



Singapore Telecommunications Limited And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE FOURTH QUARTER AND YEAR ENDED 31 MARCH 2020

With effect from 1 April 2019, the Group has adopted SFRS(I) 16, *Leases*, on prospective basis with no restatement to the comparatives. SFRS(I) 16 replaced SFRS(I) 1-17 and related interpretations. See **Appendix 1** for the impact of SFRS(I) 16 on the financials.

The financial statements for the year ended, and as at, 31 March 2020 are audited.

Numbers in all tables may not exactly add due to rounding.

*For all pages, "@" denotes more than +/- 500%, "***" denotes less than +/- S\$0.5 million or A\$0.5 million and "***" denotes less than +/- 0.05%, unless otherwise indicated.*

For all tables, a negative sign for year-on-year change denotes a decrease in operating revenue, expense, gain or loss.

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SECTION 1 : GROUP

PERFORMANCE AT A GLANCE

	Financial Year			Quarter				
	Mar 20 S\$ m	Mar 19 S\$ m	Mar 18 S\$ m	Mar 20 S\$ m	Dec 19 S\$ m	Sep 19 S\$ m	Jun 19 S\$ m	Mar 19 S\$ m
Operating Highlights								
Group mobile customer base (million) ⁽¹⁾	705	692	706	705	715	711	700	692
Mobile customer market share (%)								
- Singapore	50.4	49.9	48.9	50.4	49.6	49.8	49.5	49.9
- Australia	NA	NA	NA	NA	32.2	NA	31.5	NA
- Airtel India	28.4	28.0	25.7	28.4	28.4	27.7	27.5	28.0
- Telkomsel ⁽²⁾	59.3	60.9	56.1	59.3	59.6	59.9	59.7	60.9
- AIS	45.2	45.2	44.8	45.2	45.1	45.1	45.1	45.2
- Globe	55.0	56.6	52.1	55.0	56.3	57.7	57.9	56.6
Group Financials (S\$ million)								
Operating revenue	16,542	17,372	17,268	3,899	4,378	4,152	4,113	4,342
EBITDA	4,541	4,692	5,051	1,032	1,164	1,162	1,184	1,166
Share of associates' pre-tax profits	1,743	1,536	2,461	521	420	442	359	419
EBIT	3,704	4,006	5,261	892	951	963	898	1,025
Underlying net profit	2,457	2,825	3,593	594	551	737	575	697
Net profit/ (loss) ⁽³⁾	1,075	3,095	5,473	574	627	(668)	541	773
Free cash flow	3,781	3,650	3,606	1,042	746	770	1,223	1,120
Cash capex	2,037	1,718	2,349	524	609	375	528	485
Digitalisation and Cost Savings								
Digital revenue ⁽⁴⁾ as % of total revenue	15	14	NA	16	16	15	15	15
As a % of total revenue								
- Direct costs ⁽⁵⁾	48	47	43	49	50	47	47	48
- Indirect costs ⁽⁵⁾	26	28	29	26	25	26	26	27
Cost savings (S\$ million)	444	541	434	85	96	131	132	221
Key Financial Ratios								
Proportionate EBITDA from outside Singapore (%)	79	76	76	79	79	79	77	78
Return on invested capital (%) ⁽⁶⁾	6.4	7.7	9.6	-	-	-	-	-
Return on equity (%) ⁽³⁾⁽⁶⁾	3.8	10.4	18.9	-	-	-	-	-
Valuation Indicators								
Market Capitalisation (S\$ billion)	41.5	49.3	55.0	41.5	55.0	50.6	57.2	49.3
Enterprise Value (S\$ billion)	54.0	59.2	64.9	54.0	67.4	62.8	69.3	59.2
EV / EBITDA ⁽⁶⁾	11.9	12.6	12.8	-	-	-	-	-
P/E Ratio ⁽³⁾⁽⁶⁾	38.6	15.9	10.1	-	-	-	-	-

"NA" denotes not available/not applicable.

Notes:

- (1) Comprise the Group's mobile customers in the markets of Singapore, Australia and that of Airtel, Telkomsel, Globe and AIS.
- (2) Comparatives have been restated to be consistent with the current quarter.
- (3) FY2018 included the gain on disposal of economic interest in NetLink Trust.
- (4) Comprise revenues from Group Digital Life and digital services across consumer and enterprise businesses.
- (5) Direct costs comprise mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.
- (6) Only applicable for full financial year.

SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS**FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

- **Operational performance adversely impacted by the onset of COVID-19 pandemic from February and a weaker Australian Dollar.**
- **In constant currency terms¹, operating revenue and EBITDA declined 7.7% and 8.9% respectively.**
- **With 6% depreciation in the Australian Dollar, operating revenue and EBITDA declined 10% and 12% respectively.**
- **Post-tax profit contributions from the associates grew 20% on improved operational performance from Airtel and Telkomsel partly offset by lower profit from AIS.**
- **Underlying net profit declined 15%. Including net exceptional losses compared to net exceptional gains in last corresponding quarter, net profit declined 26%.**
- **Free cash flow declined 6.9% due mainly to lower operating cash flows and higher capital expenditure.**

FOR THE YEAR ENDED 31 MARCH 2020

- **In constant currency terms¹, operating revenue was down 2.0% while EBITDA remained stable.**
- **With 6% depreciation in the Australian Dollar, operating revenue and EBITDA declined 4.8% and 3.2% respectively.**
- **Associates' post-tax profit contributions declined 7.7% on increased net losses from Airtel.**
- **Underlying net profit was down 13%.**
- **With net exceptional loss of S\$1.38 billion mainly from share of Airtel's provisions for regulatory costs, net profit declined 65%.**
- **Free cash flow grew 3.6% on higher operating cash flows partly offset by higher capital expenditure.**

¹ Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter/ year ended 31 March 2019.

SECTION 1 : GROUP

BUSINESS HIGHLIGHTS

- The Group won provisional award for 5G in Singapore in April 2020, and launched commercial 5G services in Australia and the Philippines.
- The Group's combined mobile customer base reached 705 million as at 31 March 2020, providing a strong platform to drive usage of mobile data services and expand into digital services, including content, mobile financial and gaming services.
- The Group achieved cost savings of S\$85 million this quarter, bringing cost savings for the year to S\$444 million, with good progress in its digitalisation and cost transformation programmes.

SECTION 1 : GROUP

GROUP SUMMARY INCOME STATEMENT
For The Fourth Quarter And Year Ended 31 March 2020

	Quarter		YOY		Year		YOY	
	31 Mar		Chge %	Chge in cc ⁽²⁾	31 Mar		Chge %	Chge in cc ⁽²⁾
	2020 ⁽¹⁾ S\$ m	2019 S\$ m			2020 ⁽¹⁾ S\$ m	2019 S\$ m		
Operating revenue	3,899	4,342	-10.2	-7.7	16,542	17,372	-4.8	-2.0
Operating expenses	(2,906)	(3,238)	-10.2	-7.8	(12,180)	(12,905)	-5.6	-3.0
	993	1,104	-10.1	-7.4	4,363	4,467	-2.3	0.8
Other income	40	63	-36.8	-34.7	179	225	-20.4	-17.8
EBITDA	1,032	1,166	-11.5	-8.9	4,541	4,692	-3.2	**
- EBITDA margin	26.5%	26.9%			27.5%	27.0%		
Share of associates' pre-tax profits	521	419	24.2	20.5	1,743	1,536	13.5	8.8
EBITDA and share of associates' pre-tax profits	1,554	1,586	-2.0	-1.1	6,284	6,228	0.9	2.1
Depreciation	(561)	(474)	18.5	23.0	(2,229)	(1,896)	17.5	22.2
Amortisation of intangibles	(100)	(88)	14.5	17.4	(352)	(326)	7.9	11.0
	(662)	(561)	17.9	22.1	(2,580)	(2,222)	16.1	20.6
EBIT	892	1,025	-13.0	-13.9	3,704	4,006	-7.5	-8.1
Net finance expense	(93)	(93)	-0.2	2.4	(282)	(355)	-20.6	-17.1
Profit before exceptional items and tax	799	932	-14.2	-15.5	3,422	3,651	-6.3	-7.2
Taxation	(209)	(241)	-13.4	-14.7	(988)	(850)	16.3	15.5
Profit after tax	591	691	-14.5	-15.8	2,434	2,801	-13.1	-14.1
Minority interests	3	6	-52.5	-52.5	22	23	-4.3	-5.1
Underlying net profit	594	697	-14.8	-16.1	2,457	2,825	-13.0	-14.0
Exceptional items (post-tax)	(19)	76	nm	nm	(1,382)	270	nm	nm
Net profit	574	773	-25.7	-27.7	1,075	3,095	-65.3	-65.8
Excluding Airtel ⁽³⁾								
Share of associates' pre-tax profits	563	562	0.1	-2.5	2,146	2,047	4.8	1.5
EBIT	934	1,168	-20.0	-20.7	4,107	4,517	-9.1	-9.5
Underlying net profit	634	796	-20.3	-21.2	2,668	2,996	-10.9	-11.8
Net profit	335	772	-56.6	-57.6	2,416	3,060	-21.1	-21.9

*** denotes less than +/- 0.05%

Unless otherwise stated, the presentation of income statements in this document is consistent with prior periods. For income statements presented in accordance with SFRS(I) 1-1, *Presentation of Financial Statements*, please refer to "SGX Appendix 7.2 Announcement".

Notes:

- (1) Include the effects on adoption of SFRS(I) 16, *Leases*, with effect from 1 April 2019. See **Appendix 1** for details.
- (2) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/ or regional currencies from the corresponding quarter/ year ended 31 March 2019.
- (3) Excluding the post-tax contributions of Airtel and BTL, related income from the Group's investment as a pre-IPO shareholder in Airtel Africa as well as the Group's gains on dilution of equity interests in Airtel.

SECTION 1 : GROUP

FINAL DIVIDEND

The Directors have proposed a final ordinary dividend of 5.45 cents per share (FY2019: 10.7 cents per share), totalling approximately S\$890 million in respect of the current financial year ended 31 March 2020.

Together with the interim dividend of 6.8 cents per share amounting to S\$1.11 billion paid in the quarter, the total amount of ordinary dividends in respect of the current financial year ended 31 March 2020 would be 12.25 cents per share (FY2019: 17.5 cents per share), totalling approximately S\$2.0 billion. This represented a payout ratio of 81% of underlying net profit.

REVIEW OF GROUP OPERATING PERFORMANCE

For The Fourth Quarter Ended 31 March 2020

This quarter was marked by weak business and consumer sentiments given the overhang of economic recessions with disruptions caused by the onset of COVID-19 from February. The Group's results were also adversely impacted by 6% depreciation of the Australian Dollar.

Operating revenue declined 10% and would have declined 7.7% in constant currency terms with lower mobile service and equipment sales revenues across Singapore and Australia. Consequently, EBITDA declined 12% and would have declined 8.9% in constant currency terms despite wage credits in Singapore.

Singapore Consumer recorded market share gains in mobile and fixed despite a highly competitive market and adverse impact from COVID-19. Equipment sales declined by 35% reflecting supply disruptions for certain premium handsets and weaker consumer spend in the quarter. Mobile service revenue fell 12% impacted by a sharp decline in roaming revenue arising from global travel restrictions, voice erosion as well as impact from amortisation of higher handset subsidies. Consequently, operating revenue was down 14%. EBITDA, however, grew 5.1% with wage credits and strong cost management.

In Australia Consumer, operating revenue declined 8.3%. Mobile service revenue fell 5.4% on increased SIM-only customer mix, continuing data price competition and early impacts from COVID-19. Equipment sales declined significantly by 22% as a result of lower volumes from unbundling of mobile devices from service contracts, delivery disruptions from a major logistics provider and weaker consumer sentiment in light of recent natural disasters and COVID-19. With lower operating revenue, EBITDA fell 22%. Retail fixed margins declined due to the higher mix of NBN customers which have low resale margins. Equipment sales margins were lower reflecting lower sales volume, price competition and lower handset vendor rebates.

Group Enterprise's operating revenue fell 4.5% with growth of 3.8% in ICT revenue offset by 23% decline in Mobile revenues. Mobile service revenue fell 20% with steep declines in roaming revenue due to COVID-19 travel restrictions, continued voice to data substitution, pricing pressures and the flow through impact from amortisation of higher handset subsidies. Equipment sales declined significantly by 29% on lower mobile connections arising from handset supply disruption in Singapore and weaker demand following social distancing measures which had restricted customer engagements via in-store or roadshows. With the decline in operating expenses after wage credits in Singapore and lower staff incentive accruals, EBITDA rose by 4.9%.

SECTION 1 : GROUP

Despite the difficult business environment, Group Enterprise's operating revenue was up 1.5% from the preceding quarter on strong growth at NCS and higher ICT revenue from Australia.

Group Digital Life's operating revenue declined 15% on reduction in Amobee's revenue. HOOQ was placed under liquidation in March 2020 and its financials were deconsolidated from 1 March 2020. Amobee's revenue was impacted by lesser advertising campaigns due to COVID-19 and reduction in TV revenues following the licensing of its technology platform to ITV plc from July 2019. In addition, technology licensing fees income recognised in the last corresponding quarter was not repeated this quarter. Negative EBITDA, however, reduced by 79% on cessation of HOOQ's operations, cost management and reversal of accruals no longer required.

Despite COVID-19 in the region, the pre-tax and post-tax profit contributions from associates grew strongly at 24% and 20% respectively. If the regional currencies had remained stable from the corresponding quarter, the associates' pre-tax and post-tax profit contributions would have increased 21% and 17% respectively on improved operational performance from Airtel and Telkomsel partly offset by lower profit from AIS.

Telkomsel registered stable operating revenue amid intense competition in the regions outside Java while earnings grew on higher EBITDA and lower tax expense from reduction in corporate tax rate, partly offset by higher depreciation charges. While Globe recorded higher operating revenue and EBITDA on growth in data, earnings declined on higher depreciation charges. Post-tax contribution from Globe, however, was up as Philippine Peso appreciated by 5%. AIS' earnings declined with EBITDA growth negated by higher depreciation and spectrum amortisation charges and fair value losses. Airtel Group reported improved operational performance with double-digit increases in operating revenue and EBITDA in both India and Africa.

Depreciation and amortisation charges increased 18% due mainly to depreciation of right-of-use assets.

Net finance expense was stable as lower fair value gains and higher interest expense on increase in average borrowings (including lease liabilities) were mitigated by foreign exchange gains (compared to losses in the last corresponding quarter).

The Group's tax expense decreased in line with decline in earnings.

Consequently, underlying net profit fell 15% to S\$594 million.

The net exceptional losses (post-tax) of S\$19 million in the quarter comprised mainly the Group's share of Airtel's exceptional losses, impairment charge of Amobee's goodwill and write-off of investment in HOOQ, partly mitigated by gain on dilution in Singtel's effective equity shareholding in Airtel following Airtel's new share issue in January 2020.

With net exceptional losses compared to net exceptional gains in the last corresponding quarter, net profit declined 26% to S\$574 million.

Free cash flow for the quarter was S\$1.04 billion, down 6.9% from the last corresponding quarter due mainly to lower EBITDA and higher capital expenditure.

SECTION 1 : GROUP

For The Year Ended 31 March 2020

The Group generally performed in line with the guidance issued in February 2020.

Operating revenue and EBITDA for the Group declined 4.8% and 3.2% respectively as the Australian Dollar depreciated 6%. In constant currency terms, operating revenue would have declined 2.0% while EBITDA would have been stable.

Operating revenue for Singapore Consumer fell 5.5% with declines in Mobile, TV and fixed voice. Excluding 2018 FIFA World Cup revenue last year, TV revenue would have been stable. EBITDA grew 1.2% from effective cost management and wage credits.

In Australia Consumer, operating revenue and EBITDA grew 1.2% and 2.8% respectively with higher NBN migration revenues. Excluding NBN migration revenues, operating revenue and EBITDA declined 4.4% and 15%, reflecting lower contributions from retail fixed and equipment sales revenues.

Group Enterprise's operating revenue declined 4.8% due to declines in legacy services especially voice, and aggressive price competition. In constant currency terms, operating revenue and EBITDA declined 3.8% and 6.1% respectively. Excluding Australia, operating revenue and EBITDA would both be stable.

Operating revenue for Group Digital Life decreased 6.4% on decline in Amobee's revenue with declines in legacy managed media and social businesses, partly mitigated by growth in programmatic platform businesses. Negative EBITDA, however, reduced by 47% on cost management and lower losses from HOOQ.

