It's About You

ANNUAL REPORT 2015

Singtel

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It's About You

We aim to make your life more seamless and effortless with better service, technology and content. We want to help you do more of what you love – talking, messaging, shopping or catching up on the latest news. Above all, we want you to be happy, satisfied and delighted customers.

vision

To be Asia Pacific's best multimedia solutions group

We aim to shape communications and much more by unlocking the possibilities of the digital world for our customers.

mission

Breaking Barriers, Building Bonds

We believe that the world is a better place when technology is used to help people and businesses communicate effortlessly.

We make communication easier, faster and more reliable for customers, while delivering value to our stakeholders.

Our Global Reach

Singtel
OPTUS yes
AIS

>550 m

mobile

46 Singtel Global Offices in **21 countries** to serve enterprises globally

[a·mo·bee]

20 offices worldwide

airtel Globe TELKOMSEL

nillion

customers across Asia, Australia and Africa

Singtel innov8

Presence in global innovation hubs
of Singapore, Silicon Valley, Tel Aviv and Beijing

>200 points of presence
in 160 cities

HOOQ™
launched in
3 countries in Asia Pacific

What Differentiates Us

01 CUSTOMER FOCUS

We want to give you a better experience – be it faster surfing, better coverage or simpler price plans. We put our heart and soul into everything we do – building networks, wiring up your home and creating new products, so you can worry less and do more.

02 SUPERIOR NETWORK

We know you rely on us to connect you to your loved ones and business partners. We are constantly improving the coverage and quality of our network, and enabling you to roam in more countries. You can count on us to make the latest communications technologies work for you.

03 COMMITMENT TO INNOVATION

The internet brings endless possibilities. We translate these possibilities into services that are meaningful to you – so you can be informed, entertained and stay in touch with the people you care about. We will continuously innovate to bring you products to improve business productivity and make life more enjoyable.

04 STRONG FINANCIAL PERFORMANCE

We are financially strong. We deliver solid returns to our shareholders and ensure we have the resources to invest, innovate and grow.

05 ENGAGED WORKFORCE

We attract and nurture talents from all walks of life. Our people are motivated to deliver their best work to delight you and grow Singtel.

Our Strategy

OUR GOAL

Create sustainable long-term growth to deliver superior returns to shareholders

OUR STRATEGY

Strengthen the core business			Build new growth engines
Improve the economics of core consumer & enterprise business	**Lift customer experience**	**Enhance collaboration with our regional mobile associates**	**Create innovative & differentiated digital businesses**

KEY PERFORMANCE INDICATORS

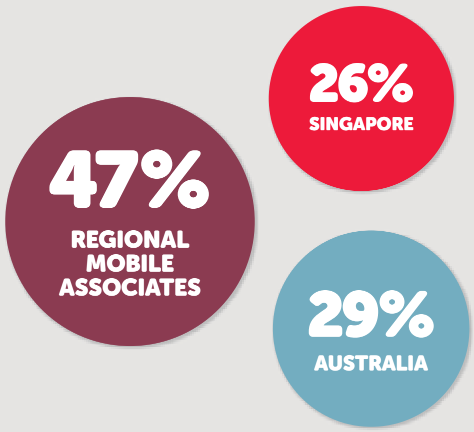
Improve the economics of core consumer & enterprise business	Lift customer experience	Enhance collaboration with our regional mobile associates	Create innovative & differentiated digital businesses
Average revenue per user	Customer satisfaction scores	Associates: Average revenue per user	Innovations adopted by the core businesses
Revenue from data usage	Network quality	Revenue from data usage	Monthly active users
Subscriber acquisition and retention costs	Churn rate	Smartphone penetration	Revenue from new digital businesses
Cost efficiencies		3G/4G network coverage and quality	

Market share position | Return on invested capital | Total shareholder returns

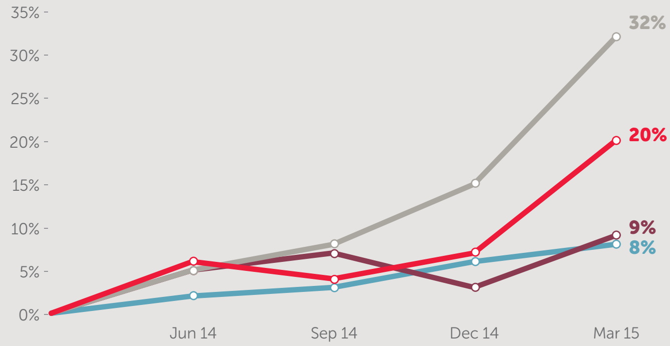
Financial Highlights

	2015	2014		Change
OPERATING REVENUE	17,223m	16,848m	S$17,223m	2%
EBITDA	5,091m	5,155m	S$5,091m	1%
NET PROFIT	3,782m	3,652m	S$3,782m	4%
UNDERLYING NET PROFIT	3,779m	3,610m	S$3,779m	5%
FREE CASH FLOW	3,549m	3,249m	S$3,549m	9%
DIVIDEND PER SHARE	S¢17.5	S¢16.8	S¢17.5	4%
RETURN ON EQUITY	15.6%	15.3%	15.6%	0.3 percentage point
RETURN ON INVESTED CAPITAL	12.1%	11.6%	12.1%	0.5 percentage point

PROPORTIONATE EBITDA – CONTRIBUTION BY GEOGRAPHY [1]



SHARE PRICE CHANGES

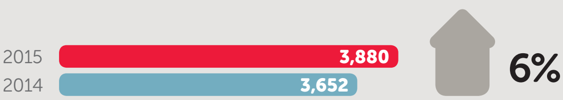


Between April 2014 and March 2015, the Singtel (SGX) share price gained 20% and the Singtel (ASX) share price gained 32%.

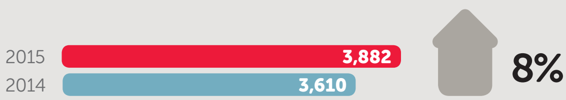
20%	32%	9%	8%
Singtel (SGX)	Singtel (ASX)	MSCI [2]	Straits Times Index

CONSTANT CURRENCY TRENDS [3]

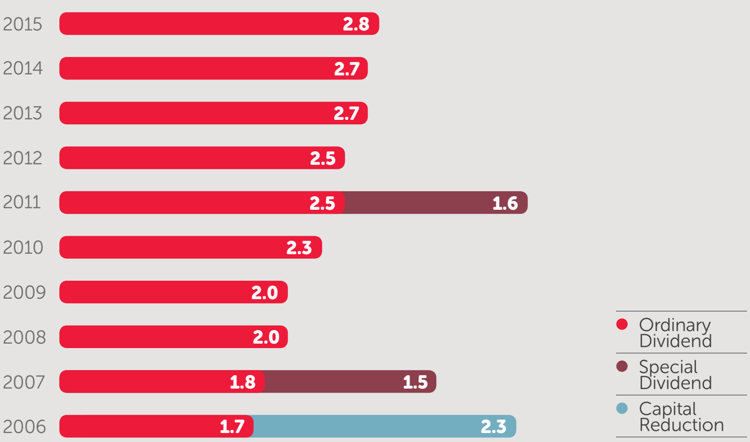
Net Profit
(S$ million)



Underlying Net Profit
(S$ million)



SHAREHOLDER PAYOUT
(S$ billion)



Singtel has a track record of generous shareholder returns.

It pays between 60% and 75% of underlying net profit as ordinary dividends.

For the financial year ended 31 March 2015, the Board has recommended a final ordinary dividend of 10.7 Singapore cents a share. Together with the interim dividend of 6.8 Singapore cents, the total ordinary dividends for the year is 17.5 Singapore cents, an increase of 4% from the previous year. It also represents 74% of the Group's underlying net profit.

Notes:

(1) Percentages may not add up due to negative contributions from other countries.
(2) MSCI Asia Pacific Telecommunications Index.
(3) Assuming constant exchange rates from FY 2014.

An Exciting Year

Amobee gained scale with investments in Adconion and Kontera

Singtel unveiled a new brand identity and promise to make the everyday better for customers

Dash, Singtel's revolutionary mobile money service, was introduced in Singapore

Singtel customers enjoy data roaming rates similar to local data rates when travelling to Malaysia and Australia, with our "Roam Like Home" add-on service

Launched **Optus** 10 satellite, bringing broadcast, voice and data connectivity to rural and remote parts of Australia

Singtel announced the acquisition of Trustwave to strengthen its global cyber security capabilities [(1)]

Singtel launched the first Advanced Security Operations Centre in Asia Pacific with **FireEye** and expanded its cloud-based cyber security solutions with **Akamai** to counter cyber attacks

Note:

(1) The acquisition of Trustwave is subject to fulfilment of certain conditions precedent, including relevant approvals from regulatory authorities and other third parties.

Data Sharing Plans allow **Optus** customers to fully maximise their mobile phone plans

HOOQ, a partnership between **Singtel, Sony Pictures Television** and **Warner Bros. Entertainment**, was established to bring OTT video to Asia

HOOQ

AIS successfully rolled out 3G nationwide and launched "YOU! mobile", the world's first prepaid plan in which customers can swap unused voice minutes and data in real time

Telkomsel brought the first commercial 4G LTE mobile service to Indonesia

Globe Telecom was the first operator to commercially launch 4G in the Philippines

Airtel crossed the 300-million-customer milestone across South Asia and Africa. It also leverages enhanced spectrum holdings to expand 3G and 4G footprint in India

NCS launched SURF@NCS to create and test-bed smart city innovations

Singtel, Samsung and **Ericsson** unveiled the world's first commercial 300Mbps 4G LTE-Advanced service for smartphones and introduced 4G ClearVoice, the world's first commercial full-featured Voice over LTE (VoLTE) service

Singtel redesigned mobile plans to offer high-speed WiFi usage in addition to 4G data bundles

Chairman's Statement

Dear Shareholders,

I am pleased to report that Singtel has ended the financial year with another set of strong results, reflecting the resilience of our core business and our ability as a Group to capture growth in mobile data services.

LEADING AND SHAPING THE DATA REVOLUTION

In my 2011 statement, I highlighted that the world was on the cusp of a mobile data revolution.

The ability to access the internet anytime and anywhere through a mobile device – whether a smartphone or tablet – created an insatiable consumer appetite for online information, pictures and videos. It also opened up a world of free apps from over-the-top (OTT) players that help consumers to communicate, access entertainment and perform a myriad of tasks.

The resulting demand for more data, bandwidth and higher speeds has grown unabated, fuelled by trends such as video on-the-go, rich communications and other entertainment.

For Singtel, we not only want to be a part of this revolution, but also to lead and shape it. In response, we have been pursuing a fundamental transformation of our business model. We took steps to transform our core – investing in network, technology and spectrum as well as changing our pricing models to successfully manage the transition from a voice-centric to a data-centric world.

At the same time, by sharing our experience in transforming our business, we are helping our regional mobile associates navigate through the same industry challenges and changes that are taking place in their respective markets.

MEETING COMPLEX DEMANDS ON ICT SERVICES

In the enterprise space, businesses and public agencies are similarly exploiting mobile capabilities as levers for growth. For greater efficiency, many are also outsourcing their IT infrastructure and technology needs to focus on their core businesses.

The shift to cloud services has created complex demands on infocomm technology (ICT) services. This is underlined by the need for greater connectivity, cyber security and advanced analytics, which Singtel is well-positioned to meet.

Cyber security, in particular, is a critical agenda item for all board and risk committees of enterprises and organisations globally. Through our acquisitions and partnerships with best-in-class global security providers, Singtel is investing to build leading cyber security capabilities and a new global business, to help our customers stay ahead of the growing cyber risk.

SHARPENING OUR DIGITAL PLAY

We continue to invest in other growth engines, especially in the digital space.

Our resources are now focused on three distinct digital businesses. We are scaling Amobee to become a global digital marketing business, while rolling out HOOQ, our regional premium OTT video service, and DataSpark, our advanced analytics initiative. Each of these businesses leverage our unique telco assets and customer knowledge.

We remain in an investment phase in each of these businesses and they operate within the risk appetite and framework established by the Group.

DELIVERING STRONG FINANCIAL PERFORMANCE

For FY 2015, the Group delivered strong financial performance with growth contributions from our core businesses, despite the effects of a weaker Australian Dollar, Indonesian Rupiah and operating losses from

"Looking ahead, we see the mobile data revolution gaining further momentum. The need for people, businesses and objects to be interconnected will drive higher demand for connectivity and data services."

our new businesses. Net profit rose 4% and would have grown 6% in constant currency terms.

The Board has recommended a final dividend of 10.7 cents per share, bringing the total ordinary dividends for the financial year to 17.5 cents.

CONTINUING COMMITMENT TO CUSTOMERS AND SHAREHOLDERS

Looking ahead, we see the mobile data revolution gaining further momentum. The need for people, businesses and objects to be interconnected will drive higher demand for connectivity and data services.

The challenge, and the opportunity, for Singtel is to continue to lead and shape this data-driven digital world with services that are important to our customers and create sustainable value for our shareholders.

Having the right team is key to the success of our business. I wish to thank the staff and management of Singtel who put forward their best at work every day, undeterred by the relentless pace of competition and industry shifts.

I also thank my fellow directors for their contributions, and especially to two of our longest-serving directors who will be stepping down following the Annual General Meeting – Kai Nargolwala, Lead Independent Director, and Fang Ai Lian, Chairman of the Audit Committee. The Singtel Board and Management will miss their wise counsel.

At the same time, we welcome our new directors – Venky Ganesan, an experienced technology venture capitalist, and Teo Swee Lian, who was the Special Advisor in the Managing Director's Office at Monetary Authority of Singapore. Their appointments will add to the diversity of the Board and we look forward to their added experience and skills in helping steer the Group's ongoing transformation.

SIMON ISRAEL
CHAIRMAN

GCEO Review

" FY 2015 saw us continue to make significant progress. We successfully raised the performance of our core consumer businesses in both Singapore and Australia despite strong competition. We tightened the focus on our promising digital businesses: digital marketing, premium OTT video and advanced analytics. We laid the foundations for enterprise growth in cyber security and cloud technology. "

OUR TRANSFORMATION PROGRESS

We are three years into our transformation – a journey that is focused on two objectives. The first is to re-engineer and strengthen our core businesses so that they continue to thrive in the digital world. The second is to leverage our unique assets as a telco to create new global digital businesses.

FY 2015 saw us continue to make significant progress in both areas. We successfully raised the performance of our core consumer businesses in both Singapore and Australia despite strong competition. We tightened the focus on our promising digital businesses: digital marketing, premium over-the-top (OTT) video and advanced analytics. We laid the foundations for enterprise growth in cyber security and cloud technology.

One visible change we made in FY 2015 was the launch of our new brand identity. The new Singtel aims to celebrate customers' everyday lives and help them discover experiences – at work, at home, or when doing their favourite things – in an effortless and seamless way through better service, technology and content. It reflects the shift we have made from a traditional telecommunications company to a provider of rich multimedia and infocomm technology (ICT) solutions. This ethos is carried into the role we play in the community. We work with key partners to enable sustainable business practices and help vulnerable segments of society.

STRONG FINANCIAL PERFORMANCE

Through this period of transformation, our financial performance remains resilient despite significant foreign currency volatility. Over the past three years, we have experienced unprecedented weakness in the regional currencies, especially the Australian Dollar, Indian Rupee and Indonesian Rupiah. These have masked the underlying profit improvement in our operations when translated into Singapore Dollars.

In FY 2015, our net profit grew 4% to S$3.8 billion. On a constant currency basis, net profit increased 6%.

RAISING THE PERFORMANCE OF OUR CORE BUSINESSES

We continue to drive change throughout our core businesses to deliver to the evolving expectations of our consumer and enterprise customers. The foundation of our services will always be our networks, and we continue to invest to bring the latest capabilities to our customers. In Singapore, we launched 4G speeds of 300Mbps and a full suite of Voice over LTE (VoLTE) services, becoming the first operator globally to do so. Across Singapore and Australia, we invested more than S$3 billion in our networks and spectrum in FY 2015.

We continue to invest strategically for the future and expect investment in our core businesses to increase in the coming year. This includes new billing and customer care systems to provide greater flexibility and an improved experience for customers in Singapore and Australia. We are also enhancing our 4G network in Australia to meet the rapidly growing demand for mobile data. To support our enterprise growth, we are boosting data centre capacity in Singapore and the region. These investments are complemented by ongoing cost improvements throughout our core businesses as we look to build operating models that are responsive to the future and not held back by the legacy of the past.

A key priority over the past three years has been to put in place more sustainable revenue models. Our data pricing plans in Singapore and Australia give customers greater peace of mind to use more mobile data services. We saw higher data usage, with mobile data revenues increasing by more than 20% across Singapore and Australia. We regained momentum in Australia with our investments in network, spectrum and customer experience.

Optus' mobile service revenues returned to growth and increased 3% in FY 2015. I am pleased that Optus now competes from a stronger base.

We will continue to explore opportunities to collaborate with OTT players. With our customer knowledge and billing relationships, we can significantly enhance the content and delivery in the apps ecosystem. Globe, our Philippine regional mobile associate, partnered

with Facebook to run promotions that gave mobile customers free access to the social network. This opened up the world of social media to a new cohort of users. Such collaborations are a win-win for both parties as they seek to grow their influence with customers.

GAINING TRACTION IN DIGITAL

We made the decision three years ago to boldly venture into the digital space. We have learned much during this time – how to build teams that are effective in the fast-paced digital world, how to make decisions quickly on what ventures to pursue and grow and when to exit, and how best to leverage our unique telco assets to create successful digital services.

After this period of experimentation, we have sharpened our focus on businesses that have gained good traction and are able to scale. We have migrated some of our digital lifestyle services to our core consumer business, where they can be deployed to enhance the user experience of our telecommunications offerings.

We have identified digital marketing, premium OTT video and advanced analytics as key growth areas. We will double our efforts to build these businesses – under the respective brands of Amobee, HOOQ and DataSpark – to become significant players. Amobee made important investments that broadened its market reach and acquired new technology with better targeting capabilities.

To help them navigate and grow in the fast-moving digital space, each of these businesses will be guided by a Board that includes independent directors with relevant industry and domain expertise.

The Group's ability to innovate and gain operating leverage in the digital space is key to our transformation success. Singtel Innov8, our corporate venture capital fund, continues to give the Group access to leading innovations.

DRIVING GROWTH IN ENTERPRISE

Group Enterprise is a significant business for us, representing more than a third of revenues across Singapore and Australia. We continue to maintain market leadership in Asia Pacific. Our ICT solutions play a key role in improving the efficiency and security of businesses and governments across the region.

In FY 2015, we doubled down on two priority areas – cyber security and cloud services – to extend our ICT leadership and provide platforms for global growth.

Our acquisition of Trustwave will significantly strengthen our global cyber security capabilities. Its managed service capabilities will complement our existing partnerships with FireEye and Akamai, two leading cyber security solutions providers.

We continue to invest in cloud capabilities. We accelerated the growth in G-Cloud services in Singapore, with multiple government agencies on board, and acquired Ensyst, a leading cloud consulting and migration services company in Australia. We are also working with our associates to enhance their cloud offerings in their markets.

GROWING WITH OUR REGIONAL MOBILE ASSOCIATES

FY 2015 was overall a good year for our associates, with all but our Africa operations gaining market share. Pre-tax profit contributions from our regional mobile associates increased 18%, and an impressive 22% in constant currency terms.

Our associates are experiencing strong mobile data growth, spurred by a burgeoning middle class as well as the increased availability and affordability of smartphones and other connected devices. These devices will become the staple of everyday life and the must-have for people to surf the internet, pay bills and interact on social media. Innovation will not stop there. New content, business models and fresh marketing concepts, together with affordable internet prices, can change lives as deeply as, if not more than, mobile voice services did.

As part of the Singtel Group, our associates can move more quickly to build the necessary data-centric capabilities, and create better products and operating models. In FY 2015, we launched new initiatives to facilitate greater collaboration across our mobile operations. We established six Centres of Excellence to help our associates develop key capabilities more quickly in areas such as network design, analytics and data pricing. We held Product Innovation Fairs at our regular CEO gatherings to cross-pollinate new ideas. Harnessing our Group's scale, we entered into group-level strategic partnerships with key vendors, including Samsung.

"Our results over the last three years have shown that we have a quality business, can respond to industry challenges and deliver resilient financial performance. I am confident that our businesses are in a much stronger position today to thrive in the digital era."

We also worked with content partners and our associates to launch HOOQ, our OTT premium video service, which can be delivered to a wide array of devices and on different platforms. The product has been launched in the Philippines, Thailand and India.

BUILDING OUR TEAM

Our plans cannot be implemented successfully without the right leadership and talent in our businesses. We have put in place long-term commitments and initiatives to nurture talent and build competencies in network engineering, cyber security, smart cities, customer experience and data analytics. These programmes are in collaboration with key Singapore government agencies and leading educational institutions.

We strive to create a working environment that fosters creativity and innovation, underpinned by a shared set of ethical values that drive us as a company. I am pleased to report that our employee engagement scores continue to be at all-time highs for us.

ENABLING POSITIVE CHANGES IN THE COMMUNITY

We aim to create long-term growth for our business, while enabling positive changes in the marketplace and communities we operate in.

We have developed a Group-wide Sustainable Supply Chain Management Framework to engage our key vendors and partners in responsible business practices, and will continue to work on reducing our environmental footprint.

Our community focus is on the well-being of people and helping the less privileged realise their potential through digital and infocomm technologies. We have begun building the Singtel Enabling Innovation Centre to support skills training and assistive technology development for persons with disabilities to enhance their employability. Our corporate philanthropy programme, the Singtel Touching Lives Fund, has raised S$30 million over the past 13 years for children and young people with special needs. Across Singapore and Australia, we have also rolled out cyber wellness programmes for youths and parents.

LOOKING FORWARD

We have made good progress so far, though we still have much to do. The fast pace of change in our markets will certainly continue, and we will face new challenges in the coming years. However, our results over the last three years have shown we have a quality business, can respond to industry challenges and deliver resilient financial performance. I am confident that our businesses are in a much stronger position today to thrive in the digital era.

CHUA SOCK KOONG
GROUP CHIEF EXECUTIVE OFFICER


Singtel
Singtel
Singtel
Singtel
Singtel
S6
NEXT IS
NOW
Galaxy
S6


OPTUS
SHARING

Group Consumer

MARKET TRENDS

The volume and variety of data carried through telcos' networks continue to grow rapidly.

Customers are consuming and co-creating an increasing amount of information, photos and videos on the internet. Emerging trends – such as connected appliances, big data and cloud computing – will fuel demand for data services across both fixed-line and mobile platforms.

Telcos are competing for customers with better coverage, faster internet speeds and improved services. Much investment is necessary to maximise customer experience. Only telcos with sustainable pricing models and differentiated services will be able to continually make these investments.

STRATEGIC PRIORITIES

To capture the growing data demand, Group Consumer is focused on delivering the best customer experience with faster speeds, greater coverage, and innovative and useful products. We are also committed to help our regional mobile associates build necessary data-centric capabilities and create better data products and operating models.

In FY 2015, we invested more than S$3 billion in network infrastructure and spectrum across Singapore and Australia.

In India, Airtel secured precious wireless spectrum for more than 290 billion Indian Rupees, or more than S$6 billion. Our associates in other markets have similarly made significant investments in their networks and spectrum.

We will continually review our business models and pricing structures to ensure fair returns for our investments.

OUR ASSETS/ STRENGTHS

As a group, we serve over 550 million mobile customers in Asia, Australia and Africa, encompassing developed and emerging markets. This creates benefits in several ways:

- **Scale benefits:** We enjoy economies of scale in areas such as procurement, technology deployment and marketing, as business partners work with us as a collective group.
- **Shortened learning curve:** As individual companies go through different stages of market development, we gain experiences that could be useful for other companies in the Group. By sharing our knowledge and insights, we help one another shorten the learning curve, navigate common challenges and be more effective against competition.

We have strong positions in our markets.

In Singapore, Singtel is the market leader in mobile and consumer home services, which are delivered over modern networks and with creatively bundled content and price plans.

In Australia, Optus is the second-largest telecommunications group with a strong brand that stands for great customer experience, simple products and a fast, reliable network.

Our regional mobile associates are leading mobile operators in Thailand (AIS), India (Airtel) and Indonesia (Telkomsel), and number two in the Philippines (Globe). Through Airtel, we also have a presence in 17 African countries. Our associates have been actively upgrading their mobile networks and are poised to capture the growth in mobile data services.

Group Consumer Singapore

Singtel maintained its strong leadership position in the Singapore telco market in FY 2015. It served 4.1 million mobile customers [1], 588,000 fixed-line broadband customers [1] and 423,000 pay TV customers as at 31 March 2015.

We are well-placed to build on our leadership in an evolving and increasingly competitive market where consumers:

- continue to embrace over-the-top (OTT) communications and video services,
- increasingly turn to mobile apps to take care of everyday needs and simplify their lives, and
- demand always-on and seamless connections to the internet wherever they are – at home, at work and on the move.

These behaviours and expectations have driven rapid growth in mobile data services and customers' need for faster internet speeds at home. Our customers have been actively migrating to fibre broadband services and almost three-quarters of them have already made the transition.

Singtel has the fastest and most extensive network in Singapore. According to the Infocomm Development Authority (IDA) reports, we have the most complete 4G coverage in the country [2].

We have a history of pushing the boundaries in telecommunications, and are committed to deliver better network and technologies, innovative products and outstanding customer experiences to our customers.

DELIVERING A BETTER NETWORK

Our market-leading network underpins our products, services and innovations, so we continued to drive infrastructure upgrades to improve the coverage, reliability and speed of our network in FY 2015. Customers expect uninterrupted coverage – whether indoors, outdoors or commuting – and quality performance to enjoy videos, games and other high-bandwidth applications.

In FY 2014, Singtel became the first telco to launch a nationwide dual-band 150Mbps 4G service. We raised the bar again in FY 2015, becoming the first telco in the region to introduce a 300Mbps 4G service. Powered by state-of-the-art Long-Term Evolution (LTE) Advanced technology, our 300Mbps service delivers an unrivalled experience for consumers as they access rich multimedia content and communications on the move.

4.1m
MOBILE CUSTOMERS [1]

588,000
FIXED-LINE BROADBAND CUSTOMERS [1]

423,000
PAY TV CUSTOMERS

Notes:
(1) These figures include both enterprise and consumer customers.
(2) IDA survey on nationwide 4G outdoor service coverage, Jan - Mar 2015.

To enable customers to take advantage of these increasing speeds, we also launched relevant services such as the world's first commercial full-featured Voice over LTE (VoLTE) service, in collaboration with Samsung and Ericsson. With our 4G ClearVoice service, calls are connected up to five times faster than conventional mobile calls. The voice quality is also significantly better, with richer and more accurate sound, and noticeably reduced background noise.

BUILDING THE NETWORK OF THE FUTURE

In-building and hard-to-reach areas, such as Mass Rapid Transit (MRT) tunnels, often present coverage issues for mobile operators. We have enhanced 4G coverage in all underground MRT tunnels and stations to offer customers a seamless surfing experience.

To meet the increased demand for data-heavy applications, we enhanced our mobile data offerings with complementary WiFi data usage on Singtel's premium high-speed WiFi network. Customers who sign up for our new Combo mobile plans receive extra data allowance on our WiFi network, which is five times faster than the speed of public WiFi and is available at crowded locations such as shopping malls and MRT platforms. Singtel WiFi is currently available in 20 MRT platforms and this number will continue to grow in the coming months.

CASE STUDY: COMBO PLANS OFFER THE BEST OF 4G AND WIFI

Singtel is always looking for new ways to unlock more value for our customers, which is why we launched our Combo plans in FY 2015. These mobile plans fully integrate our 3G and 4G services with our new high-speed WiFi network, which is being rolled out in high-traffic locations such as shopping malls and underground MRT stations.

Our Combo plans are differentiated from competitors', underpinned by complementary mobile and WiFi networks, to provide substantial capacity in congestion-prone locations. Our Singtel WiFi network also delivers premium performance, offering up to five times the speed of public WiFi services.

Combo plan customers enjoy a seamless mobile experience, as their handsets automatically switch between the Singtel 3G, 4G and WiFi networks without a manual password login. To meet consumers' growing appetite for data, Combo plans include unlimited WiFi for a limited time in addition to their 4G data allowance.

We are expanding our WiFi network, having already deployed over 400 hotspots as at 31 March 2015. The combo plans have attracted more than 400,000 customers and the majority of them are already using the WiFi service.

In pursuit of even faster speeds, we have also started our rollout of Tri-band Carrier Aggregation, a technology that combines bandwidth from three of Singtel's spectrum bands to improve download speeds and improve the quality of video streaming.

Finally, we moved a step closer to making 5G a reality, with the promise of advanced applications such as multi-person video calls. As a member of the global Next Generation Mobile Network (NGMN) Alliance, Singtel contributed to the recently published NGMN 5G white paper, which defines operator requirements ahead of 5G's anticipated release in 2020.

We launched a 5G Joint Innovation Programme with Huawei to conduct research into next-generation mobile broadband technologies, and signed a memorandum of understanding with Ericsson to study the future of 5G networks and its applications for both consumers and enterprises.

Singtel and Ericsson are also partnering for Singapore's first WiFi calling trial this year. This technology will allow our customers to make and receive calls via their home or public WiFi networks, effectively extending the coverage of Singtel's mobile services. The solution provides seamless call handover between 4G and WiFi, ensuring customers' calls are uninterrupted.

CREATING INNOVATIVE CUSTOMER EXPERIENCES

We differentiate ourselves from competitors with innovative services and outstanding customer experiences. We upgraded the My Singtel app to allow customers to easily perform functions such as topping up their prepaid cards and paying bills.

Our online virtual agent, "Shirley", was introduced to answer common queries, providing customers with a fast and convenient alternative to calling our hotlines. Since its introduction in November 2014, "Shirley" has replied to more than a quarter million questions from customers, with an accuracy rate of more than 85%.

We launched a new brand promise in January 2015, reiterating our commitment to improve customer experience. As part of this promise, we introduced a series of service improvements. Customers can book their preferred appointment times with Singtel shops via our website and My Singtel app. They can also schedule a call-back at a convenient time from Singtel customer care representatives, eliminating wait times and avoiding missed calls. Customers with service appointments at home or at the office can expect the Singtel installation team to arrive within 30 minutes of their appointment time, the shortest wait time in the market. Delivery options were also enhanced, with convenient 24/7 self-collection points – SingPost POPStations – situated throughout the island.

DEVELOPING NEW-GENERATION MOBILE SERVICES

Singtel continued to introduce new-generation mobile services, ranging from banking to entertainment in FY 2015. We also keep in mind that each customer is different and we must constantly lift our game to meet their diverse needs.

Innovative products such as our Combo plans offer customers WiFi usage in addition to their mobile data bundle. Customers can also customise their own mobile plans with our Easy Mobile plan. They can choose how much talk time, SMS and data allocation they want to purchase from month to month. This gives maximum flexibility and choice to customers.

We ventured further into the area of financial services with new initiatives such as mRemit, a self-serve remittance service that allows customers to use their mobile phones to instantly and securely transfer money to bank accounts in India, Indonesia and the Philippines.

We introduced our award-winning mobile banking and payments app, Dash, in partnership with Standard Chartered Bank. A first-of-its-kind collaboration between a bank and a telco, Dash integrates mobile banking, payments and shopping into one convenient app.

ENTERTAINING OUR CUSTOMERS

Our pay TV service, Singtel TV, plays a vital role in our consumer strategy, complementing our suite of communications and entertainment services for mobile devices, TVs and computers.

We boosted our suite of TV content with more than 20 new channels from partners such as Turner International, TransTV and NBCUniversal, including CNBC, CNN International, Cartoon Network and E! Entertainment. We also added a range of ethnic channels to cater to different races and ethnic communities. Singtel TV is now host to the largest number of high-definition channels in Singapore.

We entrenched our reputation as the "home of sports", as the main broadcaster of the Barclays Premier League and key sporting events such as the 2014 FIFA World Cup, Commonwealth Games, Youth Olympics and Asian Games. All events except the World Cup were made available for free viewing to all Singtel TV customers.

Customers of our World Cup package were able to catch all the games from wherever they were via the Singtel TV GO mobile app. Football fans could watch the matches for free at community centres around the island, and had access to four key matches via the Singtel TV GO mobile app at no charge.

To further improve customers' sports-viewing experience, we continue to trial new technologies such as LTE Broadcast. It will enable us to cost-effectively stream sporting events and other live TV to customers' mobile devices. Our first LTE Broadcast trial was conducted at the 28th Southeast Asian Games in June 2015.

Group Consumer Australia

Optus 10

PROVIDES BROADCAST, VOICE AND DATA CONNECTIVITY TO RURAL AND REMOTE PARTS OF AUSTRALIA

MapBlaster

OFFERS COVERAGE MAPS, NETWORK EXPERIENCE DETAILS AND UPDATES ABOUT LIVE OR PLANNED OUTAGES

86%

OPTUS 4G NETWORK COVERS 86% OF AUSTRALIAN POPULATION

Optus' three-year business transformation yielded encouraging results during the financial year. In Australia, data usage is accelerating and outpacing that of voice and SMS services. Optus has embraced this trend by making important changes to its operations and investments over the past three years.

We were therefore well-positioned to benefit from the growth in data consumption, which has come with the widespread adoption of smartphones, video streaming and other OTT services. This trend will gather pace as Australians continue to adopt new internet-based entertainment services.

We are delivering on our "Yes" brand promise to consumers, by offering a great customer experience, simple products and services, and a fast, reliable network.

EXPANDING OUR NETWORK

As Australia's second-largest telecommunications group, Optus knows that providing a great customer experience starts with a great network. This year we continued to expand our mobile, fixed-line and satellite services.

We accelerated the rollout of our multi-band 4G network, expanding coverage to 86% of Australia's population, as at 30 April 2015.

During the year, we gained access to the LTE 2600MHz and 700MHz spectrum that we purchased from the Australian Federal Government in the previous year.

With the low-frequency 700MHz band, we expanded our mobile network to more places throughout the vast Australian continent, bringing Optus 4G coverage to many more customers.

The extra high-frequency 2600MHz spectrum enabled us to expand our coverage in regional and selected metropolitan areas.

To show customers exactly how our mobile network is expanding, Optus launched MapBlaster. This online tool offers coverage maps, network experience details, and updates about live or planned outages. Customers can check coverage at their house or any travel destination within Australia. They can see when 4G is coming to their community and what devices are compatible with our 4G network.

We also launched Optus 10 in September 2014, expanding our satellite fleet to six. Optus is the only Australian company to own and operate a satellite fleet. Optus 10 provides backhaul and connection services for regional and remote sites across the Optus mobile network. This enables Optus to further leverage its telecommunications infrastructure, providing broadcast, voice and data connectivity for consumers and enterprise customers in rural and remote parts of Australia.

We intensified our efforts in the fixed-line broadband market. Optus reached an agreement with nbn to transfer ownership of our Hybrid Fibre Coaxial (HFC) network to the operator of the National Broadband Network (NBN).

This will help accelerate the rollout of Australia's NBN, which potentially opens up the Australian fixed-line broadband sector to greater competition, more choice for consumers and opportunities for Optus to gain market share.

To this end, we fast-tracked our NBN customer acquisition strategy by increasing our direct and local marketing in key communities, and providing retail staff with additional training on the NBN to assist customers with the connection process.

IMPROVING CUSTOMER EXPERIENCE

Optus launched a number of other initiatives to improve the customer experience in our brick-and-mortar stores, digital channels and from our contact centres. In 2013, we began reshaping our retail strategy, rebranding the shopfronts and remodelling them with an innovative design. As a result, our stores are more open and boast friendly spaces where customers can interact easily with products and service staff. The new design is popular with customers and won a gold for the best store design in Australia and New Zealand at the 2014 awards run by POPAI, the global association for retail marketing.

CASE STUDY: UNLIMITED BROADBAND BUNDLES

Optus' goal is to "own the home" as an integrated telecommunications and entertainment provider. It is positioning itself to gain share in the highly competitive fixed-line market through localised marketing and value-driven broadband bundles that give consumers the freedom to choose plans that suit their lifestyles.

In FY 2015, we lifted our market share in Australia's fixed-line broadband market by:

- making disruptive offers that deliver great value to consumers, and
- transforming into a multimedia business through partnerships with premium entertainment brands such as Netflix.

New video-streaming services and other OTT services are transforming consumers' broadband needs. In December 2014, we announced a tactical discount on our unlimited cable plans. Due to strong demand, we extended this offer to all our unlimited data plans in February 2015.

Our unlimited plans offer a range of bundled services, including domestic and international call inclusions or entertainment packs such as Optus TV with Fetch. The plans are designed to give customers the freedom to use as much data as they want, however they want to use it, whether they are watching video, downloading large files or staying connected with family and friends.

Having redesigned the Optus website in 2013, we shifted our focus to trial a “chat to voice” feature that allows customers on web chat to easily call an operator. Customers responded very positively to this trial.

We further improved the My Optus App and My Account web portal to help customers better manage their plans and control their expenses. The My Optus App allows mobile customers to keep track of their calls and data, manage features such as international roaming and get help with Live Chat.

Optus continued to invest in technology and contact centre capabilities to achieve our goal of ensuring every interaction with a customer is tailored to their expectations and needs. We carefully track our Net Promoter Score (NPS) in our efforts to provide an outstanding customer experience. Optus continues to have the best NPS score of any tier one Australian telco. It ended the year with an NPS of +4.

SIMPLIFYING PRODUCTS AND SERVICES

We continued to simplify our products and services, delivering better value and greater certainty for customers.

Two years ago, Optus introduced My Plan to help protect customers from bill shock by providing automatic and affordable top-ups instead of charging high fees for excess data and voice usage. In June 2014, we took that a step further by allowing data sharing through our new My Plan Plus service.

My Plan Plus allows customers to share their mobile phones’ included data, with up to five other mobile broadband devices, such as a SIM-ready tablet, pocket WiFi or USB modem. Customers no longer have to chase WiFi hotspots or use battery-draining tethering on their smartphones.

Optus expands awareness of its “Live More Yes” brand campaign

We are the only Australian telco that charges once for data sharing. Our customers pay an affordable set-up fee for each device – there are no additional ongoing charges. They also have peace of mind knowing that if they exceed their data allowance, the automatic top-up costs just A$10 per 1GB.

We also simplified our prepaid plans, so customers only pay for the days they use. Optus responded to customers who wanted longer credit expiry and the option to roll over any unused credits before the expiry date, without having to top-up additional credits. We offer two plans, My Prepaid Daily and My Prepaid Daily Plus, to suit different usage needs.

To make it easy for our customers to replace damaged, lost or stolen mobile devices, we introduced My Cover. This simple insurance plan covers any mobile phone or tablet sold by Optus, including accessories.

We doubled our efforts to increase our fixed-line broadband market share. We added a new unlimited data plan, the Big Home Bundle, and introduced lower promotional prices for our unlimited data bundles to meet consumers' growing appetite for services delivered over the internet. Customers also have the freedom to bundle their internet connection with a range of telephony and entertainment services that suit their lifestyle.

Broadband data usage is being fuelled by OTT services such as video streaming. We have partnered with Fetch TV to provide internet-based subscription television to our customers for nearly four years. In March 2015, we added Netflix to our portfolio, offering three and six-month subscriptions for new prepaid, broadband and postpaid customers.

Optus is paving the way for an entertainment revolution by giving customers the freedom to view as much entertainment as they want.

DELIVERING ON OUR "YES" COMMITMENT

We renewed our focus on marketing in the financial year, ensuring a year-round presence in the market with the Optus "Live More Yes" campaign. The campaign underpinned all of our on-air, outdoor, direct marketing and online marketing efforts, creating a distinct brand awareness across Australia.

Importantly, our upgraded network, customer experience initiatives and simplified products and services are ensuring Optus is delivering on its brand commitment to "Yes".

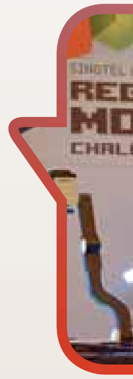
Group Consumer
Regional Mobile Associates

CASE STUDY: SINGTEL GROUP-SAMSUNG REGIONAL MOBILE APP CHALLENGE

The Singtel Group-Samsung Regional Mobile App Challenge is a great example of how we harness the Group's reach to work with start-ups, and bring innovative mobile apps to our 550 million mobile customers around the region.

Through a Group regional partnership with Samsung, Singtel, Optus and our regional mobile associates, candidates with innovative mobile apps were shortlisted through a series of local competitions. Winners then competed at the regional challenge in November 2014.

We have since been working with the winners to launch their apps. The winning apps help customers in various domains from documenting their precious memories to sharing files with people around them. In April 2015, India's Catch It, Indonesia's Jepret Story and Singapore's Fiuzu were made available to our associates' customers using the new Samsung Galaxy S6. The apps will be rolled out to other Samsung devices in an effort to boost smartphone penetration and mobile apps in our markets.



The digital revolution is bringing tremendous opportunities for our regional mobile associates as millions of customers embrace mobile data and the convenience modern internet brings.

In our markets of India, Indonesia, Thailand and the Philippines, many customers are experiencing the internet for the first time through their mobile devices. Fixed broadband infrastructure is either unavailable or prohibitively expensive. Mobile data technology meets an urgent and untapped market. Telcos are rolling out advanced mobile data networks, while handset manufacturers are also shipping an increased variety of smartphones at affordable prices.

More than a third of our customers in the emerging markets now use mobile data services. Indonesia is now one of the social media capitals of the world going by the nation's prolific use of Twitter and Facebook, while Manila has been identified by Time magazine as the city where the most "selfies" are taken globally. All of our associates experienced double-digit growth in mobile data revenue last year.

With only one in three people owning smartphones – compared to as high as 72% in Singapore and Australia – demand for mobile data services is expected to climb further.

Our associates are investing heavily in mobile infrastructure to expand their networks to meet the rising demand for mobile data. They are also collaborating with popular application and content providers to create useful and affordable data bundles to entice first-time users to try out mobile data services.

As a long-term strategic investor, we work closely with our associates to proactively plan for responses to industry trends and market challenges. As a collective group, we generously share our experiences and expertise to help each member in their home market.

INVESTING TO BUILD TOMORROW'S NETWORKS

As the demand for data services increases, our associates are expanding their 3G and 4G, or LTE, network capabilities.

Collectively, our regional mobile associates invested S$13 billion in capital expenditure in FY 2014 and FY 2015. A significant portion of these funds were spent on building mobile data networks. The associates will be investing S$9 billion in capital expenditure collectively in FY 2016.

Winners pitch their products at the Singtel Group-Samsung Regional Mobile App Challenge

Singapore's Minister of Communications and Information, Dr Yaacob Ibrahim, Singtel's management and other invited guests present prizes to the regional winner, Wattcost

CEOs of the Singtel Group comprising AIS, Airtel, Globe Telecom, Optus, Singtel and Telkomsel together with the finalists of the Singtel Group-Samsung Regional Mobile App Challenge

In Thailand, AIS has the highest number of 3G customers and its network covered 97% of the population as at 31 March 2015. Currently, 93% of its customers are on the 3G network. AIS is also leveraging fibre optics built for its 3G network to offer fixed broadband services. It intends to drive increased penetration of home broadband services.

India offers great growth opportunities with its relatively low mobile data adoption, particularly in rural areas. Our associate, Airtel, already holds 3G and 4G spectrum in most of the mobile service areas in the country. It was the first to offer 4G in India, and its high-speed network is now available in 19 cities. In March 2015, the company acquired additional 111.6MHz mobile spectrum for 291.3 billion Indian Rupees, which gives it a 20-year leading platform to provide mobile data to its customers.

Across the African continent, softening global oil and commodity prices, as well as weakness in key trading partners, moderated its economic growth in FY 2015. Nevertheless, Airtel Africa's mobile data customer base grew by 36% to 30.4 million, accounting for 40% of its total customer base as at 31 March 2015. The telco has 3G licences in all 17 countries it operates in. It has expanded its 3G network footprint, with 3G sites accounting for 53% of its total sites of 18,819, a marked increase from 39% a year ago. Airtel signed four agreements to divest telco tower assets across 13 countries in Africa. The divestments will drive industry-wide cost efficiencies by promoting infrastructure sharing and further accelerate the growth of telco services in the African continent.

