%**	
MSCI Asia Pacific Telco Index			**12.9%**	**12.9%**	
MSCI Asia Pacific Telco Component Stocks			**800 days historical volatility preceding March 2012**		
Risk free interest rates					
Yield of Singapore Government Securities on			**31 March 2012**	**31 March 2012**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

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

	Date of grant				
	FY2008	**FY2009**	**FY2010**	**FY2011**	
2011	**29 May 07**	**4 June 08**	**3 June 09**	**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	

5.4 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	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Cash at bank	**0.8**	0.6	**0.6**	0.5
Cost of SingTel shares, net of vesting	**42.3**	27.1	**32.5**	20.4
	43.1	27.7	**33.1**	20.9

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

	Number of shares		Amount	
Group	2012 '000	2011 '000	2012 S$ Mil	2011 S$ Mil
Balance as at 1 April	**8,887**	10,125	**27.1**	30.5
Purchase of SingTel shares	**5,798**	6,985	**18.2**	21.5
Vesting of shares	**(989)**	(8,223)	**(3.0)**	(24.9)
Balance as at 31 March	**13,696**	8,887	**42.3**	27.1

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested SingTel shares is taken to 'Capital Reserve - Performance Shares' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

5.5 Other Operating Expense Items

	Group 2012 S$ Mil	Group 2011 S$ Mil
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**1.2**	1.1
- Deloitte Touche Tohmatsu, Australia	**1.2**	1.0
- Other Deloitte & Touche offices	**0.3**	0.3
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore (1)	**0.4**	0.3
- Deloitte Touche Tohmatsu, Australia (1)	**0.9**	0.7
- Other Deloitte & Touche offices	**0.5**	-
Impairment of trade receivables	**158.3**	136.8
Allowance for inventory obsolescence	**27.7**	19.3
Inventory written off	**2.8**	4.6
Provision/ (Write-back of provision) for liquidated damages and warranties	**3.3**	(17.4)
Research and development expenses written off	**2.8**	2.2
Operating lease payments for properties and mobile base stations	**315.1**	283.6

Note:

(1) The non-audit fees for the current financial year ended 31 March 2012 included S$0.2 million (2011: S$0.2 million) and S$0.4 million (2011: S$0.4 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services would not affect the independence of the auditors.

6. OTHER INCOME

	Group 2012 S$ Mil	Group 2011 S$ Mil
Bad trade receivables recovered	**3.0**	2.7
Rental income	**4.7**	5.2
Net foreign exchange (losses)/ gains - trade related	**(8.9)**	1.8
Net (losses)/ gains on disposal of property, plant and equipment	**(1.1)**	6.7
Co-location access fees from network facilities	**53.4**	57.3
Others	**52.1**	56.5
	103.2	130.2

7. DEPRECIATION AND AMORTISATION

	Group 2012 S$ Mil	Group 2011 S$ Mil
Depreciation of property, plant and equipment	**1,875.4**	1,863.6
Amortisation of intangible assets	**131.4**	111.9
Amortisation of sale and leaseback income	**(2.1)**	(3.7)
Amortisation of deferred gain on sale of a joint venture	**(3.1)**	(3.1)
	2,001.6	1,968.7

8. EXCEPTIONAL ITEMS

	Group 2012 S$ Mil	Group 2011 S$ Mil
Exceptional gains		
Net foreign exchange gains on intra-group loans	**28.2**	18.5
Fair value gain on purchase consideration payable for a joint venture	**-**	38.0
Gain on disposal of a joint venture	**4.7**	-
Gain on dilution of interest in associates and joint ventures	**2.7**	3.5
	35.6	60.0
Exceptional losses		
Ex-gratia payments on staff restructuring	**(23.5)**	-
Impairment of AFS investments	**(5.5)**	-
Others	**-**	(4.3)
	(29.0)	(4.3)
	6.6	55.7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2012 S$ Mil	2011 S$ Mil
Share of ordinary profits/ (losses) of		
- joint ventures	**2,017.1**	2,143.7
- associates	**(4.6)**	6.1
	2,012.5	2,149.8
Share of exceptional gains/ (losses) [1] of associates and joint ventures	**19.3**	(40.6)
Share of tax of		
- joint ventures	**(590.6)**	(533.6)
- associates	**(9.8)**	(11.5)
	(600.4)	(545.1)
	1,431.4	1,564.1

Note:

(1) Share of exceptional gains/ (losses) comprised -

	2012 S$ Mil	2011 S$ Mil
Additional quarter of a joint venture's post-tax profit	**54.6**	-
Write-back of provisions made in prior years	**7.2**	-
Reduction of deferred tax asset	**(25.1)**	-
Recognition of additional depreciation and other adjustments	**(5.3)**	(7.0)
Brand launch costs	**-**	(31.5)
Transaction costs on acquisitions	**-**	(9.6)
Others	**(12.1)**	7.5
	19.3	(40.6)

10. INTEREST AND INVESTMENT INCOME (NET)

	Group 2012 S$ Mil	Group 2011 S$ Mil
Interest income from		
- bank deposits	**28.4**	30.8
- others	**16.8**	3.0
	45.2	33.8
Gross dividends from AFS investments	**18.5**	19.6
Other revenue	**63.7**	53.4
Net foreign exchange losses - non-trade related	**(10.3)**	(5.5)
Fair value gains/ (losses) on hedging instruments	**0.6**	(4.4)
Fair value (losses)/ gains on fair value hedges		
- hedged items	**(132.4)**	522.1
- hedging instruments	**132.4**	(522.1)
	-	-
	54.0	43.5

11. FINANCE COSTS

	Group 2012 S$ Mil	Group 2011 S$ Mil
Interest expense		
- bonds	**367.8**	352.5
- bank loans	**36.0**	28.1
- others	**23.8**	17.7
	427.6	398.3
Less: Amounts capitalised	**(4.3)**	-
	423.3	398.3
Effects of hedging using interest-rate swaps	**(34.9)**	(39.1)
Unwinding of discount (including adjustments)	**6.3**	8.3
	394.7	367.5

The interest rate applicable to the capitalised borrowings was 7.6 per cent as at 31 March 2012.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

12. TAXATION

12.1 Tax Expense

	Group	
	2012 S$ Mil	**2011 S$ Mil**
Current tax		
- Singapore	**313.1**	259.8
- Overseas	**501.2**	513.4
	814.3	773.2
Deferred tax (credit)/ expense	**(25.9)**	8.5
Tax expense attributable to current year's profit	**788.4**	781.7
Recognition of deferred tax credit on other temporary differences (1)	**(121.0)**	(123.8)
Recognition of deferred tax credit (2)	**(294.0)**	-
Adjustments in respect of prior year (3) -		
Current income tax		
- over provision	**(46.0)**	(17.8)
Deferred income tax		
- over provision	**(2.5)**	(16.4)
	324.9	623.7

Notes:

(1) This relates to deferred tax credit recognised on interest expense arising from inter-company loans.
(2) This relates to deferred tax credit recognised on the value of assets transferred to an associate.
(3) This included certain tax credits upon finalisation of earlier years' tax assessments.

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	
	2012 **S$ Mil**	**2011** **S$ Mil**
Profit before tax	**4,314.4**	4,446.4
Less: Share of results of associates and joint ventures	**(1,431.4)**	(1,564.1)
	2,883.0	2,882.3
Tax calculated at tax rate of 17 per cent (2011: 17 per cent)	**490.1**	490.0
Effects of -		
Different tax rates of other countries	**277.2**	281.5
Income not subject to tax	**(20.9)**	(24.0)
Expenses not deductible for tax purposes	**41.4**	28.0
Deferred tax asset not recognised	**2.1**	1.9
Deferred tax asset previously not recognised now recognised	**(0.2)**	(0.3)
Others	**(1.3)**	4.6
Tax expense attributable to current year's profit	**788.4**	781.7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

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 - 2012 **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 2011	134.2	420.3	2.3	218.3	775.1
Credited/ (Charged) to income statement	125.9	(62.6)	-	327.4	390.7
Charged to other comprehensive income	-	-	-	(13.1)	(13.1)
Transfer to current tax	(178.3)	-	(2.2)	(0.5)	(181.0)
Translation differences	0.1	2.0	-	0.1	2.2
Balance as at 31 March 2012	81.9	359.7	0.1	532.2	973.9

Group - 2012 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Offshore interest and dividend not remitted** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2011	(289.6)	(5.2)	(11.6)	(306.4)
Credited/ (Charged) to income statement	50.8	(0.1)	2.0	52.7
Transfer from current tax	(1.2)	-	-	(1.2)
Translation differences	0.2	-	-	0.2
Balance as at 31 March 2012	(239.8)	(5.3)	(9.6)	(254.7)

12.2 Deferred Taxes (Cont'd)

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
Charged 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)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

12.2 Deferred Taxes (Cont'd)

Company - 2012 **Deferred tax assets**	**Provisions** **S$ Mil**	**Deferred sale and leaseback income** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2011	**0.6**	**0.5**	**2.0**	**3.1**
Charged to income statement	**-**	**(0.3)**	**(0.4)**	**(0.7)**
Balance as at 31 March 2012	**0.6**	**0.2**	**1.6**	**2.4**

Company - 2012 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2011	**(180.9)**	**(180.9)**
Credited to income statement	**44.5**	**44.5**
Transfer from current tax	**(1.2)**	**(1.2)**
Balance as at 31 March 2012	**(137.6)**	**(137.6)**

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)

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	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Deferred tax assets	**963.0**	764.0	**-**	-
Deferred tax liabilities	**(243.8)**	(295.3)	**(135.2)**	(177.8)
	719.2	468.7	**(135.2)**	(177.8)

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 2012, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$88 million (2011: S$92 million), unutilised investment allowances of S$57M, unutilised capital tax losses of S$138 million (2011: S$137 million) and unabsorbed capital allowances of approximately S$0.7 million (2011: S$2.9 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability -

	Group	
	2012 S$ Mil	2011 S$ Mil
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	**145.5**	90.6
Unutilised capital tax losses	**137.6**	137.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

13. EARNINGS PER SHARE

	Group	
	2012 '000	2011 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share (1)	**15,928,847**	15,925,839
Adjustment for dilutive effect of share options	**2,324**	5,013
Adjustment for dilutive effect of Share Plan 2004	**40,769**	18,456
Weighted average number of ordinary shares for calculation of diluted earnings per share	**15,971,940**	15,949,308

Note:

(1) Adjusted to exclude the number of performance shares held by the Trust.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the share options and performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the associates and joint ventures' dilutive shares.