Associates' pre-tax profit contributions grew 14% while post-tax profit contributions fell 7.7%. Excluding Airtel, pre-tax and post-tax profit contributions grew 4.8% and 5.3% respectively, with growth from Telkomsel, AIS and Globe. While operating performance in India and Africa improved, Airtel's net losses increased on higher finance costs, foreign exchange and fair value losses as well as lower deferred tax credits.

Net finance expense was lower on recognition of S\$148 million of income from its investment as a pre-IPO shareholder in Airtel Africa, partly offset by higher interest expense on lease liabilities under SFRS(I) 16.

Consequently, underlying net profit fell 13% to S\$2.46 billion.

The net exceptional loss (post-tax) of S\$1.38 billion arose mainly from the Group's share of Airtel's exceptional loss of S\$1.80 billion due mainly to provisions made for regulatory costs. Other exceptional items of the Group included gains on dilution of Singtel's effective equity shareholding in Airtel partly offset by impairment of Amobee's goodwill and write-off of investment in HOOQ.

With net exceptional loss compared to net exceptional gain last year, net profit declined 65%.

Free cash flow grew 3.6% to S\$3.78 billion due mainly to higher operating cash flow on reductions in operating lease expenses and tax payments, and favourable working capital, partly offset by higher capital expenditure, and lower dividends received from Telkomsel and absence of dividends from Airtel. On a comparable basis to last year where operating lease payments were classified under operating cash flow, free cash flow would have declined by 8.5%.

SECTION 1 : GROUP**NET FINANCE EXPENSE**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Net interest expense						
- Interest expense under SFRS(I) 16	(19)	-	nm	(77)	-	nm
- Other interest expense	(90)	(101)	-11.0	(385)	(393)	-2.1
	(109)	(101)	7.8	(462)	(393)	17.6
- Interest income	1	3	-48.0	8	8	-7.2
	(108)	(99)	9.2	(454)	(385)	18.1
Other finance income						
- Dividend income from Southern Cross	-	-	-	11	13	-16.9
- Investment income ⁽¹⁾	*	*	nm	148	1	@
- Other foreign exchange gain/ (loss)	14	(2)	nm	11	6	89.8
- Net fair value gain ⁽²⁾	2	8	-78.7	2	10	-81.7
	15	6	155.0	172	30	478.2
Net finance expense	(93)	(93)	-0.2	(282)	(355)	-20.6
(ex-SFRS(I) 16)	(74)	(93)	-20.7	(205)	(355)	-42.3

Notes:

(1) Comprise mainly dividend and other income/ (loss) from 'Fair Value through Other Comprehensive Income' investments. Included S\$148 million of income from investment as a pre-IPO shareholder of Airtel Africa for the year.

(2) Comprise mainly adjustments for hedging instruments and other financial instruments including options measured at fair values under SFRS(I) 9, *Financial Instruments*.

“*” denotes less than +/- S\$0.5 million and “@” denotes more than +/- 500%.

Excluding effects of SFRS(I) 16, interest expense fell 11% and would have declined 8.9% in constant currency terms on lower average interest rates partly offset by higher average borrowings.

Other foreign exchange gain arose mainly from revaluation gain of fixed deposits on appreciation of the US Dollar in the quarter.

SECTION 1 : GROUP**EXCEPTIONAL ITEMS (POST-TAX) ⁽¹⁾**

	Quarter		Chge %	Year		Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Dilution gain on Airtel	582	-	nm	670	-	nm
Impairment of Amobee's goodwill	(195)	-	nm	(195)	-	nm
Deconsolidation of HOOQ	(86)	-	nm	(86)	-	nm
Dispute provision	(14)	-	nm	(14)	-	nm
(Adjustment to)/ gain on sale of property	(1)	-	nm	97	106	-8.4
Gain on sale and finance leaseback	-	-	-	-	42	nm
Gain on sale of a subsidiary	-	3	nm	-	19	nm
Staff restructuring costs	(4)	(4)	7.9	(50)	(88)	-43.3
Others ⁽²⁾	(2)	*	nm	(6)	(11)	-40.0
Group exceptional items	282	(2)	nm	416	68	@
Share of Airtel's one-off items (pre-tax)	(426)	156	nm	(2,573)	285	nm
Share of Intouch's impairment charges	-	-	-	(6)	(11)	-40.0
Share of SingPost's one-off items	-	(24)	nm	-	(20)	nm
Share of associates' exceptional items	(426)	132	nm	(2,580)	254	nm
Group net exceptional (losses)/ gains (pre-tax)	(144)	130	nm	(2,164)	323	nm
Exceptional tax						
Share of tax on Airtel's one-off items ⁽³⁾	124	(56)	nm	774	(79)	nm
Share of tax on Intouch's impairment charges	-	-	-	(1)	4	nm
Share of tax on Singpost's one-off items	-	1	nm	-	1	nm
Other tax credit	1	*	nm	9	21	-60.3
	125	(54)	nm	782	(53)	nm
Group net exceptional (losses)/ gains (post-tax)	(19)	76	nm	(1,382)	270	nm

Notes:

- (1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.
- (2) Others comprised dilution gain on Globe and other provisions.
- (3) Tax expense is not applicable to certain exceptional gains included in Airtel's net exceptional items.

“*” denotes less than +/- S\$0.5 million and “@” denotes more than +/-500%.

The exceptional items in the quarter included a S\$582 million gain from dilution in its effective shareholding in Airtel of 2.1 percentage points following Airtel's placement of shares under a Qualified Institutions Placement in January 2020. Together with the S\$87 million of gain recognised from dilution of equity interest in Airtel following its rights issue in May 2019, total dilution gains on Airtel amounted S\$670 million for the year.

Other exceptional items this quarter included impairment charges of Amobee's goodwill and write-off of investment in HOOQ. Amobee's recovery value was impacted by shifts in the advertising industry spend towards programmatic platform, leading to sustained decline in its legacy business.

The Group also recorded share of Airtel's net exceptional losses which comprised mainly a provision for regulatory cost relating to one-time spectrum charge and accrued interest on provision on license fee and spectrum usage charges.

SECTION 1 : GROUP**TAX EXPENSE**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020	2019		2020	2019	
	S\$ m	S\$ m		S\$ m	S\$ m	
Income tax expense						
Optus	13	98	-86.4	172	305	-43.6
Singtel and other subsidiaries	50	39	29.0	200	217	-7.8
Total (a)	64	137	-53.6	372	522	-28.7
Share of associates' tax expense (b)	124	88	39.9	466	153	204.0
Withholding and dividend distribution taxes on associates' dividend income ⁽¹⁾	22	15	40.5	149	174	-14.1
Total	209	241	-13.4	988	850	16.3
Profit before exceptional items and tax	799	932	-14.2	3,422	3,651	-6.3
Exclude:						
Share of associates' pre-tax profits	(521)	(419)	24.2	(1,743)	(1,536)	13.5
Adjusted pre-tax profit (c)	278	513	-45.7	1,679	2,115	-20.6
Effective tax rate of Singtel and subsidiaries (a)/(c)	22.9%	26.8%		22.2%	24.7%	
Share of associates' pre-tax profits (d)	521	419	24.2	1,743	1,536	13.5
Effective tax rate of associates (b)/(d)	23.7%	21.1%		26.7%	10.0%	

Note:

(1) Withholding and Indian dividend distribution taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, the dividend income and related withholding or dividend distribution taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at the Group. The cash inflows upon the receipt of dividend are shown on **page 13**.

The Group's tax expense in the quarter has included a provision of S\$5 million upon finalisation of group relief claims previously under dispute.

The reduction in tax expense was in line with lower earnings partially offset by higher withholding taxes from associates' dividend income.

SECTION 1 : GROUP**SUMMARY STATEMENTS OF FINANCIAL POSITION**

	As at		
	31 Mar	31 Dec	31 Mar
	2020	2019	2019
	S\$ m	S\$ m	S\$ m
Current assets (excluding cash)	6,176	6,492	6,565
Cash and bank balances	1,000	576	513
Right-Of-Use assets	2,061	2,096	-
Other non-current assets	39,719	39,769	41,837
Total assets	48,955	48,933	48,915
Current liabilities	10,579	10,799	8,794
Non-current liabilities	11,562	11,263	10,311
Total liabilities	22,141	22,062	19,105
Net assets	26,814	26,871	29,810
Share capital	4,127	4,127	4,127
Retained earnings	25,448	24,890	27,513
Currency translation reserve (loss)	(2,444)	(1,880)	(1,768)
Other reserves	(343)	(215)	(35)
Equity attributable to shareholders	26,789	26,923	29,838
Minority interests	25	(52)	(28)
	26,814	26,871	29,810

The currency translation reserve (loss) in equity increased by S\$564 million from a quarter ago. This was due mainly to translation losses for Optus, Telkomsel and Airtel, partly mitigated by translation gains for the Group's US Dollar denominated subsidiaries.

SECTION 1 : GROUP

CAPITAL MANAGEMENT

	As at		
	31 Mar	31 Dec	31 Mar
	2020	2019	2019
	S\$ m	S\$ m	S\$ m
Gross debt			
Current debt	3,971	3,336	1,880
Non-current debt	10,202	9,743	8,784
Gross debt as reported in statement of financial position	14,173	13,079	10,664
Related net hedging asset ⁽¹⁾	(674)	(53)	(268)
Hedged gross debt	13,499	13,026	10,396
Less: Cash and bank balances	(1,000)	(576)	(513)
Net debt	12,499	12,450	9,883
Gross debt gearing ratio ⁽²⁾	33.5%	32.6%	25.9%
Net debt gearing ratio	31.8%	31.7%	24.9%
Net debt to EBITDA and share of associates' pre-tax profits ⁽³⁾	1.99X	1.97X	1.59X
Interest cover:			
EBITDA and share of associates' pre-tax profits/ net interest expense ⁽⁴⁾	13.8X	13.7X	16.2X
Singtel credit ratings			
S&P Global Ratings	A	A+	A+
Moody's Investors Service	A1	A1	A1

Notes:

(1) The net hedging asset relates to the fair values of cross currency and interest rate swaps.

(2) Gross debt gearing ratio refers to the ratio of gross debt to gross capitalisation. Gross capitalisation is the aggregate of gross debt, shareholders' funds and minority interests.

(3) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.

(4) Net interest expense refers to interest expense less interest income.

Both net debt and gearing ratio were stable from a quarter ago.

In April 2020, the Group obtained total credit facilities of S\$4.17 billion for general corporate purposes and refinancing of existing facilities.

SECTION 1 : GROUP

CASH FLOW

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020	2019		2020	2019	
	S\$ m	S\$ m		S\$ m	S\$ m	
Operating cash flow (before dividends from associates)	1,527	1,569	-2.7	4,523	3,966	14.1
Dividends/ Distributions received from associates (net of withholding tax)	39	36	10.4	1,294	1,402	-7.7
Net cash inflow from operating activities	1,567	1,605	-2.4	5,817	5,368	8.4
Net cash outflow for investing activities	(732)	(593)	23.4	(2,921)	(2,329)	25.4
Net cash outflow for financing activities	(447)	(1,134)	-60.6	(2,447)	(3,056)	-19.9
Net change in cash and cash equivalents	388	(122)	nm	450	(16)	nm
Exchange effects on cash and cash equivalents	35	(3)	nm	37	4	@
Cash and cash equivalents at beginning of period	576	637	-9.6	513	525	-2.3
Cash and cash equivalents at end of period	1,000	513	95.0	1,000	513	95.0
Group cash capex						
Optus	280	348	-19.7	1,355	1,131	19.7
Singtel and other subsidiaries	245	137	79.1	682	587	16.2
	524	485	8.1	2,037	1,718	18.5
Group free cash flow (before associates' dividends/ distributions)	1,003	1,084	-7.5	2,487	2,248	10.6
Dividends/ Distributions received from associates (net of withholding tax)	39	36	10.4	1,294	1,402	-7.7
Group free cash flow	1,042	1,120	-6.9	3,781	3,650	3.6

"nm" denotes not meaningful and "@" denotes more than +/- 500%.

Cash Dividends/ Distributions from Associates/ Joint Ventures	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Telkomsel ⁽¹⁾	-	-	-	906	954	-5.1
AIS ⁽²⁾	-	-	-	212	211	0.6
Globe ⁽³⁾	44	36	21.6	154	144	7.1
Intouch ⁽⁴⁾	-	-	-	73	79	-6.6
Airtel ⁽⁵⁾	-	-	-	-	59	nm
Regional associates	44	36	21.6	1,346	1,447	-7.0
Other associates						
NetLink NBN Trust/ NetLink Trust ⁽⁶⁾	-	-	-	48	55	-12.8
Southern Cross ⁽⁷⁾	-	-	-	11	13	-17.6
Others	3	5	-51.9	35	34	2.4
	3	5	-51.9	94	102	-8.3
Total (before tax)	46	41	12.3	1,439	1,549	-7.1
Withholding taxes	(7)	(6)	25.0	(145)	(147)	-1.2
Dividends/ Distributions received from associates/ joint ventures (net of withholding tax)	39	36	10.4	1,294	1,402	-7.7

SECTION 1 : GROUP

Notes: Dividend policy and receipts after 31 March 2020

- (1) Telkomsel declared a full year ordinary dividend of 95% on its FY2018 net profit (FY2017: 95%) as well as interim dividends for FY2019. The Group received its share of the interim dividends of S\$104 million and S\$169 million in November 2019 and May 2020 respectively, and is expected to receive approximately S\$331 million in June 2020.
- (2) AIS declared a full year dividend of 70% on its FY2019 net profit (FY2018: 71%). On 25 March 2020, AIS declared an interim dividend of THB 3.56 per share for FY2019. The Group received its share of interim dividend of S\$109 million in April 2020.
- (3) Globe's dividend policy is to pay 60%-75% of prior year's core net profit. Globe will pay its next quarterly dividend of PHP 24.83 per common share in June 2020. The Group's share of this dividend is approximately S\$43 million.
- (4) Intouch's policy is to pass through dividends received from its associates and subsidiaries after the deduction of operating expenses, subject to its financial needs or unless the payment of dividends would materially affect its operations. On 25 March 2020, Intouch declared an interim dividend of THB 1.30 per share for FY2019. The Group received its share of interim dividend of S\$39 million in April 2020.
- (5) Airtel does not have a fixed dividend policy. On 18 May 2020, Airtel declared a final dividend of Rs. 2 per share for FY2020, subject to shareholders' approval. The Group's share of this dividend is approximately S\$30 million.
- (6) NetLink NBN Trust's policy is to distribute 100% of its cash available for distribution (CAFD), which includes distributions from its wholly-owned subsidiary NetLink Trust ("**NLT**"). NLT's distribution policy is to distribute at least 90% of its distributable income to NetLink NBN Trust after setting aside reserves and provisions for, amongst others, future capital expenditure, debt repayment and working capital as may be required. On 6 May 2020, NetLink NBN Trust declared a distribution of S\$0.0253 per unit for its distribution period from 1 October 2019 to 31 March 2020 which will be payable on 3 June 2020. The Group's share of this distribution is approximately S\$24 million.
- (7) Southern Cross Cables Holdings Limited, part of the Southern Cross consortium, does not have a fixed dividend policy.

Net cash inflow from operating activities (before associates' dividend receipts) for the quarter declined 2.7% to S\$1.53 billion due mainly to lower EBITDA partly mitigated by lower cash taxes. Dividends from the associates increased on receipt of higher quarterly dividend from Globe, in line with its higher profit. Consequently, total cash flow from operations declined 2.4% to S\$1.57 billion.

Net cash outflow for investing activities was S\$732 million. Capital expenditure comprised S\$280 million (A\$308 million) for Optus and S\$245 million for the rest of the Group. In Optus, capital investments in the quarter included A\$176 million for mobile network and A\$132 million for fixed and other core infrastructure. The other major capital investments for the rest of the Group included S\$65 million for mobile network and S\$180 million for fixed and other core infrastructure. Other investing cash flows in the quarter included payments of S\$163 million (A\$185 million) from Optus' acquisition of 3.6 GHz spectrum.

The Group's free cash flow declined 6.9% to S\$1.04 billion on lower operating cash flows and higher capital expenditure.

Net cash financing outflow of S\$447 million in the quarter mainly comprised interim dividend payment of S\$1.11 billion in respect of the current financial year and interest payments for lease liabilities and other borrowings of S\$112 million, partly offset by net increase in borrowings of S\$782 million.