The Philippines was Asia's second-fastest growing economy in 2014. Household incomes and consumer spending continue to rise. As with other developing markets in Asia, the country's consumers are quickly adopting the digital way of life. Our associate, Globe, is well positioned to benefit from data

Group Consumer
Regional Mobile Associates

AIS
57% YoY
GROWTH IN MOBILE DATA REVENUE

airtel INDIA
70% YoY
GROWTH IN MOBILE DATA REVENUE

airtel AFRICA
47% YoY
GROWTH IN MOBILE DATA REVENUE

Globe
44% YoY
GROWTH IN MOBILE DATA REVENUE

TELKOMSEL
36% YoY
GROWTH IN MOBILE DATA REVENUE

growth with the completion of its network transformation programme in FY 2014.

Globe offers nationwide 3G coverage and was the first operator to commercially launch 4G in the Philippines. It is further improving its network performance in FY 2015 by deploying single self-organising network technology. This technology intelligently manages complex networks and redirects traffic to achieve optimum coverage, capacity and quality, delivering a more consistent customer experience.

In Indonesia, smartphone penetration and data adoption have overtaken customer growth as key market drivers. With increased competition from new and existing players, Telkomsel is differentiating itself through new digital services, better customer experience and continuous network expansion. In December 2014, Telkomsel became the first mobile operator to launch LTE in Jakarta and Bali. As at 31 March 2015, it had also installed more than 42,000 3G mobile base stations across the country, representing 47% of its base stations, and achieved population coverage of about 60% for its 3G network.

PROMOTING THE GROWTH OF MOBILE DATA

Smartphone and mobile data adoption are still in the early stages of growth in many of our associates' markets. There are many first-time users who need reassurance and guidance to use smartphones and mobile data. Singtel and its associates have introduced innovative products and services and simple price plans to enable customers to fully experience the digital world.

In January 2015, Singtel established HOOQ, a premium OTT video service that allows customers to watch their favourite Hollywood and Asian movie and TV series on any device, anytime, anywhere. Our associates' customers enjoy priority access and affordable plans that bundle HOOQ with the operators' mobile and fixed-line broadband services. HOOQ was launched in the Philippines in March 2015, Thailand in May 2015 and India in June 2015. More information on HOOQ is available on page 40.

In Thailand, AIS' suite of TV apps, comprising AIS Live TV, AIS Movie Store and AIS on Air, have gained momentum. AIS Live TV, which allows customers to watch cable and satellite TV on their mobile devices, has been downloaded more than three million times since it hit the market. More than 2.7 million movies and TV shows were downloaded from the AIS Movie Store. Customers also enjoyed all 64 matches of the 2014 FIFA World Cup on AIS on Air, a mobile app that enables customers to watch live TV, highlights and news.

In November 2014, Airtel India launched One Touch Internet, a web portal that helps millions of first-time users in India access the internet. Available on prepaid mobile plans, customers can try out a range of popular services such as social networking, videos, online shopping and travel bookings, through tutorial videos and trial packs. Since its release, One Touch Internet has received about 53 million page views.

Airtel Africa launched the first affordable, customised smartphone across Africa with Qualcomm for US$53 in February 2015. The device has a user-friendly interface and layout, and provides customers in 17 countries quick and simple access to the internet. Airtel hopes to encourage existing and new customers using traditional feature phones to migrate to smartphones and accelerate data adoption in Africa.

"Singtel, Optus and our associates are stronger as part of the Singtel Group. All members share insights and initiatives that speed up the time to market for new products and services. This helps each member compete more effectively in the respective markets."

Globe rewrote the rule book with a landmark partnership with Facebook in October 2013. Globe gave its customers free unlimited access to the social media site and app for six months. The promotions helped first-time users overcome anxieties with using paid browsing services and weaned them off WiFi. With overwhelming demand from its customers, Globe relaunched its Facebook promotion in October 2014, which was extended to May 2015. The various digital initiatives undertaken by Globe resulted in double digit growth in its mobile data revenue in 2014.

Indonesia's Telkomsel Android smartphone programme, or TAU, encourages feature phone users to make the switch to smartphones. Launched in December 2014, the programme bundles low-cost Android smartphones, data and unlimited usage of popular messaging services at an affordable rate. Existing and new smartphone users can also activate the bundle immediately on their phone. Telkomsel is working with 17 device manufacturers to expand the programme.

FOSTERING CLOSER COLLABORATION

Singtel, Optus and our associates are stronger as part of the Singtel Group. All members share insights and initiatives that speed up the time to market for new products and services. This helps each member compete more effectively in their respective markets.

Through the regional Centres of Excellence set up in FY 2014, our associates have acquired new capabilities, resulting in better network quality and a greater range of apps and smartphones. We also shared lessons on how to create and promote sustainable pricing levels for data plans for customers.

We introduced new technologies and capabilities to help our associates enhance and optimise their network and gain more accurate insights into their customers' network experience. This has enabled them to serve their customers more effectively.

We held our first Singtel Group-Samsung Regional Mobile App Challenge to seek innovative start-ups and developers in the region and bring their apps to life. We also worked with device partners, such as Samsung and India's LAVA, to introduce a wider range of entry-level and affordable smartphones to the market.

Globe's GoSAKTO and Optus' My Plan inspired our associates to roll out similar plans in their markets. These personalised plans give customers the freedom to select the ideal combination of voice, data and SMS that suit their lifestyle needs.


Welcome To
NCS HUB

Group Enterprise

MARKET TRENDS

The regional and global operating environment continues to change rapidly for businesses and governments. Enterprises are leveraging greater connectivity and infocomm technology (ICT) to operate with agility, expand their market reach and achieve market competitiveness. Yet they also face challenges in ensuring that their assets – data, infrastructure and systems – remain secure and scalable in an increasingly digital world.

As a leading ICT services provider in Asia Pacific, businesses and governments trust Singtel to provide integrated systems, innovative solutions and secure networks – enabling them to operate effectively anywhere, anytime.

STRATEGIC PRIORITIES

To strengthen our market leadership position, we are moving boldly into three priority areas:

- **Cyber security:** We aim to be a global cyber security service provider that can meet the diverse needs of governments and enterprises with trusted and differentiated solutions.
- **Enterprise cloud services:** Through our comprehensive suite of cloud services, we are helping enterprises to increase productivity, achieve lower costs and accelerate innovation.
- **Smart cities:** We are developing innovative solutions and intellectual property (IP) to position Singtel as the lead partner for Singapore's Smart Nation Programme. With these capabilities and IP, we aim to play a key role in enabling smart cities in the region.

OUR ASSETS/ STRENGTHS

Singtel caters to the ICT needs of enterprises and governments with its assets, scale, resources and expertise such as managed services, enterprise mobility, systems integration and applications.

We work closely with our customers to proactively identify and anticipate their needs, innovate and co-create customised solutions to improve their operations or whole cities.

Group Enterprise

One of the Singtel Group's key sources of competitive advantage is the reach and quality of its infrastructure, spanning fixed and mobile networks, data centres, a network with more than 200 direct points of presence in 160 cities around the world and a growing suite of cyber security assets.

In 2014, we continued to expand our infrastructure to maintain our strong leadership position in the Asia Pacific region. For example, we are the leading provider of international Internet Protocol Virtual Private Network (IP VPN) services in Asia Pacific, with a 19.6%[1] share in 2013. We also lead the regional market in international Ethernet Virtual Private LAN services and dedicated peer-to-peer services, with market shares of 19.6% and 14.4%[1], respectively.

These network services are essential for providing secured connectivity, and we are two to three times larger than the next provider in the Asia Pacific region in terms of revenue share.

We are investing in the trans-Pacific FASTER and SEA-ME-WE 5 submarine cable networks. These new data superhighways will enable the equivalent of thousands of high-definition videos to be transmitted every second. We have also opened a second data centre in Hong Kong to serve the Greater China region, bringing the number of world-class data centres in the Singtel EXPAN network to 12.

ENHANCING ENTERPRISE CLOUD CAPABILITIES

In the enterprise cloud services arena, we have seen strong take-up of our cloud infrastructure that we have built for the Singapore government and enterprises in the region. We have also been selected to be on the panel of providers for cloud services to the Australian Federal Government.

Singtel has built a strong partnership with Microsoft to help businesses and governments migrate their Microsoft applications and services to the cloud. We also acquired Australia-based company, Ensyst, in December 2014 to bolster our capabilities in the growing market for cloud-related professional and managed services in Australia and Asia Pacific.

PROTECTING ORGANISATIONS FROM CYBER THREATS

As more business and government activities move onto the internet, cyber security is becoming a critical concern. The frequency and sophistication of threats that enterprises and governments face are growing every day, making it even more challenging for organisations to protect their assets, customers and reputations.

According to the inaugural Singtel FireEye Threat Intelligence report[2], 23% of enterprises in Singapore and 37% in the Asia Pacific region detected advanced and persistent malware – or malicious software code – in their systems between July and December 2014.

>200

POINTS OF PRESENCE IN 160 CITIES AROUND THE WORLD

>805,000 sq ft

DATA CENTRE SPACE, THE LARGEST IN SINGAPORE

Notes:

[1] IDC Asia/Pacific Semiannual Fixed Line Telecom Services Tracker (2H2013).

[2] Singtel FireEye Threat Intelligence report is a bi-annual publication by Singtel and FireEye about evolving cyber threats in Southeast Asia.

The Outpatient Pharmacy Automation System uses an intelligent conveyor system to dispense medication at the SGH

CUSTOMER CASE STUDY: **SINGAPORE GENERAL HOSPITAL**

Singapore General Hospital (SGH) is Singapore's largest hospital. The institution needed to remodel its medication dispensing system at the outpatient pharmacy to address rising patient volumes and the shortage of skilled staff.

The Outpatient Pharmacy Automation System is an award-winning solution that combines LED-guided picking and barcode scanning technology, automated dispensing machines and an intelligent RFID-enabled conveyor system. SGH uses the system to manage the picking, packing, labelling, verification and assembling of medication and the hospital's dispensing queue workflow. It has reduced waiting times for patients, while increasing accuracy and efficiency for the hospital.

The solution was developed jointly by SGH, Integrated Health Information Systems (IHiS), Singtel and a consortium of other Singaporean companies.

"The Outpatient Pharmacy Automation System enables SGH to provide over 80% of our patients with medicine within 15 to 30 minutes instead of 30 to 45 minutes previously, and reduces errors in picking medicine by about 38%. This cutting-edge solution has placed SGH at the forefront in the use of technology to improve our operational efficiency, ensuring safety and enhancing the overall experience of our patients."

LIM MUN MOON
Pharmacy Director
SGH

To help our customers confidently and securely take advantage of productivity and efficiency gains offered by digital technologies, Singtel has been building our cyber security capabilities organically and through investments and partnerships. Our goal is to ensure that Singtel remains the natural and trusted choice for enterprises looking for a partner to secure their networks, infrastructure and services.

We announced a partnership with Akamai in September 2014 to provide cloud-based cyber security solutions which complement Singtel's suite of managed security services.

In October 2014, we formed a partnership with FireEye, a global leader in managed cyber defence capabilities, to provide services to customers and enhance the cyber security ecosystem in the Asia Pacific region.

We established the Singtel FireEye Advanced Security Operations Centres (ASOCs) in Singapore and Sydney, and introduced the Singtel Managed Defence powered by FireEye solution. These new ASOCs are linked to FireEye's three existing global ASOCs to provide enterprises with real-time intelligence on cyber attacks. The centres are also integrated with Singtel's network operations and Akamai's cyber security solutions,

Group Enterprise

CUSTOMER CASE STUDY: WESTPAC BANKING CORPORATION

Westpac Banking Corporation (Westpac) is one of Australia's largest banks. As part of its regional expansion, it required an integrated ICT services provider that could support its regional aspirations.

Singtel won a new five-year deal with Westpac to provide managed communications infrastructure and international data services to serve the bank's offices in Asia Pacific, New Zealand, the UK and the US.

Leveraging the reliability of its network, including the expanded 4G capabilities in Australia, Singtel will provide service management to more than 13,000 mobile devices across Westpac's fleet in its home country. Singtel was also selected to transform Westpac's contact centre operation to enable it to respond to changing customer expectations, including social and mobile customer interactions.

Singtel's leadership in enterprise data services, world-class infrastructure and delivery capabilities enable Westpac to achieve 24/7 visibility of its business across the Asia Pacific region and beyond. Partnering Singtel allows Westpac to transform its data and network operations so that it can serve customers even more efficiently and deliver higher levels of innovation to meet their needs.

giving us a more holistic view of customers' networks and internet traffic. These linkages enable faster detection of threats and more effective responses. Singtel and FireEye will train up to 150 cyber security experts to operate the ASOCs.

In another big step towards our goal of becoming a global cyber security managed services provider, we announced plans to acquire Chicago-based Trustwave for an enterprise value of approximately US$850 million[1].

Trustwave is the largest independent managed security services provider in North America and has presence in Europe and Asia Pacific. Singtel will leverage its expertise and talent, including its team of more than 1,200 security professionals, its global security asset of five security operations centres, cloud-based security product suite and elite SpiderLabs forensics and threat research unit, to broaden and deepen our cyber security capabilities.

In Singapore, we are partnering the Economic Development Board to develop the Asia Pacific Cyber Security Competency Centre. This facility will enable Singtel to collaborate with leading international research and academic partners on big data security analytics and predictive security intelligence, develop threat scenarios and test cyber security solutions.

To meet the supply of certified cyber security professionals, we are partnering Singapore Polytechnic to offer scholarships for infocomm security studies. Under the Singtel Cadet Scholarship Programme, Singtel will provide qualified students with internships and career opportunities to enhance Singtel's cyber security capabilities.

CREATING SOLUTIONS FOR SMART CITIES

We work closely with enterprises to develop solutions that give them a competitive edge. We also work with governments to develop technologies and solutions that improve living standards for their citizens. We are participating in Singapore's trials of Heterogeneous Network or HetNet, with the aim

Note:

[1] The acquisition is subject to fulfilment of certain conditions precedent, including relevant approvals from regulatory authorities and other third parties.

of validating the joint use of different mobile and wireless technologies to provide pervasive, seamless high-speed internet access. Our efforts complement the government's vision to make Singapore the world's first Smart Nation.

For the healthcare industry, we have pioneered an automated pharmacy dispensing system at two public hospitals in Singapore. The solution manages how medications are picked, packed, labelled and dispensed through the integration of automated dispensing machines and scanners. This enhanced workflow reduces patient waiting times while increasing efficiency and accuracy in the medication dispensing process.

In February 2015, we introduced SURF@NCS. This is a living lab for government agencies and enterprises to test smart city innovations in education, healthcare, transport and public safety. The lab will also help build an ecosystem of partners including global technology players, local start-ups and research institutes, to co-create smart city solutions and build talent.

We are developing a talent pipeline to drive smart city innovations including collaborating with local educational institutions to develop curriculum in data analytics and communications engineering. Singtel provides internship programmes and on-the-job training for young talents to apply what they have learnt in real work context and build their careers in these areas.

CUSTOMER CASE STUDY: **FULLERTON HEALTHCARE**

To provide efficient and seamless healthcare solutions to its clients and patients at more than 130 fully owned clinics across Asia Pacific, Fullerton Healthcare Group required a one-stop telecommunications and ICT provider.

Fullerton Healthcare chose Singtel to provide a range of critical services including telephony, secure and dedicated high-speed fibre links, and mobile services. It also subscribed to Singtel's managed services for the ongoing support of its integrated voice, video and data communications. In addition, Singtel is helping Fullerton Healthcare to move to a secure and highly reliable cloud solution.

"In order to effectively serve more than 25,000 organisations across five countries in the region, Fullerton Healthcare Group relies on Singtel to provide a one-stop integrated communications capability. Singtel's managed services and secure cloud offerings allow us to stay agile, with the flexibility and scalability to deploy new applications and services at lower costs."

STEVEN YEO
CIO
Fullerton Healthcare Group Pte Limited


HOOQ
[a·mo·bee]
DataSpark

Group Digital Life

MARKET TRENDS

We live in an increasingly interconnected world. More than ever, consumers, businesses, governments and even objects are communicating and relaying information through the internet. The number of smartphone connections alone is set to reach six billion globally by 2020, according to a GSMA Intelligence report.

Rapid advances in technology and content, and better and more intelligent devices are also accelerating and shaping this trend.

We are seeing customer behaviour and expectations change dramatically, and the transformation of many aspects of our personal and work lives. These changes are opening up new frontiers for telcos, even as they threaten telcos' traditional sources of revenues. We believe they open up vast opportunities for telcos beyond the traditional connections and access services. In 2012, we created Group Digital Life to explore these opportunities and ensure we stay ahead of the curve.

STRATEGIC PRIORITIES

Group Digital Life is developing services that have the potential to go global. Our focus is on three areas:

- Premium over-the-top (OTT) video
- Digital marketing
- Advanced analytics and intelligence capabilities

These are areas where new technologies are rapidly supplanting traditional methods. Our telco assets and customer knowledge also give us a strategic advantage over other players.

We will double our efforts to build these businesses – under the respective brands of HOOQ, Amobee and DataSpark – to become significant players.

Beyond these areas, our corporate venture fund, Singtel Innov8, identifies the latest innovations and enables the Singtel Group to gain access to these technologies.

OUR ASSETS/ STRENGTHS

We want our customers to enjoy access to the best content and most relevant information. We also want to empower businesses and governments to make more informed decisions. Our strengths include unique locational data from our networks that can improve services and inform decision making. We also have aggregated demographic data that help brands better reach their target audiences.

Singtel has relationships with more than 550 million mobile customers in Asia, Australia and Africa. This large customer base allows us to scale our services quickly, which is vital in the highly competitive digital world. We also have extensive customer touch points through physical and online stores and customer helpdesks.

In emerging markets where credit card payment is limited, our established billing relationships give customers an easy way to transact electronically.

Group Digital Life

Singtel Group CEO Chua Sock Koong and Singtel Group Chief Corporate Officer Jeann Low visit the Amobee San Diego office with Amobee CEO Mark Strecker and Amobee President Kim Perell

Group Digital Life is responsible for generating new ideas that will allow us to compete in a global market defined by fast and constant changes. It focuses its efforts on premium OTT video, digital marketing, as well as advanced analytics and intelligence.

To succeed in today's world, businesses have to be open-minded, flexible and yet decisive. Through constant and well-defined experimentation in the past three years, we have picked up invaluable lessons about important shifts in technology, customer preferences and competition. We know where we can leverage our unique telco assets and play to win.

Our objective is to use new technologies and our customer knowledge to improve people's lives across the globe, whether it is by simplifying their personal lives or increasing their productivity at work.

Our products will also help our regional mobile associates better serve customers and achieve sustainable advantages over their competitors.

INVESTING IN INNOVATION

Innovation gives us our competitive edge. We adopt an iterative process of experimentation and improvement to innovation. We collaborate with innovative start-ups to get early access to tomorrow's technologies. Our US$250 million corporate venture fund, Singtel Innov8 (Innov8), complements our in-house efforts by plugging Singtel into the bold and dynamic technology world.

Innov8 is headquartered in Singapore and operates out of thriving innovation hubs in Silicon Valley, Tel Aviv and Beijing. Its mandate is to watch the market closely and scout for the "next big thing". Innov8 believes as new customer needs arise, so should new products that efficiently satisfy these needs.

Innov8 works with a range of partners: developers, investors, government agencies, research bodies and higher-learning institutions. This has enabled it to foster a creative approach to innovation in Singapore, Southeast Asia and beyond.

In January 2015, Innov8 teamed up with National University of Singapore (NUS) Enterprise and Infocomm Investments to open a branch of Singapore's successful Blk71 start-up co-working space in San Francisco, to strengthen ties between the US and Singapore tech ecosystems.

In April 2014, Innov8 founded Innov8 Sparks, a start-up support initiative that taps on the Group's scale. Founding members of Innov8 Sparks include Singtel Innov8, AIS The Startup, Globe's Kickstart Ventures, Optus-Innov8 and Telkomsel's Teman Dev group. Through these members, start-ups can expand outside their home markets into Australia, Indonesia, the Philippines, Singapore and Thailand.

MAKING RICH MEDIA ACCESSIBLE

People crave visual information and, with the proliferation of mobile devices, they have more ways to consume it than ever. Globally, the average internet user spends over six hours a day on online media with 30% of it on mobile devices, according to GlobalWebIndex. Online videos are particularly popular among internet users and, between 2012 and 2014, the time spent watching online videos increased significantly in almost every country.

In the emerging markets, the demand for online videos is spreading, due to increasing smartphone adoption and a burgeoning middle class with spending power. The market for OTT video in India, Indonesia, the Philippines and Thailand is forecast to be worth US$1 billion by 2018, according to Business Monitor

CASE STUDY: SINGTEL INNOV8 – CREATING SUCCESSFUL PARTNERSHIPS WITH THE INNOVATION ECOSYSTEM

Our corporate venture fund, Innov8, is a key enabler of successful partnerships between the Group's members and Innov8's investments across the globe. One such Innov8 investment is Jasper.

Jasper's industry-leading, cloud-based Internet of Things (IoT) platform enables enterprises in any industry to transform from product businesses to service businesses, capable of delivering increased customer value and unlocking new sources of revenue.

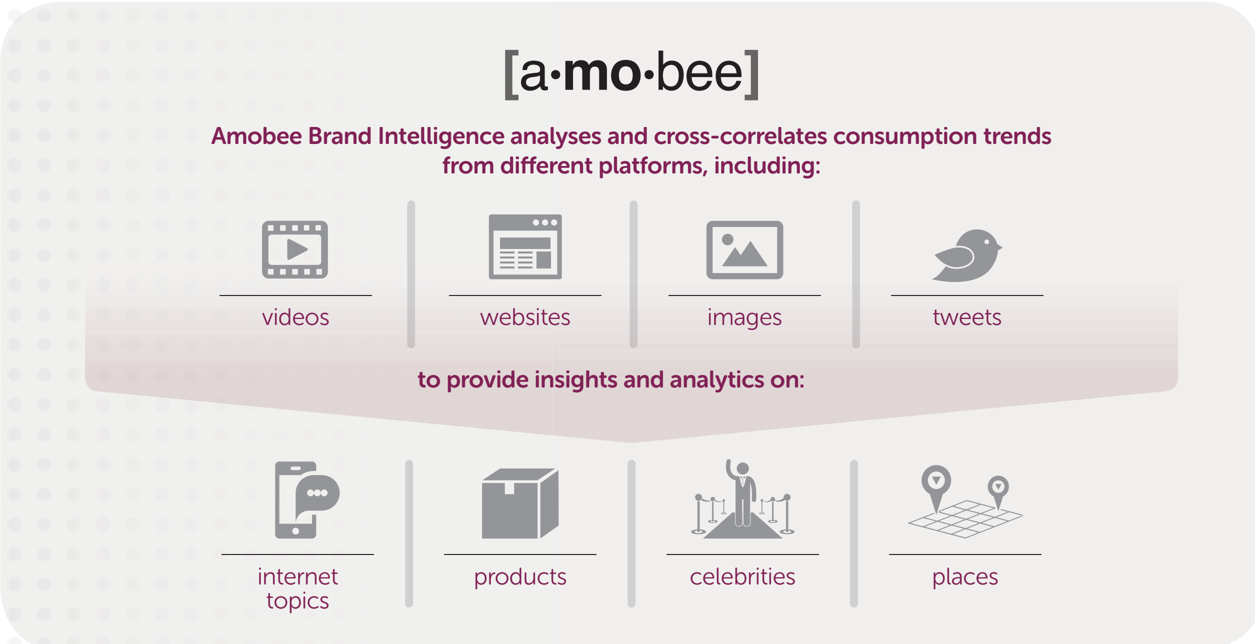
More than 2,000 companies in over 20 industries, including many of the world's top brands, choose Jasper to fast-track their IoT services. The automotive industry is one industry that is rapidly adopting Jasper's platform. Thirteen of the world's leading manufacturers – including Ford, Nissan and GM – rely on Jasper to manage vehicle connectivity, which enables them to relay important information to vehicle owners, such as emergency support, stolen vehicle tracking, infotainment and remote diagnostics.

Since Innov8's investment in 2012, Innov8 supported Jasper's growth by providing strategic advice on Asia and introducing Jasper to other members of the Singtel Group. These introductions expanded Jasper's network of global operators. Singtel, Optus and Telkomsel's customers can now deploy IoT services on Jasper's platform. This collaboration creates a win-win relationship for everyone.

"Jasper enables companies across industries to rapidly and cost-effectively launch, manage and monetise IoT services on a global scale. The investment and support from Innov8, alongside the broader strategic partnership with the Singtel Group, has made it possible for enterprises throughout Singapore, Indonesia and Australia, to embed connectivity into their products, to deliver increased customer value and to generate new sources of revenue. Singtel and Jasper share a deep commitment to the expansion of the IoT market for the benefit of enterprises worldwide."

JAHANGIR MOHAMMED
Founder and CEO
Jasper

Group Digital Life



International and Global Insights. Despite the enormous amount of entertainment on the internet, options for enjoying online videos are often illegal, expensive or inconvenient. Across Singtel's footprint, access to quality streamed content remains limited.

We took advantage of these developments with the launch of HOOQ in the Philippines and subsequently in Thailand and India.

HOOQ is a joint venture start-up between Singtel, Sony Pictures Television and Warner Bros. Entertainment.

It is a gateway to a world of Hollywood and local movies and TV series. An interactive app lets customers stream their favourite videos on any connected device, while the download option ensures customers can still enjoy the content uninterrupted when they do not have access to high-speed mobile internet.

HOOQ delivers on Group Digital Life's strategy to develop new revenue streams and helps our associates encourage mobile adoption in their markets.

RE-INVENTING MARKETING

Advertising must follow its audience, and more and more people are choosing to consume media online rather than via traditional channels like TV and radio. At the end of 2014, digital advertising accounted for about 30% of global ad spending. Experts predict that this will grow over the next decade and supersede TV advertising, which has been the dominant advertising format for more than a decade.

In 2015 alone, Magna Global estimates that US$163 billion will be spent on digital advertising. Asia shows the largest potential for growth, with newly connected markets in China, India and Southeast Asia already consuming enormous amounts of media on portable devices. Significant growth is also expected in the US and Europe.

Our digital marketing arm, Amobee, is poised to seize these opportunities. Amobee helps brands and their agencies navigate the increasingly

about 30%

AT THE END OF 2014, DIGITAL ADVERTISING ACCOUNTED FOR ABOUT 30% OF GLOBAL AD SPENDING

US$1 billion

THE MARKET FOR OTT VIDEO IS EXPECTED TO BE WORTH US$1 BILLION BY 2018

CASE STUDY:
DATASPARK – USING DATA SCIENCE TO IMPROVE TRANSPORT PLANNING

The major roads and highways of large cities are often described as arteries and, as in a heart, there can be dire consequences when they become congested.

In Singapore, billions of dollars have been spent on public transport and more will be spent as the country continues to expand its Mass Rapid Transit (MRT) network. The nation is also expecting its population to reach 6.9 million people by 2030. With the stakes so high for the government and would-be commuters, it is essential city planners can predict when people travel, where they go and what transport they use.

DataSpark gathers location data from the Singtel network and analyses this information to gain comprehensive, but anonymous insights into commuters' travel patterns and profiles. These insights help the government in its complex task of city planning by evaluating the potential impact of the MRT on traffic flow around the city. Data analytics strengthens the government's ability to plan for the future, and help Singapore become a Smart Nation.

complex digital advertising landscape, enabling them to target and engage consumers at scale and on a global basis.

In 2014, we took a significant step to deepen Amobee's reach and capabilities when we acquired Adconion and Kontera. With Adconion, Amobee's newly unified digital marketing platform allows advertisers to identify and authentically connect with their audience across multiple channels – display, video, email, mobile and social – on all devices.

Amobee Brand Intelligence, a proprietary and patented technology created by Kontera, has a unique way of analysing digital content consumption and consumer sentiment both historically and in real time. The analysis produces useful insights that help Amobee's clients to efficiently activate media and deliver powerful results.

GENERATING INSIGHTS FROM BIG DATA

DataSpark's advanced analytics intelligently interprets data from the Singtel network to generate insights that explain and predict market developments. These insights help governments and businesses make smarter, better-informed decisions.

Our analytics tool, DataSpark, provides detailed meta-information while protecting individual customer privacy. All data used by DataSpark is encrypted, anonymised and aggregated to be compliant with Singtel's data governance framework and with Singapore's Personal Data Privacy Act.

DataSpark has access to extensive locational data repositories, allowing us to look below the surface, telling us where people are and when. For example, in 2014, we developed the capability to anonymously map crowd movements in malls. This revealed potentially profitable insights for retailers and mall managers alike, such as the most visited locations in each mall.

During the first year of DataSpark's operations, we have focused on the following challenges:

- How telcos can gather intelligence to generate customer profiles and improve operations and planning
- How government agencies can use spatial data to support urban planning initiatives
- How businesses can use location data to improve marketing campaigns, such as by concentrating their efforts in areas with heavy pedestrian traffic

In all three areas, we have been able to deliver credible and relevant insights. For example, using location data, we were able to develop an accurate model of pedestrian traffic flows during peak hours in Singapore. We then patented technologies for profiling large population segments based on their movements and other mobility-related signatures. Our research has been published at high-profile data science conferences [1].

Moving ahead, we plan to invest significant resources into developing new approaches to big data analysis. These will allow us to explore even deeper than before.

Note:

(1) Conferences include 2015 EEE International Conference on Pervasive Computing and Communications and 2015 ACM SIGKDD Conference on Knowledge Discovery and Data Mining.

Key Awards and Accolades

Business Excellence

SINGTEL

Asia Communication Awards 2014
- Best Brand Campaign for Hawker Heroes
- Project of the Year for G-Cloud

Asia Pacific ICT Alliance Awards 2014
- Best Financial Industry App Merit Award for Dash

Cannes Lions International Festival of Creativity 2014
- Silver Mobile Lion for Messaging Campaigns, including SMS, MMS and Mobile Email for Movie Emoji Campaign
- Bronze Media Lion for Commercial Public Service for Movie Emoji Campaign

Computerworld Hong Kong Awards 2014
- Best IT Outsourcing & Managed Services Provider

Computerworld Readers' Choice Awards 2014
- Unified Communications Software Suites for Singtel UCaaS
- Data Centre and Hosting for Singtel EXPAN Managed Hosting Services
- Managed Connectivity for Singtel Managed Connectivity & Managed Services

Computerworld Singapore Customer Care Awards 2014
- Telecommunication Services

Contact Centre World Awards 2014
- Best Contact Centre Design for Singapore Contact Centre – Gold
- Best Contact Centre (Mid-Sized) for Client Business – Gold
- Best Outsourcing Partnership for Client Business – Gold

Call Centre Association of Malaysia Awards 2014
- Best Video Contact Centre – Gold

Hardwarezone Tech Awards 2014
- Best 4G
- Best Fibre Broadband
- Best Telco

Marketing Excellence Awards 2014
- Excellence in Advertising for Roamaphobia – Gold
- Excellence in Integrated Marketing (Consumer) for Roamaphobia – Gold

Marketing Interactive Digital Media of the Year 2014
- 1st in Lifestyle Category for inSing

NetworkWorld Asia Information Management Awards 2014
- Security-as-a-Service
- Disaster Recovery & Business Continuity

NetworkWorld Asia Readers' Choice Awards 2014
- Managed Infrastructure Services
- Managed Security Services

Singapore Media Awards 2014
- Best Experiential Campaign for Hawker Heroes

SiTF Awards 2014
- Best Consumer Product for Dash

VSAT Industry Awards 2014
- VSAT Service Provider of the Year

World Communication Awards 2014
- Users' Choice

OPTUS

ACOMMs Awards 2014
- Commitment to Customer Service
- Community Contribution – Consumer

Australian Business Awards 2014
- Brand Excellence
- Service Excellence
- Technology

Australian Institute of Training and Development National Training Excellence Awards 2014
- Best Implementation of a Blended Learning Solution for My Plan Plus

Canstar Blue Most Satisfied Customers Award 2014
- Mobile Phone Service Providers (Small Business)

Global Telecoms Business Innovation Awards 2014
- Winner in Wireless Network Infrastructure Innovation Category for Dual-band Carrier Aggregation for LTE TDD

NCS

Asia Business Continuity Awards 2014
- Business Continuity Provider of the Year

Global City Informatization Forum 2014
- Global Smart City Best Practice Award for SURF

SiTF Awards 2014
- Best Public Sector Product – Gold

AMOBEE

Mediapost OMMA Awards 2014
- Best Campaign for Amobee 3D Ford-150 campaign
- Members' Choice
- Mobile Marketing Single Execution – Gold

Mobile Mafia Awards 2014
- Best Mobile Creative

REGIONAL MOBILE ASSOCIATES

Money & Banking Magazine 2014 – AIS
- Best Public Company Registered with the Stock Market of Thailand

Superbrands Awards 2014 – AIS

AfricaCom 2014 – Airtel Africa
- Best App for Africa for Intuitive Airtel Internet Application
- Best Mobile Money Solution for Airtel Money

Nigerian Telecoms Awards 2014 – Airtel Africa
- Customer Friendly Operator of the Year

Brand Equity Most Trusted Brands Survey 2014 – Airtel India
- No.1 Service Brand

Global Mobile Awards 2015 – Airtel India
- Best Mobile Service/App for Consumers for One Touch Internet

Global Mobile Awards 2014 – Globe
- Best Network-Based Solution for Serving Customers for GoSakto

Stevie Awards 2014 – Globe
- Company of the Year – Telecommunications
- Customer Service Executive of the Year
- Support Department of the Year

Frost & Sullivan Best Practices in Customer Experience Awards 2014 – Telkomsel
- Best Customer Experience in Telecommunications – Customer Support Channels
- Best Customer Experience in Telecommunications – Services

Frost & Sullivan Indonesia Excellence Awards 2014 – Telkomsel
- Green BTS Operator of the Year
- Mobile Broadband Service Provider of the Year
- Mobile Data Service Provider of the Year
- Mobile Service Provider of the Year

Corporate Citizenship

SINGTEL

Alpha Southeast Asia Corporate Institutional Investor Awards 2014
- Best Senior Management IR Support in Singapore
- Best Strategic Corporate Social Responsibility
- Most Consistent Dividend Policy in Singapore
- Most Organised Investor Relations in Singapore
- Strongest Adherence to Corporate Governance in Singapore

Aon Hewitt Top Global Company for Leaders 2014
- Top Companies for Leaders: Global Top 25
- Top Companies for Leaders: Southeast Asia

ASEAN Corporate Governance Scorecard 2014
- 1st in Singapore

Community Chest Awards 2014
- Corporate – Platinum
- Special Events – Platinum
- SHARE Corporate – Gold

HRM Awards 2015
- Best Engagement Strategies
- Best Performance and Productivity
- Best Use of Social Media
- Best HR Leader – Aileen Tan, Group Chief Human Resources Officer

HRM Excellence Awards 2014
- Engagement – Gold
- Talent Management – Gold

Listed on Dow Jones Sustainability Index Australia 2014

Included in CDP Index (Asia Ex-Japan) 2014

Investors' Choice Awards 2014
- Hall of Fame
- Special Recognition Award – Chor Khee Yang, Group Chief Internal Auditor

IR Magazine Awards & Conference South East Asia 2014
- Best in Sector: Technology & Communications
- Best Use of Technology

Newsweek Global 500 Companies Green Rankings 2014
- Ranked 29th out of 500 (Highest in Singapore)

Singapore Health Award 2014
- Platinum Award

Sustainable Business Awards Singapore 2014
- Workforce Category

The Singapore HR Awards 2014
- Corporate HR Award
- HR Advocate Award, CSR

OPTUS

Australian Event Awards 2014
- Best Charity/Cause-Related Event for Optus Rockcorps

Communications Alliance and CommsDay Awards 2014
- Community Contribution for Digital Thumbprint

LearnX Impact Awards 2014
- Best Learning Services – Platinum

Spikes Asia 2014
- Grand Prix in Innovation for Clever Buoy

Sustainability & Governance

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: 26 Jul 2013

Mr Simon Israel, 62, is a Director of CapitaLand Limited, Fonterra Co-operative Group Limited and Stewardship Asia Centre Pte. Ltd. He is also a member of the Governing Board of Lee Kuan Yew School of Public Policy and Westpac's Asia Advisory Board.

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

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

CHUA SOCK KOONG

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

Ms Chua Sock Koong, 57, was appointed Group CEO on 1 April 2007. She has overall responsibility for the Group's businesses.

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

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

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

BOBBY CHIN

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

Mr Bobby Chin, 63, is a member of the Council of Presidential Advisers and the Chairman of NTUC Fairprice Co-operative Limited and NTUC Fairprice Foundation Ltd. He serves on the boards of the Singapore Labour Foundation, NTUC Enterprise Co-operative Limited and Temasek Holdings (Private) Limited [(1)]. He is also a Director of several listed companies including Yeo Hiap Seng Limited, Ho Bee Land Limited, SembCorp Industries Ltd and AV Jennings Limited.

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

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

Note:

(1) Mr Chin was appointed to the Board of Temasek Holdings (Private) Limited (Temasek), the major shareholder of Singtel, on 10 June 2014. After due consideration, Mr Chin continues to be regarded as independent as he does not represent Temasek on the Singtel Board and he is not accustomed or under an obligation whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek. As Mr Chin has demonstrated independence in character and judgement in the discharge of his responsibilities, the Singtel Board is satisfied that he will continue to exercise independent judgement and act in the best interests of Singtel and its security holders generally.

Board of Directors

FANG AI LIAN

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

Mrs Fang Ai Lian, 65, was the Chairman of Great Eastern Holdings Limited as well as Chairman of its insurance subsidiaries until her retirement in April 2014. 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 and Metro Holdings Limited and an advisor to Far East Organization.

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.

VENKY GANESAN

- Non-executive and independent Director
- Member, Finance and Investment Committee
- Member, Technology Advisory Panel
- Date of Appointment: 2 Feb 2015

Mr Venky Ganesan, 42, is one of the Managing Partners of Menlo Ventures, a 39-year-old top tier Silicon Valley venture capital firm. He focuses on investments in the consumer and enterprise sectors. Mr Ganesan sits on the boards of several portfolio companies of Menlo Ventures, namely, Avi Networks, Inc., BitSight, Inc, Gild, Inc., Handle, Inc, Machine Zone, Inc., Rover, Inc., Takipi, Inc. and Waterline Data Systems, Inc. He is also a Board member of the National Venture Capital Association.

Prior to joining Menlo Ventures, Mr Ganesan was a Managing Director at Globespan Capital Partners. Before Globespan, he was one of the founders of Trigo Technologies. He also worked at McKinsey & Company and Microsoft as a Program Manager.

Mr Ganesan holds a Bachelor of Arts in Economics-Mathematics from Reed College and a Bachelor of Science in Engineering and Applied Science (Honours) from the California Institute of Technology in the US.

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: 25 Jul 2014

Mr Low Check Kian, 56, is a Director of Cluny Park Capital. He was previously one of the founding partners of NewSmith Capital Partners LLP (NewSmith), 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 and its Chairman for the Asia Pacific Region.

Mr Low Check Kian also sits on the boards of Singtel Innov8 Pte. Ltd., Singtel Innov8 Holdings Pte. Ltd., Neptune Orient Lines Limited and the Fullerton Fund Management Company Ltd and is a trustee of the Singapore London School of Economics Trust and the Nanyang Technological University.

Mr Low Check Kian holds a B. Sc (First Class Honours) and M. SC in Economics from the London School of Economics. He was awarded the Allan Young Prize, Baxter-Edey Award and the Henry Luce Foundation Award during his time there.

PETER MASON AM [2]

- Non-executive and independent Director
- Chairman, Optus Advisory Committee
- Member, Executive Resource and Compensation Committee
- Date of Appointment: 21 Sep 2010
- Last Re-elected: 26 Jul 2013

Mr Peter Mason, 69, is 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 more than 40 years' experience in investment banking, including JP Morgan and Schroders.

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

Note:

[2] Member of the Order of Australia.

KAI NARGOLWALA

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

Mr Kai Nargolwala, 65, is an independent non-executive Director of the UK-based Prudential plc., Credit Suisse Group AG and PSA International Pte Ltd. He is the Chairman of Clifford Capital Pte. Ltd. and the Chairman of the Governing Board of the Duke-NUS Graduate Medical School of Singapore. He also serves on the board of the Casino Regulatory Authority of Singapore and is a member of the Singapore Capital Markets Committee of the Monetary Authority of Singapore.

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

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

CHRISTINA ONG

- Non-executive and independent Director
- Member, Audit Committee
- Member, Corporate Governance and Nominations Committee
- Date of Appointment: 7 Apr 2014
- Last Re-elected: 25 Jul 2014

Mrs Christina Ong, 64, is a Partner of Allen & Gledhill LLP as well as the Head of its Financial Services Department. She is a Director of SIA Engineering Company Limited, Singapore Tourism Board and Trailblazer Foundation Ltd. She also sits on the boards of companies and entities which are owned by Allen & Gledhill LLP.

Mrs Ong is a lawyer and she provides corporate and corporate regulatory and compliance advice, particularly to listed companies. Her areas of practice include banking and securities.

Mrs Ong holds a Bachelor of Laws (Second Upper Class Honours) from the University of Singapore. She is a member of the Law Society of Singapore and the International Bar Association.

PETER ONG

- Non-executive and non-independent Director
- Member, Audit Committee
- Member, Risk Committee
- Date of Appointment: 1 Sep 2010
- Last Re-elected: 25 Jul 2014

Mr Peter Ong, 53, is the Head of Singapore's Civil Service, Permanent Secretary of the Ministry of Finance 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, the ASEAN+3 Macroeconomic Research Office and Calvary Community Care. He is also the Chairman of the Inland Revenue Authority of Singapore.

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

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

TEO SWEE LIAN

- Non-executive and independent Director
- Member, Audit Committee
- Member, Executive Resource and Compensation Committee
- Member, Risk Committee
- Date of Appointment: 13 Apr 2015

Ms Teo Swee Lian, 55, was Special Advisor in the Managing Director's Office at the Monetary Authority of Singapore (MAS) until she stepped down at the end of May 2015. She is a member of the Singapore Exchange Diversity Action Committee.

Ms Teo was formerly the Deputy Managing Director in charge of Financial Supervision at the MAS. She oversaw macroeconomic surveillance, regulation and supervision of the banking, insurance and capital markets industries in Singapore. During her time with MAS, Ms Teo also worked in reserves management, development, external relations and strategic planning.

Ms Teo was awarded the Public Administration Medal (Gold) (Bar) at the Singapore National Day Awards 2012. She holds a B. Sc (First Class Honours) in Mathematics from Imperial College, London University and a M. Sc in Applied Statistics from Oxford University.

Notes:

- Mr Dominic Ho retired from the Singtel Board following the conclusion of the Annual General Meeting held on 25 July 2014.
- Mr David Gonski stepped down from the Singtel Board on 1 April 2015. He continues to be a member of the Optus Advisory Committee.
- Please see the next page for a summary of the past chairmanships and directorships of the members of the Singtel Board.

Past Chairmanships and Directorships

The following is a summary of the past chairmanships and directorships of the members of the Singtel Board [1]:

SIMON ISRAEL

- Asia Pacific Breweries Limited (Chairman)
- Temasek Holdings (Private) Limited (Executive Director and President)

CHUA SOCK KOONG

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

BOBBY CHIN

- Singapore Totalisator Board (Chairman)
- Neptune Orient Lines Limited (Director)
- Competition Commission of Singapore (Board member)
- Oversea-Chinese Banking Corporation Limited (Director)
- Singapore Power Limited (Director)

FANG AI LIAN

- Great Eastern Holdings Limited (Chairman)
- Oversea-Chinese Banking Corporation Limited (Board member)
- Tax Academy of Singapore (Chairman)
- Charity Council (Chairman)

VENKY GANESAN

- Kaminario, Inc (Director)
- Marketlive, Inc. (Director)
- Nominum, Inc (Director)
- oDesk-Elance, Inc (Director)
- Redfin, Inc. (Director)
- Virident, Inc. (Director)
- StrongView, Inc (Director)
- Amobee, Inc (Director)
- BitYota Inc. (Director)

LOW CHECK KIAN

- Fibrechem Technologies Limited (Board member)

PETER MASON AM [2]

- AMP Limited (Chairman)
- David Jones Limited (Chairman)

KAI NARGOLWALA

Nil

CHRISTINA ONG

- ST Asset Management Ltd (Director)

PETER ONG

- MND Holdings Pte Ltd (Chairman)

TEO SWEE LIAN

Nil

Notes:

(1) Held over the preceding three years.