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties –

	Group 2012 S$ Mil	Group 2011 S$ Mil
Revenue		
Subsidiaries of ultimate holding company		
Telecommunications	**133.1**	139.7
Rental and maintenance	**29.9**	29.8
Information technology and engineering	**2.4**	12.6
Associates and joint ventures		
Telecommunications	**36.2**	37.1
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**85.2**	78.4
Utilities	**101.7**	89.3
Associates and joint ventures		
Telecommunications	**56.6**	72.9
Transmission capacity	**31.6**	45.4
Postal	**10.0**	10.3
Due from subsidiaries of ultimate holding company	**24.5**	26.0
Due to subsidiaries of ultimate holding company	**17.3**	3.2

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Fixed deposits	**640.3**	2,049.5	**165.0**	161.8
Cash and bank balances	**706.1**	688.5	**89.4**	61.5
	1,346.4	2,738.0	**254.4**	223.3

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

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

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
USD	**227.7**	167.8	**172.2**	122.1
AUD	**6.0**	45.9	**5.3**	45.6
JPY	**9.4**	28.8	**9.2**	7.6

The maturities of the fixed deposits were as follows -

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Less than three months	**637.9**	2,043.4	**165.0**	161.8
Over three months	**2.4**	6.1	**-**	-
	640.3	2,049.5	**165.0**	161.8

As at 31 March 2012, the weighted average effective interest rates of the fixed deposits of the Group and Company were 1.1 per cent (2011: 0.4 per cent) and 1.5 per cent (2011: 1.4 per cent) respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 38.3**.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Trade receivables	**3,154.3**	2,757.1	**529.2**	498.5
Less: Allowance for impairment of trade receivables	**(288.8)**	(280.5)	**(83.2)**	(75.9)
	2,865.5	2,476.6	**446.0**	422.6
Other receivables	**262.2**	252.9	**23.4**	18.1
Loans to subsidiaries	**-**	-	**121.7**	458.1
Less: Allowance for impairment of loans due	**-**	-	**(12.9)**	(12.9)
	-	-	**108.8**	445.2
Amount due from subsidiaries				
- trade	**-**	-	**823.3**	684.5
- non-trade	**-**	-	**889.5**	3,694.9
Less: Allowance for impairment of amount due	**-**	-	**(45.7)**	(45.7)
	-	-	**1,667.1**	4,333.7
Amount due from associates and joint ventures				
- trade	**9.0**	12.3	**1.1**	2.2
- non-trade	**115.3**	104.6	**-**	2.4
	124.3	116.9	**1.1**	4.6
Amount due from an associate for fibre rollout	**206.5**	186.2	**206.5**	186.2
Interest receivable	**82.5**	117.6	**40.3**	73.0
Prepayments	**373.5**	285.4	**63.7**	27.6
Staff loans	**0.1**	0.9	**-**	0.1
Others	**12.4**	12.8	**4.3**	5.6
	3,927.0	3,449.3	**2,561.2**	5,516.7

As at 31 March 2012, the effective interest rate of amount due from a subsidiary was 0.01 per cent (2011: 0.01 per cent) per annum based on quoted bank rates. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms, and certain balances in respect of information technology and engineering services are on 90-day terms.

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For the financial year ended 31 March 2012

16. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Individuals	**697.8**	580.8	**147.6**	140.7
Corporations and others	**2,167.7**	1,895.8	**298.4**	281.9
	2,865.5	2,476.6	**446.0**	422.6

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

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Not past due or less than 60 days overdue	**2,657.9**	2,338.1	**369.4**	374.6
Past due				
- 61 to 120 days	**256.7**	182.8	**89.3**	24.7
- more than 120 days	**239.7**	236.2	**70.5**	99.2
	3,154.3	2,757.1	**529.2**	498.5

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	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Balance as at 1 April	**280.5**	294.8	**75.9**	88.5
Allowance for impairment	**197.4**	161.7	**33.6**	31.0
Utilisation of allowance for impairment	**(149.8)**	(156.9)	**(26.3)**	(28.7)
Write-back	**(39.1)**	(24.9)	**-**	(14.9)
Translation differences	**(0.2)**	5.8	**-**	-
Balance as at 31 March	**288.8**	280.5	**83.2**	75.9

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

	Company	
	2012 S$ Mil	2011 S$ Mil
Balance as at 1 April	**12.9**	24.1
Write-back	**-**	(11.2)
Balance as at 31 March	**12.9**	12.9

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

17. ASSET HELD FOR SALE

This comprised the Group's 3.98% equity interest in Taiwan's Far EasTone Telecommunications Co., Ltd, which was sold for a cash consideration of approximately S$339 million by way of an on-market sale on 27 April 2012.

18. INVENTORIES

	Group		Company	
	2012 S$ Mil	**2011 S$ Mil**	**2012 S$ Mil**	**2011 S$ Mil**
Equipment held for resale	**178.3**	228.7	**1.7**	1.3
Maintenance and capital works' inventories	**27.0**	35.9	**26.6**	35.7
Work-in-progress for fibre rollout	**2.8**	34.7	**2.8**	34.7
	208.1	299.3	**31.1**	71.7

19. PROPERTY, PLANT AND EQUIPMENT

Group - 2012	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2011	27.4	248.5	774.7	17,871.0	3,113.0	6,316.6	793.0	29,144.2
Additions (net of rebates)	-	-	0.1	238.4	44.4	180.5	1,933.5	2,396.9
Disposals/ Write-offs	-	-	(19.1)	(253.8)	(105.4)	(93.0)	-	(471.3)
Reclassifications/ Adjustments	-	-	34.6	1,198.7	117.6	418.8	(1,780.2)	(10.5)
Translation differences	0.1	-	1.3	55.7	4.5	20.3	1.7	83.6
Balance as at 31 March 2012	27.5	248.5	791.6	19,110.0	3,174.1	6,843.2	948.0	31,142.9
Accumulated depreciation								
Balance as at 1 April 2011	-	52.2	294.1	10,875.4	2,165.9	4,617.9	-	18,005.5
Depreciation charge for the year	-	4.0	19.7	1,270.4	187.8	393.5	-	1,875.4
Disposals/ Write-offs	-	-	(11.8)	(194.6)	(104.2)	(83.5)	-	(394.1)
Translation differences	-	-	0.1	32.4	2.0	15.5	-	50.0
Balance as at 31 March 2012	-	56.2	302.1	11,983.6	2,251.5	4,943.4	-	19,536.8
Accumulated impairment								
Balance as at 1 April 2011	-	2.0	7.3	8.5	5.2	3.2	-	26.2
Disposals	-	-	-	(0.1)	-	-	-	(0.1)
Balance as at 31 March 2012	-	2.0	7.3	8.4	5.2	3.2	-	26.1
Net Book Value as at 31 March 2012	27.5	190.3	482.2	7,118.0	917.4	1,896.6	948.0	11,580.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

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

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

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

Company - 2012	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2011	0.4	212.5	424.7	2,923.4	1,093.7	1,025.4	298.4	5,978.5
Additions (net of rebates)	-	-	1.3	209.5	46.9	109.9	30.6	398.2
Disposals/ Write-offs	-	-	(1.4)	(183.2)	(92.8)	(43.9)	-	(321.3)
Balance as at 31 March 2012	0.4	212.5	424.6	2,949.7	1,047.8	1,091.4	329.0	6,055.4
Accumulated depreciation								
Balance as at 1 April 2011	-	42.0	210.4	2,018.2	984.7	814.6	-	4,069.9
Depreciation charge for the year	-	2.2	11.6	167.4	48.5	73.1	-	302.8
Disposals/ Write-offs	-	-	-	(127.2)	(92.8)	(40.5)	-	(260.5)
Balance as at 31 March 2012	-	44.2	222.0	2,058.4	940.4	847.2	-	4,112.2
Accumulated impairment								
Balance as at 1 April 2011	-	2.0	7.2	7.0	1.2	0.4	-	17.8
Disposals/ Write-offs	-	-	-	(0.1)	-	-	-	(0.1)
Balance as at 31 March 2012	-	2.0	7.2	6.9	1.2	0.4	-	17.7
Net Book Value as at 31 March 2012	0.4	166.3	195.4	884.4	106.2	243.8	329.0	1,925.5