SECTION 1 : GROUP

OUTLOOK FOR THE NEXT FINANCIAL YEAR ENDING 31 MARCH 2021

The COVID-19 pandemic has created unprecedented disruptions to the global business environment as well as in the countries that the Group operates. Given the uncertainty of the impact on economic activity and the Group's business, the Group will not provide guidance for the next financial year ending 31 March 2021.

The Group is focused on investing for longer term growth, and ensuring that it has the capacity and financial headroom to weather the industry and economic headwinds. Importantly, the Group will continue its multi-year 5G capital expenditure programme to strengthen its network and market leadership, and to create new revenue opportunities.

The Group continues to review its financial outlook and shareholders' returns. It will update the market when there are material developments or when there is greater clarity in the operating environment.

SECTION 2 : SINGAPORE CONSUMER**SINGAPORE CONSUMER**

Singapore Consumer offers mobile, fixed broadband, voice, pay television, content and digital services, as well as equipment sales in Singapore.

SUMMARY INCOME STATEMENT

For The Fourth Quarter and Year Ended 31 March 2020

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 ⁽¹⁾ S\$ m		2020 S\$ m	2019 ⁽¹⁾ S\$ m	
Operating revenue	465	539	-13.8	2,110	2,234	-5.5
Operating expenses	(286)	(373)	-23.3	(1,381)	(1,510)	-8.6
	178	166	7.5	729	723	0.8
Other income ⁽²⁾	3	6	-59.4	28	25	12.0
EBITDA	181	172	5.1	757	748	1.2
- margin	38.9%	31.9%		35.9%	33.5%	
Depreciation & amortisation	(65)	(63)	2.7	(260)	(247)	5.3
EBIT	116	109	6.4	497	501	-0.8

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 ⁽¹⁾ S\$ m		2020 S\$ m	2019 ⁽¹⁾ S\$ m	
Mobile service	218	248	-12.0	954	1,031	-7.5
Sale of equipment	92	140	-34.5	537	558	-3.9
Leasing revenue ⁽³⁾	3	1	85.7	9	2	295.7
Mobile	313	389	-19.7	1,500	1,591	-5.8
Fixed broadband ⁽⁴⁾	64	62	3.2	254	246	3.3
Residential Pay TV	50	49	1.4	197	230	-14.0
Fixed voice	28	28	0.7	113	122	-7.2
Others ⁽⁵⁾	10	11	-2.9	47	45	2.4
Operating revenue	465	539	-13.8	2,110	2,234	-5.5
Cost of sales	136	187	-27.3	716	771	-7.2
Selling & administrative	73	80	-9.0	283	298	-5.0
Staff costs	33	53	-39.1	185	221	-16.3
Traffic expenses	41	45	-8.3	172	194	-11.6
Repair & maintenance	12	13	-12.0	50	51	-1.8
Others	(8)	(5)	47.1	(24)	(24)	-0.8
Operating expenses	286	373	-23.3	1,381	1,510	-8.6
Direct costs ⁽⁶⁾	131	176	-25.5	689	741	-6.9
Indirect costs ⁽⁶⁾	155	197	-21.2	692	770	-10.1
Operating expenses	286	373	-23.3	1,381	1,510	-8.6

SECTION 2 : SINGAPORE CONSUMER

Notes:

- (1) Comparatives have been adjusted to exclude certain digital businesses (mainly Singtel Dash) transferred to 'International Group' from 1 April 2019.
- (2) Include trade foreign currency exchange differences, rental income, gain/loss on disposal of scrap copper and property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange loss amounted to S\$1 million (Q4 FY2019: less than S\$0.1 million) for the quarter and S\$2 million (FY2019: S\$1 million) for the year ended 31 March 2020.
- (3) Comprise revenue from lease of handsets to mobile customers under 2-year contracts.
- (4) Include sale of broadband equipment.
- (5) Include digital business, energy reselling, and revenues from mobile network cabling works and projects.
- (6) Direct costs comprise mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

FINANCIAL PERFORMANCE

For The Fourth Quarter Ended 31 March 2020

Singapore Consumer recorded market share gains in mobile and fixed despite a highly competitive market and adverse impact from COVID-19. With continued strong focus on cost management and wage credits from the government, EBITDA grew 5.1%.

Operating revenue fell 14% due mainly to 20% decline in Mobile revenue partially offset by higher fixed broadband revenue. Equipment sales declined by 35% reflecting global handset supply disruptions for certain premium handsets and weaker consumer spend in the quarter. Mobile service revenue declined by 12% mainly due to a reduction in roaming revenue arising from global travel restrictions, voice erosion, as well as impact from amortisation of handset subsidies². Prepaid mobile revenue was affected by lower number of tourist arrivals and foreign workers, and decline in mobile usage as residents were encouraged to stay indoors due to COVID-19 measures.

Fixed broadband revenue rose 3.2% on steady customer growth and increase in equipment sales. Pay TV revenue grew 1.4% from increased demand for add on packs and value added services.

Total operating expenses fell 23%. Cost of sales were lower, reflecting the decline in equipment sales and TV content costs as a result of contract negotiations and rationalisation of content. Staff costs declined steeply from a lower staff headcount and wage credits.

EBIT was up 6.4% after including higher depreciation mainly from right-of-use assets.

For The Year Ended 31 March 2020

For the year, EBITDA grew 1.2% from effective cost management, wage credits and recovery of infrastructure costs from a telco operator despite the 5.5% decline in operating revenue. The reductions in Mobile, TV and fixed voice revenues were partly mitigated by growth in fixed broadband. Excluding 2018 FIFA World Cup revenue last year, TV revenue would have been stable. EBIT was stable after including higher depreciation mainly from right-of-use assets.

² Handset discounts (including subsidies) are amortised against mobile service revenue over the term of the mobile customer contract.

SECTION 2 : SINGAPORE CONSUMER

BUSINESS HIGHLIGHTS

Postpaid customer base grew by 31,000³ from a quarter ago as GOMO and SIM-only plans continued to gain traction. The number of prepaid customers fell 14,000 from a quarter ago on reduction in tourists and foreign workers, as well as continued prepaid to postpaid migration.

To help Singtel's customers during this difficult period, Singtel has offered data-free messaging on WhatsApp to make it easier for customers to stay in touch with friends and family. In addition, Singtel also offered free 30-day COVID-19 insurance for prepaid customers who top up on hi!App. Singtel has also worked with government agencies to distribute SIM cards to the foreign workers staying in dormitories.

The number of Cast OTT and Singtel TV Go users rose by 22,000 from a quarter ago to 215,000 as at 31 March 2020. Singtel has offered three months of free access to Singtel's CAST streaming app and popular entertainment and education channels including Discovery, Asian Food Network, Cartoon Network and Nickelodeon. Singtel TV customers can also enjoy free access to 30 channels such as AXN, CNBC, Discovery Asia and KBS World on Singtel TV and Singtel TV GO. On 27 April 2020, Singtel TV expanded its free preview with 10 additional channels including National Geographic, Fox Family Movies and Baby TV.

³ Based on total product view (i.e. include Enterprise mobile).

SECTION 3 : AUSTRALIA CONSUMER**AUSTRALIA CONSUMER**

Australia Consumer offers mobile, fixed broadband, voice and equipment sales in Australia.

SUMMARY INCOME STATEMENT

For The Fourth Quarter And Year Ended 31 March 2020

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 A\$ m	2019 A\$ m		2020 A\$ m	2019 A\$ m	
Operating revenue	1,800	1,964	-8.3	7,753	7,659	1.2
Operating expenses	(1,278)	(1,296)	-1.4	(5,300)	(5,299)	**
Other income	522	668	-21.8	2,453	2,359	4.0
	21	28	-26.6	100	123	-18.9
EBITDA	543	697	-22.0	2,553	2,483	2.8
- margin	30.2%	35.5%		32.9%	32.4%	
Depreciation & amortisation	402	328	22.8	1,593	1,304	22.1
EBIT	141	369	-61.8	960	1,178	-18.5
NBN Migration revenues	90	93	-3.5	607	184	230.3
Ex-NBN Migration revenues						
Operating revenue	1,711	1,871	-8.6	7,146	7,475	-4.4
EBITDA	453	604	-24.9	1,946	2,299	-15.4
EBIT	51	276	-81.5	353	994	-64.5

*** denotes less than +/- 0.05%

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020	2019		2020	2019	
	A\$ m	A\$ m		A\$ m	A\$ m	
Incoming	58	53	9.9	223	212	5.2
Outgoing	805	860	-6.4	3,229	3,411	-5.3
Total Mobile Service	863	912	-5.4	3,452	3,623	-4.7
Equipment	378	486	-22.3	1,791	1,933	-7.3
Leasing Revenue ⁽¹⁾	48	45	5.8	205	141	45.5
Total Mobile Revenue	1,288	1,444	-10.8	5,448	5,697	-4.4
Retail Fixed On-net	82	136	-39.4	439	652	-32.7
Retail Fixed Off-net ⁽²⁾	268	241	11.4	1,256	708	77.4
Total Retail Fixed ⁽³⁾	350	376	-6.9	1,695	1,361	24.6
Total Wholesale & Fleet Fixed ⁽⁴⁾	162	145	12.1	610	601	1.4
Operating revenue	1,800	1,964	-8.3	7,753	7,659	1.2

SECTION 3 : AUSTRALIA CONSUMER

Notes:

- (1) Comprise revenue from lease of handsets to mobile customers under 2-year contracts. Handset leasing plans are no longer offered from July 2019.
- (2) Includes NBN migration and site preparation revenues of A\$90 million (Q4 FY2019: A\$93 million) for the quarter and A\$607 million (FY2019: A\$184 million) for the year ended 31 March 2020.
- (3) Include small-sized businesses.
- (4) Include medium-sized businesses.

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020	2019		2020	2019	
	A\$ m	A\$ m		A\$ m	A\$ m	
Cost of sales	537	563	-4.6	2,315	2,195	5.5
Selling & administrative	303	330	-8.3	1,191	1,424	-16.3
Traffic expenses	273	229	18.8	1,041	891	16.7
Staff costs	106	128	-17.4	529	597	-11.3
Repair & maintenance	43	39	10.5	157	153	2.8
Others	16	6	179.4	67	40	68.2
Operating expenses	1,278	1,296	-1.4	5,300	5,299	**
Direct costs ⁽¹⁾	878	859	2.2	3,580	3,331	7.5
Indirect costs ⁽¹⁾	400	437	-8.4	1,720	1,969	-12.6
Operating expenses	1,278	1,296	-1.4	5,300	5,299	**

*** denotes less than +/- 0.05%

Note:

- (1) Direct costs comprise mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

FINANCIAL PERFORMANCE

For The Fourth Quarter Ended 31 March 2020

Operating revenue declined A\$164 million or 8.3% from both lower service and equipment sales revenues.

Mobile service revenue fell 5.4% on increased SIM-only customer mix, continuing data price competition and early impacts from COVID-19.

Equipment sales decreased sharply by 22% as a result of lower volumes from unbundling of mobile devices from service contracts, delivery disruptions from a major logistics provider and weaker consumer sentiment in light of recent natural disasters and COVID-19.

Total retail fixed revenue was down by 6.9% due to a lower fixed customer base from a year ago.

Total operating expenses fell 1.4% with decline in cost of sales in line with lower related sales volume. Staff costs fell mainly on lower staff incentive accruals. Selling and administrative expenses were down on lower operating lease expenses despite a higher level of doubtful debts provision to cover potential losses from COVID-19. Traffic expenses increased due to higher NBN access fees from the growth in the NBN customer base. Repairs and maintenance were higher due to an expanded mobile network.

SECTION 3 : AUSTRALIA CONSUMER

With lower operating revenue, EBITDA fell 22%. Retail fixed margins were adversely impacted by a higher mix of NBN customers which have low resale margins while equipment sales margins were lower reflecting lower sales volume, price competition and lower handset vendor rebates. Excluding NBN migration revenues, EBITDA declined 25%.

EBIT fell 62% after including depreciation and amortisation charges which rose 23% due mainly to higher depreciation from right-of-use assets.

For The Year Ended 31 March 2020

For the year, operating revenue grew 1.2% lifted by higher NBN migration revenues.

EBITDA grew 2.8% and EBIT declined 19%. Excluding NBN migration revenues, EBITDA and EBIT declined 15% and 65% respectively, reflecting lower contributions from retail fixed and equipment sales revenues.

BUSINESS HIGHLIGHTS

Optus is committed to keeping customers connected and supporting all Australians during this period. Optus has implemented a range of business measures, including provision of additional data allowances, waiving of late payment fees, and a delay in its debt collection activities to support customers and the community.

This quarter saw mobile customer base decline of 95,000⁴, as a result of one-off deactivations of inactive customers and lower new customer additions from the economic slowdown. For the year, mobile customer base grew 133,000⁴ driven by postpaid customer base increase of 125,000 from a year ago.

During the quarter, the digital inclusion initiative *Donate Your Data* reached 200,000 of unique donors and a total of 5.7 petabytes of data was donated. New charities were onboarded to broaden the impact of the program, underpinning the long-term viability of the donation platform.

Fixed NBN customer base grew by 251,000 from a year ago and accounted for 78% (Q4 FY2019: 51%) of the total fixed broadband customer base as at 31 March 2020. In February 2020, Optus was named first by the ACCC for NBN average download speeds for the second successive quarter.

Optus was named the tenth strongest brand for telecommunications in the world by Brand Finance in their Telecoms 150 2020 report published in April 2020.

⁴ Including Enterprise customers, Optus' total mobile customer base was down 74,000 and total postpaid customer base grew 4,000 in the quarter. For the year, Optus' total mobile customer base grew 167,000 and total postpaid customer base grew 141,000.

SECTION 4 : GROUP ENTERPRISE

GROUP ENTERPRISE

Group Enterprise provides comprehensive and integrated ICT solutions to enterprise customers in Singapore, Australia, U.S., Europe and the region, covering mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT services and professional consulting.

SUMMARY INCOME STATEMENT

For The Fourth Quarter And Year Ended 31 March 2020

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Operating revenue	1,559	1,632	-4.5	6,026	6,329	-4.8
Operating expenses	(1,175)	(1,276)	-8.0	(4,489)	(4,702)	-4.5
	384	356	7.9	1,537	1,628	-5.5
Other income ⁽¹⁾	13	23	-43.6	49	68	-27.2
EBITDA	397	379	4.9	1,587	1,695	-6.4
- margin	25.5%	23.2%		26.3%	26.8%	
Depreciation & amortisation	(199)	(162)	22.7	(729)	(615)	18.5
EBIT	198	216	-8.6	858	1,080	-20.6

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Managed Services ⁽²⁾	501	510	-1.8	1,777	1,881	-5.5
Business Application Services ⁽³⁾	156	130	19.6	564	485	16.3
Cyber Security	163	160	1.9	566	549	3.1
Communications Engineering ⁽⁴⁾	51	39	31.3	145	119	22.2
ICT	871	839	3.8	3,052	3,034	0.6
Digital revenue ⁽⁵⁾ as % of ICT revenue	42%	41%		42%	38%	
Mobile service	146	182	-19.9	663	773	-14.2
Sale of equipment	70	98	-28.9	359	395	-9.1
Mobile	216	280	-23.0	1,022	1,168	-12.5
Data and Internet ⁽⁶⁾	363	392	-7.2	1,510	1,605	-5.9
Fixed voice	91	106	-13.7	384	462	-16.8
Others ⁽⁷⁾	18	15	15.6	57	62	-7.1
Carriage	688	793	-13.2	2,974	3,296	-9.8
Operating revenue	1,559	1,632	-4.5	6,026	6,329	-4.8
ICT as % of total revenue	56%	51%		51%	48%	

SECTION 4 : GROUP ENTERPRISE

Notes:

- (1) Include trade foreign exchange differences, rental income, gain/loss on disposal of scrap copper, property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange gains amounted to S\$2 million (Q4 FY2019: S\$4 million) for the quarter and less than S\$0.1 million (FY2019: S\$2 million) for the year ended 31 March 2020.
- (2) Include facility management, managed and network services, and value-added reselling and services.
- (3) Include applications management services and outsourcing, system integration and business process outsourcing.
- (4) Include telecommunications infrastructure, aviation communications, secured communications, video technology, sensors, as well as command and control systems.
- (5) Refers to services provided using digitalisation methods and technologies which include cyber, cloud, analytics, mobility, interactive (UI/UX), as well as artificial intelligence (AI), Internet of Things (IoT) and blockchain.
- (6) Include local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.
- (7) Include TV, facility rentals and other miscellaneous revenue.