(2) Member of the Order of Australia.

Singtel Board Diversity

MALE/FEMALE

7 Male

4 Female

EXECUTIVE/NON-EXECUTIVE

1 Executive

10 Non-Executive

Organisation Structure

GROUP CHIEF EXECUTIVE OFFICER
CHUA SOCK KOONG

GROUP BUSINESS

CHIEF EXECUTIVE OFFICER CONSUMER AUSTRALIA / CHIEF EXECUTIVE OFFICER OPTUS
ALLEN LEW

CHIEF EXECUTIVE OFFICER CONSUMER SINGAPORE
YUEN KUAN MOON

CHIEF EXECUTIVE OFFICER GROUP ENTERPRISE / COUNTRY CHIEF OFFICER SINGAPORE
BILL CHANG

CHIEF EXECUTIVE OFFICER GROUP DIGITAL LIFE
SAMBA NATARAJAN

CHIEF EXECUTIVE OFFICER INTERNATIONAL
MARK CHONG

CORPORATE FUNCTIONS

AUDIT COMMITTEE

GROUP CHIEF INTERNAL AUDITOR
CHOR KHEE YANG

GROUP CHIEF CORPORATE OFFICER
JEANN LOW

GROUP CHIEF FINANCIAL OFFICER
LIM CHENG CHENG

GROUP CHIEF HUMAN RESOURCES OFFICER
AILEEN TAN

GROUP CHIEF INFORMATION OFFICER
WU CHOY PENG

GROUP CHIEF TECHNOLOGY OFFICER
TAY SOO MENG

Note:
Paul O'Sullivan is Chairman Optus (non-full time role) with effect from 1 October 2014.
He reports to GCEO.

Management Committee

CHUA SOCK KOONG

Ms Chua, 57, was appointed Group CEO on 1 April 2007. She is responsible for Singtel's consumer business, Group Enterprise and Group Digital Life. Ms Chua joined Singtel in June 1989 as Treasurer before becoming CFO on 1 April 1999. She held the positions of Group CFO and CEO, International from 1 February 2006 to 12 October 2006, when she was appointed Deputy Group CEO.

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

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

BILL CHANG

Mr Chang, 48, was appointed CEO, Group Enterprise on 16 July 2012. He is responsible for the team that provides innovative and comprehensive infocomm and technology (ICT) solutions to enterprise customers, across multiple geographies. Mr Chang also assumed the position of Country Chief Officer Singapore on 1 October 2014, where he is the principal liaison with local and regulatory bodies.

Mr Chang was previously Managing Director, Business Group, and joined Singtel in November 2005 as Executive Vice President of Corporate Business before assuming the role of Managing Director, Business Group. Prior to Singtel, he was the Managing Director of Cisco Systems' Advanced Services Group in Asia Pacific.

In 2014, Mr Chang was conferred the honorary Fellow of the Singapore Computer Society in recognition of his pivotal role in advancing the infocomm industry in Singapore. He is the Chairman of the Singapore Polytechnic Board of Governors and a Board member of Singapore Post, serving in their Compensation and Risk & Technology Committees.

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

ALLEN LEW

Mr Lew, 60, was appointed CEO Consumer Australia and CEO Optus on 1 October 2014.

Prior to that, Mr Lew was CEO Group Digital Life where he transformed the Group into a leading player in the digital ecosystem. He was also Country Chief Officer Singapore, acting as the principal liaison with local and regulatory bodies.

He began his career with the Singtel Group in November 1980 and has served in various senior management positions both in Singapore and overseas. His first overseas posting was to Advanced Info Service Public Company Limited (AIS), Singtel's regional mobile associate. He was the Chief Operating Officer of AIS for three years before his posting to Optus in late 2001, initially as the Managing Director of Optus Mobile and later as Managing Director of Optus Consumer Business. He returned to Singapore as CEO Singapore in 2006 and held that position until March 2012.

Mr Lew is the Chairman of the AIS Executive Committee and a Board member of the Energy Market Authority in Singapore.

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

Management Committee

LIM CHENG CHENG

Ms Lim, 43, is Group Chief Financial Officer responsible for the Singtel Group's finance related functions including tax, treasury and investor relations.

She was appointed Deputy GCFO on 1 October 2014. Prior to that, she was the Managing Director, Group Strategic Investments. She joined Singtel in 2012 as Vice President, Group Strategic Investment.

Ms Lim brings with her 23 years of experience in finance and mergers and acquisitions. She previously held the role of Executive Vice President and CFO at SMRT Corporation for five years, overseeing financial strategy and management, corporate planning, tax, treasury management, central supplies and procurement, and investor relations. She also worked at Singapore Power for 10 years in various corporate planning, investments and finance roles, the last of which was Head and Vice President (Financial Planning and Analysis). She started her career with PricewaterhouseCoopers.

She holds a Master of Business Administration from The University of Chicago Booth School of Business (formerly known as University of Chicago Graduate School of Business) and a Bachelor in Accountancy from Nanyang Technological University. She is a Chartered Accountant (Singapore), Institute of Singapore Chartered Accountants and CPA Australia.

JEANN LOW

Ms Low, 54, was appointed Group Chief Corporate Officer on 10 April 2015. She is responsible for the Group's corporate functions including strategy, mergers and acquisitions, corporate communications, legal, regulatory and procurement.

She was the Group Chief Financial Officer from September 2008, overseeing the Group's financial affairs, including corporate finance, treasury and capital management, and investor relations.

Ms Low joined Singtel in October 1998 as the Group Financial Controller. On 16 November 2004, she was promoted to Executive Vice President of Strategic Investments, managing the Group's international investments, and was appointed CFO of Optus on 1 February 2006. Prior to Singtel, Ms Low worked in the Singapore and London practices of an international accounting firm and thereafter at a public listed electronics company in Singapore.

Ms Low is a member of the Governing Board of the Lee Kong Chian School of Medicine. She is also a Director of Advanced Info Service Public Company Limited and was a Council Member of the Institute of Singapore Chartered Accountants from April 2010 to April 2014.

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

AILEEN TAN

Ms Tan, 48, joined Singtel in June 2008 as Group Chief Human Resources Officer. She oversees the development of human resources across the Singtel Group, and also leads the Group's corporate sustainability function.

Prior to joining Singtel, Ms Tan was Group General Manager Human Resources at WBL Corporation Limited and Vice President, Centres of Excellence with Abacus International Pte Ltd. She had previously held various roles in human resources in multinational corporations and Singapore companies across industries.

Ms Tan is a member of the Home Nursing Foundation Board. She was appointed member of the Media Literacy Council on 1 August 2014 and Chairperson of the Singapore Workforce Development Agency's Human Resource Skills Council on 15 September 2014.

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

WU CHOY PENG

Ms Wu, 50, joined Singtel as Group CIO in August 2012. She is responsible for the development of the Group's IT vision and roadmap. She also drives synergies to establish excellence in technology management.

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

Ms Wu is the Deputy Chairman of IDA International Pte Ltd, a wholly owned subsidiary of the Infocomm Development Authority of Singapore. Effective 21 October 2014, Ms Wu is appointed as a member of the National University Health System (NUHS) Board, and the Chairperson of the NUHS Information Technology (IT) Committee. Ms Wu also served on the Management Board of the Institute of Systems Science, National University of Singapore from 1 March 2003 to 14 April 2015.

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

YUEN KUAN MOON

Mr Yuen, 48, was appointed CEO, Consumer Singapore on 1 April 2012. He is responsible for leading and managing the Singapore consumer business to deliver a complete and integrated suite of services, including mobile, broadband and TV solutions to consumers.

Mr Yuen started his career with Singtel in 1993 and has held several positions within the consumer business, including Marketing, Business Development, Retail and Channel Sales. Mr Yuen was also Vice President of Regional Operations and was previously the Executive Vice President of Digital Consumer in Singtel from 1 July 2009 to 31 March 2012.

Mr Yuen was posted to PT Telekomunikasi Selular (Telkomsel), Singtel's regional mobile associate, as General Manager for Product Development in 2003 and he was appointed as the Director of Commerce from 2005 to 2007. He has served on the Board of Commissioners in Telkomsel since 2009.

Mr Yuen graduated with a First Class Honours degree in Engineering from the University of Western Australia. He also holds a Master of Science degree in Management from Stanford University, US.

Senior Management

VICKI BRADY

Managing Director, Customer
Optus

CHIA WEE BOON

Chief Executive Officer, NCS
Group Enterprise

MARK CHONG

Chief Executive Officer,
International

HUI WENG CHEONG

Chief Operating Officer,
AIS

MURRAY KING

Chief Financial Officer,
Optus

SAMBA NATARAJAN

Chief Executive Officer,
Group Digital Life

JOHN PAITARIDIS

Managing Director,
Optus Business
Group Enterprise

MARK STRECKER

Chief Executive Officer, Amobee
Group Digital Life

TAY SOO MENG

Group Chief Technology Officer

WILLIAM WOO

Managing Director,
Enterprise Data & Managed Services
Group Enterprise

Sustainability and Governance Philosophy

Environmental, social and governance performance are integral to Singtel's success.

We strive to stay ahead of our competition and build a sustainable future for all our stakeholders by:

- Aspiring to the highest level of corporate governance, increasing shareholder value and embracing responsible business practices
- Supporting, investing and partnering communities in the markets where we operate
- Being an employer of choice
- Managing our environmental footprint and impact

Corporate Governance

Our Governance Framework

CHAIRMAN
SIMON ISRAEL

Key Objectives
Responsible for leadership of the Board and for creating conditions for overall Board, committee and individual effectiveness

THE BOARD OF SINGTEL
11 DIRECTORS:
8 independent Directors and 3 non-independent Directors

Key Objectives
To create value for shareholders and to ensure the long-term success of the Group

AUDIT COMMITTEE
4 independent Directors and 1 non-independent Director

CHAIRMAN
FANG AI LIAN

Key Objectives
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

CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE
3 independent Directors and 1 non-independent Director

CHAIRMAN
KAI NARGOLWALA

Key Objectives
Establish and review the profile of Board members; make recommendations to the Board on the appointment, renomination and retirement of Directors; review the independence of Directors; assist the Board in evaluating the performance of the Board, Board committees and Directors; and develop and review the Company's corporate governance practices

EXECUTIVE RESOURCE & COMPENSATION COMMITTEE
4 independent Directors and 1 non-independent Director

CHAIRMAN
KAI NARGOLWALA

Key Objectives
Oversee the remuneration of the Board and Senior Management, and set appropriate remuneration framework and policies, including long-term incentive schemes, to deliver annual and long-term performance of the Group

FINANCE & INVESTMENT COMMITTEE
3 independent Directors and 1 non-independent Director

CHAIRMAN
SIMON ISRAEL

Key Objectives
Provide advisory support on the development of the Group's overall strategy, review strategic issues, approve investments and divestments, review the Group's Investment and Treasury Policies, evaluate and approve financial offers and banking facilities, and manage the Group's liabilities

RISK COMMITTEE
2 independent Directors and 1 non-independent Director

CHAIRMAN
BOBBY CHIN

Key Objectives
Ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determine the nature and extent of the material risks that the Board is willing to take in achieving the Group's strategic objectives

GROUP CHIEF EXECUTIVE OFFICER
CHUA SOCK KOONG

Key Objectives
Manage the Group's business and implement strategy and policy

MANAGEMENT COMMITTEE
Group CEO,
CEO Group Enterprise,
CEO Consumer Australia,
CEO Consumer Singapore,
Group Chief Corporate Officer,
Group CFO,
Group Chief Human Resources Officer and
Group Chief Information Officer

Key Objectives
Direct Management on operational policies and activities

INTRODUCTION

Singtel aspires to the highest standards of corporate governance as we believe that good governance supports long-term value creation. To this end, Singtel has in place a set of well-defined policies and processes to enhance corporate performance and accountability, as well as protect the interests of stakeholders. The Board of Directors is responsible for Singtel's corporate governance standards and policies, and stresses their importance across the Group.

As Singtel was listed on both the Singapore Exchange Securities Trading Limited (SGX) and ASX Limited (ASX) for the financial year ended 31 March 2015, this report sets out Singtel's key corporate governance practices with reference to the Singapore Code of Corporate Governance 2012 (Singapore Code), as well as the ASX Corporate Governance Principles and Recommendations (ASX Code). Unless otherwise stated, these practices were in place for the entire financial year.

On 22 April 2015, Singtel announced Singtel's delisting from the ASX. The delisting took effect on 5 June 2015. Singtel continues to be listed on the SGX and the delisting from the ASX will not materially affect Singtel's compliance obligations or corporate governance policies and practices.

Continuing Commitment

We are committed to ongoing improvement in corporate governance. The following are some of the key initiatives undertaken by the Board and Singtel during the financial year ended 31 March 2015:

- To ensure that Singtel continues to be able to meet the challenges and demands of the markets in which it operates, the Board is focused on enhancing the skills, expertise and perspectives on the Board in a structured way by proactively mapping out Singtel's Board composition needs over the short and medium term (Board Progression Plan). In this connection, the Board has appointed an independent consultant to advise the Board on the Board Progression Plan and to assist the Board in identifying suitable candidates to join the Board.

- The Board is committed to pursuing gender diversity in relation to the composition of the Board. In this connection, the Corporate Governance and Nominations Committee (CGNC) will ensure that female candidates are included for consideration by the CGNC whenever it seeks to identify a new Director for the Board. In addition, the Board will strive to appoint at least one female Director to the CGNC. These guidelines have been embedded in the CGNC's terms of reference.

- In April 2014, the Board established a Technology Advisory Panel (TAP), comprising distinguished international members, to advise the Board and Management in the area of digital technology. The TAP is chaired by Mr Koh Boon Hwee, and the members of the Panel are Messrs Gregory Becker, Venky Ganesan, Doug Haynes, Lim Chuan Poh, Jonathan Miller and Erez Ofer.

- The Optus Advisory Committee, which was established as a Board committee to review strategic business issues relating to the Australian business, was reconstituted in September 2014 as an advisory committee and expanded to include non-Board members with experience and expertise in the Australian market.

- Singtel embarked on a review of the way in which major incidents affecting Singtel's operations are reported and escalated to Senior Management and the Board. Enhancements were made to the escalation process so as to ensure that major incidents affecting Singtel's operations are promptly attended to and resolved at the right levels. The escalation process provides a framework for the reporting of such incidents according to their impact or potential impact on Singtel's operations.

Ongoing Board Renewal

As part of our ongoing renewal of the Board, Mr Venky Ganesan and Ms Teo Swee Lian were appointed to the Board on 2 February 2015 and 13 April 2015 respectively. Mrs Fang Ai Lian and Mr Kai Nargolwala will be retiring from the Board upon the conclusion of the Annual General Meeting to be held on 21 July 2015, in line with the Board's policy on tenure of directorships.

Recognition

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 42 and 43.

DIRECTORS' ATTENDANCE AT BOARD MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2015 [1]

Name of Director	Board Meetings: Number of Meetings Held	Board Meetings: Number of Meetings Attended
Simon Israel	7	7
Chua Sock Koong	7	7
Bobby Chin	7	7
Fang Ai Lian	7	7
Venky Ganesan [2]	1	1
Low Check Kian	7	7
Peter Mason AM [3]	7	7
Kai Nargolwala	7	6
Christina Ong [4]	7	6
Peter Ong	7	7
Teo Swee Lian [5]	–	–
David Gonski [6] [7]	7	7
Dominic Ho [8]	3	3

Notes:
(1) Refers to meetings held/attended while each Director was in office.
(2) Mr Venky Ganesan was appointed to the Board on 2 February 2015.
(3) Member of the Order of Australia.
(4) Mrs Christina Ong was appointed to the Board on 7 April 2014.
(5) Ms Teo Swee Lian was appointed to the Board on 13 April 2015, i.e. after the end of the financial year ended 31 March 2015.
(6) Companion of the Order of Australia.
(7) Mr David Gonski stepped down from the Board with effect from 1 April 2015.
(8) Mr Dominic Ho retired upon the conclusion of the AGM held on 25 July 2014.

BOARD MATTERS

Role of the Board and Conduct of its Affairs

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

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

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

The Board meets regularly and sets aside time at each scheduled meeting to meet without the presence of Management. Board meetings generally last a full day and may include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas, as well as presentations by the Group's associates. This allows the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's partners and key executives.

Typically, at least one Board meeting a year is held overseas, in a country where the Group has a significant investment, has an interest in investing, or where Board members can be exposed to new technology relevant to the Group's growth strategy. On such occasions, the Board may meet with local business leaders and government officials so as to help Board members gain greater insight into such countries. The Board also meets Singtel's partners and key customers in those countries to develop stronger relationships with such partners and customers. Singtel also arranges for the Board to meet with experts in the technology/digital space to enhance their knowledge in new growth areas and enable the Board to make more informed decisions. In addition to approximately seven scheduled meetings each year, the Board meets as and when warranted by particular circumstances. Seven Board meetings were held in the financial year ended 31 March 2015. 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 2015 is set out on page 58. Directors who are unable to attend a Board meeting are provided with the briefing materials and can discuss issues relating to the matters to be discussed at the Board meeting with the Chairman or the Group CEO.

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

Board Composition, Diversity and Balance

The size and composition of the Board are reviewed from time to time by the CGNC. The CGNC 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 aims 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, legal, industry/domain knowledge, strategic planning, customer-based experience and knowledge, and regional business expertise, and takes into account broader diversity considerations such as gender, age and nationality/ethnicity. When a Board position becomes vacant or additional Directors are required, the CGNC will select and recommend candidates on the basis of their skills, experience and knowledge, taking into account the need for board diversity. Any potential conflicts of interest are taken into consideration.

In order to ensure that Singtel continues to be able to meet the challenges and demands of the markets in which Singtel operates, the Board is focused on enhancing the diversity of skills, expertise and perspectives on the Board in a structured way by proactively mapping out Singtel's Board composition needs over the short and medium term (Board Progression Planning). This is an ongoing process facilitated by an independent consultant and is informed by a series of detailed interviews between the consultant and each member of the Board as well as key management members.

Reflecting the focus of the Group's business in the region, four of Singtel's 11 Directors are from, and have extensive experience in, jurisdictions outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs Venky Ganesan, Peter Mason AM and Kai Nargolwala. In relation to gender diversity, approximately 36% of the Singtel Board, or four out of the 11 Board members, are female.

The Board is committed to pursuing gender diversity in relation to the composition of the Board. In determining the process for identification of suitable candidates for appointment to the Board, the CGNC will take into account its diversity aspirations for the Board. In this connection, the CGNC will ensure that female candidates are included for consideration by the CGNC whenever it seeks to identify a new Director for the Board. In addition, the Board will strive to appoint at least one female Director to the CGNC. Having said that, Singtel is of the view that gender is but one aspect of diversity and Singtel Directors will continue to be selected on the basis of their experience, skills, knowledge, insight and relevance to the Board.

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

The Board, taking into account the views of the CGNC, assesses the independence of each Director in accordance with the guidance in the Singapore Code. A Director is considered independent if he 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.

The Board takes into account the existence of relationships or circumstances that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include the employment of a Director by the Company or any of its related corporations during the financial year in question or any of the previous three financial years; the acceptance by a Director of any significant compensation from the Company or any of its related corporations for the provision of services during the financial year in question or the previous financial year, other than compensation for board service; and a Director being related to any organisation from which Singtel or any of its subsidiaries received significant payments or material services during the financial year in question or the previous financial year.

Ms Chua Sock Koong, Singtel's Group CEO; Mr Simon Israel, Chairman of the Singtel Board; and Mr Peter Ong, Permanent Secretary of the Ministry of Finance, Singapore are the only non-independent Directors. All other members of the Board are considered to be independent Directors.

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

In particular, the Board noted that while Mrs Christina Ong is a partner at Allen & Gledhill LLP (A&G) and A&G provides legal services to, and receives fees from, the Singtel Group, she has an interest of less than 5% in A&G. Mrs Ong is also a non-executive director of SIA Engineering Company Limited (SIAEC), a subsidiary of Temasek Holdings (Private) Limited (Temasek). Temasek has an interest of approximately 51% in Singtel. The SIAEC group obtains telecommunication services from, and makes payments to, the Singtel Group in the ordinary course of business. The Board considers that these relationships do not affect Mrs Christina Ong's ability and willingness to operate independently.

The Board also noted that Mr Bobby Chin was appointed to the Board of Temasek, the major shareholder of Singtel, on 10 June 2014. After due consideration, the Board continues to regard Mr Chin as independent as he does not represent Temasek on the Singtel Board and he is not accustomed or under an obligation whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek. As Mr Chin has demonstrated independence in character and judgement in the discharge of his responsibilities, the Board is satisfied that he will continue to exercise independent judgement and act in the best interests of Singtel and its security holders generally.

The profile of each Director and other relevant information are set out under "Board of Directors" and "Past Chairmanships and Directorships" from pages 45 to 49.

The Chairman and the Group CEO

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

Role of the Chairman

The Chairman is responsible for leadership of the Board and is pivotal in creating the conditions for overall Board, Committee and individual Director effectiveness, both inside and outside the boardroom. This includes setting the agenda of the Board in consultation with the Directors and the Group CEO, and promoting active engagement and an open dialogue among the Directors, as well as between the Board and the Group CEO.

The Chairman ensures that the performance of the Board is evaluated regularly, and guides the development needs of the Board. The Chairman leads the evaluation of the Group CEO's performance and works with the Group CEO in overseeing talent management to ensure that robust succession plans are in place for the senior leadership team.

The Chairman works with the Board, the relevant Board Committees and Management to establish the boundaries of risk undertaken by the Group and ensure that governance systems and processes are in place and regularly evaluated.

The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the Group CEO and Management on strategy and 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 provides support and advice to, and acts as a sounding board for, the Group CEO, while respecting executive responsibility. He engages with other members of the senior leadership regularly.

The Chairman also maintains effective communications with large shareholders and supports the Group CEO in engaging with a wide range of other stakeholders such as partners, governments and regulators where the Group operates. He travels overseas to visit the Group's key associates in the region and, in the process, fosters strong relationships with the Group's partners and gathers valuable feedback for Management to consider and follow up on.

The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to the increased focus on corporate governance, risk management, regulation and compliance. Given the increased demands, the Chairman in particular spends more time on, and is more hands-on in, the affairs of the Group. The Board has agreed with the Chairman that he will commit a significant proportion of his time to his role and will manage his other time commitments accordingly.

Role of the Lead Independent Director

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

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

Board Membership

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

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the CGNC reviews the range of expertise, skills and attributes of the Board and the composition of the Board. The CGNC then identifies Singtel's needs and prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. The Board has an ongoing process facilitated by an independent consultant to map out these needs.

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:

- 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.
- Non-executive Directors should consult the Chairman or chairman of the CGNC before accepting any new appointments as Directors.

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

Board Performance

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

Directors 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. The Board may also hold meetings in conjunction with key industry events where relevant experts would be invited to speak on issues relevant to the Group's businesses.

Each year, the CGNC undertakes a process to assess the effectiveness of the Board as a whole and the Board Committees, as well as the contributions by each Director. 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' self and peer appraisal exercise. With the ongoing Board Progression Planning activities, the Board enhanced its Board effectiveness survey to include a key focus on the Board's readiness to meet the challenges and demands of the markets in which Singtel operates.

The survey was designed to (a) provide an evaluation of the current effectiveness of the Board and (b) support the Chairman and the Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for the Singtel Group. Directors were requested to complete appraisal forms to assess the Board's impact and value add on critical issues, key components of Board and Board Committee effectiveness, as well as each individual Director's contributions to the Board and Board Committees.

The appraisal process included the evaluation of factors such as Board composition, information management, Board processes, Board Chairman, corporate social responsibility, management of the Company's performance, Board priorities, Board Committee effectiveness, CEO performance and succession planning, Director development and management, risk management 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. The Board was also able to assess the Board Committees through their regular reports to the Board on their activities.

Access to Information

Prior to each Board meeting, Singtel's Management provides the Board with information relevant to matters on the agenda for the meeting. The Board also receives regular reports pertaining to the operational and financial performance of the Group, as well as regular 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. Procedures are in place for Directors and Board Committees, where necessary, to seek independent professional advice, paid for by Singtel.

Role of the Company Secretary

The Company Secretary attends all Board meetings and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Board and Management Committees

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

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

In September 2014, the Optus Advisory Committee (OAC), then a Board Committee, was reconstituted as an advisory body comprising both Board and non-Board members. See page 66 for information on the OAC.

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

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

A record of each Director's Board Committee memberships and attendance at Board Committee meetings during the financial year ended 31 March 2015 is set out on page 66.

Audit Committee

MEMBERSHIP

Fang Ai Lian, committee chairman and independent non-executive Director
Bobby Chin, independent non-executive Director
Christina Ong, independent non-executive Director (appointed to the AC with effect from 2 May 2014)
Peter Ong, non-executive Director
Teo Swee Lian, independent non-executive Director (appointed to the AC with effect from 13 April 2015)

Note: Dominic Ho stepped down as a Director and AC member with effect from the conclusion of the Annual General Meeting held on 25 July 2014.

KEY OBJECTIVES

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

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. It also has the authority to review its terms of reference and its own effectiveness annually and recommend necessary changes to the Board.

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 adequacy and effectiveness 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 approving decisions relating to appointment or removal of Group Chief Internal Auditor and approving the performance and compensation of the Group Chief Internal Auditor. A copy of the charter of the AC is available on the corporate governance page on the company's website at http://info.singtel.com/about-us/corporate-governance.

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

The AC met four times during the financial year. At these meetings, the Group CEO, Group CFO, Deputy Group CFO, Vice President (Group Finance), Group Chief Internal Auditor and the respective CEOs of the businesses were also in attendance. During the financial year, the AC reviewed and endorsed the Group's quarterly and full-year financial statements to the Board for approval and release. It reviewed the results of audits performed by Singtel Internal Audit based on the approved audit plan, significant litigation and fraud investigations, Singtel's register of interested person transactions and non-audit services rendered by the external auditors. The AC also met with the internal and external auditors, without the presence of Management, during the financial year.

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

Corporate Governance and Nominations Committee

MEMBERSHIP

Kai Nargolwala, committee chairman and independent non-executive Director
Simon Israel, non-executive Chairman of the Singtel Board
Low Check Kian, independent non-executive Director
Christina Ong, independent non-executive Director (appointed to the CGNC with effect from 2 May 2014)

Note: Dominic Ho stepped down as a Director and CGNC member with effect from the conclusion of the Annual General Meeting held on 25 July 2014.

KEY OBJECTIVES

- Establish and review the profile of Board members
- Make recommendations to the Board on the appointment, renomination and retirement of Directors
- Review the independence of Directors
- Assist the Board in evaluating the performance of the Board, Board committees and Directors
- Develop and review the Company's corporate governance practices, taking into account relevant local and international developments in the area of corporate governance

The terms of reference of the CGNC provide that the CGNC shall comprise at least three Directors, the majority of whom, including the chairman, shall be independent. As part of its commitment to gender diversity, the Board will strive to appoint at least one female Director to the CGNC.

The main activities of the CGNC are outlined in the commentaries on "Board Composition, Diversity and Balance", "Board Membership" and "Board Performance" from pages 59 to 62.

The CGNC met twice during the financial year ended 31 March 2015, and also approved various matters by written resolution.

Executive Resource and Compensation Committee

MEMBERSHIP

Kai Nargolwala, committee chairman and independent non-executive Director
Fang Ai Lian, independent non-executive Director
Simon Israel, non-executive Chairman of the Singtel Board
Peter Mason AM, independent non-executive Director
Teo Swee Lian, independent non-executive Director (appointed to the ERCC with effect from 13 April 2015)

KEY OBJECTIVES

- Oversee the remuneration of the Board and Senior Management
- Set appropriate remuneration framework and policies, including long-term incentive schemes, to deliver annual and long-term performance of the Group

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

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

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

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

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

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

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

The Group CEO, who is not a member of the ERCC, may attend meetings of the ERCC but does not attend discussions relating to her own performance and remuneration. Singtel's remuneration policy and remuneration for Directors and Senior Management are discussed in this report from pages 71 to 77.

The ERCC met four times during the financial year ended 31 March 2015.

Finance and Investment Committee

MEMBERSHIP

Simon Israel, committee chairman and non-executive Chairman of the Singtel Board
Venky Ganesan, independent non-executive Director (appointed to the FIC with effect from 11 February 2015)
Low Check Kian, independent non-executive Director
Kai Nargolwala, independent non-executive Director

KEY OBJECTIVES

- Provide advisory support on the development of the Singtel Group's overall strategy and on strategic issues for the Singapore and international businesses
- Consider and approve investments and divestments
- Review and approve changes in the Singtel Group's investment and treasury policies
- Evaluate and approve any financing offers and banking facilities and manage the Singtel Group's liabilities in line with the Singtel Board's policies and directives
- Oversee any on-market share repurchases pursuant to Singtel's share purchase mandate

The terms of reference of the FIC provide that the FIC shall comprise at least three Directors, the majority of whom shall be independent Directors. Membership of the AC and the FIC is mutually exclusive.

The FIC met six times during the financial year ended 31 March 2015.

Risk Committee

MEMBERSHIP

Bobby Chin, committee chairman and independent non-executive Director
Peter Ong, non-executive Director
Teo Swee Lian, independent non-executive Director (appointed to the RC with effect from 13 April 2015)

Note: David Gonski was a member of the RC for the financial year ended 31 March 2015. He stepped down as a Director and RC member at the end of the financial year ended 31 March 2015.

KEY OBJECTIVES

- Assist the Board in fulfilling its responsibilities in relation to governance of material risks in the Group's business, which 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 that the Board is willing to take in achieving the Group's strategic objectives

The terms of reference of the RC provide that the RC shall comprise at least three members, the majority of whom, including the chairman, shall be independent. Members of the RC are appointed by the Board, on the recommendation of the CGNC. There is at least one common member between the RC and the AC.

The RC reviews 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 reports any significant matters, findings and recommendations in this regard to the Board.

The RC meets at least three times a year, with additional meetings to be convened as deemed necessary by the chairman of the RC. The RC met four times during the financial year ended 31 March 2015.

Corporate Governance

DIRECTORS' BOARD COMMITTEE MEMBERSHIPS AND ATTENDANCE AT BOARD COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2015 [1]

	Audit Committee		Corporate Governance and Nominations Committee		Executive Resource and Compensation Committee		Finance and Investment Committee		Optus Advisory Committee [8]		Risk Committee	
Name of Director	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Simon Israel	–	–	2	2	4	4	6	6	1	1	–	–
Chua Sock Koong [2]	4	4	2	2	4	4	6	6	1	1	4	4
Bobby Chin	4	4	–	–	–	–	–	–	–	–	4	4
Fang Ai Lian	4	4	–	–	4	4	–	–	–	–	–	–
Venky Ganesan [3]	–	–	–	–	–	–	–	–	–	–	–	–
Low Check Kian	–	–	2	2	–	–	6	6	–	–	–	–
Peter Mason AM	–	–	–	–	4	4	–	–	1	1	–	–
Kai Nargolwala	–	–	2	2	4	4	6	6	–	–	–	–
Christina Ong [4]	4	4	1	–	–	–	–	–	–	–	–	–
Peter Ong	4	3	–	–	–	–	–	–	–	–	4	4
Teo Swee Lian [5]	–	–	–	–	–	–	–	–	–	–	–	–
David Gonski [6]	–	–	–	–	–	–	–	–	1	1	4	4
Dominic Ho [7]	1	1	2	2	–	–	–	–	–	–	–	–

Notes:

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

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

(3) Mr Venky Ganesan was appointed to the Board on 2 February 2015 and as a member of the Finance and Investment Committee on 11 February 2015.

(4) Mrs Christina Ong was appointed to the Board on 7 April 2014 and as a member of the Audit Committee and the Corporate Governance and Nominations Committee on 2 May 2014.

(5) Ms Teo Swee Lian was appointed to the Board and as a member of the Audit Committee, the Executive Resource and Compensation Committee and the Risk Committee on 13 April 2015, i.e. after the end of the financial year ended 31 March 2015.

(6) Mr David Gonski stepped down as a Director and a member of the Risk Committee with effect from 1 April 2015. Mr Gonski remains a member of the Optus Advisory Committee.

(7) Mr Dominic Ho retired as a Singtel Director following the conclusion of the AGM held on 25 July 2014.

(8) The Optus Advisory Committee was reconstituted in September 2014 as an advisory body comprising both Board and non-Board members. The number of meetings in the table refers to the number of meetings held (as a Board committee) before the Optus Advisory Committee was reconstituted.

Management Committee

In addition to the five Board Committees and the two advisory bodies, Singtel has a Management Committee that comprises the Group CEO, CEO Group Enterprise, CEO Consumer Australia, CEO Consumer Singapore, Group Chief Corporate Officer (Group CCO), Group CFO, Group Chief Human Resources Officer (Group CHRO) and Group Chief Information Officer (Group CIO).

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

Advisory Committee/Panel

Singtel has two advisory bodies, the Optus Advisory Committee (OAC) and the Technology Advisory Panel (TAP).

The OAC, previously a Board committee, was reconstituted in September 2014 as an advisory body. The OAC comprises both Board and non-Board members, namely Mr Peter Mason AM (committee chairman and independent non-executive Director), Ms Chua Sock Koong, Mr David Gonski, Mr Simon Israel, Mr John Morschel and Mr Paul O'Sullivan. The OAC reviews strategic business issues relating to the Australian business.

The TAP was established in April 2014 to advise the Board in the area of digital technology. The TAP comprises distinguished international members and is chaired by Mr Koh Boon Hwee. The other members of the Panel are Messrs Gregory Becker, Venky Ganesan, Doug Haynes, Lim Chuan Poh, Jonathan Miller and Erez Ofer.

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 2015, Singtel's Group CEO and Group CFO have provided written confirmation to the Board on the integrity of Singtel's financial statements and on the adequacy and effectiveness of Singtel's risk management and internal control systems, addressing financial, operational and compliance risks including information technology risks. This certification covers Singtel and the subsidiaries that are under Singtel's management control.

Internal Audit (IA)

Singtel IA comprises a team of 55 staff members, including the Group Chief Internal Auditor, who reports to the AC functionally and to the Group CEO administratively. Singtel IA 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 IA successfully completed its external Quality Assurance Review in 2014 and continues to meet or exceed the IIA Standards in all key aspects.

Singtel IA adopts a risk-based approach in formulating the annual audit plan that aligns its activities to the key strategies and risks across the Group's business. This plan is reviewed and approved by the AC. The reviews performed by Singtel IA are aimed at assisting the Board in promoting sound risk management, robust internal controls and good corporate governance, through assessing the design and operating effectiveness of controls that govern key business processes and risks identified in the overall risk framework of the Group. Singtel IA'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 IA works closely with Management in its internal consulting and control advisory role to promote effective risk management, robust internal control and good governance practices in the development of new products/services, and implementation of new/enhanced systems and processes.

Singtel IA also collaborates with the internal audit functions of Singtel's regional mobile associates to promote joint reviews and the sharing of knowledge and/or best practices.

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

External Auditors

The Board is responsible for the initial appointment of external auditors. Shareholders then approve the appointment at Singtel's AGM. The external auditors hold office until their removal or resignation. The AC assesses the external auditors based on factors such as the performance and quality of their audit and the independence of the auditors, and recommends their appointment to the Board. Pursuant to the requirements of the SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. Deloitte & Touche LLP has met this requirement, and the current Deloitte & Touche LLP audit partner for Singtel took over from the previous audit partner with effect from 26 July 2013. Singtel has complied with Rules 712 and 715 of the Listing Manual issued by SGX in relation to the appointment of 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 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 2015, the Risk 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 framework and process for the identification and management of significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management. The AC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems.

The Board has approved a Group Risk Framework for the identification of key risks within the business. This Framework defines 27 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.

The Board has established a Risk Appetite Statement and Risk Tolerance Framework to provide guidance to the Management on key risk parameters. The significant risks in the Group's business, including mitigating measures, were also reviewed by the Risk Committee on a quarterly basis and reported to the Board. Risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and the internal controls in place to manage those risks. The RC had reviewed the Group's risk management framework during the reporting period and was satisfied that it continued to be sound.

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.

The Group has put in place a Board Escalation Process, where major incidents and violations, including major/material operational loss events and potential breaches of laws and regulations by the Company and/or its key officers, are required to be reported by Management/Internal Audit to the Board immediately to facilitate the Board's oversight of crisis management, and adequacy and effectiveness of follow-up actions taken by Management. Through this process, the Board has been kept informed promptly of any incidents with potential material financial, operational, compliance and technology risk impact.

Following a fire which broke out in the cable chamber of the Bukit Panjang Exchange on 9 October 2013, Singtel established a Board Committee of Inquiry (BCOI) to provide an objective and expert review of the incident focusing on key areas of fire prevention, network reliability and resiliency, and crisis communication and management. The BCOI's findings and recommendations were released to the public on 16 December 2013. Management accepted all the findings and recommendations of the BCOI and took appropriate and timely follow-up actions to prevent the recurrence of a similar incident. During the financial year, the Board had reviewed the follow-up actions taken by Management and was satisfied that all the recommendations of the BCOI had been followed up and adequately addressed by Management.

The Board has received assurance from the Group CEO and Group CFO on the effectiveness of the Group's risk management and internal control systems, and that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 March 2015 to address financial, operational and compliance risks, including information technology risk, which the Group considers relevant and material to its operations.

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 80 to 87.

Communication with Shareholders

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

Over the year, Singtel has won recognition from leading business journals and investor associations for its strong emphasis and proactive approach to shareholder communication and engagement.

The Singtel Investor Relations (IR) website is a key resource of information for the investment community. It contains a wealth of investor-related information on Singtel, including investor presentations, webcasts of earnings presentations, transcripts of earnings conference calls, annual reports, upcoming events, shares and dividend information, and investor factsheets.

Singtel makes timely disclosures of any new material information to the SGX and ASX. These filings are also posted on the Singtel IR website, allowing investors to keep abreast of strategic and operational developments.

Singtel reports financial results on a quarterly basis: typically within 45 days from the end of each financial quarter. The quarterly financial results announcements contain detailed financial disclosures and in-depth analyses of key value-drivers and metrics for the Group's businesses.

Singtel also provides financial guidance for its businesses at the beginning of each financial year, and may affirm or update the guidance every quarter to accurately reflect prevailing market conditions.

Singtel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. This year, Singtel engaged over 500 investors in 250 meetings and conference calls in Singapore, Australia and other global financial centres. These events enable us to share the Group's business strategy, operational and financial performance, and business prospects. While these meetings are largely undertaken by Singtel's Senior Management, the Chairman and certain Board members also meet with investors every year.

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

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

At each AGM, the Group CEO delivers a presentation to update shareholders on Singtel's progress over the past year. The Directors and Senior Management are in attendance to address queries and concerns about Singtel. Singtel's external auditors also attend to help address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditors' reports. All resolutions at Singtel's AGM and (if applicable) Extraordinary General Meeting are voted on by electronic poll so as to better reflect shareholders' shareholding interests and ensure greater transparency. The poll voting results, in addition to the proxy voting results, are presented to the audience and subsequently filed with the stock exchanges. Voting in absentia by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent. The minutes of the AGM and any Extraordinary General Meeting are posted on Singtel's website.

Securities Transactions

Singtel has in place a Securities Transactions Policy, which provides that Directors and top management members and persons who are in attendance at Board and top management meetings (Key Officers) should not deal in Singtel shares during the period commencing two weeks before the announcement of Singtel's financial statements for each of the first three quarters of the financial year, and during the period commencing one month before the announcement of the financial statements for the full financial year and ending on the date of the announcement of the relevant results.

The policy also discourages trading on short-term considerations and reminds Directors and officers of their obligations under insider trading laws. Directors and officers of the Group wishing to deal in Singtel shares during a closed period must secure prior written approval of the Chairman (in the case of Directors of Singtel), the Lead Independent Director (in the case of the Chairman) or the Group CEO (in the case of directors of Singtel subsidiaries and Key Officers). 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 inform the Company Secretary before trading in Singtel shares. 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 prohibited from trading in shares of Singtel's listed associates when in possession of material price-sensitive information relating to such associates. Directors are also to refrain from having any direct or indirect financial interest in Singtel's competitors that might or might appear to create a conflict of interest or affect the decisions Directors make on behalf of Singtel.

Continuous Disclosure

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

Material Contracts

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

Codes of Conduct and Practice

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

Singtel also has a strict 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 covers areas such as equal opportunity employment practices, workplace health and safety, conduct in the workplace, business conduct, protection of Singtel's assets, proprietary information and intellectual property, data protection, 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 that 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 and corruption.

Singtel undertakes to investigate complaints of suspected fraud and corruption in an objective manner. To this end, it has put in place a whistle-blower policy and procedures that provide employees and other external parties with well-defined and accessible channels within the Group. These include a direct channel to Singtel IA and whistle-blower hotline services independently managed by external service providers, for reporting suspected fraud, corruption, unethical practices or other similar matters.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all staff as part of the Group's efforts to promote awareness of fraud control. All whistle-blower complaints are investigated independently by Singtel IA or an independent investigation committee as appropriate, and the outcome of each investigation is reported to the AC.

REMUNERATION

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

Remuneration of Non-Executive Directors

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

The ERCC recommends the non-executive Directors' fees for the Board's endorsement and approval by shareholders. As Singtel has diverse and complex operations and investments internationally and is not just a Singapore-based company, the fees are benchmarked against fees paid by other comparable companies in Singapore and Australia, as well as comparable companies in other countries.

Singtel seeks shareholders' approval at the AGM for Directors' fees for the current financial year so that Directors' fees can be paid on a half-yearly basis in arrears. No Director decides his own fees.

Save as mentioned below, there are no retirement benefit schemes or share-based compensation schemes in place for non-executive Directors.

To align Directors with shareholders' interests, Directors are encouraged to acquire Singtel shares each year from the open market 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.

Financial Year Ended 31 March 2015

For the financial year ended 31 March 2015, the fee for the Chairman was increased from S$220,000 (in respect of the previous financial year) to an all-inclusive fee of S$960,000 (save for car-related benefits). The fee was paid approximately two-thirds in cash and approximately one-third in Singtel shares. No separate retainer fees, committee fees, attendance fees or travel allowance were paid to the Chairman. The changes to the Chairman's fee structure were disclosed in the 2014 Annual Report.

The fees for non-executive Directors (other than the Chairman) 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 that did not coincide with Board meetings. The framework for determining non-executive Directors' fees for the financial year ended 31 March 2015 was the same as the framework for the previous financial year and is set out below.

Basic Retainer Fee	
Board Chairman	S$960,000 per annum
Director	S$110,000 per annum
Fee for appointment to Audit Committee and Finance and Investment Committee	
Committee chairman	S$60,000 per annum
Committee member	S$35,000 per annum
Fee for appointment to Executive Resource and Compensation Committee	
Committee chairman	S$45,000 per annum
Committee member	S$25,000 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 that do not coincide with Board meetings (per day of travel required to attend meeting)	S$3,000

Corporate Governance

The aggregate Directors' fees paid to non-executive Directors for the financial year ended 31 March 2015 was S$2,499,359 (details are set out in the table below).