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19. 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

Property, plant and equipment included the following -

	Group 2012 S$ Mil	Group 2011 S$ Mil	Company 2012 S$ Mil	Company 2011 S$ Mil
Net book value of property, plant and equipment				
- Finance lease obligations	**60.1**	41.4	**28.8**	-
- Held for generating operating lease income	**5.5**	6.6	**-**	-
Interest charges capitalised during the year	**4.3**	-	**-**	-
Staff costs capitalised during the year	**199.1**	192.1	**14.1**	14.7

20. INTANGIBLE ASSETS

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Goodwill on acquisition of subsidiaries	**9,658.1**	9,657.2	**-**	-
Telecommunications and spectrum licences	**504.7**	541.5	**1.7**	2.0
Customer relationships and others	**11.3**	19.6	**-**	-
	10,174.1	10,218.3	**1.7**	2.0

20.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2012 S$ Mil	2011 S$ Mil
Balance as at 1 April	**9,657.2**	9,654.6
Translation differences	**0.9**	2.6
Balance as at 31 March	**9,658.1**	9,657.2

20.2 Telecommunications and Spectrum Licences

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Balance as at 1 April	**541.5**	517.8	**2.0**	2.3
Additions	**84.4**	84.2	**-**	-
Amortisation for the year	**(123.1)**	(103.8)	**(0.3)**	(0.3)
Reclassifications	**-**	37.6	**-**	-
Translation differences	**1.9**	5.7	**-**	-
Balance as at 31 March	**504.7**	541.5	**1.7**	2.0
Cost	**1,156.8**	1,068.4	**8.4**	8.4
Accumulated amortisation	**(649.8)**	(524.6)	**(6.7)**	(6.4)
Accumulated impairment	**(2.3)**	(2.3)	**-**	-
Net book value as at 31 March	**504.7**	541.5	**1.7**	2.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

20.3 Customer Relationships and Others

	Group	
	2012 **S$ Mil**	**2011** **S$ Mil**
Balance as at 1 April	**19.6**	27.8
Amortisation for the year	**(8.3)**	(8.1)
Translation differences	**-**	(0.1)
Balance as at 31 March	**11.3**	19.6
Cost	**53.0**	53.0
Accumulated amortisation	**(41.7)**	(33.4)
Net book value as at 31 March	**11.3**	19.6

21. SUBSIDIARIES

	Company	
	2012 **S$ Mil**	**2011** **S$ Mil**
Unquoted equity shares, at cost	**6,419.9**	6,319.4
Shareholders' advances	**678.3**	1,884.7
Deemed investment in a subsidiary	**32.5**	32.5
	7,130.7	8,236.6
Less: Allowance for impairment losses	**(362.5)**	(502.5)
	6,768.2	7,734.1

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 0.7 per cent (2011: 1.0 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 prior to 1 April 2010.

The details of subsidiaries are set out in **Note 47**.

22. ASSOCIATES

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Quoted equity shares, at cost	**74.3**	74.3	**24.7**	24.7
Unquoted equity shares, at cost	**1,477.2**	1,466.8	**567.4**	-
Shareholder's loan (unsecured)	**1.7**	1.7	**-**	-
	1,553.2	1,542.8	**592.1**	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)	**(330.9)**	(270.3)	**-**	-
Translation differences	**(513.0)**	(480.1)	**-**	-
	(872.2)	(778.7)	**-**	-
Less: Allowance for impairment losses	**(468.6)**	(591.7)	**-**	-
	212.4	172.4	**592.1**	24.7

As at 31 March 2012,

(i) The market values of the quoted equity shares in associates held by the Group and Company were S$516.2 million (2011: S$583.8 million) and S$503.9 million (2011: S$573.0 million) respectively.

(ii) The Group's shares representing 26% (2011: 26%) equity interest in an associate were under negative liens.

(iii) The Group's proportionate interest in the capital commitments of the associates was S$54.6 million (2011: S$77.8 million).

The details of associates are set out in **Note 47.4**.

The summarised financial information of associates were as follows –

	Group	
	2012 S$ Mil	2011 S$ Mil
Operating revenue	**1,413.8**	1,363.8
Net profit after tax	**26.4**	10.6
Total assets	**5,088.8**	4,614.7
Total liabilities	**(3,735.2)**	(3,196.8)

NOTES TO THE FINANCIAL STATEMENTS

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23. JOINT VENTURES

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Quoted equity shares, at cost	**2,798.4**	2,466.8	**-**	-
Unquoted equity shares, at cost	**3,739.3**	3,748.1	**24.1**	34.1
	6,537.7	6,214.9	**24.1**	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)	**6,882.2**	6,459.0	**-**	-
Translation differences	**(2,195.9)**	(1,393.5)	**-**	-
	3,460.4	3,839.6	**-**	-
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**-**	-
	9,968.1	10,024.5	**24.1**	34.1

As at 31 March 2012,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$12.13 billion (2011: S$10.05 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$1.73 billion (2011: S$1.61 billion).

(iii) The Group's shares representing 24.8% (2011: 24.8%) equity interest in a joint venture are placed in an escrow account under a deed of undertaking whereby under certain events of default, the joint venture partner could be entitled to these shares.

The details of joint ventures are set out in **Note 47.5**.

Optus holds a 31.25% (2011: 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% (2011: 50%) in the assets, with access to the shared network and shares 50% (2011: 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$450.9 million (2011: S$320.8 million).

23. JOINT VENTURES (Cont'd)

The Group's share of certain items in the income statements and statements of financial position of the joint ventures were as follows –

	Group	
	2012 S$ Mil	2011 S$ Mil
Operating revenue	**10,891.7**	10,112.9
Operating expenses	**(6,396.4)**	(5,794.4)
Net profit before tax	**2,088.9**	2,110.1
Net profit after tax	**1,445.8**	1,576.5
Non-current assets	**15,929.8**	17,405.0
Current assets	**3,048.8**	2,349.9
Current liabilities	**(5,630.0)**	(5,164.6)
Non-current liabilities	**(6,181.3)**	(7,145.7)
Net assets	**7,167.3**	7,444.6

24. IMPAIRMENT REVIEWS

24.1 Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2012 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.

			Terminal growth rate (1)		Pre-tax discount rate	
Group	**2012 S$ Mil**	**2011 S$ Mil**	**2012**	**2011**	**2012**	**2011**
Carrying value of goodwill in -						
- Optus Group	**9,575.9**	9,575.0	**4.0%**	4.0%	**12.9%**	12.2%
- SCS Computer Systems Pte. Ltd.	**82.2**	82.2	**2.0%**	2.0%	**8.5%**	9.9%

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

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For the financial year ended 31 March 2012

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

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

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering periods of five 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 2012, no impairment charge was required for goodwill on acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

24.2 Carrying values (including goodwill) of associates and joint ventures

The Group's carrying value in Warid Telecom (Private) Limited ("**Warid**") as at 31 March 2012 was assessed for impairment. The carrying value of Pacific Bangladesh Telecom Limited ("**PBTL**") was nil as at 31 March 2012.

Group	2012 S$ Mil	2011 S$ Mil	Terminal growth rate [1] 2012	Terminal growth rate [1] 2011	Pre-tax discount rate 2012	Pre-tax discount rate 2011
Carrying value (including goodwill) in -						
Warid and PBTL	**526.2**	650.1				
Less: Allowance for impairment losses	**(466.9)**	(590.0)				
	59.3	60.1	**7%**	5.5% to 7%	**17.8%**	12.2% to 18.7%

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 associates and joint ventures is based on the same methodology described in **Note 24.1**. The cash flow projections were based on financial budgets and forecasts approved by management covering nine years (2011: seven to nine years).

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

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Balance as at 1 April	**309.1**	255.8	**38.6**	31.1
Additions	**86.2**	20.0	**-**	-
Disposals	**(1.0)**	(1.1)	**-**	-
Provision for impairment	**(5.5)**	(0.1)	**-**	-
Utilisation of provision for impairment	**0.9**	-	**-**	-
Net fair value gains included in other comprehensive income	**92.6**	34.5	**3.1**	7.5
Reclassified to 'Asset held for sale'	**(334.1)**	-	**-**	-
Translation	**0.5**	-	**-**	-
Balance as at 31 March	**148.7**	309.1	**41.7**	38.6

AFS investments included the following –

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Quoted equity securities				
- Taiwan	**-**	244.3	**-**	-
- Thailand	**21.8**	18.4	**21.8**	18.4
- Singapore and United States	**9.5**	9.6	**9.4**	9.5
	31.3	272.3	**31.2**	27.9
Unquoted				
Equity securities	**82.7**	33.6	**10.5**	10.7
Others	**34.7**	3.2	**-**	-
	117.4	36.8	**10.5**	10.7
	148.7	309.1	**41.7**	38.6

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26. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Balance as at 1 April	**(1,517.3)**	(1,052.9)	**(1,208.5)**	(718.8)
Fair value gains/ (losses)				
- included in income statement	**131.9**	(534.5)	**62.0**	(470.2)
- included in 'Hedging Reserve'	**39.7**	(112.6)	**20.9**	(19.5)
- included in 'Currency Translation Reserve'	**(5.1)**	(50.2)	**-**	-
Settlement of swaps for bonds repaid	**922.0**	217.6	**922.0**	-
Translation differences	**(1.4)**	15.3	**-**	-
Balance as at 31 March	**(430.2)**	(1,517.3)	**(203.6)**	(1,208.5)
Disclosed as -				
Current asset	**2.9**	68.6	**5.1**	68.6
Non-current asset	**98.2**	-	**157.5**	22.9
Current liability	**(23.0)**	(999.8)	**(9.8)**	(988.2)
Non-current liability	**(508.3)**	(586.1)	**(356.4)**	(311.8)
	(430.2)	(1,517.3)	**(203.6)**	(1,208.5)

26.1 Fair Values

The fair values of the currency and interest rate swap contracts excluded the accrued interest of S$18.6 million (2011: S$44.4 million). The accrued interest is separately disclosed in **Note 16** and **Note 29**.