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Cost of sales	510	583	-12.6	1,866	1,962	-4.9
Staff costs	334	361	-7.4	1,435	1,454	-1.3
Selling & administrative	171	165	3.5	585	638	-8.2
Traffic expenses	108	120	-10.1	448	496	-9.6
Repair, maintenance and others	52	46	11.4	155	153	1.4
Operating expenses	1,175	1,276	-8.0	4,489	4,702	-4.5
Direct costs ⁽¹⁾	779	870	-10.5	2,993	3,109	-3.7
Indirect costs ⁽¹⁾	395	406	-2.5	1,496	1,593	-6.1
Operating expenses	1,175	1,276	-8.0	4,489	4,702	-4.5

Note:

- (1) Direct costs comprise mainly cost of sales, traffic expenses, and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

Please refer to **Appendix 4** for the contribution of Group Enterprise by region.

FINANCIAL PERFORMANCE

For The Fourth Quarter Ended 31 March 2020

Singapore Enterprise⁵ contributed 82% (Q4 FY2019: 80%) and 95% (Q4 FY2019: 87%) to Group Enterprise's operating revenue and EBITDA respectively.

This quarter was marked by weak business sentiments given the overhang of economic recessions with the early onset of disruptions caused by COVID-19. Despite the difficult business environment, operating revenue was up 1.5% from the preceding quarter on strong growth at NCS and higher ICT revenue from Australia.

⁵ Refers to all geographies that Group Enterprise has operations other than Australia.

SECTION 4 : GROUP ENTERPRISE

On a year-on-year basis, overall operating revenue fell 4.5% mainly due to Australia. Excluding Australia, operating revenue declined 1.5%.

ICT revenue grew 3.8% as growth in Singapore was offset by lower sales in Australia. In Singapore, ICT revenue grew strongly by 7.9% driven by system infrastructure services and maintenance projects led by NCS as well as higher data centre revenue boosted by new contract wins and service turn-on for a large customer in the preceding quarter. With the increase, ICT contribution to Group Enterprise's overall revenue this quarter rose to 56%, up from 51% in the last corresponding quarter.

Mobile service revenue fell 20% with steep declines in roaming revenue due to COVID-19 travel restrictions, continued voice to data substitution, pricing pressures and the flow through impact from amortisation of higher handset subsidies.

Equipment sales decreased significantly by 29% on lower mobile connections arising from supply disruption for certain premium handsets in Singapore and weaker demand following social distancing measures which had restricted customer engagements via in-store or roadshows.

Data and Internet revenue fell due to competitive pricing pressures and lower volumes partly on cessation of a large domestic wholesale network leasing agreement.

Fixed voice revenue decreased on steep price erosion, lower call usage and declines in switched voice business as enterprise customers continued to migrate to lower cost IP-based solutions. The impact of the decline was partially mitigated by lower outpayment costs.

Overall operating expenses fell steeply by 8.0% after some writebacks of staff incentive accruals and wage credits. With the decline in operating expenses, EBITDA rose by 4.9%. Direct costs such as cost of sales and traffic fell 11% in line with lower related sales. Selling expenses increased on higher provision for doubtful debts to cover potential losses from COVID-19.

EBIT fell 8.6% after including higher depreciation on right-of-use assets and amortisation of software intangibles.

For The Year Ended 31 March 2020

Group Enterprise's operating revenue and EBITDA declined 4.8% and 6.4% respectively due mainly to Australia. Excluding Australia, both operating revenue and EBITDA were stable with strong ICT growth offset by continued declines in legacy services with lower mobile voice usage (local, IDD and roaming) from continued voice to data substitution, lower fixed voice and price competition.

EBIT declined 21% after including higher depreciation on right-of-use assets and amortisation of software intangibles.

SECTION 4 : GROUP ENTERPRISE

BUSINESS HIGHLIGHTS

Singtel was named as the Telecom Group of the Year at the APAC Insider Business Awards 2019. Trustwave was also named a leader in two of IDC MarketScape reports: one on Managed Security Services in Asia Pacific⁶, and the other on Consulting and Professional Services in Asia Pacific⁷.

Singtel reinforced its position as one of the leading providers of international data services in the region by investing in a half fibre pair in Asia Direct Cable (ADC) cable system which connects Singapore, Hong Kong, Japan, among other countries. The cable is expected to be ready for service in 2022.

SUPPLEMENTARY INFORMATION

NCS ⁽¹⁾

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Managed Services ⁽²⁾	354	345	2.4	1,179	1,159	1.7
Business Application Services ⁽³⁾	161	136	18.6	580	507	14.3
Communications Engineering ⁽⁴⁾	61	57	8.3	199	179	11.4
Cyber Security	61	57	7.2	184	158	17.0
Operating revenue	637	595	7.1	2,142	2,002	7.0
Digital revenue ⁽⁵⁾ as % of total revenue	36%	35%		37%	30%	
Gross margin (%) ⁽⁶⁾	16%	13%		15%	16%	
EBITDA	98	49	100.8	293	235	24.7
EBIT	74	29	156.1	210	164	27.8

Notes:

- (1) Based on the standalone results of NCS group, which include revenue earned as a vendor to the other Singtel entities in the Group. Certain products and services purchased by the other Singtel entities from NCS are subsequently sold to third parties.
- (2) Include facility management, managed and network services, and value-added reselling and services.
- (3) Include applications management services and outsourcing, system integration and business process outsourcing.
- (4) Include telecommunications infrastructure, aviation communications, secured communications, video technology, sensors, as well as command and control systems.
- (5) Refers to services provided using digitalisation methods and technologies which include cyber, cloud, analytics, mobility, interactive (UI/UX), as well as artificial intelligence (AI), Internet of Things (IoT) and blockchain.
- (6) Gross margin refers to revenue less direct operating expenses and related depreciation & amortisation charges.

⁶ IDC MarketScape: Asia/Pacific Managed Security Services 2020 Vendor Assessment

⁷ IDC MarketScape: Asia/Pacific Professional Security Services — Advisory, Assessment, and Awareness 2020 Vendor Assessment

SECTION 4 : GROUP ENTERPRISE

NCS' order book remained strong at S\$3.2 billion as at 31 March 2020, with new wins and contract renewals largely from Defence and Homeland Security, and Healthcare sectors.

NCS' operating revenue grew 7.1% on implementation of core infrastructure services, and provision of application development and maintenance services in the public sector.

Both EBITDA and EBIT grew strongly and margins improved on the back of higher operating revenue and wage credits.

Digital revenue accounted for 36% (Q4 FY2019: 35%) of total operating revenue this quarter.

In line with NCS' focus to fuel its growth in the financial services sector and expand its footprint in the region, a strategic collaboration was formed with NETS to develop a new real-time Electronic Payment and Securities Settlement Platform for central banks. While continuing to strengthen its core services, NCS is also investing in its digital capabilities to develop new fintech products and platforms. The partnership with NETS involves the joint development of a next-generation suite of central banking products, customisable to the regulatory needs of different financial markets, thereby enabling both companies to expand into South East Asia, Hong Kong and China.

SECTION 4 : GROUP ENTERPRISE

Trustwave ⁽¹⁾⁽²⁾

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 US\$ m	2019 US\$ m		2020 US\$ m	2019 US\$ m	
Technology and Consulting Services	69	70	-2.7	235	238	-1.2
Managed Security Services	31	29	8.8	107	89	19.4
Security Business	100	99	0.6	342	327	4.4
Compliance Business	13	14	-10.0	50	58	-13.7
Operating revenue	112	113	-0.7	391	385	1.7
Gross margin (%) ⁽³⁾	30%	31%		33%	33%	
EBITDA	7	(4)	nm	(32)	(35)	-10.2
EBIT	(12)	(18)	-32.0	(86)	(78)	9.5

Notes:

- (1) Based on the standalone results of Trustwave group, which include revenue earned as a vendor to the other Singtel entities in the Group. Certain products and services purchased by the other Singtel entities from Trustwave are subsequently sold to third parties.
- (2) Trustwave completed the acquisition of 100% shares of Hivint Pty Limited on 28 December 2018.
- (3) Gross margin refers to revenue less direct operating expenses and related depreciation & amortisation charges.

Security revenue was stable this quarter, with growth in Asia and the U.S. offset by weaker performance in Australia where revenue was boosted by a large contract in the same quarter last year. In constant currency terms, Security revenue grew 2.8%.

Compliance revenue fell 10% due to continued commoditisation in the traditional payment card industry (PCI) compliance business and price competition.

EBITDA was positive in this quarter on writeback of some staff incentive accruals.

In this quarter, Trustwave secured a major multi-year contract in Asia worth US\$20 million, leveraging on its market leading Managed Security Services capabilities. It was also recognised by the SC Awards 2020⁸ as the Best Managed Security Service for the second year in a row.

⁸ SC Awards honours the achievements of the cybersecurity brands and professionals striving to safeguard businesses, their customers, and critical data in North America.

SECTION 5 : GROUP DIGITAL LIFE

GROUP DIGITAL LIFE

Group Digital Life (“GDL”) focuses on using the latest Internet technologies and assets of the Group’s operating companies to develop new revenue and growth engines by entering into adjacent businesses where it has a competitive advantage.

GDL has two key businesses – digital marketing (Amobee) and advanced analytics and intelligence capabilities (DataSpark), and it also serves as Singtel’s digital innovation engine through Innov8.

SUMMARY INCOME STATEMENT

For The Fourth Quarter And Year Ended 31 March 2020

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Amobee group	237	274	-13.4	1,159	1,250	-7.2
Others ⁽¹⁾	13	16	-19.6	47	40	17.8
Operating revenue	250	289	-13.7	1,206	1,289	-6.5
Intercompany eliminations	(16)	(16)	**	(61)	(66)	-7.6
Operating revenue	234	274	-14.5	1,145	1,224	-6.4
Operating expenses	(240)	(291)	-17.5	(1,196)	(1,315)	-9.1
	(6)	(18)	-64.6	(50)	(91)	-44.9
Other income	3	*	nm	2	*	nm
EBITDA	(4)	(18)	-79.0	(48)	(92)	-47.4
Depreciation & amortisation	(28)	(17)	65.9	(92)	(60)	51.9
EBIT	(32)	(35)	-7.8	(140)	(152)	-8.0

Amobee group	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 US\$ m	2019 US\$ m		2020 US\$ m	2019 US\$ m	
Operating revenue	171	202	-15.6	845	920	-8.2
Intercompany eliminations	(10)	(11)	-6.7	(40)	(46)	-13.4
Operating revenue	161	192	-16.1	805	874	-7.9
Gross margin %	24%	27%		25%	24%	
EBITDA	*	3	nm	25	1	@
EBIT	(17)	(6)	175.0	(27)	(31)	-13.0

*A negative sign for year-on-year change in EBITDA and EBIT denotes decrease in losses.

“*” denotes less than +/-S\$0.5 million, “***” denotes less than +/-0.05%, “@” denotes more than +/- 500% and “nm” denotes not meaningful.

Note:

(1) Comprise mainly revenues from HOOQ (which was deconsolidated from 1 March 2020) and DataSpark.

SECTION 5 : GROUP DIGITAL LIFE

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Cost of sales	183	206	-11.2	904	957	-5.5
Staff costs	54	55	-2.7	223	239	-6.9
Selling & administrative	(1)	25	nm	45	98	-53.6
Others	6	6	**	24	22	10.2
Operating expenses	240	291	-17.5	1,196	1,315	-9.1

FINANCIAL PERFORMANCE**For The Fourth Quarter Ended 31 March 2020**

Operating revenue fell 15% mainly on reduction in Amobee's revenue. HOOQ was placed under liquidation in March 2020 and its financials were deconsolidated from 1 March 2020.

Amobee's revenue declined 16% impacted by lesser advertising campaigns due to COVID-19, lower TV revenues following the licensing of its technology platform to ITV plc from July 2019 and technology licensing fees income in the last corresponding quarter not repeated this quarter. Programmatic revenue continued to grow and constituted a higher mix of total revenue this quarter. The decline in the legacy businesses continued as the industry moved towards programmatic.

Despite lower operating revenue, negative EBITDA reduced significantly by 79% on cessation of HOOQ's operations, strong cost management and reversal of some accruals no longer required. Depreciation and amortisation charges rose 66% mainly from right-of-use assets. Consequently, negative EBIT reduced by 7.8% to S\$32 million.

For The Year Ended 31 March 2020

Operating revenue for the year decreased 6.4% on decline in Amobee's revenue of 7.9% with growth in programmatic platform business negated by lower legacy managed media and social businesses. Negative EBITDA, however, reduced by 47% on cost management and lower losses from HOOQ. With higher depreciation and amortisation charges from investments in technology platform and right-of-use assets, negative EBIT was down by 8.0%.

SECTION 6 : INTERNATIONAL GROUP

INTERNATIONAL GROUP

International Group (“IG”) leads the Group’s efforts in capturing value from its investments in the regional markets. IG also strives to strengthen Singtel’s relationship with its overseas partners and drives regional initiatives. With more than 700 million mobile customers, the Group leverages on its scale to build an ecosystem of digital services for customers.

Besides the focus on the associates’ markets, IG has two key digital businesses – mobile financial business, and gaming and digital content business. Mobile financial business includes Dash’s payment and remittance business, and the regional VIA cross-border mobile payment alliance. On the gaming space, IG grows the gaming and digital content business ecosystem in the region with partners. This includes tapping on the partners’ platforms and channels to scale up regional e-sports events and leagues, as well as developing and distributing curated original and third party content for gamers and fans in the region.

SUMMARY INCOME STATEMENT

For The Fourth Quarter And Year Ended 31 March 2020

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Operating revenue	2	2	33.3	10	6	60.7
Operating expenses	(23)	(15)	47.4	(67)	(48)	38.9
	(20)	(14)	49.3	(57)	(42)	35.7
Other (expense)/ income	(1)	1	nm	2	5	-60.0
EBITDA	(21)	(12)	73.2	(55)	(38)	47.2
Depreciation & amortisation	(1)	(2)	-20.0	(5)	(6)	-8.9
EBIT	(23)	(14)	63.0	(60)	(43)	39.9

Note:

Operating revenues are mainly from Dash’s payment and remittance businesses, direct carrier billing (DCB), regional VIA cross-border mobile payment alliance, and sponsorship revenue for PVP Esports. Operating expenses include the corporate costs of IG.

**A positive sign for year-on-year change in EBITDA and EBIT denotes increase in losses.*

SECTION 6 : INTERNATIONAL GROUP

FINANCIAL PERFORMANCE

For The Fourth Quarter And Year Ended 31 March 2020

Operating revenue grew on higher Dash's remittance and payment services.

Dash's remittance transaction counts grew 58% in the quarter from the last corresponding quarter on expansion of mobile remittance platform capabilities to more countries and increased take-ups. Dash's monthly active user base increased 84% in the quarter from a year ago as Dash continues to gain scale and enhance its mobile payments solution value proposition.

EBITDA and EBIT losses increased on continued ramp up of the digital businesses.

BUSINESS HIGHLIGHTS

Singtel, SK Telecom and AIS Invest in New Gaming Joint Venture

Together with AIS and South Korea's SK Telecom, Singtel announced a Series A investment in a regional gaming joint venture. The joint venture will involve partnering with leading international game developers, as well as leveraging the partners' Korean and Southeast Asian gaming and entertainment content offering to engage the 800 million gamers in the region. The joint venture will benefit from Singtel's deep regional knowledge, digital and telco assets, SK Telecom's expertise as a pioneer in Korean entertainment and gaming, and AIS' experience in esports and digital content.

Singtel Dash Launches Malaysia Corridor for Remittance

To cater to the large population of Malaysians living and working in Singapore, Singtel Dash expanded its remittance network with the launch of a new corridor to Malaysia. With this new addition, Singtel Dash now enables safe and convenient mobile remittances to seven countries including Bangladesh, China, India, Indonesia, Malaysia, Myanmar, and the Philippines. To support the community during the COVID-19 pandemic and encourage the use of mobile remittance services from the safety of home, Singtel Dash also rolled out initiatives such as free COVID-19 insurance with NTUC Income for remittance customers, as well as fee waivers for all first time remittances, healthcare workers and transfers to Malaysia.

PVP Esports Community Championships 2020

Following the success of the 2019 Community Leagues, PVP Esports launched the 2020 PVP Esports Championships for amateur student and workforce gamers at the Thailand Game Expo in January. In partnership with Singtel's regional associates, this year's edition of the games has been scaled up to a fully regional tournament with two seasons and the largest prize pool globally for a community tournament (S\$100,000 for the full year). Season 1, which kicked off in May 2020, will feature more games than before, including PUBG Mobile, Mobile Legends: Bang Bang and Dota 2.