Name of Director	Director's Fees (S$)
Simon Israel [(1)]	960,000
Bobby Chin	180,000
Fang Ai Lian	195,000
Venky Ganesan [(2)]	22,750
Low Check Kian [(3)]	170,000
Peter Mason AM [(4)]	186,556
Kai Nargolwala	225,000
Christina Ong [(5)]	163,017
Peter Ong [(6)]	170,000
Teo Swee Lian [(7)]	NA
David Gonski [(8)]	158,111
Dominic Ho [(9)]	68,925
Total	**2,499,359**

Notes:

(1) In addition to the Director's fees set out above, Mr Simon Israel also received car-related benefits with a taxable value of S$18,089.

(2) Mr Venky Ganesan was appointed to the Board on 2 February 2015 and the Finance and Investment Committee on 11 February 2015. In addition to the Director's fees set out above, Mr Ganesan received fees of US$50,000 for the financial year ended 31 March 2015 in his capacity as a member of the Technology Advisory Panel.

(3) In addition to the Director's fees set out above, Mr Low Check Kian received aggregate fees of S$7,432.80 for the period 15 January 2015 to 31 March 2015 in his capacity as a director of Singtel Innov8 Pte. Ltd.

(4) In addition to the Director's fees set out above, Mr Peter Mason AM received fees of S$19,454 in his capacity as a member of the reconstituted Optus Advisory Committee (OAC) for the period from 11 September 2014 to 31 March 2015. The OAC (previously a Board Committee) was reconstituted as an advisory body on 11 September 2014.

(5) Mrs Christina Ong was appointed to the Board on 7 April 2014 and a member of the Audit Committee and the Corporate Governance and Nominations Committee on 2 May 2015.

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

(7) Ms Teo Swee Lian was appointed to the Board and as a member of the Audit Committee, the Executive Resource and Compensation Committee and the Risk Committee on 13 April 2015 i.e. she was not a Director during the financial year ended 31 March 2015.

(8) Mr David Gonski stepped down as a Director and member of the Risk Committee with effect from 1 April 2015. He remains a member of the OAC. The OAC was reconstituted as an advisory body on 11 September 2014. In addition to Director's fees, Mr Gonski received fees of S$13,896 in his capacity as a member of the reconstituted OAC for the period from 11 September 2014 to 31 March 2015.

(9) Mr Dominic Ho stepped down as a Director and member of the Audit Committee and the Corporate Governance and Nominations Committee following the conclusion of the AGM held on 25 July 2014.

No employee of the Group who is an immediate family member of a Director was paid remuneration that exceeded S$50,000 during the financial year ended 31 March 2015.

Financial Year Ending 31 March 2016

For the financial year ending 31 March 2016, it is proposed that aggregate fees of up to S$2,950,000 be paid to the Directors, which is the same as the amount approved by shareholders for the financial year ended 31 March 2015. It is proposed that the remuneration framework for Directors remains unchanged from the framework for the financial year ended 31 March 2015.

Remuneration of Executive Director and Senior Management

The remuneration framework and policy is designed to support the implementation of the Group's strategy and to enhance shareholder value. The following are our guiding principles for remuneration to Senior Management:

ALIGNMENT WITH SHAREHOLDERS' INTERESTS

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

COMPETITIVE REMUNERATION

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

PAY-FOR-PERFORMANCE

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

EFFECTIVE IMPLEMENTATION

- Meet rigorous corporate governance requirements

The ERCC recognises that the Group operates in a multinational and multifaceted environment and reviews remuneration through a process that considers Group, business unit and individual performance as well as relevant comparative remuneration in the market.

For FY 2015, the performance evaluation for Senior Management has been conducted in accordance with the above considerations.

During the year, the ERCC engaged Aon Hewitt Singapore Pte Ltd (Aon Hewitt) to provide valuation and vesting computation for grants awarded under the Singtel Performance Share Plan 2012, and to conduct Executive Remuneration Benchmarking for Senior Management. Aon Hewitt and its consultants are independent and not related to the Group or any of its Directors.

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

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

Remuneration Structure

The remuneration structure is designed such that the percentage of the performance-related components of Senior Management's remuneration increases as they move up the organisation.

On an annual basis, the ERCC proposes the compensation for the Group CEO, CEO Consumer Australia, CEO Group Enterprise, CEO Group Digital Life, CEO Consumer Singapore, CEO International, Group CCO and Group CFO for the Board's approval and approves compensation for the other Senior Management.

The key remuneration components for Senior Management are summarised below:

TOTAL REMUNERATION = **FIXED COMPONENTS** (**BASE SALARY**, **BENEFITS & PROVIDENT / SUPERANNUATION**) + **PERFORMANCE-RELATED COMPONENTS** (**VARIABLE BONUS**, **LONG-TERM INCENTIVES**)

Fixed Components

BASE SALARY

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

Policy

This is approved by the Board based on ERCC's recommendation and reviewed annually against:

(i) peers of similar financial size and complexity to Group; and
(ii) pay and conditions across the Group; and
(iii) the executive's contribution and experience

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

Performance Linkage

The base salary is linked to each executive's sustained long-term performance.

BENEFITS & PROVIDENT / SUPERANNUATION FUND

Benefits & Provident / Superannuation Fund provided are in line with local market practices and legislative requirements.

Policy

Singtel provides in-company medical scheme, club membership, employee discounts and other benefits that may incur Australian Fringe Benefits Tax, where applicable. Singtel also contributes towards the Singapore Central Provident Fund or the Optus Superannuation Fund or any other chosen fund, as applicable.

Participation in 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.

Performance Linkage

Benefits and Provident / Superannuation Fund are not directly linked to performance.

Performance-related Components

VARIABLE BONUS

Variable Bonus comprises the Performance Bonus and the Value Sharing Bonus. It provides a variable level of remuneration dependent on short-term performance against the annual plan, as well as relevant market remuneration benchmarks.

Policy

Performance Bonus

Performance Bonus (PB) is designed to support the Group's business strategy and the ongoing enhancement of shareholder value through the delivery of annual financial strategy and operational objectives. On an individual level, the PB will vary according to the actual achievement against Group, business unit and individual performance objectives.

Value Sharing Bonus

A portion of Senior Management's annual remuneration is tied to the Economic Profit (EP) performance of the Group in the form of the Value Sharing Bonus (VSB). VSB is used to defer their bonuses over a time horizon to ensure alignment with sustainable value creation for the shareholders over the longer term. VSB is also extended to Top Management executives, who are senior executives below the Senior Management level, holding positions equivalent to Vice President in the organisation.

Performance Linkage

Performance Bonus

The objectives are aligned to the Annual Operating Plan and are different for each executive. They are assessed on the same principles across two broad categories of targets: Business and People. Business targets comprise financials, strategy, customer and business processes. People targets comprise leadership competencies, core values, people development and staff engagement. In addition, the executives are assessed on teamwork and collaboration across the Group.

Value Sharing Bonus

A "VSB bank" is created for each executive to hold the VSB allocated to him or her in any year. One-third of the "bank" balance would be paid out in cash provided it is positive. The remaining balance will be carried forward and at risk as it is subject to performance-related clawback and could be reduced in the event of EP underperformance in the future years.

LONG-TERM INCENTIVES

Long-term incentives reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent. These are equity awards provisionally granted to Senior Management based on performance for the year ended 31 March 2015.

From 1 April 2012, Singtel ceased to grant General Awards (GA) and Senior Management Awards (SMA) under the Singtel Performance Share Plan (see description of GA and SMA in previous annual reports). Two new types of awards were introduced in 2012 – the Restricted Share Award (RSA) and the Performance Share Award (PSA) – with grants made at the discretion of the ERCC. The RSA is granted to a broader group of executives while the PSA is granted to Senior and Top Management.

Policy

The number of performance shares (RSA and PSA) 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. The performance conditions were chosen as they are key drivers of shareholder value creation and aligned to the Group's business objectives. These performance conditions and targets are approved by the ERCC at the beginning of the performance period. The final number of performance shares vested to the recipient will depend on the level of achievement of these targets over the performance period, subject to the approval of the ERCC.

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

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

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

Performance Linkage

Restricted Share Award (RSA)

The RSA has a two-year performance period from 1 April 2015 to 31 March 2017. Vesting of shares is dependent on the following performance conditions:

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

Performance Share Award (PSA)

The PSA has a three-year performance period from 1 April 2015 to 31 March 2018. Vesting of shares is dependent on the following performance conditions:

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

The details of the vesting schedule for RSA and PSA granted in June 2015 are shown in Figure A and Figure B respectively.

Figure A: Restricted Share Award (RSA) Vesting Schedule

Group NPAT (50%)		Group FCF (50%)	
Performance	**Vesting Level[1]**	**Performance**	**Vesting Level[1]**
Stretch	130%	Stretch	130%
Target	100%	Target	100%
Threshold	50%	Threshold	50%
Below Threshold	0%	Below Threshold	0%

Note:

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

Figure B: Performance Share Award (PSA) Vesting Schedule

Relative TSR (50%)		Absolute TSR (50%)	
Performance[2]	**Vesting Level[3]**	**Performance**	**Vesting Level[3]**
–	–	Stretch	200%
≥ +7.00%	100%	Target	100%
+2.00%	50%	Threshold	30%
< +2.00%	0%	Below Threshold	0%

Notes:

(2) Percentage outperformance against the MSCI Asia Pacific Telecommunications Index.

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

Remuneration of Key Management and Senior Management

For the financial year ended 31 March 2015, there were no termination, retirement and post-employment benefits granted to Directors and Key Management.

Remuneration of Executive Director

The aggregate compensation paid to or accrued to Group CEO (Chua Sock Koong) for the financial year ended 31 March 2015 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$1,678,772	S$3,832,363	S$9,150	S$78,915	S$5,599,200	84,060	1,658,980

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2015 are as follows:

	Restricted Share Award (RSA)				
	Granted ('000)	Vested ('000)	Lapsed ('000)	Released Date	Released ('000)
2012 Awards	119	155	–	2-Jun-14	39
				2-Jun-15	116
2013 Awards	98	127	–	2-Jun-15	64
				1-Jun-16	63 [7]
2014 Awards [8]	102			1-Jun-16	
				1-Jun-17	

	Performance Share Award (PSA)				
	Granted ('000)	Vested ('000)	Lapsed ('000)	Released Date	Released ('000)
2012 Awards	1,273	1,273	–	2-Jun-15	1,273
2013 Awards [8]	1,418			1-Jun-16	
2014 Awards [8]	1,423			1-Jun-17	

Notes:

(1) Fixed Remuneration refers to base salary and Annual Wage Supplement earned for the year ended 31 March 2015.

(2) Variable Bonus comprises both the Performance Bonus (PB) and the Value Sharing Bonus (VSB). PB varies according to the actual achievement against Group, business unit and individual performance objectives. The VSB is tied to the Economic Profit (EP) performance of the Group to ensure alignment with sustainable value creation for shareholders over the longer term. For more details, please refer to page 74.

(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 2015.

(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 2012 were made in June 2015 for performance for the year ended 31 March 2015. The per unit fair values of the RSA and PSA are S$3.934 and S$1.794 respectively. The performance conditions for the awards are detailed on page 75.

(7) The second tranche of the vested 2013 RSA will be released in June 2016, subject to continued service of the employee.

(8) The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.

Remuneration of Other Key Management and Senior Management

The aggregate compensation paid to or accrued to the other top five Key Management and Senior Management for the financial year ended 31 March 2015 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)
The following are in alphabetical order:							
Bill Chang CEO Group Enterprise	S$927,497	S$1,907,124	S$13,750	S$65,096	S$2,913,467	30,148	594,984
Hui Weng Cheong [7] COO, AIS	S$675,750	S$1,198,625	S$8,975	S$357,605	S$2,240,955	43,214	379,042
Allen Lew CEO Group Digital Life [8]	S$607,500	S$2,890,990	S$9,150	S$85,315	S$4,971,040	50,077	988,295
CEO Consumer Australia [9]	A$796,061			A$385,239			
Jeann Low Group CCO [10]	S$927,497	S$1,507,124	S$12,200	S$62,290	S$2,509,111	26,691	526,756
Yuen Kuan Moon CEO Consumer Singapore	S$621,075	S$1,091,278	S$13,750	S$58,859	S$1,784,962	38,130	334,449
Total	**S$4,687,991**	**S$8,595,141**	**S$57,825**	**S$1,078,579**	**S$14,419,535**	**188,260**	**2,823,526**

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2015 are as follows:

	Restricted Share Award (RSA)				
	Granted ('000)	Vested ('000)	Lapsed ('000)	Released Date	Released ('000)
2012 Awards	253	329	–	2-Jun-14	82
				2-Jun-15	247
	20	26	–	16-Jul-14	7
				3-Aug-15	19
2013 Awards	206	267	–	2-Jun-15	134
				1-Jun-16	133 [11]
2014 Awards [12]	229			1-Jun-16	
				1-Jun-17	

	Performance Share Award (PSA)				
	Granted ('000)	Vested ('000)	Lapsed ('000)	Released Date	Released ('000)
2012 Awards	1,857	1,857	–	2-Jun-15	1,857
	97	97	–	3-Aug-15	97
2013 Awards [12]	2,281			1-Jun-16	
2014 Awards [12]	2,421			1-Jun-17	

Notes:

(1) Fixed Remuneration refers to base salary and Annual Wage Supplement earned for the year ended 31 March 2015.

(2) Variable Bonus comprises both the Performance Bonus (PB) and the Value Sharing Bonus (VSB). PB varies according to the actual achievement against Group, business unit and individual performance objectives. The VSB is tied to the Economic Profit (EP) performance of the Group to ensure alignment with sustainable value creation for shareholders over the longer term. For more details, please refer to page 74.

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

(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 and club membership, where applicable.

(5) Total Cash & Benefits is the sum of Fixed Remuneration, Variable Bonus, Provident Fund and Benefits for the year ended 31 March 2015.

(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 2012 were made in June 2015 for performance for the year ended 31 March 2015. The per unit fair values of the RSA and PSA are S$3.934 and S$1.794 respectively. The performance conditions for the awards are detailed on page 75.

(7) Benefits for Mr Hui Weng Cheong include tax equalisation in relation to his assignment to AIS, Thailand.

(8) Mr Allen Lew was CEO Group Digital Life for the period 1 April 2014 to 30 September 2014.

(9) Mr Allen Lew was appointed as CEO Consumer Australia/ CEO Optus with effect from 1 October 2014.

(10) Ms Jeann Low was formerly Group Chief Financial Officer. She was appointed as Group Chief Corporate Officer (Group CCO) with effect from 10 April 2015.

(11) The second tranche of the vested 2013 RSA will be released in June 2016, subject to continued service of the employee.

(12) The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.

Investor Relations

01

Disseminate accurate and relevant information to the marketplace in a timely manner to help investors make informed investment decisions

02

Maintain open communication and regular engagement with investors through face-to-face meetings with management and Board members, annual investor day, conferences, roadshows, conference calls and webcasts

03

Continuously strive to be a leader and champion for **continuous and transparent disclosures**, carefully balanced against commercial sensitivities of Singtel's businesses

Singtel's Investor Relations (IR) team promotes and facilitates communications with existing and potential institutional investors, financial analysts and retail shareholders. We are committed to maintaining high standards of disclosure and corporate transparency.

PROACTIVE COMMUNICATION WITH THE INVESTMENT COMMUNITY

Since the Group announced its transformation in March 2012, our senior management and the IR team have devoted significant effort towards helping the investment community better understand the rationale behind our transformation, in particular the key strategic priorities for the three business units: Group Consumer, Group Enterprise and Group Digital Life. We diligently present financial results, business updates and other information on each of these segments. We also ensure financial information presented by traditional geographical segments – Singapore, Australia and the regional mobile associates – continue to be available to investors.

During the year, our management, together with the IR team, engaged over 500 investors in 250 meetings and conference calls to discuss the Group's business strategy, operational and financial performance, and prospects. Singtel participated in investor conferences and roadshows in Singapore, Kuala Lumpur, Hong Kong, the US and Europe.

Such events facilitate access to potential new shareholders and help us deepen existing relationships with long-term shareholders. The IR team also arranged site visits to Singtel's business facilities to help investors better understand our key business focus and growth plans in the consumer, enterprise and digital spaces.

The IR team develops and maintains strong links with sell-side research analysts, who play an important role in educating the investment community. More than 20 sell-side analysts based in Australia, Hong Kong, Malaysia, Singapore and the UK currently cover Singtel. We keep a close watch on analyst and media reports in our efforts to continuously improve our disclosure and IR practices.

Beyond conferences and roadshows, Singtel holds an annual Investor Day event during which the CEOs of Group Consumer, Group Enterprise and Group Digital Life, as well as the senior management of AIS, Airtel, Globe and Telkomsel share detailed insights into their businesses and respond to questions. The Investor Day typically attracts more than

50 investors and analysts, who generally give positive feedback on management sharing strategic plans and operational insights.

We also actively seek to understand investors' perceptions of our business. During the year, Singtel commissioned an investor perception study, which is an independent report involving in-depth interviews with approximately 50 institutional investors and financial analysts. Respondents generously shared their views on Singtel's strategic direction, business performance and industry issues. Investors typically cite the following reasons for investing in Singtel: our commitment to capital discipline, a high level of corporate governance, depth of experience at both the board and management level, as well as the Group's exposure to strong mobile growth in the emerging markets. Investors generally view Singtel as a stock that offers both capital growth and attractive yield.

INVESTOR RELATIONS RESOURCES

The IR website is a key resource for corporate information, financial data and significant business developments. Investors turn to the website for Singtel's stock exchange announcements, quarterly results and annual reports, upcoming investor events, shares and dividend information, fact sheets and investor presentation slides.

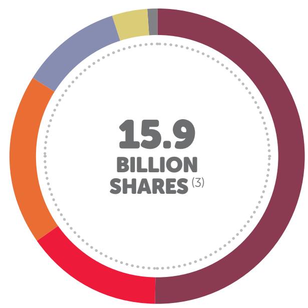
Singtel produces a comprehensive set of materials for its quarterly financial results announcements, including detailed financial statements, management discussion and analysis, and presentation slides. We hold an investor conference call on the day of the results announcement, during which analysts and investors have the opportunity to pose questions to our management. A recording of the investor presentation webcast is posted on the IR website on the same day the results are released, and the transcript of the analyst conference call is posted on the IR website the following day.

All new material announcements are posted on the IR website immediately following its release to the Singapore and Australian exchanges (SGX and ASX respectively) to ensure fair, equal and prompt dissemination of information [(1)].

SHAREHOLDER INFORMATION

As at 31 March 2015, Temasek Holdings (Private) Limited remained the largest shareholder, with 51% of issued share capital. Other Singapore shareholders held approximately 19% of ownership interest. US/Canada and Europe held approximately 15% and 11% of issued share capital respectively.

SHARE OWNERSHIP BY GEOGRAPHICAL DISTRIBUTION [(2)]



Temasek Holdings	51%
US/Canada	15%
Singapore ex Temasek	19%
Europe	11%
Asia ex Singapore	4%
Australia & Others	1%

Notes:

(1) Singtel delisted from the ASX with effect from 5 June 2015 and continues to be listed on the SGX.

(2) These figures do not add up to 100% due to rounding.

(3) As at 31 March 2015.

IR CALENDAR EVENTS

May 2014
- Non-deal Equity Roadshows, Singapore, Europe and the US

Jun 2014
- Singtel Investor Day, Singapore
- Nomura Investment Forum Asia, Singapore
- CIMB Asia Pacific Conference & Invest Malaysia Conference, Kuala Lumpur

Jul 2014
- 22nd Annual General Meeting and Extraordinary General Meeting, Singapore

Aug 2014
- Non-deal Equity Roadshow, Singapore

Sep 2014
- CLSA Investors Forum, Hong Kong

Nov 2014
- Morgan Stanley Asia Pacific Summit, Singapore
- Non-deal Equity Roadshow, Europe
- Morgan Stanley European TMT Conference, Barcelona

Feb 2015
- Non-deal Equity Roadshow, Singapore

Mar 2015
- Morgan Stanley Asia TMT, Internet & Gaming Conference, Hong Kong

Risk Management Philosophy and Approach

We identify and manage risks to reduce the uncertainty associated with executing our business strategies and maximising opportunities that may arise. Risks can take various forms and can have material adverse impact on the Group's reputation, operations, human resources and financial performance.

Our Risk Framework

- Defines how risk management functions
- Aligns the Group's strategy with management of key risks
- Specifies roles of the Board and Management to fulfil risk appetite and tolerance
- Identifies risks and determines mitigation plans

THE BOARD

- Instills culture and approach for risk governance
- Provides oversight of risk management systems and internal controls
- Reviews key risks and mitigation plans
- Determines risk appetite and tolerance
- Monitors exposure

AUDIT COMMITTEE

- Reviews adequacy and effectiveness of the Group's internal control framework
- Oversees financial reporting risk for the Group
- Oversees internal and external audit processes

RISK COMMITTEE

- Reviews and recommends risk strategy and policies
- Oversees design, implementation and monitoring of internal controls
- Reviews adequacy and effectiveness of the Group's risk framework
- Monitors the implementation of risk mitigation plans

MANAGEMENT COMMITTEE

- Implements risk management practices within all business units and functions

RISK MANAGEMENT COMMITTEE

- Supports the Board and Risk Committee in terms of risk governance and oversight
- Sets the direction and strategies to align corporate risk management with the Group's risk appetite and risk tolerance
- Reviews the risk assessments carried out by the Business Units
- Reviews and assesses risk management systems and tools
- Reviews efficiency and effectiveness of mitigations and coverage of risk exposures

Our Risk Philosophy

Our risk philosophy and risk management approach are underpinned by three key principles:

RISK CENTRIC CULTURE

- Set the appropriate tone at the top
- Promote awareness, ownership and proactive management of key risks
- Promote accountability

STRONG CORPORATE GOVERNANCE STRUCTURE

- Promote good corporate governance
- Provide proper segregation of duties
- Clearly define risk-taking responsibility and authority
- Promote ownership and accountability for risk taking

PROACTIVE RISK MANAGEMENT PROCESS

- Robust processes and systems to identify, quantify, monitor, mitigate and manage risks
- Benchmark against global best practices

Based on these principles, the Group has put in place a risk management framework and a rigorous risk review process to identify, monitor, manage and report risks throughout the organisation. Such risks are considered in the development of our strategies and risk management activities to provide assurance to the Board and relevant stakeholders on the adequacy and effectiveness of risk management. These strategies and activities include:

RISK MANAGEMENT FRAMEWORK

Review of risk management policies and processes on a regular basis

RISK REVIEW PROCESS

Continuous process of identifying, monitoring, managing and reporting of risk indicators

ALIGNMENT WITH GROUP STRATEGY

Risk assessment and mitigation strategies as integral parts of the Group's annual business planning and budgeting process

BUSINESS CONTINUITY MANAGEMENT

Involves business continuity, disaster recovery, crisis planning and management as key risk management activities

ASSURANCE

Self-assessment programme over risks and controls, together with internal and external audit, to provide assurance to the Board

The Management has primary responsibility for identifying, managing and reporting to the Board the key risks faced by the Group. 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 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.

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

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

Singtel Internal Audit (IA) carries out reviews and internal control advisory activities aligned to the key risks in the Group's business. This provides independent assurance to the Audit Committee (AC) on the adequacy and effectiveness of our risk management, financial reporting

Risk Management Philosophy and Approach

processes, and internal control and compliance systems. In order to provide assurance to the Board, the CEOs of the business groups submit an annual report on the key risks and mitigation strategies for their respective businesses to the Risk Committee. 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 review the Group's material internal controls to the extent of the scope 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 IA, 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 ensuring the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with applicable legislation, regulations and best practices, and the identification and management of business risks.

Our Risk Appetite

The Board has approved the following risk appetite statement:

- The Group is committed to delivering value to our shareholders achieved through sustained profitable growth. However, the Group shall not compromise our integrity, values and reputation by risking brand damage, service delivery standards, severe network disruption or regulatory non-compliance.
- The Group will defend our market leadership position in Singapore and strengthen our market position in Australia and in Asia Pacific through our regional mobile associates. The Group will continue to pursue business expansion in the emerging markets, including acquiring controlling stakes in the associates, and actively manage the risks.
- The Group is prepared to take measured risks to seek new growth in the digital space by providing global platforms and enablers, targeted at a global footprint, while leveraging our current scale and core strengths.
- The Group targets an investment grade credit rating and dividend payout policy consistent with our stated dividend policy and guidance.

Our Risk Factors

The Group's financial performance and operations are influenced by a vast range of risk factors. Many of these risk factors affect not just our businesses, but also other businesses in and outside 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
- Political Risks
- Regulatory and Litigation Risks
- Competitive Risks
- Regional Expansion Risks
- Project Risks
- New Business Risks
- Technology Risks
- Vendor Risks
- Information Technology Risks
- Breach of Privacy Risks
- Financial Risks
- Electromagnetic Energy Risks
- Network Failure and Catastrophic Risks

ECONOMIC RISKS

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

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

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

POLITICAL RISKS

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

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

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

REGULATORY 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, multimedia 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.

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 these factors can materially and adversely affect our overseas investments.

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

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

The Personal Data Protection Act (PDPA) 2012 in Singapore and the Privacy Act in Australia regulate the collection, use, disclosure, transfer and security of personal data. 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 critically important for supporting our business of providing mobile voice and broadband services. The use of spectrum in most countries in which we operate is regulated by government 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 our core communications business, financial performance and growth plans.

Risk Management Philosophy and Approach

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

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

COMPETITIVE RISKS

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

Group Consumer Business
The telecommunications market in Singapore is highly competitive. As new players enter the market and regulation requires Singtel in 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.

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

The operations of our regional mobile associates' businesses are also subject to highly competitive market conditions. Their growth depends in part on the adoption of mobile data services in their markets. Some of these markets have and could continue to experience keen price competition for mobile data services from smaller-scale competitors, leading to lower profitability and potential loss of market share for our associates.

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

Group Consumer is focused on driving efficiencies and innovation, via new technologies, products and services, processes and business models to meet evolving customer needs and strengthen customer loyalty.

Group Enterprise Business
Business customers enjoy broad choices for many of our services, including fixed, mobile, cloud, managed services, IT services and consulting. Competitors include multinational IT and telecommunications companies, while in Australia, the enterprise market is dominated by the incumbent. The quality and prices of these services can influence a potential business customer's decision. Prices for some of these services have declined significantly in recent years as a result of capacity additions and price competition. Such price declines are expected to continue.

Group Enterprise continues to focus on offering companies comprehensive and integrated infocomm technology (ICT) solutions and initiatives to strengthen customer engagement. This includes broadening our solution portfolio to cover new areas of customer need, such as cloud computing, cyber security and solutions for smart cities.

Group Digital Life Business
The digital products and services offered by the Singtel Group are primarily in the areas of digital marketing, digital video and data analytics. Competition is intense, with many over-the-top operators offering services over the internet and facing low entry barriers.

Group Digital Life aspires to become a significant global player in these areas by delivering distinctive products and services in the target markets and launching them quickly to capture market share. It will continue to harness the Group's valuable assets, such as extensive customer knowledge, touch points, intelligent networks and the scale of the Group's customer base.

REGIONAL EXPANSION RISKS

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

Partnership Relations

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

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 also 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 develop new revenue streams. Our efforts are challenged by the limited availability of opportunities, competition from other potential investors, foreign ownership restrictions, government and regulatory policies, political considerations and the specific preferences of sellers.

The business strategy of some of our regional mobile associates involves expanding 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 guarantee that the regional mobile associates can generate total synergies and successfully build a competitive regional footprint.

The Group adopts a disciplined approach in our investment evaluation and decision-making process. Members of our management team are also directors on the boards of our associates. In addition to the sharing of network and commercial experience, best practices in the areas of corporate governance and financial reporting are also shared across the Group.

PROJECT RISKS

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

The projects the Group undertakes as contractors to maintain and support 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 or service levels.

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

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

NEW BUSINESS RISKS

Beyond our traditional carriage business in Singapore and Australia, the Group is now venturing into new growth areas to create additional revenue streams, including mobile applications and services, pay TV, premium video, content, managed services, cloud services, cyber security, ICT, data analytics and digital marketing. There is no assurance that the Group will be successful in these ventures, which may require substantial capital, new expertise, considerable 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 media regulation, content rights disputes and customer data privacy and protection.

As new businesses place new demands on people, processes and systems, the Group responds by continually updating our organisation structure, talent management and development programme, reviewing our policies and processes, and investing in new technologies to meet changing needs.

TECHNOLOGY RISKS

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

Risk Management Philosophy and Approach

Rapid technological advances may leave the Group with infrastructure and systems that are technologically obsolete before the end of their expected useful life. Technological changes may also reduce costs and expand the capacities of new infrastructure. In the emerging markets in which our associates operate, regulatory practices, including spectrum availability, may not necessarily synchronise with the technology progression path and the market demand for new technologies. These changes may require us to replace and upgrade our network infrastructure to remain competitive and, as a result, incur additional capital expenditure.

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

Group Enterprise may incur substantial development expenditure to gain access to related or enabling technologies to 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 we continue to deliver innovative and relevant services to our customers.

VENDOR RISKS

The Group relies on third-party vendors in many aspects of our business for various purposes, including, but not limited to, the construction of our network, the supply of handsets and equipment, systems and application development 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.

INFORMATION TECHNOLOGY RISKS

As the Group's businesses and operations rely heavily on information technology, the Management has established the IT & Network Security Committee to provide oversight of all IT and network security risks, including cyber security threats and data privacy breaches. The committee comprises members from the various IT and network domains, meets bi-monthly and reports directly to the Risk Management Committee. The committee develops appropriate policies and frameworks to ensure information systems security, reviews the projects and initiatives on IT and network security, and reviews any IT security incidents.

The Group has established the Group Information Security Policy for managing risks associated with information security in a holistic manner. The policy is developed based on industry best practices and is aligned with international standards such as ISO 27001. The policy covers various aspects of IT risk governance, including change management, user access management, database configuration standards and disaster recovery planning, and provides the cornerstone for driving robust IT security controls across the Group.

The Group has also established the Project Management Methodology to ensure that new systems are developed with appropriate IT security controls and are subject to rigorous acceptance tests, including penetration testing, prior to implementation.

BREACH OF PRIVACY RISKS

The Group seeks to protect the privacy of our customers in our networks and systems infrastructure. Significant failure of security measures may undermine customer confidence and materially impact our businesses. The Group may also be subject to the imposition of additional regulatory measures relating to the security and privacy of customer data.

The Group has in place security policies, procedures, technologies and tools designed to minimise the risk of privacy breaches. The Group has also established an escalation process for major incidents, which includes security breaches, to ensure timely response, internally and externally, to minimise impact.

FINANCIAL RISKS

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

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

The Group has established policies, guidelines and control procedures to manage and report exposure to such risks. Our financial risk management is discussed in detail on page 201 in Note 37 to the Financial Statements.

ELECTROMAGNETIC ENERGY RISKS

Health concerns have been raised regarding the potential exposure to electromagnetic energy (EME) associated with the operation of mobile communications devices. While health authorities, including the World Health Organisation, agree there is no substantiated evidence of public health risks from exposure to the levels of EME 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 complies with the leading global standard, the International Commission on Non-Ionizing Radiation Protection on EME, as well as relevant standards and regulations in Singapore and Australia on emission of EME. We continue to monitor research findings on EME, health risks and their implications on relevant standards and regulations in Singapore and Australia, as well as the rest of the world.

NETWORK FAILURE AND CATASTROPHIC RISKS

The provision of our services depends on the quality, stability, resilience and robustness of our integrated networks. We face the risk of malfunction of, loss of, or damage to, network infrastructure from natural or other uncontrollable events such as acts of terrorism. Some of the countries in which the Group and/or its regional mobile associates operate have experienced a number of major natural catastrophes over the years, including typhoons, droughts and earthquakes. In addition, other events that are outside the control of the Group and/or its regional mobile associates, such as fire, deliberate acts of sabotage, industrial accidents, blackouts, terrorist attacks or criminal acts, could damage, cause operational interruptions or otherwise adversely affect any of the facilities and activities, as well as potentially cause injury or death to personnel. Such losses or damage may significantly disrupt our operations, which may materially adversely affect our ability to deliver services to customers.

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

Marketplace and Customers

Increasing stakeholder value and leading the market with innovative ICT services and care for our customers

Community

Driving positive and sustainable changes to disadvantaged communities, focusing on vulnerable young people and bridging communities through ICT

People

Providing opportunities for our people and maintaining a diverse, inclusive and collaborative workplace and culture

Environment

Managing our environmental footprint through addressing climate change, integrating environment agenda into our value chain, engaging our stakeholders, and product and resource responsibility

Sustainability

As Asia's leading communications group, we pride ourselves on setting the standard on how our business capability and technology can be used to make positive changes to individuals and the community. We do this by leveraging the power of communications, infotainment and our people to transform lives and make a significant impact on society.

As a responsible corporate citizen, we proactively engage our stakeholders and look at ways to build a sustainable business by addressing material risks and opportunities in the broader value chain we operate in. We are guided by our sustainability pillars: Marketplace and Customers, Community, our People and the Environment. We aim to create value for our stakeholders by:

- leading the market with innovative services;
- providing exceptional service;
- driving positive change in disadvantaged communities;
- investing in our people; and
- managing our environmental footprint.

Marketplace and Customers

Our customers are at the centre of everything we do. They deserve the best and we aim to deliver by listening and taking action to improve their lives – through innovative products and personalised services.

CORPORATE ACCOUNTABILITY

We believe in upholding the highest standards of responsible business practices, corporate governance and transparency to ensure that our business is sustainable. We expect the same of our business partners and supply chain and we work closely with them to uphold these standards.

Our well-defined policies and processes enhance corporate performance and accountability, and protect the interests of our stakeholders. You can read more about our approach on page 56.

IT'S ALL ABOUT OUR CUSTOMERS

We exist because our services fulfil an important need. We have a wide suite of user-friendly services to meet customers' needs in everything they do – at work, at home or when doing their favourite things.

In January 2015, we embarked on a new brand promise in Singapore to enrich customers' lives with better service, technology and content, and deliver seamless and effortless experiences.

We understand that customers are busy. Hence, we introduced an option for customers to book their preferred appointment time online when they need to visit a Singtel shop. Customers who wish to speak with a Singtel hotline officer can request a call-back at a time that suits them. Customers with service appointments for installation can expect Singtel technicians to arrive within 30 minutes of their appointment time.

We recognise that each customer is different and we offer a range of mobile plans to cater to their needs.

In August 2014, we launched Combo plans in Singapore to meet consumers' growing appetite for mobile data services. These plans offer access to Singtel's Premium WiFi service at many hotspots across the island, giving consumers high-speed and seamless connectivity, over and above their 4G data allowance.

To cater to the needs of elderly customers and people with disabilities, we introduced our Silver Plan and Lite Special Plan. Subscription plans are offered at a discount and tailored to better meet their needs.

In Australia, customers can get the most out of Optus' mobile data plans by sharing data with up to five mobile broadband devices, including smartphones, tablets and USB modems.

The Silver Plan helps elderly customers embrace technology and connect with their loved ones

Right to privacy

We understand that data privacy and protection is important to our consumer and enterprise customers. As a trusted operator, we strive to keep our customers' personal data secure. Our policy is to be open and transparent about how we collect, use, and disclose our customers' personal data.

The full Personal Data Protection Act (PDPA) came into effect in Singapore in July 2014. It comprises various rules governing the collection, use, disclosure and care of personal data. The Do Not Call Registry, which came into effect in January 2014, allows individuals to register their Singapore telephone numbers to opt out of receiving marketing phone calls, mobile text messages such as SMS or MMS, and faxes from organisations.

We developed new policies for staff to ensure we meet the PDPA requirements and all staff underwent mandatory training. We introduced measures to ensure that our vendors and partners are PDPA compliant.

In Singapore, we launched an online portal to offer customers more control of what data can be used. It gives customers more control over the type of information they wish to receive and how their personal data may or may not be used. Customers can select channels for receiving marketing messages from Singtel and our partners. A Data Protection Governance Committee, chaired by our Data Protection Officer, was created to ensure Singtel maintains full compliance with the PDPA.

We will continue to introduce measures to protect our customer privacy, for example, through compliance checks on our daily operations, including those of our offshore and outsource partners. Other measures include introducing new technical solutions to detect and respond to security threats.

To make it easier for staff to understand and comply with data privacy requirements, we will continue to refine internal guidelines and drive awareness of the importance of privacy protection across the Group.

1 Helping parents understand and protect their children from online risks with notAnoobie

2 More than 54,000 students have benefited from the Optus Digital Thumbprint Programme since its launch in 2013

Community

The Singtel Group advocates social responsibility in all our markets. We are committed to giving back to the community, and driving positive and sustainable change to make the world a better place to live in.

Our community investment framework focuses on creating maximum benefit and impact for our community. We help the vulnerable, especially children with special needs, youth at risk and the elderly, with tailored programmes that focus on inclusion and well-being, education and employability, as well as cyber wellness and online safety.

Our community programmes aim to leverage infocomm technology (ICT) – our corporate core competence – and our people through general and skilled volunteering.

PROMOTING RESPONSIBLE DIGITAL CITIZENSHIP

The growing popularity of digital devices has led to an increase in cyber bullying as well as gaming and device addiction around the world. As a communications provider, we play a role in educating our customers about the risks of cyber bullying, and promoting cyber wellness and online safety among vulnerable children and youth. Our programmes aim to nurture responsible digital citizens.

To help parents better guide their children to be safer "netizens" in the cyber world, we introduced notAnoobie in Singapore, a mobile app that was co-developed with TOUCH Cyber Wellness, a not-for-profit organisation that provides cyber wellness services to youth. Available in English and Chinese, it contains useful information, tips and success stories on gaming, social media and device addiction, cyber bullying and inappropriate content.

As children are receiving earlier exposure to the internet, there is a need to engage them early in our outreach efforts. During the year, we partnered iZ HERO Lab, whose award-winning educational programme iZ HERO teaches young children to navigate cyber space safely. Outreach programmes, assembly talks, classroom sessions and web-based activities were used in a fun and engaging way to teach more than 24,000 students in 62 primary schools in Singapore about cyber risks between July and November 2014.

In Australia, our Optus Digital Thumbprint Programme uses face-to-face workshops to teach high school students to be savvy, responsible and proactive members of the online community. Since the programme was launched in 2013, we have reached more than 54,000 students through 1,800 workshops in New South Wales and Victoria. In 2014, the Optus Digital Thumbprint Programme was recognised with a Communications Alliance and Communications Day ACOMMS award and was a finalist in the Melbourne Community Awards.

CREATING OPPORTUNITY

We support children and youth with special needs so that they can lead independent lives. In 2014, we extended our support to train people with disabilities and help them gain employment.

To help people with disabilities find work after they finish school, we donated S$1.1 million to set up the Singtel Enabling Innovation Centre in Singapore. This is a community space with services and experts that assist young people to lead independent lives and enhance their employability. In addition, we support the curriculum development and will provide the expertise and time to support training programmes for the contact centre and ICT literacy courses at the facility, which is expected to be ready by the end of 2015.

Since 2002, the Singtel Touching Lives Fund (STLF) has been raising money for programmes that help children and

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1 Optus' mentoring programme helps disadvantaged students from high-needs schools

2 The Optus mobile student2student programme in partnership with The Smith Family has vastly improved the reading skills of students

3 Singtel is the title sponsor of the Race Against Cancer

4 Optus raised A$365,000 for Tour de Cure, with six employees participating in the cycling marathon

youth with special needs. To date, STLF has raised over S$30 million for more than 20 beneficiaries.

The Australian Business and Community Network Scholarship Foundation provides financial and mentoring scholarships to high potential students facing economic, family or social challenges which impact their study or capacity to pursue their desired tertiary pathways. Through a staff crowdfunding exercise in Australia, Optus raised A$10,000 to support one of 14 scholarships awarded by the foundation. A dedicated Optus employee will mentor this student in setting goals and developing valuable workplace skills.

Since 2005, over 2,200 Optus employees have volunteered over 22,000 hours and supported more than 6,200 students and school leaders. Through our mentoring programme, we aim to help students from disadvantaged backgrounds in high-needs schools by providing them with the support and life skills to help them learn, grow and navigate their way through life.

In partnership with The Smith Family, Optus continued to support the mobile student2student programme, pairing students with reading difficulties with advanced student "buddy" readers through a peer-tutoring reading programme. During the year, 500 readers aged eight to 14 read to their buddies using mobile phones supplied and powered by Optus. This intensive reading programme is conducted two to three times a week over 18 weeks in the school year. As a result, 94% of students improved their reading skills and 84% of students said they felt better about themselves after the programme as they found it easier to do school work.

The Singtel Group also supports efforts in Singapore and Australia that promote cancer awareness and provide assistance to those affected by cancer. For the 5th year in 2014, Optus supported Tour de Cure, a cycling marathon covering 1,576 kilometres from Sydney to Hobart over 10 days. More than 100 riders participated and six employees formed the Optus Tour De Cure team, raising A$365,000.

As part of STLF, Singtel has been supporting the Singapore Cancer Society (SCS) in running its Help the Children and Youth Programme since 2009. We are the title sponsor for the annual Race Against Cancer and donated S$250,000 to SCS in 2014, bringing our total donation to S$1.25 million in six years.

EXTENDING OUR SUPPORT

Giving back to the community is an important part of the Singtel Group culture. Active employee volunteerism directly helps the community while contributing to the holistic development of our people, who gain empathy, team spirit and a broader perspective of the communities in which we live and work.

Each year, we give our staff a day's paid leave to spend their time on a worthy cause. We also encourage business units to adopt "VolunTeaming", a teambuilding concept we introduced in 2010 that encourages our people to volunteer with their colleagues at department level. During the year, we clocked more than 15,000 volunteering hours in Singapore.

At the 2nd annual Singtel carnival – our mass staff volunteering platform – 500 children from the STLF beneficiaries were treated to fun and games at 35 stalls organised and manned by 1,000 staff volunteers.

People

Our people are key to what we stand for. We want our employees to be proud ambassadors of the company. We strive to achieve this through a fair, performance-based work culture that is diverse, inclusive and collaborative.

We work hard to develop our people and help them reach their full potential. Investing in staff is crucial to our success and we have many programmes to develop our people, regardless of whether they are just starting their careers or are experienced professionals.

CULTIVATING EXCELLENCE AND TALENT

To nurture young talent, we are growing our successful Management Associate Programme with more hires. In FY 2015, 54 graduates across Singapore and Australia joined the two-year programme, an increase from the 43 graduates hired in the previous year.

We introduced the Singtel Cadet Scholarship Programme in January 2015 to build a pipeline of talent for the industry. Under this programme, up to 90 students a year can receive scholarships to study diploma courses at Singapore Polytechnic and Republic Polytechnic in network engineering, cyber security and customer experience.

The Regional Leadership in Action and Game for Global Growth programmes also continue to stretch and grow talent across the region. A total of 117 high calibre employees attended these two regional programmes in the past year.

We established a Group Centre of Operational Excellence in 2009 to empower our people with best business practices and excellence, and focused mindsets to deliver sustainable customer, process and people excellence. Over 7,500 employees in Singtel, Optus and our regional mobile associates have been trained in various skill levels of Lean Six Sigma and Business Process Management competencies since 2009, including more than 1,000 employees in FY 2015.

LEADERS OF THE FUTURE

Opportunities to connect with colleagues across the business help our staff build their knowledge and capabilities, as well as advance their careers within the Singtel Group. We have a full range of management and technical training programmes. In FY 2015, staff undertook an average of more than 30 hours of learning.

One of our more popular events is the annual Learning Fiesta, which offers staff access to well-known keynote speakers, as well as short courses and other activities. In FY 2015, there were more than 20,000 learning spaces for 170 courses. Employees in Australia, Malaysia, Singapore and the US actively participated in the Learning Fiesta.

More than 2,000 employees also attended career management sessions, and career guides were developed and made available on Singtel's intranet, Espresso.

CELEBRATING OUR WORKPLACE

We promote a culture anchored on our five core values of Customer Focus, Challenger Spirit, Teamwork, Integrity and Personal Excellence.

We remain committed to a safe, healthy work environment fostered through a collaborative partnership with employees directly as well as through our open and consultative relationship with the Union of Telecoms Employees of Singapore (UTES) and the Employee Partnership in Australia.