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

	Group Fair Value adjustments		Company Fair Value adjustments	
2012	**Assets S$ Mil**	**Liabilities S$ Mil**	**Assets S$ Mil**	**Liabilities S$ Mil**
Fair value and cash flow hedges				
Cross currency swaps	50.6	355.5	-	179.1
Interest rate swaps	46.9	136.9	-	8.1
Forward foreign exchange	2.9	20.1	2.5	0.6
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	81.6	81.6
Interest rate swaps	0.7	18.8	78.1	90.5
Forward foreign exchange	-	-	0.4	6.3
	101.1	531.3	162.6	366.2
Disclosed as -				
Current	2.9	23.0	5.1	9.8
Non-current	98.2	508.3	157.5	356.4
	101.1	531.3	162.6	366.2

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For the financial year ended 31 March 2012

26.1 Fair Values (Cont'd)

	Group Fair Value adjustments		Company Fair Value adjustments	
2011	**Assets S$ Mil**	**Liabilities S$ Mil**	**Assets S$ Mil**	**Liabilities S$ Mil**
Fair value and cash flow hedges				
Cross currency swaps	-	1,529.5	-	970.9
Interest rate swaps	68.6	(8.3)	69.5	8.6
Forward foreign exchange	-	42.3	-	30.8
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

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 2013, while the forecasted transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 31.1**.

26.1 Fair Values (Cont'd)

As at 31 March 2012, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	2012	**2011**	**2012**	**2011**
Interest rate swaps				
Notional principal (S$ million equivalent)	**4,908.1**	6,126.4	**5,633.6**	5,802.0
Fixed interest rates	**0.5% to 6.2%**	1.8% to 6.2%	**0.5% to 4.5%**	1.8% to 4.5%
Floating interest rates	**1.7% to 4.3%**	1.4% to 4.9%	**0.1% to 1.7%**	0.1% to 2.6%
Cross currency swaps				
Notional principal (S$ million equivalent)	**5,323.7**	6,346.8	**5,628.9**	4,918.0
Fixed interest rates	**1.8% to 7.5%**	3.5% to 7.5%	**0.9% to 5.2%**	3.9% to 5.2%
Floating interest rates	**0.5% to 6.2%**	0.7% to 6.7%	**0.5% to 2.4%**	0.7% to 2.5%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**887.3**	710.7	**462.3**	392.6

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

26.2 Fair Value Measurements

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

(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**).

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26.2 Fair Value Measurements (Cont'd)

The following table presents the assets and liabilities measured at fair value as at 31 March 2012 -

Group 2012	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments [1] (**Note 25**)				
- Quoted equity securities	**31.3**	**-**	**-**	**31.3**
- Unquoted investments	**-**	**-**	**16.6**	**16.6**
	31.3	**-**	**16.6**	**47.9**
Derivative financial instruments (**Note 26.1**)	**-**	**101.1**	**-**	**101.1**
	31.3	**101.1**	**16.6**	**149.0**
Financial liabilities				
Derivative financial instruments (**Note 26.1**)	**-**	**531.3**	**-**	**531.3**
	-	**531.3**	**-**	**531.3**

Group 2011	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments [1] (**Note 25**)				
- Quoted equity securities	272.3	-	-	272.3
- Unquoted investments	-	-	17.1	17.1
	272.3	-	17.1	289.4
Derivative financial instruments (**Note 26.1**)	-	68.6	-	68.6
	272.3	68.6	17.1	358.0
Financial liabilities				
Derivative financial instruments (**Note 26.1**)	-	1,585.9	-	1,585.9
	-	1,585.9	-	1,585.9

26.2 Fair Value Measurements (Cont'd)

Company 2012	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 25**)				
- Quoted equity securities	**31.2**	**-**	**-**	**31.2**
- Unquoted equity securities	**-**	**-**	**10.5**	**10.5**
	31.2	**-**	**10.5**	**41.7**
Derivative financial instruments (**Note 26.1**)	**-**	**162.6**	**-**	**162.6**
	31.2	**162.6**	**10.5**	**204.3**
Financial liabilities				
Derivative financial instruments (**Note 26.1**)	**-**	**366.2**	**-**	**366.2**
	-	**366.2**	**-**	**366.2**

Company 2011	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 25**)				
- Quoted equity securities	27.9	-	-	27.9
- Unquoted equity securities	-	-	10.7	10.7
	27.9	-	10.7	38.6
Derivative financial instruments (**Note 26.1**)	-	91.5	-	91.5
	27.9	91.5	10.7	130.1
Financial liabilities				
Derivative financial instruments (**Note 26.1**)	-	1,300.0	-	1,300.0
	-	1,300.0	-	1,300.0

Note:
(1) Excluded AFS investments stated at cost of S$100.8 million (2011: S$19.7 million).

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management reports of the AFS investments.

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26.2 Fair Value Measurements (Cont'd)

The following table presents the reconciliation for the unquoted AFS investments measured at fair value based on unobservable inputs (Level 3) -

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
AFS investments - unquoted				
Balance as at 1 April	**17.1**	17.7	**10.7**	10.1
Total (losses)/ gains included in other comprehensive income	**(0.5)**	0.2	**(0.2)**	0.6
Additions	**0.1**	0.3	**-**	-
Utilisation of provision for impairment	**0.9**	-	**-**	-
Disposals	**(1.0)**	(1.1)	**-**	-
Balance as at 31 March	**16.6**	17.1	**10.5**	10.7

27. SALE OF ASSETS AND BUSINESS TO NETLINK TRUST

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Loan to an associate	**1,325.0**	-	**1,325.0**	-
Deferred gain				
Classified as -				
Current	**29.2**	-	**-**	-
Non-current	**1,060.5**	-	**-**	-
	1,089.7	-	**-**	-

In July 2011, SingTel established a business trust, NetLink Trust, as part of the IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In September 2011, SingTel sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., a 29.9%-owned associate of SingTel, and 7 exchange buildings ("**Assets**"), and SingTel's business of providing duct and manhole services in relation to the Assets ("**Business**") to NetLink Trust, for an aggregate consideration of approximately S$1.89 billion. SingTel also completed its subscription for a further 567,380,000 units at S$1 each in NetLink Trust.

The aggregate consideration paid by NetLink Trust for the purchase of the Assets and Business was financed by the issue of units to SingTel of S$567.4 million and a loan from SingTel of S$1.33 billion.

Although currently 100% owned by SingTel, NetLink Trust is managed and operated by CityNet Infrastructure Management Pte. Ltd. in its capacity as trustee-manager, and hence it is equity accounted as an associate of SingTel.

At the consolidated level, the gain on disposal of Assets and Business recorded by SingTel was deferred in the Group's statement of financial position and is being amortised over the useful lives of the Assets. The unamortised deferred gain in the Group's statement of financial position will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed. In addition, SingTel's lease expenses paid to NetLink Trust and interest income earned from NetLink Trust are not eliminated on a line-by-line basis in the Group.

28. OTHER NON-CURRENT RECEIVABLES

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Prepayments	**65.3**	78.4	**241.4**	270.7
Other receivables	**64.3**	47.9	**-**	0.1
	129.6	126.3	**241.4**	270.8

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Trade payables	**3,205.6**	2,747.7	**741.3**	589.1
Advance billings	**677.8**	630.5	**86.2**	75.0
Accruals	**669.8**	697.9	**110.6**	98.6
Interest payables	**116.8**	195.6	**36.4**	125.7
Due to subsidiaries				
- trade	**-**	-	**205.4**	191.4
- non-trade	**-**	-	**687.7**	362.0
	-	-	**893.1**	553.4
Due to associates and joint ventures				
- trade	**64.8**	62.6	**59.0**	55.2
- non-trade	**161.3**	0.6	**160.0**	-
	226.1	63.2	**219.0**	55.2
Deferred gain on sale of a joint venture (see **Note 33**)	**3.1**	3.1	**-**	-
Customers' deposits	**25.4**	24.1	**14.3**	13.8
Other deferred income	**38.3**	19.7	**17.9**	8.5
Other payables	**86.8**	68.3	**56.0**	56.2
	5,049.7	4,450.1	**2,174.8**	1,575.5

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 amounts due to subsidiaries are repayable on demand and interest-free.