SECTION 7: ASSOCIATES / JOINT VENTURES

ASSOCIATES/ JOINT VENTURES

The Group has presence in the regional markets of Africa, India, Indonesia, the Philippines, and Thailand through its associates, Bharti Airtel, Telkomsel, Globe, AIS and Intouch.

Pre-tax profit contribution ⁽¹⁾	Quarter		YOY Chge %	Year		YOY Chge %
	31 March			31 March		
	2020	2019		2020	2019	
	S\$ m	S\$ m		S\$ m	S\$ m	
Regional associates						
Telkomsel						
- operating results	305	297	2.6	1,163	1,126	3.3
- fair value gain/ (loss)	6	(1)	nm	6	2	161.9
	310	296	4.9	1,169	1,128	3.6
AIS						
- operating results	88	90	-2.0	367	340	8.0
- fair value (loss)/ gain	(4)	1	nm	(2)	3	nm
	84	91	-7.8	365	343	6.4
Intouch ⁽²⁾⁽³⁾						
- operating results	29	33	-11.1	128	124	3.4
- fair value gain/ (loss)	2	*	nm	1	*	nm
- amortisation of acquired intangibles	(7)	(7)	-1.4	(28)	(28)	1.4
	24	25	-4.4	101	96	5.1
Globe						
- operating results	123	120	2.4	409	365	12.0
- fair value gain	1	*	nm	1	3	-61.5
	123	120	2.9	410	368	11.5
Bharti Telecom ("BTL")/ Bharti Airtel ("Airtel")						
Airtel ⁽³⁾						
- operating results (India and South Asia) ⁽⁴⁾	86	(12)	nm	167	(54)	nm
- operating results (Africa) ⁽⁵⁾	89	82	8.9	363	345	5.2
- associates	*	(12)	nm	(14)	(30)	-52.0
- net finance costs	(173)	(194)	-11.2	(793)	(704)	12.7
- fair value (loss)/ gain	(27)	2	nm	(63)	(29)	114.4
	(24)	(134)	-81.8	(340)	(471)	-27.9
BTL ⁽⁴⁾	(17)	(9)	91.1	(63)	(40)	58.1
	(42)	(143)	-70.9	(403)	(511)	-21.1
	500	389	28.6	1,642	1,424	15.3
Other Singtel associates						
NetLink NBN Trust/ NetLink Trust ("NLT") ⁽⁶⁾	11	13	-16.4	52	52	0.6
Other associates ⁽³⁾⁽⁷⁾	12	17	-32.7	51	60	-16.0
Singtel share of ordinary results (pre-tax) ⁽³⁾	523	419	24.7	1,744	1,536	13.6
Optus share of ordinary results (pre-tax)	*	*	nm	*	*	nm
Group share of ordinary results (pre-tax) ⁽³⁾	523	419	24.7	1,744	1,536	13.6
Exceptional items ("EI")						
SingPost's one-off items	(2)	-	nm	(2)	-	nm
Group share of EI	(2)	-	nm	(2)	-	nm
Singtel share of pre-tax profit ⁽³⁾	521	419	24.2	1,743	1,536	13.5
Optus share of pre-tax profit	*	*	nm	*	*	nm
Group share of pre-tax profit ⁽³⁾	521	419	24.2	1,743	1,536	13.5
(excluding Airtel and BTL)	563	562	0.1	2,146	2,047	4.8
Group share of tax expense ⁽³⁾	124	88	39.9	466	153	204.0
Effective tax rate	23.7%	21.1%		26.7%	10.0%	

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution ⁽¹⁾	Quarter				YOY Chge %	Year				YOY Chge %
	31 Mar					31 Mar				
	2020		2019			2020		2019		
	S\$ m	% ⁽⁸⁾	S\$ m	% ⁽⁸⁾		S\$ m	% ⁽⁸⁾	S\$ m	% ⁽⁸⁾	
Regional associates										
Telkomsel	247	42	223	32	10.4	885	36	843	30	5.0
AIS	70	12	76	11	-7.4	305	12	286	10	6.5
Intouch ⁽²⁾⁽³⁾										
- ordinary results	26		26		-2.7	105		101		3.7
- amortisation of acquired intangibles	(6)		(6)		-3.4	(23)		(22)		1.4
	20	3	21	3	-2.4	83	3	79	3	4.4
Globe	84	14	82	12	2.4	278	11	251	9	11.0
Airtel ⁽³⁾										
- ordinary results (India and South Asia) ⁽⁴⁾	(33)		(111)		-70.1	(350)		(368)		-4.8
- ordinary results (Africa) ⁽⁵⁾	9		33		-71.3	68		145		-52.9
- associates	*		(12)		nm	(14)		(30)		-52.0
	(23)		(90)		-73.9	(296)		(252)		17.2
- exceptional items (deferred tax credits etc)	-		-		-	-		121		nm
	(23)		(90)		-73.9	(296)		(131)		125.3
BTL ⁽⁴⁾	(17)		(9)		93.3	(63)		(40)		58.1
	(41)	(7)	(98)	(14)	-58.7	(359)	(15)	(171)	(6)	109.6
	380	64	304	44	25.3	1,191	48	1,287	46	-7.5
Other Singtel associates										
NLT ⁽⁶⁾	11	2	13	2	-15.2	48	2	48	2	0.2
Other associates ⁽³⁾⁽⁷⁾	9	1	15	2	-42.6	39	2	47	2	-17.2
Singtel share of post-tax profit ⁽³⁾	400	67	331	47	20.8	1,278	52	1,383	49	-7.5
Optus share of post-tax profit	(2)	**	*	**	nm	(2)	**	*	**	nm
Group share of post-tax profit ⁽³⁾	398	67	331	47	20.1	1,277	52	1,383	49	-7.7
(excluding Airtel and BTL)	438		430		2.0	1,636		1,554		5.3

Post-tax profit contribution (in constant currency) ⁽⁹⁾	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020	2019		2020	2019	
	S\$ m	S\$ m		S\$ m	S\$ m	
Regional associates						
- operating results	514	394	30.4	1,656	1,473	12.4
- fair value (losses)/ gains	(23)	2	nm	(59)	(21)	177.3
- amortisation of acquired intangibles	(7)	(7)	-2.8	(27)	(28)	-3.6
	484	389	24.5	1,570	1,424	10.3
Other associates	21	31	-31.1	101	112	-9.8
Group share of pre-tax profit	505	419	20.5	1,671	1,536	8.8
Group share of tax expense	(119)	(88)	35.2	(449)	(153)	192.9
Group share of post-tax profit	386	331	16.6	1,222	1,383	-11.6
<u>Excluding Airtel and BTL</u>						
Group share of pre-tax profit	548	562	-2.5	2,078	2,047	1.5
Group share of tax expense	(120)	(133)	-9.4	(494)	(493)	0.1
Group share of post-tax profit	428	430	-0.4	1,585	1,554	2.0

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Notes:

- (1) The accounts of the associates are prepared based on local accounting standards. Where applicable and material, the accounting policies of the associates have been restated for compliance with the Group's accounting policies. With effect from 1 April 2019, the associates' results as equity accounted by the Group are based on the new lease accounting standard adopted on prospective basis, with no restatement to the comparative periods. The cumulative effects of initial application are reflected as adjustments to the opening statement of financial position as at 1 April 2019.
- (2) Singtel holds an equity interest of 21.0% in Intouch which has an equity interest of 40.5% in AIS.
- (3) Share of results excluded the Group's share of the associates' one-off items which have been classified as exceptional items of the Group.
- (4) In May 2019, Airtel completed a rights issue and accordingly Bharti Telecom Limited ("BTL")'s equity interest in Airtel decreased to 41.2% (31 March 2019: 50.1%) and Singtel's effective equity interest in Airtel reduced to 35.2% (31 March 2019: 39.5%). In October 2019, BTL completed a capital reduction exercise to buy back 28.5 million shares from its minority shareholders. Consequently, Singtel's direct equity interest in BTL and effective equity interest in Airtel increased to 49.4% and 35.4% respectively as at 31 December 2019. In January 2020, Airtel raised funds through the placement of 323.6 million shares under a Qualified Institutions Placement, and accordingly Singtel's effective equity interest in Airtel decreased to 33.3%.
- (5) Airtel's equity interest in Airtel Africa was reduced following investments by six leading global investors and Qatar Investment Authority in October 2018 and January 2019 respectively. Its equity interest was further reduced subsequent to the listing of Airtel Africa on London Stock Exchange and Nigeria Stock Exchange in July 2019. As at 31 March 2020, Airtel's equity interest in Airtel Africa was 56.0% (31 March 2019: 68.3%).
- (6) Singtel holds an equity interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. The share of results included Singtel's amortisation of deferred gain of S\$5 million (Q4 FY2019: S\$5 million) for the current quarter and S\$21 million (FY2019: S\$20 million) for the year ended 31 March 2020 on assets previously transferred to NetLink Trust, but excluded the fair value adjustments recorded by NetLink NBN Trust in respect of its acquisition of units in NetLink Trust.
- (7) Include the share of results of Singapore Post Limited.
- (8) Shows the post-tax underlying profit contribution of the associates to the Group's underlying net profit.
- (9) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter/ year ended 31 March 2019.

"*" denotes less than +/- S\$0.5 million and "***" denotes less than +/- 0.05%.

FINANCIAL PERFORMANCE AND BUSINESS HIGHLIGHTS

Despite the onset of COVID-19 in the region, the pre-tax and post-tax profit contributions from associates grew strongly at 24% and 20% respectively. If the regional currencies had remained stable from the corresponding quarter, the associates' pre-tax and post-tax profit contributions would have increased 21% and 17% respectively on improved operational performance from Airtel and Telkomsel partly offset by lower profit from AIS.

Telkomsel registered stable operating revenue with intense competition in regions outside Java while earnings grew on higher EBITDA and lower tax expense from reduction in corporate tax rate, partly offset by higher depreciation charges. While Globe recorded higher operating revenue and EBITDA on growth in data, earnings declined on higher depreciation charges. Post-tax contribution from Globe, however, increased with 5% appreciation of the Philippine Peso. AIS' earnings declined with EBITDA growth negated by higher depreciation and spectrum amortisation charges and fair value losses. Airtel Group reported improved operational performance with double-digit increases in operating revenue and EBITDA in both India and Africa.

The Group's combined mobile customer base declined 1.4% from a quarter ago at 705 million with declines in Telkomsel, AIS and Globe mainly due to competition and decline in customer acquisition with stores closure during COVID-19.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

PT Telekomunikasi Selular (“Telkomsel”)

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 163 million mobile customers.

Operating revenue was up 1% with growth in data revenue of 17% amid continued intense competition in the regions outside Java, partly offset by lower voice and SMS revenues. EBITDA, however, rose 14% mainly due to lower operating lease expenses under the new lease accounting standard.

Including higher foreign exchange gains partly offset by higher depreciation from right-of-use assets and increased startup losses of its fintech associate, Telkomsel's pre-tax profit contribution grew 3.3% in Indonesian Rupiah terms.

As part of COVID-19 stimulus package from the government, corporate tax rate was reduced from 25% to 22% with effect from January 2020. Consequently, Telkomsel's tax expense fell and its post-tax profit contribution grew 9.0%. In Singapore Dollar terms, Telkomsel's post-tax contribution grew 10% as the Indonesian Rupiah appreciated 1%.

Telkomsel's mobile customer base declined 5.0% from a quarter ago due to competition and decline in customer acquisition with stores closure during COVID-19.

In response to large scale social restriction imposed during COVID-19, Telkomsel launched #DiRumahTerusMaju (At Home, Move Forward) campaign where it leveraged on the various assets within its digital ecosystem to support working and studying from home initiatives. These included free quota and/ or access to various e-learning apps, video conferencing, virtual classroom, virtual health consultation, and e-commerce. The pandemic has accelerated Telkomsel's digital transformation as it focused on improving the reach of its digital channel capabilities such as MyTelkomsel app and ramping up its fully digital prepaid brand, by.U.

Advanced Info Service (“AIS”)

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand.

In February 2020, AIS won the 15-year 5G spectrum licences⁹ and together with the 700MHz spectrum acquired in 2019, AIS is well positioned to secure long term leadership in 5G development and support more efficient investment to meet rising 4G demand.

AIS' service revenue (excluding interconnect and equipment rental) was stable amid COVID-19 as stronger fixed broadband revenue from a higher customer base was offset by lower mobile revenue with escalated price competition.

EBITDA grew 4% on lower payments to TOT Public Company Limited from a new partnership agreement signed in September 2019.

AIS' net profit declined 11% in Thai Baht terms after including higher depreciation and amortisation charges from investments in network assets and spectrum as well as fair value losses. However, with a 3% appreciation in the Thai Baht against the Singapore Dollar, AIS' post-tax contribution fell 7.4%.

⁹ AIS won 5G spectrum licences comprising 700 MHz (2x5MHz) for Thai Baht 17 billion, 2600 MHz (100 MHz) for Thai Baht 20 billion and 26 GHz (1200 MHz) for Thai Baht 5 billion.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

In Thailand, the mobile market was affected by severe contraction in the tourist segment and slower customer acquisition with the mandated partial lockdown in the last week of March. The prepaid segment continued to face intense price competition as well as a sharp drop in prepaid tourist SIM sales. Consequently, mobile customer base declined 2.0% compared to a quarter ago. ARPU continued to decline with intense price competition from the re-introduction of fixed-speed unlimited postpaid data plan by all operators in late February 2020.

AIS executed on its fixed-mobile convergence strategy and increased its fibre customer base by 0.3 million from a year ago in a highly competitive market.

Intouch Holdings (“Intouch”)

Intouch is listed on the Stock Exchange of Thailand, and has investments in telecommunications via its 40.5% equity interest in AIS, as well as in satellite, internet, and media and advertising businesses.

The Group's share of Intouch's net profit for the quarter declined 2.7% to S\$26 million on lower contribution from AIS. Including amortisation of acquired intangibles of S\$6 million (Q4 FY2019: S\$6 million), Intouch's post-tax contribution fell 2.4% to S\$20 million.

Globe Telecom, Inc (“Globe”)

Globe is listed on the Philippine Stock Exchange.

Service revenue and EBITDA grew 2% and 3% respectively despite lockdowns in the last two weeks of March in response to COVID-19. Globe recorded strong growth in data revenue across all data-related products and services on popularity of streaming, on-demand video content and online gaming. Home Broadband product also performed strongly on popularity of local and international entertainment from various video offerings like Netflix, Viu, DisneyLife and Fox+.

Including higher depreciation charges and share of increased equity losses from its associates, Globe's post-tax profit declined 2.8% in Philippine Peso terms. In Singapore Dollar terms, Globe's post-tax profit contribution grew 2.4% as the Philippine Peso appreciated 5%.

Globe's mobile customer base grew 7.0% from a year ago mainly from the extension of prepaid load expiry from 3 months to 12 months. However, compared to a quarter ago, mobile customer base declined 5.2% due to churn of non-revenue generating customers.

Airtel Group¹⁰

Airtel is listed on the Indian Stock Exchanges - National Stock Exchange and the Bombay Stock Exchange. It is a leading integrated telecommunications company with presence in 18 countries across Asia and Africa.

¹⁰ Airtel's results as equity accounted by Singtel are based on IFRS.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

India and Sri Lanka (“India and South Asia”)

Airtel delivered a strong quarter with double-digit growth in operating revenue and EBITDA lifted by a full quarter’s impact of the mobile tariff hikes in December 2019.

Operating revenue was up 14%, and would have increased 18%¹¹ on a comparable basis. Mobile service revenue in India grew for the fifth consecutive quarter, at 22% led by tariff increases, strong postpaid additions and increased 4G penetration. Consequently, ARPU jumped to Rs.154, up from Rs.135 in the preceding quarter and Rs. 123 in March quarter last year.

Airtel India continued to invest in network upgrading and capacity expansion, and recorded another strong quarterly increase in the number of 4G customers despite the price hikes. 4G customer base grew 57% from a year ago and data volume rose a steep 74% year-on-year. Despite business disruptions caused by COVID-19 and intense competition, mobile customer base was stable from a quarter ago. Churn remained low at 2.6% this quarter.

EBITDA rose 60% on higher operating revenue and lower operating lease expenses partially offset by increased network charges from higher investments in networks.

Including higher depreciation and amortisation charges, the Group’s share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia amounted to S\$86 million, a sharp turnaround from the share of loss of S\$12 million in the same quarter last year and more than doubled from the preceding quarter.