We know employee engagement is fundamental to customer satisfaction, and ultimately to business performance.

We have been measuring employee engagement since 1998. In 2012, we began tracking employee advocacy ratings to measure our employees' willingness to recommend Singtel as a good place to work, and to endorse our products and services.

In FY 2015, we also introduced E2E: Empower to Engage, which gives employees a personalised engagement report with recommendations on how to improve their own engagement levels.

Singtel Management join UTES General Secretary Thuvinder Singh and President Roger Tan at the annual May Day celebration

OVER 23,000
Total Staff

GENDER DISTRIBUTION

	SINGAPORE		AUSTRALIA	
	Male	Female	Male	Female
Operational Support	55%	45%	58%	42%
Professional	68%	32%	73%	27%
Middle Management	63%	37%	81%	19%
Top and Senior Management	67%	33%	87%	13%
Total	**62%**	**38%**	**68%**	**32%**

Our commitment to workforce diversity

As a leading employer, we are committed to developing and maintaining a diverse, 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.

Our workforce comprises more than 23,000 employees with diverse perspectives, backgrounds and life experiences. This diversity helps us to forge stronger connections with our customers, as well as engage confidently at the workplace and global marketplace. It also exposes us to innovation which takes shape in different geographies and industries.

Diversity at the Group refers to the ways in which we accept and respect differences, including gender, age, ethnicity, language, cultural background, physical ability and lifestyle choice. The Singtel Group actively seeks to promote diversity across four key areas of gender diversity, a multi-generational and multi-cultural workforce, and differing abilities.

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

Our people come from
96
DIFFERENT COUNTRIES

AGE DISTRIBUTION [1]

Boomers (Pre 1964)	**22%**
Gen X (1965–1977)	**34%**
Gen Y (1978 onwards)	**44%**

Boomers (Pre 1964)	**15%**
Gen X (1965–1977)	**37%**
Gen Y (1978 onwards)	**48%**

Notes:

(1) Does not include employees in offices outside of Singapore and Australia.

1


2


1 The Singtel Cadet Scholarship Programme helps nurture young talent and build the company's talent pipeline

2 Singtel staff learning new skills at The Learning Café – a prelude to the annual Learning Fiesta

Environment

As we expand our network and infrastructure to cater to the growing demand for our services, we need to ensure that we operate as efficiently as possible to minimise our impact on the environment.

TOWARDS A GREEN WORLD

Our environmental strategy focuses on four key areas: addressing climate change, integrating the environment agenda into our broader value chain which includes business operations, suppliers and customers, engaging our stakeholders and taking responsibility for our products and resources.

Addressing climate change

We are addressing climate change through mitigation and adaptation measures. We focus on energy management as our emissions are predominantly through electricity use. We will also ensure that we build a network that is resilient to the impacts of climate change. In Australia, Optus is a founding member of the Australian Business Roundtable for Disaster Resilience and Safer Communities to drive inter-industry collaboration, research and policy advocacy to build better infrastructure and community resilience to the many natural disasters that impact the country.

Managing our supply chain

We are implementing a Sustainable Supply Chain Management Framework, and have adopted a holistic approach to understanding and managing the environmental impact of our activities and other risks in our supply chain. We have also updated our supplier code of conduct across the Group to make it more robust and ensure that we adhere to the United Nations Global Compact commitments and address other material issues in our value chain. The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Little Eco Steps

In 2011, we launched our Project LESS (Little Eco StepS) environmental campaign, which encourages staff to adopt practices that reduce our carbon footprint and overall environmental impact. Simple acts such as using less paper can help us care for the environment.

In Singapore, we work with the National Parks Board for our annual Plant-a-Tree Day, where planting local trees help us conserve our environment. We have planted 800 trees since 2009, involving 1,600 staff volunteers over the years.

In Australia, some of the little eco-steps we have taken include Clean Up Australia Day, tree planting and supporting Earth Hour.

Product and resource responsibility

Singtel and Optus generate e-waste through the electronic devices that staff use for work. At the end of each item's life, the data is destroyed and the item is resold, reused or recycled. This programme is very effective and we have high rates of reuse and recycle. We also have a buyback scheme for customers as well as recycling facilities for old electronic products and accessories through the Singtel e-waste recycling programme in Singapore and Mobile Muster programme in Australia.

OUR PERFORMANCE

Our efforts to go green are recognised globally. We were ranked 29th globally in the 2014 Newsweek Green Rankings, which assess the environmental performance of the 500 largest, publicly traded, global companies according to market capitalisation.

The CDP (previously known as the Carbon Disclosure Project) gave Singtel a score of 80B out of 100 in 2014, an improvement in both disclosure and performance over 76C in the previous year. The index recognises global companies for achievements and transparency in tackling climate change and its scores are based on disclosure and performance.

The Singtel Group will continue to reach out to stakeholders for feedback on our sustainability strategy and programmes so that we can do more to change the lives of people in communities around us for the better.

Since 2009, 1,600 staff volunteers have planted 800 trees in Singapore at our annual Plant-a-Tree Day

KEY ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

		Singapore		Australia	
		2015	2014	**2015**	2014
Environmental Performance [1]	Energy use (GJ)	**1,338,904**	1,274,390	**1,533,360**	1,407,028
	Carbon footprint (tonnes CO_2e)	**176,454**	186,303	**402,750**	346,102
	Water use (cubic metres)	**691,389**	705,886	**60,422**	91,955
	Hazardous and non-hazardous waste (tonnes)	**4,015**	4,124	**1,425**	1,271
Social Performance – People	Employee turnover (%)	**13.8**	12.9	**10.4**	8.4
	Employee turnover by gender (%)				
	– Male	**14.7**	11.5	**9.0**	9.0
	– Female	**12.3**	15.1	**13.0**	10.0
	Average training hours	**33.3**	31.0	**32.2**	28.5
	Workplace injury rate (number of workplace injuries per 100,000 persons employed)	**141.4**	143.7	**257.0**	146.5
	Accident frequency rate (number of workplace accidents per million man hours worked)	**0.4**	0.3	**0.8**	0.7
	Accident severity rate (number of man days lost to workplace accidents per million man hours worked)	**7.3**	7.7	**16.6**	19.8
Social Performance – Community	Community investment	**S$10.1 million**	S$9.3 million	**A$8.7 million**	A$9.7 million
	Total volunteering hours	**15,109**	12,144	**11,505**	8,724

Note:

[1] Please refer to the Singtel Group and Optus sustainability reports for the reporting scope of environmental indicators.

For more details, refer to our **Sustainability Report** at: **singtel.com/sr2015**

Group Five-year Financial Summary

	Financial Year ended 31 March				
	2015	2014	2013	2012	2011
Income Statement (S$ million)					
Group operating revenue	**17,223**	16,848	18,183	18,825	18,071
Singtel	**7,348**	6,912	6,732	6,551	6,401
Optus	**9,875**	9,936	11,451	12,275	11,670
Optus (A$ million)	**8,790**	8,466	8,934	9,368	9,284
Group EBITDA	**5,091**	5,155	5,200	5,219	5,119
Singtel	**2,146**	2,223	2,147	2,128	2,183
Optus	**2,945**	2,932	3,053	3,091	2,937
Optus (A$ million)	**2,624**	2,502	2,381	2,357	2,334
Share of associates' pre-tax profits	**2,579**	2,201	2,106	2,005	2,141
Group EBITDA and share of associates' pre-tax profits	**7,670**	7,357	7,306	7,223	7,260
Group EBIT	**5,508**	5,224	5,178	5,222	5,291
Net profit after tax	**3,782**	3,652	3,508	3,989	3,825
Underlying net profit [(1)]	**3,779**	3,610	3,611	3,676	3,800
Exchange rate (1 A$ against S$) [(2)]	***1.123***	*1.174*	*1.282*	*1.310*	*1.257*
Cash Flow (S$ million)					
Group free cash flow [(3)]	**3,549**	3,249	3,759	3,462	4,038
Singapore	**1,379**	1,181	1,491	1,170	1,436
Optus	**1,070**	1,020	1,367	1,451	1,519
Optus (A$ million)	**976**	903	1,068	1,111	1,206
Associates' dividends (net of withholding tax)	**1,100**	1,048	900	841	1,084
Cash capital expenditure	**2,238**	2,102	2,059	2,249	2,005
Balance Sheet (S$ million)					
Total assets	**42,067**	39,320	39,984	40,418	39,282
Shareholders' funds	**24,733**	23,868	23,965	23,428	24,328
Net debt	**7,963**	7,534	7,477	7,860	6,023
Key Ratios					
Proportionate EBITDA from outside Singapore (%) [(4)]	**74**	73	75	76	75
Return on invested capital (%) [(5)]	**12.1**	11.6	11.8	12.0	12.5
Return on equity (%)	**15.6**	15.3	14.8	16.7	16.0
Return on total assets (%)	**9.3**	9.2	8.7	10.0	9.9
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	**1.0**	1.0	1.0	1.1	0.8
EBITDA and share of associates' pre-tax profits to net interest expense (number of times)	**29.2**	28.7	24.5	20.7	21.8
Per Share Information (S cents)					
Earnings per share - basic	**23.73**	22.92	22.02	25.04	24.02
Earnings per share - underlying net profit [(1)]	**23.71**	22.65	22.66	23.07	23.86
Net assets per share	**155.21**	149.80	150.42	147.08	152.75
Dividend per share - ordinary	**17.5**	16.8	16.8	15.8	15.8
Dividend per share - special	**–**	–	–	–	10.0

"Singtel" refers to the Singtel Group excluding Optus.

Notes:

(1) Underlying net profit is defined as net profit before exceptional items.
(2) Average A$ rate for translation of Optus' operating revenue.
(3) Free cash flow refers to cash flow from operating activities, including dividends from associates, less cash capital expenditure.
(4) Comparatives have been restated to be consistent with FY 2015.
(5) Return on invested capital is defined as EBIT (post-tax) divided by average capital.

Group Five-year Financial Summary

FIVE-YEAR FINANCIAL REVIEW

FY 2015

The Group delivered a strong set of results. Operating revenue was S$17.22 billion, 2.2% higher than FY 2014 with growth across all the business units. EBITDA was S$5.09 billion, 1.3% lower than FY 2014 with the Australian Dollar weakening 4% against the Singapore Dollar. In constant currency terms, revenue grew 4.8% and EBITDA rose 1.3% despite operating losses from the digital businesses.

The associates' pre-tax contributions rose strongly by 17% to S$2.58 billion and would have increased 21% excluding the currency translation impact. The regional mobile associates registered strong customer growth and increased demand for mobile data services, with earnings growth led by Airtel India, Telkomsel and Globe.

Underlying net profit grew 4.7% and net profit including exceptional items increased 3.5% to S$3.78 billion. In constant currency terms, underlying net profit and net profit would have increased 7.5% and 6.2% respectively from FY 2014.

FY 2014

The Group delivered a resilient performance against industry challenges and currency headwinds. Operating revenue was S$16.85 billion, 7.3% lower than FY 2013 with the Australian Dollar weakening 8% against the Singapore Dollar. In constant currency terms, revenue would have declined 2.3% with lower mobile revenue in Australia and a cautious business climate. EBITDA was relatively stable at S$5.16 billion but in constant currency terms increased 4.5% on an improved cost structure.

The associates' pre-tax contributions rose 4.5% to S$2.20 billion and would have increased strongly by 13% excluding the currency translation impact. The regional mobile associates registered robust demand for mobile data services, with earnings growth led by Airtel India.

Underlying net profit was stable at S$3.61 billion and net profit including exceptional items grew 4.1% to S$3.65 billion. In constant currency terms, underlying net profit and net profit would have increased 5.9% and 10% respectively from FY 2013.

FY 2013

The Group delivered resilient earnings amid significant industry changes while it continued to invest in transformational initiatives to drive long-term growth. Operating revenue was S$18.18 billion, 3.4% lower than FY 2012 due to lower mobile revenue in Australia. EBITDA was stable at S$5.20 billion. In constant currency terms, revenue declined 2.1% but EBITDA grew 1.0% on strong cost management.

The associates' pre-tax contributions grew 5.0% to S$2.11 billion. Excluding the currency translation impact, the associates' pre-tax contributions would have increased strongly by 12%, underpinned by double-digit earnings growth from Telkomsel and AIS.

Underlying net profit was S$3.61 billion, a decrease of 1.8% from FY 2012. Excluding currency translation impact, underlying net profit rose 1.4%. Including net exceptional losses mainly from disposal of Warid Pakistan in FY 2013, net profit declined 12% to S$3.51 billion in FY 2013.

FY 2012

The Group's operating revenue grew 4.2% to S$18.83 billion, underpinned by robust mobile growth in Singapore and 4% appreciation of the Australian Dollar. EBITDA rose 1.9% to S$5.22 billion with lower customer acquisition costs in Australia partly offset by investments in TV content and higher mobile customer acquisition and retention costs in Singapore.

The associates' pre-tax contributions declined 6.4% to S$2.01 billion. Excluding currency translation impact, the associates' pre-tax contributions would have been stable, driven by strong profit growth from Telkomsel and AIS partially offset by Airtel's lower earnings.

Underlying net profit was S$3.68 billion, 3.3% lower than FY 2011. Including net exceptional gains and an exceptional net tax credit of S$270 million on the increase in value of assets transferred to an associate, net profit grew 4.3% to S$3.99 billion.

FY 2011

The Group's operating revenue grew 7.1% to S$18.07 billion, led by a robust mobile performance and a 3% strengthening of the Australian Dollar. EBITDA increased 5.6% to S$5.12 billion with growth from Optus.

The associates' pre-tax contributions declined 11% to S$2.14 billion. Both Telkomsel and Globe reported lower profits on increased competitive pressures. Airtel's earnings were impacted by higher depreciation and amortisation charges, losses from its newly acquired African operations in June 2010, as well as related acquisition financing and transaction costs.

Underlying net profit was S$3.80 billion, a decrease of 2.8% from FY 2010. Including net exceptional gains, net profit declined 2.1% to S$3.83 billion.

Group Value Added Statements

GROUP VALUE ADDED STATEMENTS

	FY 2015 S$ million	FY 2014 S$ million
Value added from:		
Operating revenue	**17,223**	16,848
Less: Purchase of goods and services	**(9,823)**	(9,515)
	7,400	7,333
Other income	**151**	108
Interest and investment income (net)	**93**	125
Share of results of associates (post-tax)	**1,735**	1,393
Exceptional items	**15**	114
	1,994	1,739
Total value added	**9,395**	9,072
Distribution of total value added		
To employees in wages, salaries and benefits	**2,461**	2,285
To government in income and other taxes	**679**	691
To providers of capital on:		
- Interest on borrowings	**309**	306
- Dividends to shareholders	**2,678**	2,678
Total distribution	**6,126**	5,960
Retained in business		
Depreciation and amortisation	**2,161**	2,133
Retained profits	**1,104**	974
Non-controlling interests	**3**	5
	3,268	3,112
Total value added	**9,395**	9,072
Average number of employees	**22,967**	21,830

PRODUCTIVITY DATA

Value added
(S$ million)

Value added per employee
(S$'000)

Value added per dollar of employment costs
(S$)

Value added per dollar of turnover
(S$)

Management Discussion and Analysis

GROUP REVIEW

GROUP	Financial Year Ended 31 March 2015 (S$ million)	2014 (S$ million)	Change (%)	Change in constant currency [1] (%)
Operating revenue	**17,223**	16,848	2.2	4.8
EBITDA	**5,091**	5,155	-1.3	1.3
EBITDA margin	***29.6%***	*30.6%*		
Share of associates' pre-tax profits	**2,579**	2,201	17.2	20.7
EBITDA and share of associates' pre-tax profits	**7,670**	7,357	4.3	7.1
EBIT	**5,508**	5,224	5.4	8.3
(exclude share of associates' pre-tax profits)	***2,929***	*3,023*	*-3.1*	*-0.8*
Net finance expense	**(216)**	(181)	19.3	22.8
Taxation	**(1,510)**	(1,428)	5.7	8.4
Underlying net profit [2]	**3,779**	3,610	4.7	7.5
Underlying earnings per share (S cents)	***23.7***	*22.7*	*4.7*	*7.5*
Exceptional items (post-tax)	**3**	42	-94.1	-104.5
Net profit	**3,782**	3,652	3.5	6.2
Basic earnings per share (S cents)	***23.7***	*22.9*	*3.5*	*6.2*
Share of associates' post-tax profits	**1,763**	1,472	19.7	23.7

"Associate" refers to either an associate or a joint venture as defined under Singapore Financial Reporting Standards.

Notes:

[1] Assuming constant exchange rates for the Australian Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the previous year ended 31 March 2014 (FY 2014).

[2] Underlying net profit refers to net profit before exceptional items.

The Group delivered a strong set of results against industry challenges and currency headwinds. Net profit grew 3.5% to S$3.78 billion and in constant currency terms would have increased 6.2% from last year.

Operating revenue grew 2.2% to S$17.22 billion, despite the Australian Dollar weakening 4% against the Singapore Dollar. In constant currency terms, revenue would have increased 4.8% with growth across all the business units. EBITDA declined 1.3% at S$5.09 billion but in constant currency terms would have increased 1.3% despite operating losses from the digital businesses.

Group Consumer recorded increases in revenue and EBITDA of 1.4% and 1.0% respectively. In constant currency terms, Group Consumer's revenue would have grown 4.8% and EBITDA would be up 4.6%. In Singapore, despite keen competition, EBITDA rose 4.0% mainly on 6.1% increase in revenue driven by strong handset sales and growth in TV partly offset by increased cost of sales and selling expenses. In Australia, EBITDA grew 4.9% on 4.6% increase in revenue underpinned by the improved mobile performance and lower mobile customer acquisition and retention costs.

Group Enterprise's revenue was stable and EBITDA declined 1.6%. Adjusted for the fibre rollout business which was transferred to NetLink Trust from October 2014 [1], revenue grew 2.1% while EBITDA declined 2.1%. On the same basis and in constant currency terms, revenue grew 3.3% while EBITDA declined 1.4%, reflecting a cautious business environment and intense competition. In Singapore, excluding the fibre rollout business, revenue grew 4.5% with increased contributions from cloud and managed infocomm technology (ICT) services. In Australia, Optus Business' revenue was stable and EBITDA improved by 1.7%. In April 2015, Group Enterprise entered into a conditional agreement to acquire 98% of the share capital of Trustwave Holdings, Inc., the largest global independent managed security services provider in North America with presence in Europe and Asia Pacific.

Group Digital Life's revenue more than doubled to S$343 million with contributions from the new digital businesses acquired, Kontera Technologies, Inc. ("**Kontera**"), and Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**"). Negative EBITDA was S$216 million, reflecting investments in digital businesses and initiatives. From 1 April 2015, Group Digital Life sharpened its strategy to focus on three key businesses – digital marketing, regional premium video, and advanced analytics, in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

The associates' pre-tax contributions grew strongly by 17% to S$2.58 billion, and would have increased 21% excluding the currency translation impact with earnings growth led by Airtel India, Telkomsel and Globe.

Airtel delivered higher EBITDA on strong data growth and improved margin in India. The growth was partly offset by increased losses at Africa due to weaker operating performance compounded by increased fair value losses from the sharp depreciation of African currencies against the US Dollar. Telkomsel registered double-digit growth in revenue and EBITDA, driven by robust growth in voice and data services which was partly offset by higher network costs and depreciation charges. Globe recorded higher profits with continued growth momentum in mobile data services and customer gains. AIS reported stable profit with higher service revenue and regulatory costs savings being offset by higher depreciation and amortisation charges from 3G network investments.

Depreciation and amortisation charges increased mainly due to higher amortisation charges of intangibles from digital acquisitions and spectrum investments. Consequently, the Group's EBIT rose 5.4% to S$5.51 billion, and would have been up 8.3% in constant currency terms.

Net finance expense increased 19% on higher interest expense and lower dividend income from Southern Cross Consortium, a joint venture of the Group.

The increase in tax expense was due to higher share of associates' taxes resulting from increased associates' profits as well as higher withholding taxes on increased dividends from the associates.

Underlying net profit (before exceptional items) grew 4.7% to S$3.78 billion and in constant currency terms would have increased 7.5% from last year.

The Group's net exceptional gain of S$3 million was mainly due to S$65 million of gain on dilution of its equity interest in Singapore Post partially offset by staff restructuring costs of S$30 million, share of Airtel's one-off items of S$17 million and share of Globe's accelerated depreciation of S$11 million.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. Hence, the Group is exposed to currency movements. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for 76% of the Group's proportionate revenue and 74% of proportionate EBITDA.

Note:

[1] Singtel relinquished its role as OpenNet's key sub-contractor in respect of the fibre rollout and maintenance, following the integration of OpenNet Pte. Ltd. by NetLink Trust effective 1 October 2014. At the Group level, Singtel equity accounted for its 100% interest in NetLink Trust, an independently managed trust.

BUSINESS SEGMENT TOTALS

	Financial Year Ended 31 March 2015 (S$ million)	2014 [1] (S$ million)	Change (%)	Change in constant currency [2] (%)
Operating revenue				
- Group Consumer	**10,559**	10,411	1.4	4.8
- Group Enterprise	**6,320**	6,268	0.8	2.0
Core Business	**16,880**	16,680	1.2	3.8
- Group Digital Life	**343**	144	138.8	139.2
- Corporate	**–**	25	nm	nm
Group	**17,223**	16,848	2.2	4.8
EBITDA				
- Group Consumer	**3,317**	3,283	1.0	4.6
- Group Enterprise	**2,061**	2,095	-1.6	-0.9
Core Business	**5,378**	5,378	**	2.4
- Group Digital Life	**(216)**	(170)	26.8	26.6
- Corporate	**(71)**	(52)	36.9	36.9
Group	**5,091**	5,155	-1.3	1.3
EBITDA margin				
- Group Consumer	***31.4%***	*31.5%*		
- Group Enterprise	***32.6%***	*33.4%*		
- Group	***29.6%***	*30.6%*		
EBIT (exclude share of associates' pre-tax profits)				
- Group Consumer	**1,839**	1,821	1.0	4.4
- Group Enterprise	**1,453**	1,473	-1.4	-0.9
Core Business	**3,291**	3,294	-0.1	2.0
- Group Digital Life	**(289)**	(218)	32.6	32.5
- Corporate	**(73)**	(54)	36.8	36.8
Group	**2,929**	3,023	-3.1	-0.8
Group Enterprise (exclude fibre rollout and maintenance)				
- Operating revenue	**6,240**	6,114	2.1	3.3
- EBITDA	**1,994**	2,036	-2.1	-1.4
- EBIT (exclude share of associates' pre-tax profits)	**1,386**	1,415	-2.1	-1.6

"nm" denotes not meaningful. "**" denotes less than 0.05%.

Notes:

[1] Comparatives have been restated to be consistent with FY 2015.

[2] Assuming constant exchange rate for the Australian Dollar from FY 2014.

GROUP CONSUMER

Group Consumer contributed 61% (FY 2014: 62%) and 65% (FY 2014: 64%) to the Group's operating revenue and EBITDA respectively.

Singapore Consumer revenue grew 6.1% mainly from growth in Equipment sales, Pay TV, and Mobile Communications revenues. Equipment sales rose 34% on higher handset sales driven by strong demand for smartphones. Revenue from Pay TV was up 35% as a result of higher content upgrades by customers and increase in the number of customers with bundled services. Mobile Communications revenue grew 1.8% with strong mobile data growth mitigating the declines in roaming, voice and SMS usage. EBITDA grew 4.0% notwithstanding the FIFA World Cup subsidy and higher handset subsidies from increased connection volumes. EBIT rose 3.5% after including higher depreciation charges resulting from the expansion and upgrading of mobile networks.

Australia Consumer revenue gained 4.6% on strong Equipment sales and higher mobile service revenue, partly offset by lower fixed revenue. EBITDA rose 4.9% on lower mobile customer acquisition and retention costs from higher take-up of device repayment plans[2]. Mobile service revenue grew 2.8% with increased ARPU and higher number of handset customers driven by the strong momentum of 'My Plan Plus' offers. Including higher depreciation and amortisation charges from increased investments in mobile networks and spectrum, EBIT increased 5.1%.

GROUP ENTERPRISE

Group Enterprise contributed 37% (FY 2014: 37%) and 40% (FY 2014: 41%) to the Group's operating revenue and EBITDA respectively.

In Singapore, excluding the fibre rollout business, operating revenue grew 4.5% despite keen competition. ICT and Managed Services revenue was up a strong 8.3% contributed by greater G-Cloud adoption, growth in managed security services, and higher project implementation and maintenance revenue. The growth was partly offset by decline in International Telephone revenue from lower traffic and inpayments.

In Australia, Optus Business' operating revenue was stable. Growth from ICT and Managed Services and mobile revenue mitigated the declines in Data and IP and voice revenues due to price competition and migration of legacy data services to IP-based solutions.

GROUP DIGITAL LIFE

Following the acquisitions of Kontera in July 2014 and Adconion in August 2014, the operating revenue of Group Digital Life more than doubled to S$343 million. Negative EBITDA was up 27% to S$216 million, reflecting investments in the digital businesses and integration costs. Negative EBIT increased 33% to S$289 million after including higher amortisation of acquired intangibles. HOOQ, a partnership between Singtel, Sony Pictures Entertainment and Warner Bros. Entertainment, offering regional over-the-top (OTT) video service, was launched in the Philippines in March 2015 and subsequently in Thailand and India.

Note:

(2) Plans that enable customers to pay for devices in full or in part through monthly instalment payments over 24 months.

OPERATING REVENUE

By Products and Services	Financial Year Ended 31 March 2015 (S$ million)	2014 (S$ million)	Change (%)
Mobile Communications	**7,242**	7,250	-0.1
Data and Internet	**3,100**	3,137	-1.2
Managed Services	**1,801**	1,701	5.9
Business Solutions	**603**	568	6.3
Infocomm Technology ("ICT")	**2,404**	2,269	6.0
Equipment sales	**1,555**	1,244	25.0
National Telephone	**1,357**	1,503	-9.7
International Telephone	**628**	689	-8.9
Digital Businesses[1]	**333**	165	102.4
Pay Television	**302**	252	19.9
Others	**222**	186	19.2
	17,142	16,694	2.7
Fibre rollout and maintenance[2]	**81**	154	-47.7
Total	**17,223**	**16,848**	**2.2**

Operating revenue of the Group grew 2.2% and in constant currency terms would have increased 4.8% from last year.

Mobile Communications revenue was stable and would have grown by 3.0% in constant currency terms. Strong data growth across Singapore and Australia partially offset the continued declines in voice, SMS and roaming. In Singapore, Mobile Communications revenue increased 1.8% while mobile service revenue in Australia grew 2.8% in local currency terms.

Notes:

(1) Comprise revenues mainly from digital marketing, e-commerce, concierge and hyper-local services. The comparatives have been restated to be consistent with FY 2015.

(2) Fibre rollout and maintenance revenue ceased to be recognised with effect from 1 October 2014 as Singtel relinquished its role as OpenNet's key sub-contractor.

ASSOCIATES

	Financial Year Ended 31 March 2015 (S$ million)	2014 (S$ million)	Change (%)	Change in constant currency [1] (%)
Group share of associates' pre-tax profits	**2,579**	2,201	17.2	20.7
(excluding fair value losses)	***2,730***	*2,316*	*17.9*	*21.1*
Share of post-tax profits				
Regional mobile associates				
Telkomsel	**741**	705	5.1	14.0
Airtel [2]				
- ordinary results (India and South Asia) [3]	**657**	344	91.0	88.0
- ordinary results (Africa)	**(243)**	(122)	99.0	96.7
- exceptional items	**(42)**	(19)	123.7	118.8
	372	203	83.2	80.1
AIS	**338**	335	0.9	1.7
Globe [4]	**212**	159	33.2	32.7
	1,663	1,402	18.6	22.8
NetLink Trust [5]	**37**	4	@	@
Other associates	**64**	66	-3.8	-3.8
Group share of associates' post-tax profits	**1,763**	1,472	19.7	23.7

"@" denotes more than 500%.

Notes:

(1) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from FY 2014.

(2) Share of results of FY 2015 excluded the Group's share of Airtel's one-off items of S$17 million (FY 2014: S$15 million) which have been classified as exceptional items of the Group.

(3) With effect from 1 April 2014, Airtel reported the results of India, Bangladesh and Sri Lanka as part of its "India and South Asia" segment. Comparatives have been restated accordingly.

(4) Share of results excluded the Group's share of Globe's accelerated depreciation arising from its network modernisation and IT transformation, which has been classified as an exceptional item of the Group.

(5) NetLink Trust is 100% owned by Singtel and is equity accounted as an associate in the Group as Singtel does not control it. On 28 November 2013, NetLink Trust acquired 100% of OpenNet Pte. Ltd.

	Airtel [1]	Telkomsel	AIS	Globe	PBTL
Country mobile penetration rate	75%	122%	150%	115%	75%
Market share, 31 March 2015 [2]	23.2%	46.0%	45.7%	39.8%	1.0%
Market share, 31 March 2014 [2]	22.7%	44.1%	45.2%	36.6%	1.2%
Market position [2]	#1	#1	#1	#2	#6
Mobile customers ('000)					
- Aggregate	310,883	141,461	41,951	46,103	1,246
- Proportionate	100,726	49,512	9,783	21,761	561
Growth in mobile customers (%) [3] [4]	9.6%	6.6%	-1.0%	13%	-12%

Notes:

(1) Mobile penetration rate, market share and market position pertain to India market only.

(2) Based on number of mobile customers.

(3) Compared against 31 March 2014 and based on aggregate mobile customers.

(4) With effect from March 2015, AIS' mobile customer base excludes customers who have been inactive for more than 90 days.

The Group's share of the associates' pre-tax and post-tax contributions grew 17% and 20% respectively, on strong earnings growth of Airtel India, Telkomsel and Globe. If the regional currencies had remained stable from a year ago, the pre-tax and post-tax contributions from the associates would have increased by 21% and 24% respectively.

The regional mobile associates registered strong customer growth with increased smartphone penetration and data usage. Telkomsel registered 6.6% increase in its customer base to 141 million, including 64 million data customers at end of March 2015. Airtel's total mobile customer base covering India, Bangladesh, Sri Lanka and across Africa, reached 311 million as at 31 March 2015, up 9.6% from a year ago. The Group's combined mobile customer base reached 555 million in 25 countries, a growth of 8.0% or 41 million from a year ago.

Telkomsel's operating revenue grew 11% driven by growth across voice and data with higher usage and continued customer growth. EBITDA grew 10% despite higher operation and maintenance costs from network expansion. Including higher depreciation charges on the accelerated network rollout, the Group's share of Telkomsel's post-tax profit grew 14% in Indonesian Rupiah terms. With the Indonesian Rupiah depreciating a significant 9% against the Singapore Dollar, Telkomsel's post-tax contribution grew 5.1% to S$741 million.

Airtel continued its strong operating momentum in India with revenue growth of 12% driven by higher mobile data usage and customer gains. EBITDA grew strongly by 23% and margin expanded with improved operational efficiency. In Africa, amid challenging economic conditions and regulatory changes, revenue grew 6% in constant currency terms underpinned by growth in mobile data and 'Airtel Money' services. However, the sharp depreciation of the African currencies had negatively impacted Africa's reported results in US Dollar terms resulting in revenue and EBITDA declining 2% and 15% respectively. Overall, the Group's share of Airtel's total post-tax profit grew 80% in Indian Rupee terms, despite higher fair value losses and exceptional losses. With the 2% strengthening of the Indian Rupee against the Singapore Dollar, overall post-tax contribution from Airtel surged 83% to S$372 million. In March 2015, Airtel successfully acquired significant wireless spectrum in the auctions which further entrenched its position as the leading 3G and 4G service provider in India.

AIS' service revenue (excluding interconnect revenue) grew 3% on strong demand for mobile data and smartphones. EBITDA grew 7% largely due to regulatory costs savings from 3G migration. Including higher depreciation and amortisation charges from continued investments in 3G network, AIS' post-tax contribution was stable at S$338 million.

Globe, the second largest mobile phone operator in the Philippines, recorded service revenue growth of 10% driven by a higher mobile customer base and strong adoption of data services. EBITDA rose 14% with revenue growth offsetting higher service and subsidy costs to drive customer acquisitions and transformation initiatives. Globe's post-tax contribution rose strongly by 33% to S$212 million. This contribution excluded Globe's accelerated depreciation charges related to its network modernisation and IT transformation programmes. The Group's post-tax share of this exceptional charge of S$11 million (FY 2014: S$61 million) has been classified as an exceptional item of the Group.

NetLink Trust's post-tax contribution was S$37 million, compared to S$4 million in FY 2014. The higher share of profits reflected the enlarged NetLink Trust following its acquisition of 100% equity interest in OpenNet in November 2013.

CASH FLOW

	Financial Year Ended 31 March		
	2015 (S$ million)	2014 (S$ million)	Change (%)
Net cash inflow from operating activities	**5,787**	5,350	8.2
Net cash outflow for investing activities	**(3,557)**	(2,801)	27.0
Net cash outflow for financing activities	**(2,311)**	(2,825)	-18.2
Net decrease in cash balance	**(81)**	(276)	-70.6
Exchange effects on cash balance	**21**	(13)	nm
Cash balance at beginning of year	**623**	911	-31.7
Cash balance at end of year	**563**	623	-9.6
Singapore	**1,379**	1,181	16.8
Australia	**1,070**	1,020	4.9
Associates (net dividends after withholding tax)	**1,100**	1,048	5.0
Group free cash flow	**3,549**	3,249	9.2
Group free cash flow [(1)]	**3,549**	3,391	4.6
Australia (in A$)	***976***	*903*	*8.1*
Cash capital expenditure as a percentage of operating revenue	**13%**	12%	

"nm" denotes not meaningful.

Note:

(1) Adjusted to exclude tax benefit payment of S$143 million to NetLink Trust in FY 2014. The S$143 million was subsequently applied by NetLink Trust towards its acquisition of OpenNet Pte. Ltd.

FREE CASH FLOW

The Group delivered strong free cash flow of S$3.55 billion, up 9.2% from last year with increased cash flows from Singapore, Australia and the associates. Free cash flow from Singapore rose 17% with positive movements in working capital including receipts from OpenNet in respect of the fibre rollout contract. Free cash flow from Australia grew 8.1% to A$976 million with higher operating cash flow partly offset by higher cash tax payments and capital expenditure. The dividends from associates increased 5.0% mainly on higher dividends from Telkomsel and Airtel.

OPERATING ACTIVITIES

The Group's net cash inflow from operating activities for the year rose 8.2% to S$5.79 billion. The increase was due to favourable working capital movements and increased dividends from the associates partly offset by higher cash tax payments.

INVESTING ACTIVITIES

The investing cash outflow was S$3.56 billion. Capital expenditure totalled S$2.24 billion, comprising S$789 million for Singapore and S$1.45 billion (A$1.28 billion) for Australia. In Singapore, major capital investments in the year included S$251 million for fixed and data infrastructure, S$233 million for mobile networks and S$105 million for ICT assets. In Australia, capital investments in mobile networks and other core infrastructure were A$793 million and A$491 million respectively. Other investing cash flows included spectrum payments of S$865 million mainly for Optus' 700 MHz spectrum and S$428 million for the acquisitions of Adconion and Kontera.

FINANCING ACTIVITIES

Net cash outflow of S$2.31 billion for financing activities comprised mainly the payments of S$1.59 billion for final dividends in respect of the previous financial year ended 31 March 2014, and S$1.08 billion for interim dividends in respect of the current financial year. Other major financing cash flows included net increase in borrowings of S$737 million and interest payments of S$307 million.

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at 31 March	
	2015 (S$ million)	**2014 (S$ million)**
Current assets	**4,768**	4,351
Non-current assets	**37,299**	34,969
Total assets	**42,067**	39,320
Current liabilities	**5,757**	5,690
Non-current liabilities	**11,542**	9,737
Total liabilities	**17,299**	15,427
Net assets	**24,768**	23,893
Share capital	**2,634**	2,634
Retained earnings	**27,471**	26,367
Currency translation reserves [1]	**(4,213)**	(3,693)
Other reserves	**(1,159)**	(1,439)
Equity attributable to shareholders	**24,733**	23,868
Non-controlling interests	**35**	24
	24,768	23,893

Note:

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

The Group is in a strong financial position as at 31 March 2015. Singtel is rated Aa3 by Moody's and A+ by Standard & Poor's.

The currency translation losses increased by S$520 million to S$4.21 billion from a year ago. This increase arose mainly from the translation of net assets of Optus due to a weaker Australian Dollar against the Singapore Dollar, and the impact of the weaker Indonesian Rupiah against the Singapore Dollar on translation of the Group's investment in Telkomsel.

CAPITAL MANAGEMENT

GROUP	Financial Year Ended 31 March 2015	2014
Gross debt (S$ million)	**8,526**	8,157
Net debt [1] (S$ million)	**7,963**	7,534
Net debt gearing ratio [2] (%)	**24.3**	24.0
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	**1.0**	1.0
Net debt to EBITDA and cash dividends from associates (number of times)	**1.3**	1.2
Interest cover [3] (number of times)	**29.2**	28.7
Average maturity of borrowings (years)	**5.3**	6.1

As at 31 March 2015, the Group's net debt was S$7.96 billion, 5.7% higher than a year ago.

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

Singtel maintained its dividend payout ratio at between 60% and 75% of underlying net profit. For the financial year ended 31 March 2015, the total dividend payout, including the proposed final dividend, was 17.5 cents per share or 74% of underlying net profit. The dividend payout is influenced by the Group's cash flow generation, including dividends from associates.

The Group remains committed to an optimal capital structure and investment grade credit ratings, while maintaining financial flexibility to pursue growth.

Notes:

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

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

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

SENSITIVITY ANALYSIS FOR CURRENCY TRANSLATION

If the relevant foreign currency changes against the Singapore Dollar by 10% with all other variables held constant, the currency translation impact on the Group's net profit is as follows:

	Change in Group's Net Profit FY 2015 S$ million	FY 2014 S$ million
Optus' net profit		
1 AUD/ S$		
- strengthened 10%	**94.2**	97.6
- weakened 10%	**(94.2)**	(97.6)
Share of Telkomsel's net profit		
IDR/ S$		
- strengthened 10%	**74.1**	70.5
- weakened 10%	**(74.1)**	(70.5)
Share of Airtel's net profit		
INR/ S$		
- strengthened 10%	**35.5**	18.8
- weakened 10%	**(35.5)**	(18.8)

Financial Statements

Directors' Report

For the financial year ended 31 March 2015

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 2015.

1. DIRECTORS

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

Simon Claude Israel (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Bobby Chin Yoke Choong
Fang Ai Lian
Venkataraman Vishnampet Ganesan (appointed on 2 February 2015)
Christina Hon Kwee Fong (Christina Ong) (appointed on 7 April 2014)
Low Check Kian
Peter Edward Mason AM [1]
Kaikhushru Shiavax Nargolwala
Peter Ong Boon Kwee
Teo Swee Lian (appointed on 13 April 2015)

Dominic Chiu Fai Ho, who served during the financial year, retired following the conclusion of the Annual General Meeting on 25 July 2014.

David Michael Gonski AC [2], who served during the financial year, resigned with effect from 1 April 2015.

Notes:
(1) Member of the Order of Australia.
(2) Companion of the Order of Australia.

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

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Singtel Performance Share Plan (the "**Singtel PSP 2003**") and the Singtel Performance Share Plan 2012 (the "**Singtel PSP 2012**").

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 2015	At 1 April 2014 or date of appointment, if later	At 31 March 2015	At 1 April 2014 or date of appointment, if later
Singapore Telecommunications Limited				
(Ordinary shares)				
Simon Claude Israel	**683,500** (1)	602,821	**1,360** (2)	1,360
Chua Sock Koong	**5,692,097**	4,390,513	**4,458,159** (3)	4,604,495
Bobby Chin Yoke Choong	**–**	–	**–**	–
Fang Ai Lian	**91,930**	91,930	**–**	–
Low Check Kian	**1,490**	1,490	**–**	–
Peter Edward Mason AM	**100,000** (4)	100,000	**–**	–
Kaikhushru Shiavax Nargolwala	**400,000** (5)	400,000	**–**	–
Christina Ong	**–**	–	**–**	–
Peter Ong Boon Kwee	**870**	870	**1,537** (2)	1,537
Teo Swee Lian	**190**	190	**–**	–
David Michael Gonski AC	**–**	–	**–**	–
(American Depositary Shares)				
Venkataraman Vishnampet Ganesan	**3,200** (6)	3,200	**–**	–
Mapletree Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	**3,456,000** (7)	3,456,000	**–**	–
Bobby Chin Yoke Choong	**–**	–	**100,000** (2)	100,000
Mapletree Greater China Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Greater China Commercial Trust)				
Simon Claude Israel	**1,000,000** (7)	1,000,000	**–**	–
Chua Sock Koong	**430,000**	430,000	**50,000** (2)	50,000
Peter Ong Boon Kwee	**–**	–	**32,000** (2)	32,000
Mapletree Industrial Trust Management Ltd.				
(Unit holdings in Mapletree Industrial Trust)				
Simon Claude Israel	**990,160** (7)	990,160	**–**	–
Chua Sock Koong	**11,000**	11,000	**–**	–
Bobby Chin Yoke Choong	**129,600**	129,600	**–**	–
Mapletree Logistics Trust Management Ltd.				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	**1,000,000** (7)	1,000,000	**–**	–
Kaikhushru Shiavax Nargolwala	**200,000** (8)	–	**–**	–
(Perpetual securities)				
Kaikhushru Shiavax Nargolwala	**–**	5,000	**–**	–

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

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2015	At 1 April 2014 or date of appointment, if later	At 31 March 2015	At 1 April 2014 or date of appointment, if later
Neptune Orient Lines Limited				
(Ordinary shares)				
Bobby Chin Yoke Choong	**–**	–	**29,489** (2)	29,489
(S$280,000,000 in principal amount of 4.65% unsecured notes due 2020)				
Kaikhushru Shiavax Nargolwala	**S$750,000** (5) (principal amount)	S$750,000 (principal amount)	**–**	–
Olam International Limited				
(S$400,000,000 in principal amount of 4.25% bonds due 2019)				
Teo Swee Lian	**S$250,000** (principal amount)	S$250,000 (principal amount)	**–**	–
(Warrants over shares)				
Low Check Kian	**–**	–	**1,905,907** (9)	–
Singapore Airlines Limited				
(Ordinary shares)				
Simon Claude Israel	**9,000** (10)	9,000	**–**	–
Chua Sock Koong	**2,000**	2,000	**–**	–
Bobby Chin Yoke Choong	**–**	–	**2,000** (2)	2,000
Low Check Kian	**5,600**	5,600	**–**	–
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Fang Ai Lian	**50,000**	50,000	**–**	–
Christina Ong	**1**	1	**–**	–
Kaikhushru Shiavax Nargolwala	**–**	53,000	**–**	–
SIA Engineering Company Limited				
(Ordinary shares)				
Kaikhushru Shiavax Nargolwala	**34,000** (5)	–	**–**	–
Tiger Airways Holdings Limited				
(Ordinary shares)				
Low Check Kian	**8,325,000**	–	**–**	–
(Perpetual convertible capital securities)				
Low Check Kian	**937,500**	–	**–**	–

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

Notes:

(1) 679,089 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 ordinary shares held in the name of DBS Nominees Pte Ltd.

(2) Held by Director's spouse.

(3) Chua Sock Koong's deemed interest of 4,458,159 shares included:

- (a) 28,137 ordinary shares held by Ms Chua's spouse; and
- (b) An aggregate of up to 4,430,022 ordinary shares in Singtel awarded to Ms Chua pursuant to the Singtel PSP 2003 and Singtel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant performance criteria, up to an aggregate of 6,546,979 ordinary shares may be released pursuant to the conditional awards granted.

According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel PSP 2003 and the Singtel PSP 2012 for the benefit of eligible employees of the Group as at 19 November 2012 being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "**SFA (DOI) Regulations**") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests and changes in interests in shares held by the trust with effect from 19 November 2012.