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30. PROVISION

The provision mainly relates to provision for liquidated damages and warranties. The movements were as follows -

	Group	
	2012 S$ Mil	2011 S$ Mil
Balance as at 1 April	**0.3**	17.9
Provision/ (Writeback of provision)	**3.3**	(17.4)
Amount written off against provision	**(0.1)**	(0.2)
Balance as at 31 March	**3.5**	0.3

31. BORROWINGS (UNSECURED)

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Current				
Bonds	**-**	2,667.4	**-**	2,667.4
Bank loans	**105.8**	5.2	**-**	-
	105.8	2,672.6	**-**	2,667.4
Non-current				
Bonds	**6,300.8**	4,094.1	**857.9**	734.5
Bank loans	**2,169.6**	450.0	**-**	-
	8,470.4	4,544.1	**857.9**	734.5
Total unsecured borrowings	**8,576.2**	7,216.7	**857.9**	3,401.9

31.1 Bonds

		Group		Company	
Principal amount	Maturity	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
US$1,350 million (2)	2011	**-**	1,755.1	**-**	1,755.1
US$700 million (2)	2017	**873.0**	-	**-**	-
US$200 million	2018	**251.5**	-	**-**	-
US$100 million	2018	**125.8**	-	**-**	-
US$500 million (1) (2)	2019	**657.3**	628.2	**-**	-
US$600 million (2)	2021	**838.0**	748.4	**-**	-
US$500 million (2)	2031	**857.9**	734.5	**857.9**	734.5
€500 million (2)	2011	**-**	912.3	**-**	912.3
€700 million (1) (2)	2020	**1,185.0**	1,221.4	**-**	-
A$75 million (1)	2018	**97.9**	-	**-**	-
S$250 million	2016	**250.0**	-	**-**	-
S$600 million (2)	2020	**600.0**	600.0	**-**	-
¥10,000 million	2018	**153.0**	-	**-**	-
HK$830 million	2017	**140.6**	-	**-**	-
HK$620 million	2018	**109.1**	-	**-**	-
HK$1,000 million (1)	2020	**161.7**	161.6	**-**	-
		6,300.8	6,761.5	**857.9**	3,401.9

Notes:

(1) The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

(2) The bonds are listed on Singapore Exchange.

31.2 Bank Loans

	Group	
	2012 S$ Mil	2011 S$ Mil
Current	**105.8**	5.2
Non-current	**2,169.6**	450.0
	2,275.4	455.2

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31.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows -

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Between one and two years	**350.0**	100.0	**-**	-
Between two and five years	**2,210.2**	350.0	**-**	-
Over five years	**5,910.2**	4,094.1	**857.9**	734.5
	8,470.4	4,544.1	**857.9**	734.5

31.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows -

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Bonds (fixed rate)	**3.9**	5.2	**7.4**	6.5
Bonds (floating rate)	**1.7**	-	**-**	-
Bank loans (floating rate)	**2.1**	1.0	**-**	-

31.5 Fair Values

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Carrying value				
Bonds	**6,300.8**	6,761.5	**857.9**	3,401.9
Bank loans	**2,275.4**	455.2	**-**	-
Fair value				
Bonds	**6,356.9**	6,860.4	**901.8**	3,487.3
Bank loans	**2,275.4**	455.2	**-**	-

See **Note 2.7** on the basis of estimating the fair values and **Note 26** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

31.6 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2012				
Net-settled interest rate swaps	**48.5**	**45.9**	**75.1**	**48.0**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(182.2)**	**(182.2)**	**(546.2)**	**(1,109.3)**
- Outflow	**191.2**	**188.7**	**597.2**	**927.3**
	57.5	**52.4**	**126.1**	**(134.0)**
Borrowings	**373.4**	**614.8**	**2,884.1**	**7,302.2**
	430.9	**667.2**	**3,010.2**	**7,168.2**
As at 31 March 2011				
Net-settled interest rate swaps	(76.3)	9.9	(25.3)	(82.7)
Cross currency interest rate swaps (gross-settled)				
- Inflow	(200.8)	(147.9)	(443.5)	(1,232.3)
- Outflow	288.3	186.6	601.6	1,185.4
	11.2	48.6	132.8	(129.6)
Borrowings	3,896.8	283.5	892.8	5,821.6
	3,908.0	332.1	1,025.6	5,692.0

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 2012				
Net-settled interest rate swaps	**9.3**	**7.4**	**10.8**	**26.5**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(46.4)**	**(46.4)**	**(139.1)**	**(695.7)**
- Outflow	**24.4**	**24.1**	**72.6**	**363.4**
	(12.7)	**(14.9)**	**(55.7)**	**(305.8)**
Borrowings	**46.4**	**46.4**	**139.1**	**1,577.0**
	33.7	**31.5**	**83.4**	**1,271.2**
As at 31 March 2011				
Net-settled interest rate swaps	(84.9)	8.8	13.8	27.6
Cross currency interest rate swaps (gross-settled)				
- Inflow	(99.4)	(46.5)	(139.4)	(743.4)
- Outflow	133.3	24.8	74.4	396.6
	(51.0)	(12.9)	(51.2)	(319.2)
Borrowings	3,753.3	46.5	139.4	1,624.6
	3,702.3	33.6	88.2	1,305.4

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 42(a)(ii)**.

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32. BORROWINGS (SECURED)

32.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows -

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Not later than one year	**39.9**	29.6	**11.6**	-
Later than one but not later than five years	**85.3**	47.7	**46.5**	-
Later than five years	**659.5**	-	**659.5**	-
	784.7	77.3	**717.6**	-
Less: Future finance charges	**(567.1)**	(8.4)	**(559.9)**	-
	217.6	68.9	**157.7**	-
Classified as -				
Current	**25.3**	26.3	**0.2**	-
Non-current	**192.3**	42.6	**157.5**	-
	217.6	68.9	**157.7**	-

32.2 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows -

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Finance lease liabilities	**7.3**	7.3	**7.3**	-

32.3 Fair Values

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Carrying value				
Finance lease liabilities	**217.6**	68.9	**157.7**	-
Fair value				
Finance lease liabilities	**217.6**	68.9	**157.7**	-

The fair value of the finance lease obligations was estimated by discounting the expected future cash flows using current interest rates for liabilities with similar risk profiles.

33. DEFERRED INCOME

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Gain on sale and leaseback arrangements				
Balance as at 1 April	**5.9**	9.6	**2.9**	4.4
Amount recognised as income during the year	**(2.1)**	(3.7)	**(1.6)**	(1.5)
Balance as at 31 March	**3.8**	5.9	**1.3**	2.9
Deferred gain on sale of a joint venture				
Balance as at 1 April	**19.8**	22.9	**-**	-
Amount recognised as income during the year	**(3.1)**	(3.1)	**-**	-
Balance as at 31 March	**16.7**	19.8	**-**	-
	20.5	25.7	**1.3**	2.9
Classified as -				
Current (see **Note 29**)	**3.1**	3.1	**-**	-
Non-current	**17.4**	22.6	**1.3**	2.9
	20.5	25.7	**1.3**	2.9

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 is recognised as income on a straight-line basis over the remaining useful life of the joint venture's cable system of approximately 10 years.

34. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Performance share liability	**11.9**	12.1	**10.8**	10.6
Other payables	**201.6**	181.8	**6.7**	7.1
	213.5	193.9	**17.5**	17.7

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35. SHARE CAPITAL

Group and Company	2012 Number of shares Mil	2012 Share capital S$ Mil	2011 Number of shares Mil	2011 Share capital S$ Mil
Balance as at 1 April	**15,935.7**	**2,622.8**	15,932.2	2,616.3
Issue of shares under share options	**6.5**	**9.4**	3.5	6.5
Balance as at 31 March	**15,942.2**	**2,632.2**	15,935.7	2,622.8

All issued shares are fully paid, and carry one vote per share and a right to dividends as and when declared by the Company.

During the year, the Company issued 6,521,600 (2011: 3,546,818) shares upon the exercise of 6,521,600 (2011: 3,546,818) share options under the 1999 Scheme at exercise prices between S$1.31 and S$1.56 (2011: S$1.41 and S$2.12) 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 and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under 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.

36. DIVIDENDS

	Group		Company	
	2012 S$ Mil	2011 S$ Mil	2012 S$ Mil	2011 S$ Mil
Final ordinary dividend of 9.0 cents (2011: 8.0 cents) per share, paid	**1,434.3**	1,273.7	**1,435.7**	1,274.3
Special dividend of 10.0 cents (2011: nil) per share, paid	**1,593.6**	-	**1,594.0**	-
Interim dividend of 6.8 cents (2011: 6.8 cents) per share, paid	**1,083.5**	1,082.9	**1,084.3**	1,083.5
	4,111.4	2,356.6	**4,114.0**	2,357.8

During the financial year, 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 were paid in respect of the previous financial year ended 31 March 2011, 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 2012.

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, totalling approximately S$1.43 billion in respect of the current financial year ended 31 March 2012 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the final dividend payable of approximately S$1.43 billion, which will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2013.

37. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of AFS investments and borrowings are set out in **Note 26**, **Note 31.5** and **Note 32.3** respectively.