Africa

Airtel Africa Plc, the holding company of African operations, was listed on London Stock Exchange and Nigeria Stock Exchange. Airtel Africa was added to the FTSE 250 index and MSCI Small Cap index in 2019.

Mobile money services and 3G/4G services are now available across all the 14 African countries¹² that Airtel has presence in.

Airtel Africa continued to report strong growth momentum this quarter and recorded its ninth consecutive quarter of double-digit revenue growth¹³. In reported US Dollar terms, operating revenue and EBITDA grew 15% and 30% respectively, despite currency depreciations in various Airtel Africa markets, including the Nigerian naira, with the global economic slowdown and depressed oil and commodity prices. In constant US Dollar terms, Africa’s operating revenue grew 18% and EBITDA was up 33% with broad-based growth across voice, data and Airtel Money on the back of expanded distribution infrastructure, merchant ecosystem and increased product offerings.

¹¹ (a) Subsequent to a new tariff order, service providers of Digital TV Services in India are responsible only for re-transmission and are not in a position to control content and pricing. Consequently, TV revenue is recognised net of content charges with effect from June 2019 quarter.
(b) Airtel deferred its onboarding, installation and rental revenue over the life of the customer post its review of its accounting treatment for acquisition revenue in its DTH business in the current quarter.

¹² Namely Nigeria, Chad, Congo B, DRC, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda.

¹³ In constant US Dollar terms.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

Nigeria contributed 42% (Q4 FY2019: 39%) of Airtel Africa's operating revenue this quarter. Its revenue and EBITDA grew on higher customer base and increased data and voice usage on the back of the accelerated rollout of its distribution and network infrastructure.

Mobile money services continued its growth momentum and contributed 9% (Q4 FY2019: 9%) of Airtel Africa's revenue.

Including higher depreciation and amortisation charges from increased investments in data capacities, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) grew 8.9% to S\$89 million.

In January 2020, Airtel Africa signed a strategic partnership with Western Union. This paved the way for Airtel Africa to further cater to the needs of local and global community members to transfer money and enable international cross-border payments.

On 24 February 2020, Airtel Malawi made its debut on the Malawi Stock Exchange as the largest IPO in Malawi's history.

In March 2020, Airtel Nigeria acquired an additional 10 MHz spectrum in the 900 MHz band for USD 70 million¹⁴. This will enable Airtel Nigeria to expand and strengthen its LTE network across the country.

Airtel Group including Bharti Telecom Ltd ("BTL")

Airtel Group comprising businesses in India, Africa and Sri Lanka reported growth in operating revenue, EBITDA and EBIT of 15%, 52% and 172% respectively.

Including lower net finance cost from net repayment of borrowings partly offset by higher foreign exchange and fair value losses from the strengthening of the USD and lower tax credits, the Group's share of post-tax loss was S\$23 million, down 74% from S\$90 million in the last corresponding quarter.

Including the share of BTL's net loss of S\$17 million (mainly net finance expense), the Group's share of post-tax loss of Airtel Group including BTL amounted to S\$41 million.

Airtel recorded some exceptional items this quarter which have been classified as exceptional items of the Group. The exceptional items included a provision for regulatory cost relating to one time spectrum charge as well as additional interest accrued for the provision relating to the dispute on the definition of Adjusted Gross Revenue. On a post-tax basis, the Group's share of Airtel's exceptional items was a net loss of S\$302 million.

On 26 May 2020, BTL completed the sale of 2.75% stake in Airtel for a consideration of approximately S\$1.6 billion. Following the close of this transaction, Singtel's effective shareholding in Airtel has reduced from 33.3% to 31.9%.

¹⁴ The consideration would be USD 94 million after including NCC (Nigerian Communications Commission) fees, in line with the NCC Spectrum Trading Guidelines.

SECTION 7 : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Airtel ⁽¹⁾	Telkomsel	AIS	Intouch	Globe
Singtel's investment:					
Year of initial investment	2000	2001	1999	2016	1993
Effective economic interest (%)	33.3%	35.0%	23.3% ⁽²⁾	21.0%	47.0% ⁽³⁾
Investment to date	S\$5.07 bil ⁽⁴⁾	S\$1.93 bil	S\$1.20 bil	S\$1.59 bil	S\$1.02 bil
Closing market share price ⁽⁵⁾	INR 441	NA	THB 201 ⁽⁶⁾	THB 50 ⁽⁶⁾	PHP 1,930
Market capitalisation					
- Total	S\$45.41 bil	NA	S\$25.94 bil	S\$6.96 bil	S\$7.18 bil
- Singtel holding	S\$15.12 bil	NA	S\$6.05 bil	S\$1.46 bil	S\$3.38 bil
Operational Performance :					
Mobile penetration rate ⁽⁷⁾	88%	120%	140%	NM	150%
Market share, 31 Mar 2020 ⁽⁷⁾	28.4%	59.3%	45.2%	NM	55.0%
Market position ⁽⁸⁾	#3	#1	#1	NM	#1
Mobile customers ('000)					
- Aggregate	397,200	162,567	41,156	NM	89,320
- Proportionate	122,158	56,898	9,598	3,496	42,007
Growth in mobile customers (%) ⁽⁹⁾	3.4%	-3.6%	-0.8%	NM	7.0%
Credit ratings					
- Sovereign (Moody's/ S&P Global)	Baa2/BBB-	Baa2/BBB	Baa1/A-	Baa1/A-	Baa2/BBB+
- Company (Moody's/ S&P Global)	Ba1/BBB-	Baa1/NA	NA/BBB+	NA	NA

Notes:

(1) The mobile penetration rate, market share and market position pertain to India market only.

(2) Based on direct equity interest only.

(3) Singtel has 21.5% interest in Globe's voting shares.

(4) Excludes Singtel's direct equity investment of 5.5% in Airtel Africa which is accounted as a 'Fair Value through Other Comprehensive Income' investment in the Group's statement of financial position.

(5) Based on closing market price in local currency as of 31 March 2020.

(6) Based on local market price quoted on the Stock Exchange of Thailand.

(7) Based on actual data or latest data available as of 31 March 2020.

(8) Based on number of mobile customers and based on actual data or latest data available as of 31 March 2020.

(9) Compared against 31 March 2019 and based on aggregate number of mobile customers.

"NA" denotes not applicable.

"NM" denotes not meaningful.

Please refer to **Appendix 8** for the currency rate movements of the regional associates.

SECTION 8 : PRODUCT INFORMATION

SINGAPORE MOBILE (PRODUCT VIEW)

	Quarter			Year		YOY Chge %
	31 Mar 2020	31 Dec 2019	31 Mar 2019	31 Mar 2020	31 Mar 2019	
Mobile revenue (S\$'M) ⁽¹⁾	476	637	611	2,306	2,499	-7.7
Mobile service revenue (S\$'M) ⁽²⁾	329	376	390	1,473	1,632	-9.7
Number of mobile subscribers (000s)						
Prepaid	1,578	1,592	1,621	1,578	1,621	-2.7
Postpaid	2,704	2,673	2,574	2,704	2,574	5.1
Total	4,282	4,265	4,195	4,282	4,195	2.1
Average revenue per subscriber per month ⁽³⁾⁽⁴⁾ (S\$ per month)						
Prepaid	14	16	17	16	18	-9.6
Postpaid	33	39	41	38	43	-12.5
Blended	26	30	32	30	33	-11.1
Data services as % of ARPU ⁽⁵⁾	66%	67%	65%	66%	64%	
Postpaid external churn per month ⁽⁶⁾	0.9%	0.9%	0.8%	0.9%	0.9%	
Singapore mobile penetration rate ⁽⁷⁾	159%	159%	152%	159%	152%	
Market share ⁽⁷⁾						
Prepaid	56.9%	54.1%	54.3%	56.9%	54.3%	
Postpaid	47.2%	47.2%	47.4%	47.2%	47.4%	
Overall	50.4%	49.6%	49.9%	50.4%	49.9%	

Notes:

- (1) This comprises mobile service revenue, sales of mobile equipment and handset leasing.
- (2) This is determined net of bill rebates and prepaid sales discount, and includes mobile revenue earned from international telephone calls and broadband bundles.
- (3) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (4) ARPU includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Includes revenue from messaging and other data services.
- (6) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of average number of subscribers.
- (7) The market share data as at 31 March 2020 was based on Telco operators' published results. The other market statistics were based on IMDA's latest available published statistics as of 31 January 2020.

SECTION 8 : PRODUCT INFORMATION**AUSTRALIA MOBILE (PRODUCT VIEW)**

	Quarter			Year		YOY Chge %
	31 Mar 2020	31 Dec 2019	31 Mar 2019	31 Mar 2020	31 Mar 2019	
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,348	1,511	1,506	5,687	5,966	-4.7
Optus' mobile service revenue (A\$'M)	903	912	956	3,614	3,803	-5.0
Optus' mobile outgoing service revenue (A\$M)	844	854	902	3,385	3,586	-5.6
Number of mobile subscribers (000s)						
Prepaid	3,381	3,503	3,423	3,381	3,423	-1.2
Postpaid	5,824	5,820	5,683	5,824	5,683	2.5
Mobile Broadband ⁽²⁾	1,243	1,198	1,175	1,243	1,175	5.8
Total	10,448	10,522	10,281	10,448	10,281	1.6
ARPU per month (A\$) ⁽³⁾						
Prepaid	18	18	18	18	19	-2.5
Postpaid	37	38	42	37	42	-9.8
Mobile Broadband ⁽²⁾	20	19	20	19	21	-5.5
Blended	29	29	31	29	31	-6.6
Data revenue as a % of service revenue	85%	84%	78%	85%	78%	
Market share ⁽⁴⁾	NA	32.2%	NA	NA	NA	
Retail postpaid churn rate per month ⁽⁵⁾	1.4%	1.4%	1.5%	1.4%	1.6%	

Notes:

- (1) This comprises mobile service revenue (both outgoing and incoming), sales of equipment and handset leasing.
- (2) Defined as data-only SIMs and include customers on both prepaid and postpaid plans. Postpaid plans incur a monthly subscription fee.
- (3) Based on average number of customers, calculated as the simple average of opening and closing number of customers.
- (4) The market share data as at 31 December 2019 was based on operators' disclosures and excluded IoT.
- (5) Churn calculation excludes customers transferring from postpaid to prepaid.

"NA" denotes not available.

SECTION 8 : PRODUCT INFORMATION**Singtel TV (PRODUCT VIEW)**

	Quarter			Year		YOY Chge %
	31 Mar 2020	31 Dec 2019	31 Mar 2019	31 Mar 2020	31 Mar 2019	
Singtel TV revenue ⁽¹⁾ (\$'M)	55	55	55	218	253	-13.8
Average revenue per residential TV customer per month ⁽¹⁾ (\$\$ per month)	42	42	41	42	42	-1.9
Number of residential TV customers (000s)	382	383	381	382	381	0.4

Note:

(1) Excluding 2018 FIFA World Cup revenue, Singtel TV revenue would be S\$219 million and ARPU would be S\$41 for the year end 31 March 2019.

SINGAPORE CONSUMER FIXED

	Quarter			Year		YOY Chge %
	31 Mar 2020	31 Dec 2019	31 Mar 2019	31 Mar 2020	31 Mar 2019	
Singapore Consumer Fixed revenue (\$'M) ⁽¹⁾⁽²⁾	142	141	139	564	597	-5.4
Number of households on triple/ quad play services (000s) ⁽³⁾	518	520	517	518	517	0.2

Notes:

- (1) Singapore Consumer Fixed revenue comprises fixed broadband, fixed voice, Singtel TV and broadband, and SmartHome equipment in the residential segment only and does not include mobile.
- (2) Excluding 2018 FIFA World Cup revenue, Singapore Consumer Fixed revenue would be S\$565 million for the year ended 31 March 2019.
- (3) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, Singtel TV, fixed voice and mobile.

SECTION 8 : PRODUCT INFORMATION

OTHER PRODUCTS

Singapore	Quarter			Year		YOY Chge %
	31 Mar 2020	31 Dec 2019	31 Mar 2019	31 Mar 2020	31 Mar 2019	
<u>Fixed Broadband</u>						
Number of fixed broadband lines (000s) ⁽¹⁾	642	640	629	642	629	2.0
Singapore fixed broadband penetration rate ⁽²⁾	93.0%	92.9%	94.2%	93.0%	94.2%	
Fixed broadband market share ⁽³⁾⁽⁴⁾	42.9%	42.9%	42.3%	42.9%	42.3%	
Fibre broadband market share ⁽⁴⁾	43.0%	42.9%	45.0%	43.0%	45.0%	
<u>International Telephone</u> (for both fixed and mobile calls)						
International telephone outgoing minutes (m mins) (excl Malaysia)	308	312	434	1,322	1,874	-29.5
Average collection rate - net basis (\$\$/ min) (excl Malaysia)	0.089	0.092	0.086	0.094	0.087	8.0
<u>National Telephone</u>						
Fixed working lines (000s) ⁽⁵⁾						
Residential	734	736	747	734	747	-1.7
Business	523	541	594	523	594	-12.0
Total	1,257	1,277	1,341	1,257	1,341	-6.3
Singapore fixed line penetration rate ⁽⁶⁾	33.4%	33.4%	35.6%	33.4%	35.6%	
Singapore fixed working lines ('000s) ⁽⁶⁾	1,898	1,906	2,001	1,898	2,001	
Fixed line market share ⁽⁶⁾	66.2%	67.0%	66.9%	66.2%	66.9%	

Notes:

- (1) Include ADSL and fibre lines.
- (2) Total estimated ADSL, cable and fibre lines divided by total number of households (Source: IMDA). The market penetration rate as at 31 March 2020 was based on IMDA's latest available published statistics as of 31 January 2020.
- (3) Based on total Singtel ADSL and fibre lines divided by total ADSL, cable and fibre lines in the population.
- (4) The market share data as at 31 March 2020 was based on IMDA's latest available published statistics as of 31 January 2020.
- (5) Fixed working lines refer to Direct Exchange Lines (DEL) and Home Digital Lines.
- (6) The market share data as at 31 March 2020 was based on management's estimates. The other market statistics as at 31 March 2020 were based on IMDA's latest available published statistics as of 31 January 2020.

SECTION 8 : PRODUCT INFORMATION

Australia	Quarter			Year		YOY Chge %
	31 Mar 2020	31 Dec 2019	31 Mar 2019	31 Mar 2020	31 Mar 2019	
Retail Fixed ARPU (A\$) ⁽¹⁾	75	76	74	75	78	-3.2
Standalone Telephony Customers (000s)	55	59	95	55	95	-42.0
Broadband customers (000s)						
<i>On-net bundle and standalone broadband</i>	228	284	557	228	557	-59.0
HFC	135	168	352	135	352	-61.7
ULL	94	116	205	94	205	-54.3
<i>Off-net bundle and standalone broadband</i>	858	814	616	858	616	39.3
NBN	848	803	597	848	597	42.0
RDSL	10	12	19	10	19	-46.5
Total Broadband	1,087	1,098	1,173	1,087	1,173	-7.4
Total Fixed Customers (000s)	1,142	1,157	1,268	1,142	1,268	-10.0
TV Services (000s)	391	399	410	391	410	-4.7

Note:

(1) Excludes NBN migration revenue.

SECTION 9: GLOSSARY

“ACCC”	Australian Competition And Consumer Commission.
“ACMA”	Australian Communications and Media Authority.
“ADSL”	Asymmetric digital subscriber line.
“ARPU”	Average revenue per user.
“Associate”	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standards (International).
“ATO”	Australian Taxation Office.
“EI”	Exceptional items, which refer to items of income or expense within profit or loss 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 period.
“EBIT”	Earnings before interest and tax.
“EBITDA”	Earnings before interest, tax, depreciation and amortisation, and does not include the share of pre-tax results of associates.
“EBITDA margin”	Ratio of EBITDA over operating revenue.
“EPS”	Earnings per share.
“Free Cash Flow”	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
“HFC”	Hybrid fibre coaxial.
“ICT”	Infocomm technology.
“IFRS”	International Financial Reporting Standards
“IoT”	Internet of things.
“IMDA”	Info-communications Media Development Authority of Singapore.
“IP VPN”	Internet protocol virtual private network.
“MOU”	Minutes of use per subscriber.
“MVNO”	Mobile Virtual Network Operator.
“NA”	Not applicable.
“ND”	Not disclosed.
“NM”	Not meaningful.
“NPS”	Net Promoter Score. This is a widely used metric to measure customer experience by scoring the willingness of customers to recommend a brand following an interaction with the company.
“Optus”	Singtel Optus Pty Limited, Singtel's wholly-owned subsidiary, and its subsidiaries.
“OTT”	Over-the-top.
“RDSL”	Resale digital subscriber line.
“Regional associates”	Comprises Airtel, AIS, Intouch, Telkomsel and Globe.
“SFRS(I)”	Singapore Financial Reporting Standards (International).
“SMS”	Short message service.
“SME”	Small and medium-sized enterprises.
“STAI”	Singapore Telecom Australia Investments Pty Limited, which has 100% equity interest in Optus.
“UI/UX”	User interface/ user experience
“ULL”	Unconditional local loop.
“Underlying net profit”	Defined as net profit before exceptional items.