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

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

(6) 3,200 American Depositary Shares, evidenced by American Depositary Receipts, representing 32,000 ordinary shares in Singtel.

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

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

(9) Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.

(10) 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees Pte Ltd.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2015.

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. PERFORMANCE SHARES

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

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

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

The Singtel PSP 2003 was terminated following the adoption of the Singtel PSP 2012, without prejudice to the rights of holders of awards accepted and outstanding under the Singtel PSP 2003 as at the date of such termination.

The participants of the performance share plans will receive fully paid Singtel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period. The performance period for the awards granted is three years, except for Restricted Share Awards which have a performance period of two years. The number of Singtel shares that will vest for 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 2015, awards comprising an aggregate of 229,678,043 shares and 28,723,306 shares have been granted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively.

5. PERFORMANCE SHARES *(Cont'd)*

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 2014 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2015 ('000)
Share award for Chairman (Simon Claude Israel)						
14.08.14	**–**	**81**	**–**	**(81)**	**–**	**–**
Performance shares (General Awards)						
For Group Chief Executive Officer (Chua Sock Koong)						
02.06.11	1,013	–	–	(608)	(405)	–
For other staff						
02.06.11	16,323	–	–	(9,847)	(6,476)	–
01.09.11	87	–	–	(52)	(35)	–
10.01.12	65	–	–	(39)	(26)	–
15.03.12	15	–	–	(9)	(6)	–
	16,490	–	–	(9,947)	(6,543)	–
Sub-total	**17,503**	**–**	**–**	**(10,555)**	**(6,948)**	**–**
Performance shares (Senior Management Awards)						
For Group Chief Executive Officer (Chua Sock Koong)						
02.06.11	655	–	–	(655)	–	–
For other staff						
02.06.11	2,267	–	–	(2,267)	–	–
Sub-total	**2,922**	**–**	**–**	**(2,922)**	**–**	**–**

5. PERFORMANCE SHARES *(Cont'd)*

Date of grant	Balance as at 1 April 2014 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2015 ('000)
Performance shares (Restricted Share Awards)						
For Group Chief Executive Officer (Chua Sock Koong)						
26.06.12	119	–	36	(39)	–	116
21.06.13	98	–	–	–	–	98
23.06.14	–	102	–	–	–	102
	217	102	36	(39)	–	316
For other staff						
26.06.12	4,541	–	1,273	(1,560)	(206)	4,048
05.10.12	30	–	9	(10)	–	29
25.03.13	39	–	12	(13)	–	38
21.06.13	4,623	–	–	(89)	(393)	4,141
30.09.13	12	–	–	–	–	12
23.06.14	–	5,136	–	(6)	(159)	4,971
17.09.14	–	27	–	–	–	27
23.12.14	–	18	–	–	–	18
	9,245	5,181	1,294	(1,678)	(758)	13,284
Sub-total	**9,462**	**5,283**	**1,330**	**(1,717)**	**(758)**	**13,600**

FINANCIALS

5. PERFORMANCE SHARES *(Cont'd)*

Date of grant	Balance as at 1 April 2014 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2015 ('000)
Performance shares						
(Performance Share Awards)						
For Group Chief Executive Officer						
(Chua Sock Koong)						
26.06.12	1,273	–	–	–	–	1,273
21.06.13	1,418	–	–	–	–	1,418
23.06.14	–	1,423	–	–	–	1,423
	2,691	1,423	–	–	–	4,114
For other staff						
26.06.12	5,785	–	–	(40)	(204)	5,541
05.10.12	146	–	–	–	–	146
25.03.13	11	–	–	–	–	11
21.06.13	7,768	–	–	(8)	(768)	6,992
30.09.13	15	–	–	–	–	15
23.06.14	–	7,105	–	–	(214)	6,891
17.09.14	–	15	–	–	–	15
23.12.14	–	220	–	–	–	220
	13,725	7,340	–	(48)	(1,186)	19,831
Sub-total	**16,416**	**8,763**	**–**	**(48)**	**(1,186)**	**23,945**
Total	**46,303**	**14,127**	**1,330**	**(15,323)**	**(8,892)**	**37,545**

During the financial year, awards in respect of an aggregate of 15,117,633 and 205,422 shares granted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively were vested. The awards were satisfied in part by the delivery of existing shares purchased from the market and in part by the payment of cash in lieu of delivery of shares, as permitted under the Singtel PSP 2003 and the Singtel PSP 2012 respectively.

As at 31 March 2015, no participant has received shares pursuant to the vesting of awards granted under the Singtel PSP 2003 and the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of –

(i) the total number of new shares available under the Singtel PSP 2003 and the Singtel PSP 2012; and

(ii) the total number of existing shares purchased for delivery of awards released under the Singtel PSP 2003 and the Singtel PSP 2012.

6. AUDIT COMMITTEE

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

Fang Ai Lian (Chairman of the Audit Committee)
Bobby Chin Yoke Choong
Christina Ong
Peter Ong Boon Kwee
Teo Swee Lian (appointed on 13 April 2015)

Dominic Chiu Fai Ho, who served during the financial year, stepped down as a member of the Audit Committee following the conclusion of the Annual General Meeting on 25 July 2014.

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

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

7. AUDITORS

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

On behalf of the Directors

Simon Claude Israel
Chairman

Chua Sock Koong
Director

Singapore
13 May 2015

Statement of Directors

For the financial year ended 31 March 2015

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 120 to 220 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 2015 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year then ended; and

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

On behalf of the Directors

Simon Claude Israel
Chairman

Chua Sock Koong
Director

Singapore
13 May 2015

Independent Auditors' Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2015

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 2015, 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 information, as set out on pages 120 to 220.

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 2015 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
Chartered Accountants

Singapore, 13 May 2015

Consolidated Income Statement

For the financial year ended 31 March 2015

	Notes	2015 S$ Mil	2014 S$ Mil
Operating revenue	4	**17,222.9**	16,848.1
Operating expenses	5	**(12,283.6)**	(11,800.3)
Other income	6	**151.4**	107.6
		5,090.7	5,155.4
Depreciation and amortisation	7	**(2,161.4)**	(2,132.7)
Exceptional items	8	**14.8**	114.0
Profit on operating activities		**2,944.1**	3,136.7
Share of results of associates and joint ventures	9	**1,735.3**	1,392.6
Profit before interest, investment income (net) and tax		**4,679.4**	4,529.3
Interest and investment income (net)	10	**92.8**	124.5
Finance costs	11	**(309.2)**	(305.9)
Profit before tax		**4,463.0**	4,347.9
Tax expense	12	**(678.5)**	(691.0)
Profit after tax		**3,784.5**	3,656.9
Attributable to -			
Shareholders of the Company		**3,781.5**	3,652.0
Non-controlling interests		**3.0**	4.9
		3,784.5	3,656.9
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	**23.73**	22.92
- diluted (cents)	13	**23.67**	22.87

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
Independent Auditors' Report – page 119

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2015

	2015 S$ Mil	2014 S$ Mil
Profit after tax	**3,784.5**	3,656.9
Other comprehensive (loss)/ income:		
Items that may be reclassified subsequently to income statement:		
Exchange differences arising from translation of foreign operations and other currency translation differences	**(519.8)**	(1,127.5)
Cash flow hedges		
- Fair value changes during the year	**499.8**	455.3
- Tax effects	**(32.4)**	(102.7)
	467.4	352.6
- Fair value changes transferred to income statement	**(363.8)**	(334.1)
- Tax effects	**31.3**	92.9
	(332.5)	(241.2)
	134.9	111.4
Available-for-sale investments		
- Fair value changes during the year	**21.8**	25.4
Share of other comprehensive income/ (loss) of associates and joint ventures	**139.0**	(72.6)
Other comprehensive loss, net of tax	**(224.1)**	(1,063.3)
Total comprehensive income	**3,560.4**	2,593.6
Attributable to -		
Shareholders of the Company	**3,556.9**	2,588.4
Non-controlling interests	**3.5**	5.2
	3,560.4	2,593.6

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
Independent Auditors' Report – page 119

Statements of Financial Position

As at 31 March 2015

		Group		Company	
	Notes	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Current assets					
Cash and cash equivalents	15	**562.8**	622.5	**83.5**	105.0
Trade and other receivables	16	**3,885.2**	3,555.8	**2,442.4**	2,585.8
Derivative financial instruments	25	**29.8**	3.4	**29.9**	2.5
Inventories	17	**289.8**	169.6	**26.8**	19.5
		4,767.6	4,351.3	**2,582.6**	2,712.8
Non-current assets					
Property, plant and equipment	18	**10,683.2**	11,096.3	**2,047.2**	2,037.5
Intangible assets	19	**11,948.6**	10,739.7	**0.7**	1.0
Subsidiaries	20	**–**	–	**13,515.0**	13,484.5
Associates	21	**275.2**	178.3	**603.5**	603.5
Joint ventures	22	**10,571.0**	9,949.9	**22.1**	24.1
Available-for-sale ("**AFS**") investments	24	**268.3**	291.3	**43.6**	54.9
Derivative financial instruments	25	**742.1**	298.0	**463.5**	160.5
Deferred tax assets	12	**803.8**	828.5	**–**	–
Loan to an associate	26	**1,610.5**	1,330.5	**1,610.5**	1,330.5
Other non-current receivables	27	**396.5**	256.2	**182.6**	198.5
		37,299.2	34,968.7	**18,488.7**	17,895.0
Total assets		**42,066.8**	39,320.0	**21,071.3**	20,607.8
Current liabilities					
Trade and other payables	28	**4,458.5**	3,796.3	**1,386.2**	1,834.1
Advance billings		**614.0**	643.6	**68.9**	66.0
Provision	29	**5.8**	1.6	**3.4**	–
Current tax liabilities		**419.4**	366.0	**140.2**	59.1
Borrowings (unsecured)	30	**150.0**	774.6	**–**	–
Borrowings (secured)	31	**24.4**	38.9	**1.5**	1.5
Derivative financial instruments	25	**16.8**	11.5	**1.9**	2.3
Net deferred gain	26	**67.9**	57.5	**–**	–
		5,756.8	5,690.0	**1,602.1**	1,963.0

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
Independent Auditors' Report – page 119

Statements of Financial Position

As at 31 March 2015

	Notes	Group 2015 S$ Mil	Group 2014 S$ Mil	Company 2015 S$ Mil	Company 2014 S$ Mil
Non-current liabilities					
Borrowings (unsecured)	30	**8,590.9**	7,046.9	**925.2**	793.2
Borrowings (secured)	31	**213.5**	179.7	**160.4**	161.9
Advance billings		**265.3**	298.5	**150.8**	164.1
Deferred income	32	**4.5**	7.6	**–**	–
Net deferred gain	26	**1,369.8**	1,155.7	**–**	–
Derivative financial instruments	25	**265.4**	412.8	**447.3**	359.6
Deferred tax liabilities	12	**521.7**	444.9	**248.9**	242.5
Other non-current liabilities	33	**311.0**	191.3	**30.0**	24.2
		11,542.1	9,737.4	**1,962.6**	1,745.5
Total liabilities		**17,298.9**	15,427.4	**3,564.7**	3,708.5
Net assets		**24,767.9**	23,892.6	**17,506.6**	16,899.3
Share capital and reserves					
Share capital	34	**2,634.0**	2,634.0	**2,634.0**	2,634.0
Reserves		**22,099.3**	21,234.2	**14,872.6**	14,265.3
Equity attributable to shareholders of the Company		**24,733.3**	23,868.2	**17,506.6**	16,899.3
Non-controlling interests		**34.6**	24.4	**–**	–
Total equity		**24,767.9**	23,892.6	**17,506.6**	16,899.3

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
Independent Auditors' Report – page 119

Statements of Changes in Equity

For the financial year ended 31 March 2015

Group - 2015	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve - Performance Shares S$ Mil	Currency Translation Reserve [2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [3] S$ Mil	Total S$ Mil	Non-Controlling Interests S$ Mil	Total Equity S$ Mil
	Attributable to shareholders of the Company										
Balance as at 1 April 2014	**2,634.0**	**(38.6)**	**(99.0)**	**(3,693.0)**	**(138.8)**	**106.2**	**26,366.5**	**(1,269.1)**	**23,868.2**	**24.4**	**23,892.6**
Changes in equity for the year											
Performance shares purchased by the Company	–	(6.2)	–	–	–	–	–	–	(6.2)	–	(6.2)
Performance shares purchased by Trust [4]	–	(32.8)	–	–	–	–	–	–	(32.8)	–	(32.8)
Performance shares vested	–	38.4	(38.4)	–	–	–	–	–	–	–	–
Equity-settled performance shares	–	–	24.4	–	–	–	–	–	24.4	–	24.4
Transfer of liability to equity	–	–	15.2	–	–	–	–	–	15.2	–	15.2
Cash paid to employees under performance share plans	–	–	(0.2)	–	–	–	–	–	(0.2)	–	(0.2)
Performance shares purchased by Singtel Optus Pty Limited ("**Optus**") and vested	–	–	(15.7)	–	–	–	–	–	(15.7)	–	(15.7)
Share of other reserves of associates and joint ventures	–	–	(1.2)	–	–	–	–	1.6	0.4	–	0.4
Final dividend paid (see **Note 35**)	–	–	–	–	–	–	(1,593.8)	–	(1,593.8)	–	(1,593.8)
Interim dividend paid (see **Note 35**)	–	–	–	–	–	–	(1,083.7)	–	(1,083.7)	–	(1,083.7)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(5.7)	(5.7)
Contribution by non-contolling interests	–	–	–	–	–	–	–	–	–	12.9	12.9
Others	–	–	–	–	–	–	0.6	–	0.6	(0.5)	0.1
	–	(0.6)	(15.9)	–	–	–	(2,676.9)	1.6	(2,691.8)	6.7	(2,685.1)
Total comprehensive (loss)/ income for the year	–	–	–	(520.3)	134.9	21.8	3,781.5	139.0	3,556.9	3.5	3,560.4
Balance as at 31 March 2015	**2,634.0**	**(39.2)**	**(114.9)**	**(4,213.3)**	**(3.9)**	**128.0**	**27,471.1**	**(1,128.5)**	**24,733.3**	**34.6**	**24,767.9**

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
Independent Auditors' Report – page 119

Statements of Changes in Equity

For the financial year ended 31 March 2015

	Attributable to shareholders of the Company										
Group - 2014	**Share Capital S$ Mil**	**Treasury Shares [1] S$ Mil**	**Capital Reserve - Performance Shares S$ Mil**	**Currency Translation Reserve [2] S$ Mil**	**Hedging Reserve S$ Mil**	**Fair Value Reserve S$ Mil**	**Retained Earnings S$ Mil**	**Other Reserves [3] S$ Mil**	**Total S$ Mil**	**Non-Controlling Interests S$ Mil**	**Total Equity S$ Mil**
Balance as at 1 April 2013	2,634.0	(42.1)	(89.9)	(2,565.2)	(250.2)	80.8	25,424.8	(1,227.6)	23,964.6	24.6	23,989.2
Changes in equity for the year											
Performance shares purchased by the Company	–	(5.5)	–	–	–	–	–	–	(5.5)	–	(5.5)
Performance shares purchased by Trust [4]	–	(19.0)	–	–	–	–	–	–	(19.0)	–	(19.0)
Performance shares vested	–	28.0	(28.0)	–	–	–	–	–	–	–	–
Equity-settled performance shares	–	–	22.1	–	–	–	–	–	22.1	–	22.1
Transfer of liability to equity	–	–	10.9	–	–	–	–	–	10.9	–	10.9
Cash paid to employees under performance share plans	–	–	(0.1)	–	–	–	–	–	(0.1)	–	(0.1)
Performance shares purchased by Optus and vested	–	–	(12.1)	–	–	–	–	–	(12.1)	–	(12.1)
Share of other reserves of associates and joint ventures	–	–	(1.9)	–	–	–	–	2.1	0.2	–	0.2
Goodwill transferred from 'Other Reserves' to 'Retained Earnings' on dilution	–	–	–	–	–	–	(29.0)	29.0	–	–	–
Final dividend paid (see **Note 35**)	–	–	–	–	–	–	(1,594.2)	–	(1,594.2)	–	(1,594.2)
Interim dividend paid (see **Note 35**)	–	–	–	–	–	–	(1,083.6)	–	(1,083.6)	–	(1,083.6)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(7.7)	(7.7)
Others	–	–	–	–	–	–	(3.5)	–	(3.5)	2.3	(1.2)
	–	3.5	(9.1)	–	–	–	(2,710.3)	31.1	(2,684.8)	(5.4)	(2,690.2)
Total comprehensive (loss)/ income for the year	–	–	–	(1,127.8)	111.4	25.4	3,652.0	(72.6)	2,588.4	5.2	2,593.6
Balance as at 31 March 2014	2,634.0	(38.6)	(99.0)	(3,693.0)	(138.8)	106.2	26,366.5	(1,269.1)	23,868.2	24.4	23,892.6

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
Independent Auditors' Report – page 119

Statements of Changes in Equity

For the financial year ended 31 March 2015

Company - 2015	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 2014	**2,634.0**	**(1.4)**	**(67.4)**	**(104.5)**	**45.3**	**14,393.3**	**16,899.3**
Changes in equity for the year							
Performance shares purchased by the Company	–	(5.9)	–	–	–	–	(5.9)
Performance shares vested	–	3.4	(3.6)	–	–	–	(0.2)
Equity-settled performance shares	–	–	12.8	–	–	–	12.8
Transfer of liability to equity	–	–	15.2	–	–	–	15.2
Cash paid to employees under performance share plans	–	–	(0.2)	–	–	–	(0.2)
Contribution to Trust [4]	–	–	(27.6)	–	–	–	(27.6)
Final dividend paid (see **Note 35**)	–	–	–	–	–	(1,594.3)	(1,594.3)
Interim dividend paid (see **Note 35**)	–	–	–	–	–	(1,084.2)	(1,084.2)
	–	(2.5)	(3.4)	–	–	(2,678.5)	(2,684.4)
Total comprehensive income/ (loss) for the year	–	–	–	117.4	(11.3)	3,185.6	3,291.7
Balance as at 31 March 2015	**2,634.0**	**(3.9)**	**(70.8)**	**12.9**	**34.0**	**14,900.4**	**17,506.6**

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
Independent Auditors' Report – page 119

Statements of Changes in Equity

For the financial year ended 31 March 2015

Company - 2014	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 2013	2,634.0	–	(69.9)	(130.3)	56.8	13,574.6	16,065.2
Changes in equity for the year							
Performance shares purchased by the Company	–	(4.5)	–	–	–	–	(4.5)
Performance shares vested	–	3.1	(3.1)	–	–	–	–
Equity-settled performance shares	–	–	9.5	–	–	–	9.5
Transfer of liability to equity	–	–	10.9	–	–	–	10.9
Cash paid to employees under performance share plans	–	–	(0.2)	–	–	–	(0.2)
Contribution to Trust [4]	–	–	(14.6)	–	–	–	(14.6)
Final dividend paid (see **Note 35**)	–	–	–	–	–	(1,595.0)	(1,595.0)
Interim dividend paid (see **Note 35**)	–	–	–	–	–	(1,084.2)	(1,084.2)
	–	(1.4)	2.5	–	–	(2,679.2)	(2,678.1)
Total comprehensive income/ (loss) for the year	–	–	–	25.8	(11.5)	3,497.9	3,512.2
Balance as at 31 March 2014	2,634.0	(1.4)	(67.4)	(104.5)	45.3	14,393.3	16,899.3

Notes:

(1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("**FRS**") 32, ***Financial Instruments: Disclosure and Presentation***.

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

(3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive loss or income of the associates and joint ventures.

(4) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2015

	2015 S$ Mil	2014 S$ Mil
Cash Flows From Operating Activities		
Profit before tax	**4,463.0**	4,347.9
Adjustments for -		
Depreciation and amortisation	**2,161.4**	2,132.7
Exceptional items (non-cash)	**(57.7)**	(129.3)
Interest and investment income (net)	**(92.8)**	(124.5)
Finance costs	**309.2**	305.9
Share of results of associates and joint ventures	**(1,735.3)**	(1,392.6)
Other non-cash items	**36.7**	24.6
	621.5	816.8
Operating cash flow before working capital changes	**5,084.5**	5,164.7
Changes in operating assets and liabilities		
Trade and other receivables	**(625.6)**	(136.2)
Trade and other payables	**802.0**	(195.3)
Inventories	**(107.1)**	27.0
Currency translation adjustments	**16.9**	(0.7)
Cash generated from operations	**5,170.7**	4,859.5
Payment to employees in cash under performance share plans	**(1.1)**	(4.9)
Dividends received from associates and joint ventures	**1,215.2**	1,156.5
Tax benefit payment to an associate (**Note 1**)	**–**	(142.6)
Income tax and withholding tax paid	**(598.2)**	(518.2)
Net cash inflow from operating activities	**5,786.6**	5,350.3
Cash Flows From Investing Activities		
Payment for purchase of property, plant and equipment	**(2,237.6)**	(2,101.5)
Purchase of intangible assets	**(966.0)**	(276.4)
Payment for acquisition of subsidiaries, net of cash acquired (**Note 2**)	**(449.5)**	(50.7)
Payment for acquisition of non-controlling interests	**(2.9)**	–
Investment in AFS investments	**(23.1)**	(49.6)
Investment in associates and joint ventures (**Notes 1 and 3**)	**(1.4)**	(400.4)
Proceeds from sale of property, plant and equipment	**15.2**	7.1
Proceeds from sale of intangible	**0.3**	–
Proceeds from sale of AFS investments	**75.0**	12.8
Proceeds from sale of associates (**Note 1**)	**–**	38.1
Proceeds from disposal of subsidiary, net of cash received	**–**	0.7
Proceeds from capital reduction of associates and joint ventures	**6.0**	–
Dividends received from AFS investments (net of withholding tax paid)	**3.2**	3.1
Interest received	**42.3**	49.1
Contribution from non-controlling interests	**13.1**	–
Withholding tax paid on intra-group interest income	**(31.5)**	(33.5)
Net cash outflow from investing activities	**(3,556.9)**	(2,801.2)

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2015

	Note	2015 S$ Mil	2014 S$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		**4,915.0**	2,993.9
Repayment of term loans		**(4,464.8)**	(3,221.2)
Proceeds from bond issue		**300.0**	467.0
Proceeds from finance lease liabilites		**30.4**	14.4
Finance lease payments		**(43.4)**	(49.0)
Net proceeds from borrowings		**737.2**	205.1
Final dividend paid to shareholders of the Company		**(1,593.8)**	(1,594.2)
Interim dividend paid to shareholders of the Company		**(1,083.7)**	(1,083.6)
Net interest paid on borrowings and swaps		**(307.3)**	(308.8)
Dividend paid to non-controlling interests		**(5.7)**	(7.7)
Purchase of performance shares		**(54.7)**	(36.6)
Others		**(2.6)**	1.2
Net cash outflow from financing activities		**(2,310.6)**	(2,824.6)
Net decrease in cash and cash equivalents		**(80.9)**	(275.5)
Exchange effects on cash and cash equivalents		**21.2**	(13.0)
Cash and cash equivalents at beginning of year		**622.5**	911.0
Cash and cash equivalents at end of year	15	**562.8**	622.5

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2015

Note 1: In November 2013, the Group made payments of S$142.6 million to NetLink Trust in consideration of its transfer of tax benefits utilised by the Group, and S$11.4 million for additional investment in NetLink Trust. The monies were subsequently utilised by NetLink Trust for its acquisition of 100% equity interest in OpenNet Pte. Ltd. ("**OpenNet**"). Included in the proceeds from sale of associates in the previous year was an amount of S$37.8 million for the divestment of the Group's equity interest in OpenNet to NetLink Trust.

Note 2: **Payment for acquisition of subsidiaries**

(a) During the September 2014 quarter, Amobee, Inc. ("**Amobee**") acquired 100% of the share capital of Kontera Technologies, Inc. ("**Kontera**"), and Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**") for S$177.7 million (US$142 million) and S$262.9 million (US$210 million) respectively. The fair values of identifiable net assets and the net cash outflow on the acquisitions were as follows –

	Year ended 31 March 2015 S$ Mil
Identifiable intangible assets, net of tax	94.7
Non-current assets	4.5
Cash and cash equivalents	5.6
Current assets (excluding cash and cash equivalents)	58.9
Total liabilities	(86.8)
Net assets acquired	76.9
Goodwill	363.7
Total cash consideration	440.6
Less: Consideration unpaid as at 31 March 2015	(7.5)
Less: Cash and cash equivalents acquired	(5.6)
Net outflow of cash	**427.5**

The above acquisitions had no material impact on the Group's consolidated income statement, both from the dates of their acquisitions as well as assuming their acquisitions had been effected as at 1 April 2014.

The accompanying notes on pages 132 to 220 form an integral part of these financial statements.
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Note 2: Payment for acquisition of subsidiaries *(Cont'd)*

(b) In February 2015, Alphawest Pty Limited, a wholly-owned subsidiary of the Group, acquired 100% of the share capital of Ensyst Pty Limited for S$13.9 million (A$13 million). The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows –

	Year ended 31 March 2015 S$ Mil
Identifiable intangible assets, net of tax	9.1
Non-current assets	0.3
Cash and cash equivalents	1.3
Current assets (excluding cash and cash equivalents)	2.0
Total liabilities	(2.4)
Net assets acquired	10.3
Goodwill	3.6
Total cash consideration	13.9
Less: Consideration unpaid as at 31 March 2015	(2.2)
Less: Cash and cash equivalents acquired	(1.3)
Net outflow of cash	**10.4**

(c) During the current year, deferred payments of S$11.6 million were made in respect of the acquisitions of Amobee and Pixable, Inc.

(d) The payments in the previous year were for the acquisition of Gradient X, Inc., for S$18.2 million (US$15 million), and deferred payments of S$32.5 million in respect of the acquisitions of Amobee and Pixable, Inc. and Eatability Pty Limited.

Note 3: Investment in associates and joint ventures

The payments in the previous year were mainly for the acquisition of additional equity interest of 3.62% in Bharti Telecom Limited from a wholly-owned subsidiary of Temasek Holdings (Private) Limited, for S$383.6 million. Temasek Holdings (Private) Limited is the holding company of Singapore Telecommunications Limited ("**Singtel**").

Note 4: Non-cash transaction

In October 2014, Singtel sold certain infrastructure assets to NetLink Trust, a 100%-owned associate of Singtel, for an aggregate consideration of S$280 million. The aggregate consideration paid by NetLink Trust was financed by an interest-bearing loan from Singtel.

The accompanying notes on pages 132 to 220 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

Singtel is domiciled and incorporated in Singapore and is publicly traded on the Singapore Exchange and Australian Stock Exchange (see **Note 43(b)**). The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the subsidiaries are disclosed in **Note 45**.

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

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

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

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 13 May 2015.

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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 were mandatory from 1 April 2014 resulted in changes to the Group's accounting policies but had no significant impact on the financial statements of the Group or the Company in the current financial year. As a result of the application of FRS 112, *Disclosure of Interests in Other Entities*, the Group has included additional disclosures for its interests in subsidiaries, associates and joint ventures in the financial statements.

2.1 Basis of Accounting *(Cont'd)*

The following are the relevant new or revised FRS and INT FRS adopted by the Group in the current financial year –

FRS 110 *Consolidated Financial Statements*
FRS 111 *Joint Arrangements*
FRS 112 *Disclosure of Interests in Other Entities*
Revised FRS 27 *Separate Financial Statements*
Revised FRS 28 *Investments in Associates and Joint Ventures*

2.2 Group Accounting

The accounting policy for investments in 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 structured entities) controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the Group the ability to direct activities that significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. 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. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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 joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

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

2.2 Group Accounting *(Cont'd)*

2.2.3 Joint ventures *(Cont'd)*

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

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

2.2.4 Dividends from associates and joint ventures

Dividends received from an associate or joint venture in excess of the Group's carrying value of the equity accounted investee are recognised as dividend income in the income statement where there is no legal or constructive obligation to refund the dividend nor is there any commitment to provide financial support to the investee. Equity accounting is then suspended until the investee has made sufficient profits to cover the income previously recognised for the excess cash distributions.

2.2.5 Structured entity

The Trust has been consolidated in the consolidated financial statements under FRS 110, *Consolidated Financial Statements*.

2.2.6 Business combinations

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

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

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

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

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

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

2.3 Share Capital

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

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

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. Such shares are designated as 'Treasury Shares'. In the consolidated financial statements, the cost of unvested shares, including directly attributable costs, is recognised as 'Treasury Shares' within equity.

Upon vesting of the performance shares, the weighted average costs of the shares delivered to employees, whether held by the Company or the Trust, are transferred to 'Capital Reserve – Performance Shares' within equity in the consolidated financial statements.

2.4 Investments in Subsidiaries, Associates and Joint Ventures

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

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 Available-for-sale ("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 the '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.

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

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

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

2.6.1 Hedge accounting

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

Fair value hedge

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

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

Cash flow hedge

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

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 amounts 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 relate to net investment hedges for the foreign currency exchange risk on the Group's Australia operations.

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

2.7 Fair Value Estimation of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

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 the net asset values of the investee companies 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 values of non-current borrowings which are traded in active markets are based on the market quoted ask price. For other non-current borrowings, the fair values are based on valuations provided by service providers or estimated by discounting the future contractual cash flows using discount rates 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.

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 Foreign Currencies *(Cont'd)*

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 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.

2.15 Intangible Assets *(Cont'd)*

2.15.1 Goodwill *(Cont'd)*

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 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.

A 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 4 to 25 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 5 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.16 Impairment of Non-Financial Assets

Goodwill on acquisition of subsidiaries is subject to annual impairment test or is 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 finite 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 projects, 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.

In the consolidated statement of financial position, work-in-progress is included in "Trade and other receivables", and the excess of progress billings over work-in-progress is included in "Trade and other payables" as applicable.

2.18 Property, Plant and Equipment

Property, plant and equipment is 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 its expected useful life. Property, plant and equipment under finance lease is 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 instalments over its remaining lease period.

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

2.18 Property, Plant and Equipment *(Cont'd)*

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

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

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

2.19 Leases

2.19.1 Finance leases

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

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

2.19.2 Operating leases

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

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where –

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

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

2.19.4 Gains or losses from sale and leaseback

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

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

2.19 Leases *(Cont'd)*

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 fair value for sale of goods and services rendered, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

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

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

Revenue on contracts for system and network installation and integration projects, as well as fibre rollout are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenue from the rendering of services which involve 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.

Revenue from digital advertising services and solutions is recognised in the period when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from selling advertising space is recognised when the advertising space is filled and sold to customers.

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 do 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 Employees' Benefits *(Cont'd)*

2.21.2 Employees' leave entitlements

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

2.21.3 Share-based compensation

Performance shares

The Singtel performance share plans 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 share-based payment 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 equity instruments 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 effects of the Singtel performance share plans are 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 and Retention Costs

Customer acquisition and retention 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 Income Tax

Income tax expense comprises current and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

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 its subsidiaries operate by, at the end of the reporting period.

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

2.28 Dividends

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

2.29 Segment Reporting

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

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

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

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 23**.

3.2 Impairment of Trade Receivables

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

3.3 Estimated Useful Lives of Property, Plant and Equipment

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

3.4 Investment in NetLink Trust

Based on facts and circumstances as disclosed in **Note 26**, 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 and Joint Ventures*. 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.

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 Fair values of derivative financial instruments

The Group uses valuation techniques to determine the fair values of financial instruments. The valuation techniques used for different financial instruments are selected to reflect how the market would be expected to price the instruments, using inputs that reasonably reflect the risk-return factors inherent in the instruments. Depending upon the characteristics of the financial instruments, observable market factors are available for use in most valuations, while others involve a greater degree of judgment and estimation.

3.7 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 equity instruments 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**.

3.8 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 2015, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 41**.

Notes to the Financial Statements

For the financial year ended 31 March 2015

4. OPERATING REVENUE

	Group	
	2015 S$ Mil	2014 S$ Mil
Mobile communications	**7,242.3**	7,249.9
Data and Internet	**3,099.6**	3,137.3
Managed services	**1,801.0**	1,701.0
Business solutions	**603.4**	567.8
Infocomm Technology	**2,404.4**	2,268.8
Sale of equipment	**1,554.6**	1,244.0
National telephone	**1,356.8**	1,502.5
International telephone	**627.6**	688.9
Digital businesses	**333.2**	164.6
Pay television	**301.8**	251.7
Others	**302.6**	340.4
Operating revenue	**17,222.9**	16,848.1
Operating revenue	**17,222.9**	16,848.1
Other income (see **Note 6**)	**151.4**	107.6
Interest and investment income (see **Note 10**)	**92.4**	113.0
Total revenue	**17,466.7**	17,068.7

5. OPERATING EXPENSES

	Group	
	2015 S$ Mil	2014 S$ Mil
Selling and administrative costs [1]	**4,000.9**	3,952.4
Traffic expenses	**2,548.5**	2,576.1
Staff costs	**2,461.1**	2,285.3
Cost of equipment sold	**2,147.3**	1,764.3
Repairs and maintenance	**339.3**	337.4
Other cost of sales	**786.5**	884.8
	12,283.6	11,800.3

Note:

[1] Includes 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	
	2015 S$ Mil	**2014 S$ Mil**
Staff costs included the following -		
Contributions to defined contribution plans	**223.6**	208.2
Performance share expense		
- equity-settled arrangements	**24.4**	22.1
- cash-settled arrangements	**28.3**	11.0

5.2 Key Management Personnel Compensation

	Group	
	2015 S$ Mil	**2014 S$ Mil**
Key management personnel compensation [(1)]		
Executive director [(2)]	**5.6**	4.7
Other key management personnel [(3)]	**10.4**	10.9
	16.0	15.6
Directors' remuneration [(4)]	**2.5**	2.1
	18.5	17.7

Notes:

(1) Comprise base salary, annual wage supplement, bonus, contributions to defined contribution plans and other cash benefits, but exclude performance share expense disclosed below.

(2) The Group Chief Executive Officer, an executive director of Singtel, was awarded up to 1,524,760 (2014: 1,516,229) ordinary shares of Singtel pursuant to Singtel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$6.0 million (2014: S$3.7 million).

(3) The other key management personnel of the Group comprise the Group Chief Corporate Officer (formerly the Group Chief Financial Officer), the Chief Executive Officer of Consumer Australia (formerly the Chief Executive Officer of Group Digital Life) and the Chief Executive Officer of Group Enterprise. In the previous year, the other key management personnel of the Group comprised the Group Chief Financial Officer, and the Chief Executive Officers of Group Consumer, Group Enterprise and Group Digital Life.

The other key management personnel were awarded up to 1,939,323 (2014: 3,152,785) ordinary shares of Singtel pursuant to Singtel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$7.5 million (2014: S$7.3 million).

(4) This comprised directors' fees of S$2.5 million (2014: S$2.1 million) and car-related benefits of Chairman of S$18,089 (2014: S$16,511).

5.3 Share-based Payments

5.3.1 Performance share plans

Prior to 1 April 2012, two categories of awards – General Awards and Senior Management Awards – were given to selected employees of Singtel and its subsidiaries on an annual basis. The grants are conditional on the achievement of targets set for a three-year performance period. The final number of performance shares to be released to the recipients will depend on the level of achievement of the targets over the three-year performance period.

The General Awards are generally settled by delivery of Singtel shares, while the Senior Management Awards are settled by Singtel shares or cash, at the option of the recipient.

With effect from 1 April 2012, General Awards and Senior Management Awards are no longer given. Instead, Restricted Share Awards and Performance Share Awards are given to selected employees of Singtel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of Singtel shares, with the awards for certain senior employees to be settled by Singtel shares or cash, at the option of the recipient.

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by Singtel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

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

General Awards

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

Group and Company 2015	Outstanding as at 1 April 2014 '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2015 '000
Date of grant				
Singtel PSP 2003				
FY 2012 [(1)]				
2 June 2011	**17,336**	**(10,455)**	**(6,881)**	**–**
September 2011 to March 2012	**167**	**(100)**	**(67)**	**–**
	17,503	**(10,555)**	**(6,948)**	**–**

Note:

(1) "FY 2012" denotes financial year ended 31 March 2012.

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2014	Outstanding as at 1 April 2013 '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2014 '000
Date of grant				
Singtel PSP 2003				
FY 2011				
3 June 2010	16,933	(9,452)	(7,481)	–
September 2010 to March 2011	390	(201)	(189)	–
FY 2012				
2 June 2011	19,402	(79)	(1,987)	17,336
September 2011 to March 2012	229	–	(62)	167
	36,954	(9,732)	(9,719)	17,503

General Awards	Date of grant Singtel PSP 2003 2 June 2011
Fair value at grant date	S$1.81
Assumptions under Monte-Carlo Model	
Expected volatility	
Singtel	30.3%
MSCI Asia Pacific Telco Index	19.3%
MSCI Asia Pacific Telco Component Stocks	
Historical volatility period	
From	July 2001
To	June 2011
Risk free interest rates	
Yield of Singapore Government Securities on	2 June 2011

5.3.1 Performance share plans *(Cont'd)*

Senior Management Awards - cash-settled arrangements

The movements of the number of performance shares for 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 –

Group and Company 2015	Date of grant Singtel PSP 2003 2 June 2011
Senior Management Awards	
Number of performance shares ('000)	
Outstanding as at 1 April 2014	**2,922**
Vested	**(2,922)**
Outstanding and unvested as at 31 March 2015	**–**

2014	Date of grant Singtel PSP 2003 3 June 2010	 2 June 2011	Group And Company
Senior Management Awards			
Number of performance shares ('000)			
Outstanding as at 1 April 2013	3,148	2,922	6,070
Vested	(2,798)	–	(2,798)
Cancelled	(350)	–	(350)
Outstanding and unvested as at 31 March 2014	–	2,922	2,922
Fair value at 31 March 2014		S$3.65	
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel		17.8%	
MSCI Asia Pacific Telco Index		12.9%	
MSCI Asia Pacific Telco Component Stocks		800 days historical volatility preceding March 2014	
Risk free interest rates			
Yield of Singapore Government Securities on		31 March 2014	

5.3.1 Performance share plans *(Cont'd)*

Restricted Share Awards

The movements of the number of performance shares for the Restricted Share Awards during the financial year were as follows –

Group and Company 2015	Outstanding as at 1 April 2014 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2015 '000
Date of grant						
FY 2013						
26 June 2012	**4,660**	**–**	**1,309**	**(1,599)**	**(206)**	**4,164**
October 2012 to March 2013	**69**	**–**	**21**	**(23)**	**–**	**67**
FY 2014						
21 June 2013	**4,721**	**–**	**–**	**(89)**	**(393)**	**4,239**
September 2013 to March 2014	**12**	**–**	**–**	**–**	**–**	**12**
FY 2015						
23 June 2014	**–**	**5,238**	**–**	**(6)**	**(159)**	**5,073**
September 2014 to March 2015	**–**	**45**	**–**	**–**	**–**	**45**
	9,462	**5,283**	**1,330**	**(1,717)**	**(758)**	**13,600**

Group and Company 2014	Outstanding as at 1 April 2013 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2014 '000
Date of grant					
FY 2013					
26 June 2012	5,321	–	(58)	(603)	4,660
October 2012 to March 2013	69	–	–	–	69
FY 2014					
21 June 2013	–	4,953	(23)	(209)	4,721
September 2013 to March 2014	–	12	–	–	12
	5,390	4,965	(81)	(812)	9,462

5.3.1 Performance share plans *(Cont'd)*

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 26 June 2012	21 June 2013	23 June 2014
Fair value at grant date	S$2.61	S$3.28	S$3.48
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	16.6%	13.4%	15.2%
MSCI Asia Pacific Telco Index	7.2%	8.2%	9.5%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2012	36 months historical volatility preceding May 2013	36 months historical volatility preceding May 2014
Risk free interest rates			
Yield of Singapore Government Securities on	30 May 2012	5 June 2013	4 June 2014

Cash-settled 2015	Date of grant 26 June 2012	21 June 2013	23 June 2014
Fair value at 31 March 2015	S$4.38	S$4.29	S$4.11
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	15.2%	15.2%	15.2%
MSCI Asia Pacific Telco Index	10.6%	10.6%	10.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2015		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2015	31 March 2015	31 March 2015

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2014	**Date of grant 26 June 2012**	**21 June 2013**
Fair value at 31 March 2014	S$3.52	S$3.39
Assumptions under Monte-Carlo Model		
Expected volatility		
Singtel	15.4%	15.4%
MSCI Asia Pacific Telco Index	9.6%	9.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2014	
Risk free interest rates		
Yield of Singapore Government Securities on	31 March 2014	31 March 2014

Performance Share Awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company 2015	**Outstanding as at 1 April 2014 '000**	**Granted '000**	**Vested '000**	**Cancelled '000**	**Outstanding as at 31 March 2015 '000**
Date of grant					
FY 2013					
26 June 2012	**7,058**	**–**	**(40)**	**(204)**	**6,814**
October 2012 to March 2013	**157**	**–**	**–**	**–**	**157**
FY 2014					
21 June 2013	**9,186**	**–**	**(8)**	**(768)**	**8,410**
September 2013 to March 2014	**15**	**–**	**–**	**–**	**15**
FY 2015					
23 June 2014	**–**	**8,528**	**–**	**(214)**	**8,314**
September 2014 to March 2015	**–**	**235**	**–**	**–**	**235**
	16,416	**8,763**	**(48)**	**(1,186)**	**23,945**

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2014	Outstanding as at 1 April 2013 '000	Granted '000	Cancelled '000	Outstanding as at 31 March 2014 '000
Date of grant				
FY 2013				
26 June 2012	7,470	–	(412)	7,058
October 2012 to March 2013	157	–	–	157
FY 2014				
21 June 2013	–	9,391	(205)	9,186
September 2013 to March 2014	–	15	–	15
	7,627	9,406	(617)	16,416

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

	Date of grant		
Equity-settled	**26 June 2012**	**21 June 2013**	**23 June 2014**
Fair value at grant date	S$1.78	S$2.16	S$2.36
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	16.6%	13.4%	15.2%
MSCI Asia Pacific Telco Index	7.2%	8.2%	9.5%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2012	36 months historical volatility preceding May 2013	36 months historical volatility preceding May 2014
Risk free interest rates			
Yield of Singapore Government Securities on	30 May 2012	5 June 2013	4 June 2014

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2015	Date of grant		
	26 June 2012	**21 June 2013**	**23 June 2014**
Fair value at 31 March 2015	**S$4.36**	**S$3.66**	**S$3.72**
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	**15.2%**	**15.2%**	**15.2%**
MSCI Asia Pacific Telco Index	**10.6%**	**10.6%**	**10.6%**
MSCI Asia Pacific Telco Component Stocks	**36 months historical volatility preceding March 2015**		
Risk free interest rates			
Yield of Singapore Government Securities on	**31 March 2015**	**31 March 2015**	**31 March 2015**

Cash-settled 2014	Date of grant	
	26 June 2012	**21 June 2013**
Fair value at 31 March 2014	S$2.95	S$1.84
Assumptions under Monte-Carlo Model		
Expected volatility		
Singtel	15.4%	15.4%
MSCI Asia Pacific Telco Index	9.6%	9.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2014	
Risk free interest rates		
Yield of Singapore Government Securities on	31 March 2014	31 March 2014

5.4 Structured 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 share-based payments awards.

As at the end of the reporting period, the Trust held the following assets –

	Group		Company	
	2015 S$ Mil	**2014 S$ Mil**	**2015 S$ Mil**	**2014 S$ Mil**
Cost of Singtel shares, net of vesting	**32.7**	34.6	**29.7**	28.4
Cash at bank	**0.4**	0.6	**0.4**	0.5
	33.1	35.2	**30.1**	28.9

5.4 Structured Entity *(Cont'd)*

The details of Singtel shares held by the Trust were as follows –

Group	Number of shares 2015 '000	Number of shares 2014 '000	Amount 2015 S$ Mil	Amount 2014 S$ Mil
Balance as at 1 April	**10,127**	12,310	**34.6**	39.5
Purchase of Singtel shares	**8,561**	5,161	**32.8**	19.0
Vesting of shares	**(10,059)**	(7,344)	**(34.7)**	(23.9)
Balance as at 31 March	**8,629**	10,127	**32.7**	34.6

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested Singtel shares is taken to 'Capital Reserve - Performance Shares' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

5.5 Other Operating Expense Items

	Group 2015 S$ Mil	Group 2014 S$ Mil
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**1.4**	1.4
- Deloitte Touche Tohmatsu, Australia	**1.1**	1.1
- Other Deloitte & Touche offices	**1.1**	0.3
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore [(1)]	**0.2**	0.3
- Deloitte Touche Tohmatsu, Australia [(1)]	**0.5**	1.1
- Other Deloitte & Touche offices	**0.1**	0.1
Impairment of trade receivables	**97.3**	137.4
Allowance for inventory obsolescence	**2.7**	27.9
Inventory written off	**2.2**	2.1
Provision for liquidated damages and warranties	**4.3**	0.1
Operating lease payments for properties and mobile base stations	**398.9**	380.6

Note:

(1) The non-audit fees for the current financial year ended 31 March 2015 included S$0.1 million (2014: S$0.2 million) and S$0.4 million (2014: 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 did not affect the independence of the auditors.