The carrying values of the other financial assets and liabilities approximate their fair values.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

38.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. For the financial year ended 31 March 2012, the Finance, Investment and Risk Committee ("**FIRC**") assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

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38.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures 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.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the 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 foreign exchange difference on non-trade balances is disclosed under **Note 10**.

38.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2012, after taking into account the effect of interest rate swaps, approximately 75% (2011: 73%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2012, 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$7.8 million (2011: S$11.8 million).

38.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents, marketable securities and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents and marketable securities with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

38.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

38.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

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39. 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 associates and joint ventures which mainly comprise Advanced Info Service Public Company Limited ("**AIS**") in Thailand, Bharti Airtel Limited ("**Airtel**") 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 2012 and 31 March 2011.

39. SEGMENT INFORMATION (Cont'd)

Group - 2012	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	6,550.8	12,274.5	-	-	18,825.3	-	18,825.3
Segment results	1,619.4	1,599.2	-	-	3,218.6	(104.7)	3,113.9
Other income	45.3	67.1	-	-	112.4	(9.2)	103.2
Profit/ (Loss) before exceptional items	1,664.7	1,666.3	-	-	3,331.0	(113.9)	3,217.1
Exceptional items	4.7	(23.5)	-	-	(18.8)	25.4	6.6
Profit/ (Loss) on operating activities	1,669.4	1,642.8	-	-	3,312.2	(88.5)	3,223.7
Share of results of associates and joint ventures							
- Airtel	-	-	351.0	-	351.0	-	351.0
- Telkomsel	-	-	665.1	-	665.1	-	665.1
- Globe	-	-	130.8	-	130.8	-	130.8
- AIS	-	-	278.5	-	278.5	-	278.5
- Others	-	-	6.0	-	6.0	-	6.0
	-	-	1,431.4	-	1,431.4	-	1,431.4
Profit before interest, investment income (net) and tax	1,669.4	1,642.8	1,431.4	-	4,743.6	(88.5)	4,655.1
Interest and investment income (net)	-	22.1	-	-	22.1	31.9	54.0
Finance costs	-	(198.6)	-	-	(198.6)	(196.1)	(394.7)
Profit/ (Loss) before tax	1,669.4	1,466.3	1,431.4	-	4,567.1	(252.7)	4,314.4
Segment assets							
Investment in associates and joint ventures							
- Airtel	-	-	4,727.6	-	4,727.6	-	4,727.6
- Telkomsel	-	-	3,392.2	-	3,392.2	-	3,392.2
- Globe	-	-	1,028.1	-	1,028.1	-	1,028.1
- AIS	-	-	630.4	-	630.4	-	630.4
- Others	-	-	402.2	-	402.2	-	402.2
	-	-	10,180.5	-	10,180.5	-	10,180.5
Goodwill on acquisition of subsidiaries	82.2	9,575.9	-	-	9,658.1	-	9,658.1
Other assets	6,615.3	17,079.5	-	(4,975.1)	18,719.7	1,859.3	20,579.0
	6,697.5	26,655.4	10,180.5	(4,975.1)	38,558.3	1,859.3	40,417.6
Capital expenditure	882.2	1,599.1	-	-	2,481.3	-	2,481.3
Depreciation and amortisation	(577.3)	(1,424.3)	-	-	(2,001.6)	-	(2,001.6)
Impairment of AFS investment	-	-	-	-	-	(5.5)	(5.5)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

39. 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 associates and joint ventures							
- Airtel	-	-	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 associates and joint ventures							
- Airtel	-	-	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	82.2	9,575.0	-	-	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
	5,090.5	25,053.3	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)

40. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows -

	Group		Company	
	2012 S$ Mil	**2011 S$ Mil**	**2012 S$ Mil**	**2011 S$ Mil**
Not later than one year	**496.4**	436.1	**102.2**	95.5
Later than one but not later than five years	**1,239.7**	1,209.7	**291.6**	313.7
Later than five years	**1,620.3**	1,775.8	**715.9**	794.6
	3,356.4	3,421.6	**1,109.7**	1,203.8

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S$39.5 million (2011: S$39.4 million) per annum under those contracts. The operating lease payments under these contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

41. COMMITMENTS

41.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 41.2**, were as follows -

	Group		Company	
	2012 S$ Mil	**2011 S$ Mil**	**2012 S$ Mil**	**2011 S$ Mil**
Authorised and contracted for	**1,725.7**	1,025.1	**181.7**	67.0

The above included equity funding commitments of S$769 million (2011: S$64 million) and commitments to purchase capacity in the cable network of a joint venture of S$54 million (2011: S$12 million).

41.2 As at 31 March 2012, the Group's commitments for the purchase of broadcasting program rights were S$219 million (2011: S$397 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.

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42. CONTINGENT LIABILITIES

(a) Guarantees

As at 31 March 2012,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$572.8 million and S$413.2 million (2011: S$583.6 million and S$389.6 million) respectively.

(ii) The Company provided guarantees for loans of S$1.55 billion (2011: S$450 million) drawn down under various loan facilities entered into by SGT with maturities between September 2012 and June 2014. The Company also provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$3.28 billion (2011: S$1.36 billion) due between July 2016 and September 2021.

(iii) The Company provided a guarantee for US$90 million (S$113 million) (2011: US$90 million) on a proportionate share basis in respect of a loan obtained by an associate.

(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 ("**Indosat**") within two years, (ii) Telkomsel reduces tariffs by at least 15 per cent and (iii) each of the Parties and Telkomsel pay 25 billion rupiah (approximately S$4 million) in fines.

SingTel and SingTel Mobile filed an appeal to the District Court of Central Jakarta on 19 December 2007. The District Court announced its ruling on 9 May 2008 dismissing SingTel's and SingTel Mobile's appeal, but (i) setting aside the order that Telkomsel reduce tariffs by at least 15 per cent; and (ii) reducing the fine for each of the Parties and Telkomsel to 15 billion rupiah (approximately S$2 million). SingTel and SingTel Mobile appealed to the Supreme Court of the Republic of Indonesia on 22 May 2008.

By a written decision dated 9 September 2008, of which official notification was given to SingTel and SingTel Mobile on 25 November 2008, the Supreme Court dismissed the appeal.

On 20 May 2009, SingTel and SingTel Mobile filed an application to the Indonesian Supreme Court for civil review of the Supreme Court decision.

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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.

42. CONTINGENT LIABILITIES (Cont'd)

(b) <u>Appeal against the decision by Komisi Pengawas Persaingan Usaha Republik Indonesia ("KPPU") (Republic of Indonesia Commission for Supervision of Business Competition) (the "Commission")</u> <u>(Cont'd)</u>

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) <u>Other commercial disputes</u>

Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

43. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES

(a) Airtel, a 32.3% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

As at 31 March 2012, the taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately INR 55.5 billion (SingTel's equity share: S$442 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Nigeria B.V. ("**ANBV**"), a 100% owned indirect subsidiary of Airtel, has 65.7% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

Econet Wireless Limited ("**EWL**") had in 2003 claimed a 5% stake in ANL and in 2006 also made a claim alleging breach of its pre-emption rights under a shareholders agreement between EWL and former shareholders of ANL. ANL and ANBV have filed appeals in the Nigerian Courts and are actively pursuing these appeals.

Under the terms of the acquisition by Airtel of ANBV from Zain International B.V. in 2010, Airtel has the benefit of seller's indemnities in respect of such matters.

(b) The Group holds an equity interest of 23.3% in AIS.

<u>Revenue share disputes arising from abolishment of excise tax</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

43. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES (Cont'd)

CAT had submitted its case against DPC to arbitration and the Arbitral Tribunal has dismissed CAT's case against DPC on 1 March 2011. On 3 June 2011, CAT began proceedings to appeal against the Arbitral Tribunal's decision in the Central Administrative Court.

On 20 May 2011, the Arbitral Tribunal dismissed TOT's claim against AIS for additional revenue share. On 22 September 2011, TOT submitted its case to the Central Administrative Court to appeal against the Arbitral Tribunal's award.

TOT's demand for additional revenue shares

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$352 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$350 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.

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 the first demand to arbitration.

On 26 August 2011, TOT informed AIS of the cancellation of its first demand due to its misunderstanding of the facts. On 3 October 2011, AIS requested the withdrawal of this dispute which was approved by the Arbitration Institute on 6 October 2011.

The second demand, which is a duplicate of the TOT's demand for additional revenue share arising from the abolishment of excise tax, has been dismissed by the Arbitration Tribunal on 20 May 2011. On 22 September 2011, TOT submitted its case to the Central Administrative Court to appeal against the Arbitral Tribunal's award.

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$169 million) plus interest at the rate of 1.25% per month. AIS sent a letter opposing the said claim to TOT on 21 February 2011. On 9 March 2011, AIS submitted the dispute to arbitration.

TOT's demand for access charge

On 9 May 2011, TOT submitted a case to the Central Administrative Court against CAT as first defendant and DPC as second defendant demanding access charge amounting to THB 2,954 million (SingTel's equity share: S$28 million) plus interest. This case is pending.

AIS' management believes that the case has no material impact to its financial statements because DPC has correctly and fully complied with the law and the relevant agreements in all respects.

(c) Globe, a 47.3% joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on the Globe Group's financial position and results of operations.

43. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES (Cont'd)

(d) As at 31 March 2012, Telkomsel, a 35% joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 1,523 billion (SingTel's equity share: S$73 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which are not presently determinable.

44. ASSOCIATE - PROPOSED RESTRUCTURING OF LOAN FACILITIES

Warid, an associate in which the Group has a 30% equity interest, is currently in discussions with its lenders in relation to a proposed restructuring of its loan facilities. As at 31 March 2012, the outstanding principal amounted to approximately US$758 million, net of hedging, and was secured by a floating charge on Warid's assets. In addition, US$90 million of these loan facilities was guaranteed by SingTel (see **Note 42 (a)(iii)**) and US$512 million was secured by guarantees of the other shareholder group of Warid.

45. SUBSEQUENT EVENTS

From 1 April 2012, the Group is organised by three business units, Group Consumer, Group ICT and Group Digital L!fe, to better serve the evolving needs of its customers and to exploit growth opportunities globally.

In April 2012, the Group completed the acquisition of 100% of the share capital of Amobee, Inc., for an aggregate cash consideration of US$321 million. Amobee, Inc., a corporation organised under the laws of Delaware, USA, is a premium provider of mobile advertising offering solutions to operators, publishers and advertisers globally.

46. EFFECTS OF FRS AND INT FRS ISSUED BUT NOT YET ADOPTED

Certain new or revised FRS and INT FRS are mandatory for adoption by the Group for financial year beginning on or after 1 April 2012.

(a) FRS 110 *Consolidated Financial Statements* and FRS 27 *Separate Financial Statements*
FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12, *Consolidation - Special Purpose Entities*. FRS 110 defines the principle of control and establishes control as the basis from determining which entities are consolidated in the consolidated financial statements. FRS 27 remains as a standard applicable only to separate financial statements. These will take effect from financial year beginning on 1 April 2013 with full retrospective application.

(b) FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures*
FRS 111 supersedes FRS 31, *Interests in Joint Ventures,* and INT FRS 13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The joint venturer should use the equity method under the revised FRS 28 to account for a joint venture. These will take effect from financial year beginning on 1 April 2013 with full retrospective application.

(c) FRS 112 *Disclosure of Interests in Other Entities*
FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities, and will take effect from financial year beginning on 1 April 2013.

(d) FRS *113 Fair Value Measurements*
FRS 113 is a single new standard that applies to both financial and non-financial items. It provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope. FRS 113 will be effective prospectively from financial year beginning on 1 April 2013.

The Group is currently assessing the impact of the above new or revised FRS on the financial statements of the Group and the Company in the period of initial application.

The other new or revised FRS and INT FRS are not expected to have a significant impact on the financial statements of the Group and the Company in the period of initial application.

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47. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries, associates and joint ventures as at 31 March 2012 and 31 March 2011.

47.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2012 %	**2011 %**
1.	Computer Systems Holdings Pte Ltd	Investment holding	**100**	100
2.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
3.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
4.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
5.	SCS Computer Systems Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
6.	NCSI Holdings Pte. Ltd.	Investment holding	**100**	100
7.	Singapore Telecom Mobile Pte Ltd	Investment holding	**100**	100
8.	SingNet Pte Ltd	Provision of internet access services	**100**	100
9.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	**100**	100
10.	SingTel Group Treasury Pte. Ltd.	Provision of finance and treasury services to SingTel and its subsidiaries	**100**	100
11.	SingTel Idea Factory Pte. Ltd.	Engaged in research and development, products and services development and business partnership	**100**	100
12.	SingTel Innov8 Pte. Ltd.	Venture capital investment holding	**100**	100
13.	SingTel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, resale of fixed line and broadband services	**100**	100
14.	SingTel Ventures (Singapore) Private Limited	Investment holding	**100**	100

47.1 Significant subsidiaries incorporated in Singapore (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2012 %	2011 %
15.	SingTelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100
16.	SingTel Singapore Pte. Ltd.	Investment holding and provision of business and management consultancy services	**100**	100
17.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	61.9
18.	Subsea Network Services Pte Ltd	Ownership and chartering of barges and provision of storage facilities for submarine cables and related equipment	**100**	100
19.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine cables and related equipment	**60**	60
20.	SingTel Digital Media Pte Ltd	Development and management of on-line internet portal	**95.6**	95.6
21.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment	**100**	100

47.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2012 %	2011 %
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

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47.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2012 %	**2011 %**
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 narrowband 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
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

47.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2012 %	2011 %
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
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.

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47.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2012 %	2011 %
1.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	**100**	100
2.	Guangzhou Zhong Sheng Information Technology Co., Ltd. (**) (1)	Provision of information technology training	People's Republic of China	**100**	100
3.	Information Network Services Sdn Bhd	Provision of data communication and value added network services	Malaysia	**100**	100
4.	Lanka Communication Services (Pvt) Limited	Provision of data communication services	Sri Lanka	**82.9**	82.9
5.	NCS Information Technology (Suzhou) Co., Ltd. (1)	Software development and provision of information technology services	People's Republic of China	**100**	100
6.	NCSI (Chengdu) Co., Ltd (1)	Provision of information technology research and development, and other information technology related services	People's Republic of China	**100**	100
7.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	**100**	100
8.	NCSI (India) Private Limited	Provision of information technology services	India	**100**	100
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

47.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2012 %	2011 %
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.	SingTel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	**100**	100
17.	SingTel Global India Private Limited	Provision of telecommunications services and all related activities	India	**74**	74
18.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
19.	Singapore Telecom India Private Limited	Engaged in general liaison and support services	India	**100**	100
20.	Singapore Telecom Japan Co Ltd [(*)]	Provision of telecommunications services and all related activities	Japan	**100**	100
21.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100
22.	Singapore Telecom USA, Inc. [(*)]	Provision of telecommunications, engineering and marketing services	USA	**100**	100
23.	SingTel Australia Investment Ltd [(*)]	Investment holding	British Virgin Islands	**100**	100
24.	SingTel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100

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47.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2012 %	2011 %
25.	SingTel (Philippines), Inc.	Engaged in general liaison and support services	Philippines	**100**	100
26.	SingTel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100
27.	SingTel Ventures (Cayman) Pte Ltd (*)	Investment holding	Cayman Islands	**100**	100
28.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100

All companies are audited by a member firm of Deloitte Touche Tohmatsu LLP except for the following -
(*) No statutory audit is required.
(**) Audited by another firm.

Note:
(1) Subsidiary's financial year-end is 31 December.

47.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2012 %	2011 %
1.	ADSB Telecommunications B.V.	Dormant	Netherlands	**25.6**	25.6
2.	APT Satellite Holdings Limited (1)	Investment holding	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited (1)	Investment holding	British Virgin Islands	**28.6**	28.6
4.	Infoserve Technology Corp.	Dormant	Cayman Islands	**25.0**	25.0
5.	NetLink Trust (2) (6)	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**100.0**	-

47.4 Associates of the Group (Cont'd)

	Name of associate	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group 2012 %	2011 %
6.	OpenNet Pte. Ltd. (3)	To design, build and operate the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**29.9**	29.9
7.	Singapore Post Limited (4)	Operation and provision of postal services	Singapore	**25.6**	25.6
8.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications equipment	Singapore	**50.0**	50.0
9.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2
10.	Warid Telecom (Private) Limited (5)	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 2011, the financial year-end of the company.
(2) Audited by Deloitte & Touche LLP, Singapore.
(3) Audited by Ernst & Young LLP, Singapore.
(4) Audited by PricewaterhouseCoopers LLP, Singapore.
(5) Audited by Ernst and Young Ford Rhodes Sidat Hyder (a member firm of Ernst and Young Global Limited).
(6) NetLink Trust is a business trust established as part of IDA's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network, and is currently 100% owned by SingTel. It is regarded as an associate as SingTel does not have effective control in the trust.

47.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group 2012 %	2011 %
1.	Abacus Travel Systems Pte Ltd	Marketing and distributing certain travel-related services through on-line airline computerised reservations systems	Singapore	**30.0**	30.0
2.	Acasia Communications Sdn Bhd (1)	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	**14.3**	14.3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

47.5 Joint ventures of the Group (Cont'd)

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group 2012 %	2011 %
3.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cableships	Singapore	**41.7**	41.7
4.	Advanced Info Service Public Company Limited (2)	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	**23.3**	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 Airtel Limited (3)	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	**32.3**	32.3
9.	Bharti Telecom Limited (3)	Investment holding	India	**36.2**	36.2
10.	Bridge Mobile Pte Ltd	Provision of regional mobile services	Singapore	**33.6**	33.6
11.	Globe Telecom, Inc. (4)	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	**47.3**	47.3
12.	Grid Communications Pte Ltd (1)	Provision of public trunk radio services	Singapore	**50.0**	50.0
13.	Indian Ocean 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

47.5 Joint ventures of the Group (Cont'd)

	Name of joint venture	Principal activities	Country of incorporation	Percentage of effective equity interest held by the Group	
				2012 %	2011 %
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.	SSBI Pte. Ltd.	Provision of business and management consultancy services	Singapore	**50.0**	-
23.	TeleTech Park Pte Ltd (8)	Engaged in the business of development, construction, operation and management of TeleTech Park	Singapore	**-**	40.0
24.	VA Dynamics Sdn Bhd (1)	Distribution of networking cables and related products	Malaysia	**49.0**	49.0

Notes:

(1) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2011, the financial year-end of the company.
(2) The company's reporting period has been aligned to the Group during the financial year. 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.
(8) The company has been disposed during the financial year.