IMPACT ON ADOPTION OF SFRS(I) 16, LEASES

With effect from 1 April 2019, the Group has mandatorily applied Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 16, *Leases*, prospectively with no restatement of financial statements for the comparative periods. SFRS(I) 16 superceded SFRS(I) 1-17, *Leases* and the related interpretations. The cumulative effects of initial application are reflected as adjustments to the opening statement of financial position as at 1 April 2019.

Under SFRS(I) 16, a lessee recognises a right-of-use asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments in the statement of financial position. Depreciation charges on the right-of-use assets and interest expense on the lease liability are recorded in the income statement. Lease payments, split between principal payments and interest payments of lease liability, are classified as financing cash flows in the statement of cash flows. Lessor accounting remains largely similar to the previous accounting standard.

The Group is a lessee mainly for central offices, data centres, corporate offices, retail stores, network equipment, ducts and manholes.

The impact on the Group's results from adoption of SFRS(I) 16 for the current periods were as follows:

	Quarter				Year
	31 Mar 2020 S\$ m	31 Dec 2019 S\$ m	30 Sep 2019 S\$ m	30 Jun 2019 S\$ m	31 Mar 2020 S\$ m
<u>Impact on Income Statement</u>					
Operating lease expenses	-117	-106	-108	-105	-435
Depreciation & amortisation	+106	+97	+94	+94	+391
Interest expense	+19	+20	+18	+20	+77
<u>Impact on Cash Flows</u>					
Operating cash flow	+117	+106	+97	+122	+441
Financing cash flow	-117	-106	-97	-122	-441

	As at			
	31 Mar 2020 S\$ m	31 Dec 2019 S\$ m	30 Sep 2019 S\$ m	30 Jun 2019 S\$ m
<u>Impact on Statement of Financial Position</u>				
Right-of-use assets	+1,910	+2,059	+2,102	+2,133
Borrowings (secured)				
- Lease liabilities	+2,107	+2,252	+2,291	+2,285

GROUP OPERATING REVENUE

By Products and Services	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020	2019		2020	2019	
	S\$ m	S\$ m		S\$ m	S\$ m	
Mobile service (includes international call revenue)	1,153	1,312	-12.1	4,855	5,396	-10.0
Sale of equipment	504	708	-28.8	2,568	2,865	-10.4
Leasing revenue ⁽¹⁾	46	45	2.9	200	141	42.6
Mobile	1,703	2,064	-17.5	7,622	8,401	-9.3
Infocomm Technology (ICT)	871	839	3.8	3,052	3,034	0.6
Data and Internet (includes NBN migration revenues)	826	871	-5.2	3,612	3,353	7.7
Digital businesses ⁽²⁾	239	278	-14.2	1,169	1,245	-6.2
Fixed voice	164	192	-14.6	705	899	-21.6
Pay television	78	81	-3.8	314	373	-15.9
Others	20	18	14.9	68	67	1.5
Total	3,899	4,342	-10.2	16,542	17,372	-4.8

Operating Revenue Mix	Quarter		Year	
	31 Mar		31 Mar	
	2020 %	2019 %	2020 %	2019 %
Mobile service	29.6	30.2	29.3	31.1
Sale of equipment	12.9	16.3	15.5	16.5
Leasing revenue	1.2	1.0	1.2	0.8
Mobile	43.7	47.5	46.0	48.4
Infocomm Technology (ICT)	22.3	19.3	18.5	17.5
Data and Internet (includes NBN migration revenues)	21.2	20.1	21.8	19.3
Digital businesses ⁽¹⁾	6.1	6.4	7.1	7.2
Fixed voice	4.2	4.4	4.3	5.2
Pay television	2.0	1.9	1.9	2.1
Others	0.5	0.4	0.4	0.3
Total	100.0	100.0	100.0	100.0

Notes:

(1) Comprise revenue from lease of handsets to mobile customers. Handset leasing plans in Australia ceased from July 2019.

(2) Include revenue mainly from Amobee.

Operating revenue fell 10% (7.7% in constant currency terms) for the quarter and declined 4.8% (2.0% in constant currency terms) for the year for most services partly mitigated by growth in ICT.

GROUP OPERATING EXPENSES

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Cost of sales ⁽¹⁾	1,318	1,520	-13.3	5,654	5,860	-3.5
Staff costs	534	622	-14.2	2,426	2,590	-6.3
Selling & administrative	539	603	-10.6	2,087	2,490	-16.2
Traffic expenses	397	387	2.8	1,593	1,573	1.3
Repair & maintenance	111	101	10.3	390	388	0.5
Others	8	6	38.2	29	3	@
Total	2,906	3,238	-10.2	12,180	12,905	-5.6
Direct costs ⁽²⁾	1,895	2,078	-8.8	7,949	8,085	-1.7
Indirect costs ⁽²⁾	1,012	1,160	-12.8	4,231	4,820	-12.2
Total	2,906	3,238	-10.2	12,180	12,905	-5.6

As a percentage of operating revenue	Quarter		Year	
	31 Mar		31 Mar	
	2020 %	2019 %	2020 %	2019 %
Cost of sales ⁽¹⁾	33.8	35.0	34.2	33.7
Staff costs	13.7	14.3	14.7	14.9
Selling & administrative	13.8	13.9	12.6	14.3
Traffic expenses	10.2	8.9	9.6	9.1
Repair & maintenance	2.9	2.3	2.4	2.3
Others	0.1	0.2	0.2	**
Total	74.5	74.6	73.7	74.3
Direct costs ⁽²⁾	48.6	47.9	48.1	46.6
Indirect costs ⁽²⁾	25.9	26.7	25.6	27.7
Total	74.5	74.6	73.7	74.3

Notes:

(1) Cost of sales include cost of goods sold and service costs such as costs of content and programming.

(2) Direct costs comprise mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

"@" denotes more than +/- 500% and "***" denotes less than +/- 0.05%.

Total operating expenses declined 10% (7.8% in constant currency terms) for the quarter and decreased 5.6% (3.0% in constant currency terms) for the year mainly attributable to lower indirect costs on strong cost control and reduction in operating lease expenses¹.

¹ Some leases such as short term leases and leases of low value assets continue to be expensed as incurred under SFRS(I) 16.

GROUP STAFF COSTS

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020	2019		2020	2019	
	S\$ m	S\$m		S\$ m	S\$m	
Staff costs						
Optus	172	203	-15.5	802	944	-15.1
Singtel and other subsidiaries ⁽¹⁾	362	419	-13.6	1,625	1,646	-1.3
Group	534	622	-14.2	2,426	2,590	-6.3

	Quarter			YOY Chge %	Year		YOY Chge %
	31 Mar	31 Dec	31 Mar		31 Mar	31 Mar	
	2020	2019	2019		2020	2019	
Average number of staff							
Optus	6,973	7,082	7,326	-4.8	7,101	7,675	-7.5
Singtel and other subsidiaries	15,797	15,922	16,098	-1.9	15,979	16,396	-2.5
Group ⁽²⁾	22,770	23,004	23,424	-2.8	23,080	24,071	-4.1
Headcount as at end of period							
Optus	6,990	6,978	7,297	-4.2	6,990	7,297	-4.2
Singtel and other subsidiaries	15,702	15,880	16,029	-2.0	15,702	16,029	-2.0
Group ⁽²⁾	22,692	22,858	23,326	-2.7	22,692	23,326	-2.7

Note:

(1) Included wage credits from the Singapore government.

(2) Headcount for staff deployed in capital projects are included in the table above, though the related staff costs are capitalised as part of the cost of property, plant and equipment.

BUSINESS SEGMENT RESULTS (QUARTER)

	Quarter			YOY		QOQ
	31 Mar 2020 S\$ m	31 Dec 2019 S\$ m	31 Mar 2019 S\$ m	Chge %	Chge in cc ⁽¹⁾ %	Chge %
Operating revenue						
Singapore Consumer	465	565	539	-13.8	-13.8	-17.8
Australia Consumer	1,640	1,953	1,896	-13.5	-8.3	-16.0
Group Enterprise	1,559	1,536	1,632	-4.5	-3.6	1.5
Group Digital Life	234	321	274	-14.5	-16.6	-27.2
International Group	2	3	2	33.3	33.3	-17.2
Group	3,899	4,378	4,342	-10.2	-7.7	-10.9
<i>(exclude NBN migration revenues)</i>	3,817	4,161	4,252	-10.2	-7.8	-8.3
EBITDA						
Singapore Consumer	181	197	172	5.1	5.1	-8.4
Australia Consumer	494	630	672	-26.5	-22.0	-21.6
Group Enterprise	397	383	379	4.9	5.2	3.5
Group Digital Life	(4)	(8)	(18)	-79.0	-77.8	-55.4
International Group	(21)	(13)	(12)	73.2	73.2	63.8
Corporate	(15)	(26)	(27)	-45.3	-45.3	-44.3
Group	1,032	1,164	1,166	-11.5	-8.9	-11.3
<i>(exclude NBN migration revenues)</i>	950	947	1,077	-11.7	-9.4	0.4
EBIT (exclude share of associates' pre-tax profits)						
Singapore Consumer	116	132	109	6.4	6.4	-12.6
Australia Consumer	128	266	356	-64.2	-61.8	-52.0
Group Enterprise	198	204	216	-8.6	-9.4	-3.2
Group Digital Life	(32)	(30)	(35)	-7.8	-8.7	4.9
International Group	(23)	(14)	(14)	63.0	63.0	58.5
Corporate	(16)	(27)	(28)	-42.5	-42.5	-42.3
Group	371	531	605	-38.7	-37.7	-30.1
<i>(exclude NBN migration revenues)</i>	289	314	515	-44.0	-43.7	-7.9

Note:

(1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding quarter ended 31 March 2019.

BUSINESS SEGMENT RESULTS (FULL YEAR)

	Year		YOY	
	31 Mar 2020 S\$ m	31 Mar 2019 S\$ m	Chge %	Chge in cc ⁽¹⁾ %
Operating revenue				
Singapore Consumer	2,110	2,234	-5.5	-5.5
Australia Consumer	7,251	7,579	-4.3	1.2
Group Enterprise	6,026	6,329	-4.8	-3.8
Group Digital Life	1,145	1,224	-6.4	-7.3
International Group	10	6	60.7	60.7
Group	16,542	17,372	-4.8	-2.0
<i>(exclude NBN migration revenues)</i>	<i>15,975</i>	<i>17,191</i>	<i>-7.1</i>	<i>-4.5</i>
EBITDA				
Singapore Consumer	757	748	1.2	1.2
Australia Consumer	2,388	2,456	-2.7	2.8
Group Enterprise	1,587	1,695	-6.4	-6.1
Group Digital Life	(48)	(92)	-47.4	-47.5
International Group	(55)	(38)	47.2	47.2
Corporate	(87)	(78)	12.2	12.2
Group	4,541	4,692	-3.2	**
<i>(exclude NBN migration revenues)</i>	<i>3,974</i>	<i>4,512</i>	<i>-11.9</i>	<i>-9.4</i>
EBIT (exclude share of associates' pre-tax profits)				
Singapore Consumer	497	501	-0.8	-0.8
Australia Consumer	898	1,164	-22.8	-18.5
Group Enterprise	858	1,080	-20.6	-21.2
Group Digital Life	(140)	(152)	-8.0	-8.7
International Group	(60)	(43)	39.9	39.9
Corporate	(92)	(81)	14.4	14.4
Group	1,961	2,470	-20.6	-18.6
<i>(exclude NBN migration revenues)</i>	<i>1,393</i>	<i>2,289</i>	<i>-39.1</i>	<i>-38.5</i>

“**” denotes less than +/- 0.05%

Note:

(1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the year ended 31 March 2019.

GROUP ENTERPRISE SUMMARY INCOME STATEMENTS BY REGION**SINGAPORE ENTERPRISE ⁽¹⁾**

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Managed Services	404	395	2.5	1,387	1,360	1.9
Business Application Services	156	130	19.6	564	485	16.3
Cyber Security	137	130	5.8	471	440	7.1
Communications Engineering	51	39	31.3	145	119	22.2
ICT	749	693	7.9	2,567	2,405	6.8
Digital revenue as % of ICT revenue	42%	42%		43%	40%	
Mobile service	110	141	-21.7	516	598	-13.7
Sale of equipment	52	80	-34.9	287	306	-6.3
Mobile	163	221	-26.5	803	904	-11.2
Data and Internet	307	322	-4.8	1,274	1,308	-2.6
Fixed voice	47	51	-7.3	198	221	-10.6
Others	18	15	14.9	57	62	-7.3
Carriage	534	609	-12.3	2,332	2,494	-6.5
Operating revenue	1,282	1,303	-1.5	4,899	4,899	**
EBITDA	377	329	14.7	1,496	1,481	1.0
- margin	29.4%	25.3%		30.5%	30.2%	
ICT as % of total revenue	58%	53%		52%	49%	

“***” denotes less than +/- 0.05%

Note:

(1) Refers to all geographies that Group Enterprise has operations other than Australia.

AUSTRALIA ENTERPRISE

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 A\$ m	2019 A\$ m		2020 A\$ m	2019 A\$ m	
Managed Services	106	120	-11.3	418	524	-20.3
Cyber Security	28	31	-9.1	101	110	-7.9
ICT	134	150	-10.8	519	634	-18.2
Digital revenue as % of ICT revenue	42%	33%		36%	30%	
Mobile service	39	43	-8.5	158	177	-10.6
Sale of equipment	20	19	4.3	77	90	-13.5
Mobile	59	61	-4.6	235	266	-11.6
Data and Internet	62	73	-15.1	251	300	-16.3
Fixed voice	49	57	-14.0	200	243	-17.8
Carriage	169	191	-11.4	686	809	-15.2
Operating revenue	303	341	-11.2	1,205	1,444	-16.5
EBITDA	21	51	-59.1	96	217	-55.7
- margin	6.9%	15.1%		8.0%	15.0%	
ICT as % of total revenue	44%	44%		43%	44%	

OPTUS FINANCIALS IN AUSTRALIAN DOLLARS

OPTUS SUMMARY INCOME STATEMENT

For The Fourth Quarter And Year Ended 31 March 2020

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 A\$ m	2019 A\$ m		2020 A\$ m	2019 A\$ m	
Operating revenue	2,104	2,303	-8.6	8,954	9,099	-1.6
Operating expenses	(1,566)	(1,583)	-1.1	(6,414)	(6,535)	-1.8
Other income	24	28	-15.3	112	134	-16.8
EBITDA - margin	562 26.7%	748 32.5%	-24.9	2,652 29.6%	2,699 29.7%	-1.7
Share of results of joint ventures	*	*	nm	*	*	nm
EBITDA and share of results of joint ventures	562	748	-24.9	2,652	2,699	-1.7
Depreciation & amortisation	(458)	(373)	22.9	(1,815)	(1,483)	22.4
EBIT	104	375	-72.4	837	1,215	-31.1
Net finance expense	(48)	(46)	4.6	(220)	(191)	15.4
Profit before exceptional items and tax	56	329	-83.0	617	1,024	-39.8
Taxation	(17)	(101)	-83.2	(186)	(309)	-39.8
Underlying net profit	39	228	-82.9	431	715	-39.8
Exceptional items (post-tax)	(2)	*	nm	(29)	(57)	-48.5
Net profit	37	228	-84.0	402	659	-39.0

“*” denotes less than +/- A\$0.5 million.