6. OTHER INCOME

	Group 2015 S$ Mil	Group 2014 S$ Mil
Access fees from network facilities	**64.8**	52.5
Rental income	**3.8**	3.9
Bad trade receivables recovered	**3.1**	3.0
Net foreign exchange losses - trade related	**(0.6)**	(10.3)
Net gains on disposal of property, plant and equipment	**2.7**	2.6
Others	**77.6**	55.9
	151.4	107.6

7. DEPRECIATION AND AMORTISATION

	Group 2015 S$ Mil	Group 2014 S$ Mil
Depreciation of property, plant and equipment	**1,964.8**	1,964.4
Amortisation of intangible assets	**199.7**	171.4
Amortisation of deferred gain on sale of a joint venture	**(3.1)**	(3.1)
	2,161.4	2,132.7

8. EXCEPTIONAL ITEMS

	Group 2015 S$ Mil	Group 2014 S$ Mil
Exceptional gains		
Gain on dilution of interest in an associate (Singapore Post Limited)	**65.4**	–
Gain on sale of AFS investments	**37.9**	6.6
Gain on dilution of interest in other associates and joint ventures	**3.5**	5.3
Gain on dilution of interest in a joint venture (Bharti Airtel Limited)	**–**	149.7
Gain on disposal of a subsidiary	**–**	1.0
	106.8	162.6
Exceptional losses		
Ex-gratia costs on staff restructuring	**(42.9)**	(9.3)
Impairment of AFS investments	**(25.3)**	(22.4)
Impairment of other non-current assets	**(12.9)**	(10.9)
Write-off of other non-current assets	**(2.2)**	–
Loss on sale of AFS investment	**(8.7)**	–
Accrued penalty charges for network incidents	**–**	(6.0)
	(92.0)	(48.6)
	14.8	114.0

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group 2015 S$ Mil	Group 2014 S$ Mil
Share of ordinary results		
– joint ventures	**2,504.4**	2,125.7
– associates	**111.8**	75.1
	2,616.2	2,200.8
Share of net exceptional losses of associates and joint ventures (post-tax) [1]	**(69.1)**	(86.8)
Share of tax of ordinary results		
– joint ventures	**(790.1)**	(705.0)
– associates	**(21.7)**	(16.4)
	(811.8)	(721.4)
	1,735.3	1,392.6

Note:

(1) Share of net exceptional losses comprised –		
Accelerated depreciation (post-tax)	**(10.5)**	(60.7)
Exceptional tax charge and other items	**(58.6)**	(33.7)
Gain on sale of asset	**–**	7.6
	(69.1)	(86.8)

10. INTEREST AND INVESTMENT INCOME (NET)

	Group 2015 S$ Mil	Group 2014 S$ Mil
Interest income from		
– bank deposits	**8.8**	15.4
– others	**37.4**	33.8
	46.2	49.2
Dividends from joint ventures	**41.5**	58.5
Gross dividends from AFS investments	**4.7**	5.3
	92.4	113.0
Net foreign exchange gains/ (losses) – non-trade related	**8.2**	(0.1)
Other fair value gains	**3.5**	12.2
Fair value (losses)/ gains on fair value hedges		
– hedged items	**(132.9)**	149.1
– hedging instruments	**121.6**	(147.8)
	(11.3)	1.3
Fair value (losses)/ gains on cash flow hedges		
– hedged items	**(363.8)**	(336.0)
– hedging instruments	**363.8**	334.1
	*	(1.9)
	92.8	124.5

"*" denotes loss of less than S$50,000.

11. FINANCE COSTS

	Group 2015 S$ Mil	Group 2014 S$ Mil
Interest expense on		
– bonds	**255.1**	245.4
– bank loans	**28.8**	29.9
– others	**27.3**	30.3
	311.2	305.6
Less: Amounts capitalised	**(6.7)**	(18.1)
	304.5	287.5
Effects of hedging using interest rate swaps	**0.5**	13.8
Unwinding of discounts (including adjustments)	**4.2**	4.6
	309.2	305.9

The interest rate applicable to the capitalised borrowings was 6.1 per cent as at 31 March 2015 (March 2014: 7.6 per cent).

12. TAXATION

12.1 Tax Expense

	Group 2015 S$ Mil	Group 2014 S$ Mil
Current income tax		
– Singapore	**237.7**	153.6
– Overseas	**354.1**	328.6
	591.8	482.2
Deferred tax expense	**3.4**	120.0
Tax expense attributable to current year's profit	**595.2**	602.2
Recognition of deferred tax credit [1]	**(47.6)**	–
Adjustments in respect of prior year [2] – Current income tax		
– over provision	**(13.6)**	(41.3)
Deferred income tax		
– under provision	**11.3**	18.0
Withholding and dividend distribution taxes on dividend income from joint ventures	**133.2**	112.1
	678.5	691.0

Notes:

[1] This relates to deferred tax credit recognised on certain property, plant and equipment transferred to an associate.

[2] 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	
	2015 S$ Mil	**2014 S$ Mil**
Profit before tax	**4,463.0**	4,347.9
Less: Share of results of associates and joint ventures	**(1,735.3)**	(1,392.6)
	2,727.7	2,955.3
Tax calculated at tax rate of 17 per cent (2014: 17 per cent)	**463.7**	502.4
Effects of –		
Different tax rates of other countries	**90.9**	109.1
Income not subject to tax	**(21.3)**	(59.4)
Expenses not deductible for tax purposes	**40.9**	51.1
Deferred tax asset not recognised	**24.7**	5.3
Deferred tax asset previously not recognised now recognised	**(0.2)**	(2.2)
Others	**(3.5)**	(4.1)
Tax expense attributable to current year's profit	**595.2**	602.2

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 – 2015 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 2014	61.6	280.6	20.2	470.6	833.0
(Charged)/ Credited to income statement	(7.5)	(22.6)	–	65.9	35.8
Charged to other comprehensive income	–	–	–	(1.1)	(1.1)
Transfer from/ (to) current tax	3.4	–	–	(0.5)	2.9
Translation differences	(9.2)	(26.7)	1.8	(21.4)	(55.5)
Balance as at 31 March 2015	48.3	231.3	22.0	513.5	815.1

Group – 2015 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 2014	(401.3)	(5.3)	(42.8)	(449.4)
Acquisition of subsidiaries	–	–	(62.3)	(62.3)
(Charged)/ Credited to income statement	(15.3)	–	1.5	(13.8)
Transfer from current tax	(0.1)	–	–	(0.1)
Translation differences	(0.1)	–	(7.3)	(7.4)
Balance as at 31 March 2015	(416.8)	(5.3)	(110.9)	(533.0)

12.2 Deferred Taxes *(Cont'd)*

Group – 2014 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 2013	81.4	324.1	20.5	529.1	955.1
Charged to income statement	(12.2)	(10.9)	–	(27.2)	(50.3)
Charged to other comprehensive income	–	–	–	(9.8)	(9.8)
Transfer from current tax	0.8	–	0.1	3.1	4.0
Translation differences	(8.4)	(32.6)	(0.4)	(24.6)	(66.0)
Balance as at 31 March 2014	61.6	280.6	20.2	470.6	833.0

Group – 2014 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 2013	(255.5)	(5.3)	(48.5)	(309.3)
Acquisition of subsidiaries	–	–	1.6	1.6
(Charged)/ Credited to income statement	(104.7)	–	6.9	(97.8)
Transfer from current tax	(40.5)	–	(3.1)	(43.6)
Translation differences	(0.6)	–	0.3	(0.3)
Balance as at 31 March 2014	(401.3)	(5.3)	(42.8)	(449.4)

12.2 Deferred Taxes *(Cont'd)*

Company – 2015 Deferred tax assets	Provisions S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2014	**0.5**	**1.4**	**1.9**
Credited to income statement	**–**	**5.4**	**5.4**
Balance as at 31 March 2015	**0.5**	**6.8**	**7.3**

Company – 2015 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Total S$ Mil
Balance as at 1 April 2014	**(244.4)**	**(244.4)**
Charged to income statement	**(11.8)**	**(11.8)**
Balance as at 31 March 2015	**(256.2)**	**(256.2)**

Company – 2014 Deferred tax assets	Provisions S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2013	0.5	1.6	2.1
Charged to income statement	–	(0.2)	(0.2)
Balance as at 31 March 2014	0.5	1.4	1.9

Company – 2014 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Total S$ Mil
Balance as at 1 April 2013	(116.1)	(116.1)
Charged to income statement	(66.3)	(66.3)
Transfer from current tax	(62.0)	(62.0)
Balance as at 31 March 2014	(244.4)	(244.4)

Notes:
(1) TWDV – Tax written down value
(2) NBV – Net book value

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

12.2 Deferred Taxes *(Cont'd)*

The amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows –

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Deferred tax assets	**803.8**	828.5	**–**	–
Deferred tax liabilities	**(521.7)**	(444.9)	**(248.9)**	(242.5)
	282.1	383.6	**(248.9)**	(242.5)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2015, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$221 million (2014: S$112 million), unutilised investment allowances of S$53 million (2014: S$56 million), unutilised capital tax losses of S$92 million (2014: S$103 million) and unabsorbed capital allowances of approximately S$5.4 million (2014: S$16 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	
	2015 S$ Mil	2014 S$ Mil
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	**279.1**	183.9
Unutilised capital tax losses	**92.2**	102.7

13. EARNINGS PER SHARE

	Group 2015 '000	Group 2014 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [1]	**15,936,654**	15,934,007
Adjustment for dilutive effects of performance share plans	**40,354**	35,766
Weighted average number of ordinary shares for calculation of diluted earnings per share	**15,977,008**	15,969,773

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 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	
	2015 S$ Mil	2014 S$ Mil
Income		
Subsidiaries of ultimate holding company		
Telecommunications	**100.7**	112.1
Rental and maintenance	**29.5**	29.6
Associates and joint ventures		
Telecommunications	**157.3**	215.5
Interest on loan	**35.3**	31.8
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**61.4**	65.7
Utilities	**109.4**	111.3
Associates and joint ventures		
Telecommunications	**193.4**	100.6
Transmission capacity	**18.7**	25.9
Postal	**8.7**	9.1
Rental	**4.0**	3.1
Acquisition of shares in a joint venture	**–**	383.6
Due from subsidiaries of ultimate holding company	**18.3**	17.2
Due to subsidiaries of ultimate holding company	**15.8**	8.1

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

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

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Fixed deposits	**148.5**	89.3	**26.1**	26.2
Cash and bank balances	**414.3**	533.2	**57.4**	78.8
	562.8	622.5	**83.5**	105.0

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	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
USD	**133.0**	62.2	**29.6**	27.3
EUR	**6.6**	9.2	**1.5**	5.8
HKD	**5.6**	3.1	**0.1**	0.5

The maturities of the fixed deposits were as follows –

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Less than three months	**131.1**	88.6	**26.1**	26.2
Over three months	**17.4**	0.7	**–**	–
	148.5	89.3	**26.1**	26.2

As at 31 March 2015, the weighted average effective interest rate of the fixed deposits of the Group and Company were 0.9 per cent (2014: 1.6 per cent) per annum and 0.3 per cent (2014: 0.3 per cent) per annum respectively.

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

16. TRADE AND OTHER RECEIVABLES

	Group 2015 S$ Mil	Group 2014 S$ Mil	Company 2015 S$ Mil	Company 2014 S$ Mil
Trade receivables	**2,972.7**	2,634.9	**490.2**	467.0
Less: Allowance for impairment of trade receivables	**(236.9)**	(274.7)	**(79.7)**	(82.8)
	2,735.8	2,360.2	**410.5**	384.2
Other receivables	**458.6**	399.7	**14.7**	19.1
Loans to subsidiaries	**–**	–	**126.7**	121.8
Less: Allowance for impairment of loans due	**–**	–	**(12.7)**	(12.9)
	–	–	**114.0**	108.9
Amount due from subsidiaries				
– trade	**–**	–	**567.5**	1,150.7
– non–trade	**–**	–	**1,272.2**	719.2
Less: Allowance for impairment of amount due	**–**	–	**(45.4)**	(45.4)
	–	–	**1,794.3**	1,824.5
Amount due from associates and joint ventures				
– trade	**13.8**	9.3	**0.2**	2.4
– non–trade	**158.8**	149.3	**–**	2.1
	172.6	158.6	**0.2**	4.5
Prepayments	**393.3**	375.4	**36.7**	33.5
Amount due from an associate for fibre rollout and maintenance	**26.7**	171.4	**26.7**	171.4
Interest receivable	**86.1**	82.0	**45.3**	39.7
Others	**12.1**	8.5	**–**	–
	3,885.2	3,555.8	**2,442.4**	2,585.8

As at 31 March 2015, the effective interest rate of an amount due from a subsidiary of S$1,080.5 million (2014: S$584.7 million) was 0.01 per cent (2014: 0.01 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms, and certain balances in respect of information technology services are on 90-day terms.

The maximum exposure to credit risk for trade receivables by type of customer was as follows –

	Group 2015 S$ Mil	Group 2014 S$ Mil	Company 2015 S$ Mil	Company 2014 S$ Mil
Individuals	**1,011.2**	741.3	**152.9**	158.0
Corporations and others	**1,724.6**	1,618.9	**257.6**	226.2
	2,735.8	2,360.2	**410.5**	384.2

16. TRADE AND OTHER RECEIVABLES *(Cont'd)*

The age analysis of trade receivables before allowance for impairment was as follows –

	Group		Company	
	2015 S$ Mil	**2014 S$ Mil**	**2015 S$ Mil**	**2014 S$ Mil**
Not past due or less than 60 days overdue	**2,546.3**	2,246.2	**321.5**	325.9
Past due				
– 61 to 120 days	**134.6**	189.2	**32.9**	31.9
– more than 120 days	**291.8**	199.5	**135.8**	109.2
	2,972.7	2,634.9	**490.2**	467.0

Based on historical collections experience, the Group believes that no allowance for impairment is necessary in respect of certain trade receivables which are not past due as well as certain trade receivables which are past due but not impaired.

The movement in the allowance for impairment of trade receivables was as follows –

	Group		Company	
	2015 S$ Mil	**2014 S$ Mil**	**2015 S$ Mil**	**2014 S$ Mil**
Balance as at 1 April	**274.7**	318.3	**82.8**	75.6
Acquisition of subsidiary	**0.7**	–	**–**	–
Allowance for impairment	**108.8**	150.7	**33.8**	33.5
Utilisation of allowance for impairment	**(115.2)**	(158.2)	**(29.6)**	(26.3)
Write-back of allowance for impairment	**(11.5)**	(13.3)	**(7.3)**	–
Translation differences	**(20.6)**	(22.8)	**–**	–
Balance as at 31 March	**236.9**	274.7	**79.7**	82.8

17. INVENTORIES

	Group		Company	
	2015 S$ Mil	**2014 S$ Mil**	**2015 S$ Mil**	**2014 S$ Mil**
Equipment held for resale	**266.6**	152.5	**3.1**	2.5
Maintenance and capital works' inventories	**22.2**	16.9	**22.7**	16.8
Work-in-progress for fibre rollout and maintenance	**1.0**	0.2	**1.0**	0.2
	289.8	169.6	**26.8**	19.5

18. PROPERTY, PLANT AND EQUIPMENT

Group – 2015	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 2014	**24.5**	**249.2**	**795.2**	**18,381.0**	**3,019.3**	**5,983.4**	**1,081.9**	**29,534.5**
Additions (net of rebates)	**–**	**–**	**1.2**	**180.8**	**45.0**	**197.4**	**1,975.2**	**2,399.6**
Disposals/ Write-offs	**–**	**–**	**(0.1)**	**(166.9)**	**(121.7)**	**(110.9)**	**–**	**(399.6)**
Acquisition of subsidiaries	**–**	**–**	**–**	**–**	**–**	**2.8**	**–**	**2.8**
Reclassifications/ Adjustments	**–**	**15.7**	**8.9**	**1,318.0**	**98.1**	**210.3**	**(1,771.6)**	**(120.6)**
Translation differences	**(2.5)**	**1.2**	**(30.5)**	**(1,488.1)**	**(120.9)**	**(393.2)**	**(86.2)**	**(2,120.2)**
Balance as at 31 March 2015	**22.0**	**266.1**	**774.7**	**18,224.8**	**2,919.8**	**5,889.8**	**1,199.3**	**29,296.5**
Accumulated depreciation								
Balance as at 1 April 2014	**–**	**64.4**	**283.1**	**11,726.3**	**2,183.3**	**4,148.9**	**–**	**18,406.0**
Depreciation charge for the year	**–**	**4.5**	**18.5**	**1,170.5**	**179.5**	**591.8**	**–**	**1,964.8**
Disposals/ Write-offs	**–**	**–**	**(0.1)**	**(150.9)**	**(120.2)**	**(102.7)**	**–**	**(373.9)**
Reclassifications/ Adjustments	**–**	**–**	**–**	**–**	**–**	**(91.5)**	**–**	**(91.5)**
Translation differences	**–**	**1.0**	**(0.1)**	**(966.1)**	**(74.0)**	**(292.9)**	**–**	**(1,332.1)**
Balance as at 31 March 2015	**–**	**69.9**	**301.4**	**11,779.8**	**2,168.6**	**4,253.6**	**–**	**18,573.3**
Accumulated impairment								
Balance as at 1 April 2014	**–**	**2.0**	**7.3**	**7.7**	**5.2**	**10.0**	**–**	**32.2**
Impairment charge for the year	**–**	**–**	**–**	**–**	**–**	**9.7**	**–**	**9.7**
Disposals	**–**	**–**	**–**	**(0.1)**	**–**	**(1.2)**	**–**	**(1.3)**
Translation differences	**–**	**–**	**–**	**–**	**–**	**(0.6)**	**–**	**(0.6)**
Balance as at 31 March 2015	**–**	**2.0**	**7.3**	**7.6**	**5.2**	**17.9**	**–**	**40.0**
Net Book Value as at 31 March 2015	**22.0**	**194.2**	**466.0**	**6,437.4**	**746.0**	**1,618.3**	**1,199.3**	**10,683.2**

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group – 2014	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 2013	27.3	248.8	798.5	18,606.0	2,970.8	5,937.6	1,172.9	29,761.9
Additions (net of rebates)	–	0.2	1.8	205.5	81.7	139.0	1,783.3	2,211.5
Disposals/ Write-offs	–	–	–	(220.3)	(41.1)	(106.0)	(1.3)	(368.7)
Disposal of subsidiary	–	–	–	–	–	(1.3)	–	(1.3)
Reclassifications/ Adjustments	–	–	25.3	1,223.2	135.7	408.9	(1,807.0)	(13.9)
Translation differences	(2.8)	0.2	(30.4)	(1,433.4)	(127.8)	(394.8)	(66.0)	(2,055.0)
Balance as at 31 March 2014	24.5	249.2	795.2	18,381.0	3,019.3	5,983.4	1,081.9	29,534.5
Accumulated depreciation								
Balance as at 1 April 2013	–	60.1	263.2	11,648.0	2,121.7	3,916.7	–	18,009.7
Depreciation charge for the year	–	4.1	19.0	1,162.4	176.6	602.3	–	1,964.4
Disposals/ Write-offs	–	–	–	(195.8)	(40.6)	(98.5)	–	(334.9)
Disposal of subsidiary	–	–	–	–	–	(0.8)	–	(0.8)
Reclassifications/ Adjustments	–	–	–	1.3	0.1	(11.4)	–	(10.0)
Translation differences	–	0.2	0.9	(889.6)	(74.5)	(259.4)	–	(1,222.4)
Balance as at 31 March 2014	–	64.4	283.1	11,726.3	2,183.3	4,148.9	–	18,406.0
Accumulated impairment								
Balance as at 1 April 2013	–	2.0	7.3	8.4	5.2	4.4	–	27.3
Impairment charge for the year	–	–	–	–	–	7.0	–	7.0
Disposals	–	–	–	(0.7)	–	(1.4)	–	(2.1)
Balance as at 31 March 2014	–	2.0	7.3	7.7	5.2	10.0	–	32.2
Net Book Value as at 31 March 2014	24.5	182.8	504.8	6,647.0	830.8	1,824.5	1,081.9	11,096.3

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company – 2015	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 2014	0.4	212.5	431.6	3,113.3	1,063.2	1,408.8	217.5	6,447.3
Additions (net of rebates)	–	–	–	64.1	13.1	57.6	238.9	373.7
Disposals/ Write-offs	–	–	(0.1)	(81.4)	(101.3)	(40.5)	–	(223.3)
Reclassifications	–	15.7	–	47.5	23.1	60.1	(146.4)	–
Balance as at 31 March 2015	0.4	228.2	431.5	3,143.5	998.1	1,486.0	310.0	6,597.7
Accumulated depreciation								
Balance as at 1 April 2014	–	48.5	245.6	2,185.5	943.8	968.2	–	4,391.6
Depreciation charge for the year	–	2.6	11.3	161.2	52.7	121.2	–	349.0
Disposals/ Write-offs	–	–	(0.1)	(69.1)	(101.2)	(37.0)	–	(207.4)
Balance as at 31 March 2015	–	51.1	256.8	2,277.6	895.3	1,052.4	–	4,533.2
Accumulated impairment								
Balance as at 1 April 2014	–	2.0	7.2	6.2	1.2	1.6	–	18.2
Additions	–	–	–	–	–	0.4	–	0.4
Disposals/ Write-offs	–	–	–	(0.1)	–	(1.2)	–	(1.3)
Balance as at 31 March 2015	–	2.0	7.2	6.1	1.2	0.8	–	17.3
Net Book Value as at 31 March 2015	0.4	175.1	167.5	859.8	101.6	432.8	310.0	2,047.2

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18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company – 2014	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 2013	0.4	212.5	431.6	3,004.4	1,036.3	1,263.0	347.7	6,295.9
Additions (net of rebates)	–	–	–	86.9	28.4	76.4	161.2	352.9
Disposals/ Write-offs	–	–	–	(130.1)	(37.0)	(34.4)	–	(201.5)
Reclassifications	–	–	–	152.1	35.5	103.8	(291.4)	–
Balance as at 31 March 2014	0.4	212.5	431.6	3,113.3	1,063.2	1,408.8	217.5	6,447.3
Accumulated depreciation								
Balance as at 1 April 2013	–	46.3	233.9	2,136.4	927.0	891.0	–	4,234.6
Depreciation charge for the year	–	2.2	11.7	159.3	53.4	110.3	–	336.9
Disposals/ Write-offs	–	–	–	(110.2)	(36.6)	(33.1)	–	(179.9)
Balance as at 31 March 2014	–	48.5	245.6	2,185.5	943.8	968.2	–	4,391.6
Accumulated impairment								
Balance as at 1 April 2013	–	2.0	7.2	6.9	1.2	0.4	–	17.7
Additions	–	–	–	–	–	1.2	–	1.2
Disposals/ Write-offs	–	–	–	(0.7)	–	–	–	(0.7)
Balance as at 31 March 2014	–	2.0	7.2	6.2	1.2	1.6	–	18.2
Net Book Value as at 31 March 2014	0.4	162.0	178.8	921.6	118.2	439.0	217.5	2,037.5

Property, plant and equipment included the following –

	Group 2015 S$ Mil	Group 2014 S$ Mil	Company 2015 S$ Mil	Company 2014 S$ Mil
Net book value of property, plant and equipment				
Assets acquired under finance leases	**78.5**	90.5	**44.2**	51.0
Interest charges capitalised during the year	**4.0**	18.1	**–**	–
Staff costs capitalised during the year	**215.6**	196.2	**21.1**	15.1

19. INTANGIBLE ASSETS

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Goodwill on acquisition of subsidiaries	**10,123.0**	9,703.6	**–**	–
Telecommunications and spectrum licences	**1,488.2**	832.3	**0.7**	1.0
Technology and brand	**296.9**	160.4	**–**	–
Customer relationships and others	**40.5**	43.4	**–**	–
	11,948.6	10,739.7	**0.7**	1.0

19.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2015 S$ Mil	2014 S$ Mil
Balance as at 1 April	**9,703.6**	9,699.2
Acquisition of subsidiaries	**367.3**	9.5
Translation differences	**52.1**	(5.1)
Balance as at 31 March	**10,123.0**	9,703.6

19.2 Telecommunications and Spectrum Licences

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Balance as at 1 April	**832.3**	824.5	**1.0**	1.3
Additions	**933.2**	227.3	**–**	–
Amortisation for the year	**(148.2)**	(136.4)	**(0.3)**	(0.3)
Disposals/ Write-offs	**(3.1)**	(3.7)	**–**	–
Impairment charge for the year	**–**	(3.9)	**–**	–
Translation differences	**(126.0)**	(75.5)	**–**	–
Balance as at 31 March	**1,488.2**	832.3	**0.7**	1.0
Cost	**2,399.6**	1,678.2	**8.4**	8.4
Accumulated amortisation	**(905.2)**	(839.7)	**(7.7)**	(7.4)
Accumulated impairment	**(6.2)**	(6.2)	**–**	–
Net book value as at 31 March	**1,488.2**	832.3	**0.7**	1.0

19.3 Technology and Brand

	Group	
	2015 S$ Mil	**2014 S$ Mil**
Balance as at 1 April	**160.4**	182.6
Acquisition of subsidiaries	**149.1**	–
Additions	**4.9**	4.3
Amortisation for the year	**(43.1)**	(28.5)
Impairment charge for the year	**(3.2)**	–
Translation differences	**28.8**	2.0
Balance as at 31 March	**296.9**	160.4
Cost	**394.6**	212.2
Accumulated amortisation	**(94.5)**	(51.8)
Accumulated impairment	**(3.2)**	–
Net book value as at 31 March	**296.9**	160.4

19.4 Customer Relationships and Others

	Group	
	2015 S$ Mil	**2014 S$ Mil**
Balance as at 1 April	**43.4**	3.1
Acquisition of subsidiaries	**8.1**	–
Additions	**1.6**	47.2
Amortisation for the year	**(8.4)**	(6.5)
Disposals	**–**	(0.1)
Translation differences	**(4.2)**	(0.3)
Balance as at 31 March	**40.5**	43.4
Cost	**100.0**	97.6
Accumulated amortisation	**(59.5)**	(54.2)
Net book value as at 31 March	**40.5**	43.4

20. SUBSIDIARIES

	Group 2015 S$ Mil	Group 2014 S$ Mil
Unquoted equity shares, at cost	**7,109.6**	7,070.3
Shareholders' advances	**6,423.3**	6,423.3
Deemed investment in a subsidiary	**32.5**	32.5
	13,565.4	13,526.1
Less: Allowance for impairment losses	**(50.4)**	(41.6)
	13,515.0	13,484.5

The advances given to subsidiaries were interest-free except for an amount of S$678.3 million (2014: S$678.3 million) where the effective interest rate at the end of the reporting period was 0.8 per cent (2014: 0.6 per cent) per annum. The advances were unsecured with settlement neither planned nor likely to occur in the foreseeable future.

The deemed investment in a subsidiary, Singtel Group Treasury Pte. Ltd. ("**SGT**"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 45.1** to **Note 45.3**.

21. ASSOCIATES

	Group 2015 S$ Mil	Group 2014 S$ Mil	Company 2015 S$ Mil	Company 2014 S$ Mil
Quoted equity shares, at cost	**74.3**	74.3	**24.7**	24.7
Unquoted equity shares, at cost	**143.2**	143.2	**578.8**	578.8
Shareholder's loan (unsecured)	**1.7**	1.7	**–**	–
	219.2	219.2	**603.5**	603.5
Goodwill on consolidation adjusted against shareholders' equity	**(28.3)**	(28.3)	**–**	–
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**130.2**	45.2	**–**	–
Translation differences	**(14.2)**	(26.1)	**–**	–
	87.7	(9.2)	**–**	–
Less: Allowance for impairment losses	**(31.7)**	(31.7)	**–**	–
	275.2	178.3	**603.5**	603.5

As at 31 March 2015,

(i) The market values of the quoted equity shares in associates held by the Group and Company were S$1.02 billion (2014: S$722.7 million) and S$968.2 million (2014: S$671.8 million) respectively.

(ii) The Group's proportionate interest in the capital commitments of the associates was S$76.8 million (2014: S$60.6 million).

The details of associates are set out in **Note 45.4**.

21. ASSOCIATES *(Cont'd)*

The Group does not have any individually significant associates. The aggregate summarised financial information of associates which are not individually significant are as follows –

	Group	
	2015 S$ Mil	**2014 S$ Mil**
Share of profit after tax	**39.1**	11.4
Share of other comprehensive income	**0.4**	0.1
Share of total comprehensive income	**39.5**	11.5

22. JOINT VENTURES

	Group		Company	
	2015 S$ Mil	**2014 S$ Mil**	**2015 S$ Mil**	**2014 S$ Mil**
Quoted equity shares, at cost	**2,798.4**	2,798.4	**–**	–
Unquoted equity shares, at cost	**4,179.3**	4,185.3	**22.1**	24.1
	6,977.7	6,983.7	**22.1**	24.1
Goodwill on consolidation adjusted against shareholders' equity	**(1,225.9)**	(1,225.9)	**–**	–
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**7,887.4**	7,509.3	**–**	–
Translation differences	**(3,038.2)**	(3,287.2)	**–**	–
	3,623.3	2,996.2	**–**	–
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**–**	–
	10,571.0	9,949.9	**22.1**	24.1

As at 31 March 2015,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$22.04 billion (2014: S$17.56 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$3.48 billion (2014: S$2.55 billion).

(iii) The Group's shares representing 24.8% (2014: 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 45.5**.

Optus holds a 31.25% (2014: 31.25%) interest in an unincorporated joint operation to maintain an optical fibre submarine cable between Western Australia and Indonesia.

In addition, Optus has an interest in an unincorporated joint operation to share certain 3G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (2014: 50%) in the assets, with access to the shared network and shares 50% (2014: 50%) of the cost of building and operating the network.

22. JOINT VENTURES *(Cont'd)*

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint operations of S$644.4 million (2014: S$541.2 million).

The carrying amounts of the Group's significant joint ventures namely Bharti Airtel Limited ("**Airtel**"), PT Telekomunikasi Selular ("**Telkomsel**"), Globe Telecom, Inc. ("**Globe**") and Advanced Info Service Public Company Limited ("**AIS**"), are as follows –

	Group	
	2015 S$ Mil	**2014 S$ Mil**
Airtel	**5,323.3**	4,889.6
Telkomsel	**3,410.1**	3,433.8
Globe	**1,049.8**	900.0
AIS	**686.3**	624.2
Other joint ventures	**101.5**	102.3
	10,571.0	9,949.9

22. JOINT VENTURES *(Cont'd)*

The summarised financial information of the significant joint ventures based on their financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements are as follows –

Group - 2015	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	19,397.7	7,251.2	3,111.4	6,090.3
Depreciation and amortisation	(3,272.9)	(1,246.9)	(560.6)	(799.0)
Interest income	523.8	73.8	20.8	15.6
Interest expense	(1,552.3)	(66.8)	(78.0)	(68.6)
Income tax expense	(1,136.4)	(690.6)	(189.1)	(398.6)
Profit after tax	1,091.9	2,115.9	425.6	1,449.3
Other comprehensive (loss)/ income	(837.9)	(9.4)	(8.3)	0.1
Total comprehensive income	254.0	2,106.5	417.3	1,449.4
Statement of financial position				
Current assets	5,884.3	2,771.7	1,435.1	2,044.6
Non-current assets	37,157.4	5,945.8	4,080.1	3,820.4
Current liabilities	(13,947.7)	(2,121.3)	(1,803.0)	(2,698.0)
Non-current liabilities	(14,406.3)	(863.3)	(1,989.2)	(1,516.8)
Net assets	14,687.7	5,732.9	1,723.0	1,650.2
Less: Non-controlling interests	(1,066.8)	–	(0.2)	(4.8)
Net assets attributable to equity holders	13,620.9	5,732.9	1,722.8	1,645.4
Proportion of the Group's ownership	32.4%	35.0%	47.2%	23.3%
Group's share of net assets	4,413.2	2,006.5	813.2	383.7
Goodwill capitalised	866.7	1,403.6	391.0	305.0
Other adjustments	43.4	–	(154.4)	(2.4)
Carrying amount of the investment	5,323.3	3,410.1	1,049.8	686.3
Other items				
Cash and cash equivalents	257.6	1,402.1	513.3	989.5
Non-current financial liabilities excluding trade and other payables and provisions	(13,490.0)	(653.8)	(1,815.9)	(1,423.9)
Current financial liabilities excluding trade and other payables and provisions	(4,661.1)	(254.2)	(172.2)	(136.1)
Group's share of market value	11,214.8	NA	3,882.2	6,942.4
Dividends received during the year	42.5	665.7	105.6	313.7

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For the financial year ended 31 March 2015

22. JOINT VENTURES *(Cont'd)*

Group – 2014	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	17,910.9	7,076.7	2,813.9	5,908.2
Depreciation and amortisation	(3,271.2)	(1,253.5)	(700.0)	(678.8)
Interest income	221.3	65.7	19.5	17.5
Interest expense	(1,239.5)	(85.1)	(82.7)	(38.4)
Income tax expense	(1,005.8)	(663.9)	(88.5)	(397.8)
Profit after tax	578.6	2,013.6	210.4	1,436.5
Other comprehensive income/ (loss)	322.1	46.3	(6.4)	0.3
Total comprehensive income	900.7	2,059.9	204.0	1,436.8
Statement of financial position				
Current assets	4,707.3	2,332.7	979.1	1,386.3
Non-current assets	33,811.2	6,085.2	3,518.0	3,116.7
Current liabilities	(11,945.0)	(1,669.5)	(1,526.2)	(2,215.7)
Non-current liabilities	(13,122.7)	(947.9)	(1,856.2)	(799.8)
Net assets	13,450.8	5,800.5	1,114.7	1,487.5
Less: Non-controlling interests	(885.3)	–	–	(5.3)
Net assets attributable to equity holders	12,565.5	5,800.5	1,114.7	1,482.2
Proportion of the Group's ownership	32.4%	35.0%	47.2%	23.3%
Group's share of net assets	4,068.7	2,030.2	526.4	345.7
Goodwill capitalised	830.9	1,403.6	383.4	280.8
Other adjustments	(10.0)	–	(9.8)	(2.3)
Carrying amount of the investment	4,889.6	3,433.8	900.0	624.2
Other items				
Cash and cash equivalents	1,047.4	1,415.6	182.8	513.1
Non-current financial liabilities excluding trade and other payables and provisions	(12,165.7)	(625.3)	(1,729.0)	(107.7)
Current financial liabilities excluding trade and other payables and provisions	(4,418.7)	(126.2)	(176.6)	(592.0)
Group's share of market value	8,510.7	NA	2,953.2	6,097.2
Dividends received during the year	11.7	589.4	127.4	325.4

'NA' denotes Not Applicable

22. JOINT VENTURES *(Cont'd)*

The aggregate information of the Group's investments in joint ventures which are not individually significant are as follows –

	Group 2015 S$ Mil	Group 2014 S$ Mil
Share of profit after tax	**10.1**	11.9
Share of other comprehensive income/ (loss)	**0.1**	(0.2)
Share of total comprehensive income	**10.2**	11.7
Aggregate carrying value	**101.5**	102.3

23. IMPAIRMENT REVIEWS

Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2015 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 Group is structured into three business segments, Group Consumer, Group Enterprise and Group Digital Life. Based on the relative fair value approach, the goodwill of Optus was fully allocated to Consumer Australia included in the Group Consumer segment for the purpose of goodwill impairment test.

			Terminal growth rate [1]		Pre-tax discount rate	
Group	2015 S$ Mil	2014 S$ Mil	2015	2014	2015	2014
Carrying value of goodwill in –						
- Optus Group	**9,284.8**	9,298.8	**3.0%**	3.0%	**10.4%**	11.6%
- Amobee, Inc.	**727.6**	322.7	**4.8%**	3.5%	**15.8%**	16.1%
- SCS Computer Systems Pte. Ltd.	**82.2**	82.2	**2.0%**	2.0%	**8.0%**	8.1%

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

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. The Group has used cash flow projections of five years except for Amobee which was based on cash flow projections of ten years, given that it is at the start-up phase of the business. 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.

23. IMPAIRMENT REVIEWS *(Cont'd)*

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 2015, no impairment charge was required for goodwill arising from 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. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Balance as at 1 April	**291.3**	240.4	**54.9**	66.4
Additions	**34.2**	55.0	**–**	–
Disposals/ Write-offs	**(87.2)**	(9.2)	**–**	–
Provision for impairment	**(25.3)**	(22.4)	**–**	–
Write-off against provision for impairment	**32.4**	–	**–**	–
Net fair value gains/ (losses) included in 'Other Comprehensive Income'	**21.8**	26.3	**(11.3)**	(11.5)
Translation differences	**1.1**	1.2	**–**	–
Balance as at 31 March	**268.3**	291.3	**43.6**	54.9

AFS investments included the following –

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Quoted equity securities				
- Thailand	**24.5**	34.6	**24.5**	34.6
- United States	**67.2**	19.2	**0.5**	0.7
- Singapore	**9.1**	9.1	**9.1**	9.1
	100.8	62.9	**34.1**	44.4
Unquoted				
Equity securities	**153.1**	181.7	**9.5**	10.5
Others	**14.4**	46.7	**–**	–
	167.5	228.4	**9.5**	10.5
	268.3	291.3	**43.6**	54.9

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Balance as at 1 April	**(122.9)**	(470.5)	**(198.9)**	(161.7)
Fair value gains/ (losses)				
- included in income statement	**486.6**	196.8	**126.0**	(62.8)
- included in 'Hedging Reserve'	**138.7**	120.0	**117.1**	25.6
Translation differences	**(12.7)**	30.8	**–**	–
Balance as at 31 March	**489.7**	(122.9)	**44.2**	(198.9)
Disclosed as -				
Current asset	**29.8**	3.4	**29.9**	2.5
Non-current asset	**742.1**	298.0	**463.5**	160.5
Current liability	**(16.8)**	(11.5)	**(1.9)**	(2.3)
Non-current liability	**(265.4)**	(412.8)	**(447.3)**	(359.6)
	489.7	(122.9)	**44.2**	(198.9)

25.1 Fair Values

The fair values of the currency and interest rate swap contracts exclude accrued interest of S$20.0 million (2014: S$17.8 million). The accrued interest is separately disclosed in **Note 16** and **Note 28**.

The fair values of the derivative financial instruments were as follows –

	Group		Company	
	Fair values		Fair values	
2015	Assets S$ Mil	Liabilities S$ Mil	Assets S$ Mil	Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	**662.4**	**65.5**	**33.2**	**12.8**
Interest rate swaps	**52.8**	**188.4**	**–**	**8.1**
Forward foreign exchange contracts	**51.7**	**15.2**	**32.4**	**0.2**
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	**–**	**–**	**362.5**	**362.5**
Interest rate swaps	**4.7**	**13.0**	**65.0**	**65.4**
Forward foreign exchange contracts	**0.3**	**0.1**	**0.3**	**0.2**
	771.9	**282.2**	**493.4**	**449.2**
Disclosed as -				
Current	**29.8**	**16.8**	**29.9**	**1.9**
Non-current	**742.1**	**265.4**	**463.5**	**447.3**
	771.9	**282.2**	**493.4**	**449.2**

25.1 Fair Values *(Cont'd)*

	Group		Company	
	Fair values		Fair values	
2014	Assets S$ Mil	Liabilities S$ Mil	Assets S$ Mil	Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	260.7	276.4	–	191.2
Interest rate swaps	36.4	129.8	–	5.1
Forward foreign exchange contracts	4.3	10.3	1.3	0.1
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	–	–	112.1	112.1
Interest rate swaps	–	7.7	47.9	51.6
Forward foreign exchange contracts	–	0.1	1.7	1.8
	301.4	424.3	163.0	361.9
Disclosed as -				
Current	3.4	11.5	2.5	2.3
Non-current	298.0	412.8	160.5	359.6
	301.4	424.3	163.0	361.9

The cash flow hedges are designated for foreign currency commitments and repayments of principal and interest of foreign currency denominated bonds.

The forecast transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2016, while the forecast transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 30**.

As at 31 March 2015, the details of the outstanding derivative financial instruments were as follows –

	Group		Company	
	2015	2014	2015	2014
Interest rate swaps				
Notional principal (S$ million equivalent)	**3,608.5**	4,013.9	**4,454.3**	4,485.2
Fixed interest rates	**1.2% to 6.2%**	0.5% to 6.2%	**1.2% to 4.5%**	0.5% to 4.5%
Floating interest rates	**1.3% to 2.7%**	1.2% to 2.7%	**0.3% to 1.3%**	0.3% to 1.3%
Cross currency swaps				
Notional principal (S$ million equivalent)	**5,259.9**	5,182.9	**6,326.0**	5,830.7
Fixed interest rates	**1.8% to 7.5%**	1.8% to 7.5%	**0.9% to 5.2%**	0.9% to 5.2%
Floating interest rates	**0.7% to 4.1%**	0.7% to 4.3%	**0.7% to 2.5%**	0.7% to 2.3%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**1,623.8**	1,465.6	**559.8**	550.4

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. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Loan to an associate	**1,610.5**	1,330.5	**1,610.5**	1,330.5
Net deferred gain				
Classified as -				
Current	**67.9**	57.5	**–**	–
Non-current	**1,369.8**	1,155.7	**–**	–
	1,437.7	1,213.2	**–**	–

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., and 7 exchange buildings ("**Assets**"), and Singtel's business of providing duct and manhole services in relation to the Assets ("**Business**") to NetLink Trust, for an aggregate consideration of approximately S$1.89 billion. Singtel also completed its subscription for a further 567,380,000 units at S$1 each in NetLink Trust.

The aggregate consideration paid by NetLink Trust for the purchase of the Assets and Business was financed by the issue of units to Singtel of S$567.4 million and loan from Singtel of S$1.33 billion.

Although currently 100% owned by Singtel, NetLink Trust is managed and operated by CityNet Infrastructure Management Pte. Ltd. in its capacity as trustee-manager. Singtel does not have effective control in NetLink Trust, and hence it is equity accounted as an associate at the Group.

At the consolidated level, the gain on disposal of Assets and Business recorded by Singtel was deferred in the Group's statement of financial position and is being amortised over the useful lives of the Assets. The unamortised deferred gain in the Group's statement of financial position will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed. In addition, Singtel's lease expenses paid to NetLink Trust and interest income earned from NetLink Trust are not eliminated on a line-by-line basis in the Group.

In November 2013, the Group paid S$142.6 million to NetLink Trust in consideration of its transfer of tax benefits utilised by the Group, and S$11.4 million for additional investment in NetLink Trust. The monies were subsequently utilised by NetLink Trust for its acquisition of 100% equity interest in OpenNet Pte. Ltd.

In October 2014, Singtel sold certain infrastructure assets to NetLink Trust for an aggregate consideration of S$280 million. The aggregate consideration paid by NetLink Trust was financed by a loan from Singtel.