INTERESTED PERSON TRANSACTIONS

The aggregate value of all interested person transactions during the financial year ended 31 March 2012 (excluding transactions less than S$100,000) were as follows -

Name of interested person	S$ mil
Advanced Info Service Public Company Ltd	1.3
Aetos Security Management Pte Ltd	2.9
Capitaland Limited	0.2
CapitaMalls Asia Limited	0.5
Certis Cisco Security Pte Ltd	0.3
Global Crossing Singapore Pte Ltd	0.1
Grid Communications Pte Ltd	0.5
iDirect Asia Pte Ltd	0.4
iShopAero Pte Ltd	1.8
MediaCorp TV Singapore Pte Ltd	0.3
MediaCorp Pte Ltd	0.7
NexWave Technologies Pte Ltd	0.1
Nucleus Connect Pte Ltd	0.9
PSA Corporation Limited	0.8
Radiance Communications Pte Ltd	1.4
SembCorp Industries Limited	0.3
Shin Corporation Public Company Limited	331.6
Singapore Technologies Kinetics Limited	1.3
SMRT Engineering Pte Ltd	1.2
SMRT Trains Ltd	1.3
SP PowerAssets Limited	0.3
SP Services Ltd	0.1
SP Telecommunications Pte Ltd	0.6
SPI Electricity Pty Ltd	1.1
StarHub Ltd	62.7
StarHub Cable Vision Ltd	29.8
StarHub Mobile Pte Ltd	5.0
ST Electronics (Info-Comm Systems) Pte Ltd	0.1
ST Electronics (Satcom & Sensor Systems) Pte Ltd	1.7
Temasek Capital Management Pte Ltd	0.1
Trusted Source Pte Ltd	0.3
	449.7

SHAREHOLDER INFORMATION

As at 31 May 2012

ORDINARY SHARES

Number of ordinary shareholders	312,256
Number of holders of CHESS Units of Foreign Securities relating to ordinary shares in the Company (**CUFS**)	20,376

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	14,050,926 [1]

Note:
(1) Deemed through interests of associated companies and/or subsidiaries.

MAJOR SHAREHOLDERS LIST - TOP 20

No.	Name	No. of shares held	% of issued share capital [1]
1	Temasek Holdings (Private) Limited	8,671,325,982	54.39
2	Citibank Nominees Singapore Pte Ltd	1,521,366,136	9.54
3	DBSN Services Pte Ltd	1,448,038,547	9.08
4	DBS Nominees Pte Ltd	1,298,872,827 [2]	8.15
5	Central Provident Fund Board	929,499,476	5.83
6	HSBC (Singapore) Nominees Pte Ltd	658,219,119	4.13
7	United Overseas Bank Nominees Pte Ltd	311,387,356	1.95
8	BNP Paribas Securities Services	166,837,282	1.05
9	Chess Depositary Nominees Pty Limited [3]	163,034,804	1.02
10	Raffles Nominees (Pte) Ltd	134,025,400	0.84
11	DB Nominees (S) Pte Ltd	30,598,512	0.19
12	OCBC Nominees Singapore Private Limited	17,891,983	0.11
13	Merrill Lynch (Singapore) Pte Ltd	16,617,172	0.11
14	Bank of Singapore Nominees Pte Ltd	10,119,054	0.07
15	Morgan Stanley Asia (Singapore)	5,677,530	0.04
16	BNP Paribas Nominees Singapore Pte Ltd	4,268,904	0.03
17	Chen Chun Nan	3,900,000	0.02
18	OCBC Securities Private Ltd	3,721,226	0.02
19	Chua Sock Koong	3,700,403	0.02
20	UOB Kay Hian Pte Ltd	3,560,013	0.02
		15,402,661,726	96.61

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 2012, excluding 1,079,620 ordinary shares held as treasury shares as at that date.
(2) Excludes 1,079,620 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 2012

MAJOR CUFS HOLDERS LIST [(1)] - TOP 20

No.	Name	No. of CUFS held	% of issued share capital [(2)]
1.	National Nominees Limited	26,405,811	0.17
2.	HSBC Custody Nominees (Australia) Limited	22,910,671	0.14
3.	J P Morgan Nominees Australia Limited	20,817,955	0.13
4.	Cogent Nominees Pty Limited	6,503,404	0.04
5.	Citicorp Nominees Pty Limited	4,166,698	0.03
6.	Optus Share Plan Pty Limited	2,755,359	0.02
7.	The Australian National University	2,600,000	0.02
8.	Paul O'Sullivan	2,258,663	0.01
9.	HSBC Custody Nominees (Australia) Limited <NT-COMNWLTH SUPER CORP A/C>	2,252,048	0.01
10.	HSBC Custody Nominees (Australia) Limited - A/C 3	2,018,551	0.01
11.	Cogent Nominees Pty Ltd <DRP>	1,439,188	0.01
12.	CS Fourth Nominees Pty Ltd	1,303,216	0.01
13.	Cogent Nominees Pty Limited <SMP Accounts>	1,294,787	0.01
14.	J P Morgan Nominees Australia Limited	698,800	0.00
15.	RBC Dexia Investor Services Australia Nominees Pty Limited <BKCUST A/C>	636,826	0.00
16.	John Simon	522,991	0.00
17.	AMP Life Limited	515,888	0.00
18.	RBC Dexia Investor Services Australia Nominees Pty Ltd <PISELECT A/C>	489,692	0.00
19.	J P Morgan Nominees Australia Limited <Cash Income A/C>	476,710	0.00
20.	HSBC Custody Nominees (Australia) Limited-GSCO ECA	439,577	0.00
		100,506,835	0.63

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 2012, excluding 1,079,620 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	266,324	80.07	61,751,901	0.39
1,000 - 5,000	48,280	14.51	111,284,157	0.70
5,001 - 10,000	9,502	2.86	72,351,267	0.45
10,001 - 100,000	7,964	2.39	199,188,487	1.25
100,001 - 1,000,000	507	0.15	119,625,174	0.75
1,000,001 and above	55	0.02	15,379,375,963	96.46
	332,632	100.00	15,943,576,949	100.00
Number of holders holding less than a marketable parcel				238,620

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 2012, 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 2012, excluding 1,079,620 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 2012, the number of ordinary shares held in treasury is 1,079,620, and the percentage of such holding against the total number of issued ordinary shares (excluding ordinary shares held as treasury shares) is 0.01%.

SHARE PURCHASE MANDATE

At the Extraordinary General Meeting of the Company held on 29 July 2011 (**2011 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 2011 EGM. As at 31 May 2012, there is no current on-market buy-back of shares pursuant to the mandate.

CORPORATE INFORMATION*

BOARD OF DIRECTORS

Simon Israel (Chairman)
Bobby Chin Yoke Choong
Chua Sock Koong (Group CEO)
Fang Ai Lian
Dominic Chiu Fai Ho
Low Check Kian
Peter Edward Mason AM [1]
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee
Ong Peng Tsin

AUDIT COMMITTEE

Fang Ai Lian (Chairman)
Dominic Chiu Fai Ho
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Kaikhushru Shiavax Nargolwala (Chairman)
Fang Ai Lian
Simon Israel
Peter Edward Mason AM [1]

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

Kaikhushru Shiavax Nargolwala (Chairman)
Dominic Chiu Fai Ho
Simon Israel
Low Check Kian

FINANCE AND INVESTMENT COMMITTEE

Simon Israel (Chairman)
Low Check Kian
Ong Peng Tsin

RISK COMMITTEE

Bobby Chin Yoke Choong (Chairman)
Peter Ong Boon Kwee
Ong Peng Tsin

OPTUS ADVISORY COMMITTEE

Peter Edward Mason AM [1] (Chairman)
Chua Sock Koong
Simon Israel

COMPANY SECRETARY

Chan Su Shan

ASSISTANT COMPANY SECRETARY

Lim Li Ching

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* As at 9 May 2012
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GLOSSARY

Connect. Control. Converge.

MOBILE NETWORK

VEHICLE BREAKDOWN

SIM CARD MANAGEMENT PORTAL

VEHICLE GARAGE

Save What's Most Important

CLOUD COMPUTING

COMPUTERS

TOUCHPAD DEVICES

MOBILE PHONES

Limitless Power of Light

FIBRE BROADBAND NETWORK

OPTIMAL GAMING EXPERIENCE

FASTER UPLOAD & DOWNLOAD

MULTIPLE ACCESS

ULTRA FAST SPEEDS

A New Concept in TV and Choice

TELEVISION

MUSIC

MOVIES

DOCUMENTARIES

WORLD CHANNELS

SOCIAL NETWORK APPLICATIONS

ON-DEMAND CONTENT

APPsolute Excitement All Around

VOICE ACTIVATION

MOBILE PHONES

MOVIES

FOOD

TAXI

DIRECTIONS

Helping the Community

PEOPLE

ENVIRONMENT

MARKETPLACE

COMMUNITY

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