OPTUS SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Mar	31 Dec	31 Mar
	2020	2019	2019
	A\$ m	A\$ m	A\$ m
Current assets (excluding cash)	3,613	3,603	3,753
Cash and bank balances	304	53	96
Right-Of-Use assets	1,462	1,521	-
Other non-current assets	14,201	13,912	14,166
Total assets	19,580	19,088	18,014
Current liabilities	5,571	5,115	4,613
Non-current liabilities	4,215	3,624	3,409
Total liabilities	9,786	8,739	8,021
Net assets	9,795	10,350	9,993
Share capital	5,317	5,317	5,317
Retained earnings and other reserves	4,478	5,033	4,676
Equity attributable to shareholders	9,795	10,350	9,993

CAPITAL MANAGEMENT

	As at		
	31 Mar	31 Dec	31 Mar
	2020	2019	2019
	A\$ m	A\$ m	A\$ m
Gross debt			
Current debt	2,045	1,960	1,156
Non-current debt	4,056	3,439	3,132
Gross debt as reported in statement of financial position	6,101	5,400	4,289
Related net hedging asset	(410)	(156)	(310)
Hedged gross debt	5,691	5,244	3,979
Less: Cash and bank balances	(304)	(53)	(96)
Net debt	5,387	5,191	3,883

OPTUS CASH FLOW STATEMENT

For The Fourth Quarter And Year Ended 31 March 2020

	Quarter		YOY Chg %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020	2019		2020	2019	
	A\$ m	A\$ m		A\$ m	A\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax	56	329	-83.0	617	1,024	-39.8
Non-cash items	504	419	20.2	1,994	1,606	24.2
Operating cash flow before working capital changes	560	748	-25.2	2,611	2,630	-0.7
Changes in operating assets and liabilities	285	127	123.9	336	(170)	nm
Net tax refund/ (paid)	2	(69)	nm	(103)	(288)	-64.3
Operating cash flow	847	807	4.9	2,844	2,172	30.9
Net cash outflow for investing activities						
Accrued capital expenditure	(564)	(345)	63.7	(1,419)	(1,269)	11.8
Changes in creditors' balances	257	(16)	nm	(29)	125	nm
Cash capital expenditure	(308)	(361)	-14.8	(1,448)	(1,144)	26.6
Loan to STAI ⁽¹⁾	(89)	(116)	-22.8	(199)	(233)	-14.6
Repayment of loan by STAI ⁽¹⁾	250	250	-	250	250	-
Payment for purchase of spectrum	(185)	*	nm	(216)	(37)	484.2
Payment for purchase of other intangibles	(27)	(27)	0.3	(89)	(95)	-6.0
Others	10	1	@	13	2	488.1
	(349)	(253)	38.0	(1,689)	(1,256)	34.4
Net cash outflow for financing activities						
Net increase/ (decrease) in borrowings	409	160	155.6	(293)	(136)	115.4
Settlement of swap for bonds repaid	-	-	-	187	-	nm
Dividend paid to STAI ⁽¹⁾	(600)	(600)	-	(600)	(600)	-
Net interest paid on borrowings and swaps	(56)	(52)	7.2	(233)	(195)	19.3
Purchase of Singtel shares	-	-	-	(6)	(5)	14.4
Others	-	(1)	nm	(2)	(2)	12.5
	(247)	(492)	-49.9	(947)	(938)	0.9
Net change in cash and cash equivalents	251	62	306.8	208	(22)	nm
Optus cash and cash equivalents at beginning	53	34	55.9	96	118	-19.0
Optus cash and cash equivalents at end	304	96	217.9	304	96	217.9
Optus free cash flow	539	446	20.8	1,396	1,028	35.8
Cash capex to operating revenue	15%	16%		16%	13%	

Note:

(1) The intercompany amounts are eliminated at the Group level.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	31 Mar 2020 ⁽¹⁾	31 Dec 2019 ⁽¹⁾	31 Mar 2019
	S\$ m	S\$ m	S\$ m
Current assets			
Cash and cash equivalents	1,000	576	513
Trade and other receivables	5,559	5,975	5,993
Inventories	280	318	418
Derivative financial instruments	337	198	155
	7,176	7,068	7,078
Non-current assets			
Property, plant and equipment	10,364	10,645	11,050
Right-Of-Use ("ROU") assets	2,061	2,096	-
Intangible assets	13,736	13,854	14,017
Associates	2,074	2,129	2,060
Joint ventures	11,638	11,444	12,858
Fair value through other comprehensive income ("FVOCI") investments	515	644	647
Deferred tax assets	234	247	277
Derivative financial instruments	518	103	284
Other non-current receivables	640	705	644
	41,779	41,865	41,837
Total assets	48,955	48,933	48,915
Current liabilities			
Trade and other payables	5,641	5,375	5,817
Advance billings	733	772	812
Current tax liabilities	199	161	255
Interim dividend payable	-	1,110	-
Borrowings (unsecured)	3,588	2,890	1,846
Borrowings (secured)	382	447	34
Derivative financial instruments	14	24	9
Net deferred gain ⁽²⁾	21	21	21
	10,579	10,799	8,794
Non-current liabilities			
Borrowings (unsecured)	8,384	7,854	8,734
Borrowings (secured)	1,818	1,889	50
Derivative financial instruments	123	213	150
Advance billings	190	208	197
Net deferred gain ⁽²⁾	374	384	375
Deferred tax liabilities	526	552	515
Other non-current liabilities	148	163	290
	11,562	11,263	10,311
Total liabilities	22,141	22,062	19,105
Net assets	26,814	26,871	29,810
Share capital and reserves			
Share capital	4,127	4,127	4,127
Reserves	22,662	22,795	25,711
Equity attributable to shareholders of the Company	26,789	26,923	29,838
Minority interests and other reserve	25	(52)	(28)
Total equity	26,814	26,871	29,810

Notes:

(1) Include the effects on adoption of SRS(I) 16, Leases, effective from 1 April 2019.

(2) Relates to deferred gain on transfer of certain assets to NetLink Trust.

GROUP CASH FLOW STATEMENT

For The Fourth Quarter And Year Ended 31 March 2020

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar 2020	31 Mar 2019		31 Mar 2020	31 Mar 2019	
	S\$ m	S\$ m		S\$ m	S\$ m	
Net cash inflow from operating activities						
Profit before exceptional items and tax	799	932	-14.2	3,422	3,651	-6.3
Non-cash items	210	234	-10.2	1,085	974	11.4
Operating cash flow before working capital changes	1,009	1,166	-13.4	4,507	4,625	-2.6
Changes in operating assets and liabilities	572	504	13.5	364	(126)	nm
	1,581	1,669	-5.3	4,871	4,498	8.3
Cash paid to employees under performance share plans	-	-	-	(1)	*	nm
Tax paid on operating activities	(54)	(100)	-46.2	(347)	(533)	-34.9
Operating cash flow before dividends from associates	1,527	1,569	-2.7	4,523	3,966	14.1
Dividends/ Distributions received from associates	46	41	12.3	1,439	1,549	-7.1
Withholding tax paid on dividends received	(7)	(6)	25.0	(145)	(147)	-1.2
	1,567	1,605	-2.4	5,817	5,368	8.4
Net cash outflow from investing activities						
Accrued capital expenditure	(849)	(672)	26.4	(2,044)	(1,905)	7.3
Changes in creditors' balances	325	187	73.9	8	187	-95.9
Cash capital expenditure	(524)	(485)	8.1	(2,037)	(1,718)	18.5
Investment in associates	(10)	(1)	@	(762)	(2)	@
Proceeds/ Deferred proceeds from disposal of associates	-	2	nm	7	15	-53.4
Proceeds from disposal of a subsidiary	-	15	nm	-	15	nm
Deconsolidation of subsidiary	(3)	-	nm	(3)	-	nm
Payment for purchase of spectrum	(163)	-	nm	(193)	(37)	414.7
Payment for purchase of other intangibles	(46)	(82)	-44.3	(158)	(179)	-12.2
Payment for acquisition of intangibles and other assets	-	-	-	-	(123)	nm
Deferred payment/ payment for purchase of subsidiaries, net of cash acquired	(4)	-	nm	(4)	(6)	-27.6
Investment in venture investments	(6)	(57)	-90.3	(85)	(437)	-80.5
Proceeds from disposal of venture investments	13	1	@	31	15	108.1
Proceeds from disposal of property, plant and equipment	18	23	-22.4	146	161	-9.4
Withholding tax paid on interest received on inter-company loans	(8)	(11)	-29.7	(18)	(23)	-20.7
Payment for acquisition of non-controlling interests	-	-	-	-	(16)	nm
Investment income from FVOCI investments	*	-	nm	148	*	nm
Others	1	2	-31.6	7	7	-2.9
	(732)	(593)	23.4	(2,921)	(2,329)	25.4
Net cash outflow from financing activities						
Net increase in borrowings	782	72	@	726	222	226.7
Settlement of swap for bonds repaid	-	8	nm	174	(6)	nm
Net interest paid on borrowings and swaps	(112)	(98)	14.4	(463)	(385)	20.3
Final dividend paid to shareholders	-	-	-	(1,747)	(1,747)	**
Interim dividend paid to shareholders	(1,110)	(1,110)	**	(1,110)	(1,110)	**
Purchase of performance shares	(7)	(6)	30.9	(23)	(26)	-10.2
Others	-	-	-	(4)	(4)	-9.3
	(447)	(1,134)	-60.6	(2,447)	(3,056)	-19.9
Net increase/ (decrease) in cash and cash equivalents	388	(122)	nm	450	(16)	nm
Exchange effects on cash and cash equivalents	35	(3)	nm	37	4	@
Group cash and cash equivalents at beginning of period	576	637	-9.6	513	525	-2.3
Group cash and cash equivalents at end of period	1,000	513	95.0	1,000	513	95.0
Group free cash flow (before associates' dividends/ distributions)	1,003	1,084	-7.5	2,487	2,248	10.6
Dividends/ Distributions received from associates (net of withholding tax)	39	36	10.4	1,294	1,402	-7.7
Group free cash flow	1,042	1,120	-6.9	3,781	3,650	3.6
Cash capex to operating revenue	13%	11%		12%	10%	

“*” denotes less than +/- S\$0.5 million, “***” denotes less than +/- 0.05% and “@” denotes more than +/- 500%.

CURRENCY RISK MANAGEMENT AND OTHER MATTERS

The Group maintains a policy to substantially hedge all known foreign currency exposures related to commercial commitments or transactions. These commitments or transactions include payment of operating expenses, traffic settlement, capital expenditure, interest and debt. Translation risks of foreign currency EBITDA and net investments are not hedged unless approved by the Finance and Investment Committee.

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.

Financial instruments such as foreign currency forward contracts and cross currency swaps are used only to hedge underlying commercial exposures and are not held or sold for speculative purposes. All hedging transactions are reviewed regularly.

CREDIT RATINGS

	Singtel	Optus
S&P Global Ratings	A (stable)	A- (stable)
Moody's Investors Service	A1 (negative)	A2 (negative)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate ⁽¹⁾ for:							
Operating revenue							
<u>SGD</u>							
FY2020	0.9545	0.9425	0.9317	0.9106	0.9486	0.9218	0.9351
FY2019	1.0099	0.9997	0.9864	0.9650	1.0048	0.9759	0.9898
Change (last corresponding period)	-5.5%	-5.7%	-5.5%	-5.6%	-5.6%	-5.5%	-5.5%
Underlying net profit							
<u>SGD</u>							
FY2020	0.9524	0.9408	0.9311	0.9049	0.9462	0.9254	0.9375
FY2019	1.0103	0.9980	0.9867	0.9649	1.0044	0.9743	0.9876
Change (last corresponding period)	-5.7%	-5.7%	-5.6%	-6.2%	-5.8%	-5.0%	-5.1%

1 United States Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
Derived weighted average exchange rate ⁽²⁾ for:							
Operating revenue							
<u>SGD</u>							
FY2020	1.3629	1.3755	1.3642	1.3878	1.3691	1.3743	1.3717
FY2019	1.3346	1.3644	1.3722	1.3546	1.3507	1.3646	1.3580
Change (last corresponding period)	2.1%	0.8%	-0.6%	2.5%	1.4%	0.7%	1.0%

Notes:

- (1) The monthly income statement of Optus is translated from Australian Dollar to Singapore Dollar based on the average exchange rate for the month. These rates represent the derived weighted average exchange rates for the Australian Dollar for the period to date.
- (2) The income statements of Trustwave, Amobee and HOOQ are translated from United States Dollar to Singapore Dollar based on these derived weighted average exchanges rates for the period to date.

1 Singapore Dollar buys:	Q1	Q2	Q3	Q4	H1	H2	Full Year
<u>Rupiah</u>							
FY2020	10,417	10,309	10,309	10,309	10,417	10,309	10,309
FY2019	10,417	10,638	10,753	10,417	10,526	10,638	10,526
Change (last corresponding period)	**	-3.1%	-4.1%	-1.0%	-1.0%	-3.1%	-2.1%
<u>Indian Rupee</u>							
FY2020	51.0	51.3	52.4	52.4	51.0	52.4	51.5
FY2019	50.3	51.3	52.4	52.1	50.8	52.1	51.5
Change (last corresponding period)	1.4%	**	**	0.6%	0.4%	0.6%	**
<u>Baht</u>							
FY2020	23.2	22.3	22.2	22.6	22.7	22.4	22.6
FY2019	23.9	24.1	23.9	23.4	24.0	23.6	23.8
Change (last corresponding period)	-2.9%	-7.5%	-7.1%	-3.4%	-5.4%	-5.1%	-5.0%
<u>Peso</u>							
FY2020	38.2	37.6	37.5	36.6	37.9	37.0	37.5
FY2019	39.4	39.2	38.6	38.6	39.2	38.6	38.9
Change (last corresponding period)	-3.0%	-4.1%	-2.8%	-5.2%	-3.3%	-4.1%	-3.6%

“**” denotes less than +/- 0.05%.

PROFORMA INFORMATION

The following tables show unaudited proforma proportionate financial information which has been derived from the Income Statements of the Group prepared on a statutory basis.

Proportionate presentation is not required by SFRS(I) and is not intended to replace the financial statements prepared in accordance with SFRS(I). However, since the associates are not consolidated on a line-by-line basis, proportionate information is provided as supplemental data to facilitate a better appreciation of the relative contribution from the Group's operations in Australia, Singapore and other regional markets.

	Quarter		YOY Chge %	Year		YOY Chge %
	31 Mar			31 Mar		
	2020 S\$ m	2019 S\$ m		2020 S\$ m	2019 S\$ m	
Group operating revenue						
Optus	1,916	2,222	-13.8	8,374	9,006	-7.0
Singapore	1,620	1,719	-5.7	6,527	6,629	-1.5
Other overseas subsidiaries (incl. Amobee & Trustwave)	363	401	-9.5	1,642	1,736	-5.4
	3,899	4,342	-10.2	16,542	17,372	-4.8
Proportionate share of associates' revenue						
Regional associates	3,201	3,196	0.2	13,041	12,733	2.4
Singapore associates	104	105	-1.3	474	496	-4.4
Other overseas associates	11	13	-14.3	41	47	-13.3
	3,316	3,314	0.1	13,556	13,276	2.1
Total proportionate revenue	7,215	7,656	-5.8	30,099	30,648	-1.8
% of overseas revenue to total proportionate revenue	76%	76%		77%	77%	
Group EBITDA						
Optus	511	722	-29.1	2,482	2,670	-7.0
Singapore	539	527	2.2	2,269	2,347	-3.3
Other overseas subsidiaries (incl. Amobee & Trustwave)	(18)	(82)	-78.4	(209)	(324)	-35.6
	1,032	1,166	-11.5	4,541	4,692	-3.2
Proportionate share of associates' EBITDA						
Regional associates	1,654	1,391	18.9	6,449	5,302	21.6
Singapore associates	27	33	-17.2	120	124	-3.3
Other overseas associates	8	4	107.7	34	40	-12.9
	1,689	1,428	18.3	6,603	5,465	20.8
Total proportionate EBITDA	2,722	2,595	4.9	11,145	10,157	9.7
% of overseas EBITDA to total proportionate EBITDA	79%	78%		79%	76%	
Contributions to total proportionate EBITDA						
Regional associates	61%	54%		58%	52%	
Australia	19%	28%		22%	26%	
Singapore	21%	22%		21%	24%	
Others	**	-3%		-2%	-3%	
	100%	100%		100%	100%	

*** denotes less than +/- 0.05%

MOBILE CUSTOMER BASE

Number of mobile customers (000s)	Total Number		
	31 Mar 2020	31 Dec 2019	31 Mar 2019
Singtel	4,282	4,265	4,195
Optus	10,448	10,522	10,281
	14,730	14,787	14,476
Regional Associates			
Airtel			
- India	283,667	283,036	282,640
- Africa	110,604	107,140	98,851
- South Asia	2,929	2,933	2,587
	397,200	393,109	384,078
Telkomsel	162,567	171,105	168,642
AIS	41,156	42,014	41,491
Globe	89,320	94,204	83,490
	690,243	700,432	677,701
Group	704,973	715,219	692,177