The loan to NetLink Trust carries a fixed interest rate and is repayable on 22 April 2017. The loan is secured by a fixed and floating charge over NetLink Trust's assets and business undertakings. Under the loan agreement, unpaid interest are included as part of the loan. As at 31 March 2015, the loan principal was S$1.61 billion (2014: S$1.33 billion) and interest included as part of the loan was S$5.5 million (2014: S$5.5 million).

As at 31 March 2015, the unamortised gross deferred gain was S$1.73 billion (2014: S$1.52 billion), of which S$295.1 million (2014: S$310.3 million) was applied to the Group's carrying value of NetLink Trust and the remaining S$1.44 billion (2014: S$1.21 billion) was classified as 'Net deferred gain' in the Group's statement of financial position.

27. OTHER NON-CURRENT RECEIVABLES

	Group		Company	
	2015 S$ Mil	**2014 S$ Mil**	**2015 S$ Mil**	**2014 S$ Mil**
Prepayments	**63.7**	63.3	**182.6**	198.5
Other receivables	**332.8**	192.9	**–**	–
	396.5	256.2	**182.6**	198.5

Other receivables comprise mainly receivables in Australia under the device repayment plans, and deferred access fees from network facilities.

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 S$ Mil	**2014 S$ Mil**	**2015 S$ Mil**	**2014 S$ Mil**
Trade payables	**3,305.6**	2,759.0	**698.3**	702.3
Accruals	**805.6**	726.7	**164.9**	136.3
Interest payable on borrowings	**115.6**	115.9	**34.4**	34.2
Due to subsidiaries				
- trade	**–**	–	**247.8**	227.2
- non-trade	**–**	–	**137.7**	610.0
	–	–	**385.5**	837.2
Due to associates and joint ventures				
- trade	**26.0**	38.5	**25.3**	35.5
- non-trade	**12.8**	6.2	**0.2**	4.9
	38.8	44.7	**25.5**	40.4
Deferred gain on sale of a joint venture (see **Note 32**)	**3.1**	3.1	**–**	–
Customers' deposits	**25.9**	26.6	**16.1**	15.9
Other deferred income	**17.5**	16.4	**14.2**	14.1
Other payables	**146.4**	103.9	**47.3**	53.7
	4,458.5	3,796.3	**1,386.2**	1,834.1

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms, with some payables relating to network investments having payment terms of up to 365 days.

The interest payable on borrowings are generally settled on a half-year or annual basis except for interest payable on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

The amounts due to subsidiaries are repayable on demand and interest-free.

29. PROVISION

The provision mainly relates to provision for liquidated damages and warranties. The movements were as follows –

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Balance as at 1 April	**1.6**	5.8	**–**	4.3
Provision	**4.3**	0.1	**3.5**	–
Amount written off against provision	**(0.1)**	(4.3)	**(0.1)**	(4.3)
Balance as at 31 March	**5.8**	1.6	**3.4**	–

30. BORROWINGS (UNSECURED)

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Current				
Bank loans	**150.0**	774.6	**–**	–
	150.0	774.6	**–**	–
Non-current				
Bonds	**7,240.7**	6,696.9	**925.2**	793.2
Bank loans	**1,350.2**	350.0	**–**	–
	8,590.9	7,046.9	**925.2**	793.2
Total unsecured borrowings	**8,740.9**	7,821.5	**925.2**	793.2

30.1 Bonds

Principal amount	Group 2015 S$ Mil	Group 2014 S$ Mil	Company 2015 S$ Mil	Company 2014 S$ Mil
US$500 million (1)(2)	**713.2**	650.2	**–**	–
US$1,300 million (2)	**1,885.5**	1,694.7	**–**	–
US$500 million (2)	**925.2**	793.2	**925.2**	793.2
US$400 million	**550.3**	504.3	**–**	–
€700 million (1)(2)	**1,066.9**	1,239.9	**–**	–
A$375 million (1)	**390.8**	434.8	**–**	–
S$550 million (2014: S$250 million)	**550.0**	250.0	**–**	–
S$600 million (2)	**600.0**	600.0	**–**	–
¥10,000 million	**116.2**	123.9	**–**	–
HK$1,450 million	**265.4**	243.6	**–**	–
HK$1,000 million (1)	**177.2**	162.3	**–**	–
Non-current	**7,240.7**	6,696.9	**925.2**	793.2

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 the Singapore Exchange.

30.2 Bank Loans

	Group 2015 S$ Mil	Group 2014 S$ Mil
Current	**150.0**	774.6
Non-current	**1,350.2**	350.0
	1,500.2	1,124.6

30.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows –

	Group 2015 S$ Mil	Group 2014 S$ Mil	Company 2015 S$ Mil	Company 2014 S$ Mil
Between one and two years	**620.5**	–	**–**	–
Between two and five years	**3,986.4**	2,790.5	**–**	–
Over five years	**3,984.0**	4,256.4	**925.2**	793.2
	8,590.9	7,046.9	**925.2**	793.2

30.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows –

	Group 2015 %	Group 2014 %	Company 2015 %	Company 2014 %
Bonds (fixed rate)	**3.9**	4.0	**7.4**	7.4
Bonds (floating rate)	**1.3**	1.3	**–**	–
Bank loans (floating rate)	**1.9**	1.0	**–**	–

30.5 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 2015				
Net-settled interest rate swaps	**42.2**	**42.5**	**97.0**	**21.5**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(188.4)**	**(188.5)**	**(483.5)**	**(687.8)**
- Outflow	**142.0**	**139.7**	**374.6**	**340.4**
	(4.2)	**(6.3)**	**(11.9)**	**(325.9)**
Borrowings	**429.8**	**883.2**	**4,403.9**	**4,444.8**
	425.6	**876.9**	**4,392.0**	**4,118.9**
As at 31 March 2014				
Net-settled interest rate swaps	52.4	41.0	69.2	29.7
Cross currency interest rate swaps (gross-settled)				
- Inflow	(181.8)	(181.8)	(506.0)	(785.3)
- Outflow	147.9	155.7	503.2	485.0
	18.5	14.9	66.4	(270.6)
Borrowings	1,019.8	242.7	3,061.6	5,045.1
	1,038.3	257.6	3,128.0	4,774.5

Company	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2015				
Net-settled interest rate swaps	**3.0**	**1.7**	**5.2**	**20.8**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(158.1)**	**(158.1)**	**(332.0)**	**(662.6)**
- Outflow	**132.1**	**132.1**	**253.9**	**350.0**
	(23.0)	**(24.3)**	**(72.9)**	**(291.8)**
Borrowings	**50.7**	**50.7**	**152.2**	**1,490.1**
	27.7	**26.4**	**79.3**	**1,198.3**
As at 31 March 2014				
Net-settled interest rate swaps	6.3	3.2	5.5	23.6
Cross currency interest rate swaps (gross-settled)				
- Inflow	(136.0)	(136.1)	(350.8)	(674.2)
- Outflow	112.9	113.1	281.9	375.0
	(16.8)	(19.8)	(63.4)	(275.6)
Borrowings	46.5	46.5	139.4	1,485.6
	29.7	26.7	76.0	1,210.0

31. BORROWINGS (SECURED)

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Current				
Finance lease	**24.4**	38.9	**1.5**	1.5
	24.4	38.9	**1.5**	1.5
Non-current				
Finance lease	**180.7**	179.7	**160.4**	161.9
Bank loans	**32.8**	–	**–**	–
	213.5	179.7	**160.4**	161.9
Total secured borrowings	**237.9**	218.6	**161.9**	163.4

Secured borrowings comprise finance lease liabilities, including lease liabilities in respect of certain assets leased from NetLink Trust, and certain bank loans of Adconion secured on the assets and shares in Adconion Media, Inc. and its subsidiary, Adconion Direct, Inc. and a fixed and floating charge on the assets in Adconion Pty Ltd.

31.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows –

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Not later than one year	**38.2**	54.1	**13.0**	13.0
Later than one but not later than five years	**71.4**	69.6	**49.8**	51.2
Later than five years	**624.7**	636.3	**624.7**	636.3
	734.3	760.0	**687.5**	700.5
Less: Future finance charges	**(529.2)**	(541.4)	**(525.6)**	(537.1)
	205.1	218.6	**161.9**	163.4

31.2 Maturity

The maturity periods of the non-current secured borrowings at the end of the reporting period were as follows –

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Between one and two years	**15.2**	16.3	**1.6**	1.5
Between two and five years	**42.3**	7.1	**2.8**	4.1
Over five years	**156.0**	156.3	**156.0**	156.3
	213.5	179.7	**160.4**	161.9

31.3 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows –

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Finance lease liabilities	**6.2**	7.2	**7.3**	7.3
Bank loans	**3.9**	–	**–**	–

31.4 The tables below set out the maturity profile of the secured bank loans 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 2015				
Bank loans	**1.9**	**1.9**	**36.7**	**–**

There was no secured bank loan as at 31 March 2014.

32. DEFERRED INCOME

	Group	
	2015 S$ Mil	2014 S$ Mil
Deferred gain on sale of a joint venture	**7.6**	10.7
	7.6	10.7
Classified as -		
Current (see **Note 28**)	**3.1**	3.1
Non-current	**4.5**	7.6
	7.6	10.7

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.

33. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Performance share liability	**19.0**	12.1	**19.0**	12.1
Other payables	**292.0**	179.2	**11.0**	12.1
	311.0	191.3	**30.0**	24.2

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

34. SHARE CAPITAL

	2015		2014	
Group and Company	Number of shares Mil	Share capital S$ Mil	Number of shares Mil	Share capital S$ Mil
Balance as at 1 April and 31 March	**15,943.5**	**2,634.0**	15,943.5	2,634.0

All issued shares are fully paid and have no par value. The issued shares carry one vote per share and a right to dividends as and when declared by the Company.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 60% to 75% of underlying net profit. Underlying net profit is defined as net profit before exceptional and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. The Group can also cancel the shares which are repurchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

The Company and its subsidiaries are not subject to any externally imposed capital requirement.

35. DIVIDENDS

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Final ordinary dividend of 10.0 cents (2014: 10.0 cents) per share, paid	**1,593.8**	1,594.2	**1,594.3**	1,595.0
Interim dividend of 6.8 cents (2014: 6.8 cents) per share, paid	**1,083.7**	1,083.6	**1,084.2**	1,084.2
	2,677.5	2,677.8	**2,678.5**	2,679.2

During the financial year, a final one-tier tax exempt ordinary dividend of 10.0 cents per share was paid in respect of the previous financial year ended 31 March 2014, 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 2015.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling approximately S$1.71 billion in respect of the current financial year ended 31 March 2015 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S$1.71 billion, which will be accounted for in the shareholders' equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2016.

36. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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**).

36.1 Financial assets and liabilities measured at fair value

Group 2015	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	**100.8**	**–**	**–**	**100.8**
- Unquoted investments	**–**	**–**	**100.5**	**100.5**
	100.8	**–**	**100.5**	**201.3**
Derivative financial instruments (**Note 25.1**)	**–**	**771.9**	**–**	**771.9**
	100.8	**771.9**	**100.5**	**973.2**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**–**	**282.2**	**–**	**282.2**
	–	**282.2**	**–**	**282.2**

Group 2014	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	62.9	–	–	62.9
- Unquoted investments	–	–	108.2	108.2
	62.9	–	108.2	171.1
Derivative financial instruments (**Note 25.1**)	–	301.4	–	301.4
	62.9	301.4	108.2	472.5
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	–	424.3	–	424.3
	–	424.3	–	424.3

36.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Company 2015	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	**34.1**	**–**	**–**	**34.1**
- Unquoted equity investments	**–**	**–**	**9.5**	**9.5**
	34.1	**–**	**9.5**	**43.6**
Derivative financial instruments (**Note 25.1**)	**–**	**493.4**	**–**	**493.4**
	34.1	**493.4**	**9.5**	**537.0**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**–**	**449.2**	**–**	**449.2**
	–	**449.2**	**–**	**449.2**

Company 2014	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	44.4	–	–	44.4
- Unquoted equity investments	–	–	10.5	10.5
	44.4	–	10.5	54.9
Derivative financial instruments (**Note 25.1**)	–	163.0	–	163.0
	44.4	163.0	10.5	217.9
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	–	361.9	–	361.9
	–	361.9	–	361.9

Note:
[1] Excluded AFS investments stated at cost of S$67.0 million (2014: S$120.2 million).

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

36.1 Financial assets and liabilities measured at fair value *(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	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
AFS investments - unquoted				
Balance as at 1 April	**108.2**	14.1	**10.5**	10.1
Total gains/ (losses) included in 'Fair Value Reserve'	**4.9**	44.2	**(1.0)**	0.4
Additions	**–**	52.8	**–**	–
Provision for impairment	**–**	(3.0)	**–**	–
Disposals	**(15.6)**	–	**–**	–
Transfer from Level 3	**(5.8)**	–	**–**	–
Transfer to Level 3	**8.8**	–	**–**	–
Translation differences	**–**	0.1	**–**	–
Balance as at 31 March	**100.5**	108.2	**9.5**	10.5

36.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying Value	Fair value			
2015	S$ Mil	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial liabilities					
Group					
Bonds (**Note 30.1**)	**7,240.7**	**5,478.3**	**2,101.8**	**–**	**7,580.1**
Company					
Bonds (**Note 30.1**)	**925.2**	**1,015.7**	**–**	**–**	**1,015.7**

	Carrying Value	Fair value			
2014	S$ Mil	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial liabilities					
Group					
Bonds (**Note 30.1**)	6,696.9	5,189.1	1,745.7	–	6,934.8
Company					
Bonds (**Note 30.1**)	793.2	835.6	–	–	835.6

See **Note 2.7** on the basis of estimating the fair values and **Note 25** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

Except as disclosed in the above tables, the carrying values of other financial assets and liabilities approximate their fair values.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

37.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. 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 2015, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

37.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, Bangladesh, India, Indonesia, Philippines, Thailand and United States of America. Additionally, the Group's joint venture in India, Bharti Airtel Limited, is exposed to foreign exchange risks from its operations in Bangladesh, Sri Lanka and 17 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

37.3 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 2015, after taking into account the effect of interest rate swaps, approximately 72% (2014: 78%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2015, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S$12.8 million (2014: S$11.6 million).

37.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents, marketable securities and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents and marketable securities with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

37.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

37.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

38. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

Singtel Group is structured into three business segments, namely Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, namely AIS in Thailand, Airtel in India, Africa and South Asia, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore and Australia and focuses on growing the Group's position in the enterprise markets. Key services include mobile, fixed voice and data, managed services, cloud computing, and IT services and professional consulting.

Group Digital Life focuses on using the latest internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It included digital advertising, e-commerce, concierge and hyper-local services. From 1 April 2015, Group Digital Life sharpened its digital business strategy to focus on three key businesses - digital marketing (Amobee), regional premium video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

Corporate comprises the costs of Group functions not allocated to the three business segments.

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

38. SEGMENT INFORMATION *(Cont'd)*

The costs of shared and common infrastructure are allocated to business segments using established methodologies. With effect from 1 April 2014, certain costs have been reallocated between Consumer and Enterprise business segments as a result of higher utilisation of shared infrastructure by mobile in Australia.

For comparative purpose, the EBITDA and EBIT of the business segments for the previous year ended 31 March 2014 have been restated to reflect the changes in cost allocation and other adjustments. The impact of the change was a reduction to Group Consumer's EBITDA and EBIT of S$62 million and S$121 million respectively, and a corresponding increase to Group Enterprise's EBITDA and EBIT of S$62 million and S$121 million respectively. The Group's overall EBITDA and EBIT remain unchanged.

The Group's reportable segments by the three business segments for the financial year ended 31 March 2015 and 31 March 2014 were as follows –

Group 2015	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	10,559.4	6,320.4	343.1	–	17,222.9
Operating expenses	(7,354.3)	(4,296.1)	(554.8)	(78.4)	(12,283.6)
Other income	111.5	36.9	(4.2)	7.2	151.4
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,316.6	2,061.2	(215.9)	(71.2)	5,090.7
Share of pre-tax results of associates and joint ventures					
- Airtel	735.7	–	–	–	735.7
- Telkomsel	982.3	–	–	–	982.3
- Globe	305.6	–	–	–	305.6
- AIS	431.0	–	–	–	431.0
- Others	1.1	–	–	123.1	124.2
	2,455.7	–	–	123.1	2,578.8
EBITDA and share of pre-tax results of associates and joint ventures	5,772.3	2,061.2	(215.9)	51.9	7,669.5
Depreciation and amortisation	(1,478.0)	(608.4)	(72.9)	(2.1)	(2,161.4)
Earnings before interest and tax ("EBIT")	4,294.3	1,452.8	(288.8)	49.8	5,508.1
Segment assets					
Investment in associates and joint ventures					
- Airtel	5,323.3	–	–	–	5,323.3
- Telkomsel	3,410.1	–	–	–	3,410.1
- Globe	1,049.8	–	–	–	1,049.8
- AIS	686.3	–	–	–	686.3
- Others	24.1	–	–	352.6	376.7
	10,493.6	–	–	352.6	10,846.2
Goodwill on acquisition of subsidiaries	9,191.9	175.1	756.0	–	10,123.0
Other assets	10,869.2	4,897.9	781.8	4,548.7	21,097.6
	30,554.7	5,073.0	1,537.8	4,901.3	42,066.8

38. SEGMENT INFORMATION *(Cont'd)*

Group 2014	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	10,411.2	6,268.4	143.7	24.8	16,848.1
Operating expenses	(7,202.5)	(4,200.0)	(311.7)	(86.1)	(11,800.3)
Other income	74.1	26.5	(2.3)	9.3	107.6
EBITDA	3,282.8	2,094.9	(170.3)	(52.0)	5,155.4
Share of pre-tax results of associates and joint ventures					
- Airtel	512.1	–	–	–	512.1
- Telkomsel	937.1	–	–	–	937.1
- Globe	230.5	–	–	–	230.5
- AIS	427.7	–	–	–	427.7
- Others	0.5	–	–	93.3	93.8
	2,107.9	–	–	93.3	2,201.2
EBITDA and share of pre-tax results of associates and joint ventures	5,390.7	2,094.9	(170.3)	41.3	7,356.6
Depreciation and amortisation	(1,462.0)	(621.6)	(47.5)	(1.6)	(2,132.7)
EBIT	3,928.7	1,473.3	(217.8)	39.7	5,223.9
Segment assets					
Investment in associates and joint ventures					
- Airtel	4,889.6	–	–	–	4,889.6
- Telkomsel	3,433.8	–	–	–	3,433.8
- Globe	900.0	–	–	–	900.0
- AIS	624.2	–	–	–	624.2
- Others	24.8	–	–	255.8	280.6
	9,872.4	–	–	255.8	10,128.2
Goodwill on acquisition of subsidiaries	9,232.2	148.8	322.6	–	9,703.6
Other assets	9,981.0	5,364.2	542.7	3,600.3	19,488.2
	29,085.6	5,513.0	865.3	3,856.1	39,320.0

38. SEGMENT INFORMATION *(Cont'd)*

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax was as follows –

	Group	
	2015 S$ Mil	**2014 S$ Mil**
EBIT	**5,508.1**	5,223.9
Share of exceptional items of associates and joint ventures (post-tax)	**(31.7)**	(87.2)
Share of tax expense of associates and joint ventures	**(811.8)**	(721.4)
Exceptional items	**14.8**	114.0
Profit before interest, investment income (net) and tax	**4,679.4**	4,529.3
Interest and investment income (net)	**92.8**	124.5
Finance costs	**(309.2)**	(305.9)
Profit before tax	**4,463.0**	4,347.9

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 2015 and 31 March 2014.

39. 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	
	2015 S$ Mil	**2014 S$ Mil**	**2015 S$ Mil**	**2014 S$ Mil**
Not later than one year	**400.4**	473.0	**99.7**	102.5
Later than one but not later than five years	**1,033.4**	1,007.2	**296.2**	330.9
Later than five years	**1,668.1**	1,419.1	**502.2**	583.3
	3,101.9	2,899.3	**898.1**	1,016.7

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S$41.2 million (2014: S$40.8 million) per annum under those contracts. The operating lease payments under such 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.

40. COMMITMENTS

40.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 40.2**, were as follows –

	Group		Company	
	2015 S$ Mil	2014 S$ Mil	2015 S$ Mil	2014 S$ Mil
Authorised and contracted for	**590.2**	1,807.5	**248.2**	262.9

As at 31 March 2015, there were no commitments to purchase spectrum (2014: S$975 million). The above included commitments to purchase capacity in the cable network of a joint venture of S$26 million (2014: S$32 million).

40.2 As at 31 March 2015, the Group's commitments for the purchase of broadcasting program rights were S$362 million (2014: S$474 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.

41. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) **Guarantees**

As at 31 March 2015,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$413.8 million and S$225.4 million (31 March 2014: S$648.2 million and S$312.7 million) respectively.

(ii) The Company provided guarantees for loans of S$800 million (31 March 2014: S$950 million) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**") with maturities between September 2015 and May 2017.

(iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$3.70 billion (31 March 2014: S$3.40 billion) due between July 2016 and September 2021.

(b) Consistent with other large groups, Singapore Telecom Australia Investments Pty Limited ("**STAI**"), the head tax entity in Australia, has been subject to information requests from the Australian Taxation Office ("**ATO**"). STAI has received information requests in connection with the acquisition financing of Optus. STAI has been responding to the ATO's queries. In December 2013, STAI received a tax position paper from the ATO and subsequently, on 22 October 2014, STAI received a Statement of Audit Position. The final Statement of Audit Position, when issued, will be further subject to an Independent Review within the ATO, if requested by STAI. STAI has received advice from external experts in relation to the matter and intends to defend its position. Accordingly, no provision has been made as at 31 March 2015.

(c) Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

42. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES

(a) Airtel, a 32.4% joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (Singtel's share: S$370 million) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion (Singtel's share: S$65 million) for holding GSM spectrum beyond 6.2 Mhz for the period from 1 July 2008 to 31 December 2012 and also a prospective charge of Rs. 42.92 billion (Singtel's share: S$306 million) for GSM spectrum held beyond 4.4 Mhz for the period from 1 January 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licenses issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 31 March 2015, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 93.2 billion (Singtel's share: S$664 million). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

Airtel Group has 79.05% shareholding in Airtel Networks Limited ("**ANL**"), whose principal activity is the provision of mobile telecommunication services in Nigeria.

Econet Wireless Limited ("**EWL**") has claimed for entitlement to a 5% stake in ANL in 2004 and a claim alleging breach of a shareholders' agreement between EWL and former shareholders of ANL in 2006. Airtel is appealing earlier court and arbitral decisions and is defending its positions vigorously. Under the terms of the acquisition by Airtel of these assets from Zain International B.V. in 2010, Airtel has the benefit of applicable 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.

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.

<u>TOT's demands for additional revenue share</u>

On 26 January 2011, TOT sent a letter demanding AIS to pay additional revenue share based on gross interconnection income received from 2007 to 2010 of THB 17,803 million (Singtel's share: S$175 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.

42. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES *(Cont'd)*

On 29 July 2014, TOT submitted a dispute to the Arbitration Institute demanding AIS to pay additional revenue share on the interconnection income from 2011 to 2012 amounting to THB 9,984 million (Singtel's share: S$98 million) plus interest at the rate of 1.25% per month. TOT requested the Arbitral Tribunal to consider this case together with the case filed on 9 March 2011.

The disputes are pending the arbitration procedures.

<u>TOT's demand for access charge</u>

On 9 May 2011, TOT submitted a case to the Central Administrative Court against CAT as first defendant and DPC as second defendant demanding access charge amounting to THB 2,954 million (Singtel's share: S$29 million) plus interest.

On 31 July 2014, TOT submitted a revised petition to adjust the access charge from THB 2,954 million to THB 5,454 million (Singtel's share: S$54 million) calculated up to 16 September 2013 plus value-added tax and interest calculated up to 10 July 2014.

AIS' management believes that the case has no material impact to its financial statements as DPC has complied with the law and relevant agreements and the dispute will be settled in favour of DPC. This case is pending consideration of the Central Administrative Court.

<u>TOT's demand for compensation from 900 MHz subscribers porting to 2100 MHz</u>

On 25 September 2014, TOT submitted a dispute to the Arbitration Institute demanding AIS to pay compensation for the porting of 900 MHz subscribers to 2100 MHz, amounting to THB 9,126 million (Singtel's share: S$90 million) plus interest at 7.5% per annum, including fees and other expenses to be incurred during the arbitration process.

AIS' management believes that the case has no material impact to its financial statements as AIS has complied with the relevant agreements and the dispute will be settled in favour of AIS. This case is pending the arbitration procedures.

(c) Globe, a 47.2% joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on the Globe Group's financial position and results of operations.

(d) The Group holds an equity interest of 35% in Telkomsel. As at 31 March 2015, Telkomsel has filed appeals and cross-appeals amounting to approximately IDR 990 billion (Singtel's share: S$36 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which are not presently determinable.

43. SUBSEQUENT EVENTS

(a) In April 2015, the Group entered into a conditional agreement to acquire approximately 98% of the share capital of Trustwave Holdings, Inc., for an aggregate consideration of approximately US$810 million, excluding net debt, and is subject to working capital adjustments at closing.

(b) In April 2015, Singtel received approval from ASX Limited ("**ASX**") to remove its listed securities from the official list of ASX. The effective date of delisting will be on 5 June 2015.

44. EFFECTS OF FRS AND INT FRS ISSUED BUT NOT YET ADOPTED

Certain new or revised FRS and INT FRS are mandatory for adoption by the Group for financial year beginning on or after 1 April 2015.

(a) FRS 115 *Revenue from Contracts with Customers*
FRS 115 was issued in November 2014, which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the revenue recognition guidance under FRS 18, *Revenue* and FRS 11, *Construction Contracts* as well as the related interpretations when it becomes effective. This will take effect from financial year beginning on or after 1 April 2017, with retrospective application.

(b) FRS 109 *Financial Instruments*
FRS 109 was issued in December 2014 to replace FRS 39, *Financial Instruments*: *Recognition and Measurement*. The Standard introduced new requirements for classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets. This will take effect from financial year beginning on or after 1 April 2018, with retrospective application.

The Group is currently assessing the impact of the above 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.

45. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries as well as associates and joint ventures as at 31 March 2015 and 31 March 2014.

45.1 Significant subsidiaries incorporated in Singapore

			Percentage of effective equity interest held by the Group	
	Name of subsidiary	**Principal activities**	**2015 %**	**2014 %**
1.	Amobee Group Pte Ltd	Investment holding	**100**	100
2.	Computer Systems Holdings Pte Ltd	Investment holding	**100**	100
3.	DataSpark Pte. Ltd.	Develop and market data analytics and insights products and services	**100**	–
4.	Hawk Digital Holding Co Pte. Ltd.	Investment holding	**100**	–
5.	Hawk Digital Pte. Ltd.	Investment holding	**100**	–
6.	HOOQ Digital Holdings Pte. Ltd.	Investment holding	**100**	–
7.	HOOQ Digital Pte. Ltd.	Provision of regional premium video services	**65**	–
8.	HOOQ Digital SG1 Pte. Ltd.	Investment holding	**65**	–
9.	HOOQ Digital SG2 Pte. Ltd.	Investment holding	**65**	–
10.	HOOQ Holdings Pte. Ltd.	Investment holding	**100**	–
11.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
12.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
13.	NCSI Holdings Pte. Ltd.	Investment holding	**100**	100
14.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
15.	SCS Computer Systems Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
16.	Singapore Telecom Mobile Pte Ltd	Investment holding and provision of consultancy services	**100**	100

45.1 Significant subsidiaries incorporated in Singapore *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2015 %	2014 %
17.	SingNet Pte Ltd	Provision of internet access and pay television services	**100**	100
18.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	**100**	100
19.	Singtel Asia Pacific Investments Pte. Ltd.	Investment holding and provision of consultancy services	**100**	100
20.	Singtel Asian Investments Pte Ltd	Investment holding	**100**	100
21.	Singtel Digital Life Pte. Ltd.	Investment holding	**100**	100
22.	Singtel Group Treasury Pte. Ltd.	Provision of finance and treasury services to Singtel and its subsidiaries	**100**	100
23.	Singtel Idea Factory Pte. Ltd.	Engaged in research and development, products and services development and business partnership	**100**	100
24.	Singtel Innov8 Pte. Ltd.	Venture capital investment holding	**100**	100
25.	Singtel International Investments Private Limited	Investment holding	**100**	100
26.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, resale of fixed line and broadband services	**100**	100
27.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100
28.	Singtel Singapore Pte. Ltd.	Investment holding	**100**	100
29.	Singtel Strategic Investments Pte Ltd	Investment holding	**100**	100
30.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	61.9
31.	Subsea Network Services Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**100**	100

45.1 Significant subsidiaries incorporated in Singapore *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2015 %	2014 %
32.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**60**	60
33.	Singtel Digital Media Pte Ltd	Development and management of on-line internet portal	**100**	95.6
34.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	**100**	100

45.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2015 %	2014 %
1.	Alphawest Services Pty Ltd (1)	Provision of information technology services	**100**	100
2.	Ensyst Pty Limited	Provision of cloud services	**100**	–
3.	Inform Systems Australia Pty Ltd (1)	Provision of information technology services	**100**	100
4.	NCSI (Australia) Pty Limited	Provision of information technology services	**100**	100
5.	Optus Administration Pty Limited (1)	Provision of management services to the Optus Group	**100**	100
6.	Optus Backbone Investments Pty Limited	Investment in telecommunications network infrastructure in Australia	**100**	100
7	Optus Billing Services Pty Limited (*)	Provision of billing services to the Optus Group	**100**	100
8	Optus Broadband Pty Limited (1)	Provision of high speed residential internet service	**100**	100

45.2 Significant subsidiaries incorporated in Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2015 %	2014 %
9.	Optus C1 Satellite Pty Limited (formerly known as Cable & Wireless Optus Satellites Pty Limited) (1)	C1 Satellite contracting party	**100**	100
10.	Optus Data Centres Pty Limited (1)	Provision of data communication services	**100**	100
11.	Optus Finance Pty Limited (1)	Provision of financial services to the Optus Group	**100**	100
12.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
13.	Optus Internet Pty Limited (1)	Provision of internet services to retail customers	**100**	100
14.	Optus Mobile Pty Limited (1)	Provision of mobile phone services	**100**	100
15.	Optus Narrowband Pty Limited (*)	Provision of narrowband portal content services	**100**	100
16.	Optus Networks 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 Systems Pty Limited (1)	Provision of information technology services to the Optus Group	**100**	100
20.	Optus Vision Interactive Pty Limited (*)	Provision of interactive television service	**100**	100
21.	Optus Vision Media Pty Limited (*) (2)	Provision of broadcasting related services	**20**	20
22.	Optus Vision Pty Limited (1)	Provision of telecommunications services	**100**	100
23.	Perpetual Systems Pty Ltd (1)	Provision of IT disaster recovery services	**100**	100
24.	Prepaid Services Pty Limited (1)	Distribution of prepaid mobile products	**100**	100
25.	Reef Networks Pty Ltd (1)	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100

45.2 Significant subsidiaries incorporated in Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2015 %	2014 %
26.	Singapore Telecom Australia Investments Pty Limited	Investment holding	**100**	100
27.	Simplus Mobile Pty Limited [1]	Provision of mobile phone services	**100**	100
28.	Singtel Optus Pty Limited	Investment holding	**100**	100
29.	Source Integrated Networks Pty Limited [1]	Provision of data communications and network services	**100**	100
30.	Uecomm Operations Pty Limited [1]	Provision of data communication services	**100**	100
31.	Virgin Mobile (Australia) Pty Limited [1]	Provision of mobile phone services	**100**	100
32.	Vividwireless Group Limited	Provision of wireless broadband 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.

45.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2015 %	2014 %
1.	Adconion Media, Inc.	Provision of online media and performance marketing services	USA	**100**	100
2.	Adconion Pty Limited	Provision of digital marketing services	Australia	**100**	100
3.	Amobee, Inc. (2)	Provision of digital marketing services	USA	**100**	100
4.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	**100**	100
5.	HOOQ Digital Mauritius Private Limited	Content operations and procurement	Mauritius	**65**	–
6.	Information Network Services Sdn Bhd	Provision of marketing and administrative support	Malaysia	**100**	100
7.	Kontera Technologies, Inc.	Provision of advertising solutions	USA	**100**	100
8.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	**82.9**	82.9
9.	NCS Information Technology (Suzhou) Co., Ltd. (3)	Software development and provision of information technology services	People's Republic of China	**100**	100
10.	NCSI (Chengdu) Co., Ltd (3)	Provision of information technology research and development, and other information technology related services	People's Republic of China	**100**	100
11.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	**100**	100
12.	NCSI (Korea) Co., Limited	Provision of information technology consultancy and system integration services	South Korea	**100**	100
13.	NCSI Lanka (Private) Limited	Provision of information technology and communication engineering services	Sri Lanka	**100**	100
14.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	**100**	100

45.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2015 %	2014 %
15.	NCSI (ME) W.L.L.	Provision of information technology and communication engineering services	Bahrain	**100**	100
16.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	**100**	100
17.	NCSI (Shanghai), Co. Ltd [(3)]	Provision of system integration, software research and development and other information technology-related services	People's Republic of China	**100**	100
18.	Pastel Limited	Investment holding	Mauritius	**100**	100
19.	Pixable, Inc.	Digital content marketing and creating editorial content	USA	**100**	100
20.	Shanghai Zhong Sheng Information Technology Co., Ltd. [(*) (3)]	Provision of information technology training and software resale	People's Republic of China	**100**	100
21.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	**100**	100
22.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	**100**	74
23.	Singtel Mobile Marketing, Inc.	Investment holding	USA	**100**	100
24.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
25.	Singapore Telecom India Private Limited	Engaged in general liaison and support services	India	**100**	100
26.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	**100**	100
27.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100

45.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2015 %	2014 %
28.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	**100**	100
29.	Singtel Australia Investment Ltd	Investment holding	British Virgin Islands	**100**	100
30.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100
31.	SingTel (Philippines), Inc.	Engaged in general liaison and support services	Philippines	**100**	100
32.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100
33.	SingTel Ventures (Cayman) Pte Ltd	Investment holding	Cayman Islands	**100**	100
34.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100
35.	Viridian Limited	Investment holding	Mauritius	**100**	100

All companies are audited by a member firm of Deloitte Touche Tohmatsu LLP except for the company denoted [*] which is audited by another firm.

Notes:

[1] The place of the business of the subsidiaries are the same as their country of incorporation, unless otherwise specified.

[2] During the financial year, Amobee, Inc. acquired 100% equity interests in Kontera and Adconion. The Company has operations mainly in the USA, Australia, Israel, Singapore and the United Kingdom.

[3] Subsidiary's financial year-end is 31 December.

45.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2015 %	2014 %
1.	ADSB Telecommunications B.V.	Dormant	Netherlands	**25.6**	25.6
2.	APT Satellite Holdings Limited [2]	Investment holding	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited [2]	Investment holding	British Virgin Islands	**28.6**	28.6
4.	NetLink Trust [3]	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**100.0**	100.0
5.	Singapore Post Limited [4]	Operation and provision of postal, logistics and retail services	Singapore	**23.0**	25.5
6.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications equipment	Singapore	**50.0**	50.0
7.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2

Notes:

(1) The place of business of the associates are the same as their country of incorporation.

(2) The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2014, the financial year-end of the company.

(3) Audited by Deloitte & Touche LLP, Singapore. 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.

(4) Audited by PricewaterhouseCoopers LLP, Singapore.

45.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2015 %	2014 %
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 [3]	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	**14.3**	14.3

45.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2015 %	2014 %
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 (4)	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	**23.3**	23.3
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 (3)	Investment holding	Malaysia	**14.3**	14.3
7.	Asiacom Philippines, Inc. (3)	Investment holding	Philippines	**40.0**	40.0
8.	Bharti Airtel Limited (5)	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	**32.4**	32.4
9.	Bharti Telecom Limited (5)	Investment holding	India	**39.8**	39.8
10.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	**33.8**	33.8
11.	Globe Telecom, Inc. (6)	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	**47.2**	47.2
12.	Grid Communications Pte. Ltd. (3)	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

45.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2015 %	2014 %
16.	OPEL Networks Pty Limited	Dormant	Australia	**50.0**	50.0
17.	Pacific Bangladesh Telecom Limited [7]	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	**45.0**	45.0
18.	Pacific Carriage Holdings Limited [8]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
19.	PT Telekomunikasi Selular [9]	Provision of mobile telecommunications and related services	Indonesia	**35.0**	35.0
20.	Radiance Communications Pte Ltd [3]	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0
21.	Southern Cross Cables Holdings Limited [8] [10]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
22.	SSBI Pte. Ltd.	Provision of business and management consultancy services	Singapore	**50.0**	50.0
23.	VA Dynamics Sdn. Bhd. [3]	Distribution of networking cables and related products	Malaysia	**49.0**	49.0

Notes:

(1) The place of business of the joint ventures are the same as their country of incorporation, unless otherwise specified.

(2) The Group holds substantive participating rights over the significant financial and operating decisions of the above joint ventures, which enables the Group to exercise joint control with the other shareholders.

(3) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2014, the financial year-end of the company.

(4) Audited by KPMG Phoomchai Audit Ltd, Bangkok.

(5) Audited by S.R.Batliboi & Associates, New Delhi (a member firm of Ernst & Young). The company has operations in India, Bangladesh, Sri Lanka, and 17 countries across Africa.

(6) Audited by SGV & Co. (a member firm of Ernst & Young).

(7) Audited by S. F. Ahmed & Co (SFACO).

(8) The Southern Cross Cable Consortium operates through two separate companies. Southern Cross Cables Holdings Limited owns a cable network between Australia and the USA, with operations outside the USA. Pacific Carriage Holdings Limited has operations within the USA.

(9) Audited by Purwantono, Suherman & Surja (a member firm of Ernst & Young).

(10) Audited by KPMG, Bermuda.

Interested Person Transactions

The aggregate value of all interested person transactions during the financial year ended 31 March 2015 (excluding transactions less than S$100,000) were as follows –

Name of interested person	S$ Mil
Advanced Info Service Public Company Limited	2.7
Aetos Security Management Pte Ltd	2.1
Fullerton Fund Management Company Ltd	0.4
Grid Communications Pte Ltd	0.7
iDirect Asia Pte Ltd	0.2
iShopAero Pte Ltd	0.7
Mapletree Commercial Property Management Pte Ltd	0.4
Mapletree Investment Pte Ltd	2.4
MediaCorp Pte Ltd	1.0
NexWave Technologies Pte Ltd	0.7
Nucleus Connect Pte Ltd	4.8
Radiance Communications Pte Ltd	1.9
S & I Systems Pte Ltd	0.7
Singapore Technologies Aerospace Ltd	0.2
Singapore Technologies Electronics Limited	3.6
Singapore Technologies Kinetics Ltd	0.3
SingEx Exhibition Ventures Pte Ltd	0.3
SMRT Trains Ltd	0.1
SP PowerAssets Limited	1.2
SPI Electricity Pty Ltd	1.1
SP Telecommunications Pte Ltd	10.0
StarHub Ltd	25.6
StarHub Cable Vision Ltd	30.9
StarHub Mobile Pte Ltd	3.9
ST Electronics (Info-Comm Systems) Pte Ltd	0.4
ST Electronics (Satcom & Sensor Systems) Pte Ltd	0.1
STELOP Pte Ltd	0.1
Temasek Holdings (Private) Limited	0.1
	96.6

Shareholder Information

As at 25 May 2015

ORDINARY SHARES

Number of ordinary shareholders	298,709

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. As at 25 May 2015, Singtel shares were listed on ASX Limited (ASX) (in the form of CHESS Depositary Interests), however Singtel delisted from the Australian Securities Exchange on 5 June 2015.

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	Deemed Interest
Temasek Holdings (Private) Limited	8,159,720,944	18,622,542 [1]

Note:
[1] Deemed through interests of a subsidiary and associated companies.

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of shares held	% of issued share capital [1]
1	Temasek Holdings (Private) Ltd	8,159,720,944	51.18
2	Citibank Nominees Singapore Pte Ltd	1,743,406,103	10.94
3	DBS Nominees Pte Ltd	1,697,997,420 [2]	10.65
4	DBSN Services Pte Ltd	1,457,064,479	9.14
5	Central Provident Fund Board - SP TEL Group A Share	883,720,160	5.54
6	HSBC (Singapore) Nominees Pte Ltd	617,011,111	3.87
7	United Overseas Bank Nominees Pte Ltd	334,206,199	2.10
8	BNP Paribas Securities Services	234,572,384	1.47
9	Raffles Nominees (Pte) Ltd	123,445,148	0.77
10	CHESS Depositary Nominees Pty Limited [3]	102,845,802	0.65
11	DB Nominees (S) Pte Ltd	18,401,613	0.12
12	OCBC Nominees Singapore Private Limited	15,583,250	0.10
13	Societe Generale Singapore Branch	15,119,200	0.09
14	Merrill Lynch (Singapore) Pte Ltd	11,061,129	0.07
15	Bank Of Singapore Nominees Pte Ltd	10,937,065	0.07
16	Morgan Stanley Asia (S) Securities Pte Ltd	5,952,264	0.04
17	Macquarie Capital Securities	5,499,464	0.03
18	Chua Sock Koong	5,001,987	0.03
19	Yeo Wei Yan	4,522,000	0.03
20	Yeo Kok Seng	4,445,610	0.03
		15,450,513,332	96.92

Notes:
[1] The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 25 May 2015, excluding 1,812,358 ordinary shares held as treasury shares as at that date.
[2] Excludes 1,812,358 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 holders of CHESS Units of Foreign Securities relating to ordinary shares in the Company.

Shareholder Information

As at 25 May 2015

ANALYSIS OF SHAREHOLDERS

Range of holdings	No. of holders	% of holders	No. of shares	% of issued share capital
1 - 99	2,466	0.83	93,841	0.00
100 - 1,000	246,598	82.55	58,386,896	0.36
1,001 - 10,000	43,241	14.48	138,423,076	0.87
10,001 - 1,000,000	6,362	2.13	249,731,189	1.57
1,000,001 and above	42	0.01	15,496,941,947	97.20
	298,709	100.00	15,943,576,949	100.00

Note:
Based on information available to the Company as at 25 May 2015, approximately 49% 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 25 May 2015, excluding 1,812,358 ordinary shares held as treasury shares as at that date. The percentage of such treasury shares 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 25 July 2014 (**2014 EGM**), the shareholders approved the renewal of a mandate to enable the Company to purchase or otherwise acquire not more than 5% of the issued ordinary share capital of the Company as at the date of the 2014 EGM. As at 25 May 2015, there is no current on-market buy-back of shares pursuant to the mandate.

Corporate Information [1]

BOARD OF DIRECTORS
Simon Israel (Chairman)
Bobby Chin
Chua Sock Koong (Group CEO)
Fang Ai Lian
Venky Ganesan
Low Check Kian
Peter Mason AM [2]
Kai Nargolwala
Christina Ong
Peter Ong
Teo Swee Lian

AUDIT COMMITTEE
Fang Ai Lian (Chairman)
Bobby Chin
Christina Ong
Peter Ong
Teo Swee Lian

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE
Kai Nargolwala (Chairman)
Simon Israel
Low Check Kian
Christina Ong

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE
Kai Nargolwala (Chairman)
Fang Ai Lian
Simon Israel
Peter Mason AM [2]
Teo Swee Lian

FINANCE AND INVESTMENT COMMITTEE
Simon Israel (Chairman)
Venky Ganesan
Low Check Kian
Kai Nargolwala

RISK COMMITTEE
Bobby Chin (Chairman)
Peter Ong
Teo Swee Lian

OPTUS ADVISORY COMMITTEE
Peter Mason AM [2] (Chairman)
Chua Sock Koong
David Gonski AC [3]
Simon Israel
John Morschel
Paul O'Sullivan

TECHNOLOGY ADVISORY PANEL
Koh Boon Hwee (Chairman)
Gregory Becker
Venky Ganesan
Doug Haynes
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[1] As at 25 May 2015.
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